



SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
ANNUAL MEETING
BOARD OF DIRECTORS MEETING
August 21, 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 July 17, 2013
3. Public Comment on Pending Agenda Items
4. Program Status Report
Les Sterman, Chief Supervisor
5. Budget Update and Approval of Disbursements
6. Design and Construction Update
Jay Martin, AMEC Environment & Infrastructure
7. FY2014 Flood Prevention District Budget and Annual Report
Les Sterman, Chief Supervisor
8. USACE Request for Cost-Share Payment for Wood River Design Deficiency Correction
Les Sterman, Chief Supervisor
9. Contracts with ABNA Engineering, Inc. and Juneau Associates for Quality Control and Materials Testing Services
Les Sterman, Chief Supervisor
10. Update from Corps of Engineers
Tracey Kelsey, U.S. Army Corps of Engineers
11. Annual Renewal of Employment Agreement with Les Sterman to Serve as Chief Supervisor of Construction and the Works
12. Election of Officers for 2013-2014
13. Public Comment

AGENDA

Executive Session

14. Real Estate Transactions
Les Serman, Chief Supervisor
15. Other Business
16. Adjournment

Next Meeting: September 18, 2013

AGENDA

MINUTES

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL BOARD OF DIRECTORS MEETING

July 17, 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 July 17, 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)
Paul Bergkoetter, St. Clair County Flood Prevention District
Tom Long, Madison County Flood Prevention District
Ron Motil, Madison County Flood Prevention District
Bruce Brinkman, Monroe County Flood Prevention District
Ronald Polka, Monroe County Flood Prevention District

Members Absent

Alvin Parks, Jr., St. Clair County Flood Prevention District

Others in Attendance

Alan Dunstan, Madison County Board Chair
Mark Kern, St. Clair County Board Chair
Mike Kovarik, Monroe County Board
Les Serman, SW Illinois FPD Council
Kathy Andria, American Bottom Conservancy
Raymond Bailey, ABNA Engineering
Rich Connor, Levee Issues Alliance
Lou Dell'Orco, U.S. Army Corps of Engineers
Rick Fancher, Metro-East Sanitary District
Mike Feldmann, U.S. Army Corps of Engineers
Bobby Green, Laborers Local 100/Laborers District Council
Col. Christopher Hall, U.S. Army Corps of Engineers
Mark Harms, SCI Engineering, Inc.
John Herzog, Madison County Community Development
Gary Hoelscher, Hoelscher Engineering
Marvin Johnson, Marks & Assoc.
Phil Johnson, Phil Johnson Realtor
Charles Juneau, Juneau Associates
Tracey Kelsey, U.S. Army Corps of Engineers
Erica Kennett, City of Collinsville
Ellen Krohne, Leadership Council
Linda Lehr, Monroe County
Matt MacAnarney, Sen. Richard Durbin's office

Sandra Marks, Marks & Assoc.
Jay Martin, AMEC Environment & Infrastructure
Kendra Mitchom, AMEC Environment & Infrastructure
Jack Norman, Southern Illinois Groundwater Advisory Council
David Oates, Oates Assoc.
Jon Omgig, AMEC Environment & Infrastructure
Joe Parente, Madison County
Dustin Ramage, Laborers District Council
Glyn Ramage, SW Illinois Building Trades Council
Brennen Soval, Husch Blackwell
Rob Schaedler, ABNA Engineering
Brennan Soval, Husch Blackwell
Dale Stewart, Southwestern Illinois Building Trades Council
Mike Sullivan, Prairie DuPont Levee and Sanitary District
Lytle Trouty, AMEC Environment & Infrastructure
Dale Vehlewald, AMEC Environment & Infrastructure

Call to order

President Jim Pennekamp called the meeting to order.

Approval of minutes of June 19, 2013

A motion was made by Dan Maher, seconded by Ron Motil, to approve the minutes of the Board meeting held on June 18, 2013. 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.

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.

Program Status Report

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

Mr. Sterman reported that we are continuing to work with the Corps of Engineers to complete the Sec. 408 review of all construction bid packages. That process seems like it is nearing an end.

Bids were opened for the first two major construction packages on July 2. The bids reflected a high level of competition and aggressive pricing, so the first impression is that the bid process is successful and costs will fall well within our budget.

Mr. Sterman said that, as you will hear later in the agenda, the Corps has issued its decision on the use of a project labor agreement for bid packages 7a/7b, the shallow and deep cutoff walls in the Wood River district. While there are no details available, their contract officer has concluded that requiring or encouraging the use of a PLA would be inconsistent with the Federal Acquisition Regulation (FAR). We vigorously dispute that contention and I am seeking a written statement from the Corps describing the basis for such a legal conclusion. The Corps also stated that PLAs have never been encouraged or required by any federal agency. To the contrary, the Department of Defense, the General Services Administration, and the National Aeronautics and Space Administration, in issuing an amendment to the FAR in 2010, noted that PLAs have been used by a number of federal agencies. Our bipartisan congressional delegation supports our policy to use a PLA on the project and they contacted the Corps on our behalf.

Before construction can start on the projects that are currently out for bid, we will need to complete any required property acquisition and make progress in completing our final wetland mitigation plan. The process of assembling required property descriptions and appraisals has moved more slowly than expected, so negotiations with property owners have only begun in the last few weeks. On July 10, the Monroe County FPD sponsored a workshop with affected property owners, who were invited to attend and meet with the design and property acquisition teams. This meeting was productive and I think it will accelerate the pace of the acquisition process for bid package 6. Unfortunately, we have postponed putting two other construction packages out for bid because of delays in contacting owners about affected property.

Another precursor to construction will be to finalize a wetland mitigation plan and put implementation of that plan into motion. We now have an executed agreement with Republic Services. Their contractor, SCI Engineering, is now completing the design and cost estimate necessary to allow the mitigation plan to proceed.

Six submittals were received on June 28 in response to our solicitation for quality control and materials testing services for the project (one proposal was determined to be unresponsive). The proposals were evaluated by me and staff from AMEC and Marks Associates. I will recommend a selection at the July Board meeting.

The Corps is proceeding on design work for the Wood River cutoff wall as we agreed. AMEC is monitoring progress and will be able to report further at the Board meeting. Discussions have also take place to determine if there is a similar cost-effective and timely approach to the Corps using expected federal appropriations on portions of the project in the MESD area. Given the

Corps' response on the PLA issue, however, we may want to consider other ways to utilize the federal money.

The Corps has started to provide AMEC with information that may be useful for certification of the Chain-of-Rocks levee and the Mel Price deficiency correction. Given the legal and functional limitations on those data, the Council will likely have to spend more than expected to certify these levee reaches.

I was in Washington D.C. for meetings arranged by our government relations consultant on June 20 and 21 with committee staff responsible for water resources matters in the House and Senate. I also met with legislative staff of the members of our delegation. We presented a specific list of "asks" for their consideration.

We got a very positive reception and, since the House is currently writing its version of the reauthorization of the Water Resource Development Act, members agreed to forward our request to the committee staff.

Lastly, in response to the discussion at the June Board meeting, I have undertaken a budgeting exercise that will be presented later in the agenda. Based on this budget review, which considered updated construction cost estimates and the current project schedule, I believe that the Council has the financial capacity to meet our goal of completing the project and achieving FEMA certification by the end of 2015.

Mr. Conrad noted that the meeting with affected property owners was quite successful and he thanked all those who participated. He suggested that we might want to do something similar in the other counties. Mr. Sterman agreed.

Mr. Pennekamp asked what the likelihood is that our "asks" will be included in legislation in Washington. Mr. Sterman said that a couple of the proposals have already been included in the Senate bill, thanks to Sen. Durbin. Mr. Sterman was hopeful, but couldn't really speculate on what would be in the House version of WRDA.

A motion was made by Mr. Bergkoetter, seconded by Mr. Brinkman, to accept the Program Status Report for July, 2013. 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.

Budget Update and Approval of Disbursements

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

Accrued expenditures for the current fiscal year are \$13,661,212 while revenues amounted to \$9,057,151 showing a deficit of \$4,604,062. Expenditures include a surplus for the year held by the bond Trustee of \$3,712,506 through the end of June that was returned to the counties as required by the bond indenture. A total of approximately \$ 14,437,491 is now held by the counties in their respective FPD sales tax funds and is available for the Council's use on the project.

Following an increase in January, sales tax receipts have declined every month. Receipts for April 2013 (the latest month reported by the Illinois Department of Revenue) were down by about 4.64% year over year, a large decline which does not seem credible. Needless to say, such a dramatic decline in our sales tax collections will affect the amounts that we can finance in the future.

Attached are lists of bank transactions for June 2013. Total disbursements for the month were \$245,542.39. The largest payments were to AMEC and its subcontractors for design and construction management services, and to East-West Gateway for salary and benefits.

A motion was made by Dan Maher, seconded by Ron Motil, to accept the budget report and approve the disbursements for May 2013. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - Aye
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.

Design and Construction Update

Mr. Pennekamp called on Jay Martin, AMEC's project manager, to provide a report. Mr. Martin used a PowerPoint® presentation and a handout (attached) to illustrate his remarks. He focused his presentation on the status of each bid package as follows:

- BP #2A – *Fish Lake Pump Station*
 - All comments closed
 - Advertised 5/1/2013
 - Bid documents available 5/9/2013
 - 68 bid packages requested
 - Pre-bid meeting 5/17/2013
 - Diversity Outreach Meeting 6/17/2013
 - Bids received Tuesday, 7/2/2013
 - Flood Prevention District Council Meeting 7/17/2013
 - *Original Construction Schedule Start 5/1/2013*

- BP #2B - *WR/MESD/PDP Pump Stations*
 - Re-submittal to USACE on 5/20/2013
 - Comments posted
 - Response to comments 7/10/2013
 - Anticipated advertisements 7/21/2013 - holding for land acquisition
 - Anticipated Bid Closing 9/6/2013
 - Flood Prevention District Council Meeting 9/18/2013
 - *Original Construction Schedule Start 7/29/2013*

- BP # 03 – *WR Seepage Improvements (Excluding Cut Off Walls)*
 - Re-submittal to USACE on 5/13/2013
 - Comments received 6/17/2013
 - Response to comments 7/17/2013
 - Anticipated advertisements 7/14/2013 - holding for land acquisition
 - Anticipated Bid Closing 8/30/2013
 - Flood Prevention District Council Meeting 9/18/2013
 - *Original Construction Schedule Start 8/23/2013*

- BP# 4 – *MESD Seepage Improvements (Conoco Phillips)*
 - Re-submitted for USACE on 5/7/2013
 - All comments closed
 - 408 Permit signed 6/14/2013
 - Anticipated advertisements 7/21/2013
 - Anticipated Bid Closing 8/30/2013
 - Flood Prevention District Council Meeting 9/18/2013
 - *Original Construction Schedule Start 6/28/13*

- BP # 05 – *MESD Seepage Improvements (MESD excluding Conoco Phillips)*
 - Re-submittal to USACE on 5/20/2013
 - Comments received 6/17/2013
 - Response to comments 7/17/2013
 - Anticipated advertisements 7/21/2013 - holding for land acquisition

- Anticipated Bid Closing 9/6/2013
- Flood Prevention District Council Meeting 9/18/2013
 - *Original Construction Schedule Start 8/20/2013*

- BP#6 – *PDP/FL Seepage Improvements*
 - Re-submittal to USACE on 5/6/2013
 - Initially submitted to USACE on 1/22/2013
 - All comments closed
 - Advertised 5/1/2013
 - Bid documents available 5/9/2013
 - 68 bid packages requested
 - Pre-bid meeting scheduled for this Friday 5/17/2013
 - Diversity Outreach Meeting 6/17/2013
 - Bids received Tuesday, 7/2/2013
 - Flood Prevention District Council Meeting 7/17/2013
 - *Original Construction Schedule Start 7/3/2013*

- BP#7A and #7B – *Deep and Shallow Cutoff Walls*
 - Interfacing and monitoring COE design of walls in WR and MESD – Reporting compliance with plan monthly to Council and evaluating any potential impacts to our schedule.
 - Impact of no PLA on construction?

- Schedule
 - Managing flexibility with our BP’s to both remain on an independent path in MESD and be positioned to take advantage of the Corps efforts. Maintain our ability to execute our projects on our schedule.
 - Pilot holes for RW – AMEC has contracted for the drilling, logging and lab analysis. Surveying to start this week drilling to start July 22.
 - QA/QC discussion with the Corps – AMEC is developing the CQC plan for the various bid packages for review the Corps.

- Other Activities...
 - Land acquisition – momentum building
 - Construction QC – SOQ’s received June 28, 2013. Evaluations complete. Next step negotiation individual scopes and fees.

Mr. Pennekamp asked for a motion to accept Mr. Martin’s progress report. A motion was made by Mr. Long with a second by Mr. Brinkman 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 – absent
Mr. Pennekamp – Aye

The motion was approved unanimously.

Draft FY2014 Flood Prevention District Budget

Mr. Pennekamp asked Mr. Sterman to provide a report.

Mr. Sterman noted that the Board first reviews the draft budget for the coming fiscal year at our July Board meeting, with final adoption at the August meeting. By law, the Council's budget must be adopted by August 31 of each year for the fiscal year beginning October 1. The budget must be submitted to the county boards for approval, after which they have 30 days to act on it.

The design of the project will be virtually complete by the end of FY2013 (with the exception of the portion being done by the Corps of Engineers, which will not be finished until several months later). The FY2014 budget, therefore, will be the first that focuses almost entirely on construction.

At this stage of the project, where the cost estimate is becoming more settled, the number of unknowns are diminishing, and the completion of the project is within sight, it is a good time to take a longer view of our finances.

Mr. Sterman said that he has put together a cash budget that will take us from today through the completion of the project in calendar year 2015. This budget reflects expected revenues and expenditures on a calendar year basis through the completion of the currently planned project. I have taken a very conservative view, i.e. chosen the likely upper bound on costs and the lower bound on revenues. Key assumptions are:

1. Project construction and FEMA certification will be complete by December 31, 2015.
2. Construction costs for packages that have been already bid (#2a and #6) include a 10% contingency. Those that have not yet been bid include a 20% contingency.
3. The cost shown for bid package #7a/7b (Wood River cutoff wall) is the full cost of the project as estimated by the Corps of Engineers, rather than the 35% cost share, since the Council has not yet agreed to have the Corps build the project. The estimate for this package includes a 26% contingency and assumes that the most expensive construction technique will be required.
4. No growth in sales tax revenue is included. Sales tax receipts are shown at approximately 2011 levels.
5. No additional debt financing is included.
6. All current balances in the county FPD sales tax accounts will be used for the project.

7. The Council will pay for certain levee district construction activities such emergency repairs and cost-share for existing Corps of Engineers project that are necessary for certification and for which the levee districts do not have sufficient funds.
8. The Council's general and administrative expenses will increase by about 11% next year and hold steady thereafter for the duration of the project.

The results of the budget analysis are shown in the tables in your memo. Table 1 shows estimated project costs for design, construction and Council operations. Note that construction costs are lower than the last "official" estimates produced in November 2012. Those estimates included a large contingency amount due to uncertainty involved in the incomplete design as well as more conservative design, land acquisition, and other assumptions.

Table 2 on the next page shows estimates of revenues available to the project. Most of the money raised from the Series 2010 bonds remains available, as is about \$14 million in FPD sales tax balances held by the counties.

Table 3 compares costs to revenues. What the table illustrates is that without any additional borrowing, the Council will have sufficient available funds to pay project expenses through the end of 2014, and the deficit in 2015 will be less than \$2 million. However, the Council still has substantial borrowing capacity, even using very conservative assumptions regarding revenue and financing conditions.

The update to our financial plan in December 2012 indicated that through a strategic use of bond anticipation notes and other techniques it might be possible to raise another \$122 million, although this conclusion was based on more aggressive assumptions regarding growth in sales tax and future interest rates. A more recent analysis done by Raymond James, the lead underwriters of the Series 2010 bonds, is shown in Table 4. This analysis shows using very conservative assumptions (no sales tax growth over three years and 7% interest rates) we can raise more than \$40 million for additional construction.

What this exercise illustrates is that the Council is well-positioned to meet our goals of achieving FEMA certification by 2015 with the revenue available from the dedicated FPD sales tax. Something could still go wrong, of course, such as schedule interruptions for weather or property acquisition, but the risks to successful completion of the project are diminishing.

A draft FY2014 budget is shown in Table 5 in your memo.

The design of the project did not progress as fast as expected in the FY2013, so construction expenditures will be far less than budgeted for the current year. However, with the design nearly complete and the bidding process well underway, the pace of expenditures will pick up in FY2014. Administrative expenditures, which are a relatively small portion of our costs, came in very close to budget in FY2013 and the budget for next year is virtually unchanged from the current year.

Mark Kern asked whether this budget keeps open the option of the Council doing the work in Wood River if we can't reach agreement on the PLA. Mr. Sterman responded that the financial analysis assumes that we will do the work. One benefit of that approach is that we can control the schedule and cost of the work, whereas with another party doing the construction we will not have control over those critical elements.

Mr. Pennekamp noted that this analysis shows that, barring some unforeseen circumstances, the money is there to do the project.

Mr. Long stated that he feels a lot better about the situation, given the lower sales tax receipts of late. He noted that it's good that we have some reserve if we need it.

Mr. Pennekamp asked for a motion to accept Mr. Sterman's report on the draft budget. A motion was made by Mr. Motil with a second by Mr. Bergkoetter to accept Mr. Sterman's 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 - absent
Mr. Pennekamp - Aye

The motion was approved unanimously.

Selection of Contractor(s) to Perform Construction Activities in Bid Package #2a – Pump Station in Fish Lake Levee District

Mr. Pennekamp asked Mr. Sterman to explain this item.

Mr. Sterman introduced Dale Vehlewald from AMEC who is managing the bidding process.

Bid Package 2A includes the construction of one pump station within the Fish Lake Drainage and Levee District. A copy of the invitation to bid on this project is included as Attachment 1. An advertisement for bid was published on May 2, 2013. A pre-bid meeting was held on Friday, May 17, 2013 at the council offices. The meeting was attended by 44 people, including staff.

On June 11, 2013 the Bid Closing was extended to July 2, 2013.

An additional minority outreach event was coordinated by Marks & Associates on June 17, 2013.

On July 2, 2013 bids were received from six firms and read aloud. The gross amounts of those bids are:

- Goodwin Brothers - \$973,000.00
- Haier Plumbing - \$783,500.00
- Pangea Inc. - \$1,246,157
- Keller Construction - \$829,182.00
- Plocher Construction - \$884,000.00
- Korte & Luitjohan - \$747,500.00

The apparent low bid was Korte & Luitjohan from Highland, Illinois. Key subcontractors for Korte & Luitjohan are:

- Surveying – Thouvenot, Wade & Moerchen
- Earthwork – Blankenship Construction with dirt from Beelman
- Fencing – Collins & Herman
- Electrician – Guarantee Electric

A summary of the bids by line item is included as Attachment 2.

Mr. Sterman asked Mr. Vehlewald to explain the process of reviewing the bids. He listed the major items in the AMEC review:

- Confirm the prequalification status as stated on the bid form.
- Confirm the addendums were acknowledged.
- Verify the math on the schedule of values.
- Confirm the bid form was signed and attested.
- Review the bid bond.
- Contact and review references.
- Review resumes of key personnel.
- Request and review key subcontractors.
- AMEC further reviewed the specifications, bonding requirements, QA/QC material testing procedures and payment procedures to verify the District is protected during construction and quality construction is provided.

Based on their review, AMEC concluded that Korte & Luitjohan is qualified to perform the work and has recommended that the Council select this company to perform Construction Package 2A.

Mr. Sterman asked Mr. Vehlewald about the brand of pumps that would be used. Mr. Vehlewald said that the bids included Flight pumps, which is acceptable to the levee districts.

A motion was made by Mr. Bergkoetter with a second from Mr. Maher to authorize the Chief Supervisor to request approval of the County Boards of St. Clair, Madison and Monroe counties and, subject to their approval, enter into contract with Korte & Luitjohan to perform Construction Package #2a consisting of a pump station in the Fish Lake Levee District at a total cost not to exceed \$747,500.00.

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.

Selection of Contractor(s) to Perform Construction Activities In Bid Package #6 – Relief Wells, Clay Caps, Seepage Berms and Piping Systems in Prairie DuPont & Fish Lake Districts

Mr. Pennekamp asked Mr. Sterman to provide a report.

Bid Package 6 is generally for construction of relief wells, berms, piping and repairs within Prairie DuPont and Fish Lake districts. The Council issued an invitation to bid on the subject contract on May 2, 2013. A pre-bid meeting was held on Friday, May 17, 2013 at the Council offices. On June 11, 2013 the Bid Closing was extended to July 2, 2013. An additional minority outreach event was coordinated by Marks & Associates on June 17, 2013.

On July 2, 2013 the bids were received from three firms and read aloud. Results are as follows:

- Keller Construction - \$16,298,213.56
- Lane Construction - \$12,857,127.75
- Hanks Excavating - \$16,943,866.00

The apparent low bid was Lane Construction from Shorewood, Illinois.

Key subcontractors to Lane Construction are:

- Homer Tree Service, Inc., Lockport, IL
- Neenah Foundry, St. Peters, MO
- Harris Rebar, St. Louis, MO
- Stormwater Erosion Specialists, Millstadt, IL
- HD Supply, Granite City, IL
- Hutson & Associates (DBE), Alton, IL
- TEE & E Trucking (MBE, DBE), Florissant, MO
- Geotechnical Construction, Inc., Mount Olive, IL
- Insituform, Chesterfield, MO
- Quad County Ready Mix, Okawville, IL
- Riverside Landscaping, St. Genevieve, MO
- Beelman Truck Co., East St. Louis, IL

Mr. Vehlewald described the considerations in their review of the bids:

- Confirmed the prequalification status as stated on the bid form.
- Confirmed the addendums were acknowledged.
 - Lane was missing acknowledgement of Addendum 3 but submitted an email acknowledging it with no change in price.
- Verified the math on the schedule of values.
- Confirmed the bid form was signed and attested.
- Reviewed the bid bond.
- Contacted and reviewed references.
 - Only one reference of six given has responded to our request as of this date. The one reference was favorable. AMEC will follow back up and alert the Council if unfavorable references are identified.
- Reviewed resumes of key personnel.
- Requested and reviewed key subcontractors.
- AMEC further reviewed the specifications, bonding requirements, QA/QC material testing procedures and payment procedures to verify the Council is protected during construction and quality construction is provided.

The primary difference between the three bidders was the cost associated with earthwork

Based on their review, AMEC concluded that Lane Construction is qualified to perform the work, confirmed that the firm's bid was the lowest of those submitted, and was fully responsive to the solicitation.

Mr. Kern asked if this work was subject to a PLA. Mr. Sterman responded affirmatively.

Mr. Pennekamp asked for a motion to approve Mr. Sterman's recommendation.

A motion was made by Mr. Long with a second from Mr. Brinkman to authorize the Chief Supervisor to request approval of the County Boards of St. Clair, Madison and Monroe counties and, subject to their approval, enter into contract with Lane Construction to perform Construction Package #06 at a total cost not to exceed \$12,857,127.75.

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.

Mr. Sterman noted that it would probably be sometime in September before work can start on these construction packages.

Selection of Contractor(s) to Provide Quality Control Services

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

Mr. Sterman said that the Council issued a request for qualifications on May 30, 2013 seeking firms to provide quality control and materials testing services for the Council's construction project to improve the levee systems along the Mississippi River in three counties.

On June 28, 2013, the Council received six responses from firms to provide the requested services:

- ABNA, East St. Louis, IL
- SCS Aquaterra/TSi Engineering, Fairview Heights, IL
- Juneau Associates/SCI Engineers/Hoelscher Engineers/SMS Engineers, Edwardsville, IL
- Quality Testing and Materials, O'Fallon, IL
- Geotechnology/City Design, Collinsville, IL
- Smecco Contracting, Centerville, IL

One submittal, Smecco Contracting, was determined to be unresponsive to the RFQ because it was not properly submitted nor did it include the required elements of the submittal.

The RFQ indicated that responses would be evaluated according to the following factors, in order of priority:

- a. Responsiveness to the RFQ demonstrating a clear understanding of work to be performed.
- b. Ability to accomplish the scope of work in a safe and timely manner.
- c. Relevant experience and qualifications of the assigned staff.
- d. Qualifications of the firm.
 - i. Relevant experience
 - ii. References
- e. Availability of staffing.
- f. Engagement of minority firms or workers.

In general, all of the respondents are highly qualified and possess both the staffing and expertise to serve the project well. Most of the consultants have done work on the design of the project, are quite familiar with our needs, and have a clear understanding of the work required. There are, however, marginal differences in the involvement of minority businesses in the work. ABNA is itself a minority owned firm. Geotechnology and SCS Aquaterra included minority

firms on their team, while Quality Testing and Juneau simply said that if awarded the work, they would partner with a minority firm.

The proposals were scored by four people including myself. The consensus was that four of the responses were strong, with the best and most responsive statements of qualifications coming from ABNA and Juneau. All of the firms represented in these submittals have worked on the project and are familiar with the design. Each has done good work for the Council in the past. The recommendation, therefore, is to select both ABNA and the Juneau team for the work. In order to simplify the management of the job and avoid conflicts between QA and QC roles, it may be appropriate to assign the work related to each bid package or improvement type to one of the two teams. At this time, therefore, we do not suggest combining the consultants under a single contract. Rather, we recommend that ABNA be assigned as QC consultant for bid packages #3 and #6 and the Juneau team be assigned bid packages 2a, 2b, 4, and 5.

Mr. Pennekamp asked for a motion on this item.

A motion was made by Mr. Motil with a second from Mr. Bergkoetter to authorize the Chief Supervisor to negotiate contracts to perform quality control, materials testing, and construction inspection with ABNA for bid packages #3 and #6 and the team of Juneau Associates/SCI Engineers/Hoelscher Engineering/SMS Engineers for bid packages 2a, 2b, 4, and 5. The Chief Supervisor will seek further Board approval prior to executing contracts with these firms for the 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 – absent
- Mr. Pennekamp – Aye

The motion was approved unanimously.

Request for Funds from the Wood River Levee District for Installation of Electrical Controls and Related Equipment at the Rand Pump Station

Mr. Sterman said that it has been our practice to support area levee districts that make capital investments contributing to FEMA certification. We have received a request from the Wood River Drainage and Levee District for funds to complete the installation of electrical controls and other equipment at the Rand Pump Station. This work is part of an ongoing Corps of Engineers project, but the Corps has exceeded its authorized level of funding and cannot pay for the work at this time.

The equipment that controls the pumps at the Rand Pump Station has already been purchased through the federal project and is sitting unused in the District's maintenance garage. The fund request is to pay for the labor to install the equipment. The District estimates that the cost will not exceed \$60,000.

Mr. Long asked whether this work would be used for our project. Mr. Sterman said that we that this work will be necessary for certification.

