



SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
BOARD OF DIRECTORS MEETING
March 20, 2013 7:30 am

Metro-East Park and Recreation District Office
104 United Drive, Collinsville, Illinois 62234

1. Call to Order
Jim Pennekamp, President
2. Approval of Minutes of February 20, 2013
3. Public Comment on Pending Agenda Items
4. Program Status Report
Les Sterman, Chief Supervisor
5. Budget Update and Approval of Disbursements
6. 2012 Audit Report
Steve Langendorf, Scheffel & Co.
7. Design and Construction Update
Jay Martin, AMEC Environment & Infrastructure
8. Commitment of Cost-Share to Corps of Engineers for Wood River Cutoff Wall Projects
Les Sterman, Chief Supervisor
9. Corps of Engineers Update
Tracey Kelsey, U.S. Army Corps of Engineers
10. Public Comment
11. Other Business

Executive Session (if necessary)
12. Adjournment

Next Meeting: April 17, 2013

AGENDA

MINUTES

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL BOARD OF DIRECTORS MEETING

February 20, 2013

The regular meeting of the Board of Directors was held at the Metro-East Park and Recreation District Office, 104 United Drive, Collinsville, Illinois at 7:30 a.m. on Wednesday February 20, 2013.

Members in Attendance

James Pennekamp, President (Chair, Madison County Flood Prevention District)
Dan Maher, Vice-President (Chair, St. Clair County Flood Prevention District)
John Conrad, Secretary/Treasurer (Chair, Monroe County Flood Prevention District)
Alvin Parks, Jr., St. Clair County Flood Prevention District
Paul Bergkoetter, St. Clair County Flood Prevention District
Bruce Brinkman, Monroe County Flood Prevention District
Ronald Polka, Monroe County Flood Prevention District
Tom Long, Madison County Flood Prevention District
Ron Motil, Madison County Flood Prevention District

Members Absent

Others in Attendance

Delbert Wittenauer, Monroe County Board Chair
Les Sterman, SW Illinois FPD Council
Kathy Andria, American Bottom Conservancy
Rich Connor, Leadership Council SW Illinois
Walter Greathouse, Metro-East Sanitary District
Mike Huber, KdG Engineers
Joe Kellett, U.S. Army Corps of Engineers
Tracey Kelsey, U.S. Army Corps of Engineers
Kevin Koenigstein, Treasurer, Monroe County
Ellen Krohne, Leadership Council SW Illinois
Chris Layloff, Sen. Durbin's Office
Jay Martin, AMEC Environment & Infrastructure
Bruce Munholand, U.S. Army Corps of Engineers
Jack Norman
David Oates, Oates Associates
Jon Omvig, AMEC Environment & Infrastructure
Joe Parente, Madison County
Bob Shipley, Metro-East Sanitary District
Dale Stewart, Southwestern Illinois Building and Trades Council

Call to order

President Jim Pennekamp called the meeting to order.

Approval of minutes of January 16, 2013

A motion was made by Ron Motil, seconded by Dan Maher, to approve the minutes of the January 16, 2013 meeting. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - Aye
Mr. Brinkman – Aye
Mr. Bergkoetter - absent
Mr. Conrad - Aye
Mr. Long – Aye
Mr. Maher – Aye
Mr. Motil – Aye
Mr. Parks – absent
Mr. Pennekamp – Aye

The motion was approved.

Public Comment on Pending Agenda Items

Mr. Pennekamp asked if there were any comments from the public on any agenda item on today's agenda. There were none.

Mr. Bergkoetter joined the meeting at this time.

Program Status Report

Mr. Pennekamp asked Mr. Sterman to provide a status report for the project.

Mr. Sterman said that project design is moving toward completion, with attention focused on securing the necessary approvals, permits and permissions to start construction. Since the last Board meeting, three more construction packages (#6 – PdP relief wells and berms; #4 – MESD relief wells and clay caps; and, #2b – pump stations) have been submitted to the Corps of Engineers to initiate the Sec. 408 review. All Corps comments on construction package #2a -- Fish Lake pump stations -- have been resolved. By mid-April, all final designs and Sec. 408 application materials will have been submitted to the Corps.

We are giving consideration to passing off a portion of the project to the Corps of Engineers. The review of bid package #7 (for cutoff walls) has been put on hold, therefore, while we consider whether to request that the Corps take responsibility for designing and building that portion of the project (see below for more discussion of that decision). We are still awaiting some basic information from the Corps before I can make a recommendation to you. We also need some additional information regarding the use of local labor on the project. As a result, we have not yet written any checks to the Corps at this point.

The Sec. 401 water quality certification by the Illinois Environmental Protection Agency is weeks away following the public hearing and the closing of the comment period on our application. I have contacted IEPA and they are diligently working on preparing responses to all

comments that were submitted. They believe that they have adequate information to provide complete and authoritative answers to those comments within several weeks, after which the certification could be issued.

Contracts with consultants to provide real estate acquisition services have been executed. The contract with Bernardin, Lochmueller for appraisal work has been successfully negotiated and is awaiting execution. Our attorneys have recommended that they be the contracting party for the appraisal work in case any of the acquisitions would need to be made by condemnation and there was ensuing litigation. You will hear more on that subject later on the agenda.

A draft of the Council's FY2012 audit has been produced by our auditor, Scheffel & Co. The audit process was more time-consuming this year because of the transition to a new fiscal agent, and the assignment of new staff to the project by Scheffel. The final audit report should be presented at the March Board meeting.

We get an annual accounting from the Corps regarding the cost-share on the various projects to which we have contributed. Over \$200,000 in Wood River has been unused and we may be able to apply that to future projects.

A motion was made by Tom Long, seconded by Paul Bergkoetter, to accept the Program Status Report for February, 2013. At the request of Mr. Pennekamp, Mr. Conrad called the roll and the following votes were made on the motion:

- Mr. Polka - Aye
- Mr. Brinkman - Aye
- Mr. Bergkoetter - Aye
- Mr. Conrad - Aye
- Mr. Long - Aye
- Mr. Maher - Aye
- Mr. Motil - Aye
- Mr. Parks - absent
- Mr. Pennekamp - Aye

The motion was approved unanimously by those present.

Budget Update and Approval of Disbursements

Mr. Sterman reported that the financial statement for January 2013 prepared by our fiscal agent, CliftonLarsonAllen was provided in your packet.

Accrued expenditures for the current fiscal year are \$5,588,419 while revenues amounted to \$4,036,016, showing a deficit of \$1,552,403. Expenditures included a surplus held by the bond Trustee of \$1,806,015 through the end of January that was returned to the counties as required by the bond indenture. A total of approximately \$12,531,000 is now held by the counties in their respective FPD sales tax funds and is available for the Council's use on the project.

Monthly sales tax receipts for November 2012 were down by about 2.11% year over year, the sixth straight month of small declines, but are up about 0.49% for the first eleven months of the year, trends that are below our financial plan projections.

Total disbursements for the month were \$575,205.18. The largest payments were to AMEC and its subcontractors for design and construction management services, and to Noeth Excavating Systems for construction on bid package #1a. The closing balance on January 31 was \$331,041.90. This balance is unusually high because I requested \$200,000 from the construction fund from the Trustee to provide cost-share to the Corps for pending design of cutoff walls in the Wood River area, but the decision to commit those funds has been delayed.

Mr. Sterman noted an inadvertent error on the sales tax summary in the amount shown for Madison County.

A motion was made by Dan Maher, seconded by Bruce Brinkmann, to accept the budget report and approve the disbursements for January 2013. At Mr. Pennekamp's request, Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - Aye
Mr. Brinkman – absent
Mr. Bergkoetter - Aye
Mr. Conrad - Aye
Mr. Long – Aye
Mr. Maher – Aye
Mr. Motil – Aye
Mr. Parks – absent
Mr. Pennekamp – Aye

The motion was approved unanimously by those present.

Mr. Parks arrived at this time.

2013 Legislative Agenda

Mr. Pennekamp called on Mr. Sterman for a report on this item.

