



SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
BOARD OF DIRECTORS MEETING
October 16, 2013 7:30 am

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

1. Call to Order
Dan Maher, President
 2. Approval of Minutes of September 18, 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. Update of Council Procurement and Disbursement Policies
Les Sterman, Chief Supervisor
 8. Selection of Contractor(s) to Perform Construction Activities
In Bid Package #2b – Pump Stations in Prairie DuPont, Metro-East
Sanitary, and Wood River Districts
Dale Vehlewald, AMEC Environment & Infrastructure
Les Sterman, Chief Supervisor
 9. Audit Services for 2013
 10. Update from Corps of Engineers
Tracey Kelsey, U.S. Army Corps of Engineers
 11. Public Comment
- Executive Session

AGENDA

12. Real Estate Transactions
Les Serman, Chief Supervisor
13. Other Business
14. Adjournment

Next Meeting: November 20, 2013

AGENDA

MINUTES

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL BOARD OF DIRECTORS MEETING September 18, 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
Alvin Parks, Jr., St. Clair County Flood Prevention District
Ron Motil, Madison County Flood Prevention District
Bruce Brinkman, Monroe County Flood Prevention District

Members Absent

Ronald Polka, Monroe County Flood Prevention District None
Tom Long, Madison County Flood Prevention District

Others in Attendance

Alan Dunstan, Madison County Board Chair
Les Serman, SW Illinois FPD Council
Raymond Bailey, ABNA Engineering
Rich Connor, Levee Issues Alliance
Randy Cook, AMEC Environment & Infrastructure
Rick Fancher, Metro-East Sanitary District
Mike Feldmann, U.S. Army Corps of Engineers
Walter Greathouse, Metro-East Sanitary District
Craig Hiser, CMJP Properties
Gary Hoelscher, Hoelscher Engineering
Mike Huber, KdE
Kevin Hutchinson, Mayor, City of Columbia
Marvin Johnson, Marks & Assoc.
Charles Juneau, Juneau Associates
Tracey Kelsey, U.S. Army Corps of Engineers
Rick Mauch, SCI Engineering
Jay Martin, AMEC Environment & Infrastructure
Jack Norman, Southern Illinois Groundwater Advisory Council
Jon Omvig, AMEC Environment & Infrastructure
Brennen Soval, Husch Blackwell
Bob Shipley, Metro East Sanitary District
Brennan Soval, Husch Blackwell
Dale Stewart, Southwestern Illinois Building Trades Council

Deanne Strauser, U.S. Army Corps of Engineers
Julie Ziino, U.S. Army Corps of Engineers

Call to order

President Jim Pennekamp called the meeting to order at 7:30 am.

Approval of minutes of August 21, 2013

A motion was made by Dan Maher, seconded by Paul Bergkoetter, to approve the minutes of the Board meeting held on August 21, 2013. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - absent
Mr. Brinkman – Aye
Mr. Bergkoetter - Aye
Mr. Conrad - Aye
Mr. Long – absent
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 noted that Bid Package #2a for one pump station in the Fish Lake district has been officially awarded and a contract signed with Korte & Luitjohan Contractors. Construction should begin shortly. The contract award for bid package #6 to Lane Construction is imminent. The award has been delayed pending acquisition of some key real estate parcels but we hope to sequence construction so that the award can be made very soon. Bids on package #2b are due on October 1 with the contract award to be made at the October Board meeting.

The process of property acquisition is moving more quickly in recent weeks, and you will hear more about that later. We plan to host a meeting for remaining affected property owners in St. Clair and Madison counties in the next couple of weeks, so they will have the opportunity to meet with the engineering team and the property acquisition specialists.

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 later in the meeting. It appears that the schedule has slipped by a month or two since the design process began.

Regarding the labor issue, Mr. Sterman said that we will continue to dispute 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 have not yet received it. The Corps has suggested that we should meet with the contract officer to get an explanation, but that meeting has not yet been scheduled.

We are also continuing to pursue the alternative strategy of reprogramming existing federal funds toward the Mel Price underseepage control project. The Corps recently agreed to reprogram \$2.3 million from FY2013 appropriations from MESD to the Mel Price project, which will be sufficient to finish the design of that project, so there has been some small success so far. Clearly, however, more needs to be done to address 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. 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. AMEC has responded to our request to determine whether the firm would be willing to certify the Wood River levee system given the current circumstance with the Mel Price project. AMEC provided a memo to us on the subject that Jay Martin will discuss later on in the agenda.

Another precursor to construction will be to finalize a wetland mitigation plan and put implementation of that plan into motion. The final plan has now been developed by SCI Engineering and Republic services. It has been approved by the Corps. We will need to execute a final contract with Republic Services before construction of wetland improvements can move ahead. You will hear more about this later in today's agenda.

As the Board requested at the August meeting, the Corps provided us with information regarding the contractor selected to do the latest design deficiency correction project in the Wood River district. We provided \$315,000 in cost-share for the project. The project was awarded to A&H Contracting headquartered in Detroit but with an office in Missouri. The project will be to build 11 relief wells at a contract price of \$695,000. Initial contact with the firm suggests that they will not agree to use a project labor agreement, nor utilize the local union workforce for the job.

Lastly, Mr. Sterman reported that it is currently his intention to retire from the Council on January 15, 2014. While there is never a good time for this kind of transition, the time is appropriate, since the design will be fully completed and construction contracts awarded by next January. The difficult work of organizing the Council, putting a plan together, securing financing, completing the design, and securing the needed permits will have been completed. The project now will consist primarily of construction. While great challenges remain, the path toward completion of the project is certainly far clearer than it was when we started four years ago. Mr. Sterman said that he remains personally committed to the successful completion of the project and plans to be available as a volunteer, to work part-time, or for consulting as the Board may require after January 15. Although he has some travel scheduled, he will be generally available as needs arise.

Mr. Sterman said that he will provide whatever assistance the Board may desire in the search for my successor.

Mr. Pennekamp stated for the record, that the Board would rather that Mr. Sterman not retire. He complimented Mr. Sterman for the good work he has done on the project. He also stated that the Board would like Mr. Sterman to help with the search. Mr. Dunstan also complimented Mr. Sterman on the work he has done on the project.

Mr. Sterman indicated his appreciation for the compliments and thanked the Board for their support and great service.

A motion was made by Mr. Motil, seconded by Mr. Brinkman, to accept the Program Status Report for September, 2013. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - absent
Mr. Brinkman – Aye
Mr. Bergkoetter - Aye
Mr. Conrad - Aye
Mr. Long – absent
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 August 2013 prepared by our fiscal agent, CliftonLarsonAllen was provided in your packet. The report includes an accounting of revenues and expenditures for the month ending August 31, 2013, as compared to our fiscal year budget.

Accrued expenditures for the current fiscal year are \$15,056,234 while revenues amounted to \$10,926,120, showing a deficit of \$4,361,697. Expenditures include a surplus for the year held by the bond Trustee of \$4,397,568 through the end of August that was returned to the counties as required by the bond indenture. A total of approximately \$15,122,553 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 June 2013 (the latest month reported by the Illinois Department of Revenue) were down by about 3.48% year over year. Obviously, we are settling into a long-term pattern; receipts are essentially running even with 2010 levels. We have done some work with Mike Buehlhorn or the regional parks district to figure out if there is a problem in reporting of receipts, since they have the same sales tax base as we do. So far, we have not come up with an explanation.

Total disbursements for the month were \$537,761.95. The largest payments were to AMEC and its subcontractors for design and construction management services, to the Corps of Engineers for cost-share for the Wood River design deficiency correction project, and to Husch Blackwell/Bernardin Lochmueller for property appraisals and preparation of legal documents for property acquisition.

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

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

The motion was approved unanimously.

Mr. Parks arrived at this time.

Design and Construction Update

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

- BP #2A – *Fish Lake Pump Station*
 - Notice of Award sent 9/11/2013
 - Contract signed expected 9/20/2013
 - Pumps and Tubes need to be ordered (long lead items)
 - Construction expected in November.
- BP#6 – *PDP/FL Seepage Improvements*
 - Notice of Award sent 9/11/2013
 - Awaiting several key property acquisitions.
 - Construction expected in late October or November.
- BP # 05 – *MESD Seepage Improvements (MESD excluding Conoco Phillips)*
 - Advertisement is holding for land acquisition
 - Target date completion of acquisition October 1,2013
 - Public meetings needs to be scheduled with adjacent and affected property owners

- BP # 03 – *WR Seepage Improvements (Excluding Cut Off Walls)*
 - Public meeting needs to be scheduled with adjacent and affected property owners
 - Advertisement is prepared and plans could be available first week of October.
 - Goal is to make a recommendation to the Board November 20, 2013

- BP# 4 – *MESD Seepage Improvements (Conoco Phillips)*
 - Bid Closing – postponed. Unable to obtain the necessary easements and have delayed until we can clarify. May require some design changes.
 - Update
 - An unrecorded easement may allow the original planned construction to proceed on levee ROW.

- BP #2B - *WR/MESD/PDP Pump Stations*
 - Anticipated Bid Closing 10/1/2013, have issued modification, removed one pump station
 - Flood Prevention District Council Meeting 10/16/2013

- BP#7A and #7B – *Deep and Shallow Cutoff Walls*
 - Interfacing and monitoring COE design of walls in WR
 - VE study was to be completed 9/13; AMEC has requested and will review study results
 - COE has completed drilling and lab work; is installing piezometers to measure permeability of aquifer at LWR deep wall
 - COE is still evaluating how deep to extend the deep cutoff (affects cost)
 - COE reports that designs are generally progressing on schedule toward an advertisement date of December 17, 2013.

- Construction Activities
 - Pilot holes for RW –
 - Drilling completed 130 holes
 - Lab analysis continues
 - Relief well design in progress
 - 8 + 8 submitted
 - Consensus on first three and generally ironed out the process
 - Incorporating comments into CQC plan and will submit final September 20, 2013

- Other Activities...
 - Land acquisition – Weekly calls with the team. Process moving forward. Timing becoming critical.
 - Construction QC – Working to complete MSA with service providers

- Certification of Melvin Price (UWR)
 - To address the design deficiencies...The plan relies on extreme measures such as numerous airlifting pumps, construction activities such as closing weirs in dry side dikes to create water berms, excavating trenches along relief wells, and other types of flood fighting activates
 - UWR at Melvin Price Dam - concerns based on current understanding

- Based on the information, we cannot determine whether or not the Melvin Price Wood River Underseepage Operations Plan would provide an adequate factor of safety to meet the requirements of 44 CFR 65.10.
 - We believe there is a strong likelihood that the Operations Plan itself will not meet all the requirements of 65.10 for certification.
 - There is no dedicated funding source to implement the interim operations plan in the event of a flood.
 - Our experience with FEMA indicates their agency would view the proposed interim measures as "flood fighting" and that would not meet the agency's defined geotechnical and structural requirements.
- UWR at Melvin Price Dam – status, direction
 - AMEC cannot conclude at this time that the Upper Wood River Levee Segment adjacent to the Melvin Price Dam would meet the requirements of 44 CFR 65.10, and, more importantly, we conclude that it is unlikely that the operations plan will satisfy the requirements of 44 CFR 65.10 at any time in the future.
 - Solutions could include a timelier implementation of the USACE's permanent solution, or some other type of permanent solution that achieves an adequate factor of safety for the 100-yr event without extensive flood fighting and with an operations plan that is fully funded.