A motion was made by Mr. Maher with a second from Mr. Long to authorize the Chief Supervisor to reimburse the Wood River Drainage and Levee District in an amount not to exceed \$60,000 for actual costs to install electrical controls and other equipment at the Rand Pump Station. The District will comply with Council procurement policies by seeking competitive bids for this 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 – absent
Mr. Pennekamp – Aye

The motion was approved unanimously.

Approval of Contract for Diversity Program Manager

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

Mr. Sterman said that this item was discussed extensively at the last meeting, so he didn't think it was necessary to repeat that discussion. At the June Board meeting, members expressed several reservations about the Marks contract:

- The belief that the cost of the work is excessive, given the nature of services provided.
- Whether the Council's budget could sustain the cost of the work, given current economic and fiscal conditions.
- That compensation would not be related to the amount of time committed to the project.
- That there are no real measures of success.

With regard to the consistency between the cost and level of effort required, I believe that the proposed level of compensation for Marks & Associates to perform this work is commensurate with the services and skills they will provide. That compensation has already been adjusted

downward through the negotiating process. If we are to implement the Council's adopted policy on minority participation, the outreach, pre-qualification and coaching activities that are in the scope of work are essential. In the absence of these activities, minority participation in the project is far less likely.

The Council's budget will clearly be adequate to support the proposed work. As we consider our FY2014 budget to be approved over the next month, we can easily demonstrate that conclusion.

The compensation provisions of all but the smallest consulting agreements with the Council call for payment based on monthly invoices that enumerate actual time spent and direct costs incurred. Further, invoices must include a progress report that describes all work done on the project. I sent a copy of the Marks contract to all of the members on June 27. Included with that transmittal was a description of the process by which the Council compensates consultants and an example of a typical invoice.

The DPM function is an important one as we move through the procurement process for construction. In implementing our policy, we have a responsibility to make a credible effort to encourage the participation of minority firms and workers in the project. If we follow the scope of work included in the Marks contract, I'm confident that we can both justify our effort and achieve good results. Since, by our own choice, we do not have a numerical goal for minority, success will not be measured by achieving an arbitrary benchmark, but by our ability to quantify results that would not have otherwise happened.

Mr. Pennekamp asked if there were any questions or comments. There were none. He then asked for a motion on Mr. Sterman's recommendation.

A motion was made by Mr. Maher with a second from Mr. Brinkman to authorize the Chief Supervisor to execute a contract with Marks and Associates to serve as the Diversity Program Manager for the Council's flood prevention project. The contract will be for one year at a cost not to exceed \$238,240 (inclusive of previously authorized amounts) plus direct expenses, renewable for a second year at a cost to be negotiated.

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 - No
Mr. Maher - Aye
Mr. Motil - No
Mr. Parks - absent
Mr. Pennekamp - Aye

The motion was approved by a vote of 6 aye and 2 no.

Mr. Motil and Mr. Long asked that the minutes reflect that they are in agreement with the policy, but believe that the cost is excessive.

Corps of Engineers Update

Mr. Pennekamp recognized Col. Christopher Hall to speak. He used a PowerPoint presentation (copy attached) to support his remarks.

Col. Hall said that his purpose was to explain what the Corps can and cannot do and how they have interpreted their regulations in coming to their decision regarding the use of a project labor agreement. He said that under federal acquisition regulations the Corps cannot require the use of a PLA. That is a hard legal line.

Col. Hall described the process that the Corps used to come to this decision. Based on the market survey and input from external stakeholders the Corps concluded that encouraging the use of a PLA would not produce a benefit to the federal government. After extensive research, they could not find any other solicitation from the Corps or any other federal agency that required or encouraged the use of a PLA. The Corps would comply with other federal requirements, however, including compliance with the Davis Bacon Act. They can informally make contractors aware of the PLA.

Col. Hall reminded the Board of the importance that the Corps attaches to the project. He noted that the federal government is putting a significant amount of money into the project and reiterated a number of benefits to the Corps' work on the area levee systems. Also of importance is continued progress on issuing Sec. 408 approvals for the project and providing information to assist in certification of the Chain of Rocks levee and the Mel Price project.

Mr. Maher asked whether the other national priority levee projects have local financial participation. Col. Hall indicated that he would have to get back with us with the details, but all of them are cost-shared. He was not sure about how much work is being done that is not cost-shared, as we are doing.

Mr. Kern asked whether the operations plan at Mel Price would be adequate for certification. Col. Hall said that the best way to answer that concern is to build the permanent solution for this problem. Mr. Kern said that timing would be an issue for the permanent solution and Col. Hall responded that federal appropriations would be an issue.

Lou Del'Orco from the Corps indicated that, based on their discussions with FEMA, the operating plan would meet the requirements for certification. Mr. Sterman responded that whether it's acceptable to FEMA is not the issue; the concern is whether AMEC or any other engineering firm would be willing to put their seal on the certification documents, particularly given that the operating plan does not have dedicated funding. That is taking a big risk for a private firm, one that they would not likely agree to.

Mr. Sterman noted that the Mel Price reach is the most dangerous place on our levee system. We would like the Corps to spend all of your federal money on the Mel Price project. Mr. Dunstan indicated his agreement and also cited his concern with the Corps' decision regarding the use of a PLA.

Mr. Kern asked about the Corps procedures to make sure that contractors are complying with the Davis Bacon Act. Col. Hall said that the Corps' has quality control processes in place to assure compliance. Mike Feldmann from the Corps explained the procedure in greater detail.

Mr. Sterman disputed the assertion that the Corps cannot require a PLA. He read sections from the federal register that were introductory to the regulations that modified the FAR to expressly provide for the consideration of a PLA in federal contract solicitations. He also read a letter from the Chicago District that indicated its interest in requiring PLAs. Mr. Sterman asked for a full explanation of the Corps' decision so that we will have an opportunity to challenge it.

A motion was made by Mr. Bergkoetter with a second by Mr. Motil 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 – absent
- Mr. Pennekamp – Aye

The motion was approved unanimously.

Public Comment

Mr. Pennekamp asked if there is any public comment.

Ms. Andria asked whether property owners are being advised that we are potentially discharging pollutants onto their property. Mr. Sterman said that owners are aware of their legal rights.

Dale Stewart commented on the Corps' statements regarding enforcement of the Davis Bacon Act. He said that there have been a number of violations, and those were uncovered by labor organizations, rather than the Corps.

Mr. Pennekamp asked to convene an executive session to address potential litigation and personnel matters.

Mr. Long made a motion at 9:05 am to convene an executive session. The motion was seconded by Ron Polka. 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 and the Board went into executive session.

Mr. Long made a motion to adjourn the executive session at 9:25 am and go back into public session. 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

Mr. Pennekamp called the meeting to order.

Other Business

Mr. Pennekamp indicated that the Board would like to indicate its appreciation for the good work of Mr. Sterman by providing an additional one-time salary increment of \$7500 payable over the next six months.

Adjournment

A motion was made by Mr. Long, seconded by Mr. Bergkoetter to adjourn the meeting. The motion was approved unanimously by voice vote, all voting aye.

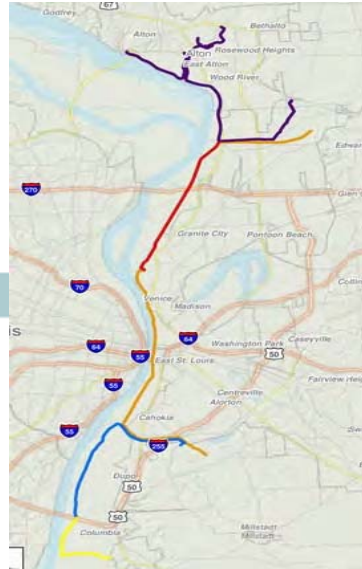
Respectfully submitted,

John Conrad,
Secretary/Treasurer, Board of Directors

**SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
PROPOSED BUDGET
OCTOBER 1, 2013 THRU SEPTEMBER 30, 2014**

	AUDITED EXPENDITURES OCTOBER 1, 2011 THRU SEPTEMBER 30, 2012	PROJECTED EXPENDITURES OCTOBER 1, 2012 THRU SEPTEMBER 30, 2013	PROPOSED BUDGET OCTOBER 1, 2013 THRU SEPTEMBER 30, 2014
REVENUES			
Sales Tax Proceeds From Districts	\$ 11,401,874	\$ 11,006,952	\$ 11,237,000
Interest Income	848,405	1,069,248	650,000
Total Revenues	<u>12,250,279</u>	<u>\$ 12,076,200</u>	<u>\$ 11,887,000</u>
EXPENDITURES			
Design and Construction			
Engineering Design & Construction Management	3,597,557	2,652,302	4,000,000
Construction	1,132,115	1,328,439	60,000,000
Construction and design by USACE		875,000	1,000,000
Total Design and Construction	<u>4,729,672</u>	<u>\$ 4,855,741</u>	<u>\$ 65,000,000</u>
Professional Services			
Legal & Legislative Consulting	154,641	116,415	210,000
Diversity Program Manager			210,000
Construction Oversight	40,147	-	-
Other	-	-	-
Financial Advisor	2,085	15,407	40,000
Bond Underwriter/Conduit Issuer	-	2,289	100,000
Total Professional Services	<u>196,873</u>	<u>\$ 134,110</u>	<u>\$ 560,000</u>
Refund of Surplus Funds to County FPD Accounts			
Total Refund of Surplus Funds to County	<u>4,683,466</u>	<u>\$ 4,950,008</u>	<u>\$ 4,800,000</u>
Debt Service			
Principal and Interest	7,101,539	7,102,439	7,107,440
Federal Interest Subsidy	(910,140)	(910,140)	(910,140)
Total Debt Service	<u>6,191,399</u>	<u>\$ 6,192,299</u>	<u>\$ 6,197,300</u>
Total Design & Construction Expenses	<u>15,801,410</u>	<u>\$ 16,132,158</u>	<u>\$ 76,557,300</u>
General and Administrative Costs			
Salaries, Benefits	189,627	190,848	192,331
Advertising	-	-	-
Bank Service Charges	692	549	600
Conference Registration	458	496	500
Equipment and Software	77	2,359	4,000
Fiscal Agency Services	34,871	23,000	23,000
Furniture	-	-	-
Meeting Expenses	186	39	1,000
Postage/Delivery	250	276	400
Printing/Photocopies	351	1,589	2,500
Professional Services	14,900	16,198	20,000
Publications/Subscriptions	-	-	250
Supplies	1,095	2,151	1,500
Telecommunications/Internet	3,317	2,009	2,000
Travel	3,317	9,895	15,000
Insurance	990	977	1,000
Total General & Administrative Costs	<u>250,131</u>	<u>\$ 250,386</u>	<u>\$ 264,081</u>
Total Expenditures	<u>16,051,541</u>	<u>\$ 16,382,544</u>	<u>\$ 76,821,381</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,801,262)	\$ (4,306,344)	\$ (64,934,381)
OTHER FINANCING SOURCES			
Proceeds From Borrowing	-	-	\$ 10,000,000
NET CHANGE IN FUND BALANCE	<u>\$ (3,801,262)</u>	<u>\$ (4,306,344)</u>	<u>\$ (54,934,381)</u>

**Progress Report
July 17, 2013
SW IL Levee System
By Jay Martin**



Update Status of Bid Packages

BP #2A – Fish Lake Pump Station



- All comments closed
- Advertised 5/1/2013
- Bid documents available 5/9/2013
- 68 bid packages requested
- Pre-bid meeting 5/17/2013
- Diversity Outreach Meeting 6/17/2013
- Bids received Tuesday, 7/2/2013
- Flood Prevention District Council Meeting 7/17/2013 ←

— Original Construction Schedule Start 5/1/2013

3

BP #2B - WR/MESD/PDP Pump Stations



- Re-submittal to USACE on 5/20/2013
- Comments posted
- Response to comments 7/10/2013
- Anticipated advertisements 7/21/2013 - holding for land acquisition ←
- Anticipated Bid Closing 9/6/2013
- Flood Prevention District Council Meeting 9/18/2013

— Original Construction Schedule Start 7/29/2013

4

**BP # 03 – WR Seepage Improvements
(Excluding Cut Off Walls)**



- Re-submittal to USACE on 5/13/2013
- Comments received 6/17/2013
- Response to comments 7/17/2013 ←
- Anticipated advertisements 7/14/2013 - holding for land acquisition ←
- Anticipated Bid Closing 8/30/2013
- Flood Prevention District Council Meeting 9/18/2013

— *Original Construction Schedule Start 8/23/2013*

**BP# 4 – MESD Seepage
Improvements (Conoco Phillips)**



- Re-submitted for USACE on 5/7/2013
- All comments closed
- 408 Permit signed 6/14/2013
- Anticipated advertisements 7/21/2013 ←
- Anticipated Bid Closing 8/30/2013
- Flood Prevention District Council Meeting 9/18/2013

— *Original Construction Schedule Start 6/28/13*

**BP # 05 – MESD Seepage Improvements
(MESD excluding Conoco Phillips)**



- Re-submittal to USACE on 5/20/2013
- Comments received 6/17/2013
- Response to comments 7/17/2013 ←
- Anticipated advertisements 7/21/2013 - holding for land acquisition ←
- Anticipated Bid Closing 9/6/2013
- Flood Prevention District Council Meeting 9/18/2013

— Original Construction Schedule Start 8/20/2013

BP#6 – PDP/FL Seepage Improvements



- Re-submittal to USACE on 5/6/2013
- Initially submitted to USACE on 1/22/2013
- All comments closed
- Advertised 5/1/2013
- Bid documents available 5/9/2013
- 68 bid packages requested
- Pre-bid meeting scheduled for this Friday 5/17/2013
- Diversity Outreach Meeting 6/17/2013
- Bids received Tuesday, 7/2/2013
- Flood Prevention District Council Meeting 7/17/2013 ←

— Original Construction Schedule Start 7/3/2013

BP#7A and #7B – *Deep and Shallow Cutoff Walls*



- Interfacing and monitoring COE design of walls in WR and MESD – Reporting compliance with plan monthly to Council and evaluating any potential impacts to our schedule.
- Impact of no PLA on construction?

9

Schedule



- Managing flexibility with our BP's to both remain on an independent path in MESD and be positioned to take advantage of the Corps efforts. Maintain our ability to execute our projects on our schedule.
- Pilot holes for RW – AMEC has contracted for the drilling, logging and lab analysis. Surveying to start this week drilling to start July 22.
- QA/QC discussion with the Corps – AMEC is developing the CQC plan for the various bid packages for review the Corps.

10

Other Activities...



- Land acquisition – momentum building
- Construction QC – SOQ's received June 28, 2013. Evaluations complete. Next step negotiation individual scopes and fees.

11



Thanks...any questions?

12

Federal Procurement Law and Regulations Regarding PLA's

By law, the Corps cannot require a project labor agreement in solicitation for a federal contract.

- The Federal share of the Metro East Levee restoration is 65 percent.
- Federal Procurement Law prohibits USACE from exclusively considering proposals from Contractors who have agreed to sign a PLA after contract award.
- This would violate the requirements of CICA (Competition in Contracting Act) and the FAR (Federal Acquisition Regulations).



1

BUILDING STRONG®

Market Analysis

The Corps must ensure that the federal investment will deliver the best value to the nation.

- St. Louis performed a market analysis in the interest of fully exploring the Council's request
- Market analysis completed June 24.
 - Input from external stakeholders
 - Availability of skilled labor
 - Prior use of PLAs on comparable projects in the geographic area
 - Deep Foundation Institute consultation

What the St. Louis District can do to support the Flood Protection District request:

- Existing labor provisions require compliance with Davis Bacon Act
- Make prospective bidders aware that a PLA is in existence and used by the Flood Protection District



BUILDING STRONG®

Path Forward

The Corps' top priority is to reduce risk by restoring the Metro East levees to their authorized levels of protection.

- Support from local representatives has resulted in allocation of approximately \$47.5M in federal funds, available to cost share, for FY13/FY14 to address the system
- Funding reflects the project is a national priority
- Synchronize construction efforts with SWIFPD to minimize redundancy and maximize protection
- Implement strategies to reduce out year O&M burden
- Provide information in support of certification efforts
- Maintain schedules for 408 process



BUILDING STRONG®



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

Solicitations for bids on two more construction packages were advertised this month. Bid package #4 consists of improvements to the Metro East Sanitary District levee system including modifying existing relief wells, constructing a protruding riverside clay cap, constructing relief wells and a pipe conveyance system to convey flow to a new pump station. Bids on package #4 were due on August 30. However, due to some potential design changes relating to a problem in acquiring a necessary easement, the due date will likely be postponed until the issue is resolved. Bid package #2b consists of the construction of five new pump stations in three levee districts. Bids on package #2b are due on October 1 with the contract award at the October Board meeting.

Before construction can start on the projects that are currently out for bid, we will need to complete any required property acquisition and make progress in completing our final wetland mitigation plan. The process of assembling required property descriptions and appraisals has moved more quickly in recent weeks, with offers and counteroffers made on many properties and a few agreements being concluded. For the first two construction packages, outstanding acquisition issues are with properties owned by three railroads and environmental issues with one owner. For two railroads, there are no substantive obstacles to concluding an agreement. Rather, the issue is the length of time to get approval through the corporate hierarchy. One railroad has an unrelated concern involving the affected levee district that is impeding our ability to conclude an agreement. It may take some design changes to address the environmental concerns of one owner.

The Corps is proceeding on design work for the Wood River cutoff wall as we agreed. AMEC is monitoring progress and will be able to report further at the Board meeting.

We continue to take issue with the Corps decision to deny our request to encourage the use of a project labor agreement for bid packages 7a/7b, the shallow and deep cutoff walls in the Wood River district. We requested a written explanation of the decision and received a brief letter in response that effectively reiterated their position, without providing any logic or reason to support the conclusion by their contract officer. The rationale described by Col. Hall at the July Board meeting was similarly unconvincing and incomplete. Our bipartisan congressional delegation supports our policy to use a PLA on the project. I recently attended a meeting with Sen. Durbin and he committed to support our effort.

Since the Corps refusal to endorse the use of a PLA on the Wood River cutoff wall projects conflicts with Council policy, I have developed an alternative strategy that I believe will address the concerns of all parties. This would involve directing all appropriated and anticipated federal funds to addressing the most serious problem on the region's levee system, the uncontrolled underseepage in the Wood River district at the Mel Price lock and dam. The Corps has started the design of the project, but has not yet received any appropriations for finishing the design or for construction. As we have discussed at a number of previous meetings, the Corps' interim solution to the problem will likely not be adequate for certification, and that will jeopardize the certification of the system. In my view, the urgency of this problem, and the affect is could have on our ability to achieve accreditation and avoid the attendant disastrous economic impact, has been understated by the Corps. Shifting available federal funding to address this need will have two affects: it will fix the most serious and threatening problem on the levee system, and we can build the Wood River cutoff walls in compliance with our policies regarding our local workforce. I have attached a brief paper that has been provided to our congressional delegation and local leadership that describes this proposal in more detail.

Another precursor to construction will be to finalize a wetland mitigation plan and put implementation of that plan into motion. A draft of the final plan has now been developed by SCI Engineering and provided to Republic services.

We are in the process of finalizing agreements with ABNA Engineering and a team led by Juneau Associates to provide quality control and materials testing services. Final agreements will be presented for approval at the August Board meeting.

The August Board meeting is also the "annual meeting" of the Council where the Board adopts a budget and annual report for submittal to the county boards for approval, and where new officers are elected for the coming fiscal year.

**Reassessing Federal Funding Priorities
For the
St. Louis Metro-East (Illinois) Flood Protection Projects**

The 74-mile levee system in the St. Louis Metro-East Area has four local owners, the Wood River Drainage and Levee District, the Metro-East Sanitary District, the Prairie DuPont Sanitary and Levee District, and the Fish Lake Drainage and Levee District. In addition, an approximately 10-mile stretch of levee, the Chain of Rocks Levee, is owned and maintained by the U.S. Army Corps of Engineers. Each of these owners is associated with a federal project for design deficiency correction. Except for Chain of Rocks, the Limited Reevaluation Report that is precursor to federal funding has been completed and approved in the last two years.

The levee system design deficiencies identified by the Corps were of a magnitude that led the agency to conclude that the system would neither meet the authorized level of protection, nor meet the FEMA standard for flood protection. The consequences of that conclusion were so potentially threatening to the public safety and economic health of the area that state legislation and local ordinances were approved to levy a new sales tax in the three affected counties to design and build levee system improvements more quickly and cost-effectively than could be expected of the Corps of Engineers. A new regional organization, the Southwestern Illinois Flood Prevention District Council, was formed to undertake the design and construction of levee system improvements.

In 2009, the Corps identified yet another, potentially more serious problem that if not addressed immediately could lead to a levee system failure. This problem had previously escaped notice in the Corps' annual and periodic inspections. When the rebuilding of the Mel Price Lock and Dam was completed in 1989, it raised the pool of water behind the levee system in an area two miles downstream from the original lock and dam. The increased pressure from the raised pool has caused uncontrolled seepage under the levee system. This is such a critical problem that costly interim measures were immediately developed and an operations plan was put into place to respond to raised river elevations. The Corps has agreed that this was a design mistake¹ and has accepted full responsibility for fixing the problem, both temporarily and for the long-term. The operations plan is costly – in addition to ongoing monitoring, emergency measures have now been implemented twice at a total cost nearing \$2 million.

Because of the late discovery of the critical Mel Price underseepage problem and the length of time that it has taken the Corps between the discovery of the problem in 2009 and the approval of the Limited Reevaluation Report in 2013, no funding for construction of a permanent fix is expected before FY2015. At the same time, significant sums are potentially available from FY2013 and FY2014 for other projects in Metro-East that are much less priority, especially since

¹ The Corps of Engineers noted in the Limited Reevaluation Report Melvin Price - Wood River Underseepage Design Deficiency Project Madison County, Illinois that *“Because the current underseepage concerns are the result of incorrect seepage analyses conducted for the Melvin Price Locks and Dam project, they are design deficiencies for that project. The underseepage concerns are not the result of any changed site conditions associated with the Wood River Levee project.”*

local authorities are independently making levee system improvements in these areas without federal funds.

Table 1 shows the amounts currently appropriated or included in the President's FY 2014 budget for the projects in the Metro-East levee system. While some of these funds have already been obligated or spent, most of the funds have not yet been committed to a project because of problems in aligning the local and federal projects.

Table 1
**FY 2012/2013 Appropriations and FY2014 Proposed Budget Amounts
For Metro-East Levee Projects**

<i>Project</i>	<i>FY2012</i>	<i>FY2013</i>	<i>FY2014</i> ¹	<i>TOTAL</i>
East St. Louis	0	\$1,541,000	\$12,855,000	\$14,396,000
Chain of Rocks	0	\$2,994,000	\$400,000	\$3,394,000
Mel Price ²	0	0	0	0
Wood River	\$212,000	\$4,039,000	\$20,860,000	\$25,111,000
TOTAL	\$212,000	\$8,574,000	\$34,115,000	\$42,901,000

¹ President's budget amount

² Amount for flood control only; does not include amount for navigation improvements

The cost of the proposed underseepage correction project associated with the Mel Price Lock and Dam was estimated at approximately \$32 million in 2012.² The actual cost may be higher.

Because of changed conditions over the last several years and the long lead time in the development and funding of federal water resources projects, the funding and relative priorities of federal flood protection projects in the Metro-East are now fundamentally misaligned. Those changed conditions include:

1. Local sponsors are undertaking levee improvements using local funds that will substantially reduce risks throughout the levee system, thereby diminishing the urgency and benefit-cost ratio of existing projects.
2. The uncontrolled underseepage problem identified by the Corps at the Mel Price Lock and Dam is more immediate and of greater severity than any other deficiency identified throughout the levee system.
3. Implementing the interim operations plan for the Mel Price levee reach is costly (reported to be about \$1 million for each high water event as well as ongoing costs for continuous monitoring), and there would be significant savings to the Federal Government by accelerating the permanent improvement.
4. Should there be a failure at the Mel Price Lock and Dam – and it is currently the weakest link in the entire system – the entire American Bottom area would likely be inundated. This would be an unprecedented economic and environmental disaster resulting in loss of

² U.S. Army Corps of Engineers. Draft Limited Reevaluation Report Melvin Price - Wood River Underseepage Design Deficiency Project. March 2012.

ATTACHMENT 1

life and property. The Corps has also suggested that the navigation system on the Mississippi River could be disrupted, so the economic impacts would have national significance.

For the above reasons, common sense and prudence suggests that there be a reordering of federal project priorities in the Metro-East levee system and that currently appropriated and unspent federal funds be redirected to the immediate design and construction of a permanent solution to the uncontrolled underseepage problem at the Mel Price Lock and Dam.



Memo to: Board of Directors
From: Les Serman
Subject: Budget and Disbursement Report for July 2013
Date: August 21, 2013

Budget Highlights

Attached is the financial statement for July 2013 prepared by our fiscal agent, CliftonLarsonAllen. The report includes an accounting of revenues and expenditures for the month ending July 31, 2013, as compared to our fiscal year budget.

Accrued expenditures for the current fiscal year are \$14,283,693 while revenues amounted to \$9,962,635 showing a deficit of \$4,321,058. Expenditures include a surplus for the year held by the bond Trustee of \$4,026,045 through the end of June that was returned to the counties as required by the bond indenture. A total of approximately \$14,751,030 is now held by the counties in their respective FPD sales tax funds and is available for the Council's use on the project.

Following an increase in January, sales tax receipts have declined every month. Sales tax declines have been unusually large, with no obvious explanation. Receipts for May 2013 (the latest month reported by the Illinois Department of Revenue) were down by about 3.37% year over year. While the rate of decline has diminished in recent months, such a dramatic decline in our sales tax collections will affect the amounts that we can finance in the future.

Disbursements

Attached are lists of bank transactions for July 2013. Total disbursements for the month were \$421,253.57. The largest payments were to AMEC and its subcontractors for design and construction management services and to the Roxana Landfill (Republic Services) for development of final wetland mitigation plan.

Recommendation:

Accept the budget report and disbursements for July 2013.

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION
DISTRICT COUNCIL**

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

TEN MONTHS ENDING JULY 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 ten months ended July 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 "Clifton Larson Allen LLP".