Each year we adopt a legislative agenda to help define our work with the area's congressional delegation. Most of this focuses on developing a better regulatory process for locally sponsored projects, because the current system doesn't work very well. Mr. Sterman described the following elements of the recommended legislative agenda:

- Streamline the Section 408 review process to rationalize the extent of the review, clarify the standard of review, eliminate redundant reviews, and reduce the time required for the review to establish a more predictable and efficient process with strict deadlines.
- Exempt any Corps designed project from Sec. 408 review, even if construction of that project is financed and built by a local sponsor.

- Eliminate the requirement for independent external peer review for projects that correct design deficiencies and do not result in any changes in the geometry of a levee system.
- Allow the value of locally-sponsored levee improvements that comprise elements of a federal project to be credited against future cost-share requirements for the federal project. There are provisions in existing law that permit such credit, but only for projects authorized after November 16, 1986. Our projects were authorized long before that date.
- Allow the Corps the flexibility to shift appropriated funds among projects located in a contiguous levee system having the same local sponsor.
- For purposes of developing FEMA flood insurance rate maps, treat locally funded flood protection projects the same as those that are built with federal funds. FEMA currently provides for a special map classification, labeled A99, which shows an area as protected from flooding in recognition that improvements of the flood protection system are funded and partially complete. However, the A99 classification is only available for those projects that are federally funded. The same provisions of law should be extended to those projects that are built with non-federal funds.

A motion was made by Alvin Parks, seconded by Dan Maher, to approve the 2013 Legislative Agenda. At Mr. Pennekamp's request, Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - Aye
 Mr. Brinkman – Aye
 Mr. Bergkoetter - Aye
 Mr. Conrad - Aye
 Mr. Long – Aye
 Mr. Maher – Aye
 Mr. Motil – Aye
 Mr. Parks – Aye
 Mr. Pennekamp – Aye

The motion was approved unanimously.

Design and Construction Update

Mr. Pennekamp called on Jay Martin, AMEC's project manager, to provide a report. Mr. Martin used a PowerPoint® presentation (attached) to illustrate his remarks. He described progress on the following items that occurred over the last month:

- BP #2A – *Fish Lake Pump Station*
- BP #7 – *Deep and Shallow Cutoff Walls*
- BP #6 – *PDP/FL Seepage Improvements*
- BP #4 – *MESD Seepage Improvements (Conoco Phillips)*
- BP #2B - *WR/MESD/PDP Pump Stations*

- Working on appraisals and property acquisitions
- 401 – IL Water Quality - Public Comment Period Closed

By the end of April, all of our bid packages, which included 100% completed construction drawings, will be submitted to the Corps for approval. Our job will then be get Corps approval on all of the construction packages.

By June, (with the exception of the cutoff walls) we hope to have all of our approvals from the Corps.

Mr. Martin described some of the next steps to be undertaken by the design team:

- USACE ownership of Deep and Shallow cutoff walls. Cost, funding and schedule.
- Restructure sequencing of Bid Packages to mesh better with the USACE schedule for their design
- Advance process regarding Mel Price and COR certification
- What solutions can the USACE design/construction that support achieving the FEMA mark? Options in MESD?

Mr. Long asked if we were all squared away with the Corps on the effort to mesh with the Corps design. Mr. Sterman said that before we send the Corps any money, we needed some basic information on scope, budget and schedule. We also have some concern about labor issues. The process is moving along.

Mr. Motil asked about the issues with labor. Mr. Sterman said that our policy is to utilize local labor to the maximum extent possible; we have endorsed the use of project labor agreements on the project and we know that the Corps has the legal authority to use a PLA, but they haven't made that commitment to us yet.

Mr. Pennekamp asked for a motion to accept Mr. Martin's progress report. A motion was made by Tom Long with a second by Ron Motil to accept the AMEC progress report. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - Aye
Mr. Brinkman – Aye
Mr. Bergkoetter - Aye
Mr. Conrad - Aye
Mr. Long – Aye
Mr. Maher – Aye
Mr. Motil – Aye
Mr. Parks – Aye
Mr. Pennekamp – Aye

The motion was approved unanimously.

Real Estate Appraisal Contract with Husch Blackwell/Bernardin, Lochmueller

Mr. Pennekamp asked Mr. Sterman to report on this item.

Mr. Sterman said that at the December 2012 meeting of the Board of Directors, he was authorized to execute a contract with Bernardin, Lochmueller & Associates (BLA) to perform real estate appraisal work in connection with acquiring certain property interests for approximately 200 parcels required by the project. The terms of that contract have now been successfully negotiated and the agreement is ready to execute. However, our legal counsel, Husch Blackwell, has suggested that during the period of time when the possibility of condemnation may exist, it would be in the Council's interest to keep appraisal information confidential.

In order to preserve the confidentiality of appraisal information, Husch has recommended that they retain BLA under the same terms and conditions as we has already negotiated. This would provide for the application of attorney client and work product privileges to the appraisal work. To conclude this arrangement we will enter into agreement with Husch to pay the costs of the BLA contract. The Council will retain all of the same rights to approve invoices, etc. that we would have had we contracted directly with BLA. Any additional costs to the Council would be minimal, since Husch would simply pass BLA invoices to us for approval.

We have used this same approach previously for the levee certification inspection during leading up to our litigation with FEMA. All information would be subject to public release after property acquisition is complete.

Mr. Sterman recommended that the Chief Supervisor be authorized to enter into contract with Husch Blackwell LLP to pay costs of real estate appraisals done by Bernardin, Lochmueller & Associates under terms and conditions authorized by the Council.

A motion was made by Mr. Long with a second by Mr. Motil to approve the contract with Husch Blackwell, subject to meeting all of the requirements of Illinois statutes, for real estate appraisal work. Mr. Conrad called the roll and the following votes were made on the motion:

- Mr. Polka - Aye
- Mr. Brinkman – Aye
- Mr. Bergkoetter - Aye
- Mr. Conrad - Aye
- Mr. Long – Aye
- Mr. Maher – Aye
- Mr. Motil – Aye
- Mr. Parks – Aye
- Mr. Pennekamp – Aye

The motion was approved unanimously.

Amendment to Office Lease

Mr. Sterman said that the Council has a lease to occupy office space with the Metro-East Park and Recreation District at 104 United Drive in Collinsville. This lease was originally executed in July 2009 and has been extended for one year terms. A copy of the lease is attached to your memo. There is no cost to the Council, other than for maintaining liability insurance on the space. The arrangement has worked out very well for the Council and it contributes to the very low administrative costs for the project.

The MEPRD has agreed to extend the lease for two years, to February 2015, under the same terms as conditions. Mr. Sterman recommended that we approve a two year extension of the existing lease for office space from the Metro-East Park and Recreation District, to terminate in February 2015.

A motion was made by Mr. Bergkoetter with a second by Mr. Parks to approve the two year amendment to the office lease with the Metro-East Park and Recreation District. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - Aye
Mr. Brinkman – Aye
Mr. Bergkoetter - Aye
Mr. Conrad - Aye
Mr. Long – Aye
Mr. Maher – Aye
Mr. Motil – Aye
Mr. Parks – Aye
Mr. Pennekamp – Aye

The motion was approved unanimously.

Corps of Engineers Update

Mr. Pennekamp called on Tracey Kelsey from the Corps of Engineers to make a report. Ms. Kelsey said that the Corps has been working to clarify a number of issues on the proposed cutoff wall project at the request of the Council. She said that the Corps very close to being able to respond to the Council. There is still a significant financial benefit to the Council for this project. The schedule has been pushed back because of the delay in getting started, but we are still within the schedule that the Council has established for the project.

Ms. Kelsey said that the Corps is also looking into what they can do regarding the labor issue. Mr. Motil asked if the Corps is opposed to the use of PLAs. Ms. Kelsey said that they were not.

The Corps still does not have a budget for FY 2014 since the President's budget has not been released. Mr. Sterman asked Ms. Kelsey to confirm that the Corps would be designing the project from scratch, even though the Council submitted a 100% design in December 2012. Ms. Kelsey responded that the Corps would use some of the information submitted by AMEC, but is essentially redesigning the project.

Mr. Parks asked about the progress of the review process. Ms. Kelsey said that the process is basically on track. Mr. Parks asked whether, if we complete all of the levee improvements, we will meet the standards of FEMA and the Corps. A discussion ensued that concluded that we expect all of the relevant standards to be satisfied.