Mr. Maher asked about an article in the paper that described FEMA adopting a process for acknowledging that levees to exist even if they are deaccredited. Mr. Martin said that this was correct and FEMA is developing a process that would give us partial credit.

Mr. Pennekamp asked for a motion to accept Mr. Martin's progress report. A motion was made by Mr. Parks 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 - absent
 Mr. Brinkman – Aye
 Mr. Bergkoetter - Aye
 Mr. Conrad - Aye
 Mr. Long – absent
 Mr. Maher – Aye
 Mr. Motil – Aye
 Mr. Parks – Aye
 Mr. Pennekamp – Aye

The motion was approved unanimously.

Authorization of Execute Contract with Republic Services

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

We have secured a mitigation arrangement that divests ownership and operational responsibilities for wetland mitigation to a third-party, Republic Services, the firm that was selected by the Board in a competitive procurement in February 2012.

SCI Engineering has now developed the formal and final mitigation plan for Republic. That plan was recently approved by the Corps of Engineers.

In accordance with the action taken by the Board last year, we have negotiated the terms and conditions of the contract with Republic Services. We have also provided an advance payment to the firm to finalize the mitigation plan for approval by the Corps of Engineers. Because of comments from the Corps in reviewing that plan, certain modifications were made that slightly increased the cost from that first proposed last year, so I'm asking for approval to execute the contract at the new cost figure (an increase of about \$51,000 from the initially proposed \$1,347,500). This amount is well within the project budget reviewed by the Board in July 2013.

Mr. Sterman recommended that he be authorized to execute a contract with Republic Services to provide wetland and stream mitigation for the project at a total cost of \$1,400,000. Under the terms of that agreement, Republic will provide all wetland and stream mitigation required by the plan approved by the Corps of Engineers. In addition, Republic will assure the performance of constructed wetlands and provide long-term monitoring to assure that agreed-upon performance standards are met for a period of at least five years as required by the Corps of Engineers.

Mr. Pennekamp asked for a motion to accept Mr. Sterman's recommendation. A motion was made by Mr. Motil with a second by Mr. Parks to approve Mr. Sterman's recommendation. Mr. Conrad called the roll and the following votes were made on the motion:

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

The motion was approved unanimously.

Amendment 3 to AMEC Work Order 8

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

Our agreement with AMEC Environment & Infrastructure provides for the firm to serve as the Council's construction manager for the project. In May 2012, the Board adopted a Work Order that described the scope of construction management activities in detail and authorized funding for construction management activities relating to Construction Package #1. In accordance with our practice we anticipated that we would amend this Work Order as construction work is better defined and ready to proceed. In December, 2012 the Board adopted Amendment 1 that authorized certain expenditures for pre-construction activities for several bid packages. In May 2013, the Board adopted Amendment 2 that included bid packages 2a, 2b, 4, and 6. The

proposed Amendment 3 applies to bid packages 3, 5, 7a, and 7b. We expect that bids for all construction packages will be solicited over the next couple of months.

While the possibility exists that the Corps will take responsibility for the work in bid packages 7a and 7b, AMEC is closely monitoring the design work and will be involved in formal design review activities as part of the Corps design process. AMEC also needs to expend the effort to monitor the design process in the event that they must assume responsibility for it should the Council decide to build the project. Covering both possible outcomes of the decision on construction of the Wood River cutoff walls could cause the construction management budget to increase, although some of the added costs might legitimately fall under the category of design, rather than construction management.

The cost associated with this amendment is \$2,806,002. Should the Council assume responsibility for building the Wood River cutoff walls (bid packages 7a and 7b), there will be additional construction management costs.

Mr. Sterman recommended that he be authorized to execute Amendment 3 to Work Order 8 with AMEC Environment & Infrastructure as shown in Attachment 1 in the amount of \$2,806,002 to provide construction management services for Construction Packages 3, 5, 7a and 7b.

Mr. Pennekamp asked for a motion to accept Mr. Sterman's recommendation. A motion was made by Mr. Bergkoetter with a second by Mr. Maher to accept Mr. Sterman's report. Mr. Conrad called the roll and the following votes were made on the motion:

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

The motion was approved unanimously.

Corps of Engineers Update

Mr. Pennekamp recognized Tracey Kelsey to speak.

Ms. Kelsey noted that the design process for the Wood River cutoff walls is proceeding on schedule with advertising for construction anticipated for December. AMEC is also engaged in monitoring the design work.

The Corps has managed to reprogram about \$1 million from MESD toward completion of the design for the cutoff wall for the Mel Price underseepage correction. The Corps is still looking for opportunities to reprogram more funds for the project.

Ms. Kelsey said that they are looking to put together a meeting for next week with the Corps' contract officer to discuss the PLA issue.

The Corps is putting in place its plans for spending FY2014 money. There is continuing uncertainty with respect to the Wood River cutoff walls, but they did go ahead and put in a request for those funds. The longer the decision takes, however, it puts those funds at risk to be moved to some other project.

Mr. Dunstan emphasized how important the PLA is to the area. He urged the Corps to move all of the money for various projects in Metro-East to the Mel Price project to solve a problem that the Corps solved. Ms. Kelsey said that the Corps is very clear on the Council's views on the subject. She said that the District does not have the authority to move those funds around. How those funds are spent are dictated by Congress. Ms. Kelsey said that the Mel Price has always experienced underseepage, even before the lock and dam was moved.

Mr. Sterman responded that we know how difficult it is reprogram money between projects, but we are asking for the Corps to support that request. With respect to the Mel Price reach, we don't know that there was an underseepage problem before the dam was built. That is speculation.

Mr. Motil asked about A&H contracting, who was awarded work by the Corps on our levee system. He noted that they will not be using a PLA or union labor. That is exactly the opposite of what we have asked for.

Mike Feldmann said that the A&H award was competed several years ago, so Mr. Sterman's memo is not exactly correct. Mr. Sterman said that this project was not cost competed. He noted that the cost for this work (11 relief wells) is roughly twice what we are paying for similar work. So while Mr. Feldmann's observations are technically correct, it is accurate to say that this specific project was not cost competed.

Mr. Parks said that the Board was serious about having local labor do the work on this project and we don't see that with Corps work. Mr. Motil added that despite hearing from us for the last five years and the agency repeatedly says that they want to work with us, their actions are the opposite of what we asked for.

Mr. Pennekamp asked whether the workers on the Corps project are local. Mr. Feldmann said that he does not know. Dale Stewart said he has already contacted the contractor and they indicated that they have their own crews and do not intend to hire any local workers.

A motion was made by Mr. Parks with a second by Mr. Brinkman 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 - absent
Mr. Brinkman – Aye
Mr. Bergkoetter - Aye
Mr. Conrad - Aye
Mr. Long – absent
Mr. Maher – Aye
Mr. Motil – No
Mr. Parks – Aye
Mr. Pennekamp – Aye

The motion was approved by a vote of 6-1.

Public Comment

Mr. Pennekamp asked if there is any public comment. Jack Norman addressed the Board on the subjects of the House Committee draft of the Water Resources Development Act. Mr. Sterman said that he is closely monitoring the bill and working with our congressional delegation in the process. Unfortunately, however, our project is far enough along that there is nothing obvious in the bill that will help us. Mr. Norman also discussed the Majuro Declaration of Climate Leadership and distributed a copy of the first two pages of the Declaration. Majuro is the capital of the Marshall Islands. He read several sections of the Declaration to the Board.

Mr. Pennekamp asked to convene an executive session to address real estate matters.

Mr. Motil made a motion at 8:23 am to convene a closed session under 5ILCS 120.2 for the purpose of discussing the purchase or lease of real property by a public body and for discussing probable or imminent litigation. The motion was seconded by Mr. Bergkoetter. Mr. Conrad called the roll and the following votes were made on the motion:

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

The motion was approved unanimously and the Board went into executive session.

Mr. Parks made a motion to adjourn the executive session at 8:46 am to go back into public session. Mr. Motil seconded the motion. Mr. Conrad called the roll and the following votes were made on the motion:

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

Mr. Pennekamp called the meeting to order.

Real Estate Transactions

A motion was made by Mr. Motil, and seconded by Mr. Parks to authorize the Chief Supervisor to negotiate the acquisition of the above properties required to construct levee improvements needed to comply with Federal Emergency Management Agency standards for flood protection in accordance with the following conditions:

1. For those acquisitions that fall within the Council’s real estate acquisition policy, no further Board action is required.
2. Acquire various Pulcher parcels and temporary easements at a price not to exceed 120% of appraised value; buy 7.48 acres of uneconomic remnants from Pulcher at a price not to exceed 120% of appraised value.
3. Acquire various Gummersheimer parcels and temporary easements at a price not to exceed 120% of appraised value.
4. Acquire 11.3 acres from Vogt for \$85,000 (approx. \$7500/acre), with the 8.42 acres of uneconomic remnants not required for the project conveyed to Pulcher for not less than \$5000/acre.
5. Acquire 19.94 acres from Cates for \$149,550 (\$7500/acre), with the 13.92 acres of uneconomic remnants not required for the project conveyed to Pulcher for not less than \$5000/acre.
6. Acquire 7 parcels (the 0.9729 acre parcel is actually 2 overlapping parcels) shown in Table 1 from the St. Clair County Trustee at a price totaling \$16,815. While not all parcels are required for the project, all parcels fall within the levee right-of-way and would be useful for future levee maintenance. Each parcel was appraised and all of the acquisition prices designated by the County Trustee fall within the permitted price ranges per our acquisition policies.

Mr. Conrad called the roll and the following votes were made on the motion:

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

The motion was approved unanimously.

Other Business

There was no other business.

Adjournment

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

Respectfully submitted,

James R. Pennekamp,
Secretary/Treasurer, Board of Directors

BP #2A – Fish Lake Pump Station



- Notice of Award sent 9/11/2013
- Contract signed expected 9/20/2013
- Pumps and Tubes need to be ordered (long lead items)
- Construction expected in November.

3

BP#6 – PDP/FL Seepage Improvements



- Notice of Award sent 9/11/2013
- Awaiting several key property acquisitions.
- Construction expected in late October or November.

4

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



- Advertisement is holding for land acquisition
- Target date completion of acquisition October 1,2013
- Public meetings needs to be scheduled with adjacent and affected property owners

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



- Public meeting needs to be scheduled with adjacent and affected property owners
- Advertisement is prepared and plans could be available first week of October.
- Goal is to make a recommendation to the Board November 20, 2013

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



- Bid Closing – postponed. Unable to obtain the necessary easements and have delayed until we can clarify. May require some design changes.

Update

- An unrecorded easement may allow the original planned construction to proceed on levee ROW.