CliftonLarsonAllen LLP

St. Louis, Missouri
August 8, 2013

SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
TEN MONTHS ENDED JULY 31, 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	\$ 9,160,597	\$ 2,478,403
Interest Income	960,000	960,000	802,038	157,962
Other Contributions	-	-	-	-
Total Revenues	<u>12,599,000</u>	<u>12,599,000</u>	<u>9,962,635</u>	<u>2,636,365</u>
EXPENDITURES				
Current				
Design and Construction				
Engineering Design & Construction Management	6,000,000	6,000,000	2,291,292	3,708,708
Construction	42,600,000	42,600,000	779,229	41,820,771
Construction and design by US ACE	1,400,000	1,400,000	475,000	925,000
Federal Cost-Share	-	-	-	-
Total Design and Construction	<u>50,000,000</u>	<u>50,000,000</u>	<u>3,545,521</u>	<u>46,454,479</u>
Professional Services				
Legal & Legislative Consulting	126,000	126,000	163,042	(37,042)
Construction Oversight	160,000	160,000	-	160,000
Impact Analysis/Research	10,000	10,000	-	10,000
Financial Advisor	20,000	20,000	11,555	8,445
Bond Underwriter/Conduit Issuer	93,529	93,529	2,289	91,240
Total Professional Services	<u>409,529</u>	<u>409,529</u>	<u>176,886</u>	<u>232,643</u>
Refund of Surplus Funds to County FPD Accounts				
Madison County	2,955,782	2,955,782	1,936,850	1,018,932
Monroe County	280,157	280,157	183,668	96,489
St. Clair County	2,907,860	2,907,860	1,905,527	1,002,333
Total Refund of Surplus Funds to County	<u>6,143,799</u>	<u>6,143,799</u>	<u>4,026,045</u>	<u>2,117,754</u>
Debt Service				
Principal and Interest	7,107,440	7,107,440	7,102,439	5,001
Federal Interest Subsidy	(910,140)	(910,140)	(798,802)	(111,338)
Total Debt Service	<u>6,197,300</u>	<u>6,197,300</u>	<u>6,303,637</u>	<u>(106,337)</u>
Total Operating Expenses	<u>62,750,628</u>	<u>62,750,628</u>	<u>14,052,089</u>	<u>48,698,539</u>
General and Administrative Costs				
Salaries, Benefits	192,331	192,331	181,422	10,909
Advertising	-	-	-	-
Bank Service Charges	420	420	448	(28)
Conference Registration	500	500	476	24
Equipment and Software	3,000	3,000	1,769	1,231
Fiscal Agency Services (EWG)	23,000	23,000	18,450	4,550
Furniture	-	-	-	-
Meeting Expenses	1,000	1,000	29	971
Postage/Delivery	400	400	245	155
Printing/Photocopies	2,500	2,500	1,457	1,043
Professional Services	15,000	15,000	14,548	452
Publications/Subscriptions	250	250	255	(5)
Supplies	1,500	1,500	1,613	(113)
Telecommunications/Internet	2,000	2,000	1,895	105
Travel	15,000	15,000	8,021	6,979
Insurance	1,000	1,000	977	23
Total General & Administrative Costs	<u>257,901</u>	<u>257,901</u>	<u>231,605</u>	<u>26,296</u>
Total Expenditures	<u>63,008,529</u>	<u>63,008,529</u>	<u>14,283,693</u>	<u>48,724,836</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(50,409,529)	(50,409,529)	(4,321,058)	46,088,471
OTHER FINANCING SOURCES				
Proceeds From Borrowing	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (50,409,529)</u>	<u>\$ (50,409,529)</u>	<u>\$ (4,321,058)</u>	<u>\$ 46,088,471</u>

**SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
TEN MONTHS ENDED JULY 31, 2012 (Actual)
FISCAL YEAR ENDING SEPTEMBER 30, 2012 (Budget)**

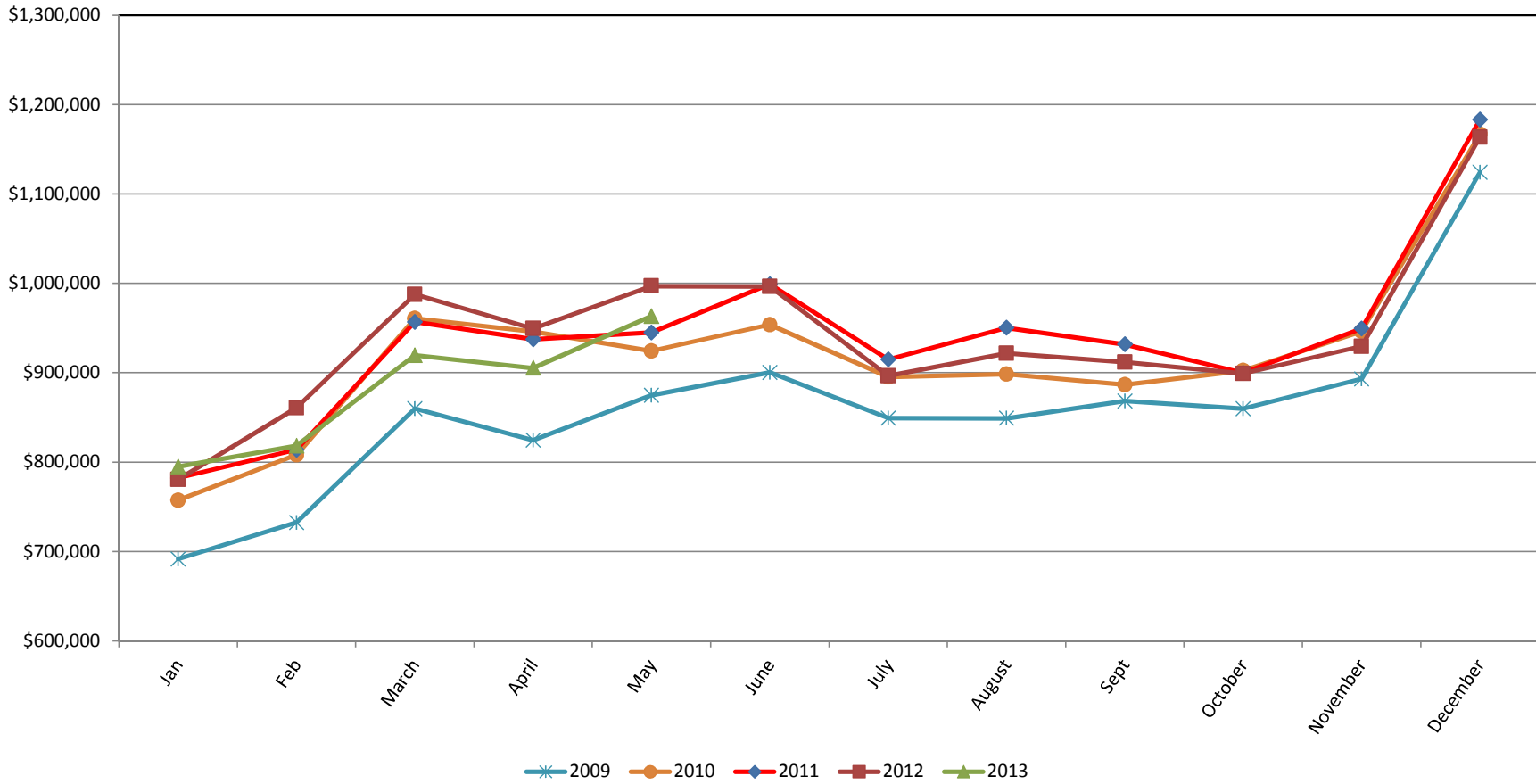
	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Sales Tax Proceeds From Districts	\$ 11,000,000	\$ 11,000,000	\$ 9,408,381	\$ 1,591,619
Interest Income	878,365	878,365	848,191	30,174
Other Contributions	-	-	-	-
Total Revenues	<u>11,878,365</u>	<u>11,878,365</u>	<u>10,256,572</u>	<u>1,621,793</u>
EXPENDITURES				
Current				
Design and Construction				
Engineering Design & Construction Management	6,000,000	6,000,000	2,787,395	3,212,605
Construction	20,000,000	20,000,000	811,872	19,188,128
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>3,599,267</u>	<u>23,500,733</u>
Professional Services				
Legal & Legislative Consulting	126,000	126,000	120,744	5,256
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	2,085	17,915
Bond Underwriter/Conduit Issuer	93,529	93,529	-	93,529
Total Professional Services	<u>400,529</u>	<u>400,529</u>	<u>162,976</u>	<u>237,553</u>
Refund of Surplus Funds to County FPD Accounts				
Madison County	1,999,276	1,999,276	1,979,411	19,865
Monroe County	260,706	260,706	194,039	66,667
St. Clair County	1,241,796	1,241,796	2,013,830	(772,034)
Total Refund of Surplus Funds to County	<u>3,501,778</u>	<u>3,501,778</u>	<u>4,187,280</u>	<u>(685,502)</u>
Debt Service				
Principal and Interest	7,107,440	7,107,440	7,101,539	5,901
Federal Interest Subsidy	(910,140)	(910,140)	(455,070)	(455,070)
Total Debt Service	<u>6,197,300</u>	<u>6,197,300</u>	<u>6,646,469</u>	<u>(449,169)</u>
Total Operating Expenses	<u>37,199,607</u>	<u>37,199,607</u>	<u>14,595,992</u>	<u>22,603,615</u>
General and Administrative Costs				
Salaries, Benefits	189,365	189,365	156,251	33,114
Advertising	2,500	2,500	-	2,500
Bank Service Charges	420	420	513	(93)
Conference Registration	700	700	336	364
Equipment and Software	2,300	2,300	-	2,300
Fiscal Agency Services	20,000	20,000	31,271	(11,271)
Furniture	300	300	-	300
Meeting Expenses	1,000	1,000	186	814
Miscellaneous Startup Expenses	-	-	-	-
Office Rental	-	-	-	-
Postage/Delivery	600	600	225	375
Printing/Photocopies	2,500	2,500	351	2,149
Professional Services	18,000	18,000	14,900	3,100
Publications/Subscriptions	200	200	-	200
Supplies	1,350	1,350	1,095	255
Telecommunications/Internet	3,500	3,500	3,137	363
Travel	12,500	12,500	7,854	4,646
Other Business Expenses	-	-	-	-
Insurance	3,000	3,000	990	2,010
Total General & Administrative Costs	<u>258,235</u>	<u>258,235</u>	<u>217,109</u>	<u>41,126</u>
Total Expenditures	<u>37,457,842</u>	<u>37,457,842</u>	<u>14,813,101</u>	<u>22,644,741</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,579,477)	(25,579,477)	(4,556,529)	21,022,948
OTHER FINANCING SOURCES				
Proceeds From Borrowing	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ (25,579,477)	\$ (25,579,477)	\$ (4,556,529)	\$ 21,022,948

Flood Prevention District Sales Tax Trends 2009-2013

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	47.481%
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	47.763%
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	4.756%
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%	

Flood Prevention District Sales Tax Trends 2009-2013

Actual Receipts 2009-2013



**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
SUPPLEMENTARY SUPPORTING SCHEDULE
BANK TRANSACTIONS
July 31, 2013**

Beginning Bank Balance July 1				589,659.72
Receipts				
UMB	07/12/2013	Funds Transfer	26,829.68	
UMB	07/15/2013	Funds Transfer	319,415.39	
The Bank of Edwardsville	07/31/2013	BOE Interest Income	85.18	
Total Receipts				346,330.25
Disbursements				
CliftonLarsonAllen LLP	07/02/2013	Fiscal Agent	1,850.00	
Cost Less Copy Center	07/02/2013	Copies	108.00	
Dorgan, McPike & Assoc, LTD	07/02/2013	Construction	3,000.00	
Scheffel & Company, PC	07/02/2013	Auditors	13,700.00	
Wisper ISP, Inc.	07/02/2013	Internet	54.99	
Les Sterman	07/02/2013	Office Supplies	244.26	
Marks & Associates	07/02/2013	Construction	12,942.18	
Smith Dawson & Andrews	07/02/2013	Professional Services	7,580.64	
HostGator.com	07/08/2013	Web Site	9.95	
Cost Less Copy Center	07/09/2013	Copies	121.60	
CliftonLarsonAllen LLP	07/10/2013	Fiscal Agent	1,850.00	
AMEC Earth & Environmental, Inc.	07/10/2013	Construction	296,560.60	
Purchase Family Phone	07/10/2013	Telephone	110.00	
The Bank-Service Fees	07/12/2013	Wire Fees	10.00	
The Bank-Service Fees	07/15/2013	Wire Fees	10.00	
FEDEX	07/15/2013	Delivery	37.56	
Roxana Landfill, Inc.	07/18/2013	USACE Permit # P2817 Wetland M	80,000.00	
AT&T	07/19/2013	Telephone	72.87	
Cost Less Copy Center	07/23/2013	Copies	144.00	
Dorgan, McPike & Assoc, LTD	07/23/2013	Construction	3,000.00	
The Bank-Service Fees	07/31/2013	July bank charges	16.92	
Total Disbursements				421,423.57
Ending Bank Balance July 31				514,566.40



Memo to: Board of Directors
From: Les Sterman
Subject: FY 2014 Annual Budget
Date: August 21, 2013

By law, the Council's budget for the upcoming year must be adopted by August 31 of each year for the fiscal year beginning October 1. The budget must be submitted to the county boards for approval after which they have 30 days to act on it. A draft budget was presented to the Board of Directors at the July meeting. Accompanying the draft was a cash budget through 2015, when all construction will be completed.

The design of the project will be virtually complete by the end of FY2013 (with the exception of the portion being done by the Corps of Engineers, which will not be finished until several months later). The FY2014 budget, therefore, will be the first that focuses almost entirely on construction.

The recommended FY2014 budget is shown in Table 1.

The design of the project did not progress as fast as expected in FY2013, so construction expenditures will be far less than budgeted for the current year. However, with the design nearly complete and the bidding process well underway, the pace of expenditures will pick up in FY2014. Administrative expenditures, which are a relatively small portion of our costs, came in very close to budget in FY2013 and the budget for next year is virtually unchanged from the current year.

In general, expenditures for next year's budget have been estimated more aggressively and revenues more conservatively to account for the risk of advance budgeting.

Key assumptions are:

1. Major construction will start in the first quarter of FY2014 and continue through FY2015.
2. The level of Council staffing does not change in FY2014, and general and administrative costs do not increase and remain a very small portion of the project expenditures (less than 1%). Staff resources are supplemented however, by the continued use significant consulting and professional services.
3. In accordance with the bond indenture, all sales tax receipts are intercepted by the

Trustee and any surpluses after payment of debt service and Council administrative costs will be transferred back to the county FPD funds for use in future project financing. These transfers are shown as expenditures in the budget.

Budget line items departing significantly from last year's amounts are:

1. Design and construction, which increased from \$46.7 million to \$65 million reflecting the increased pace of construction.
2. Addition of a professional services line item for Diversity Program Manager.
3. Increases in legislative consulting to reflect a more aggressive approach at the federal level.
4. Increase legal costs because of ongoing property acquisition.
5. Bond proceeds of \$10 million are included in the event that the Council determines it will be necessary to pay additional costs toward the end of the project.

Recommendation: Authorize the Chief Supervisor to submit the proposed FY2014 annual budget for the Council to the boards of St. Clair, Madison, and Monroe counties as presented.

Table 1

**SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
PROPOSED BUDGET
OCTOBER 1, 2013 THRU SEPTEMBER 30, 2014**

	ACTUAL EXPENDITURES OCTOBER 1, 2011 THRU SEPTEMBER 30, 2012	PROJECTED EXPENDITURES OCTOBER 1, 2012 THRU SEPTEMBER 30, 2013	PROPOSED BUDGET OCTOBER 1, 2013 THRU SEPTEMBER 30, 2014
REVENUES			
Sales Tax Proceeds From Districts	\$ 11,401,874	\$ 11,006,952	\$ 11,237,000
Interest Income	848,405	1,069,248	650,000
Total Revenues	<u>12,250,279</u>	<u>\$ 12,076,200</u>	<u>\$ 11,887,000</u>
EXPENDITURES			
Design and Construction			
Engineering Design & Construction	3,597,557	2,652,302	4,000,000
Management		-	
Construction	1,132,115	1,328,439	60,000,000
Construction and design by USACE		875,000	1,000,000
Total Design and Construction	<u>4,729,672</u>	<u>\$ 4,855,741</u>	<u>\$ 65,000,000</u>
Professional Services			
Legal & Legislative Consulting	154,641	116,415	210,000
Diversity Program Manager			210,000
Construction Oversight	40,147	-	-
Other	-	-	-
Financial Advisor	2,085	15,407	40,000
Bond Underwriter/Conduit Issuer	-	2,289	100,000
Total Professional Services	<u>196,873</u>	<u>\$ 134,110</u>	<u>\$ 560,000</u>
Refund of Surplus Funds to County FPD Accounts			
Total Refund of Surplus Funds to County	<u>4,683,466</u>	<u>\$ 4,950,008</u>	<u>\$ 4,800,000</u>
Debt Service			
Principal and Interest	7,101,539	7,102,439	7,107,440
Federal Interest Subsidy	(910,140)	(910,140)	(910,140)
Total Debt Service	<u>6,191,399</u>	<u>\$ 6,192,299</u>	<u>\$ 6,197,300</u>
Total Design & Construction Expenses	<u>15,801,410</u>	<u>\$ 16,132,158</u>	<u>\$ 76,557,300</u>
General and Administrative Costs			
Salaries, Benefits	189,627	190,848	192,331
Advertising	-	-	-
Bank Service Charges	692	549	600
Conference Registration	458	496	500
Equipment and Software	77	2,359	4,000
Fiscal Agency Services	34,871	23,000	23,000
Furniture	-	-	-
Meeting Expenses	186	39	1,000
Postage/Delivery	250	276	400
Printing/Photocopies	351	1,589	2,500
Professional Services	14,900	16,198	20,000
Publications/Subscriptions	-	-	250
Supplies	1,095	2,151	1,500
Telecommunications/Internet	3,317	2,009	2,000
Travel	3,317	9,895	15,000
Insurance	990	977	1,000
Total General & Administrative Costs	<u>250,131</u>	<u>\$ 250,386</u>	<u>\$ 264,081</u>
Total Expenditures	<u>16,051,541</u>	<u>\$ 16,382,544</u>	<u>\$ 76,821,381</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,801,262)	\$ (4,306,344)	\$ (64,934,381)
OTHER FINANCING SOURCES			
Proceeds From Borrowing	-	-	\$ 10,000,000
NET CHANGE IN FUND BALANCE	<u>\$ (3,801,262)</u>	<u>\$ (4,306,344)</u>	<u>\$ (54,934,381)</u>



Memo to: Board of Directors

From: Les Sterman

Subject: Annual Report

Date: August 21, 2013

Attached is the proposed Annual Report for FY 2013. By law, the Council must submit an Annual Report to each county board describing activities for the past year. We generally submit this report with our annual request for approval of our budget.

The report simply chronicles the activities of the last year and builds on previous reports, so it is actually a summary of the Council's cumulative activities since its inception in June 2009.

Recommendation: Authorize the Chief Supervisor to submit the FY 2013 Annual Report to the county boards of St. Clair, Madison, and Monroe counties.

Southwestern Illinois Flood
Prevention District Council

Annual Report 2012-2013



August 21, 2013



**Southwestern
Illinois
Flood Prevention
District Council**

104 United Drive
Collinsville, IL 62234

618-343-9120
Fax 618-343-9132

August 21, 2013

Hon. Mark Kern
County Board Chairman
St. Clair County
10 Public Square
Belleville, IL 62220-1623

Board of Directors

Dan Maher
President

John Conrad
Vice President

Jim Pennekamp
Secretary-Treasurer

Hon. Alan Dunstan
County Board Chairman
Madison County Administration Building
157 N. Main Street, Suite 165
Edwardsville, IL 62025-1963

Dave Baxmeyer
Paul Bergkoetter
Bruce Brinkmann
Thomas Long
Ron Motil
Alvin L. Parks Jr.

Hon. Delbert Wittenauer
Chairman, Monroe County Board of Commissioners
100 South Main Street
Waterloo, IL 62298

Sirs:

Les Serman
Chief Supervisor of
Construction and the Works

Transmitted herewith is the 2012-2013 Annual Report of the Southwestern Illinois Flood Prevention District Council. The submission of this report is in satisfaction of the requirement of our authorizing statute (70 ILCS 750/).

The Council has adopted two primary goals: to assure accreditation by the Federal Emergency Management Agency of area levee systems and to limit any economic damage to the region during the period during which accreditation is being sought. The Council has made great progress toward achieving both goals. By the end of the year the design of the project will be complete and all required permits will have been obtained. Bids have already been received on two of eight construction packages needed to complete the project, and bids for two more packages are now being solicited. Required real estate, mainly easements, is now being acquired and construction will likely start in late September.

There remain a few uncertainties that could slow down the project or increase costs, but these are manageable. We are also concerned about the timeline for the Corps of Engineers to make necessary improvements to a critical stretch of levee in the Wood River area in the vicinity of the Mel Price Lock and Dam. This is the most serious problem on the entire levee system and our ability to certify the system may be

a regional partnership to rebuild Mississippi River flood protection

Hon. Mark Kern
Hon. Alan Dunstan
Hon. Delbert Wittenauer
August 17, 2012
Page 2

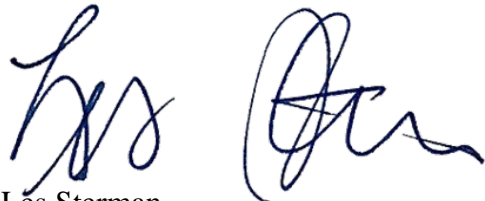
compromised unless the Corps makes significant progress on this project over the next two years.

FEMA is reworking the flood insurance rate mapping process nationwide to address complaints from areas like ours. While we continue to question FEMA's process in coming to conclusions about the adequacy of our levee systems, we will now have more time to make improvements that can assure all concerned that our flood protection system is safe. Continued progress on our part to make levee system improvements, however, is essential or we could face catastrophic economic impacts if we lose accreditation for flood protection.

In summary, I am pleased to report on behalf of our Board of Directors, that we continue to make progress in designing, building and financing a significant improvement to flood protection systems in metro-east. The problem is not yet solved, though. It will take even more effort by our elected leaders, the business community and civic interests, in addition to the continuing work of the Council, our design team, our contractors, and our construction workforce if we are to reach a successful conclusion. In the end however, this project will be an investment in the future prosperity of your counties and the region.

Thank you for supporting our efforts throughout the year.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Les Sterman', written in a cursive style.

Les Sterman
Chief Supervisor of Construction and the Works

I. Introduction

On August 15, 2007 the Federal Emergency Management Agency announced their intention to “de-accredit” the Mississippi River levee systems protecting a 174 square mile area in three Illinois counties known as the American Bottom. The practical effect of this action would be to cripple the area economically and put an enormous financial burden on businesses and residents in this area. The threat of this action by FEMA prompted a chain of events that is without precedent in the area. The end result is a cooperative regional effort to improve flood protection and secure FEMA accreditation for the levee system protecting the American Bottom from flooding.

The American Bottom is an area of incalculable economic value and historical significance. It is home to some 155,000 residents. Businesses in the area employ upwards of 55,000 people. Some of the nation’s most prestigious companies have major manufacturing facilities having national significance in the area. Additionally, the area is rich in multimodal transportation assets, that make it well-positioned as a future center of commerce and industry.

The region’s leadership recognized that extraordinary measures were necessary to protect this economic asset and the homes and livelihoods of a large portion of the region’s population. A new revenue source was created in 2008 and a regional organization was formed to carry out an ambitious plan to maintain a level of flood protection that has been in place for some 70 years. That plan is now being implemented.

Acting on a plan to improve flood protection, even one that may be subject to adjustment from time to time, is an essential ingredient in helping businesses and citizens prepare for the future, to restore investor confidence in the area, and to assure taxpayers that their money is being spent effectively. The unpredictability of the Mississippi River serves as constant reminder that we need to demonstrate real progress in carrying out that plan.

The purpose of this report is to outline the activities of the Southwestern Illinois Flood Prevention District Council in 2012-2013 toward planning and implementing flood protection improvements.

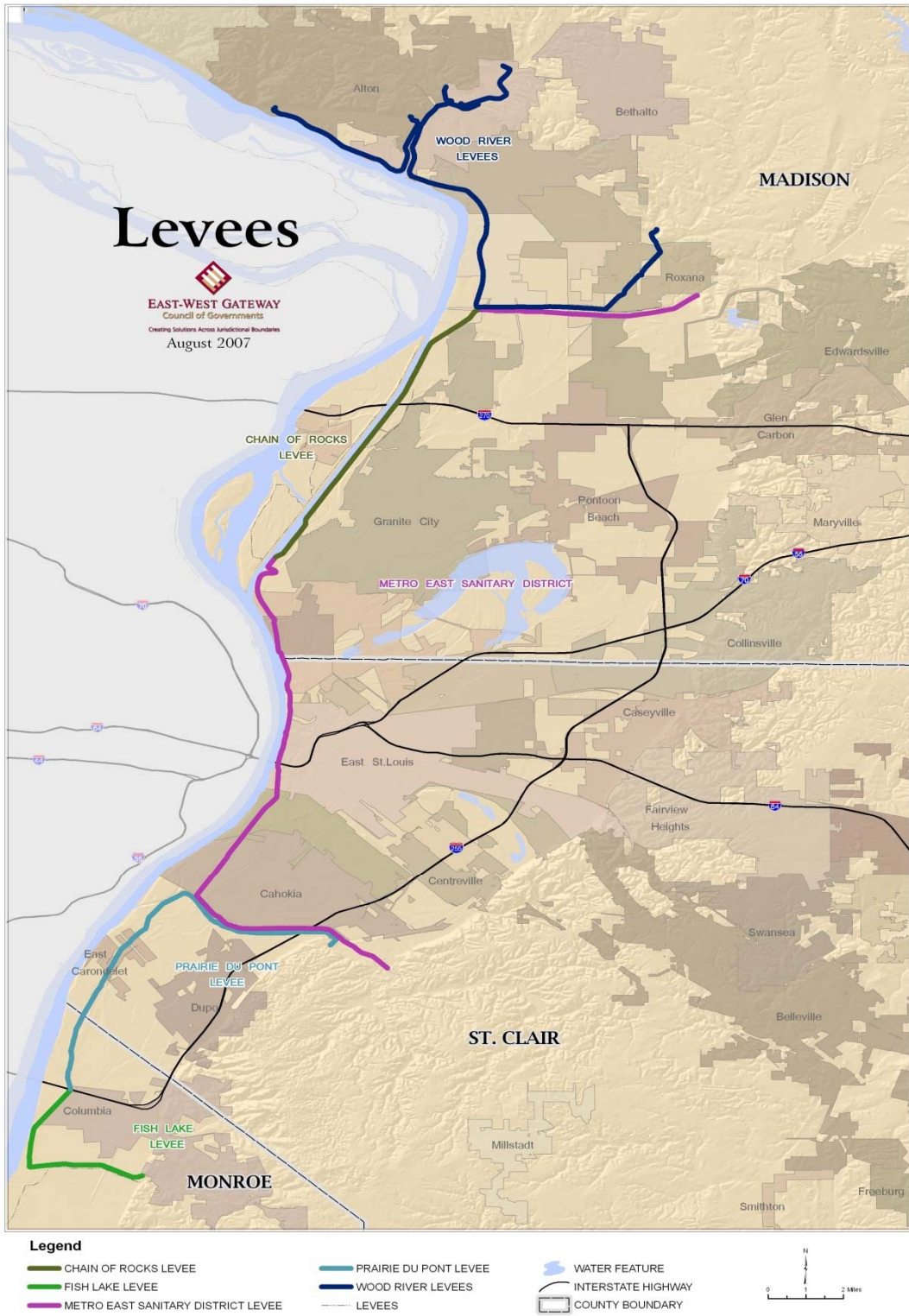
II. Background

A system of 85 miles of mainline and wing levees protects an area called the American Bottom in Southwestern Illinois from flooding by the Mississippi River. The American Bottom is an area of 174 square miles that is home to 156,000 people and 55,000 jobs. The levee system was authorized by Congress and designed and built by the U.S. Army Corps of Engineers to provide protection from a flood event on the Mississippi River of 54 feet on the St. Louis gauge. The American Bottom has not been flooded by the Mississippi River in the 70 years since the flood protection system was initially built, including during the flood of record in 1993, reportedly as much as a 380-year event.

