



Memo to: Board of Directors

From: Les Sterman

Subject: Program Status Report for April, 2013

Date: April 15, 2013

AMEC continues to work both to submit all of the final Sec. 408 review packages to the Corps as well as to resolve comments on those packages that have already been submitted. While the initial approval was given for Bid Package 2a, a pump station in the Fish Lake district, additional questions were raised following the subsequent submittal and review of Bid Package 6 for berms and relief wells in the area. The primary questions concerned how the flow from the proposed relief wells was reconciled with the pump station capacity. Because of the sequence of submissions (pump stations submitted prior to berms/relief wells), there was a potential for additional questions concerning the alignment of these packages. AMEC has been responding to those questions and we expect that Bid Package 2a will be approved imminently and Bid Package 6 soon thereafter, enabling us to advertise those packages for bid in May. However, the questions raised in the review of Bid Package 6 suggest the need for some revisions of Bid Packages 3 and 5, originally scheduled for mid-April. AMEC will address this scheduling issue in more depth at the Board meeting, but at this point I do not anticipate a threat to the date for project completion.

The Council's design process for Bid Package 7 (for cutoff walls) has been put on hold because the Corps is proceeding with the design of these project elements in accordance with our design agreement with them. Upon receipt of the information that we requested from the Corps concerning the scope, budget and schedule for the project, we agreed to provide the initial installment of cost-share so that they could begin the design process. At the April meeting, I will ask for approval to provide the remaining cost-share for the design. Other issues remain to be resolved, particularly concerning labor agreements, prior to our agreement to provide cost-share for construction.

On March 2, a meeting was held at the offices of the Corps of Engineers concerning the use of Project Labor Agreements on the portions of the project undertaken by the Corps. As described at the last Board meeting, as currently written the Council's policy on the use of Project Labor Agreements requires the use of PLAs on any portion of the project undertaken wholly or partially with Flood Prevention District Sales Tax funds. The meeting was organized by the Leadership Council and included business, civic and labor leaders, along with local contractors experienced in the use of PLAs. Leadership from the Corps St. Louis District also attended, along with procurement and construction staff. While there remains some apparent resistance on

the part of Corps staff to the use of PLAs, we were able to respond to some of the concerns that have been raised over the last several weeks. The Corps has an internal procedure that describes how they would go about considering the use of a PLA for a construction job. They appeared willing to begin advancing the process, but indicated that there are a number of hurdles to overcome before a PLA could be considered. The first step in the Corps procedure is to do a “market survey” requesting comments from the contracting community on the use of a PLA for the project. That request for comments was issued on April 12, with responses due back by May 13.

The President’s budget proposal, released on April 10, included funds for the Wood River and MESD projects (\$20.86 million and \$12.85 million respectively). Should these amounts be appropriated by Congress, they should be sufficient to accomplish the cutoff wall work in Wood River and other projects in MESD (possibly a cutoff wall as well).

The property appraisal and acquisition process is now underway for bid packages 2a and 6. The hope is that we can acquire the property rights quickly, so those projects can proceed without delay.

We are awaiting a revised wetland mitigation proposal from Republic Services, so that we can satisfy one of the conditions of our Sec. 404 permit and begin work as quickly as possible, coinciding with the start of project construction.

Given the foregoing progress, there are several items that I will propose advancing at the April Board meeting, including commitments of additional cost-share for design work on the Wood River Cutoff wall, consideration of the Project Partnership Agreement for the Wood River Project, and permission to advertise for bids for construction packages 2a and 6.