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



- Anticipated Bid Closing 10/1/2013, have issued modification, removed one pump station
- Flood Prevention District Council Meeting 10/16/2013

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



Interfacing and monitoring COE design of walls in WR

- VE study was to be completed 9/13; AMEC has requested and will review study results
- COE has completed drilling and lab work; is installing piezometers to measure permeability of aquifer at LWR deep wall
- COE is still evaluating how deep to extend the deep cutoff (affects cost)
- COE reports that designs are generally progressing on schedule toward an advertisement date of December 17, 2013.

9

Construction Activities



- Pilot holes for RW –
 - Drilling completed 130 holes
 - Lab analysis continues
- Relief well design in progress
 - 8 + 8 submitted
 - Consensus on first three and generally ironed out the process
- Incorporating comments into CQC plan and will submit final September 20, 2013

10

Other Activities...



- Land acquisition – Weekly calls with the team. Process moving forward. Timing becoming critical.
- Construction QC – Working to complete MSA with service providers
- Certification of Melvin Price (UWR)
 - To address the design deficiencies...The plan relies on extreme measures such as numerous airlifting pumps, construction activities such as closing weirs in dry side dikes to create water berms, excavating trenches along relief wells, and other types of flood fighting activates

11

UWR at Melvin Price Dam - concerns based on current understanding



- Based on the information, we cannot determine whether or not the Melvin Price Wood River Underseepage Operations Plan would provide an adequate factor of safety to meet the requirements of 44 CFR 65.10.
- We believe there is a strong likelihood that the Operations Plan itself will not meet all the requirements of 65.10 for certification.
- There is no dedicated funding source to implement the interim operations plan in the event of a flood.
- Our experience with FEMA indicates their agency would view the proposed interim measures as "flood fighting" and that would not meet the agency's defined geotechnical and structural requirements.

12

UWR at Melvin Price Dam – status, direction



- AMEC cannot conclude at this time that the Upper Wood River Levee Segment adjacent to the Melvin Price Dam would meet the requirements of 44 CFR 65.10, and, more importantly, we conclude that it is unlikely that the operations plan will satisfy the requirements of 44 CFR 65.10 at any time in the future.
- Solutions could include a more timely implementation of the USACE's permanent solution, or some other type of permanent solution that achieves an adequate factor of safety for the 100-yr event without extensive flood fighting and with an operations plan that is fully funded.

13



Questions?

14



MAJURO DECLARATION FOR CLIMATE LEADERSHIP

1. Climate change has arrived. It is the greatest threat to the livelihoods, security and well-being of the peoples of the Pacific and one of the greatest challenges for the entire world.
2. There is an overwhelming scientific consensus that escalating greenhouse gas emissions continue to cause the sharp rise in average global temperatures over the past century, the alarming acidification of our oceans, the rapid loss of polar sea ice, sea-level rise, and the striking incidence of more frequent and extreme weather events all over the world.
3. On 9 May 2013, atmospheric concentrations of carbon dioxide measured near the summit of Mauna Loa in Hawai'i exceeded 400 parts per million for the first time since measurements began. In crossing this historic threshold, the world entered a new danger zone. Unless we quickly change course, global average temperatures are projected to rise by 4°C or more above pre-industrial levels by the end of the Century, resulting in unprecedented human and environmental impacts.
4. We, the Leaders of the Pacific Islands Forum, underline the need for urgent action at all levels to reduce greenhouse gas emissions commensurate with the science and to respond urgently and sufficiently to the social, economic and security impacts of climate change to ensure the survival and viability of all Pacific small island developing States, in particular low-lying atoll States, and other vulnerable countries and regions worldwide.
5. At the same time, we recognize that the necessary energy revolution and economic transformation to low-carbon development is an unprecedented opportunity to enhance our security, protect and ensure the sustainability of our natural resources and environment, and to improve our people's health.

Our Responsibility to Act

6. We confirm the responsibility of all to act to urgently reduce and phase down greenhouse gas pollution in order to avert a climate crisis for present and future generations.
7. The responsibility of all to act falls to every government, every company, every organization and every person with the capacity to do so, both individually and collectively.

Our Commitment to be Climate Leaders

8. We commit to be Climate Leaders.

9. To lead is to act. In supporting this Declaration, a government, economic entity, company, civil society organization or individual commits to **demonstrate climate leadership** through action that contributes to the urgent reduction and phase down of greenhouse gas pollution.

10. Recognizing our unique vulnerability to climate change, the predicted catastrophic impacts on the security and livelihoods of our people, and the significant benefits that come with our transition to renewable, clean and sustainable energy sources, we, the Leaders of the Pacific Islands Forum, confirm our climate leadership in the form of the commitments listed at the end of this Declaration. We also want to do more.

11. We call on our partners to enhance, accelerate and ensure the effective delivery of their support for the design and implementation of the commitments of the Pacific small island developing States.

12. We also call on others, in particular our Post-Forum Dialogue Partners, to contribute to the urgent reduction and phase down of greenhouse gas pollution. Those who support this Declaration will list specific commitments that contribute more than previous efforts to the urgent reduction and phase down of greenhouse gas pollution, and will submit them to the Chair of the Pacific Islands Forum for listing with this Declaration.

13. This Declaration is a platform for an upward spiral of action to urgently reduce and phase down greenhouse gas pollution. Those who support this Declaration are strongly encouraged to continue to scale-up their efforts by submitting for listing further specific commitments that contribute more than previous efforts to the urgent reduction and phase down of greenhouse pollution.

14. In addition, we commit to accelerate and intensify our efforts to prepare for and adapt to the intensifying impacts of climate change, and to further develop and implement policies, strategies and legislative frameworks, with support where necessary, to climate-proof our essential physical infrastructure, adapt our key economic sectors and ensure climate-resilient sustainable development for present and future generations.

15. This Declaration will be presented by the Chair of the Pacific Islands Forum to the Secretary-General of the United Nations as a contribution to his efforts to catalyze ambitious climate action and mobilize political will for a universal, ambitious and legally-binding climate change agreement by 2015.

16. This Declaration and the actions under it are intended to complement, strengthen and augment processes under way and commitments already made, including those under the United Nations Framework Convention on Climate Change and its Kyoto Protocol.

17. We agree to review the status and implementation of this Declaration at the 45th Pacific Island Forum Leaders' meeting.

Adopted in Majuro, the Republic of the Marshall Islands, on this, the 5th day of September, 2013.



Memo to: Board of Directors
From: Les Sterman
Subject: Program Status Report for October, 2013
Date: October 14, 2013

Bids were opened on October 2 for Bid Package #2b, which includes five pump stations. We received three bids, with Korte & Luitjohan Contractors being the apparent low bidder. AMEC is currently reviewing the bids and I expect to make a selection recommendation at the Board meeting. Contracts have now been signed on Bid Packages #2a and #6, so work should be starting shortly.

The process of property acquisition is moving slowly, and the process remains on the critical path for the project. Several property owners have offers from us and we are awaiting responses from them; our property acquisition consultants maintain continuous contact with these owners to remind them of the urgency of the situation. On October 7 we hosted a meeting for remaining affected property owners in St. Clair and Madison counties to provide an opportunity for them to meet with the engineering team and the property acquisition specialists. Turnout for the meeting was limited, but we will now make individual contact with affected property owners.

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. The federal government shutdown has not significantly affected this work since it is being funded with a FY2013 appropriation. I met with the Corps on October 7 to discuss the requirements for a Sec. 408 review of the project should the Council assume the responsibility for construction. It was a productive meeting, but there are still some unanswered questions that need to be resolved. While the review appears to be a limited one, it will need to be approved by Corps Division and Headquarters, which will likely add time to the schedule. Best guess is that the review might take four months, assuming that there are no significant changes to the Corps design or construction process.

On October 3 the Corps hosted a meeting to provide additional information regarding the decision reached in early July that denied our request to encourage or require the use of a project labor agreement for the Wood River cutoff wall. In addition to me and Jim Pennekamp from the Council, the meeting was attended by representatives of the Leadership Council, Sen. Durbin's staff, representatives from IDOT, Governor Quinn's office, and the Director of IDNR. Dale Stewart, representing the labor community, also attended. The Corps was represented by their legal counsel, contracting staff, Col. Hall, and a number of planning, design and construction

staff. The end result of the meeting was that we are no more clear on the basis for the decision than we were in July. What did result from the meeting was our strong belief that the Corps made its decision based on an erroneous understanding of how a PLA functions. Handouts provided at the meeting indicated that the Corps believed that a PLA would preclude (or put at a great competitive disadvantage) firms that are not based in the region, and would otherwise make the job more costly. Those conclusions are factually inaccurate or demonstrably false. I followed up on the meeting with a letter to the Corps asking to reopen the decision-making process (copy attached).

On October 3 I signed the Sec. 404 permit, which cleared a significant regulatory hurdle for the project. We are now finalizing the final details of our contract with Republic Services to begin construction on the wetland mitigation.

The House version of the Water Resources Development Act has been drafted, but it has stalled because of federal budget issues that are consuming all time for floor debate. At this point, it does not seem that any of our legislative priorities have been addressed in the House bill, but we are still pressing the case with our delegation and congressional staff. Because several of our issues were addressed in the Senate version of this bill, it appears that our best opportunity for success will be in a conference committee once the House bill is approved.

The Council receives refundable credits for certain interest payments that we make on Build America Bonds. These credits provided by the U.S. Treasury amount to more than \$910,000 annually. We have been notified by the IRS that our credits will be reduced by 8.7% as the result of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (the "sequester"). This will result in a loss of previously anticipated revenue of more than \$79,000 a year.

At the direction of the Search Committee, I placed advertisements in the Post-Dispatch, Belleville News-Democrat, Illinois Business Journal and a number of online services for the Chief Supervisor position opening. I have also been networking to try to encourage qualified people to apply for the job. The closing date for applications is October 21. We have a large number of applications, although only a few appear to be from qualified candidates.



**Southwestern
Illinois
Flood Prevention
District Council**

104 United Drive
Collinsville, IL 62234

618-343-9120
Fax 618-343-9132

www.floodpreventiondistrict.org

October 4, 2013

Col. Christopher G. Hall, Commander
St. Louis District
U.S. Army Corps of Engineers
1222 Spruce Street
St. Louis, MO 63103-2833

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Les Sterman
Chief Supervisor of
Construction and the Works

Dear Col. Hall:

Thank you for meeting with our delegation from Southwestern Illinois last week to discuss the USACE decision regarding the use of a Project Labor Agreement for the proposed Wood River cutoff wall project. We appreciate the effort by you and your staff to explain the decision, although we remain very disappointed by it. Unfortunately, we came away from the meeting very troubled by the apparently misinformed and inaccurate understanding of PLAs by your staff, and what can best be described as an incomplete, and potentially biased “market research” effort that contributed to the decision.