Mississippi River flood protection consists of five “federal” levees (see Figure 1), i.e. levees designed and built by the federal government and whose owners participate in the Corps of Engineers Public Law 84-99 emergency assistance program. The construction of the following five (5) levees was authorized in federal law:

- **Wood River levee**, operated and maintained by the Wood River Drainage and Levee District. Construction was authorized under Section 4 of the Flood Control Act of 1938, Pub. L. 75-761, with subsequent improvement was authorized under Section 1001(20) of the Water Resources Development Act of 2007, Pub. L. 110-114 (“WRDA 2007”)
- **Chain of Rocks canal, levee, and locks**, operated and maintained by the Corps. Construction was authorized under the River & Harbors Act of 1945, Pub. L. 79-114
- **East St. Louis levee**, operated and maintained by the Metro East Sanitary District. Construction was authorized by the Flood Control Act of 1936, Pub. Law 74-738, as modified by the Flood Control Act of 1965, Pub. L. 89-298, and the Water Resources Development Act of 1976, Pub. L. 94-587. Subsequent improvement was authorized under the Energy and Water Development Appropriations Act of 1988, Pub. L. 100-202
- **Prairie Du Pont levee**, operated and maintained by the Prairie Du Pont Levee and Sanitary District. Construction was authorized under the Federal Flood Control Act of 1936. Subsequent improvement was authorized under Section 102(8) of the Water Resources Development Act of 2000, Pub. L. 106-541 (“WRDA 2000”) and Section 5070 of the WRDA 2007
- **Fish Lake levee**, operated and maintained by the Fish Lake Drainage and Levee District. Construction was authorized by the Flood Control Act of 1954. Subsequent improvement was authorized under Section 102(8) of WRDA 2000 and Section 5070 of WRDA 2007

The Metro-East Sanitary District (formerly the East Side Levee and Sanitary District, originally formed in 1910) is authorized by the Metro-East Sanitary District Act of 1974, 70 ILCS 2905/. The Wood River and Fish Lake districts were authorized by the Illinois Drainage Code, 70 ILCS 605/. The Prairie DuPont district was authorized by the Sanitary District Act of 1907, 70 ILCS 2205/. The levee districts own and have primary responsibility for maintaining the levee systems (with the exception of the Chain of Rocks levee, which is owned and maintained by the Corps of Engineers).



**Figure 1 –
 Levee Systems**

The Southwestern Illinois Flood Prevention District Council was formed in 2009 through an Intergovernmental Agreement between the Flood Prevention Districts of Madison, St. Clair and Monroe counties as authorized by the Illinois Flood Prevention District Act of 2008, 70 ILCS 750/. The primary responsibility of the FPD Council is to plan, finance, design, and build capital improvements to the levee system. The Council's principal goal is to assure accreditation by FEMA in accordance with criteria described in 44 CFR 65.10 – Mapping of Areas Protected by Levee Systems.

In 2007, the Corps indicated that the agency had “reduced confidence” that the levee system could protect against a flood that has a 1% chance of being equaled or exceeded in any single year (commonly referred to as a 100-year flood or a base flood) without floodfighting. FEMA's announced decision to deaccredit the levee systems in our area, which is the industrial core of the St. Louis region, was based on this assertion by the Corps. In July, 2009 FEMA issued preliminary flood insurance rate maps for the area that showed the American Bottom as a flood hazard area with no protection from flooding. Appeals of those maps were submitted by a number of local governments during the 90-day period provided by law; all of those appeals were denied in September, 2010.

The region's leadership did not agree with the decision by FEMA to deaccredit the levee system. A number of area governments, businesses and citizens joined to file a lawsuit challenging this decision based, in part, on the lack of any documentation of levee system deficiencies. In part as a result of that lawsuit and complaints about the mapping process across the country, FEMA agreed to revamp its mapping process and has not yet issued any new flood insurance rate maps from the area.

While the levee systems in this area were built by the Corps generally in the 1940s and 1950s using design standards in place at the time for a high level of flood protection, the current “design deficiencies” are measured relative to current engineering standards, so the issue is not a failure of adequate maintenance by local levee districts, or any dramatic change in the condition of the levees, but primarily a change in engineering standards and in the procedures for measuring risk. The levee systems have consistently been determined to be in *acceptable* or *marginally acceptable* condition by annual and more thorough 3-year periodic inspections by the Corps.

According to its own preliminary evaluations and cost estimates the Corps suggested that it could cost hundreds of millions of dollars to restore and maintain the authorized (54 feet flood elevation) level of flood protection. Further, the schedule to make these investments would essentially be open-ended, dependent entirely on the pace of federal appropriations. Making assumptions consistent with typical levels of federal appropriations, the project could take decades to complete. While the federal government could pay as much as 65% of the cost, it could take decades for those funds to be authorized and appropriated, so there would be significant uncertainty about the cost and schedule of the project. That continued uncertainty would impose very high costs on residents and businesses in the area, and, more importantly, would subject the area to increased flood risk.

Because of the uncertainty of federal funding and the complexity and time consuming nature of the USACE project development process, levee improvements will be primarily locally funded. The three affected counties have imposed a ¼% sales tax to pay for the restoration of the levee system and formed a new organization, the Southwestern Illinois Flood Prevention District Council, to carry out

the levee improvement project. The tax has been collected since January 2009 and produces about \$11 million annually.

III. FPD Council Activities

The following describes the work of the Council over its four year existence. Work done this year has brought the Council much closer to meeting its objectives. While some uncertainty remains, the probability of success has significantly increased in the last year.

Over the last couple of years the greatest challenge and source of doubt about the project has been the continued involvement of the Corps of Engineers in granting permission for most of the improvements to the levee system that the Council has proposed. The Corps is an institution that moves very deliberately, is governed by elaborate and extensive guidelines and procedures, most of which apply to federally funded projects but are being applied to our locally funded project. This process caused significant delays in the design process, but most of that is now behind us. By the end of the year all required permits will be in-hand. The focus now will be primarily on construction.

The FPD Council began operations in July, 2009. Since that time, the organization has:

- Completed a comprehensive inspection of the levee system
- Performed an economic analysis of the costs of mandatory flood insurance
- Provided support to local governments to appeal preliminary flood insurance rate maps,
- Conducted a design competition to determine the most cost-effective approach to assuring compliance with FEMA standards for levee system accreditation
- Sold \$94 million in bonds to pay for levee improvements.
- Completed the design of levee system improvements that will meet FEMA standards
- Developed a budget to complete the project solely with the proceeds from the FPD sales tax
- Received all required permits from state and federal agencies to proceed with construction
- Solicited bids on four of eight construction packages to complete the project
- Awarded contracts on two construction packages
- Started meaningful construction on the project

The Council's general goals have been to:

- assure compliance with FEMA accreditation standards with currently available revenue sources by end of year 2015; and
- minimize economic and financial hardship should the levee systems be de-accredited by FEMA

Notwithstanding the Council's strong disagreements with FEMA's decision to deaccredit the Metro-East levees and the agency's continuing efforts to overturn that decision, every effort is being made to remove all doubt about compliance with FEMA accreditation criteria. In October 2010, the Council engaged a team of engineering consultants led by AMEC Environment & Infrastructure, Inc. to design and manage construction of improvements to the levee system. Today, after more than two years of design work, multiple levee system inspections, drilling nearly 2000 borings along the entire length of the levee system, and submitting thousands of pages and many gigabytes of electronic files of design documentation to the Corps of Engineers, the Council is on the threshold of major construction. The design is virtually complete, financial plans have been developed and kept

updated, and a current project budget demonstrates convincingly that the Council can afford to build the project using only the funds from the dedicated sales tax. So the essential elements of the project plan have now come together.

The general design features of the project are shown in Appendix I to this report.

The Council has adopted policies that emphasize the use of our local workforce on the construction of the project. It is our policy that all contractors working on the project will use a Project Labor Agreement and comply with Illinois law regarding the use of prevailing wages. The Council is also implementing a minority business and workforce utilization policy. We remain committed to employing local labor and local firms to the maximum extent possible on the project, and to paying fair wages and providing good working conditions for everyone working on the project.

The Council has worked to comply with all relevant environmental laws and regulations. The Illinois Environmental Protection Agency has granted approval for the project under Sec. 401 of the Clean Water Act to certify that the project will not discharging pollutants into any bodies of water. Similarly, the Corps of Engineers has granted conditional approval under Sec. 404 of the Clean Water Act for mitigating the project's impact on wetlands.

We have continued to work closely with our congressional delegation throughout the year to help expedite the project and to advance legislation that would streamline future design approvals and would enable future funding of improvements to the levee system. All of the members continue to be very supportive of the project and are working on our behalf to advance our interests with the Corps, with FEMA, and in Congress.

As it now stands, the FEMA mapping process has been interrupted while the agency implements better methodology for developing maps, especially for those areas protected by de-accredited levees. There is no schedule for producing new preliminary maps, nor is there any suggestion that new maps would differ significantly from those issued two years ago, so the urgency of making levee system improvements is not diminished. However, we do not believe that new maps will be produced or finalized before 2014, and it remains our hope that levee improvements leading to certification will be substantially completed by that time.

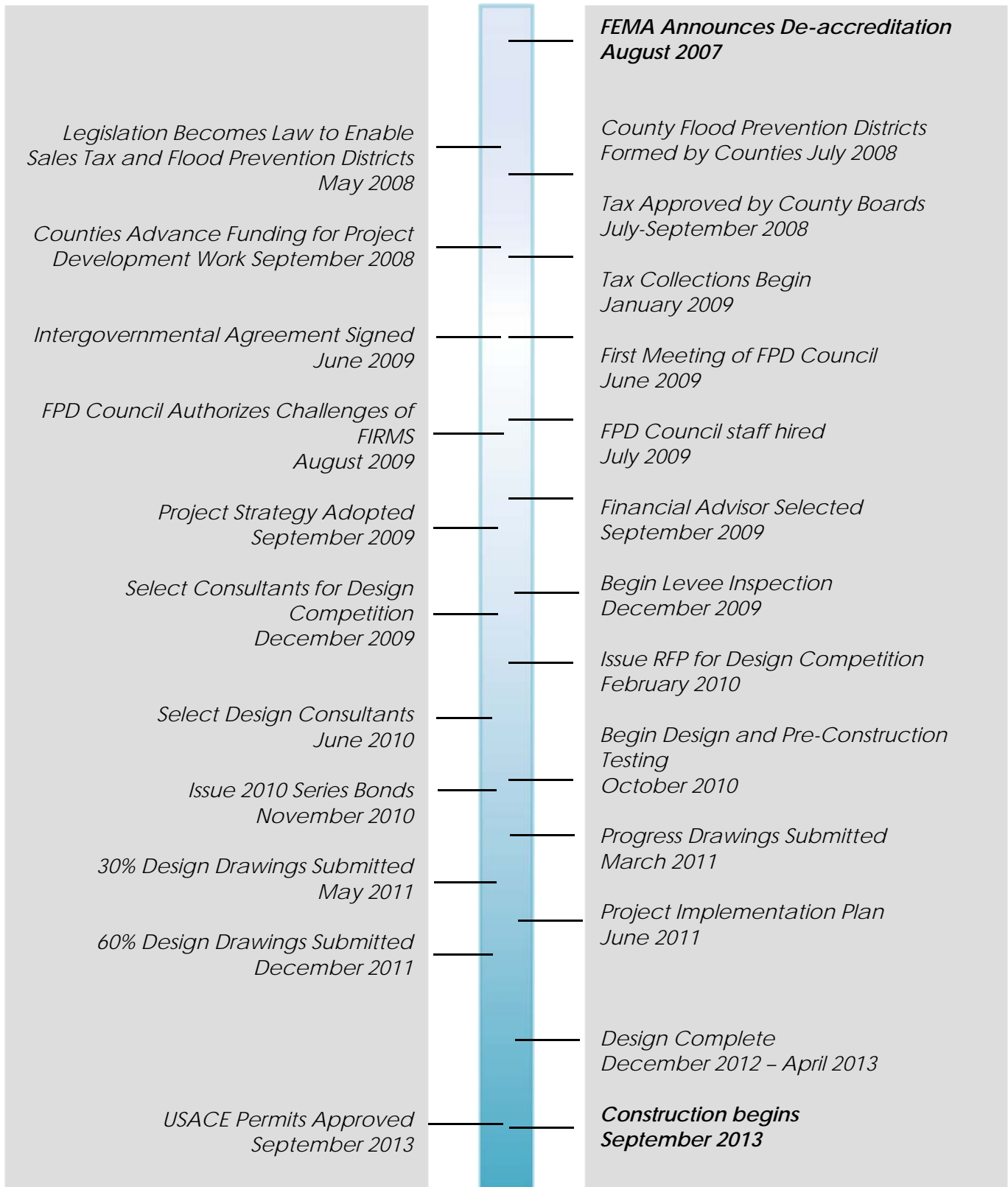
Recently, the Corps of Engineers has indicated a desire to take on portions of the project because of their expectation of significant federal appropriations for the project in 2013 and 2014. The Council will need to pay at least 35% of the cost of any federal work. The Council has provided funds for the Corps to begin design work for at least one major project, a cutoff wall in the Wood River levee district. However, because the Corps' labor policies are inconsistent with those of the Council, we may not agree to provide matching funds for construction of that project. Rather, we would adopt the design now being developed by the Corps and undertake the construction of this project as originally anticipated.

The Council believes that levee certification documentation will be submitted in 2015. However, the Corps is responsible for providing certification information to our design team for two levee segments, the Chain of Rocks levee, and a segment in the vicinity of the Mel Price Lock and Dam. The Corps will not submit certification documentation to FEMA, but will instead provide it to the

Council. Whether the Council's engineers can then certify those segments remains an unresolved question. The Mel Price segment is the biggest and most urgent concern, as described above. One solution to this problem is for the Corps to expedite construction of the Mel Price project by redirecting all available federal appropriations for area levee systems to pay for construction of the project, currently estimated to cost about \$40 million.

In summary, there have been a number of breakthrough developments on the levee improvement project in the last year. The level of uncertainty has diminished. The Council remains committed to working within budget and time limitations, but with the continued support of the area's leadership and cooperation from the Corps of Engineers, we will be able to meet any remaining challenges to completion of the project.

Figure 2
Project Timeline



IV. Financing and Budget

Table 1 is a financial summary of the Council’s activities through September 30, 2012.

Revenue from a dedicated sales tax was used to support the Council’s ongoing design and construction activities. While sales tax revenue showed substantial growth in 2009, 2010 and 2011 coming out of the recession, growth was slowed in 2012 and revenues have declined somewhat in 2013 (see Figure 3). This trend is important, because it will affect the Council’s ability to finance future expenditures on the project.

The Council issued bonds in the amount of \$94,195,000 in November 2010. After setting aside funds for a debt service reserve and costs of issuance, around \$87 million is available to fund construction of the project. Future bond issues are expected in 2014 and 2015 to complete the financing of the project. The financing plan adopted by the Council is anticipated to produce \$150 million or more to pay for the project and potential future levee system improvements. That plan assumes that all receipts from the FPD sales tax in all three counties will be solely devoted to the project. At this point in the design process, the project is expected to consume all available revenues, including the amounts remaining in the county FPD sales tax accounts.

Figure 3
Flood Prevention District Sales Tax Trends 2009-2011

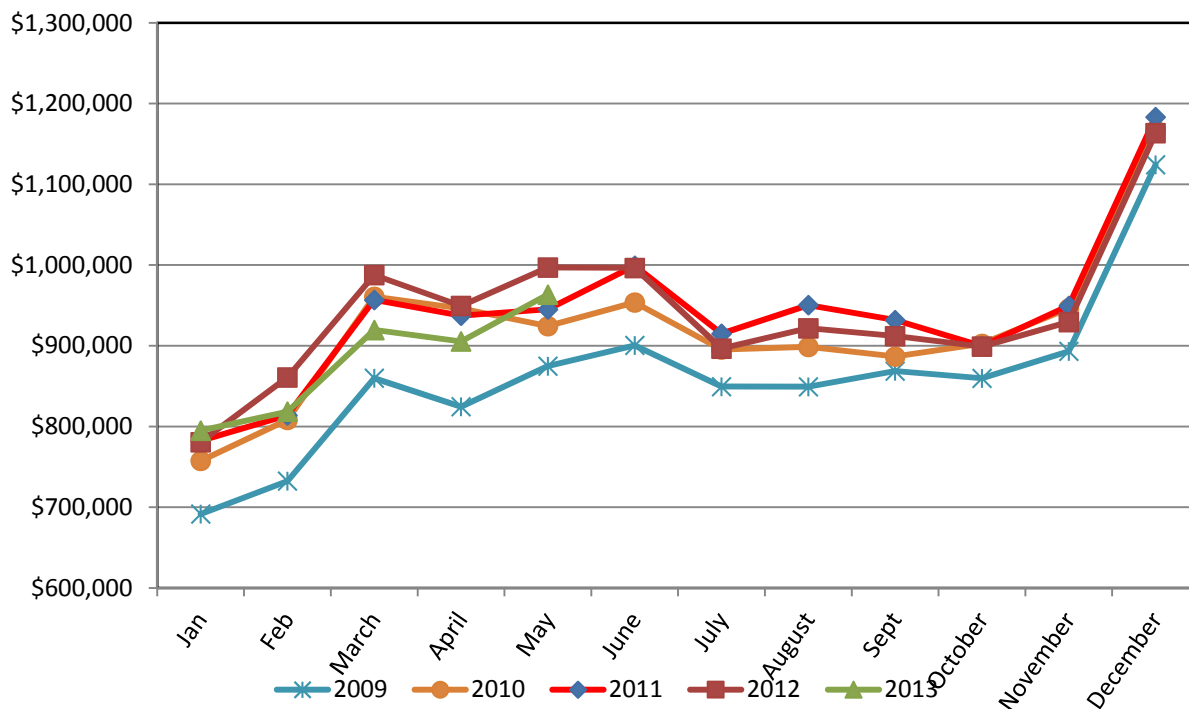


Table 1

***Southwestern Illinois Flood Protection District Council
Audited Statement of Revenues, Expenditures, and
Changes in Fund Balances – Governmental Fund
For the Year Ended September 30, 2012***

Resources:	
Flood Prevention Tax	\$11,354,784
Less: Return to Counties	(5,233,194)
Interest Income	830,276
Total Resources	\$6,951,866
Expenditures:	
Design and Construction	\$4,345,573
Professional Services	167,141
Debt Service:	
Principal	2,455,000
Interest	4,646,540
General and Administrative	232,414
Total Expenditures	\$10,936,528
Net Change in Fund Balance	(\$3,984,662)
Fund Balances:	
Beginning of the Year	90,259,144
Prior Period Adjustment	(766,094)
End of Year	\$85,508,388

Table 2 summarizes estimated project costs. Tables 3, 4, and 5 illustrate the fiscal capacity of the Council using only the proceeds of the FPD sales tax revenues, and based on conservative assumptions. This information illustrates that *the Council is well-positioned to meet our goals of achieving FEMA certification by 2015 with the revenue available from the dedicated FPD sales tax.* This positive conclusion results largely from two factors: a concerted effort throughout the design process to reduce costs, and a delay of over a year from the original construction schedule as it was originally conceived in 2010. Some uncertainty remains, of course, such as schedule interruptions for weather or property acquisition, but the risks to successful completion of the project are diminishing.

Table 2
Estimated Project Expenditures 7.1.2013 – 12.31.2015

	Calendar Year			TOTAL
	2013	2014	2015	
Construction				
<i>Bid Package #1</i>	\$0	\$0	\$0	\$0
<i>Bid Package #2a</i>	\$493,353	\$328,902	\$0	\$822,255
<i>Bid Package #2b</i>	\$2,765,200	\$4,147,800	\$0	\$6,913,000
<i>Bid Package #3</i>	\$1,686,500	\$13,492,000	\$1,686,500	\$16,865,000
<i>Bid Package #4</i>	\$476,300	\$3,810,400	\$476,300	\$4,763,000
<i>Bid Package #5</i>	\$1,740,800	\$13,926,400	\$1,740,800	\$17,408,000
<i>Bid Package #6</i>	\$2,828,568	\$9,899,989	\$1,414,284	\$14,142,841
<i>Bid Package #7a/7b</i>	\$0	\$20,000,000	\$3,104,000	\$23,104,000
<i>Pre-Const. Testing</i>	\$1,546,185	\$0	\$0	\$1,546,185
<i>Const. Mgmt.</i>	\$1,536,055	\$2,816,101	\$768,028	\$5,120,184
<i>Property Acquisition</i>	\$4,000,000	\$0	\$0	\$4,000,000
<i>Wetland Mitigation</i>	\$1,000,000	\$500,000	\$0	\$1,500,000
<i>HazMat Mitigation</i>	\$100,000	\$1,800,000	\$100,000	\$2,000,000
<i>Repair & Cost Share to LD</i>	\$1,000,000	\$700,000	\$300,000	\$2,000,000
TOTAL CONSTRUCTION	\$19,172,961	\$71,421,592	\$9,589,912	\$100,184,465
Design				
<i>Program Mgmt.</i>	\$320,000	\$405,000	\$302,660	\$1,027,660
<i>30% Design</i>	\$0	\$0	\$0	\$0
<i>60% Design</i>	\$0	\$0	\$0	\$0
<i>100% Design</i>	\$451,899	\$50,000	\$0	\$501,899
<i>408 Review</i>	\$181,747	\$0	\$0	\$181,747
<i>Certification</i>	\$15,000	\$130,000	\$180,000	\$325,000
TOTAL DESIGN	\$968,646	\$585,000	\$482,660	\$2,036,306
Operations & Financing				
<i>General & Administrative</i>	\$88,000	\$300,000	\$300,000	\$688,000
<i>Debt Service</i>	\$2,273,671	\$7,076,792	\$7,101,242	\$16,451,705
<i>Interest Rate Subsidy</i>	(\$455,070)	(\$910,140)	(\$910,140)	(\$2,275,350)
<i>Professional Services</i>	\$369,000	\$259,000	\$85,000	\$713,000
<i>Legal</i>	\$120,000	\$60,000	\$36,000	\$216,000
<i>Legislative</i>	\$108,000	\$108,000	\$108,000	\$324,000
<i>Financial Advisor</i>	\$10,000	\$20,000	\$10,000	\$40,000
<i>Appraisal & Prop. Acq.</i>	\$100,000	\$10,000	\$0	\$110,000
<i>Diversity Program Mgr.</i>	\$120,000	\$150,000	\$20,000	\$290,000
<i>Other</i>	\$10,000	\$10,000	\$10,000	\$30,000
TOTAL OPERATIONS	\$2,275,601	\$6,725,652	\$6,576,102	\$15,577,355
TOTAL EXPENSES	\$22,516,208	\$78,831,244	\$16,747,674	\$118,095,126
Cumulative Expenses	\$22,516,208	\$101,347,452	\$118,095,126	

Table 3
Estimated Revenue 7.1.2015 – 12.31.2015

Fund Sources	Calendar Year			TOTAL
	2013	2014	2015	
Sales Tax Revenue	\$5,679,000	\$11,237,000	\$11,237,000	\$28,153,000
Interest Income	\$480,000	\$300,000	\$100,000	\$880,000
County FPD Tax Balance	\$14,000,000			\$14,000,000
Bond Funds Balance (6.1.2013)	\$73,188,725			\$73,188,725
TOTAL FUNDS	\$93,347,725	\$11,537,000	\$11,337,000	\$116,221,725
Cumulative Sources	\$93,347,725	\$104,884,725	\$116,221,725	

Table 4
Excess Revenue vs. Expenditure by Calendar Year

Year	Amount
2013	\$70,831,517
2014	\$3,537,273
2015	\$-1,873,401

Table 5
*Subordinate Lien Capacity
Bond Proceeds for Construction*

Interest Rate	Sales Tax Growth Rate			
	0%	1%	2%	3%
4%	57,340,972	58,958,246	60,577,760	62,199,515
5%	50,347,886	51,803,116	53,260,586	54,720,295
6%	45,004,849	46,316,656	47,630,703	48,946,990
7%	40,617,897	41,823,011	43,030,365	44,239,959

Assumptions:

1. Issuance in 2014
2. 25 year final maturity
3. Fully funded debt service reserve fund
4. 1% cost of issuance
5. 1.10x gross debt service coverage

Source: Raymond James, July 9, 2013

V. Conclusions, Issues and Next Steps

Much progress has been made in the four years that the Council has been in existence toward the regional goal of maintaining a high level of flood protection for the American Bottom. Doing so is a regional priority and the Council has acted with a great sense of urgency, commitment, and cooperation in conceiving major improvements to the flood protection system. That process reached an important milestone this year with the completion of the design process and the imminent start of construction. There remain some uncertainties and there are yet a few obstacles to be overcome, but those are becoming much fewer. The design is done, costs are reasonably well known, and financing is largely in place. The Council has adopted some definitive goals and is now has a clear path to achieving them.

