



**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
BOARD OF DIRECTORS MEETING
August 20, 2014 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 July 16, 2014
3. Public Comment on Pending Agenda Items
4. Program Status Report
Chuck Etwert, Chief Supervisor
5. Budget Update and Approval of Disbursements
Chuck Etwert, Chief Supervisor
6. Design and Construction Update
Jay Martin, AMEC Environment & Infrastructure
7. FY2015 Flood Prevention District Budget and Annual Report
Chuck Etwert, Chief Supervisor
8. Bonding Capacity Analysis
Jeff White, Columbia Capital
9. Selection of Contractor to Perform Construction Activities
In Bid Package # 7A – Upper Wood River Shallow Cutoff Wall
AMEC Environment & Infrastructure
Chuck Etwert, Chief Supervisor
10. Selection of Contractor to Perform Construction Activities
In Bid Package # 7B – Lower Wood River Deep Cutoff Wall
AMEC Environment & Infrastructure
Chuck Etwert, Chief Supervisor

AGENDA

11. AMEC Work Order #10
Construction Phase Services - Bid Packages 7A & 7B
Chuck Etwert, Chief Supervisor
12. Diversity Program Manager Contract Extension
Chuck Etwert, Chief Supervisor
13. Update from Corps of Engineers
Tracey Kelsey, U.S. Army Corps of Engineers
14. Election of Officers for 2014-2015
15. Public Comment

Executive Session (if necessary)
16. Real Estate Transactions
Chuck Etwert, Chief Supervisor
17. Other Business
18. Adjournment

Next Meeting: September 17, 2014

MINUTES

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL BOARD OF DIRECTORS MEETING

July 16, 2014

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 16, 2014.

Members in Attendance

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

Members Absent

none

Others in Attendance

Alan Dunstan, Madison County Board Chair
Delbert Wittenauer, Monroe County Board Chair
Chuck Etwert, SW Illinois FPD Council
Rich Conner, Levee Issues Alliance
Mike Feldmann, U.S. Army Corps of Engineers
Bobby Green, Laborers Local 100/Laborers District Council
Pam Hobbs, Geotechnology
Charles Juneau, Juneau Associates
Ronald S. Kaempfe, IUOE Local 520
Tracey Kelsey, U.S. Army Corps of Engineers
Erica Kennett, City of Collinsville
Ellen Krohne, Leadership Council Southwestern Illinois
Jay Martin, AMEC Environment & Infrastructure
Rick Mauch, SCI Engineering
Matt McAnarney, Senator Durbin's Office
Col. Anthony P. Mitchell, U.S. Army Corps of Engineers
Jack Norman, Southern Illinois Groundwater Advisory Council
David Oates, Oates Associates
Jon Omvig, AMEC Environment & Infrastructure
Joseph Parente, Madison County
Brennen Soval, Husch Blackwell LLP
Dale Stewart, Southwestern Illinois Building Trades Council

Kurt Wengert, AMEC Environmental & Infrastructure
Julie Ziino, U.S. Army Corps of Engineers

Call to order

President Dan Maher noted the presence of a quorum and called the meeting to order at 7:30 am.

Approval of minutes of June 18, 2014

A motion was made by Tom Long, seconded by Ron Polka, to approve the minutes of the Board meeting held on June 18, 2014. Mr. Pennekamp called the roll and the following votes were made on the motion:

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

The motion was approved.

Public Comment on Pending Agenda Items

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

Program Status Report

Mr. Maher asked Mr. Etwert to provide a status report for the project.

Mr. Etwert indicated that work continues on the acquisition of easements needed to complete the projects that have been awarded. Still needed are easements from 8 owners involving 14 parcels. All easements needed are part of the BP #3 project and involve - 3 individuals, 1 railroad, 3 corporations and 1 governmental units. Three easements will also be needed for BP 7A and 7B which are also currently being pursued. As previously mention it is imperative that we reach agreements with these property owners as soon as possible before our contractors start requesting change orders due to delay of site access. Mr. Etwert indicated that there would be an executive session at the end of the meeting to discuss one or two situations.

It was stated that approximately 26% of the \$39 million of construction involved in the six current construction bid packages has been completed thru June 30th. Construction has been slowed due to high water river conditions. AMEC in their update report will provide a summary of the high water effect on our projects.

The “streamlined” Sec. 408 review of BP #7A and BP #7B continues with the Corps Division answering higher level questions from Headquarters, with a scheduled mid-August completion.

On Thursday June 26th there were well attended pre-bid conferences on Bid Packages 7A & 7B that included tours of the project sites. Bid openings on both projects are scheduled for August 13, 2014.