While the primary justification offered by your staff for the decision was that “we followed the process” (i.e. Procurement Instruction Letter 2011-01), any such process only works if the underlying information used is accurate. Information that you provided us at the meeting clearly indicates that it was not. For example, the following points were offered by your staff as a basis for the decision on the use of PLAs on the project:

- *The region lacks the technical skills and equipment required to perform the seepage cutoff wall work.*
- *A PLA would limit competition amongst qualified contractors.*
- *Local prime contractors would subcontract the majority of the specialized work; thus driving up the costs of doing business.*

These points illustrate a complete lack of understanding of the manner in which a PLA functions. First, the implication that a PLA restricts in any way a firm from outside the region from competing for the subject work is simply false. In fact, one of the FPD Council’s first large projects was awarded to a firm from outside the area that outbid two local bidders – a firm that will

a regional partnership to rebuild Mississippi River flood protection

Col. Christopher G. Hall

October 4, 2013

Page 2

meet our requirement to use a PLA. Second, there is no basis for any claim that a PLA would limit competition. In fact, the July 10, 2009 memo from the Office of Management and the Budget (enclosure 3 to the PIL), specifically states that requiring the use of a PLA does not reduce competition and in some instances might actually increase the pool of potential bidders. Third, nothing in the PLA prevents a firm from outside the area from bringing in its own specialized workforce. So the above justifications presented by the USACE as a basis for the PLA decision are either completely irrelevant or inaccurate. We have similar observations about a number of other aspects of the USACE presentation.

A PLA simply assures that contractors will pay wages, provide benefits, and ensure working conditions consistent with local collective bargaining agreements. All contractors bidding on a project, whether using local labor or not, whether using union or non-union labor, will be operating under the same labor terms and conditions. If anything, as indicated in the OMB memo, this increases the pool of potential bidders.

While it is apparent that the USACE staff reached beyond the information received in response to the market survey solicitation to groups like the Deep Foundation Institute, the information presented at the meeting suggests that inquiries to these groups may have been based on a mistaken understanding of the function and operation of a PLA. What is more troubling is that the USACE, as part of its "market research," did not follow up with experienced users of PLAs on large heavy construction projects such as the Illinois Department of Transportation, or the many other public and private owners and contractors in our area, to better understand the impact on the competitive process or construction pricing here in Southwestern Illinois. Instead, you reached out to groups for information that is unrelated to the actual function and outcome of a PLA and does not reflect local practice and experience. In my view, this selective use of information leads to a biased and unreasonable conclusion.

Given this questionable and curious decision-making process, assurances from the USACE that the outcome might be different on future projects are simply not credible. Your staff left us with no reason whatsoever to believe that any of the facts, circumstances, or logic behind any PLA decision in the St. Louis Districtg will ever change. Representations made in the meeting that the Corps' views on the subject are "evolving" cannot be taken seriously until there is some evidence to support this assertion.

In view of the concerns described above, we are renewing our objections to the USACE decision. Accordingly, we are requesting that:

Col. Christopher G. Hall

October 4, 2013

Page 3

1. The decision-making process for the use of a PLA on the Wood River cutoff wall project be immediately reopened, and that the market research be completed in a competent, thorough, unbiased, and transparent manner. At the discretion of the USACE, the Council will assist in providing information to fill gaps in understanding or knowledge about the proper functioning of a PLA.
2. The USACE provide the Council with copies of all responses to the Project Labor Agreement Inquiry Solicitation Number W912P913RPLA1, and responses to any other inquiry made by the agency to support the market research and decision.

Thank you for your cooperation.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Les Sterman', with a stylized flourish at the end.

Les Sterman

Chief Supervisor of Construction and the Works

cc: Tom Kotarac (Sen. Durbin)
Bill Houlihan (Sen. Durbin)
Randy Pollard (Sen. Kirk)
Bobby Frederick (Rep. Davis)
Philip Lasseigne (Rep. Davis)
Willie Lyles III (Rep. Enyart)
Tyler Bontemps (Rep. Enyart)
Steve Tomaszewski (Rep. Shimkus)
Jim Goldenstein (Rep. Shimkus)
Ellen Krohne (Leadership Council)
FPD Board Members
Mark Kern
Alan Dunstan
Delbert Wittenauer
Mark Miller (Illinois DNR)
Tracey Kelsey (USACE)
Greg Andrews (SD&A)



Memo to: Board of Directors
From: Les Sterman
Subject: Budget and Disbursement Report for September 2013
Date: September 18, 2013

Budget Highlights

Attached is the financial statement for September 2013 prepared by our fiscal agent, CliftonLarsonAllen. The report includes an accounting of revenues and expenditures for the month ending September 30, 2013, as compared to our fiscal year budget.

Accrued expenditures for the current fiscal year are \$15,254,705 while revenues amounted to \$11,888,061, resulting in a deficit of \$3,366,644. Expenditures include a surplus for the year held by the bond Trustee of \$4,397,568 through the end of September that was returned to the counties as required by the bond indenture. A total of approximately \$15,122,553 is now held by the counties in their respective FPD sales tax funds and is available for the Council's use on the project.

Sales tax receipts showed a very modest rebound in July 2013 (the latest month reported by the Illinois Department of Revenue). Receipts increased by about 0.6% from last year but remain down by about 3.14% year over year.

Disbursements

Attached are lists of bank transactions for September 2013. Total disbursements for the month were \$748,536.31. The largest payments were to AMEC and its subcontractors for design and construction management services, to the Corps of Engineers for cost-share for the Wood River design deficiency correction project, to Husch Blackwell/Bernardin Lochmueller for property appraisals and preparation of legal documents for property acquisition, and to the East-West Gateway Council of Governments for salary and benefits for the Chief Supervisor .

Recommendation:

Accept the budget report and disbursements for September 2013.

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION
DISTRICT COUNCIL**

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

TWELVE MONTHS ENDING SEPTEMBER 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 twelve months ended September 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
October 10, 2013

**SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
TWELVE MONTHS ENDED SEPTEMBER 30, 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	\$ 11,085,753	\$ 553,247
Interest Income	960,000	960,000	802,308	157,692
Other Contributions	-	-	-	-
Total Revenues	12,599,000	12,599,000	11,888,061	710,939
EXPENDITURES				
Current				
Design and Construction				
Engineering Design & Construction Management	6,000,000	6,000,000	2,531,338	3,468,662
Construction	42,600,000	42,600,000	1,102,865	41,497,135
Construction and design by US ACE	1,400,000	1,400,000	790,000	610,000
Federal Cost-Share	-	-	-	-
Total Design and Construction	50,000,000	50,000,000	4,424,203	45,575,797
Professional Services				
Legal & Legislative Consulting	126,000	126,000	251,047	(125,047)
Construction Oversight	160,000	160,000	20,266	139,734
Impact Analysis/Research	10,000	10,000	7,581	2,419
Financial Advisor	20,000	20,000	11,555	8,445
Bond Underwriter/Conduit Issuer	93,529	93,529	2,288	91,241
Total Professional Services	409,529	409,529	292,737	116,792
Refund of Surplus Funds to County FPD Accounts				
Madison County	2,955,782	2,955,782	2,115,582	840,200
Monroe County	280,157	280,157	200,617	79,540
St. Clair County	2,907,860	2,907,860	2,081,369	826,491
Total Refund of Surplus Funds to County	6,143,799	6,143,799	4,397,568	1,746,231
Debt Service				
Principal and Interest	7,107,440	7,107,440	7,102,439	5,001
Federal Interest Subsidy	(910,140)	(910,140)	(1,214,281)	304,141
Total Debt Service	6,197,300	6,197,300	5,888,158	309,142
Total Operating Expenses	62,750,628	62,750,628	15,002,666	47,747,962
General and Administrative Costs				
Salaries, Benefits	192,331	192,331	188,508	3,823
Advertising	-	-	-	-
Bank Service Charges	420	420	576	(156)
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	22,150	850
Furniture	-	-	-	-
Meeting Expenses	1,000	1,000	29	971
Postage/Delivery	400	400	376	24
Printing/Photocopies	2,500	2,500	2,322	178
Professional Services	15,000	15,000	19,548	(4,548)
Publications/Subscriptions	250	250	2,250	(2,000)
Supplies	1,500	1,500	1,686	(186)
Telecommunications/Internet	2,000	2,000	2,150	(150)
Travel	15,000	15,000	9,222	5,778
Insurance	1,000	1,000	977	23
Total General & Administrative Costs	257,901	257,901	252,039	5,862
Total Expenditures	63,008,529	63,008,529	15,254,705	47,753,824
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(50,409,529)	(50,409,529)	(3,366,644)	47,042,885
OTHER FINANCING SOURCES				
Proceeds From Borrowing	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ (50,409,529)	\$ (50,409,529)	\$ (3,366,644)	\$ 47,042,885

**SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
TWELVE MONTHS ENDED SEPTEMBER 30, 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	\$ 11,401,874	\$ (401,874)
Interest Income	878,365	878,365	848,405	29,960
Other Contributions	-	-	-	-
Total Revenues	<u>11,878,365</u>	<u>11,878,365</u>	<u>12,250,279</u>	<u>(371,914)</u>
EXPENDITURES				
Current				
Design and Construction				
Engineering Design & Construction Management	6,000,000	6,000,000	3,597,557	2,402,443
Construction	20,000,000	20,000,000	1,132,115	18,867,885
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>4,729,672</u>	<u>22,370,328</u>
Professional Services				
Legal & Legislative Consulting	126,000	126,000	154,641	(28,641)
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>196,873</u>	<u>203,656</u>
Refund of Surplus Funds to County FPD Accounts				
Madison County	1,999,276	1,999,276	2,213,968	(214,692)
Monroe County	260,706	260,706	217,032	43,674
St. Clair County	1,241,796	1,241,796	2,252,466	(1,010,670)
Total Refund of Surplus Funds to County	<u>3,501,778</u>	<u>3,501,778</u>	<u>4,683,466</u>	<u>(1,181,688)</u>
Debt Service				
Principal and Interest	7,107,440	7,107,440	7,101,539	5,901
Federal Interest Subsidy	(910,140)	(910,140)	(566,408)	(343,732)
Total Debt Service	<u>6,197,300</u>	<u>6,197,300</u>	<u>6,535,131</u>	<u>(337,831)</u>
Total Operating Expenses	<u>37,199,607</u>	<u>37,199,607</u>	<u>16,145,142</u>	<u>21,054,465</u>
General and Administrative Costs				
Salaries, Benefits	189,365	189,365	189,627	(262)
Advertising	2,500	2,500	-	2,500
Bank Service Charges	420	420	692	(272)
Conference Registration	700	700	458	242
Equipment and Software	2,300	2,300	77	2,223
Fiscal Agency Services	20,000	20,000	34,871	(14,871)
Furniture	300	300	-	300
Meeting Expenses	1,000	1,000	186	814
Miscellaneous Startup Expenses	-	-	-	-
Office Rental	-	-	-	-
Postage/Delivery	600	600	250	350
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	3,317	183
Travel	12,500	12,500	9,054	3,446
Other Business Expenses	-	-	-	-
Insurance	3,000	3,000	990	2,010
Total General & Administrative Costs	<u>258,235</u>	<u>258,235</u>	<u>255,868</u>	<u>2,367</u>
Total Expenditures	<u>37,457,842</u>	<u>37,457,842</u>	<u>16,401,010</u>	<u>21,056,832</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,579,477)	(25,579,477)	(4,150,731)	21,428,746
OTHER FINANCING SOURCES				
Proceeds From Borrowing	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (25,579,477)</u>	<u>\$ (25,579,477)</u>	<u>\$ (4,150,731)</u>	<u>\$ 21,428,746</u>