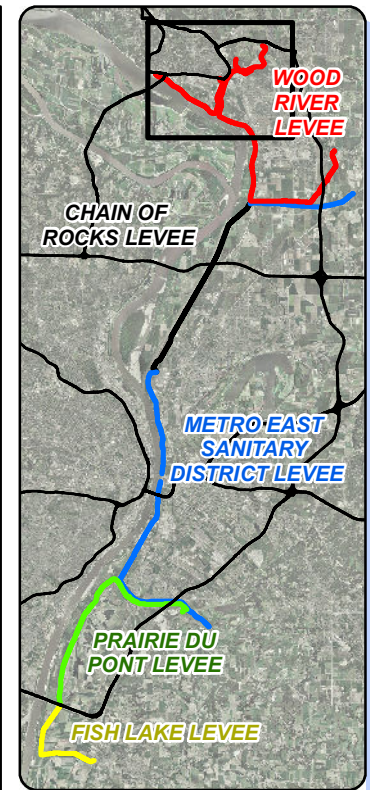
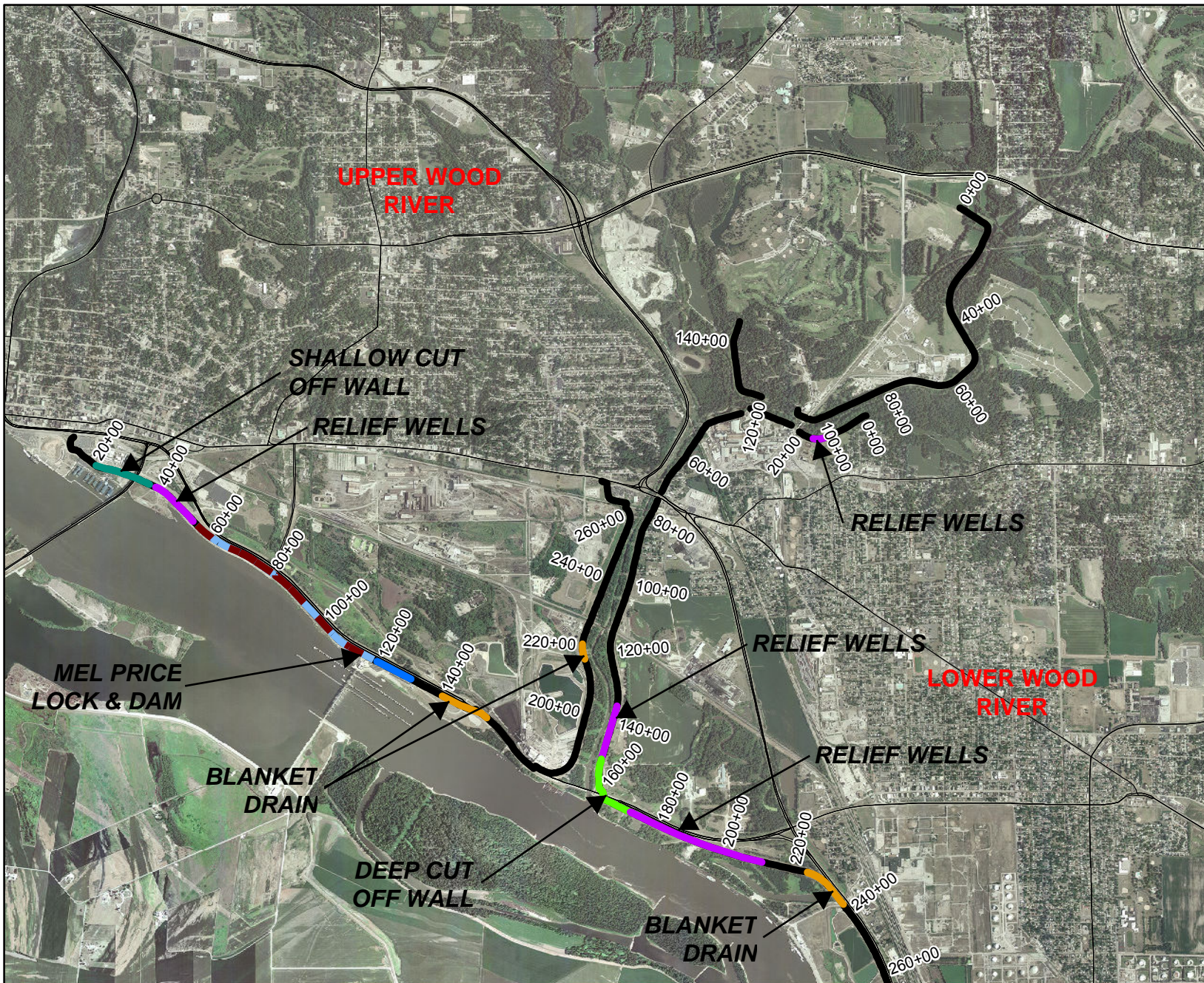
With regard to the critical question of the Council's capability to finance the project, the current cost estimate and financial capacity (the amount that can be raised from the FPD sales tax) are safely in balance. However, design changes driven by field conditions, delays for weather, or unknowns that might be encountered such as hazardous materials, could drive costs higher, so the Council must continue to make every effort to reduce costs, avoid delays, and maximize potential revenues. *For this project every penny will indeed count.*

There are a number of critical next steps for the project:

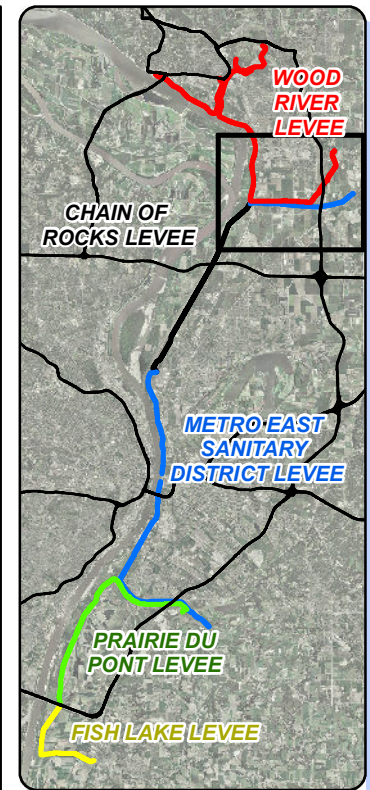
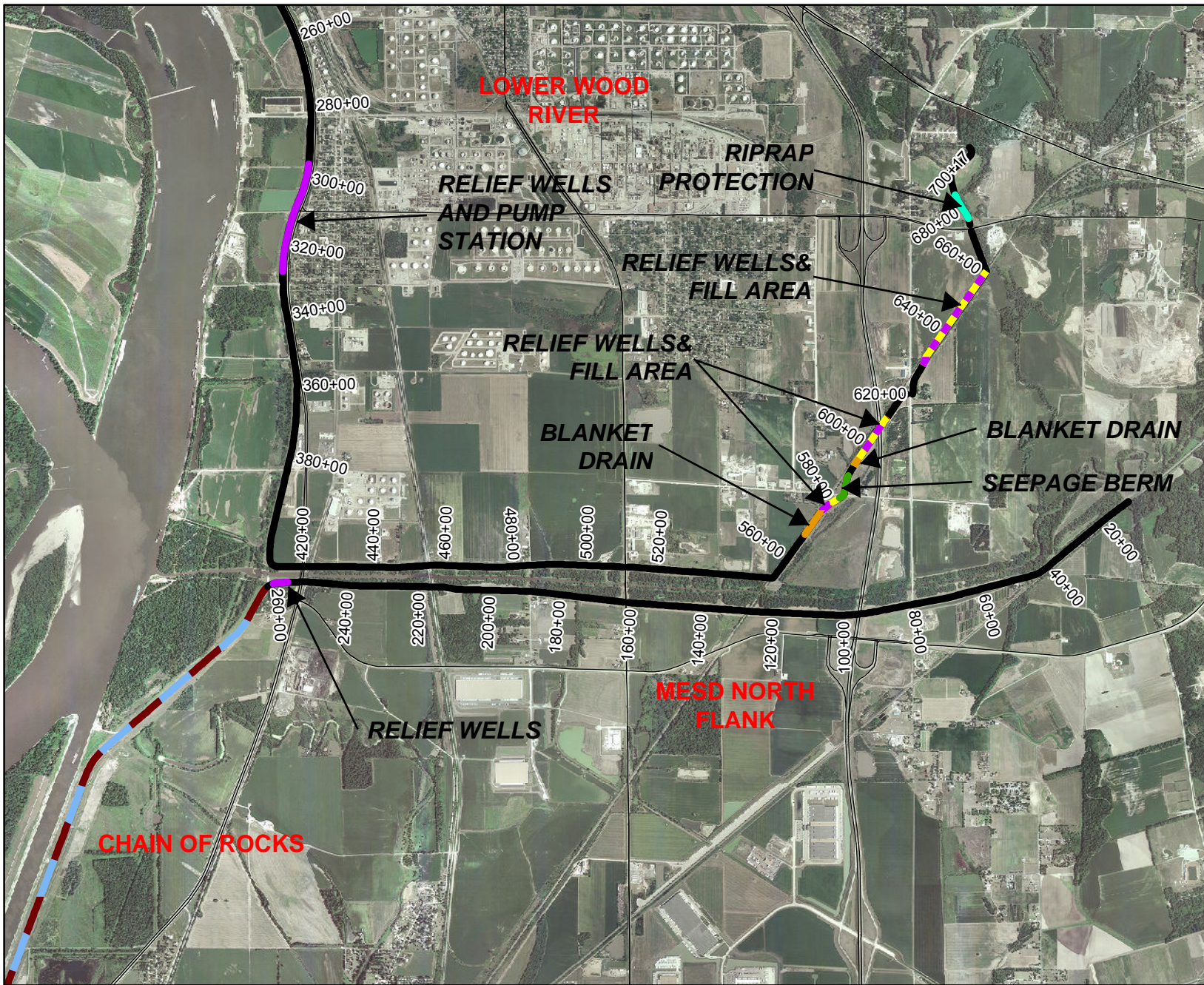
- Complete all property acquisition required to begin construction.
- Resolve any remaining design or constructability issues.
- Award bids for all construction packages to complete the project.
- Expedite the construction process prior to deadline for certification to be done by the end of 2015.
- Complete the USACE design of the Wood River cutoff wall project and reach a decision on whether the USACE or the Council will build the project.
- Resolve how certification of Corps owned or controlled segments of the levee system can be accomplished.
- Work with levee districts to provide for sufficient funding for ongoing maintenance of improvements.

The Council's primary goal remains -- to achieve certification of the Metro-East levee system by FEMA in 2015.

Appendix
Proposed Levee System Improvements



- Legend**
- 100% Improvements
- Layer
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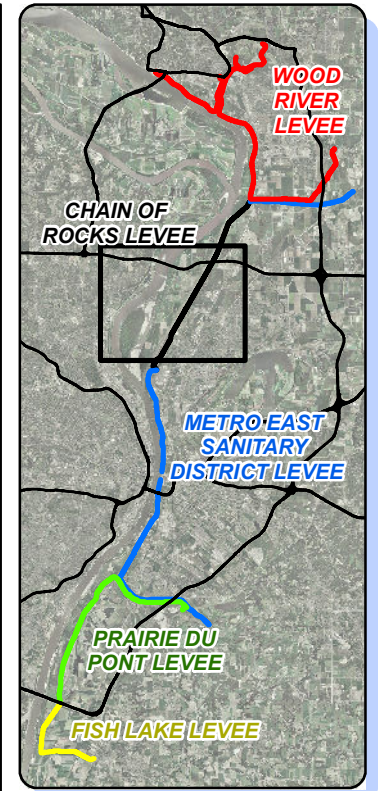


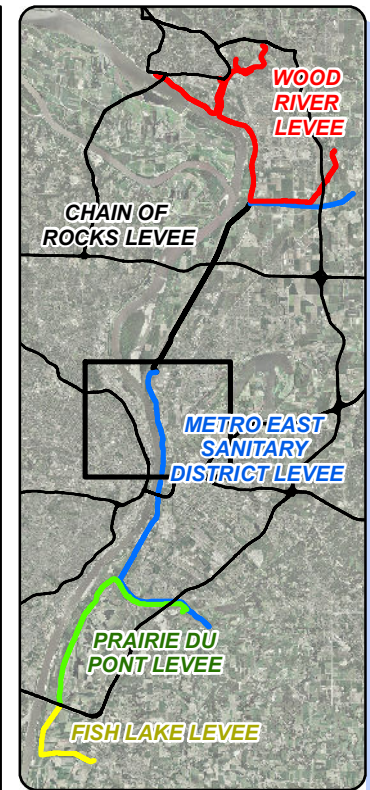
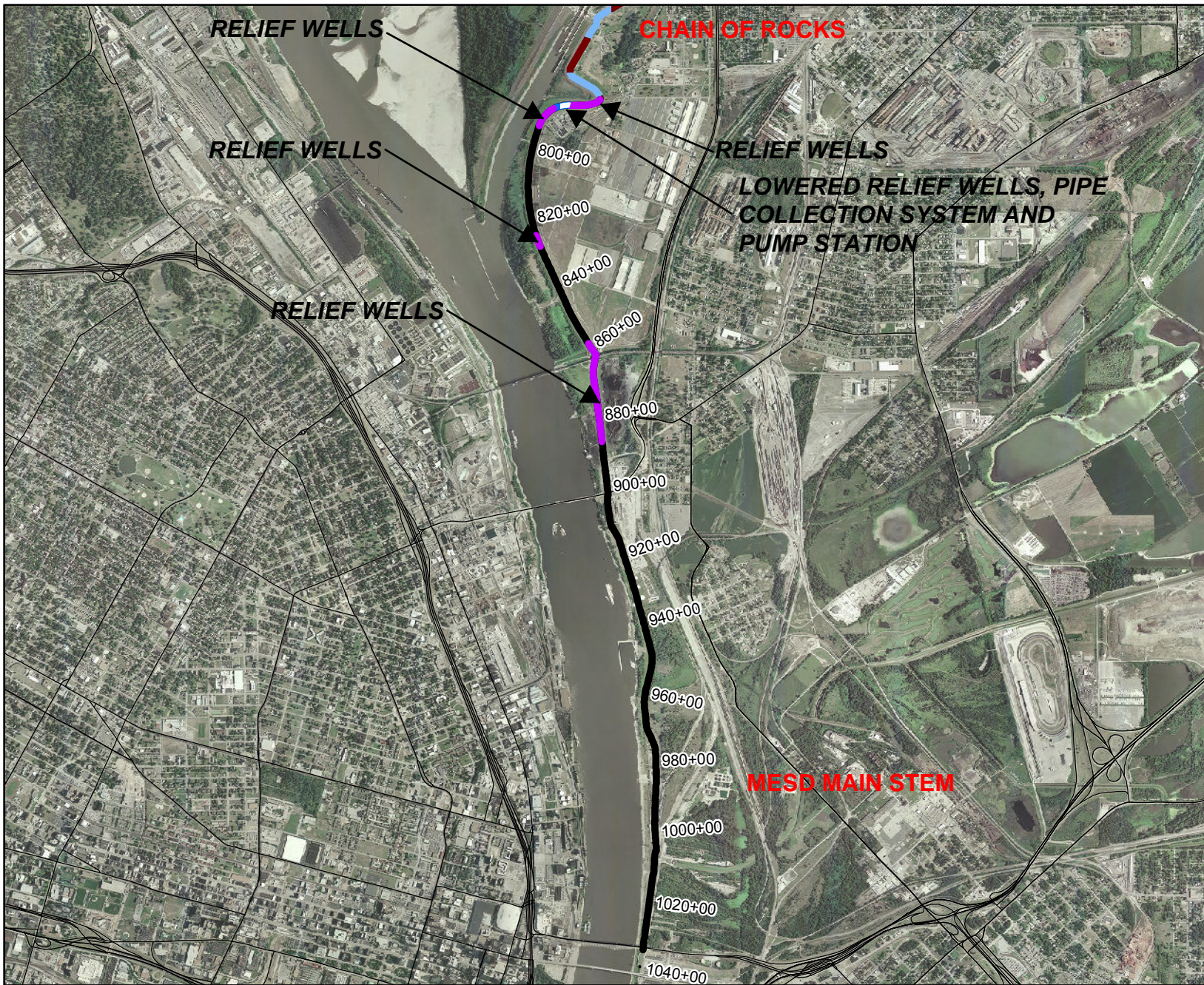
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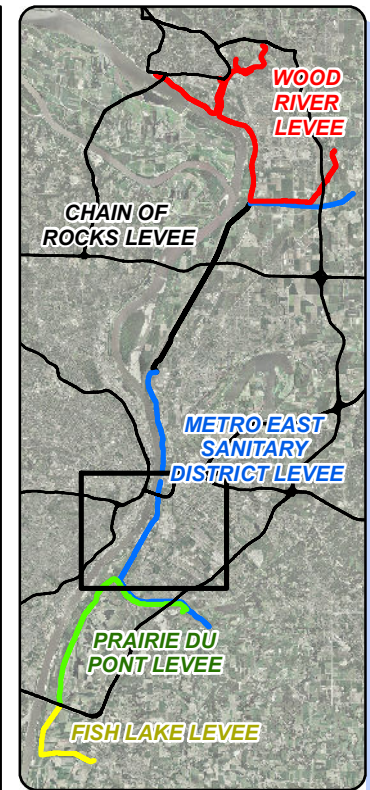
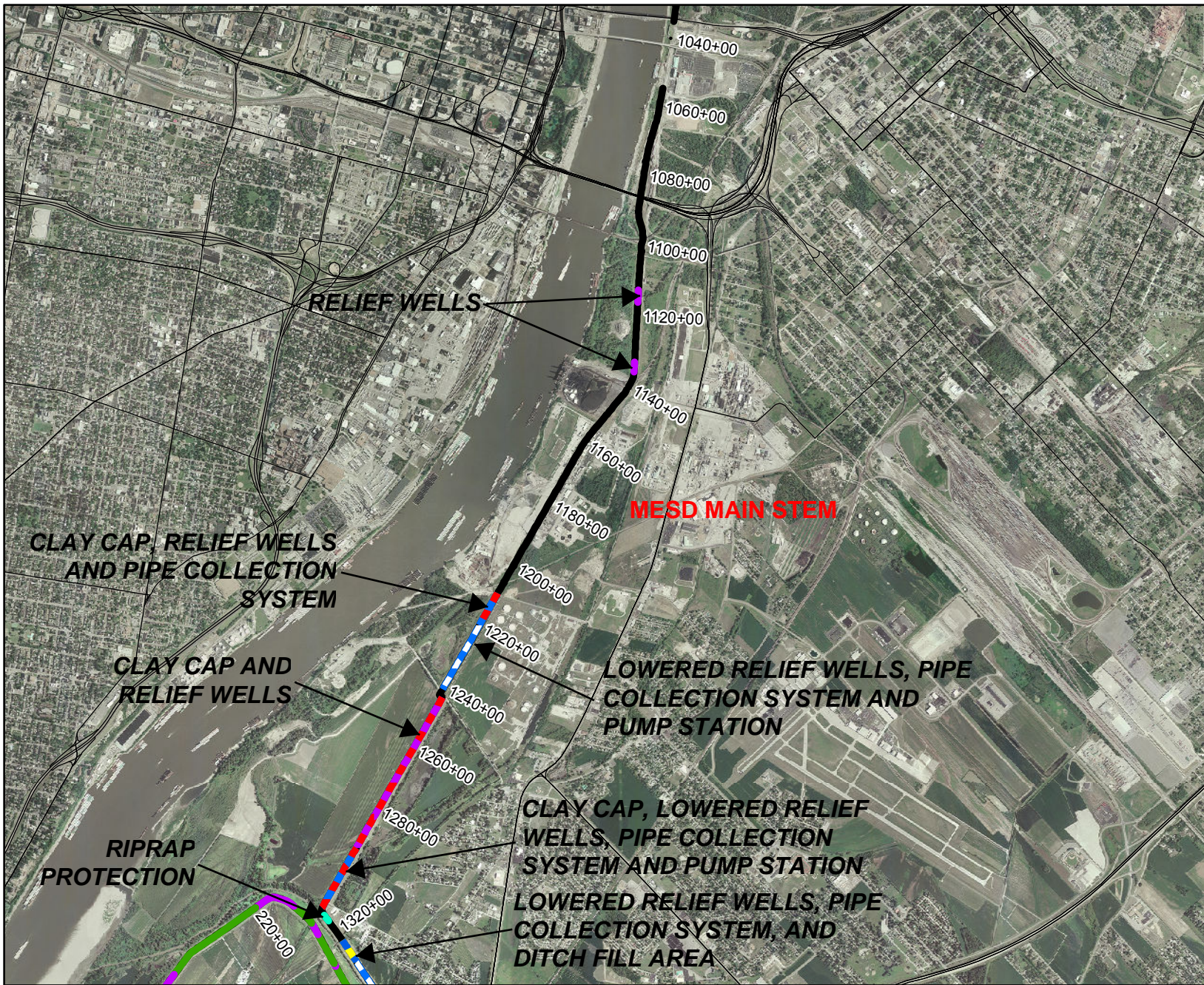


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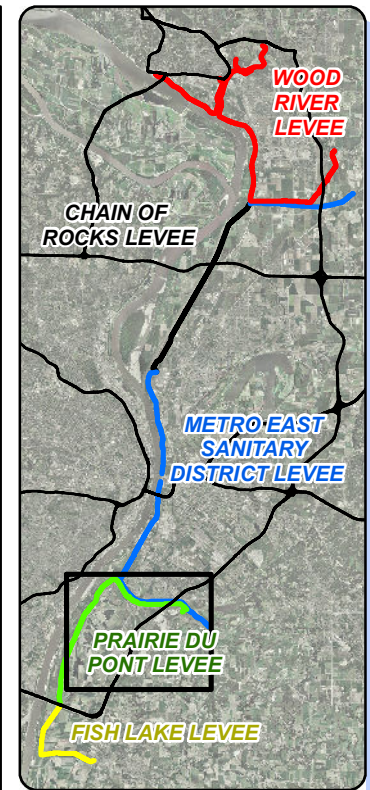
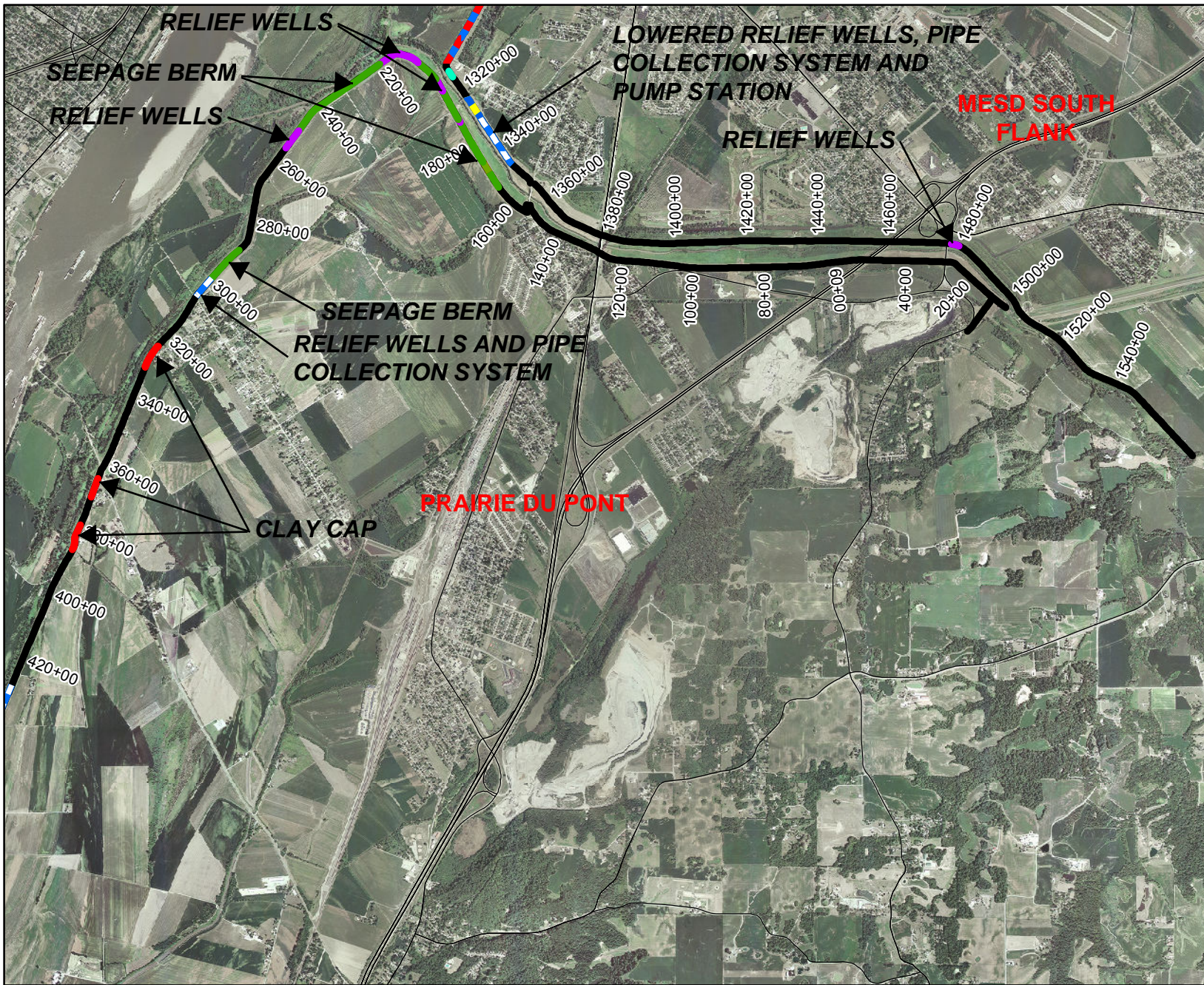


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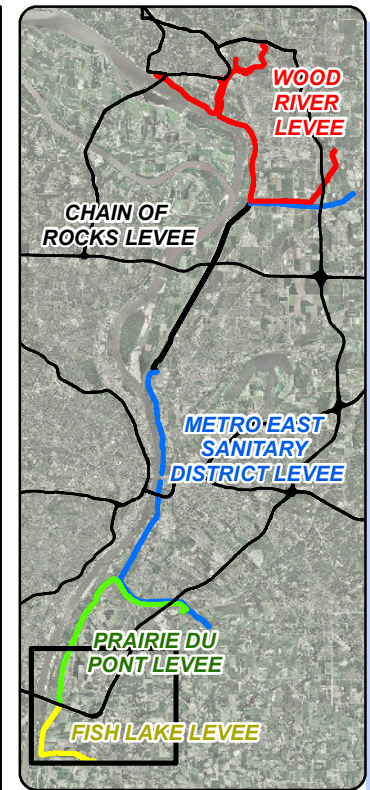
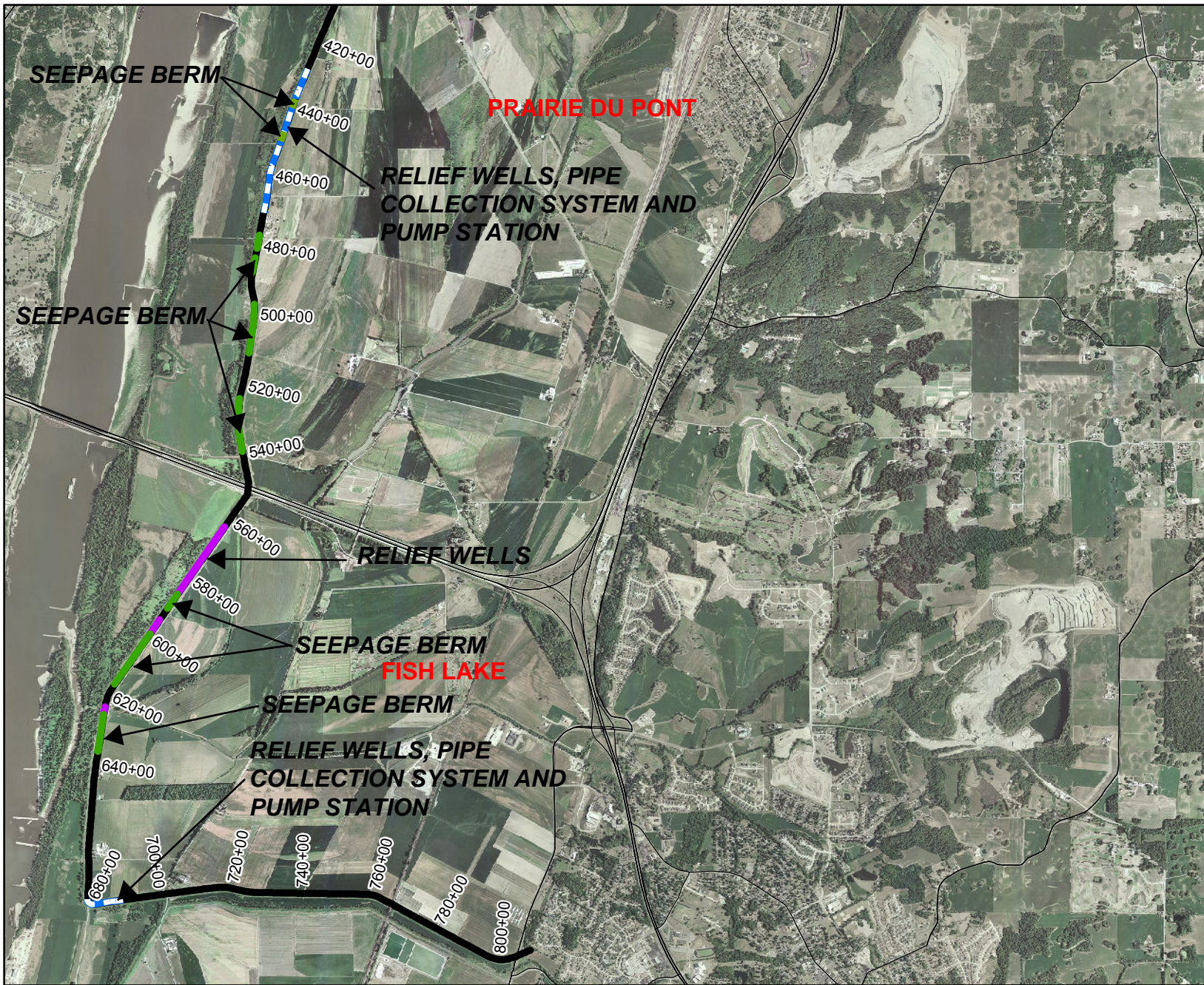
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Memo to: Board of Directors

From: Les Sterman

Subject: USACE Request for Cost-Share to Construct Relief Wells in the Wood River Levee District

Date: August 21, 2013

The USACE has requested local cost-share to match federal funding from Federal FY2013 to construct 11 relief wells in the Wood River Drainage and Levee District. This is part of an ongoing project by the Corps and is necessary for FEMA certification, so it is, in effect, and integral part of our project. The cost-share would be provided in accordance with the existing Project Partnership Agreement between the USACE and the WRDLD. The total request is \$315,000, which will match \$585,000 in Federal funds. A copy of the USACE request is attached.