Today’s agenda has the first change orders that exceed ten percent of a line item which requires Board approval. AMEC will explain each in detail.

Mr. Etwert informed the Board that the \$100,000 Illinois Capital Development Grant for the BP #2B Project, which involves the construction of five pump stations in the Prairie Du Pont, MESD, and Wood River Districts has been received and was deposited in the bank on day of receipt.

The FPD’s response to the Corps of Engineers’ Request for Information Survey on the utilization of Project Labor Agreements (PLAs) was sent on July 9th. This is part of the Corps’ process of reconsidering of the issue. The survey appeared to be very similar to last year’s survey with an addendum being issued for the Construction Community and for Consulting, Management, & Academic experts. Earlier conversations with the Corps had indicated this portion of the process was to be completed in June with a decision by their contracting group by late July. Notification of a new decision date as a result of the addendum being issued has not been received.

On July 15th Mr. Les Sterman and Mr. Etwert met with the Corps’ Task Force assigned to gathering data and provided them suggestions on how to approach the issue. One such suggestion was the utilization of case studies on projects recently completed in the Southwestern Illinois area. Bid results on the FPD’s current projects will be provided to the Corps.

It was indicated that the second response to the second FOIA request to the Corps of Engineers regarding their payments to drilling contractors working on design Deficiency Correction Projects which the FPD has provided non-federal cost-share funds towards had been received. Unfortunately, again their response didn’t provide any additional information. Copies of the second request and response were included the agenda packet.

Per the response, on Service Contracts, a wage determination is provided to the Contractors and the Contractors are required to implement it according to the pertinent clauses in the respective contracts. The Service Contract Act does not require the Corps to perform payroll compliance inspections. The Contracting Officer does possess the right to review certain documents in the possession of the Contractors. However, at this time the Corps is unaware of any allegations, violations, or credible evidence that would justify such a review. Therefore, Corps does not believe that it would be in the best interests of the Government, or the Contractors, for the Contracting officer to demand such records based upon conjecture or unfounded suspicions.

If the Council has information or evidence that an employee has not received the appropriate wages or fringe benefits, the remedy is for that employee is to contact the United States Department of Labor (DOL).

Mr. Etwert indicated that he is working with Husch Blackwell to determine how to proceed from here. There is a sixty day time period to appeal their determination.

Mr. Etwert indicated that a draft budget for the coming year would be presented at today's meeting and that he has continued the past practice of also providing estimated revenues and expenses to the end of 2015.

Mr. Etwert also indicated that the Board was provided a copy of AMEC's Monthly Progress Report for July.

Mr. Parks arrived during the presentation.

A motion was made by Mr. Bergkoetter, seconded by Mr. Brinkman, to accept the Program Status Report for July 2014. Mr. Pennekamp called the roll and the following votes were made on the motion:

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

The motion was approved unanimously.

Budget Update and Approval of Disbursements

Mr. Maher asked Mr. Etwert to provide a report.

Mr. Etwert noted that financial statement for June 2014 prepared by our fiscal agent, CliftonLarsonAllen was included in the materials sent for the meeting. The report included an accounting of revenues and expenditures for the month ending June 30, 2014, as compared to the fiscal year budget.

Accrued expenditures for the current fiscal year beginning on October 1, 2013 are \$26,669,209 while revenues amounted to \$9,073,810, which included the \$100,000 CDB grant, resulting in a deficit of \$17,595,399. A total of approximately \$18,190,192 is now held by the counties in their respective FPD sales tax funds and is available for the Council's use on the project.

Monthly sales tax receipts for April 2014 (the latest month reported by the Illinois Department of Revenue) were up by 4.03% from the previous year. In general, receipts are up 1.71% from last year and continue to run just above of 2011 levels.

The report includes bank transactions for June 2014. Total disbursements for the month were \$1,997,588.03. The largest payments were to the Lane Construction for BP #6, Keller Construction for BP #5, Korte & Luitjohan Contractors for BPs #2A & #2B, Ameren Illinois for line relocations and AMEC and its subcontractors for design and construction management services.

Mr. Etwert recommended that the Board accept the budget report and disbursements for June 2014.

A motion was made by Mr. Polka, seconded by Mr. Parks, to accept the budget report and approve the disbursements for June 2014. Mr. Pennekamp called the roll and the following votes were made on the motion:

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

The motion was approved unanimously.