Flood Prevention District Sales Tax Trends 2009-2013

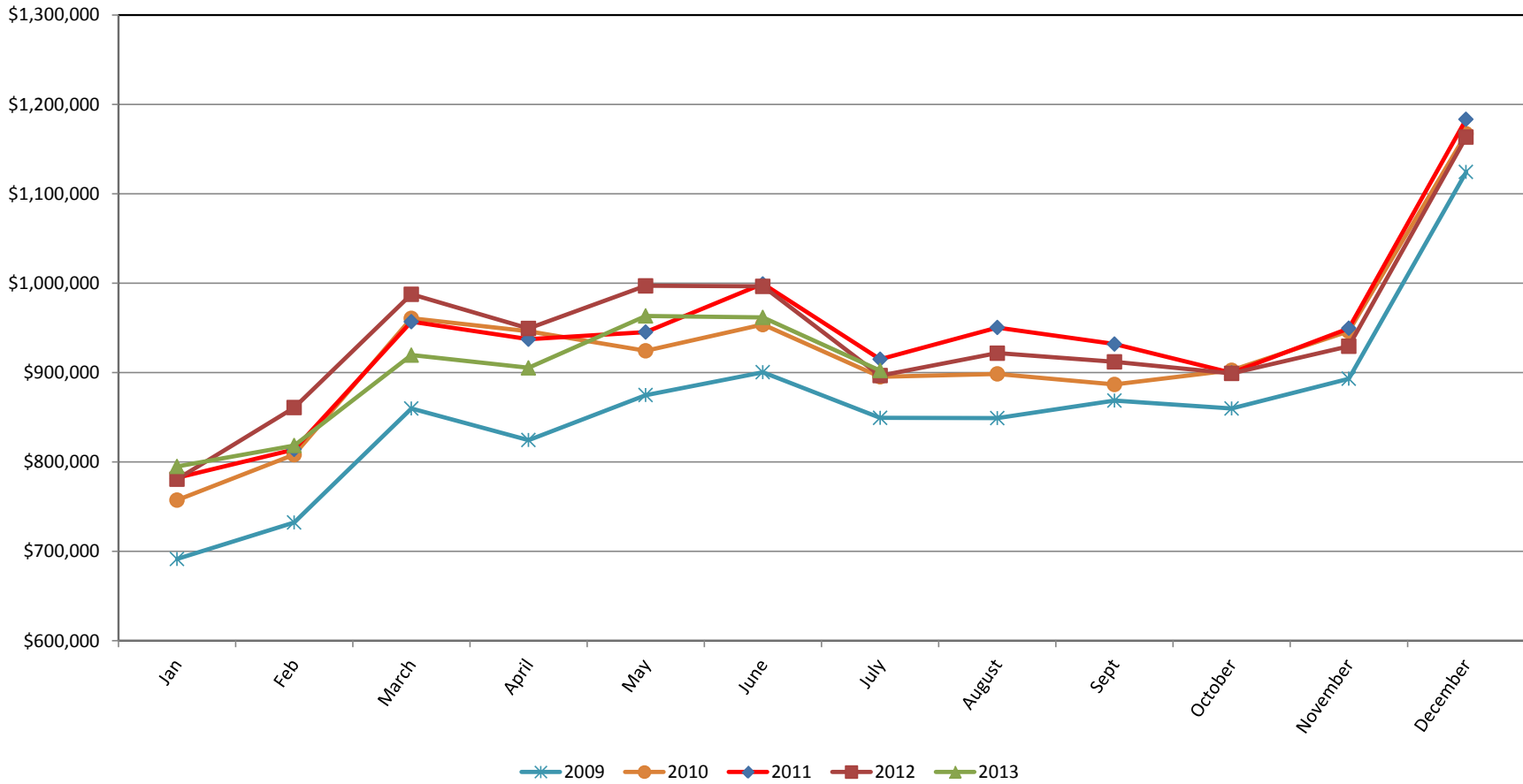
	2009													County Share
	Jan	Feb	March	April	May	June	July	August	Sept	October	November	December	Total	
Madison	\$321,968	\$336,765	\$397,425	\$387,385	\$414,350	\$421,402	\$399,616	\$401,188	\$400,090	\$404,847	\$405,930	\$492,814	\$4,783,780	46.319%
St. Clair	\$337,979	\$362,696	\$424,556	\$398,395	\$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

	2013												
	Jan	Feb	March	April	May	June	July	August	Sept	October	November	December	Total
Madison	\$375,398	\$383,170	\$424,507	\$425,469	\$457,212	\$451,494	\$436,686						\$2,953,936
St. Clair	\$381,645	\$395,527	\$449,397	\$434,001	\$457,942	\$462,603	\$422,892						\$3,004,007
Monroe	\$37,888	\$39,679	\$45,689	\$45,913	\$48,212	\$47,694	\$42,672						\$307,747
Total Month	\$794,931	\$818,376	\$919,593	\$905,383	\$963,366	\$961,791	\$902,250						\$6,265,690
Cumulative Total	\$794,931	\$1,613,307	\$2,532,900	\$3,438,283	\$4,401,649	\$5,363,440	\$6,265,690						
% change/month	1.83%	-4.94%	-6.89%	-4.64%	-3.37%	-3.48%	0.64%						
% change/total	1.83%	-1.72%	-3.66%	-3.92%	-3.80%	-3.74%	-3.14%						

Flood Prevention District Sales Tax Trends 2009-2013

Actual Receipts 2009-2013



**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
SUPPLEMENTARY SUPPORTING SCHEDULE
BANK TRANSACTIONS
SEPTEMBER 30, 2013**

Beginning Bank Balance September 1			\$ 597,263.78
Receipts			
UMB	09/20/2013	Transfer Construcion	284,223.54
UMB	09/24/2013	Transfer Admin	2,209.43
UMB	09/24/2013	Transfer Admin	98,770.03
UMB	09/24/2013	Transfer Construcion	361,911.30
IRS Treasury	09/24/2013	Interest Rebate Bonds	101,651.24
IRS Treasury	09/24/2013	Interest Rebate Bonds	313,827.56
Bank of Edwardsville	09/30/2013	September Interest	123.71
			1,162,716.81
Disbursements			
FEDEX	09/03/2013	Delivery	25.75
HostGator.com	09/05/2013	Wweb	9.95
USPS	09/11/2013	Postage	5.65
Bank of Edwardsville	09/16/2013	Wire Transfer Fee	25.00
East-West Gateway Council of Govern	09/20/2013	Salary and other Expense	98,103.34
Bank of Edwardsville	09/20/2013	Wire Transfer Fee	10.00
Post Dispatch S Journal	09/20/2013	Publication	500.00
Post Dispatch S Journal	09/20/2013	Publication	500.00
Post Dispatch S Journal	09/20/2013	Publication	995.00
AMEC Earth & Environmental, Inc.	09/23/2013	Construction	235,084.99
Husch Blackwell Sanders	09/23/2013	Professional Services	49,138.55
Les Sterman	09/23/2013	Telephone	72.70
Marks & Associates	09/23/2013	Construction	15,360.00
Phillip L. Johnson	09/23/2013	Construction	7,800.00
AMEC Earth & Environmental, Inc.	09/23/2013	Construction	295,304.43
Dorgan, McPike & Assoc, LTD	09/23/2013	Professional Services	3,000.00
Husch Blackwell Sanders	09/23/2013	Professional Services	40,446.87
AT&T	09/23/2013	Telephone	72.60
Bank of Edwardsville	09/24/2013	Wire fee	30.00
T-Mobile	09/27/2013	Telephone	35.00
Bank of Edwardsville	09/30/2013	September bank charges	16.48
			746,536.31
			\$ 1,013,444.28



Memo to: Board of Directors
From: Les Sterman
Subject: Update of Council Procurement and Disbursement Policies
Date: October 14, 2013

The Council adopted a policy on disbursements at one of our initial meetings in 2009. Procurements have been done in accordance with the Illinois Flood Prevention District Act, which in turn cites separate Illinois statutes that govern procurements for professional services and other purchases. In addition, the Council is subject to further restrictions by the Act, such as a requirement to have construction contracts greater than \$10,000 approved by the county Boards in the area where the Council operates.

The disbursement policy is out of date in several respects, most notably its reference to the East-West Gateway Council of Governments, which was our fiscal agent until two years ago. We have never adopted a formal procurement policy, since we relied on the relevant statutes for guidance. However, since we are embarking on a period of greater expenditures and we will be transitioning to new staff, I thought it would be important for our spending policies to be up-to-date and transparent. Accordingly, I have drafted the attached policies for procurement and disbursements.

The proposed policies are consistent with the practices of the Council since our inception. They are somewhat less permissive than allowed by law. For example, state law allows purchases under \$20,000 to be done without competition; in practice, our limit is \$10,000. We also have related internal policies, such as a requirement that all contracts of any kind that involve amounts in excess of \$10,000 be specifically approved by the Board of Directors. The procurement policy also provides for a waiver of certain provisions in the case of an "emergency" as allowed by law.

Recommendation: Adopt the updated procurement and disbursement policies for the Council.

Southwestern Illinois Flood Prevention District Council Disbursements Policy

1. The Chief Supervisor of Construction and the Works (the Chief Supervisor) has (a) expenditure approval up to the parameters set by the annual operating budget as approved by the Board, and (b) single signature authority for expenditures in an amount up to and including \$10,000, with the exception of the Chief Supervisor's salary and fringe benefits, for the use and benefit of the Council. Amounts exceeding \$10,000 must be approved by two signers. The deliberate splitting of vouchers or invoices for the sole purpose of meeting the parameters of this authority is expressly prohibited.
2. The Chief Supervisor approves payment requests after reviewing supporting documentation and presenting a signed requisition for payment along with an invoice or other documentation to the fiscal agent. All disbursements paid by check will be printed on pre-numbered checks only with approved payment requests. The unsigned check, support and request are presented to authorized check signers for their signatures (information on checks is compared to support for accuracy). Blank or unprepared checks shall not be submitted for signature.
3. All disbursements are made by check or electronically and are accompanied by substantiating documentation. The Council's fiscal agent may initiate electronic disbursements at the direction of the Chief Supervisor for the purposes of investment of excess funds or payment of an approved payment request.
4. All disbursements including electronic withdrawals and checks are accounted for monthly to the Board.
5. No checks may be written to "cash" or "bearer".
6. Blank checks are stored in a locked drawer.
7. All invoices and check requests will be marked "PAID" once they have been paid.
8. The Chief Supervisor and either the President, Vice-President, or the Secretary/Treasurer are the two signatures that are required on all checks over approved limits. In the event of the unavailability of the Chief Supervisor, the President and either the Vice-President or Secretary/Treasurer will constitute the two required signatures.
10. Blank checks may never be signed in advance.