Funding Commitments to the Wood River Levee Project

Date	Local	Federal		Total
		ARRA	Approp	
Aug-09	\$1,886,692	\$1,311,692	\$575,000	\$3,773,384
Sep-09	\$1,461,923	\$831,923	\$630,000	\$2,923,846
Jan-10	\$2,200,000	\$4,085,714		\$6,285,714
Apr-10	\$1,615,385	\$3,000,000		\$4,615,385
May-10	\$2,251,461	\$4,183,141		\$6,434,602
Nov-10	\$591,231		\$1,098,000	\$1,689,231
Aug-11	\$727,300		\$2,078,000	\$2,805,300
Jun-12	\$77,263		\$165,000	\$242,263
Aug-13	\$315,000		\$585,000	\$900,000
Total	\$11,126,255	\$13,412,470	\$4,381,000	\$29,669,725

The Corps' proposed expenditures on this project contribute to achieving the 100-year level of protection needed for FEMA accreditation.

If approved by the Board, the Council will pay these costs from the construction fund of the series 2010 bonds.

Recommendation: Authorize the Chief Supervisor to pay the U.S. Army Corps of Engineers \$315,000 to serve as cost-share for relief well construction in the Wood River Drainage and Levee District.



REPLY TO

DEPARTMENT OF THE ARMY
ST. LOUIS DISTRICT CORPS OF ENGINEERS
1222 SPRUCE STREET
ST. LOUIS, MISSOURI 63103-2833

JUL 8 2013

Programs and Project Management Division
Project Development Branch

Mr. Steve Kochan
Wood River Drainage and Levee District
543 West Madison Ave.
Wood River, IL 62095

Dear Mr. Kochan:

In accordance with Article II.B of the Project Partnership Agreement executed on June 30, 2008, between the Wood River Drainage and Levee District (WR D&LD) and the U.S. Army Corps of Engineers (Corps), I am requesting WR D&LD's cash contribution for the completion of 11 relief wells in Upper Wood River. The final FY 13 Federal appropriation for Wood River is \$4,038,696. A portion of this will be used to complete the relief wells. While a cost estimate for the project has not been finalized, a preliminary estimate for the work is \$900,000. Based on this amount, the corresponding non-Federal sponsor cash contribution is \$315,000.

Please note that the required non-Federal cost share may be adjusted after project costs are finalized.

The check should be made payable to "FAO, USAED, St. Louis (B3)" and should be mailed to:

U.S. Army Corps of Engineers
St. Louis District
Attention: CEMVS-PM-F (Kohler)
1222 Spruce Street
St. Louis, Missouri 63103-2833.

If preferred, funds may be provided to the St. Louis District by Electronic Funds Transfer. Verna Meyer of the Finance and Accounting Branch (314-331-8085) will be happy to assist you and your bank to facilitate the funds transfer.

If you have any questions, please contact me at (314) 331-8169 or e-mail Greg.Kohler@usace.army.mil.

Sincerely,

Greg Kohler
Project Manager

Programs and Project Management

c: Mr. Les Sterman, SWILFPDC



Memo to: Board of Directors

From: Les Serman

Subject: Authorization to Execute Master Services Agreement and Work Orders with Juneau Associates and ABNA Engineering for Quality Control and Materials Testing Services

Date: August 21, 2013

At the May meeting the Board of Directors authorized the Chief Supervisor to solicit, thorough a request for qualifications, firms to provide quality control and testing services for the Council's construction work. At the July meeting the Board selected Juneau Associates, along with teaming partners SCI Engineers/Hoelscher Engineers/SMS Engineers, to perform quality control and materials testing for bid packages #2a, #2b, #4, and #5. The Board also selected ABNA Engineering to perform quality control and materials testing for bid packages #3 and #6.

The structure of this contractual arrangement will be a Master Services Agreement that describes the contractual terms and conditions, and a series of Work Orders that will be executed to accompany each bid package. With the impending Award and Notice to Proceed for bid packages #2a and #6 we need to execute the Master Services Agreement and Work Order No. 1 with Juneau for Bid Package #2a and a Master Services Agreement and Work Order No. 1 with ABNA for Bid Package #6. Further Board approval will be sought prior to executing work orders that will coincide with construction contract awards. The services provided by each firm, mainly materials testing, complement the Construction Inspection and Quality Assurance Services being performed by AMEC as part of their construction management contract with the Council.

Proposed Master Services Agreements for Juneau and ABNA are included as attachments 1 and 2 to this memo.

A detailed scope of work and cost estimate for Construction Quality Control Services for Bid Package #2a is shown as attachment 3 to this memo. The cost of this work is \$30,000, which includes \$1,188 for laboratory testing.

A detailed scope of work and cost estimate for Construction Quality Control Services for Bid Package #6 is shown attachment 4 to this memo. The cost for this work is \$368,524, which includes \$193,250 for laboratory testing and \$20,000 for survey staking.

Recommendation: Authorize the Chief Supervisor to execute a Master Services Agreement and Work Order 1 with Juneau Associates for Construction Quality Control Services for Bid Package #2a at a cost not to exceed \$30,000 (inclusive of direct expenses). Additionally authorize the Chief Supervisor to execute a Master Services Agreement and Work Order 1 with ABNA Engineering for Construction Quality Control Services for Bid Package #6 at a cost not to exceed \$368,524 (inclusive of direct expenses).

MASTER SERVICES AGREEMENT

For Quality Control And Material Testing Services

Between
SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
And
ABNA ENGINEERING, INC.

This AGREEMENT (the "Agreement"), effective on the ____ day of August 2013, is made by and between ABNA Engineering, Inc., a Missouri corporation, with an address at 327 Missouri Ave, Suite 625, East St. Louis, Illinois 62201 ("ABNA") and the Southwestern Illinois Flood Prevention District Council, a political subdivision, with an address at 104 United Drive, Collinsville, Illinois 62234 ("the COUNCIL").

WHEREAS, the Federal Emergency Management Agency (FEMA) has notified Madison, St. Clair and Monroe counties in Illinois (the "Counties") that the levee systems protecting the American Bottom in Southwestern Illinois (the Wood River Drainage and Levee District, the Chain of Rocks Levee, the Metro East Sanitary District, the Prairie Du Pont Levee and Sanitary District and the Fish Lake Levee District, hereinafter the "Levee Systems") will likely be deaccredited in 2011 because the levees have not been certified to protect against a 100-year flood; and

WHEREAS, the COUNCIL was created by intergovernmental agreement among Flood Prevention Districts ("FPD"s) created by the Counties in accordance with Illinois statute (70 ILCS 750).

WHEREAS, the COUNCIL is responsible for the improvement of flood protection systems along the Mississippi River in parts of the Counties; and

WHEREAS, the COUNCIL's objective is to provide documentation to FEMA to demonstrate compliance with FEMA regulations as described in 44CFR 65.10 (Mapping of Areas Protected by Levee Systems); and

WHEREAS, the purpose of this agreement is to engage ABNA to provide quality control services related to the construction of levee system improvements necessary to demonstrate compliance with 44 CFR 65.10; and

NOW, THEREFORE, in consideration of the mutual undertakings and subject to the terms set forth below and intending to be legally bound, the parties agree as follows:

WORK ORDERS AND SCOPE OF SERVICES: This Agreement anticipates the execution of various written Work Orders (see Exhibit 1, Sample Work Order) and sets forth the terms and conditions pursuant to which ABNA will provide the COUNCIL with services (the "Services") as described in such Work Orders. In general, the work orders will be structured to provide specific materials testing and other quality control services to ensure that the improvements are constructed in accordance with design specifications. Work Orders shall define the scope of services to be performed, location of facilities or features involved, period of performance, authorized funding and special provisions, if any. Services may include, but are not limited to materials sampling, testing and documentation as directed by the COUNCIL's Resident Engineer for the project. The COUNCIL anticipates work orders issued for services related to the following construction bid packages:

- **Bid Package 3:** Improvements to the Wood River Levee District systems including modifying existing relief wells, constructing relief wells and piping systems to convey flow.
- **Bid Package 6:** Improvements to the Prairie du Pont & Fish Lake Levee systems including building or modifying existing relief wells, construction of riverside clay caps, seepage berms, relief wells and piping systems to convey flow to new pump stations (by others). The improvements are located throughout the PdP and FL levee systems.

2. TERM AND TERMINATION: The term of this Agreement shall commence as of the day and year first written above, and shall continue in effect until terminated by either party as provided herein. Either party may terminate this Agreement or any Work Order at any time, with or without cause, by providing not less than ten (10) days advance written notice to the other party. ABNA may terminate this Agreement and/or any Work Order immediately in writing if COUNCIL becomes insolvent, enters bankruptcy, receivership, or other like proceeding (voluntary or involuntary) or makes an assignment for the benefit of creditors.

Notwithstanding the termination of this Agreement, this Agreement will survive as to any and all Work Orders signed by both parties prior to the Agreement's effective termination date, until all of the rights and obligations of both parties thereunder have been fulfilled or the Work Order has been terminated as herein provided.

The COUNCIL shall compensate ABNA for all Services performed hereunder through the date of any termination and all reasonable costs and expenses incurred by ABNA in effecting the termination, including non-cancelable commitments and demobilization costs, provided however, if ABNA terminates without cause the COUNCIL is only responsible for payment for Services performed through the date of termination, and not for any other costs or expenses of termination incurred by ABNA.

3. COMPENSATION: ABNA will be compensated for its Services on either a time-and-materials or fixed-price basis as specified in each Work Order.

If a Work Order is to be performed on a time-and-materials basis, ABNA shall be reimbursed for all hours worked and other costs incurred at the rates and terms set forth in each Work Order. Should the total cost of ABNA's performance under a time-and-materials type Work Order be greater than the estimated amount, ABNA will notify the COUNCIL and provide a revised estimate for the COUNCIL's approval. In such event, continued performance is subject to additional funding as mutually agreed.

If a Work Order is to be performed on a fixed-price basis, the fixed price shall be as set forth in the Work Order.

In addition to the amount shown in the Work Order, the COUNCIL assumes full responsibility for the payment of any applicable sales, use, or value-added taxes under this Agreement, except as otherwise specified. ABNA shall submit invoices once a month for Services rendered. For time and materials Work Orders, the invoice will include specific hours worked by job classification or individual, and a description of direct costs for any purchases necessary to accomplish the work order, including copies of receipts. Subconsultant costs will be billed by ABNA and reimbursed by the COUNCIL at cost plus ten percent (10%). For fixed fee Work Orders the invoice will be for an amount proportional to the percent of work completed during the month. In both cases ABNA shall provide a progress report with the invoice that describes the work undertaken during the prior month, the work anticipated in the next month, and a description of any immediately foreseeable delays to the schedule or increases in costs. Terms of payment

are net thirty (30) days from the COUNCIL's receipt of invoice from ABNA. The COUNCIL may withhold payment for any services which do not meet the contract requirements. Payment will be made to ABNA at the address specified on ABNA's invoice.

The COUNCIL's payment shall represent the COUNCIL's acceptance of the Services invoiced by ABNA. ABNA may suspend performance of Services under this Agreement if: (i) the COUNCIL fails to make payment in accordance with the terms hereof, or (ii) ABNA reasonably believes that the COUNCIL will be unable to pay ABNA in accordance with the terms hereof and notifies the COUNCIL in writing prior to such suspension of Services. Such suspension shall continue until ABNA has been paid in full for all balances past due including applicable service charges and the COUNCIL provides ABNA with adequate assurance of the COUNCIL's ability to make future payments in accordance with the terms hereof. If any such suspension causes an increase in the time required for the performance of any part of the Services, the performance schedule and/or period for performance shall be extended for a period of time equal to the suspension period.

On receipt of the invoice designated by ABNA as the "final invoice" for any work order and upon compliance by ABNA with all the provisions of this Agreement, the COUNCIL shall promptly make a determination of whether or not ABNA has satisfactorily completed performance of the Scope of Work, and notify ABNA. After ninety-five percent (95%) of the total costs have been paid on any Work Order, further payment shall be withheld until the completion of an audit of the costs incurred in connection with this Agreement. the COUNCIL may, at its sole discretion, choose to waive the right to audit, in which case payment is due within sixty (60) days of receipt. The COUNCIL must provide notice within thirty (30) days of its intent to audit and complete any such audit within 90 days of receipt of the final invoice from ABNA on any Work Order. The COUNCIL may withhold payment on ABNA's final invoice to the extent of any discrepancies found as part of the COUNCIL's audit or the COUNCIL otherwise determines that the Scope of Work has not been satisfactorily completed..

4. STANDARD OF CARE: In the performance of professional services, ABNA will use that level of care and skill ordinarily exercised by reputable members of ABNA's profession currently practicing in the same locality under similar conditions. NO OTHER REPRESENTATION, GUARANTEE, OR WARRANTY, EXPRESS OR IMPLIED, IS INCLUDED OR INTENDED IN THIS AGREEMENT, OR IN ANY COMMUNICATION (ORAL OR WRITTEN), REPORT, OPINION, DOCUMENT, OR INSTRUMENT OF SERVICE.

5. INDEPENDENT CONTRACTOR: ABNA shall be fully independent and shall not act as an agent or employee of the COUNCIL. ABNA shall be solely responsible for its employees and for their compensation, benefits, contributions, and taxes, if any.

6. INSURANCE: ABNA will maintain insurance for this Agreement in the following types: workers' compensation insurance as required by applicable law; comprehensive general liability insurance (CGL) (including personal injury and contractual liability), professional liability; boiler and machinery, employee dishonesty insurance, all risk, property and such other policies in kind and amounts necessary and proper for the performance of services under this Agreement and; automobile liability insurance for bodily injury and property damage. ABNA agrees to include the COUNCIL as an additional insured on all commercial general and automobile liability policies, and to provide the COUNCIL with certificates of insurance, if requested.. Such policies shall cover occurrences or claims during the term of this Agreement and, except for ABNA's professional liability insurance, should be endorsed to provide that such insurance is primary to any insurance purchased directly by the COUNCIL, and is not excess or contributing insurance. If ABNA fails to obtain and maintain such insurance with amounts and coverages required herein, the COUNCIL may obtain such insurance for its own benefit, but only after notice to ABNA and failure by

ABNA to apply for insurance within ten (10) days of receipt of such notice, and the cost of such insurance shall be an expense reimbursable by ABNA to the COUNCIL. Without limiting the generality of the foregoing, ABNA shall maintain the following insurance in the minimum amounts shown:

Workers' Compensation	Statutory
Employer's Liability	\$500,000
Comprehensive General Liability	\$1,000,000 per occurrence; \$3,000,000 general aggregate
Automobile Liability	\$1,000,000 combined single limit
Professional Liability	\$1,000,000 per claim; \$3,000,000 general aggregate
Employment Practices Liability	\$1,000,000 per occurrence; \$1,000,000 general aggregate;

7. CHANGES: The COUNCIL may order changes within the general scope of Services by altering, adding to, or deleting from the Services to be performed. Further, if ABNA believes any subsurface or physical condition at or contiguous to the site is of an unusual nature and differs materially from conditions generally encountered or generally recognized as inherent in the character of the Services, a change exists. If any such change causes an increase or decrease in ABNA's cost of, or the time required for, the performance of any part of the Services, a mutually acceptable equitable adjustment shall be made to the price and performance schedule of the affected Work Order.

8. FORCE MAJEURE: Should performance of Services by ABNA be affected by causes beyond its reasonable control, Force Majeure results. Force Majeure includes, but is not restricted to: acts of God; acts of a legislative, administrative or judicial entity; acts of contractors other than contractors engaged directly by ABNA; fires; floods; labor disturbances; epidemics; and unusually severe weather. ABNA will be granted a time extension and the parties will negotiate an equitable adjustment to the price of any affected Work Order, where appropriate, based upon the effect of the Force Majeure on performance by ABNA.

9. DATA, REPORTS AND OTHER WORK PRODUCT: Except as required by law, court order or legal process, all reports, information, drawings, plans, data or other documents (or copies) furnished to ABNA by the COUNCIL, shall not be made available to any individual or organization without prior approval of the COUNCIL. At the COUNCIL's written request, ABNA shall return all such information and data to the COUNCIL upon completion of the Services hereunder; provided, however, that ABNA may retain one (1) copy of all such documents. All reports, drawings, plans, documents, software, source code, object code, field notes and work product (or copies thereof) in any form prepared or furnished by ABNA under this Agreement shall be furnished to the COUNCIL upon request and shall become the property of the COUNCIL, except for software, source code or object code in which ABNA has a proprietary interest before the date of this Agreement.

10. THE COUNCIL'S RESPONSIBILITIES: the COUNCIL agrees to make best effort to (i) provide to ABNA, or cause to be provided by third parties, all available material, data, and information pertaining to the Services, including, without limitation, the composition, quantity, toxicity, or potentially hazardous

properties of any material known or believed to be present at any site, any hazards that may be present, the nature and location of underground or otherwise not readily apparent utilities, summaries and assessments of the site's past and present compliance status, and the status of any filed or pending judicial or administrative action concerning the site. The COUNCIL agrees to (ii) discuss such materials, data, and information with ABNA; and (iii) ensure cooperation of the COUNCIL's employees.

11. SITE ACCESS: The COUNCIL shall at its cost and at such times as may be required by ABNA for the successful and timely completion of Services: (i) provide unimpeded and timely access to any site, including third party sites if required (ii) provide an adequate area for ABNA's site office facilities, equipment storage, and employee parking; (iii) furnish all construction utilities and utilities releases necessary for the Services; (iv) approve all locations for digging and drilling operations; and (v) obtain all permits and licenses which are necessary and required to be taken out in the COUNCIL's name for the Services.

12. WARRANTY OF TITLE, WASTE OWNERSHIP: ABNA understands that the COUNCIL does not have title to the materials and sites with respect to which the COUNCIL may request Services. However, the COUNCIL shall obtain agreements with those who do have title to ensure that the risk of loss with respect to all materials shall be borne by the title holder, who shall be considered the generator of such materials, and that the title holder shall (i) execute all manifests as the generator of such materials (ii) be liable for the arrangement, transportation, treatment, and/or disposal of all material at any site at which Services are requested.

INDEMNIFICATION: Notwithstanding the foregoing, ABNA shall indemnify and hold harmless the COUNCIL from any and all liability, including personal injury and death, to the extent caused by the negligent acts, errors or omissions or willful misconduct of ABNA and ABNA's officers, directors, employees and subconsultants under this Agreement, including but not limited to liability relating to the levee certification inspection services performed under this Agreement; provided, however, such indemnity shall not cover any acts of negligence or intentional acts or omissions of the COUNCIL or of the COUNCIL employees (unless such act or omission is the result of negligent direction from ABNA). the COUNCIL shall indemnify and hold harmless ABNA from any and all liability, including personal injury and death, caused by the negligence or intentional acts or omissions of the COUNCIL or the COUNCIL employees in the performance by the COUNCIL of its duties under this Agreement. In the event that a party to this Agreement (the "Indemnified Party") shall incur or sustain any loss, liability or damage, or in the event that any claim shall be asserted against the Indemnified Party, and such loss, liability, damage or claim shall, in the reasonable opinion of the Indemnified Party, be subject to indemnification hereunder, and in the further event that the party having the indemnification obligation hereunder (the "Indemnifying Party") shall not, within ten (10) days after the Indemnified Party shall notify the Indemnifying Party of the existence of such loss, liability, damage or claim: (i) reimburse to the Indemnified Party the amount of such loss, liability or damage; (ii) provide the Indemnified Party with assurance, to the Indemnified Party's sole satisfaction, that such claim will be paid directly by the Indemnifying Party, or (iii) notify the Indemnified Party that the Indemnifying Party believes there to be a meritorious defense to such claim and that the Indemnifying Party, at its sole cost, shall undertake and diligently maintain the defense thereof, as the case may be; then the Indemnified Party may, but shall not be obligated to, undertake and maintain the defense of any such claim, with counsel of its selection, and all costs and expenses of such defense shall be reimbursed to the Indemnified Party by the Indemnifying Party, upon demand. The defense of any such claim shall not, in any manner, relieve the Indemnifying Party of or from any liability or obligation to indemnify the Indemnified Party against any judgment, cost, damage or other expense which Indemnified Party may incur or sustain as a consequence of such claim.

13. LIMITATION OF LIABILITY: As part of the consideration ABNA requires for provision of the Services indicated herein, the COUNCIL agrees that any claim for damages filed against ABNA by the

COUNCIL or any contractor or subcontractor hired directly or indirectly by the COUNCIL will be filed solely against ABNA or its successors or assigns and that no individual person shall be made personally liable for damages, in whole or in part.

ABNA and the COUNCIL shall not be responsible to each other for any special, incidental, indirect or consequential damages (including lost profits) incurred by either ABNA or the COUNCIL or for which either party may be liable to any third party, which damages have been or are occasioned by Services performed or reports prepared or other work performed hereunder.

14. ASSIGNMENT AND SUBCONTRACTING: Neither party shall assign its interest in this Agreement without the written consent of the other, except that ABNA may assign its interest in the Agreement to related or affiliated companies of ABNA or subcontract portions of the Services to a qualified subcontractor if the COUNCIL consents in advance.

15. PROBABLE COST: ABNA does not guarantee the accuracy of probable costs for engineering services. Such probable costs represent only ABNA's judgment as a professional and, if furnished, only for the COUNCIL's general guidance.

16. DISPUTE RESOLUTION: If a claim, dispute, or controversy arises out of or relates to the interpretation, application, enforcement, or performance of Services under this Agreement, ABNA and the COUNCIL agree first to try in good faith to settle the dispute by negotiations between senior management of ABNA and the COUNCIL. If such negotiations are unsuccessful, ABNA and the COUNCIL agree to attempt to settle the dispute by good faith mediation if both parties agree. If the dispute cannot be settled through mediation, and unless otherwise mutually agreed, the dispute shall be settled by litigation in Illinois. Except as otherwise provided herein, each party shall be responsible for its own legal costs and attorneys' fees.

17. NOTICE: Any notice required under this Agreement will be in writing, addressed to the appropriate party at the address set forth in the introductory paragraph of this Agreement (or such other address as the parties may designate from time to time in writing) and given personally, by registered or certified mail postage prepaid, or by a commercial courier service. Notices shall be effective: (a) upon receipt after being delivered personally, (b) 3 days after being deposited in the mail as described above, or (c) 2 days after being deposited with a commercial courier service.

18. CONFIDENTIALITY: Both parties shall keep all information and data provided by the other party pertaining to the Services strictly confidential, and unless such information and data is already in the public domain on the date of the applicable Work Order, neither party shall publish or otherwise disseminate such information and data to any third party without receiving written permission to do so from the source of such information or data. If disclosure of such confidential information is required by law or legal process, the party obligated to disclose such information should provide reasonable advance notice to the party that provided such information.

19. WAIVER: The failure of either ABNA or the COUNCIL in any one or more instances to enforce one or more of the terms or conditions of this Agreement or to exercise any right or privilege in this Agreement or the waiver by ABNA or the COUNCIL of any breach of the terms or conditions of this Agreement shall not be construed as thereafter waiving any such terms, conditions, rights, or privileges, and the same shall continue and remain in force and effect as if no such failure to enforce had occurred.

20. SEVERABILITY AND HEADINGS: Every term or condition of this Agreement is severable from others. Notwithstanding any possible future finding by a duly constituted authority that a particular term or

provision is invalid, void, or unenforceable, this Agreement has been made with the clear intention that the validity and enforceability of the remaining parts, terms, and provisions shall not be affected thereby. The headings used in this Agreement are for general reference only and do not have special significance.

21. GOVERNING LAWS: This Agreement shall be governed and construed in accordance with the laws of the state Illinois.

22. NONDISCRIMINATION AND AFFIRMATIVE ACTION: ABNA agrees to comply with Executive Order 11246 and the applicable federal regulations pertaining to nondiscrimination and affirmative action, including the Equal Opportunity Clause, the Affirmative Action Clause for Handicapped Workers, and the Affirmative Action Clause for Disabled Veterans and Veterans of the Vietnam Era. Further, ABNA agrees that its facilities are not segregated.

23. FIELD REPRESENTATION: Unless otherwise expressly agreed in writing, ABNA shall not be responsible for the safety or direction of the means and methods of contractors (or their employees or agents) not subcontracted by ABNA, and the presence of ABNA at the COUNCIL's site will not relieve any such contractor of its responsibilities for performing the work in accordance with applicable regulations, or in accordance with project plans and specifications. If necessary, the COUNCIL will advise any contractors that ABNA's services are so limited. ABNA will not assume the role of "prime contractor", "principal contractor", "constructor", "controlling employer", or their equivalents unless the scope of such services are expressly agreed in writing.