Mr. Pennekamp asked whether we resolved the certification issue for the Mel Price levee reach. Mr. Sterman said that we are moving in the right direction, but the matter is not yet completely resolved.

Mr. Wittenauer asked whether standards might change in the future and put us back in the same position. Mr. Kellett said that he would not anticipate significant changes, but he and Mr. Martin said there was nothing that would prevent such a change.

A motion was made by Mr. Parks with a second by Mr. Polka to accept the report by the Corps of Engineers. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - Aye
Mr. Brinkman – Aye
Mr. Bergkoetter - Aye
Mr. Conrad - Aye
Mr. Long – Aye
Mr. Maher – Aye
Mr. Motil – Aye
Mr. Parks – Aye
Mr. Pennekamp – Aye

The motion was approved unanimously.

Public Comment

There was no additional public comment.

Other Business

There was no other business.

Adjournment

Motion made by Mr. Maher, seconded by Mr. Parks to adjourn the meeting. The motion was approved unanimously by voice vote, all voting aye.

Respectfully submitted,

John Conrad,
Secretary/Treasurer, Board of Directors

Southwestern Illinois Flood Prevention District Council 2013 Legislative Agenda

In general, the Council believes that the Federal government should take steps to encourage local sponsors who desire to take greater responsibility for flood protection improvements to do so. Current law anticipates that the federal government largely has the responsibility for building flood protection projects, so projects that are financed and built solely by local sponsors are treated as outliers. In the absence of explicit legislative guidance, the Corps has imposed federal processes and procedures on those projects, in effect treating them as Corps projects. This has dramatically increased the cost of design and lengthened schedules to complete even relatively simple projects.

The Corps' review process is needlessly burdensome to local sponsors and Corps staff, having the net effect of expending the equivalent resources of designing the project twice. The Corps has advocated taking responsibility for building a portion of the Council's project, in part because they argue that the agency could design the project themselves faster than they could complete a Section 408 review of an already completed local design. Even more counterintuitive is the Corps' suggestion that were the Council to build a Corps-designed project (say if federal funds for construction were not available), the agency would need to conduct a Sec. 408 review on their own design. The Corps review process is costly, inefficient, and frustrating to local sponsors, resulting in exactly the opposite policy outcome that the Federal government should seek – greater local investment in flood control.

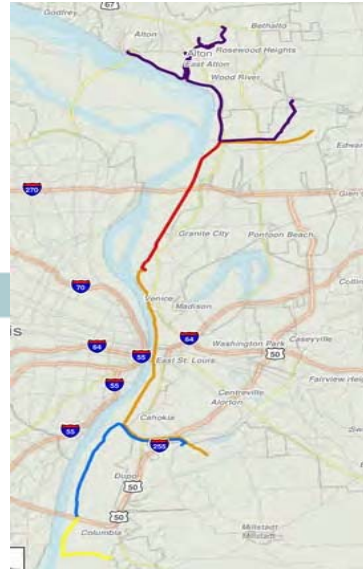
At a minimum, we believe that the following legislative and/or regulatory steps would encourage local sponsors to take more responsibility for flood protection, encourage more timely improvements to the nation's levee systems, reduce the financial burden on the federal government, and allow public funds (both Federal and Local) to be used more effectively.

- Streamline the Section 408 review process to rationalize the extent of the review, clarify the standard of review, eliminate redundant reviews, and reduce the time required for the review to establish a more predictable and efficient process with strict deadlines.
- Exempt any Corps designed project from Sec. 408 review, even if construction of that project is financed and built by a local sponsor.
- Eliminate the requirement for independent external peer review for projects that correct design deficiencies and do not result in any changes in the geometry of a levee system.

- Allow the value of locally-sponsored levee improvements that comprise elements of a federal project to be credited against future cost-share requirements for the federal project. There are provisions in existing law that permit such credit, but only for projects authorized after November 16, 1986. Our projects were authorized long before that date.
- Allow the Corps the flexibility to shift appropriated funds among projects located in a contiguous levee system having the same local sponsor.
- For purposes of developing FEMA flood insurance rate maps, treat locally funded flood protection projects the same as those that are built with federal funds. FEMA currently provides for a special map classification, labeled A99, which shows an area as protected from flooding in recognition that improvements of the flood protection system are funded and partially complete. However, the A99 classification is only available for those projects that are federally funded. The same provisions of law should be extended to those projects that are built with non-federal funds.



Progress Report
February 20, 2013
SW IL Levee System
By Jay Martin



Look back



- BP #2A – ***Fish Lake Pump Station***
- All comments closed, Advertise & Issue for Bid after USACE issuance of 408 permit

- BP #7 – ***Deep and Shallow Cutoff Walls***
- Received and tabulated all comments from the USACE and the SAR Team
- AMEC Team holding pending USACE design

- BP #6 – ***PDP/FL Seepage Improvements***
- Submitted to USACE on 1/22/2013
 - Comments due from USACE on 2/21/2013
 - 13 Comments in DR CHECKS (as of 2/18/2013)
 - No comments as of 2/18/2013 from CIVIL or GEOTECH

Look back continued



- BP # 4 – **MESD Seepage Improvements (Conoco Phillips)**
 - Submitted to USACE on 2/15/2013
 - Comments due from USACE on 3/20/2013

- BP #2B - **WR/MESD/PDP Pump Stations**
 - Submitted to USACE on 2/15/2013
 - Comments due from USACE on 3/21/2013

- Working on appraisals and property acquisitions

- 401 – IL Water Quality - Public Comment Period Closed

Bid Package	Task	Start Date	Finish Date
2A	Final Design - Pump Stations (FL Only)	1/12/2012	12/28/2012
	USACE 408 Permit Review	8/6/2012	8/31/2012
	408 Permit Approval		4/30/2013
2B	Final Design - Pump Stations (WR, MESD, PDP)	8/15/2012	5/20/2013
	USACE 408 Permit Review	2/18/2013	3/21/2013
	408 Permit Approval		5/20/2013
3	Final Design - Relief Wells, Berm, Blanket Drain (WR)	8/20/2012	6/12/2013
	USACE 408 Permit Review	4/12/2013	5/15/2013
	408 Permit Approval		6/12/2013
4	Final Design - Clay Blanket, Relief Well Sys. (MESD)	10/8/2012	4/17/2013
	USACE 408 Permit Review	2/15/2013	3/20/2013
	408 Permit Approval		4/30/2013
5	Final Design - Clay Blanket, Relief Well Sys. (MESD)	10/9/2012	6/7/2013
	USACE 408 Permit Review	4/5/2013	5/8/2013
	408 Permit Approval		6/7/2013
6	Final Design - Relief Wells & Berms (PDP/FL)	5/15/2012	4/22/2013
	USACE 408 Permit Review	1/22/2013	2/21/2013
	408 Permit Approval		4/30/2013
7	Final Design - Cutoff Walls (WR)	8/9/2012	12/17/2012
	USACE 408 Permit Review	12/17/2012	4/17/2013
	408 Permit Approval		5/17/2013

Next Packages to be submitted



- BP # 03 – ***WR Seepage Improvements (Excluding Cut Off Walls)***
- Due to USACE on 4/12/2013
 - Comments due from USACE on 5/15/2013

- BP # 05 – ***MESD Seepage Improvements (MESD excluding Conoco Phillips)***
- Due to USACE on 4/05/2013
 - Comments due from USACE on 5/08/2013

5

Next Steps



- USACE ownership of Deep and Shallow cutoff walls. Cost, funding and schedule.

- Restructure sequencing of Bid Packages to mesh better with the USACE schedule for their design

- Advance process regarding Mel Price and COR certification

- What solutions can the USACE design/construction that support achieving the FEMA mark? Options in MESD?

6

Thanks...any
questions?



Memo to: Board of Directors
From: Les Sterman
Subject: Program Status Report for March, 2013
Date: March 18, 2013

Project design continues to move toward completion, with attention now almost completely focused on securing the necessary approvals, permits and permissions to start construction. The exception is bid package #7 (for cutoff walls), where we have put the review process on hold while we consider whether to request that the Corps take responsibility for designing and building that portion of the project. As we have discussed in previous meetings, we need some basic information from the Corps on scope, budget and schedule for their proposed project before we can agree to send the needed funds for our share of the costs for this project (see below for more discussion of that decision).