Southwestern Illinois Flood Prevention District Council Procurement Policy

Procurement of professional services and bidding for construction work by the Council will be done in accordance with the requirements of the Illinois Flood Prevention District Act (70 ILCS 750). Applicable provisions of the statute are shown below:

(70 ILCS 750/45) Sec. 45. Procurement. The District shall conduct all procurements in accordance with the requirements of the Local Government Professional Services Selection Act and any competitive bid requirements contained in Section 5-1022 of the Counties Code. (Source: P.A. 95-719, eff. 5-21-08; 95-723, eff. 6-23-08.)

(70 ILCS 750/50) Sec. 50. Contracts for construction. A request for any construction contract of more than \$10,000 by the District must be submitted for approval to the county board of the county in which the district is situated. The county board has 30 calendar days to approve the construction contract. If the county board does not approve or disapprove the construction contract within 30 calendar days after the receipt of such request, the request shall be deemed approved. (Source: P.A. 95-719, eff. 5-21-08; 95-723, eff. 6-23-08.)

All Council purchases in excess of \$10,000, whether for professional services, equipment, supplies, or construction work, shall be done through a competitive process,. The evaluation and selection process for professional services shall be qualification-based, as required by Illinois law. Other procurements will be done through a competitive bidding process.

Procurement of Professional Services

The Council will solicit professional services (engineers, architects, land surveyors, attorneys, accountants, financial advisors and other consulting professions as determined by the Council) by providing notice on the agency website and through direct contact with at least three known qualified vendors. The selection process shall consist of the following steps:

1. *Solicitation.* A request-for-proposal will be provided to potential respondents that includes a description of the project, a statement of the work required, a list of items required for a responsive submittal, and a list of evaluation criteria.
2. *Evaluation Procedure.* The Chief Supervisor shall evaluate the firms submitting proposals, taking into account qualifications, ability of professional personnel, past record and experience, performance data on file, willingness to meet time requirements, location, workload of the firm, and such other qualifications-based factors as the Council may determine are applicable. The Council may conduct discussions with and require public presentations by firms deemed to be the most qualified regarding their qualifications, approach to the project, and ability to furnish the required services. At the request of the Chief Supervisor or the Board of Directors, a Selection Committee consisting of Board members and/or other qualified persons may be appointed by the President and participate in the evaluation and selection process.
3. *Selection procedure.* On the basis of evaluations, discussions and presentations, the Council's Board of Directors shall, upon recommendation from a Selection Committee or the Chief Supervisor, select firms that it determines to be the most qualified to provide services for the project and rank them in order of qualifications to provide services regarding the specific project. The Council shall then contact the firm ranked most preferred and attempt to negotiate a contract

at a fair and reasonable compensation, taking into account the estimated value, scope, complexity, and professional nature of the services to be rendered.

4. *Contract negotiation.* The Council shall prepare a written description of the scope of the proposed services to be used as a basis for negotiations and shall negotiate a contract with the highest qualified firm at compensation that the Council determines to be fair and reasonable. In making this decision the Council shall take into account the estimated value, scope, complexity and professional nature of the services to be rendered. If the Council is unable to negotiate a satisfactory contract with the firm which is most preferred, negotiations with that firm shall be terminated. The Council shall then begin negotiations with the firm that is next preferred. If the Council is unable to negotiate a satisfactory contract with that firm, negotiations with that firm shall be terminated. The Council shall then begin negotiations with the firm that is next preferred. If the Council is unable to negotiate a satisfactory contract with any of the selected firms, a request for proposal shall be reissued to additional qualified firms.

Waiver of competition. The Council may waive the requirement for competitive procurement of professional services if the Board of Directors determines that:

1. An emergency situation exists and a firm must be selected in an expeditious manner, or the cost of architectural, engineering, and land surveying services for the project is expected to be less than \$10,000.
2. There is a current satisfactory contractual relationship with a qualified firm that can provide the professional services.

The Board of Directors shall approve all contracts for professional services after a final scope of work, cost and contract provisions have been negotiated and agreed to by the firm and the Chief Supervisor.

Procurement of Goods and Services through Competitive Bids

All purchases of services, materials, equipment or supplies in excess of \$10,000, other than professional services, shall be done through a competitive process to determine the lowest responsible bidder after advertising for bids on the Council's website and in a newspaper published in the three county area served by the Council. The Council shall provide all potential bidders with a complete copy of plans and specifications for the project for which bids are being sought.

In determining the lowest responsible bidder, the Council shall take into consideration the qualities of the articles or work to be supplied, conformity with the specifications, suitability to the requirements of the Council, compatibility to existing facilities, compliance with relevant Council policies, and the delivery terms. This process does not apply to contracts by a Council with the federal government or to purchases of used equipment, purchases at auction or similar transactions that by their nature are not suitable to competitive bids, pursuant to approval by the Board of Directors.

Bids submitted to, and contracts executed by, the Council may require a certification by the bidder or contractor that the bidder or contractor is not barred from bidding for or entering into a contract with local or state governments in Illinois and that the bidder or contractor acknowledges that the Council may declare the contract void if the certification completed pursuant to this subsection is false.

The Council may waive the requirement for competitive bidding if the Board of Directors determines that an emergency situation exists and goods or services must be selected in an expeditious manner, or the cost of such goods and services is expected to be less than \$10,000.

The Board of Directors shall approve all contracts for goods and services after a final contract, including cost and other contract provisions have been negotiated and agreed to by the firm and the Chief Supervisor.

For any construction contract of more than \$10,000 the Council shall seek the approval of the Madison, St. Clair and Monroe county boards. The county boards have 30 calendar days to approve the construction contract. If the county board does not approve or disapprove the construction contract within 30 calendar days after the receipt of such request, the request shall be deemed approved.



Memo to: Board of Directors

From: Les Sterman

Subject: Selection of Contractor for Construction Package #2b – Construction of Five Pump Stations in the Prairie DuPont, Metro-East Sanitary, and Wood River Districts

Date: October 14, 2013

Bid Package #2b is generally for construction of five pump stations. The Council issued an invitation to bid on the subject contract on August 4, 2013. A copy of the invitation is included as Attachment 1.

An advertisement for bid was published in the following newspapers the week of August 4, 2013: St. Louis Post Dispatch, Edwardsville Intelligencer, Belleville News Democrat, East St. Louis Monitor and the Republic Times.

A pre-bid meeting was held on Thursday, August 15, 2013 at the council offices. The meeting was attended by 29 individuals, including staff and a representative from Marks & Associates to explain the minority outreach program.

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 October 1, 2013, bids were received from four firms and read aloud. Results are as follows:

Korte & Luitjohan (Highland, IL):	\$3,865,405.00
Plocher Construction (Highland, IL):	\$4,135,000.00
Contegra (Edwardsville, IL):	\$4,246,824.00
Haier Plumbing (Okawville, IL):	\$4,596,715.00

The apparent low bid was Korte & Luitjohan for \$3,865,405.

To assess whether the bids were complete and responsive, AMEC, our construction manager, performed the following reviews:

- Confirmed the prequalification status as stated on the bid form
- Confirmed the addendums were acknowledged
- Verified the math on the schedule of values
- Confirmed the bid form was signed and attested
- Reviewed the bid bond
- Contacted and reviewed references
- Reviewed and discussed exploring utilization of M/D/WBE 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.

We reviewed the bids for primary difference between the four bidders. The prices for the nine bid items per pump station varied across all the bidders. The detailed bids are attached.

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

Recommendation: 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 Contractors to perform Construction Package #2b at a total cost not to exceed \$3,865,405.00.

INVITATION TO BID

Notice is hereby given that the Southwestern Illinois Flood Prevention District Council (SIFPDC), the OWNER, will receive sealed Bids delivered to Mr. Les Sterman at the SIFPDC Office, 104 United Drive, Collinsville, Illinois 62234 until **2:00 p.m.** local time on **Tuesday, October 1, 2013**, for the construction of Southwestern Illinois Flood Prevention District Council Project (Bid Package 2A). Bids will be publicly opened and read at the SIFPDC Office at **2:01 p.m.** local time on **Tuesday, October 1, 2013**.

A prebid conference will be held at **9:00 a.m.** on **Thursday, August 15, 2013**, at the SIFPDC Office, 104 United Drive, Collinsville, Illinois 62234. Representatives of OWNER (ENGINEER) will be present to discuss the Project. Bidders are encouraged to attend and participate in the conference. The ENGINEER will transmit to all prospective Bidders of Record such Addenda as ENGINEER considers necessary in response to questions arising at the conference. Oral statements may not be relied upon and will not be binding or legally effective.

This project consists of improvements to the Wood River, MESD, and Prairie du Pont Levee Districts systems including the construction of ~~six (6)~~ **five (5)** 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) - REMOVED~~
- 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)

All Bidders are required to submit with their bid, qualification information as described in Document 00200, Instructions to Bidders.

Bidding Documents may be obtained after **12:00 p.m.** (noon time) on Tuesday, **August 13, 2013** by submitting the following contact information to Kendra Mitchom (kendra.mitchom@amec.com) (636) 200-5165

Contact Name:

Cell Phone:

Company Name:

E-mail Address:

Company Address:

Contractor Type:

Company Phone:

PROJECT # SIFPDC-BP2B

All Bids will remain subject to acceptance for ninety days after the day of Bid opening, but OWNER may, in its sole discretion, release any Bid and return the Bid security prior to that date.

A Bid security in the amount of five percent of the Bidder's maximum Bid Price, including all optional work items, is required. The OWNER reserves the right to reject any or all Bids and to waive all informalities not involving price, time, or changes in the Work.