24. AUTHORIZATION TO SIGN: The person signing this Agreement warrants that he has authority to sign as, or on behalf of, the COUNCIL for whom or for whose benefit ABNA's services are rendered.

25. ENTIRE AGREEMENT: The terms and conditions set forth herein constitute the entire understanding and agreement of ABNA and the COUNCIL with respect to the Services. All previous proposals, offers, and other communications relative to the provisions of these Services are hereby superseded. Any modification or revision of any provision set forth herein or any additional provision contained in any purchase order, acknowledgment, or other form of the the COUNCIL is hereby superseded and shall not operate to modify this Agreement. Should the COUNCIL utilize its purchase order or any other form to procure services, the COUNCIL acknowledges and agrees that its use of such purchase order or other form is solely for administrative purposes and in no event shall ABNA be bound to any terms and conditions on such purchase order or other form, regardless of reference to (e.g. on invoices) or signature upon (e.g. acknowledgement) such purchase order or other form by ABNA. the COUNCIL shall endeavor to reference this Agreement on any purchase order or other form it may issue to procure ABNA services, but the COUNCIL's failure to do so shall not operate to modify this Agreement.

IN WITNESS WHEREOF, the COUNCIL and ABNA have caused this Agreement to be executed by their respective duly authorized representatives as of the date first set forth above.

**Southwestern Illinois Flood Prevention
District Council**

ABNA Engineering, Inc.

By: _____

By: _____

Name: Les Sterman

Name:

Title: Chief Supervisor of Construction
and the Works

Title:

Date: _____

Date: _____

ATTACHMENT: Exhibit 1, Sample Work Order

EXHIBIT 1
WORK ORDER NO: _____

_____ **SERVICES**

Issued Pursuant to Master Services Agreement Effective _____,

By and Between

ABNA Engineering, Inc. (ABNA)

and

Southwestern Illinois Flood Prevention District Council (the COUNCIL)

COUNCIL Office: _____ ABNA Project No: _____

COUNCIL Contact: _____ Work Order Type: (Check One)

ABNA Office: _____ Time and Materials (rates attached) _____

_____ Fixed Price _____

ABNA Contact: _____ the COUNCIL Reference No: n/a

1. SCOPE OF WORK: _____

2. LOCATION/ COUNCIL FACILITY INVOLVED: _____

3. PERIOD OF PERFORMANCE: _____

4. AUTHORIZED FUNDING: _____

5. SPECIAL PROVISIONS: _____

**Southwestern
Illinois Flood Prevention District Council**

ABNA Engineering, Inc.

By: _____

By: _____

Name: **Les Sterman**

Name: _____

Title: **Chief Supervisor of Construction and
the Works**

Title: _____

Date: _____

Date: _____

Address: **104 United Drive**

Address: _____

Collinsville, IL 62234

MASTER SERVICES AGREEMENT

For Quality Control and Material Testing Services

Between
SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
And
JUNEAU ASSOCIATES, INC., P.C.

This AGREEMENT (the "Agreement"), effective on the ____ day of August 2013, is made by and between Juneau Associates, Inc., an Illinois corporation, with an address at 2100 State Street, PO Box 1325, Granite City, IL 62040-1325 ("JUNEAU") and the Southwestern Illinois Flood Prevention District Council, a political subdivision, with an address at 104 United Drive, Collinsville, Illinois 62234 ("the COUNCIL").

WHEREAS, the Federal Emergency Management Agency (FEMA) has notified Madison, St. Clair and Monroe counties in Illinois (the "Counties") that the levee systems protecting the American Bottom in Southwestern Illinois (the Wood River Drainage and Levee District, the Chain of Rocks Levee, the Metro East Sanitary District, the Prairie Du Pont Levee and Sanitary District and the Fish Lake Levee District, hereinafter the "Levee Systems") will likely be deaccredited in 2011 because the levees have not been certified to protect against a 100-year flood; and

WHEREAS, the COUNCIL was created by intergovernmental agreement among Flood Prevention Districts ("FPD"s) created by the Counties in accordance with Illinois statute (70 ILCS 750).

WHEREAS, the COUNCIL is responsible for the improvement of flood protection systems along the Mississippi River in parts of the Counties; and

WHEREAS, the COUNCIL's objective is to provide documentation to FEMA to demonstrate compliance with FEMA regulations as described in 44CFR 65.10 (Mapping of Areas Protected by Levee Systems); and

WHEREAS, the purpose of this agreement is to engage JUNEAU to provide quality control services related to the construction of levee system improvements necessary to demonstrate compliance with 44 CFR 65.10; and

NOW, THEREFORE, in consideration of the mutual undertakings and subject to the terms set forth below and intending to be legally bound, the parties agree as follows:

WORK ORDERS AND SCOPE OF SERVICES: This Agreement anticipates the execution of various written Work Orders (see Exhibit 1, Sample Work Order) and sets forth the terms and conditions pursuant to which JUNEAU will provide the COUNCIL with services (the "Services") as described in such Work Orders. In general, the work orders will be structured to provide specific materials testing and other quality control services to ensure that the improvements are constructed in accordance with design specifications. Work Orders shall define the scope of services to be performed, location of facilities or features involved, period of performance, authorized funding and special provisions, if any. Services may include, but are not limited to materials sampling, testing and documentation as directed by the COUNCIL's Resident Engineer for the project. The COUNCIL anticipates work orders issued for services related to the following construction bid packages:

- **Bid Package 2A:** Improvements to the Fish Lake Levee system including construction of one (1) pump station. Specifically the improvements are in one location consisting of the following: SITE 01 – PDP/FL STA 689+20
- **Bid Package 2B:** Improvements to the Wood River, Metro East Sanitary District, and Prairie du Pont Levee Districts systems including the construction of six (6) pump stations. Specifically the improvements are in six locations consisting of the following:
 - Wood River Levee District:
 - SITE 15 – LWR STA 308+50 (Hartford)
 - Metro East Sanitary District (MESD):
 - SITE 09 – MESD STA 1225+20 (Phillips Reach #2)
 - SITE 10 – MESD STA 1314+50 (Cahokia #2)
 - SITE 12 – MESD STA 783+00 (G.C.E.D #1X)
 - SITE 16 – MESD STA 1344+00 (Water Street)
 - Prairie du Pont Levee District
 - SITE 05 – PDP/FL STA 454+00 (Gummersheimer)
- **Bid Package 04:** Improvements to the Metro East Sanitary District Levee system (Conoco Phillips) including modifying existing relief wells, constructing a protruding riverside clay cap, constructing relief wells and a pipe conveyance system to convey flow to a new pump station (by others).
- **Bid Package 05:** Improvements to the Metro East Sanitary District Levee system (excluding Conoco Phillips) including modifying existing relief wells, constructing a protruding riverside clay cap, constructing relief wells and a pipe conveyance system to convey flow to a new pump station (by others).

2. TERM AND TERMINATION: The term of this Agreement shall commence as of the day and year first written above, and shall continue in effect until terminated by either party as provided herein. Either party may terminate this Agreement or any Work Order at any time, with or without cause, by providing not less than ten (10) days advance written notice to the other party. JUNEAU may terminate this Agreement and/or any Work Order immediately in writing if COUNCIL becomes insolvent, enters bankruptcy, receivership, or other like proceeding (voluntary or involuntary) or makes an assignment for the benefit of creditors.

Notwithstanding the termination of this Agreement, this Agreement will survive as to any and all Work Orders signed by both parties prior to the Agreement's effective termination date, until all of the rights and obligations of both parties thereunder have been fulfilled or the Work Order has been terminated as herein provided.

The COUNCIL shall compensate JUNEAU for all Services performed hereunder through the date of any termination and all reasonable costs and expenses incurred by JUNEAU in effecting the termination, including non-cancelable commitments and demobilization costs, provided however, if JUNEAU terminates without cause the COUNCIL is only responsible for payment for Services performed through the date of termination, and not for any other costs or expenses of termination incurred by JUNEAU.

3. COMPENSATION: JUNEAU will be compensated for its Services on either a time-and-materials or fixed-price basis as specified in each Work Order.

If a Work Order is to be performed on a time-and-materials basis, JUNEAU shall be reimbursed for all hours worked and other costs incurred at the rates and terms set forth in each Work Order. Should the total cost of JUNEAU's performance under a time-and-materials type Work Order be greater than the estimated amount, JUNEAU will notify the COUNCIL and provide a revised estimate for the COUNCIL's approval. In such event, continued performance is subject to additional funding as mutually agreed.

If a Work Order is to be performed on a fixed-price basis, the fixed price shall be as set forth in the Work Order.

In addition to the amount shown in the Work Order, the COUNCIL assumes full responsibility for the payment of any applicable sales, use, or value-added taxes under this Agreement, except as otherwise specified. JUNEAU shall submit invoices once a month for Services rendered. For time and materials Work Orders, the invoice will include specific hours worked by job classification or individual, and a description of direct costs for any purchases necessary to accomplish the work order, including copies of receipts. Subconsultant costs will be billed by JUNEAU and reimbursed by the COUNCIL at cost plus ten percent (10%). For fixed fee Work Orders the invoice will be for an amount proportional to the percent of work completed during the month. In both cases JUNEAU shall provide a progress report with the invoice that describes the work undertaken during the prior month, the work anticipated in the next month, and a description of any immediately foreseeable delays to the schedule or increases in costs. Terms of payment are net thirty (30) days from the COUNCIL's receipt of invoice from JUNEAU. The COUNCIL may withhold payment for any services which do not meet the contract requirements. Payment will be made to JUNEAU at the address specified on JUNEAU's invoice.

The COUNCIL's payment shall represent the COUNCIL's acceptance of the Services invoiced by JUNEAU. JUNEAU may suspend performance of Services under this Agreement if: (i) the COUNCIL fails to make payment in accordance with the terms hereof, or (ii) JUNEAU reasonably believes that the COUNCIL will be unable to pay JUNEAU in accordance with the terms hereof and notifies the COUNCIL in writing prior to such suspension of Services. Such suspension shall continue until JUNEAU has been paid in full for all balances past due including applicable service charges and the COUNCIL provides JUNEAU with adequate assurance of the COUNCIL's ability to make future payments in accordance with the terms hereof. If any such suspension causes an increase in the time required for the performance of any part of the Services, the performance schedule and/or period for performance shall be extended for a period of time equal to the suspension period.

On receipt of the invoice designated by JUNEAU as the "final invoice" for any work order and upon compliance by JUNEAU with all the provisions of this Agreement, the COUNCIL shall promptly make a determination of whether or not JUNEAU has satisfactorily completed performance of the Scope of Work, and notify JUNEAU. After ninety-five percent (95%) of the total costs have been paid on any Work Order, further payment shall be withheld until the completion of an audit of the costs incurred in connection with this Agreement. The COUNCIL may, at its sole discretion, choose to waive the right to audit, in which case payment is due within sixty (60) days of receipt. The COUNCIL must provide notice within thirty (30) days of its intent to audit and complete any such audit within 90 days of receipt of the final invoice from JUNEAU on any Work Order. The COUNCIL may withhold payment on JUNEAU's final invoice to the extent of any discrepancies found as part of the COUNCIL's audit or the COUNCIL otherwise determines that the Scope of Work has not been satisfactorily completed.

4. STANDARD OF CARE: In the performance of professional services, JUNEAU will use that level of care and skill ordinarily exercised by reputable members of JUNEAU's profession currently practicing in the same locality under similar conditions. NO OTHER REPRESENTATION, GUARANTEE, OR WARRANTY, EXPRESS OR IMPLIED, IS INCLUDED OR INTENDED IN THIS AGREEMENT, OR

IN ANY COMMUNICATION (ORAL OR WRITTEN), REPORT, OPINION, DOCUMENT, OR INSTRUMENT OF SERVICE.

5. INDEPENDENT CONTRACTOR: JUNEAU shall be fully independent and shall not act as an agent or employee of the COUNCIL. JUNEAU shall be solely responsible for its employees and for their compensation, benefits, contributions, and taxes, if any.

6. INSURANCE: JUNEAU will maintain insurance for this Agreement in the following types: workers' compensation insurance as required by applicable law; comprehensive general liability insurance (CGL) (including personal injury and contractual liability), professional liability; boiler and machinery, employee dishonesty insurance, all risk, property and such other policies in kind and amounts necessary and proper for the performance of services under this Agreement and; automobile liability insurance for bodily injury and property damage. JUNEAU agrees to include the COUNCIL as an additional insured on all commercial general and automobile liability policies, and to provide the COUNCIL with certificates of insurance, if requested. Such policies shall cover occurrences or claims during the term of this Agreement and, except for JUNEAU's professional liability insurance, should be endorsed to provide that such insurance is primary to any insurance purchased directly by the COUNCIL, and is not excess or contributing insurance. If JUNEAU fails to obtain and maintain such insurance with amounts and coverages required herein, the COUNCIL may obtain such insurance for its own benefit, but only after notice to JUNEAU and failure by JUNEAU to apply for insurance within ten (10) days of receipt of such notice, and the cost of such insurance shall be an expense reimbursable by JUNEAU to the COUNCIL. Without limiting the generality of the foregoing, JUNEAU shall maintain the following insurance in the minimum amounts shown:

Workers' Compensation	Statutory
Employer's Liability	\$500,000
Comprehensive General Liability	\$1,000,000 per occurrence; \$3,000,000 general aggregate
Automobile Liability	\$1,000,000 combined single limit
Professional Liability	\$1,000,000 per claim; \$3,000,000 general aggregate
Employment Practices Liability	\$1,000,000 per occurrence; \$1,000,000 general aggregate;

7. CHANGES: The COUNCIL may order changes within the general scope of Services by altering, adding to, or deleting from the Services to be performed. Further, if JUNEAU believes any subsurface or physical condition at or contiguous to the site is of an unusual nature and differs materially from conditions generally encountered or generally recognized as inherent in the character of the Services, a change exists. If any such change causes an increase or decrease in JUNEAU's cost of, or the time required for, the performance of any part of the Services, a mutually acceptable equitable adjustment shall be made to the price and performance schedule of the affected Work Order.

8. FORCE MAJEURE: Should performance of Services by JUNEAU be affected by causes beyond its reasonable control, Force Majeure results. Force Majeure includes, but is not restricted to: acts of God; acts of a legislative, administrative or judicial entity; acts of contractors other than contractors engaged directly by JUNEAU; fires; floods; labor disturbances; epidemics; and unusually severe weather. JUNEAU will be granted a time extension and the parties will negotiate an equitable adjustment to the price of any affected Work Order, where appropriate, based upon the effect of the Force Majeure on performance by JUNEAU.

9. DATA, REPORTS AND OTHER WORK PRODUCT: Except as required by law, court order or legal process, all reports, information, drawings, plans, data or other documents (or copies) furnished to JUNEAU by the COUNCIL, shall not be made available to any individual or organization without prior approval of the COUNCIL. At the COUNCIL's written request, JUNEAU shall return all such information and data to the COUNCIL upon completion of the Services hereunder; provided, however, that JUNEAU may retain one (1) copy of all such documents. All reports, drawings, plans, documents, software, source code, object code, field notes and work product (or copies thereof) in any form prepared or furnished by JUNEAU under this Agreement shall be furnished to the COUNCIL upon request and shall become the property of the COUNCIL, except for software, source code or object code in which JUNEAU has a proprietary interest before the date of this Agreement.

10. THE COUNCIL'S RESPONSIBILITIES: the COUNCIL agrees to make best effort to (i) provide to JUNEAU, or cause to be provided by third parties, all available material, data, and information pertaining to the Services, including, without limitation, the composition, quantity, toxicity, or potentially hazardous properties of any material known or believed to be present at any site, any hazards that may be present, the nature and location of underground or otherwise not readily apparent utilities, summaries and assessments of the site's past and present compliance status, and the status of any filed or pending judicial or administrative action concerning the site. The COUNCIL agrees to (ii) discuss such materials, data, and information with JUNEAU; and (iii) ensure cooperation of the COUNCIL's employees.

11. SITE ACCESS: The COUNCIL shall at its cost and at such times as may be required by JUNEAU for the successful and timely completion of Services: (i) provide unimpeded and timely access to any site, including third party sites if required (ii) provide an adequate area for JUNEAU's site office facilities, equipment storage, and employee parking; (iii) furnish all construction utilities and utilities releases necessary for the Services; (iv) approve all locations for digging and drilling operations; and (v) obtain all permits and licenses which are necessary and required to be taken out in the COUNCIL's name for the Services.

12. WARRANTY OF TITLE, WASTE OWNERSHIP: JUNEAU understands that the COUNCIL does not have title to the materials and sites with respect to which the COUNCIL may request Services. However, the COUNCIL shall obtain agreements with those who do have title to ensure that the risk of loss with respect to all materials shall be borne by the title holder, who shall be considered the generator of such materials, and that the title holder shall (i) execute all manifests as the generator of such materials (ii) be liable for the arrangement, transportation, treatment, and/or disposal of all material at any site at which Services are requested.

INDEMNIFICATION: Notwithstanding the foregoing, JUNEAU shall indemnify and hold harmless the COUNCIL from any and all liability, including personal injury and death, to the extent caused by the negligent acts, errors or omissions or willful misconduct of JUNEAU and JUNEAU's officers, directors, employees and subconsultants under this Agreement, including but not limited to liability relating to the levee certification inspection services performed under this Agreement; provided, however, such indemnity shall not cover any acts of negligence or intentional acts or omissions of the COUNCIL or of the COUNCIL employees (unless such act or omission is the result of negligent direction from JUNEAU).

The COUNCIL shall indemnify and hold harmless JUNEAU from any and all liability, including personal injury and death, caused by the negligence or intentional acts or omissions of the COUNCIL or the COUNCIL employees in the performance by the COUNCIL of its duties under this Agreement. In the event that a party to this Agreement (the "Indemnified Party") shall incur or sustain any loss, liability or damage, or in the event that any claim shall be asserted against the Indemnified Party, and such loss, liability, damage or claim shall, in the reasonable opinion of the Indemnified Party, be subject to indemnification hereunder, and in the further event that the party having the indemnification obligation hereunder (the "Indemnifying Party") shall not, within ten (10) days after the Indemnified Party shall notify the Indemnifying Party of the existence of such loss, liability, damage or claim: (i) reimburse to the Indemnified Party the amount of such loss, liability or damage; (ii) provide the Indemnified Party with assurance, to the Indemnified Party's sole satisfaction, that such claim will be paid directly by the Indemnifying Party, or (iii) notify the Indemnified Party that the Indemnifying Party believes there to be a meritorious defense to such claim and that the Indemnifying Party, at its sole cost, shall undertake and diligently maintain the defense thereof, as the case may be; then the Indemnified Party may, but shall not be obligated to, undertake and maintain the defense of any such claim, with counsel of its selection. The defense of any such claim shall not, in any manner, relieve the Indemnifying Party of or from any liability or obligation to indemnify the Indemnified Party against any judgment, cost, damage or other expense which Indemnified Party may incur or sustain as a consequence of such claim.

13. LIMITATION OF LIABILITY: As part of the consideration JUNEAU requires for provision of the Services indicated herein, the COUNCIL agrees that any claim for damages filed against JUNEAU by the COUNCIL or any contractor or subcontractor hired directly or indirectly by the COUNCIL will be filed solely against JUNEAU or its successors or assigns and that no individual person shall be made personally liable for damages, in whole or in part.

JUNEAU and the COUNCIL shall not be responsible to each other for any special, incidental, indirect or consequential damages (including lost profits) incurred by either JUNEAU or the COUNCIL or for which either party may be liable to any third party, which damages have been or are occasioned by Services performed or reports prepared or other work performed hereunder.

14. ASSIGNMENT AND SUBCONTRACTING: Neither party shall assign its interest in this Agreement without the written consent of the other, except that JUNEAU may assign its interest in the Agreement to related or affiliated companies of JUNEAU or subcontract portions of the Services to a qualified subcontractor if the COUNCIL consents in advance.

15. PROBABLE COST: JUNEAU does not guarantee the accuracy of probable costs for engineering services. Such probable costs represent only JUNEAU's judgment as a professional and, if furnished, only for the COUNCIL's general guidance.

16. DISPUTE RESOLUTION: If a claim, dispute, or controversy arises out of or relates to the interpretation, application, enforcement, or performance of Services under this Agreement, JUNEAU and the COUNCIL agree first to try in good faith to settle the dispute by negotiations between senior management of JUNEAU and the COUNCIL. If such negotiations are unsuccessful, JUNEAU and the COUNCIL agree to attempt to settle the dispute by good faith mediation if both parties agree. If the dispute cannot be settled through mediation, and unless otherwise mutually agreed, the dispute shall be settled by litigation in Illinois. Except as otherwise provided herein, each party shall be responsible for its own legal costs and attorneys' fees.

17. NOTICE: Any notice required under this Agreement will be in writing, addressed to the appropriate party at the address set forth in the introductory paragraph of this Agreement (or such other address as the

parties may designate from time to time in writing) and given personally, by registered or certified mail postage prepaid, or by a commercial courier service. Notices shall be effective: (a) upon receipt after being delivered personally, (b) 3 days after being deposited in the mail as described above, or (c) 2 days after being deposited with a commercial courier service.

18. CONFIDENTIALITY: Both parties shall keep all information and data provided by the other party pertaining to the Services strictly confidential, and unless such information and data is already in the public domain on the date of the applicable Work Order, neither party shall publish or otherwise disseminate such information and data to any third party without receiving written permission to do so from the source of such information or data. If disclosure of such confidential information is required by law or legal process, the party obligated to disclose such information should provide reasonable advance notice to the party that provided such information.

19. WAIVER: The failure of either JUNEAU or the COUNCIL in any one or more instances to enforce one or more of the terms or conditions of this Agreement or to exercise any right or privilege in this Agreement or the waiver by JUNEAU or the COUNCIL of any breach of the terms or conditions of this Agreement shall not be construed as thereafter waiving any such terms, conditions, rights, or privileges, and the same shall continue and remain in force and effect as if no such failure to enforce had occurred.

20. SEVERABILITY AND HEADINGS: Every term or condition of this Agreement is severable from others. Notwithstanding any possible future finding by a duly constituted authority that a particular term or provision is invalid, void, or unenforceable, this Agreement has been made with the clear intention that the validity and enforceability of the remaining parts, terms, and provisions shall not be affected thereby. The headings used in this Agreement are for general reference only and do not have special significance.

21. GOVERNING LAWS: This Agreement shall be governed and construed in accordance with the laws of the state Illinois.

22. NONDISCRIMINATION AND AFFIRMATIVE ACTION: JUNEAU agrees to comply with Executive Order 11246 and the applicable federal regulations pertaining to nondiscrimination and affirmative action, including the Equal Opportunity Clause, the Affirmative Action Clause for Handicapped Workers, and the Affirmative Action Clause for Disabled Veterans and Veterans of the Vietnam Era. Further, JUNEAU agrees that its facilities are not segregated.

23. FIELD REPRESENTATION: Unless otherwise expressly agreed in writing, JUNEAU shall not be responsible for the safety or direction of the means and methods of contractors (or their employees or agents) not subcontracted by JUNEAU, and the presence of JUNEAU at the COUNCIL's site will not relieve any such contractor of its responsibilities for performing the work in accordance with applicable regulations, or in accordance with project plans and specifications. If necessary, the COUNCIL will advise any contractors that JUNEAU's services are so limited. JUNEAU will not assume the role of "prime contractor", "principal contractor", "constructor", "controlling employer", or their equivalents unless the scope of such services are expressly agreed in writing.

24. AUTHORIZATION TO SIGN: The person signing this Agreement warrants that he has authority to sign as, or on behalf of, the COUNCIL for whom or for whose benefit JUNEAU's services are rendered.

25. ENTIRE AGREEMENT: The terms and conditions set forth herein constitute the entire understanding and agreement of JUNEAU and the COUNCIL with respect to the Services. All previous proposals, offers, and other communications relative to the provisions of these Services are hereby superseded. Any modification or revision of any provision set forth herein or any additional provision contained in any

purchase order, acknowledgment, or other form of the the COUNCIL is hereby superseded and shall not operate to modify this Agreement. Should the COUNCIL utilize its purchase order or any other form to procure services, the COUNCIL acknowledges and agrees that its use of such purchase order or other form is solely for administrative purposes and in no event shall JUNEAU be bound to any terms and conditions on such purchase order or other form, regardless of reference to (e.g. on invoices) or signature upon (e.g. acknowledgement) such purchase order or other form by JUNEAU. The COUNCIL shall endeavor to reference this Agreement on any purchase order or other form it may issue to procure JUNEAU services, but the COUNCIL's failure to do so shall not operate to modify this Agreement.

IN WITNESS WHEREOF, the COUNCIL and JUNEAU have caused this Agreement to be executed by their respective duly authorized representatives as of the date first set forth above.

**Southwestern Illinois Flood Prevention
District Council**

Juneau Associates, Inc.

By: _____

By: _____

Name: Les Sterman

Name:

Title: Chief Supervisor of Construction
and the Works

Title:

Date: _____

Date: _____

ATTACHMENT: Exhibit 1, Sample Work Order

EXHIBIT 1
WORK ORDER NO: _____

_____ **SERVICES**

Issued Pursuant to Master Services Agreement Effective _____,

By and Between

Juneau Associates, Inc. (JUNEAU)

and

Southwestern Illinois Flood Prevention District Council (the COUNCIL)

COUNCIL Office: _____ JUNEAU Project No: _____

COUNCIL Contact: _____ Work Order Type: (Check One)

JUNEAU Office: _____ Time and Materials (rates attached) _____

_____ Fixed Price _____

JUNEAU Contact: _____ the COUNCIL Reference No: n/a

1. SCOPE OF WORK: _____

2. LOCATION/ COUNCIL FACILITY INVOLVED: _____

3. PERIOD OF PERFORMANCE: _____

4. AUTHORIZED FUNDING: _____

5. SPECIAL PROVISIONS: _____

**Southwestern
Illinois Flood Prevention District Council**

Juneau Associates, Inc.

By: _____

By: _____

Name: **Les Sterman**

Name: _____

Title: **Chief Supervisor of Construction and
the Works**

Title: _____

Date: _____

Date: _____

Address: **104 United Drive**

Address: _____

Collinsville, IL 62234

WORK ORDER NO: _____
CONSTRUCTION QUALITY CONTROL SERVICES

Issued Pursuant to Master Services Agreement Effective _____

By and Between

Juneau Associates, Inc. (JUNEAU)

and

Southwestern Illinois Flood Prevention District Council (CLIENT)

CLIENT Office:	<u>104 United Drive</u> <u>Collinsville, IL 62234</u>	JUNEAU Project No:	<u>E-135500</u>
CLIENT Contact:	<u>Les Sterman</u>	Work Order Type: (Check One)	
JUNEAU Office:	<u>2100 State Street</u> <u>PO Box 1325</u> <u>Granite City, IL 62040</u>	Time and Materials (rates attached)	<u>X</u>
		SEE ATTACHMENT C	
		Fixed Price	<u> </u>
AMEC Contact:	<u>Charles E. Juneau</u>	CLIENT Reference No:	<u>n/a</u>

1. SCOPE OF WORK: **See Attachment A and B**

2. LOCATION/CLIENT FACILITY INVOLVED: **Bid Package 2A**

3. PERIOD OF PERFORMANCE: **September 1, 2013 through December 31, 2014**

4. AUTHORIZED FUNDING: **\$30,000.00**

5. SPECIAL PROVISIONS: **N/A**

**Southwestern
Illinois Flood Prevention District Council**

Juneau Associates, Inc.