There were some very important procedural milestones that were reached in March. On March 4 the Illinois Environmental Protection Agency issued the water quality certification under Sec. 401 of the federal Clean Water Act. It has taken over a year to secure this certification, which means that IEPA has come to the engineering judgment that “the proposed project may be completed without causing water pollution as defined in the Illinois Environmental Protection Act, provided that the project is carefully planned and supervised.” The water quality certification is one of the conditions to receiving of the Sec. 404 (wetlands) permit for the project and Sec. 408 permissions.

On March 1, we received the conditional permit under Sec. 404 for relating to the impacts of the project on wetlands. One major condition of the provisional permit has now been met, the Sec. 401 water quality certification from the IEPA. The remaining major condition is the granting of the Sec. 408 permission by the Corps. In essence, now, the last major regulatory hurdle for the project rests with the Corps of Engineers and the Sec. 408 review process over which they have jurisdiction.

We are working with our selected provider of wetland mitigation, Republic Services, to finalize the Wetland Mitigation Plan and to complete and negotiate our contract with them to fulfill the requirements of that plan. We selected Republic last February and have concluded negotiations on contract terms and conditions, but we are awaiting a revised price based on conditions imposed by the Corps as part of the conditional permit.

While all review issues have now been closed on bid package #2a (pump station in the Fish Lake district) we have not yet received the Sec. 408 permission from the Corps. Bid documents are already prepared for this construction package and will be issued as soon as the permission from the Corps is granted – we hope that will happen very soon.

We require some basic scope, cost and schedule information from the Corps before we can determine whether offloading parts of the project would be a prudent decision. I defined and communicated the information that we need from the Corps, initially on January 18 and again on February 5 and received a response on March 15. There have been changes in cost since the initial proposal and other conditions, but I'm hopeful that the Corps' participation in the project remains cost-effective for us. The issue is explored in detail in a Board memo on the subject to be discussed at the upcoming meeting. Suffice it to say that I will need authorization to provide additional cost-share funds to the Corps, beyond what has already been approved by the Board for this this project. Concerns about labor issues remain, however, particularly in meeting our requirement that contractors enter into project labor agreements on the project.

Contracts with consultants to provide real estate acquisition and appraisal services have been executed and work is now underway.

The Council's FY2012 audit has been produced by our auditor, Scheffel & Co and will be presented for your review at the March 20 Board meeting.

In late February, I attended a meeting in Washington at the invitation of the Corps and FEMA to discuss the cooperative effort of these two agencies to share data and to coordinate their approaches to levee safety standards. This work is a requirement of federal legislation, brought about by the frustration of levee owners and others about the differing and irreconcilable safety standards imposed by FEMA and the Corps. Apparently, the process has broken little new ground and the principal outcome thus far is an agreement between the agencies to more broadly share data and information. Over the long-term, however, the standards may start to come together. The implication for levee owners is not apparent at this point.



Memo to: Board of Directors
From: Les Serman
Subject: Budget and Disbursement Report for February 2013
Date: March 18, 2013

Budget Highlights

Attached is the financial statement for February 2013 prepared by our fiscal agent, CliftonLarsonAllen. The report includes an accounting of revenues and expenditures for the month ending February 28, 2013, as compared to our fiscal year budget.

Accrued expenditures for the current fiscal year are \$6,077,730 while revenues amounted to \$4,965,720 showing a deficit of \$1,552,403. Expenditures included a surplus for the year held by the bond Trustee of \$2,215,388 through the end of February that was returned to the counties as required by the bond indenture. A total of approximately \$ 12,940,373 is now held by the counties in their respective FPD sales tax funds and is available for the Council's use on the project.

Monthly sales tax receipts for December 2012 were down by about 1.68% year over year, the seventh straight month of small declines, but are up about 0.26% for the full year, trends that are below our financial plan projections.

Disbursements

Attached are lists of bank transactions for February 2013. Total disbursements for the month were \$637,346.87. The largest payments were to AMEC and its subcontractors for design and construction management services, and to the Illinois Environmental Protection Agency for the fees related to the Sec. 401 water quality certification. The closing balance on February 28 was \$764,061.67. This balance is unusually high because we are holding \$200,000 to provide cost-share to the Corps for pending design of cutoff walls in the Wood River area, and have not yet remitted the federal bond interest subsidy to the Trustee.

Recommendation:

Accept the budget report and disbursements for February 2013.

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION
DISTRICT COUNCIL**

**GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL**

FIVE MONTHS ENDING FEBRUARY 2013 AND 2012



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

Board Members
Southwestern Illinois Flood Prevention District Council
Collinsville, Illinois

We have compiled the accompanying General Fund Statement of Revenues and Expenditures – Budget and Actual of Southwestern Illinois Flood Prevention District Council (the “Council”) for the five months ended February 2013 and 2012. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide assurance that there are no material modifications that should be made to the financial statements. During our compilation we did become aware of departures from accounting principles generally accepted in the United States of America that are described in the following paragraph.

Management has omitted the management discussion and analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activity. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The change in fund balance for the Council's governmental activity is not reasonably determinable.

Management has not presented a balance sheet for the general fund. Accounting principles generally accepted in the United States of America require the presentation of a balance sheet for each fund contained in the financial statements. The amounts that would be reported in a balance sheet of the general fund for the Council are not reasonably determinable.

Management has not presented a change in fund balance on the Statement of Revenues and Expenditures – Budget and Actual. Accounting principles generally accepted in the United States of America require the Statement of Revenues, Expenditures and Changes in Fund Balance include a presentation of changes in fund balance. The amounts that would be reported in government-wide financial statements for the Council's governmental activity is not reasonably determinable.

Management has also elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included with the financial statements, they might influence the user's conclusions about the Council's results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying original and final budget amounts presented on the General Fund Statement of Revenues and Expenditures – Budget and Actual presented for the year ending September 30, 2013 and 2012, have not been compiled or examined by us, and, accordingly, we do not express an opinion or any other form of assurance on them.

We are not independent with respect to Southwestern Illinois Flood Prevention District Council.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

St. Louis, Missouri
March 18, 2013

SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIVE MONTHS ENDED FEBRUARY 28, 2013 (Actual)
FISCAL YEAR ENDING SEPTEMBER 30, 2013 (Budget)

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Sales Tax Proceeds From Districts	\$ 11,639,000	\$ 11,639,000	\$ 4,558,829	\$ 7,080,171
Interest Income	960,000	960,000	406,891	553,109
Other Contributions	-	-	-	-
Total Revenues	12,599,000	12,599,000	4,965,720	7,633,280
EXPENDITURES				
Current				
Design and Construction				
Engineering Design & Construction Management	6,000,000	6,000,000	1,452,619	4,547,381
Construction	42,600,000	42,600,000	718,428	41,881,572
Construction and design by US ACE	1,400,000	1,400,000	-	1,400,000
Federal Cost-Share	-	-	-	-
Total Design and Construction	50,000,000	50,000,000	2,171,047	47,828,953
Professional Services				
Legal & Legislative Consulting	126,000	126,000	67,174	58,826
Construction Oversight	160,000	160,000	-	160,000
Impact Analysis/Research	10,000	10,000	-	10,000
Financial Advisor	20,000	20,000	-	20,000
Bond Underwriter/Conduit Issuer	93,529	93,529	940	92,589
Total Design and Construction	409,529	409,529	68,114	341,415
Refund of Surplus Funds to County FPD Accounts				
Madison County	2,955,782	2,955,782	1,065,779	1,890,003
Monroe County	280,157	280,157	101,066	179,091
St. Clair County	2,907,860	2,907,860	1,048,543	1,859,317
Total Refund of Surplus Funds to County	6,143,799	6,143,799	2,215,388	3,928,411
Debt Service				
Principal and Interest	7,107,440	7,107,440	2,298,720	4,808,721
Federal Interest Subsidy	(910,140)	(910,140)	(798,802)	(111,338)
Total Debt Service	6,197,300	6,197,300	1,499,918	4,697,383
Total Operating Expenses	62,750,628	62,750,628	5,954,467	56,796,162
General and Administrative Costs				
Salaries, Benefits	192,331	192,331	102,872	89,459
Advertising	-	-	-	-
Bank Service Charges	420	420	215	205
Conference Registration	500	500	372	128
Equipment and Software	3,000	3,000	1,769	1,231
Fiscal Agency Services (EWG)	23,000	23,000	9,200	13,800
Furniture	-	-	-	-
Meeting Expenses	1,000	1,000	29	971
Postage/Delivery	400	400	133	267
Printing/Photocopies	2,500	2,500	864	1,636
Professional Services	15,000	15,000	548	14,452
Publications/Subscriptions	250	250	105	145
Supplies	1,500	1,500	1,302	198
Telecommunications/Internet	2,000	2,000	1,047	953
Travel	15,000	15,000	3,830	11,170
Insurance	1,000	1,000	977	23
Total General & Administrative Costs	257,901	257,901	123,263	134,638
Total Expenditures	63,008,529	63,008,529	6,077,730	56,930,800
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(50,409,529)	(50,409,529)	(1,112,010)	49,297,520
OTHER FINANCING SOURCES				
Proceeds From Borrowing	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ (50,409,529)	\$ (50,409,529)	\$ (1,112,010)	\$ 49,297,520