-- End of Section --

SECTION 00 100

			Korte & Luitjohan Contractors, Inc. 12052 Highland Road Highland, IL 62249	Contegra 22 Gateway Commerce Center Drive W, Suite 110 Edwardsville, IL 62025	Plocher Construction 2808 Thole-Plocher Road Highland, IL 62249	Haier Plumbing & Heating, Inc. 301 N. Elkton Street PO Box 400 Okawville, IL 62271
Site 05 Pump Station (Gummersheimer)						
2B.1	Mobilization, Bond, Insurance	1 LS	\$ 32,700	\$ 48,685	\$ 40,000	\$ 50,000
2B.2	Construction Staking	1 LS	\$ 6,840	\$ 5,407	\$ 8,700	\$ 7,500
2B.3	Site Grading, Access Road, Parking Area & Erosion Control	1 LS	\$ 171,825	\$ 208,753	\$ 139,000	\$ 95,000
2B.4	Site Fences & Gates	1 LS	\$ 16,740	\$ 18,223	\$ 12,500	\$ 18,200
2B.5	Concrete Wet Well & Outfall Structure, Complete	1 LS	\$ 188,950	\$ 209,860	\$ 303,000	\$ 425,000
2B.6	Forcemain Piping & Accessories for Pump Station	1 LS	\$ 103,010	\$ 158,872	\$ 140,000	\$ 126,586
2B.7	Gravity Drain Pipe, Sluice Gates & Accessories	1 LS	\$ 32,380	\$ 61,517	\$ 70,500	\$ 48,000
2B.8	Pumps, Formed Suction Inlet, Pump Controls, Instrumentation, Accessories & Panels	1 LS	\$ 258,600	\$ 274,831	\$ 240,300	\$ 285,000
2B.9	All Electrical Wiring & Electrical components	1 LS	\$ 19,110	\$ 24,563	\$ 21,000	\$ 21,800
SUBTOTAL - Site 05 Pump Station (Gummersheimer)			\$ 830,155	\$ 1,010,711	\$ 975,000	\$ 1,077,086
Site 10 Pump Station (Cahokia #2)						
2B.19	Mobilization, Bond, Insurance	1 LS	\$ 32,720	\$ 43,891	\$ 40,000	\$ 45,000
2B.20	Construction Staking	1 LS	\$ 4,780	\$ 5,407	\$ 8,000	\$ 5,236
2B.21	Site Grading, Access Road, Parking Area & Erosion Control	1 LS	\$ 150,740	\$ 98,346	\$ 50,300	\$ 74,000
2B.22	Site Fences & Gates	1 LS	\$ 6,850	\$ 9,177	\$ 9,600	\$ 7,448
2B.23	Concrete Wet Well & Outfall Structure, Complete	1 LS	\$ 360,615	\$ 341,515	\$ 470,000	\$ 450,000
2B.24	Forcemain Piping & Accessories for Pump Station	1 LS	\$ 96,750	\$ 163,484	\$ 169,000	\$ 138,000
2B.25	Gravity Drain Pipe, Sluice Gates & Accessories	1 LS	\$ 13,530	\$ 29,264	\$ 33,600	\$ 20,800
2B.26	Pumps, Formed Suction Inlet, Pump Controls, Instrumentation, Accessories & Panels	1 LS	\$ 185,700	\$ 197,162	\$ 173,900	\$ 190,000
2B.27	All Electrical Wiring & Electrical components	1 LS	\$ 17,705	\$ 22,930	\$ 18,600	\$ 19,768
SUBTOTAL - Site 10 Pump Station (Cahokia #2)			\$ 869,390	\$ 911,176	\$ 973,000	\$ 950,252

			Korte & Luitjohan Contractors, Inc. 12052 Highland Road Highland, IL 62249	Contegra 22 Gateway Commerce Center Drive W, Suite 110 Edwardsville, IL 62025	Plocher Construction 2808 Thole-Plocher Road Highland, IL 62249	Haier Plumbing & Heating, Inc. 301 N. Elkton Street PO Box 400 Okawville, IL 62271
Site 12 Pump Station (G.C.E.D #1X)						
2B.28	Mobilization, Bond, Insurance	1 LS	\$ 32,720	\$ 24,956	\$ 30,900	\$ 30,000
2B.29	Construction Staking	1 LS	\$ 6,320	\$ 3,149	\$ 4,800	\$ 6,986
2B.30	Site Grading, Access Road, Parking Area & Erosion Control	1 LS	\$ 9,920	\$ 54,521	\$ 12,800	\$ 15,000
2B.31	Site Fences & Gates	1 LS	\$ 8,110	\$ 12,881	\$ 9,900	\$ 8,820
2B.32	G.C.E.D #1 Demolition	1 LS	\$ 13,130	\$ 27,206	\$ 14,000	\$ 6,880
2B.33	Concrete Wet Well & Outfall Structure, Complete	1 LS	\$ 236,860	\$ 187,761	\$ 166,100	\$ 405,000
2B.34	Forcemain Piping & Accessories for Pump Station	1 LS	\$ 25,850	\$ 31,135	\$ 26,000	\$ 16,000
2B.35	Gravity Drain Pipe, Sluice Gates & Accessories	1 LS	\$ 15,090	\$ 25,152	\$ 30,000	\$ 31,800
2B.36	Pumps, Formed Suction Inlet, Pump Controls, Instrumentation, Accessories & Panels	1 LS	\$ 123,530	\$ 129,051	\$ 116,500	\$ 150,000
2B.37	All Electrical Wiring & Electrical components	1 LS	\$ 17,140	\$ 22,271	\$ 18,000	\$ 19,264
SUBTOTAL - Site 12 Pump Station (G.C.E.D #1X)			\$ 488,670	\$ 518,083	\$ 429,000	\$ 689,750

			Korte & Luitjohan Contractors, Inc. 12052 Highland Road Highland, IL 62249	Contegra 22 Gateway Commerce Center Drive W, Suite 110 Edwardsville, IL 62025	Plocher Construction 2808 Thole-Plocher Road Highland, IL 62249	Haier Plumbing & Heating, Inc. 301 N. Elkton Street PO Box 400 Okawville, IL 62271
Site 15 Pump Station (Hawthorne)						
2B.38	Mobilization, Bond, Insurance	1 LS	\$ 32,720	\$ 19,034	\$ 21,200	\$ 15,000
2B.39	Construction Staking	1 LS	\$ 4,010	\$ 3,149	\$ 4,500	\$ 4,450
2B.40	Site Grading, Access Road, Parking Area & Erosion Control	1 LS	\$ 5,140	\$ 7,509	\$ 5,000	\$ 6,800
2B.41	Site Fences & Gates	1 LS	\$ 5,650	\$ 7,002	\$ 8,200	\$ 6,155
2B.42	Concrete Wet Well & Outfall Structure, Complete	1 LS	\$ 95,200	\$ 100,675	\$ 97,000	\$ 69,000
2B.43	Forcemain Piping & Accessories for Pump Station	1 LS	\$ 38,760	\$ 69,322	\$ 62,000	\$ 27,224
2B.44	Gravity Drain Pipe, Sluice Gates & Accessories	1 LS	\$ 14,370	\$ 19,545	\$ 20,500	\$ 18,200
2B.45	Pumps, Formed Suction Inlet, Pump Controls, Instrumentation, Accessories & Panels	1 LS	\$ 140,975	\$ 148,170	\$ 132,000	\$ 150,394
2B.46	All Electrical Wiring & Electrical components	1 LS	\$ 15,820	\$ 20,743	\$ 16,600	\$ 18,144
SUBTOTAL - Site 15 Pump Station (Hawthorne)			\$ 352,645	\$ 395,149	\$ 367,000	\$ 315,367
Site 16 Pump Station (Water Street)						
2B.47	Mobilization, Bond, Insurance	1 LS	\$ 32,720	\$ 68,001	\$ 47,900	\$ 80,000
2B.48	Construction Staking	1 LS	\$ 6,325	\$ 5,407	\$ 8,100	\$ 6,902
2B.49	Site Grading, Access Road, Parking Area & Erosion Control	1 LS	\$ 140,920	\$ 198,209	\$ 149,000	\$ 80,000
2B.50	Site Fences & Gates	1 LS	\$ 23,950	\$ 24,807	\$ 16,800	\$ 26,040
2B.51	Concrete Wet Well & Outfall Structure, Complete	1 LS	\$ 416,200	\$ 376,935	\$ 488,000	\$ 725,000
2B.52	Forcemain Piping & Accessories for Pump Station	1 LS	\$ 311,700	\$ 295,762	\$ 299,000	\$ 218,144
2B.53	Gravity Drain Pipe, Sluice Gates & Accessories	1 LS	\$ 17,290	\$ 29,989	\$ 41,000	\$ 24,000
2B.54	Pumps, Formed Suction Inlet, Pump Controls, Instrumentation, Accessories & Panels	1 LS	\$ 351,450	\$ 382,374	\$ 316,200	\$ 377,000
2B.55	All Electrical Wiring & Electrical components	1 LS	\$ 23,990	\$ 30,221	\$ 25,000	\$ 27,174
SUBTOTAL - Site 16 Pump Station (Water Street)			\$ 1,324,545	\$ 1,411,705	\$ 1,391,000	\$ 1,564,260
GRAND TOTAL - BID PACKAGE 2B			\$ 3,865,405	\$ 4,246,824	\$ 4,135,000	\$ 4,596,715

	Korte & Luitjohan Contractors, Inc. 12052 Highland Road Highland, IL 62249	Contegra 22 Gateway Commerce Center Drive W, Suite 110 Edwardsville, IL 62025	Plocher Construction 2808 Thole-Plocher Road Highland, IL 62249	Haier Plumbing & Heating, Inc. 301 N. Elkton Street PO Box 400 Okawville, IL 62271
Submittal Information				
Site 05 Pump Station (Gummersheimer)				
FORCEMAIN PIPE MANUFACTURER	CLOW/NAPCO	GRIFFIN	GRIFFIN	AMERICAN OR GRIFFIN
HDPE PIPE MANUFACTURER	CLOW/NAPCO	MAX FLO	MAX FLO	ADS
SLUICE GATE MANUFACTURER	HYDROGATE	HYDROGATE	HYDROGATE	HYDROGATE
SLUICE GATE MATERIAL	STAINLESS STEEL	STAINLESS STEEL	STAINLESS STEEL	STAINLESS STEEL
PUMPS MANUFACTURER	FLYGT	FLYGT	FLYGT	FLYGT
PUMP CONTROLS MANUFACTURER	VANDEANTER	VANDEVANTER	VANDEVANTER	VANDEVANTER / ARC-ARMOR
Site 10 Pump Station (Cahokia #2)				
FORCEMAIN PIPE MANUFACTURER	CLOW/NAPCO	GRIFFIN	GRIFFIN	AMERICAN OR GRIFFIN
HDPE PIPE MANUFACTURER	CLOW/NAPCO	MAX FLO	MAX FLO	ADS
SLUICE GATE MANUFACTURER	HYDROGATE	HYDROGATE	HYDROGATE	HYDROGATE
SLUICE GATE MATERIAL	STAINLESS STEEL	STAINLESS STEEL	STAINLESS STEEL	STAINLESS STEEL
PUMPS MANUFACTURER	FLYGT	FLYGT	FLYGT	FLYGT
PUMP CONTROLS MANUFACTURER	VANDEANTER	VANDEVANTER	VANDEVANTER	VANDEVANTER / ARC-ARMOR
Site 12 Pump Station (G.C.E.D #1X)				
FORCEMAIN PIPE MANUFACTURER	CLOW/NAPCO	GRIFFIN	GRIFFIN	AMERICAN OR GRIFFIN
HDPE PIPE MANUFACTURER	CLOW/NAPCO	MAX FLO	MAX FLO	ADS
SLUICE GATE MANUFACTURER	HYDROGATE	HYDROGATE	HYDROGATE	HYDROGATE
SLUICE GATE MATERIAL	STAINLESS STEEL	STAINLESS STEEL	STAINLESS STEEL	STAINLESS STEEL
PUMPS MANUFACTURER	FLYGT	FLYGT	FLYGT	FLYGT
PUMP CONTROLS MANUFACTURER	VANDEANTER	VANDEVANTER	VANDEVANTER	VANDEVANTER / ARC-ARMOR
Site 15 Pump Station (Hawthorne)				
FORCEMAIN PIPE MANUFACTURER	CLOW/NAPCO	GRIFFIN	GRIFFIN	AMERICAN OR GRIFFIN
HDPE PIPE MANUFACTURER	CLOW/NAPCO	MAX FLO	MAX FLO	ADS
SLUICE GATE MANUFACTURER	HYDROGATE	HYDROGATE	HYDROGATE	HYDROGATE
SLUICE GATE MATERIAL	STAINLESS STEEL	STAINLESS STEEL	STAINLESS STEEL	STAINLESS STEEL
PUMPS MANUFACTURER	FLYGT	FLYGT	FLYGT	FLYGT
PUMP CONTROLS MANUFACTURER	VANDEANTER	VANDEVANTER	VANDEVANTER	VANDEVANTER / ARC-ARMOR
Site 16 Pump Station (Water Street)				
FORCEMAIN PIPE MANUFACTURER	CLOW/NAPCO	GRIFFIN	GRIFFIN	AMERICAN OR GRIFFIN
HDPE PIPE MANUFACTURER	CLOW/NAPCO	MAX FLO	MAX FLO	ADS
SLUICE GATE MANUFACTURER	HYDROGATE	HYDROGATE	HYDROGATE	HYDROGATE
SLUICE GATE MATERIAL	STAINLESS STEEL	STAINLESS STEEL	STAINLESS STEEL	STAINLESS STEEL
PUMPS MANUFACTURER	FLYGT	FLYGT	FLYGT	FLYGT
PUMP CONTROLS MANUFACTURER	VANDEANTER	VANDEVANTER	VANDEVANTER	VANDEVANTER / ARC-ARMOR
CONTRACTOR INFORMATION				
American Institute of Architects (AIA) Document A305	Yes	Yes	Yes	Yes
IDOT Prequalified	Yes	No	Yes	Yes
MoDOT Prequalified	No	No	Yes	No
MSD Prequalified	No	Yes	Yes	No
Addendum #1	Yes	Yes	Yes	Yes
Addendum #2	Yes	Yes	Yes	Yes
Bid Bond (ATTACHMENT 300-B)	Yes	Yes	Yes	Yes
MBE / WBE FORM No 2 - Proposed Utilization	None	None	None	None
BID SIGNED & SEALED	Yes	Yes	Yes	Yes
List of Sub-Contractors	No	No	No	No
References	Yes	Yes	Yes	No