By: _____

By: _____

Name: **Les Sterman**

Name: **Charles E. Juneau**

Title: **Chief Supervisor of
Construction and the Works**

Title: **President**

Date: _____

Date: _____

Address: **104 United Drive**

Address: **2100 State St., PO Box 1325**

Collinsville, IL 62234

Granite City

Scope of Work
Construction QA/QC Services

Juneau Project No. E-135500

1. Services to be provided by Juneau Associates, Inc., P.C. for construction quality assurance and quality control during construction of Bid Package 2A to include the following:
 - A. SCI Engineering, Inc. (Sub-Consultant) to provide on-site laboratory material testing services as described in **Attachment B** Subconsultant Agreement.
 - B. Juneau Associates, Inc., P.C. (Prime Consultant) to provide project coordination and attend meeting relating to project construction engineering services performed by Sub-Consultant.

SUMMARY OF FEE ESTIMATE

SCI Engineering, Inc. (Sub-Consultant) Material Testing	\$25,000.00
Juneau Associates (Prime Consultant) markup 10%	2,500.00
Juneau Associates project meetings and coordination services	<u>2,000.00</u>
Total	\$29,500.00



August 15, 2013

Mr. Charles E. Juneau
Juneau Associates, Inc., P.C.
100 North Research Drive
Edwardsville, Illinois 62025

RE: Proposal for Quality Control Testing Services for Bid Package 2A
Southwestern Illinois Flood Prevention District
Madison County, Illinois
SCI No. 2013-3122.00

Dear Mr. Juneau:

SCI Engineering, Inc. (SCI) is pleased to present our proposal to provide on-site and Laboratory Construction and Material Testing Services for the construction of one pump station for Bid Package 2A. Based on our meeting with representatives of AMEC on August 8, 2013, we understand our scope of services will include the following:

- Compaction testing of soil subgrade and aggregate base for pavement and slabs, as well as thickness checks of base materials.
- Asphaltic concrete testing including thickness and compaction testing during paving.
- Observation of placing controlled Earth Fill and Backfill along with compaction testing to verify material's maximum dry density.
- Compaction testing will be verified by both nuclear density and Sand Cone Method. We assumed 24 days for compaction testing.
- Observation of foundation bearing materials and reinforcing steel placement in the proposed pour area prior to concrete placement. We assumed 10 days for placement.
- Concrete testing to include slump, air, and temperature; and casting, curing and testing of compression test specimens. We assumed 100 cylinders for testing.

We will provide qualified technicians to observe, test, and document the construction activities within the referenced scope. We will report to and coordinate our services with your designated site representative. Our observations will be reported daily in writing to the site superintendent. Formal, typewritten weekly summary reports can be provided if needed. We recommend issuing these reports on a weekly basis. SCI can also perform other services, if needed. Our services will be invoiced on a time and material basis in accordance with the enclosed *Rate Schedule* and *Price List*.

We recommend establishing a budget of **\$25,000.00** to provide QC materials testing services. After a review of the draft schedule, plans and specifications provided by AMEC, we made necessary assumptions in order to develop this budget estimate. This budget is based on 34 working days in which an SCI technician will be observing and testing contractor operations. Variables that will influence our costs include the contractor's production rate, the weather, and site conditions. We will contact you if it appears that this scope requires modification.

Table 1 – Fee Estimate

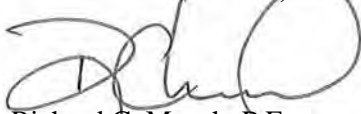
Task	Assumption	Fees (\$)
Project Management		2,060.00
Laboratory Testing		1,188.00
Compaction Testing	24 days	11,964.00
Concrete Testing	10 days	6,295.00
SUB TOTAL		21,507.00
Contingency	15 percent	3,226.05
TOTAL		\$24,733.05

The General Terms and Conditions applicable to this Sub-Consultant Agreement are the same as included in the Prime Agreement known as “MASTER SERVICES AGREEMENT for Quality Control and Material Testing Services between Southwestern Illinois Flood Prevention District Council and Juneau Associates Inc., P.C.”

You can reach me at (618) 206-3037 or rmauch@sciengineering.com if you have any questions.

Respectfully,

SCI ENGINEERING, INC.



Richard C. Mauch, P.E.
Senior Engineer



Mark A. Harms, P.E.
President

Enclosures

- Rate Schedule
- Price List
- Acceptance of Proposal for Professional Services



SCI ENGINEERING, INC.

650 Pierce Boulevard
O'Fallon, Illinois 62269
618-624-6969 Fax 618-624-7099
www.sciengineering.com

RATE SCHEDULE

June 27, 2013

Officers

President	\$161.00/hour
Vice President	143.00/hour
Branch Manager	85.00/hour

Engineering and Testing Personnel

Chief Engineer.....	\$131.00/hour
Senior Engineer/Geologist.....	120.00/hour
Project Engineer.....	102.00/hour
Special Inspection Manager.....	95.00/hour
Laboratory Manager.....	89.00/hour
Staff Engineer.....	89.00/hour
Senior Field Manager.....	79.00/hour
Special Inspector (Steel/SFRM).....	80.00/hour
Field Manager.....	65.00/hour
Special Inspector (Concrete/Masonry).....	59.00/hour
State Certified Technician.....	52.00 to 58.00/hour
Technician.....	52.00/hour

Office Support

Clerical	46.00/hour
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Expenses

Vehicle mileage.....	\$0.65/mile
Transportation, subsistence, lodging, subcontractors, special consultants, etc.....	Cost + 15%

Overtime/Night-Time Differential

Overtime is time in excess of 8 hours per day or work performed on Saturdays, Sundays, or Holidays. Overtime for non-engineering positions will be billed at 1½ times our regular hourly rates. A 10% premium will be charged for all labor performed during a night-time shift.

Expert Testimony

Expert witness testimony for deposition, arbitration, mediation and trial proceedings will be billed at 1½ times the applicable hourly rate.

Field and Lab Services

We prefer a 24-hour notice to schedule field services but will always try to work within the time constraints provided. Coordination and report review will be invoiced at engineering rates. A minimum charge of 3 hours per site visit will apply for all field services.



SCI ENGINEERING, INC.

650 Pierce Boulevard
 O'Fallon, Illinois 62269
 618-624-6969 Fax 618-624-7099
 www.sciengineering.com

PRICE LIST

September 28, 2010

I. SOIL TESTING

LABORATORY TESTS		ASTM/AASHTO	Unit	Price
1.	Compaction Control			
a.	Moisture-Density Relationship			
i.	Standard Proctor	D698/T99	Ea	227.00
ii.	Modified Proctor	D1557/T180	Ea	256.00
iii.	Aggregate Samples		Add	48.00
b.	California Bearing Ratio (CBR) (moisture-density relationship additional)	D1883/T193		
i.	Single-Point (unsoaked)		Ea	155.00
ii.	Single-Point (soaked)		Ea	166.00
c.	Relative Density - Minimum and maximum density	D4253/4254	Ea	317.00
2.	Material Characterization			
a.	Visual Description	D2488/M145	Ea	7.00
b.	Atterberg Limits – Method A or B	D4318/T89,90	Ea	75.00
	Liquid Limit Only.		Ea	47.00
c.	Unit Weight Determination.....	D2937	Ea	33.00
d.	Grain Size Analysis			
i.	Sieve Analysis (includes percent finer than No. 200)	D422/T88	Ea	76.00
ii.	Sieve Analysis with Hydrometer		Ea	149.00
iii.	Percent finer than No. 200 (washed)	D1140/	Ea	47.00
e.	Specific Gravity	D854/T100	Ea	143.00
f.	Moisture Content	D2216/T265	Ea	7.00
g.	Organic Content	D2974/	Ea	29.00
h.	Wet Organic Content	T194	Ea	137.00
i.	pH	D4972	Ea	29.00
j.	pH	G51	Ea	19.00
k.	Resistivity	G57	Ea	77.00
3.	Strength and Behavioral Properties			
a.	One Dimensional Consolidation Test.....	D2435		
i.	Includes laboratory e-log, p-curve, square root of time method		Ea	375.00
ii.	Time Curves		Add	100.00
iii.	Log-Time Method		Add	150.00
b.	Swell Pressure or Free Swell.....		Ea	155.00
c.	Unconfined Compression Test	D2166/T208		
i.	Undisturbed Samples (includes dry density).....		Ea	75.00
ii.	Remolded Samples		Ea	134.00
iii.	Using Rimac on ss samples		Ea	7.00
d.	Triaxial Strength Testing			
i.	Unconsolidated, Undrained (UU) (Q).....	D2850/T296	Pt	99.00
ii.	Consolidated, Undrained (CU) (R).....	D4767/T297		
a.	Per Point.....		Ea	316.00
b.	Additional Multi-Stage Points.....		Ea	95.00
e.	Direct Shear - Consolidated, Drained	D3080		Upon Request
f.	Permeability Tests			
i.	Triaxial Flexible Wall.....	D5084	Ea	350.00
ii.	Rigid Wall for Granular Soils	D2434	Ea	286.00
g.	Rock Core			
i.	Description/photo.....		Box	32.00
ii.	Unconfined Compression Test.....		Ea	79.00



SCI ENGINEERING, INC.

650 Pierce Boulevard
O'Fallon, Illinois 62269
618-624-6969 Fax 618-624-7099
www.sciengineering.com

ACCEPTANCE OF PROPOSAL FOR PROFESSIONAL SERVICES

Project Name: Southwestern Illinois Flood Prevention District – Quality Control Testing Services

Project Number: 2013-3122.00 /RCM

Date: August 15, 2013

Fee: As detailed in the enclosed proposal

Please provide formal authorization to proceed by completing, signing, and returning this form. The attached terms and conditions will apply to the services outlined in the accompanying proposal.

Accepted By:

Name and Title: _____ Address: _____

Signature: _____ City,State,Zip: _____

Company Name: _____ Telephone: _____

Date: _____

Party responsible for payment: (if different than Accepted By)

Name and Title: _____ Address: _____

Signature: _____ City,State,Zip: _____

Company Name: _____ Telephone: _____

Date: _____

Report Distribution (Note: Additional report copies after final submittal will be billed at \$25.00 each)

Company Name:	Address:	No. Reports
_____	_____	_____
_____	_____	_____
_____	_____	_____

NOTICE TO OWNER: (FOR SITES IN MISSOURI ONLY)

FAILURE OF THIS CONTRACTOR TO PAY THOSE PERSONS SUPPLYING MATERIAL OR SERVICES TO COMPLETE THIS CONTRACT CAN RESULT IN THE FILING OF A MECHANIC'S LIEN ON THE PROPERTY WHICH IS THE SUBJECT OF THIS CONTRACT PURSUANT TO CHAPTER 429.RSMo. TO AVOID THIS RESULT YOU MAY ASK THIS CONTRACTOR FOR "LIEN WAIVERS" FROM ALL PERSONS SUPPLYING MATERIAL OR SERVICES FOR THE WORK DESCRIBED IN THIS CONTRACT. FAILURE TO SECURE LIEN WAIVERS MAY RESULT IN YOU PAYING FOR LABOR AND MATERIAL TWICE.

CURRENT SCHEDULE OF HOURLY RATES

Professional VIII	168.00
Professional VII	146.00
Professional VI	136.00
Professional V	125.00
Professional IV	110.00
Professional III	104.00
Professional II	95.00
Professional I	81.00
Technician V	91.00
Technician IV	79.00
Technician III	70.00
Technician II	60.00
Technician I	50.00
Aide	35.00
Clerical	50.00

* Our most common survey crew consists of one (1) Technician IV and one (1) Technician II. The Licensed Professional Surveyor is classified as a Professional VI.

If the assignment requires payment of premium for overtime hours, these rates will be increased by 50% for those overtime hours.

REIMBURSABLE EXPENSES

Beam Breaks	\$ 8.00 each	Paint	5.00 each
Computer/CADD	10.00/hr.	Personal Vehicle-Mileage	0.56/mi.
Computer/Word Proc.	5.00/hr.	Photocopies, black & white	0.15 each
Concrete Monuments	17.00 each	Photocopies, color, 8 ½ x 11	0.75 each
Company Vehicle	10.00/hr.	Photocopies, color, 8 ½ x 14	1.00 each
Fence Posts	7.00 each	Photocopies, color, 11 x 17	1.50 each
Gator	10.00/hr.	Photocopy Prints	0.30/s.f.
Misc. Costs & Rental Fees	Actual Cost	Postage	Actual Cost
Mylar	4.00/s.f.	Rebar	3.00 each
Outside Services	Actual + 10%	Surveying Instrument	8.00/hr.
Per Diem (Per day per man)	\$125.00	Wood Stakes	0.75 each

Non-salary costs of authorized travel per diem outside the St. Louis metropolitan area, fees associated with permits, the recording of documents, "express mail" and other direct expenses of items requested by the Client will be billed at cost.

This schedule is subject to reasonable change without prior notice. In any event, this schedule will expire and be superseded by a new schedule annually.

Revised 8/16/12

WORK ORDER NO: _____

CONSTRUCTION QUALITY CONTROL SERVICES

Issued Pursuant to Master Services Agreement Effective _____

By and Between

ABNA Engineering, Inc. (ABNA)

and

Southwestern Illinois Flood Prevention District Council (CLIENT)

CLIENT Office:	<u>104 United Drive</u> <u>Collinsville, IL 62234</u>	ABNA Project No:	_____
CLIENT Contact:	<u>Les Sterman</u>	Work Order Type: (Check One)	
ABNA Office:	<u>4140 Lindell Blvd.</u> <u>St. Louis, MO 63108</u>	Time and Materials (rates attached)	<u>X</u>
		Fixed Price	_____
AMEC Contact:	<u>Charles E. ABNA</u>	CLIENT Reference No:	<u>n/a</u>

- 1. SCOPE OF WORK: See Attachment A
- 2. LOCATION/CLIENT FACILITY INVOLVED: Bid Package 6
- 3. PERIOD OF PERFORMANCE: September 1, 2013 through December 31, 2014
- 4. AUTHORIZED FUNDING: \$368,524.00
- 5. SPECIAL PROVISIONS: N/A

Southwestern Illinois Flood Prevention District Council

ABNA Associates, Inc.

By: _____

Name: Les Sterman

Title: Chief Supervisor of Construction and the Works

Date: _____

Address: 104 United Drive
Collinsville, IL 62234

By: _____

Name: Abe Adewale, PE

Title: Principal

Date: _____

Address: 4140 Lindell Blvd.
St. Louis, MO 63108



4140 Lindell Blvd.
St. Louis, MO 63108
Phone: (314) 454-0222
Fax: (314) 454-1235
www.abnacorp.com

327 Missouri Ave. Ste 625
East St. Louis, IL 62201
Phone: (618) 875-5951
Fax: (618) 875-8405

August 16, 2013

Mr. Les Sterman
Southwestern Illinois Flood Prevention District Council
104 United Drive
Collinsville, Illinois 62234

RE: Proposal for Quality Control Inspection, Materials Sampling and Testing Services
Seepage Improvements PDP/FL – Project No. 563170001 Bid Package 06 – Rev. 2

Dear Mr. Sterman:

Thank you for the opportunity to propose on this project. The attached “Materials Testing Quality Control / Laboratory Testing Services Proposal and Statement of Qualifications” for ABNA Engineering, Inc. is submitted as a brief overview of our company service fees and proposal to provide services on this project. ABNA is an engineering company specializing in Construction Management, Planning, Design, Surveying, **Materials Testing/ Inspection and Laboratory Testing**. Our **Material Inspectors are MoDOT and IDOT Certified and OSHA 10 hour Construction Safety Trained** and our Construction Management includes conducting concrete and pervious concrete testing in accordance with the American Concrete Institute standards, and with the National Ready Mix Concrete Association standards, monitoring batch plant operations, controlling the bituminous concrete compaction process by testing the mix density at random locations, identifying suitable and unsuitable soils for use in constructed fills, and controlling the quality of engineered fills through observation and compaction testing, inspecting structural steel and quality control inspection of contractor painting activities. Our laboratory holds a current accreditation from the **American Association of State Highway and Transportation Officials (AASHTO)** for testing soils, aggregate, and concrete, and is **validated by the Corps of Engineers** to conduct materials tests.

Should this project require minority participation, please note that ABNA Engineering is a **DBE, MBE and WBE** certified with the **City of St. Louis**, Lambert-St. Louis International Airport, **Bi-State Development Agency** and **MoDOT**, as well as other local and state entities.

Abe Adewale, PE will serve as the principal-in-charge and Ray Bailey, PE, RG will be our Project Manager and can be reached at our office at 314-454-0222 ext. 1120 or by cell phone at 314-220-2378.

Based on the attached proposed scope of work and contractor schedule assumptions our estimated fee for survey staking is **\$20,000.00**, for on-site soil inspection and testing support at **\$155,274.00**, and for the Laboratory Testing support is estimated at **\$193,250.00** (Laboratory test quantities based upon phone conversation on Aug. 16, 2013 with AMEC representative Mr. Dale Vehlewald). The fee for work above the quantities listed in the attached scope of work (Attachment A, Items No. 1 and 2) will be based on the actual quantities and upon the unit price basis in accordance with the attached Schedule of Services and Fees (Attachment B).

Your consideration of ABNA Engineering, Inc. to provide quality control, material testing/inspection and laboratory testing for this project is greatly appreciated. If additional information is required, please do not hesitate to call us.

Sincerely,

Abe Adewale, PE
Principal



“ATTACHMENT A”
SCOPE OF CONSULTANT SERVICES FOR
MATERIAL TESTING/INSPECTION, QUALITY CONTROL, AND LABORATORY TESTING
FOR
Southwestern Illinois Flood Protection District Council
Seepage Improvements PDP/FL

1.0 Field Material Sampling / Testing

An Engineering Technician will conduct sub-grade inspection which will include documenting removal of unsuitable material, inspecting and testing each placed lift. Lift material will be classified and samples collected and transported to ABNA's Laboratory for soil classification, atterberg limit determination, gradations, proctor tests, and other various laboratory testing as required. Lift material will be tested for compacted density using a nuclear moisture density gauge and evaluated against the proctor test results to ensure the placed lift compaction achieves the specified requirements. The Inspector/Technician will prepare a report that states whether the inspected and tested work complies with the specifications. **Inspections and tests include up to 2,600 hours of site work, and sampling of various materials for the return to the laboratory, including report preparation, and review and preparation of a project specific Quality Plan at an estimated price of \$155,274.00.**

2.0 Laboratory Testing

An Engineering laboratory technician will perform all requested laboratory soil testing including up to the following:

- *an estimated 307 soil classifications (included with grain size analysis, and plasticity index),
- *307 grain size analysis' (AASHTO T88) at \$160.00 each,
- *72 plasticity index determinations (ASTM D4318) at \$75.00 each,
- *72 moisture/density relationships (ASTM D1557) with plasticity index determinations (ASTM D4318) at \$270.00 each,
- *235 sand cones (ASTM D1556) at \$45.00 each, and up to
- *72 Flexible Wall Permeability Tests (ASTM D5084) of Clay Cap Materials (estimated 14 days per test) at \$665.00 each.
- *Contingency for miscellaneous laboratory testing.

The engineering laboratory technician will prepare the various reports that state whether the tested work complies with the specifications. **The Laboratory testing includes the above mentioned, including report preparation, and review at an estimated price of \$193,250.00.**

3.0 Survey

A survey crew will set approximately 460 levee centerline stakes at 100 foot intervals within the areas of proposed construction. The stakes will be offset from the actual levee centerline to avoid being disturbed during construction. Each location will consist of a hub with an accompanying lathe that describes the actual staked position. **The cost for survey staking including materials is at an estimated price of \$20,000.00.**

“ATTACHMENT B”
**2013 Schedule of Fees for Material Quality Control, Testing,
 Inspection, Laboratory Testing and Surveying Services**

CATEGORY/ITEM	UNIT	UNIT COST
Engineering Services		
<i>Engineering technician to perform:</i> Subgrade observations In-place density tests on compacted fill material Field test of concrete and casting of sample specimens In-place density tests of Bituminous Concrete Concrete batch plant observations Sample collection and transportation to lab Asphalt plant visual inspections and sampling	Per Hour	\$ 45.00
Nuclear Density/Moisture Equipment	Per Day	\$ 20.00
Transportation Charge to Plant and Project Site	Per Mile	\$.60
Project Engineer/Project Manager	Per Hour	\$ 90.00
Quality Construction Engineer / SWPPP Insp	Per Hour	\$ 65.00
Senior Field Technician	Per Hour	\$ 55.00
Field Technician Supervisor	Per Hour	\$ 70.00
Engineering review for reports involving engineered fills, foundation observation, subgrade eval., land disturbance inspections. And other non-standard reports	Per Hour	\$ 90.00
Coring Machine Operator	Per Hour	\$ 45.00
Core Equipment Service Charge	Per Day	\$ 75.00
Core Barrel Charge		
Asphalt Core (8 inch max. thickness)		\$ 25.00
Concrete Core (8 inch max. thickness)		\$ 30.00
Quality Control Manager	Per Hour	\$ 90.00
Structural Engineer	Per Hour	\$180.00

Laboratory Testing Services	UNIT	UNIT COST
Laboratory compression testing of concrete cylinders in accordance with ASTM Procedures.		
Testing and reporting	Each	\$ 15.00
Reserves not tested, including curing	Each	\$ 12.00
Trimming of irregular client cast cylinders to meet ASTM requirements (only if required)	Each	\$ 25.00
Concrete Length Change Monitoring and Reporting	Set of 3	\$350.00
Flexural Beams	Each	\$ 32.00
Splitting Tensile Strength of Concrete	Each	\$ 50.00
Absorption of Hardened Concrete (Immersion only)	Each	\$ 75.00
Absorption of Hardened Concrete (Immersion & Boiling)	Each	\$100.00
Grout Prism Compressive Strength	Each	\$ 20.00
Mortar Cube Compressive Strength	Each	\$ 16.00
<i>Moisture density relationship:</i>		
ASTM D698 (Standard)	Each	\$170.00
ASTM D1557 (Modified)	Each	\$195.00
ASTM D4253 and D4254 (Relative) density	Each	\$168.00
<i>ASTM D4318 Atterberg limits determination</i>	Each	\$ 75.00
Laboratory Density Determination Testing Using the Sand Cone Method	Per Sand Cone	\$ 45.00
<i>ASTM D5084 Perm Test – Flexible Wall</i>	Each	\$350.00
<i>-Perm Test – Additional Charge for Tests extending beyond 7 Calendar Days (including saturation time)</i>	Per Day	\$ 45.00
<i>Sieve Analysis:</i>		
Unwashed	Each	\$135.00
Washed	Each	\$160.00
Specific Gravity / Absorption of Fine Aggregate	Each	\$ 55.00

Specific Gravity / Absorption of Course Aggregate	Each	\$ 50.00
Organic Impurities Determination of Fine Aggregate	Each	\$ 50.00
Bulk Density ("Unit Weight") of Aggregate	Each	\$ 40.00
Moisture Determination of Aggregate	Each	\$ 5.00
<i>Floor Flatness and Levelness :</i>		
Including report	Up to 5,000 ft ²	\$400.00
Each additional 1,000 ft ²	Each	\$100.00
For testing after 5:00 p.m. and before 7:00 a.m.	Each	\$130.00
<i>ASTM F1869 Moisture Vapor Emission Rate</i>	Each	\$ 50.00
<i>Asphaltic concrete:</i>		
Extraction and gradation	Each	\$200.00
Marshall Density (set of 3)	Per Set	\$195.00
Bulk specific gravity of asphalt cores	Each	\$ 35.00
Thickness determination of asphalt / concrete cores	Each	\$ 18.00
<i>Sample Transportation Charge to Lab:</i>	Per Mile	\$.60
NON DESTRUCTIVE TESTING	UNIT	UNIT COST
Visual welding inspection (AWS, CWI)	Per Hour	\$ 75.00
Magnetic particle & dye penetrant inspection	Per Hour	\$ 75.00
Ultrasonic inspection	Per Hour	\$110.00
Ultrasonic equipment	Per Shift	\$ 35.00
Dye Penetrant Materials	Per Can	\$ 20.00
Magnetic Particle Equipment & Flux Materials	Per Day	\$ 30.00
Radiography equipment	Per Shift	\$ 60.00
Visual and CWI Materials	Each	\$ 13.00
Data Scan Unit (Reinforcement Locator)	Per Shift	\$ 50.00
Rebound (Swiss or Schmidt) Hammer	Per Shift	\$ 35.00

Paint thickness gage	Per Shift	\$ 15.00
32'- 0" Vertical Extension Bucket Truck	Per Day	\$250.00
SPRAYED FIRE-RESISTIVE MATERIAL	UNIT	UNIT COST
Thickness Measurements	Per Hour	\$ 60.00
Density Determination	Per Hour	\$ 65.00
SURVEY	UNIT	UNIT COST
Survey Crew (2 person)	Per Hour	\$152.00

Remarks:

Services and fees not listed above will be quoted on request.
 Monthly technician rates will be provided upon request. Rates for 40 Hour HAZWOPER trained technicians will be quoted on request. Other services and fees not listed above will be quoted on request.

A minimum of three hours will be charged for services performed on Monday through Saturday. A minimum of eight hours will be charged for work performed on Sundays and holidays. Second and third shifts will have an additional surcharge of \$2.00/hr for second shift and \$3.00/hr on third shifts. Hourly field inspection/sampling/testing rates are calculated on a portal to portal basis.

Laboratory test quantities based upon phone conversation on Aug. 16, 2013 with AMEC representative Mr. Dale Vehlewald.

Overtime rates (1.5 x standard hourly rate) will be applicable for services performed over 8 hours per day, outside of 7:00 a.m. to 5:00 p.m. Monday through Friday and on Saturdays, Sundays and holidays.

A per diem charge of \$90.00 per day, if applicable, will be added. Transportation and per diem will be charged at the applicable rate. Rates involving mileage (including transportation, mobilization, and trip charges) are subject to change based upon increases in the national average gasoline price.

For quality control engineering inspection, construction materials testing and observations services, an engineering review charge to schedule and supervise personnel and evaluate and review reports will be billed at a minimum of 0.2 hours per report issued.



Memo to: Board of Directors
From: Les Sterman
Subject: Election of Officers for 2013-2014
Date: August 21, 2013

Under the Council's bylaws, Board officers (President, Vice-President, and Secretary-Treasurer) serve one year terms, must each be from a different county flood prevention district and are elected at the Council's Annual Meeting. In the past, officers have been selected from among the Chairs of the three county flood prevention districts, and the positions have been rotated on an annual basis, but any Board member is eligible to serve as an officer.

The election of officers will take place on August 21, 2013 at the Council's regular Board meeting.