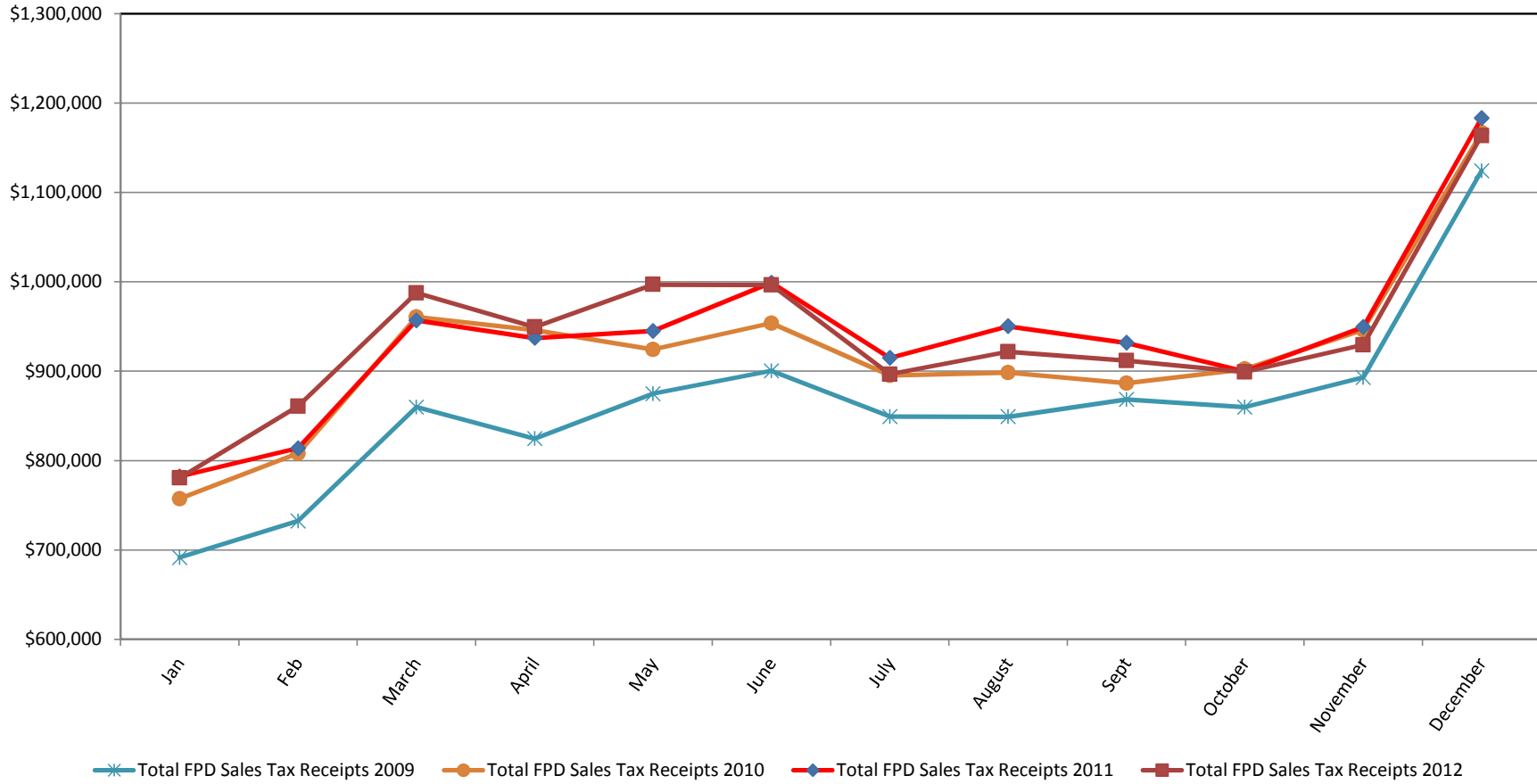
**SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIVE MONTHS ENDED FEBRUARY 29, 2012 (Actual)
FISCAL YEAR ENDING SEPTEMBER 30, 2012 (Budget)**

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Sales Tax Proceeds From Districts	\$ 11,000,000	\$ 11,000,000	\$ 4,646,408	\$ 6,353,592
Interest Income	878,365	878,365	89,838	788,527
Other Contributions	-	-	-	-
Total Revenues	<u>11,878,365</u>	<u>11,878,365</u>	<u>4,736,246</u>	<u>7,142,119</u>
EXPENDITURES				
Current				
Design and Construction				
Engineering Design & Construction Management	6,000,000	6,000,000	1,669,275	4,330,725
Construction	20,000,000	20,000,000	226,754	19,773,246
Construction and design by US ACE	1,100,000	1,100,000	-	1,100,000
Federal Cost-Share	-	-	-	-
Total Design and Construction	<u>27,100,000</u>	<u>27,100,000</u>	<u>1,896,029</u>	<u>25,203,971</u>
Professional Services				
Legal & Legislative Consulting	126,000	126,000	27,845	98,155
Construction Oversight	160,000	160,000	40,147	119,853
Impact Analysis/Research	1,000	1,000	-	1,000
Financial Advisor	20,000	20,000	941	19,059
Bond Underwriter/Conduit Issuer	93,529	93,529	-	93,529
Total Design and Construction	<u>400,529</u>	<u>400,529</u>	<u>68,933</u>	<u>331,596</u>
Refund of Surplus Funds to County FPD Accounts				
Madison County	1,999,276	1,999,276	788,327	1,210,949
Monroe County	260,706	260,706	77,279	183,427
St. Clair County	1,241,796	1,241,796	802,035	439,761
Total Refund of Surplus Funds to County	<u>3,501,778</u>	<u>3,501,778</u>	<u>1,667,641</u>	<u>1,834,137</u>
Debt Service				
Principal and Interest	7,107,440	7,107,440	2,323,270	4,784,170
Federal Interest Subsidy	(910,140)	(910,140)	-	(910,140)
Total Debt Service	<u>6,197,300</u>	<u>6,197,300</u>	<u>2,323,270</u>	<u>3,874,030</u>
Total Operating Expenses	<u>37,199,607</u>	<u>37,199,607</u>	<u>5,955,873</u>	<u>31,243,734</u>
General and Administrative Costs				
Salaries, Benefits	189,365	189,365	74,477	114,888
Advertising	2,500	2,500	-	2,500
Bank Service Charges	420	420	283	137
Conference Registration	700	700	25	675
Equipment and Software	2,300	2,300	-	2,300
Fiscal Agency Services	20,000	20,000	21,792	(1,792)
Furniture	300	300	-	300
Meeting Expenses	1,000	1,000	83	917
Miscellaneous Startup Expenses	-	-	-	-
Office Rental	-	-	-	-
Postage/Delivery	600	600	143	457
Printing/Photocopies	2,500	2,500	351	2,149
Professional Services	18,000	18,000	651	17,349
Publications/Subscriptions	200	200	-	200
Supplies	1,350	1,350	429	921
Telecommunications/Internet	3,500	3,500	1,082	2,418
Travel	12,500	12,500	3,194	9,306
Other Business Expenses	-	-	-	-
Insurance	3,000	3,000	990	2,010
Total General & Administrative Costs	<u>258,235</u>	<u>258,235</u>	<u>103,500</u>	<u>154,735</u>
Total Expenditures	<u>37,457,842</u>	<u>37,457,842</u>	<u>6,059,373</u>	<u>31,398,469</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,579,477)	(25,579,477)	(1,323,127)	24,256,350
OTHER FINANCING SOURCES				
Proceeds From Borrowing	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (25,579,477)</u>	<u>\$ (25,579,477)</u>	<u>\$ (1,323,127)</u>	<u>\$ 24,256,350</u>