			High	Low	Average
Site 05 Pump Station (Gummersheimer)					
2B.1	Mobilization, Bond, Insurance	1 LS	\$ 50,000	\$ 32,700	\$ 42,846
2B.2	Construction Staking	1 LS	\$ 8,700	\$ 5,407	\$ 7,112
2B.3	Site Grading, Access Road, Parking Area & Erosion Control	1 LS	\$ 208,753	\$ 95,000	\$ 153,645
2B.4	Site Fences & Gates	1 LS	\$ 18,223	\$ 12,500	\$ 16,416
2B.5	Concrete Wet Well & Outfall Structure, Complete	1 LS	\$ 425,000	\$ 188,950	\$ 281,703
2B.6	Forcemain Piping & Accessories for Pump Station	1 LS	\$ 158,872	\$ 103,010	\$ 132,117
2B.7	Gravity Drain Pipe, Sluice Gates & Accessories	1 LS	\$ 70,500	\$ 32,380	\$ 53,099
2B.8	Pumps, Formed Suction Inlet, Pump Controls, Instrumentation, Accessories & Panels	1 LS	\$ 285,000	\$ 240,300	\$ 264,683
2B.9	All Electrical Wiring & Electrical components	1 LS	\$ 24,563	\$ 19,110	\$ 21,618
SUBTOTAL - Site 05 Pump Station (Gummersheimer)			\$ 1,077,086	\$ 830,155	\$ 973,238
Site 10 Pump Station (Cahokia #2)					
2B.19	Mobilization, Bond, Insurance	1 LS	\$ 45,000	\$ 32,720	\$ 40,403
2B.20	Construction Staking	1 LS	\$ 8,000	\$ 4,780	\$ 5,856
2B.21	Site Grading, Access Road, Parking Area & Erosion Control	1 LS	\$ 150,740	\$ 50,300	\$ 93,347
2B.22	Site Fences & Gates	1 LS	\$ 9,600	\$ 6,850	\$ 8,269
2B.23	Concrete Wet Well & Outfall Structure, Complete	1 LS	\$ 470,000	\$ 341,515	\$ 405,533
2B.24	Forcemain Piping & Accessories for Pump Station	1 LS	\$ 169,000	\$ 96,750	\$ 141,809
2B.25	Gravity Drain Pipe, Sluice Gates & Accessories	1 LS	\$ 33,600	\$ 13,530	\$ 24,299
2B.26	Pumps, Formed Suction Inlet, Pump Controls, Instrumentation, Accessories & Panels	1 LS	\$ 197,162	\$ 173,900	\$ 186,691
2B.27	All Electrical Wiring & Electrical components	1 LS	\$ 22,930	\$ 17,705	\$ 19,751
SUBTOTAL - Site 10 Pump Station (Cahokia #2)			\$ 973,000	\$ 869,390	\$ 925,955

			High	Low	Average
Site 12 Pump Station (G.C.E.D #1X)					
2B.28	Mobilization, Bond, Insurance	1 LS	\$ 32,720	\$ 24,956	\$ 29,644
2B.29	Construction Staking	1 LS	\$ 6,986	\$ 3,149	\$ 5,314
2B.30	Site Grading, Access Road, Parking Area & Erosion Control	1 LS	\$ 54,521	\$ 9,920	\$ 23,060
2B.31	Site Fences & Gates	1 LS	\$ 12,881	\$ 8,110	\$ 9,928
2B.32	G.C.E.D #1 Demolition	1 LS	\$ 27,206	\$ 6,880	\$ 15,304
2B.33	Concrete Wet Well & Outfall Structure, Complete	1 LS	\$ 405,000	\$ 166,100	\$ 248,930
2B.34	Forcemain Piping & Accessories for Pump Station	1 LS	\$ 31,135	\$ 16,000	\$ 24,746
2B.35	Gravity Drain Pipe, Sluice Gates & Accessories	1 LS	\$ 31,800	\$ 15,090	\$ 25,511
2B.36	Pumps, Formed Suction Inlet, Pump Controls, Instrumentation, Accessories & Panels	1 LS	\$ 150,000	\$ 116,500	\$ 129,770
2B.37	All Electrical Wiring & Electrical components	1 LS	\$ 22,271	\$ 17,140	\$ 19,169
SUBTOTAL - Site 12 Pump Station (G.C.E.D #1X)			\$ 689,750	\$ 429,000	\$ 531,376

				High	Low	Average
Site 15 Pump Station (Hawthorne)						
2B.38	Mobilization, Bond, Insurance	1	LS	\$ 32,720	\$ 15,000	\$ 21,989
2B.39	Construction Staking	1	LS	\$ 4,500	\$ 3,149	\$ 4,027
2B.40	Site Grading, Access Road, Parking Area & Erosion Control	1	LS	\$ 7,509	\$ 5,000	\$ 6,112
2B.41	Site Fences & Gates	1	LS	\$ 8,200	\$ 5,650	\$ 6,752
2B.42	Concrete Wet Well & Outfall Structure, Complete	1	LS	\$ 100,675	\$ 69,000	\$ 90,469
2B.43	Forcemain Piping & Accessories for Pump Station	1	LS	\$ 69,322	\$ 27,224	\$ 49,327
2B.44	Gravity Drain Pipe, Sluice Gates & Accessories	1	LS	\$ 20,500	\$ 14,370	\$ 18,154
2B.45	Pumps, Formed Suction Inlet, Pump Controls, Instrumentation, Accessories & Panels	1	LS	\$ 150,394	\$ 132,000	\$ 142,885
2B.46	All Electrical Wiring & Electrical components	1	LS	\$ 20,743	\$ 15,820	\$ 17,827
SUBTOTAL - Site 15 Pump Station (Hawthorne)				\$ 395,149	\$ 315,367	\$ 357,540
Site 16 Pump Station (Water Street)						
2B.47	Mobilization, Bond, Insurance	1	LS	\$ 80,000	\$ 32,720	\$ 57,155
2B.48	Construction Staking	1	LS	\$ 8,100	\$ 5,407	\$ 6,684
2B.49	Site Grading, Access Road, Parking Area & Erosion Control	1	LS	\$ 198,209	\$ 80,000	\$ 142,032
2B.50	Site Fences & Gates	1	LS	\$ 26,040	\$ 16,800	\$ 22,899
2B.51	Concrete Wet Well & Outfall Structure, Complete	1	LS	\$ 725,000	\$ 376,935	\$ 501,534
2B.52	Forcemain Piping & Accessories for Pump Station	1	LS	\$ 311,700	\$ 218,144	\$ 281,152
2B.53	Gravity Drain Pipe, Sluice Gates & Accessories	1	LS	\$ 41,000	\$ 17,290	\$ 28,070
2B.54	Pumps, Formed Suction Inlet, Pump Controls, Instrumentation, Accessories & Panels	1	LS	\$ 382,374	\$ 316,200	\$ 356,756
2B.55	All Electrical Wiring & Electrical components	1	LS	\$ 30,221	\$ 23,990	\$ 26,596
SUBTOTAL - Site 16 Pump Station (Water Street)				\$ 1,564,260	\$ 1,324,545	\$ 1,422,878
GRAND TOTAL - BID PACKAGE 2B				\$ 4,596,715	\$ 3,865,405	\$ 4,210,986



Memo to: Board of Directors
From: Les Sterman
Subject: Auditor for FY 2013
Date: October 14, 2013

The Council solicited competitive proposals from firms to perform annual financial audits in late 2010 and selected Scheffel & Co to audit the Council's financial statements for fiscal years 2009-2012.

Scheffel has done an excellent job, particularly given the added effort that the firm put in to fully understand the terms and functioning of our bond issue, the regional nature of our finances, and other aspects of our sometimes atypical financial structure. Next year will be a transition year for the Council as a new Chief Supervisor comes onboard. There will be a steep learning curve for both the new staff and a new auditor. Under those circumstances I believe that the Board should consider at least a one-year extension of our engagement with Scheffel to audit our financial statements. The cost for the FY2012 audit was \$13,700. At my request, the firm provided a cost proposal for a one year extension of \$14,100. They also provided a cost for a three year extension of \$13,700, \$14,100, and \$14,500 for fiscal years 2013-2015.

Under the circumstances, I believe that it would be prudent to engage Scheffel to perform the Council's audit for FY2013. The incoming Chief Supervisor can determine whether to extend the arrangement further or to seek proposals for audit services for FY2014 and beyond.

Recommendation: Authorize the Chief Supervisor to engage Scheffel & Company to perform the Council's financial audit for fiscal year 2013 at a cost not to exceed \$14,100.