Flood Prevention District Sales Tax Trends 2009-2012

2009														County Share
Jan	Feb	March	April	May	June	July	August	Sept	October	November	December	Total		
Madison	\$321,968	\$336,765	\$397,425	\$387,385	\$414,350	\$421,402	\$399,616	\$401,188	\$400,090	\$404,847	\$405,930	\$492,814	\$4,783,780	46.319%
St. Clair	\$337,979	\$362,696	\$424,556	\$398,395	\$419,126	\$438,230	\$411,968	\$410,484	\$429,852	\$412,637	\$446,806	\$581,721	\$5,074,450	49.134%
Monroe	\$31,641	\$32,903	\$37,830	\$38,757	\$41,326	\$40,847	\$37,817	\$37,497	\$38,652	\$42,270	\$40,332	\$49,755	\$469,627	4.547%
Total Month	\$691,588	\$732,364	\$859,811	\$824,537	\$874,802	\$900,479	\$849,401	\$849,169	\$868,594	\$859,754	\$893,068	\$1,124,290	\$10,327,857	
Cumulative Total	\$691,588	\$1,423,952	\$2,283,763	\$3,108,300	\$3,983,102	\$4,883,581	\$5,732,982	\$6,582,151	\$7,450,745	\$8,310,499	\$9,203,567	\$10,327,857		
2010														
Madison	\$353,146	\$374,416	\$456,795	\$462,697	\$440,815	\$452,308	\$427,329	\$433,047	\$419,455	430,210	\$442,904	\$529,069	\$5,222,191	47.272%
St. Clair	\$367,458	\$399,480	\$464,089	\$439,748	\$439,139	\$458,299	\$421,447	\$423,718	\$424,971	\$429,581	\$457,927	587067	\$5,312,924	48.094%
Monroe	\$36,770	\$34,324	\$39,884	\$43,769	\$44,358	\$43,102	\$46,499	\$41,816	\$42,207	\$42,746	\$45,411	\$51,004	\$511,890	4.634%
Total Month	\$757,374	\$808,220	\$960,768	\$946,214	\$924,312	\$953,709	\$895,275	\$898,581	\$886,633	\$902,537	\$946,242	\$1,167,140	\$11,047,005	
Cumulative Total	\$757,374	\$1,565,594	\$2,526,362	\$3,472,576	\$4,396,888	\$5,350,597	\$6,245,872	\$7,144,453	\$8,031,086	\$8,933,623	\$9,879,865	\$11,047,005		
% change/month	9.51%	10.36%	11.74%	14.8%	5.7%	5.9%	5.4%	5.8%	2.1%	5.0%	6.0%	3.8%		
% change/total	9.51%	9.95%	10.62%	11.72%	10.39%	9.56%	8.95%	8.54%	7.79%	7.50%	7.35%	6.96%	6.96%	
2011														
Madison	\$380,021	\$383,976	\$460,129	\$454,562	\$466,904	\$477,396	\$436,637	\$473,303	\$448,256	\$444,204	\$455,842	\$538,000	\$5,419,230	48.108%
St. Clair	\$363,984	\$395,231	\$455,562	\$437,820	\$436,490	\$475,972	\$433,460	\$433,777	\$441,030	\$412,793	\$451,390	\$594,129	\$5,331,638	47.330%
Monroe	\$38,315	\$34,759	\$41,192	\$44,975	\$41,786	\$45,836	\$44,887	\$43,323	\$42,564	\$42,690	\$42,252	\$51,266	\$513,845	4.562%
Total Month	\$782,320	\$813,966	\$956,883	\$937,357	\$945,180	\$999,204	\$914,984	\$950,403	\$931,850	\$899,687	\$949,484	\$1,183,395	\$11,264,713	
Cumulative Total	\$782,320	\$1,596,286	\$2,553,169	\$3,490,526	\$4,435,706	\$5,434,910	\$6,349,894	\$7,300,297	\$8,232,147	\$9,131,834	\$10,081,318	\$11,264,713		
% change/month	3.29%	0.71%	-0.40%	-0.94%	2.26%	4.77%	2.20%	5.77%	5.10%	-0.32%	0.34%	1.39%		
% change/total	3.29%	1.96%	1.06%	0.52%	0.88%	1.58%	1.67%	2.18%	2.50%	2.22%	2.04%	1.97%	1.97%	
2012														
Madison	\$381,470	\$406,476	\$473,049	\$471,191	\$481,989	\$477,254	\$427,562	\$434,603	\$428,193	\$428,521	\$429,127	\$523,240	\$5,362,675	
St. Clair	\$361,727	\$415,491	\$468,490	\$432,173	\$468,782	\$473,567	\$425,923	\$441,838	\$438,184	\$424,289	\$454,916	\$589,183	\$5,394,563	
Monroe	\$37,471	\$38,904	\$46,086	\$46,051	\$46,231	\$45,671	\$43,063	\$45,307	\$45,641	\$46,230	\$45,429	\$51,062	\$537,146	
Total Month	\$780,668	\$860,871	\$987,625	\$949,415	\$997,002	\$996,492	\$896,548	\$921,748	\$912,018	\$899,040	\$929,472	\$1,163,485	\$11,294,384	
Cumulative Total	\$780,668	\$1,641,539	\$2,629,164	\$3,578,579	\$4,575,581	\$5,572,073	\$6,468,621	\$7,390,369	\$8,302,387	\$9,201,427	\$10,130,899	\$11,294,384		
% change/month	-0.21%	5.76%	3.21%	1.29%	5.48%	-0.27%	-2.01%	-3.02%	-2.13%	-0.07%	-2.11%	-1.68%		
% change/total	-0.21%	2.83%	2.98%	2.52%	3.15%	2.52%	1.87%	1.23%	0.85%	0.76%	0.49%	0.26%	0.26%	

FPD Sales Tax Trends Actual Receipts 2009-2011



**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
SUPPLEMENTARY SUPPORTING SCHEDULE
BANK TRANSACTIONS
February 28, 2013**

Beginning Bank Balance February 331,041.90
Receipts

UMB Transfer for Admin	02/13/2013	Funds Transfer	4,715.13	
UMB Transfer for Construction	02/13/2013	Funds Transfer	610,386.74	
IRS Treasury	02/19/2013	Deposit	111,337.62	
IRS Treasury	02/19/2013	Deposit	343,732.27	-
The Bank of Edwardsville	02/28/2013	February Interest	194.88	
Total Receipts				1,070,366.64

Disbursements

microSoft Skydrive	02/01/2013	License	25.00	
Cost Less Copy Center	02/07/2013	Printing	102.00	
Courtyard by Marriot	02/08/2013	Travel Meals	17.42	
AMEC Earth & Environmental, Inc.	02/09/2013	Services	600,704.69	
CliftonLarsonAllen LLP	02/09/2013	Fiscal Agent	1,850.00	
Dorgan, McPike & Assoc, LTD	02/09/2013	Services	3,000.00	
CDW Government	02/19/2013	Supplies	406.55	
The Bank-Service Fees	02/19/2013	Wire Transfer Fee	10.00	
The Bank-Service Fees	02/19/2013	Wire Transfer Fee	10.00	
Companion-Link Software	02/21/2013	Software	49.95	
Southwest Airlines	02/21/2013	Travel	659.80	
T-Mobile	02/22/2013	Telephone	54.82	
Walmart	02/22/2013	Supplies	130.48	
Treasurer State of Illinois	02/25/2013	Log # C-0001-12	10,000.00	
Treasurer State of Illinois	02/25/2013	Log# C-0002-12	10,000.00	
Treasurer State of Illinois	02/25/2013	Log# C-0003-12	10,000.00	
AT&T	02/25/2013	Telephone	72.63	
CDW Government	02/26/2013	Supplies	115.44	
Marriott Crystal city	02/26/2013	Travel Meals	17.42	
King Street Blues	02/27/2013	Travel Meals	15.28	
Euro Cafe	02/27/2013	Travel Meals	4.56	
The Bank-Service Fees	02/28/2013	February Bank charges	16.48	
Hudson News	02/28/2013	Supplies	4.56	
King Street Blues	02/28/2013	Travel Meals	15.28	
Lambert	02/28/2013	Travel	22.50	
MetroLink	02/28/2013	Travel	3.25	
Super Park	02/28/2013	Travel	22.50	
FedEx	02/28/2013	Delivery	16.26	
Total Disbursements				637,346.87

764,061.67



Memo to: Board of Directors

From: Les Sterman

Subject: Commitment of Cost-Share to Corps of Engineers for Wood River Cutoff Wall Projects

Date: March 18, 2013

At the November, 2012 Board meeting, I was authorized to execute a Design Agreement with the Corps of Engineers so that the Council can provide the required sponsor funds to match Federal funds appropriated to carry out design activities for the Corps' project to achieve the authorized level of flood protection in the Wood River and Metro-East districts. In December, the Corps proposed that they use anticipated federal funding to undertake the design and construction of the portions of the proposed shallow and deep cutoff walls in the Wood River district that are needed to meet FEMA levee safety standards. The benefits of offloading this costly part of the project are twofold: it would avoid the Sec. 408 review process; and, it would result in substantial cost savings to the Council (see figure 1).

Metro East Project Cost Summary - Wood River Levee District						
Levee	Station Reach	Scope of Work	Construction Complete	Total Project ¹	Non-Fed Share (35%)	AMEC Total
UWR	21+00 to 39+00	1800' Shallow C/O Wall (USACE 2875')	6/30/2014	\$3,733,000	\$1,306,550	\$2,860,032
LWR	132+00 to 150+00	8 New Relief Wells (USACE Plan 14 Wells)	9/30/2014	\$960,000	\$336,000	\$641,274
LWR	150+00 to 170+00	1900' Deep C/O Wall (USACE 3970')	6/30/2014	\$13,951,000	\$4,882,850	\$18,874,709
LWR ²	297+00 to 327+00	18 New Type "D" Wells Site 15 Pump Station (USACE plan 6 wells)	9/30/2014	\$720,000	\$252,000	\$3,017,060
TOTAL				\$19,364,000	\$6,777,400	\$25,393,075

¹ Total costs include Project Management, Engineering During Construction (EDC), Construction Management (S&A), Relocations, Cultural Resources, Lands and Damages, and Environmental Compliance, Design, and Construction. Fully funded costs; Includes contingency of 26%

² Cost shown are for 6 USACE wells

Figure 1
 Cost Summary for Selected Project Elements - December 2012

In December, the Board agreed to provide \$100,000 toward cost-share for design of the Wood River project. At the time the Corps estimated that the total cost of the design of the Wood River cutoff wall projects would be \$800,000 of which the Council's cost-share would be \$200,000 (the cost-share under the Design Agreement is 25%).

While there may indeed be substantial benefits to the Council as described by the Corps, we needed some assurance that these benefits would materialize and that the Corps could meet other conditions important to us, principally maintaining our project schedule and commitment to our local workforce. On January 18 and again on February 4, I communicated those conditions to the Corps as follows:

1. A description of the scope of the project(s) to be undertaken by the Corps (including data collection, design, construction and related activities).
2. Cost-estimate including contingency, with a schedule of cash needs from the Council.
3. Design and construction schedule.
4. Commitment to appropriate progress reports.
5. Provision of required FEMA certification information.
6. Commitment to Council's requirements for local workforce participation.

On March 8, I met with Corps staff to further discuss the project, particularly our need for the information described above. We also discussed the willingness of the Corps to require the use of project labor agreements on our project.

On March 15, the Corps provided a scope of work, schedule, and cost, generally corresponding to items 1-4 on the list above (see attached). We should be able to address item 5 with some further discussion. The last item involving a commitment to maintaining the Council's requirement for workforce participation (i.e. requiring contractors to sign project labor agreements) is problematic.

The cost estimate has changed from that provided last December. Design costs have nearly doubled. The latest cost estimate for the project is about \$1.5 million for design, about \$3 million in program costs, and a construction cost ranging from \$13.9 to \$20 million. The total cost of the cutoff wall projects therefore, would be between \$18.4 million and \$24.5 million. Our current cost estimate for these projects is about \$21.7 million. Because we would be obligated to pay only about 35% of the total cost if the Corps were to construct these projects, the cost to the Council would be in the range between \$6.44 million and \$8.6 million, so there would be a significant financial savings to us -- at least \$13.1 million based on our currently adopted cost estimate.

However, despite the financial advantage to the Council, I believe it is important to address the labor issue for the area to reap net economic benefits. In short, if the project is not substantially built with local labor, the tax dollars spent on construction will largely leave the area, so the region will not benefit from the multiplier effect of those dollars circulating in our regional economy. The Council made a commitment through Board action in April, 2012 to cause any

contractor working on the project and paid with Council funds to enter into a project labor agreement. The specific resolution is shown below:

“...the Southwestern Flood Prevention District Council and its committees, departments and agents shall henceforth, with respect to the construction, alteration, painting, or repair work being done as part of the Southwestern Illinois Flood Prevention Project, as a part of the specifications in regard to such construction, alteration, painting, or repair of its property, require that any successful bidder enter into the attached Southwestern Illinois Flood Prevention District Council Project Labor Agreement for Development and Construction (or as hereafter amended), (attached hereto and marked as Attachment No. 1) covering such construction, alteration, painting, or repair projects, unless the Southwestern Illinois Flood Prevention District Council or its committees, departments or agents make a written determination that, because of the circumstances of a project in question, the benefits of not requiring a Project Labor Agreement substantially exceed the benefits of requiring such a Project Labor Agreement.”

Unless otherwise directed by the Board, I believe that this policy applies to any work undertaken on our project as currently defined that is built wholly or partially with Council funds.

In meeting with the Corps and reviewing the various guidance documents, I have come to the conclusion that there is nothing that would prevent the agency from requiring a PLA. In fact, there is a current Executive Order (Executive Order 13502: Use of Project Labor Agreements for Federal Construction Projects, signed in 2009) that encourages federal agencies to do so. The Council has previously concluded that it is in the best interest of the project and the community to use a PLA on this project and I see no reason that the Corps cannot exercise the discretion granted by current guidance and law to honor this commitment to our local workforce.

By action taken in December I am authorized to provide up to \$100,000 as cost-share for the Wood River project. Based on the Corps' new estimates, the total cost-share for design of the cutoff walls will be \$375,000. Because further delay would jeopardize the project schedule I am recommending that we provide cost-share in installments, with \$100,000 to be provided immediately and the remainder provided following a satisfactory resolution of the labor issue.

No further action is necessary at this time, since I already have authorization to commit \$100,000 to the Corps. Further Board action will be required for the remainder of design costs.

SCOPE OF WORK

USACE, St. Louis District

DESIGN AND CONSTRUCTION OF SHALLOW CUTOFF WALL AND DEEP CUTOFF WALL FOR DESIGN DEFICIENCY CORRECTION AT WOOD RIVER DRAINAGE AND LEVEE DISTRICT FOR THE SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL

1. Scope of Work. Work shall consist of the design of the authorized federal project for design deficiency corrections as described in the Wood River Levee System Limited Reevaluation Report (LRR), Design Deficiency Corrections, Wood River Drainage and Levee District, Madison County, IL approved August 31, 2011. Specifically, work shall consist of design of the authorized project for the shallow and deep cutoff walls. Design shall be limited to the length of wall(s) corresponding to the Southwestern Illinois Flood Protection District Council's (FPD) 100-yr FEMA accreditation project including any additional measures for end wall/window effects that may be required. Construction shall be subject to execution of a Project Partnership Agreement.

Project Description*		
Description	Start Station	End Station
Shallow Cutoff Wall	21+00	37+00
Deep Cutoff Wall	151+00	170+00

*Stationing provided by FPD/AMEC and subject to change

2. Project Location. Wood River Drainage and Levee District (Levee District) lies in southwestern Illinois, on the left bank of the Mississippi River flood plain, within Madison County, Illinois, between river miles 195 and 203 above the Ohio River. The levee district is an urban design levee which lies across the Mississippi River from St. Louis and St. Charles counties in Missouri. The Wood River levee system is part of a larger Metro East levee system that includes the MESD, Chain of Rocks, and Prairie du Pont and Fish Lake levee systems to the south.

3. Description of Work.

- a. **Project.** The term Project shall mean: Upper Reach - the slurry trench cutoff wall to shallow clay layer at the riverside toe of the levee and associated end effects/window provisions; Lower Reach – a slurry trench cutoff wall to deep clay layer and/or into bedrock at the riverside toe of the levee and associated end effects/window provisions; slurry trench cutoff wall staging areas and equipment access areas as generally described in the LRR.
- b. **Basis for Design.** Design of the project shall be completed by application of the procedures usually applied to Federal project, in accordance with Federal laws, regulations, and policies.

- c. Work. Work shall consist of (but is not limited to):
1. Review of Existing Data: Existing field data will be reviewed and utilized where applicable.
 2. Field Data Collection: Subsurface exploration and data collection will be conducted to identify and optimize solutions to best fit the defined project areas.
 - a. Shallow Wall – 9 riverside toe borings
 - b. Deep Wall – 11 landside borings and 11 riverside borings
 3. Testing: Testing of field data shall included
 - a. Standard Penetration Test - ASTM D 1586-11
 - b. Atterburg Limits - ASTM D 4318-05
 - c. Moisture Content - ASTM D 2216-05
 - d. Sieve Analysis - ASTM D 422-63 (07)
 - e. Unconfined Compression Test - ASTM D 2166-06
 - f. Self Boring Pressure Meter Test
 - g. Point Load Index Test - ASTM D 5731-08
 4. Geotechnical Design
 - a. gINT Data Entry
 - b. Development of Soil Stratigraphy and Soil Design Parameters
 - i. Permeability
 - ii. Soil Strengths
 - iii. Elastic Modulus
 - c. 2-D Seepage and Stability Models
 - i. Critical sections based on stratigraphy and geometry
 - ii. Coupled GeoStudio Seepage and Stability Analyses
 - d. 3-D GMS Seepage Models
 - i. Determine end effects
 - ii. Design windows for utilities and highway crossing
 - e. 3-D FLAC Stability Models (Deep Wall only)
 - i. Optimize panel length
 5. Civil Design Elements
 - a. Quantities
 - b. Utilities
 - c. Drainage
 - d. Rights-of-Way
 6. Hydrologic and Hydraulic Analysis
 7. Design Documentation Report (DDR): Design and analysis computations for the project, considered complete at the completion of the plans and specifications.
 8. Value Engineering Study – systematic study of project to maximize value by producing a product that will accomplish the required functions at reduced, reasonable and acceptable life cycle costs.
 9. Reviews
 - a. Agency Technical Review (ATR) – Continuous review in which the team is involved throughout the entire design process
 - i. Team Disciplines
 1. Geotech
 2. Civil
 3. Hydraulics
 4. Cost
 5. Construction
 - ii. Team will include sponsor representative

- iii. Interim submittals at completion of individual design tasks
 - 1. Development of Soil Stratigraphy and Soil Design Parameters
 - 2. 2-D seepage and stability analyses
 - 3. 3-D GMS seepage models
 - 4. 3-D FLAC stability models
 - 5. Civil Design
 - 6. Completion of DDR
 - b. Biddability, Constructability, Operability and Environmental (BCOE) Review
 - c. Safety Assurance Review (SAR) – Type II IEPR
- 10. Plans and Specifications: Plans consist of all civil, structural, or other drawings and include plan and profile sheets, sections, details, right-way, boring log sheets, hydraulic data and reference drawings; specifications consists of cost estimate, technical and non-technical sections.
- 11. Rights-of-Way acquisition
- 12. Environmental Compliance
- 13. Contract Solicitation
- 14. Construction
 - a. Construction Management
 - b. Engineering during construction

4. General Requirements

- a. Coordination. A Design Coordination Team (DCT) shall be established and shall include representatives from the FPD. The team shall meet regularly until the end of the project design. The DCT shall generally oversee the project in matters relating to design, completion of all necessary environmental coordination and documentation, scheduling of reports and work products, plans and specifications, real property and relocation requirements, design contract costs, and the Government's cost projections. The DCT may make recommendations to the District Engineer on matters related to the project that the team generally oversees, including suggestions to avoid potential sources of dispute. The Government in good faith shall consider the recommendations of the team. The Government, having the legal authority and responsibility for design of the project, has the discretion to accept or reject, in whole or in part, the team's recommendations.
- b. Meetings. The DCT shall meet on a monthly basis to review the status of the design. More frequent meetings may be scheduled as necessary.
- c. Progress Reports. Bimonthly progress reports will be provided.
- d. Points of Contact. The Government's Program Manager for this project is:

Tracey Kelsey
 CEMVS-PM-N
 1222 Spruce Street
 St. Louis, MO 63103-2833
 Phone: 314.331.8477
 E-Mail Address: Tracey.B.Kelsey@usace.army.mil

5. Project Cost Summary. The estimated project costs represent the design and construction of the authorized federal project for design deficiency corrections for the Wood River shallow and deep cutoff walls. The work shall be limited to the length of wall(s) corresponding to the FPD's 100-yr FEMA accreditation project including any additional measures for end wall/window effects that may be required. Construction costs reflect both a base cost and a cost including potential increases for use of specialized equipment.

PROJECT COST ESTIMATE			
	Shallow Cutoff Wall Cost	Deep Cutoff Wall	
		Base Cost	Cost W/ Potential Add
Field Data/Analysis	\$176,500	\$461,200	\$461,200
Design	\$332,500	\$528,300	\$528,300
Program Costs	\$1,246,000	\$1,711,000	\$1,711,000
Construction	\$1,960,000	\$11,941,000	\$18,100,000
TOTAL	\$3,715,000	\$14,641,500	\$20,800,500

PROJECT COST SHARE			
	Project Cost Estimate	Federal Share 65%	Non-Federal Share 35%
Shallow Cutoff Wall	\$3,715,000	\$2,414,750	\$1,300,250
Deep Cutoff Wall:			
Base	\$14,641,500	\$9,516,975	\$5,124,525
w/ Potential Add	\$20,800,500	\$13,520,325	\$7,280,175

6. Schedule. Work shall be performed in accordance with the following schedule. The duration estimates are based on current knowledge and assumptions. Initiation of schedule is dependent on FPD's willingness to cost share the project. Actual start and completion dates will be determined upon receipt of sponsor project cost share funds. Multiple activities will be executed concurrently. Current scheduled duration for design is 131 days from initiation of field work to completion of SAR.

Activity Description	Duration
Deep Slurry Riverside Drilling	14
Lower Landside Drilling	10
Marina Drilling	14
Deep Slurry Riverside Testing	15
Deep Slurry Riverside gINT	14
Deep Slurry Riverside GeoStudio (2D Seepage/Stability)	24
Deep Slurry Riverside GMS (3D Seepage)	60
Deep Slurry Riverside FLAC (3D Stability)	60
Lower Landside Testing	6
Lower Landside gINT	5
Marina Testing	15
Marina gINT	14
Marina GeoStudio (2D Seepage/Stability)	24
Marina GMS (3D Seepage)	59
Value Engineering Study (VE)	12
Agency Technical Review (ATR)	29
BCOE (Biddability, Constructability, Operability, Envir)	53
Safety Assurance Review (SAR)	31
Plans and Specification	101
Rights-of-way acquisition	180
Environmental Compliance	180
Contract Solicitation (Dependent on solicitation method)	90
Construction	270