Design and Construction Update

Mr. Maher called on Jay Martin, AMEC’s program manager, to provide a report. Mr. Martin used a PowerPoint® presentation to illustrate his remarks. His presentation, including a few site photos, focused on the status of each bid package as follows:

Construction Status

Production during June and early July has been impacted by high river levels

- Excavations, relief wells, pilot holes, borrow areas, instrumentation

BP #2A – Fish Lake Pump Station

- High river levels impacting excavation activities (access gates and flowable backfill construction)
- Extension of existing gravity drain for farm access

BP #2B – WR/MESD/PDP Pump Stations

- Site 10 (Cahokia #2) dewatering postponed due to river levels
- Piping work on land side of levee at Site 5 (Gummersheimer) and 16 (Water Street) ongoing; Site 15 (Hartford) construction waiting on long lead items (ordered)

BP #3 – WR Seepage Improvements

- Land acquisition still impacting the start of work

Bid Package Update

BP # 04 – MESD Seepage Improvements (Conoco Phillips)

- High river levels impacting ability to drill new relief wells
- Pump station construction slated for fall (after wells have been installed)

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

- Relief well drilling will start soon, pending the river levels, permit status and material delivery
- Relief well conversions and collector system by granite City Pump station (Site12, BP #2B) on hold pending Ameren relocation

BP # 06 – PDP/FL Seepage Improvements

- High river levels impacting piezometer drilling, seepage berm placement, and slip lining of existing 84” culverts at Palmer Creek
- Seepage berms – new borrow pit open, original borrow pit inaccessible due to high water
- Relief well designs are ongoing, and designs are being reviewed by USACE

Construction Photos

Bid Package 2A – Compaction over Force Mains

Bid Package 2B – Site 5 – Force Mains

Site 10 – Outfall Structure

Site 15 – Intake Structure

Site 16 - (Water Street) inside the intake structure

Bid Package 04 – Removal of Old Security Fencing

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

Project Design and Preparation of 408

- 408 application to be submitted to the USACE Headquarters June 12th for final review
- Pre-Bid Meeting and Contractor site visit held June 26, 2014
- Contractor bids due August 13, 2014 at 2:00 p.m.
- Bid opening August 13, 2014 2:01 p.m.

Other Activities...

- Land acquisition – Weekly calls with the team. Process moving forward. Timing has impacted some schedules. Several key properties needed.
- Upcoming Work Orders from AMEC
Chain of Rocks – data gaps and analysis

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

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

The motion was approved unanimously.

Draft FY 2015 Flood Prevention District Budget

Mr. Maher asked Mr. Etwert to explain this item.

Mr. Etwert noted that the Board first reviews the draft budget for the coming fiscal year at the July Board meeting, with final adoption at the August meeting. By law, the Council's budget

must be adopted by August 31 of each year for the fiscal year beginning October 1. The budget must be submitted to the county boards for approval, after which they have 30 days to act on it.

With all design of the project completed in FY2014, the FY2015 budget focuses on the completion of all construction needed to achieve FEMA accreditation. The final two projects will have been bid by the time the budget is adopted, cost estimates will be finalized, and completion of the project will be in sight.

Mr. Etwert said that he has put together a cash budget that will take us through the completion of the project in calendar year 2015. This budget reflects expected revenues and expenditures on a calendar year basis through the completion of the currently planned project. He continued the past practice of making conservative revenue and expenditure assumptions. Key assumptions are:

1. Project construction and FEMA certification will be complete by December 31, 2015.
2. A 10% construction cost contingency is included for all projects under construction, with a 35% construction cost contingency for the two remaining projects being bid next month
3. No growth in sales tax revenue is included. Sales tax receipts are shown at 2013 levels.
4. No additional debt financing is included.
5. Current balances in the county FPD sales tax accounts will be used for establishing funding sources, where and if needed, for the maintenance and operations of improvements being built
6. After the establishment of any needed maintenance and operation funds, remaining funds could be utilized towards the design or construction of future 500 year level protection projects either independently or in conjunction with the Corps of Engineers pending the resolution of the PLA issue.
7. The Council's general and administrative expenses will remain about the same and hold steady thereafter for the duration of the project.

The results of the budget analysis are shown in the following tables in the memo to the Board. Table 1 shows estimated project costs for design, construction and Council operations. Note that construction costs are approximately \$20,000,000 lower than the estimate of a year ago. This is the result of the bids that were received on Bid Packages #3, #4, #5, and #6.

Table 2 shows estimates of revenues available to the project. At the start of this calendar year almost \$71 million raised from the Series 2010 bonds remained available, as was about \$16 million in FPD sales tax balances held by the counties. As stated earlier, no growth is assumed in the sales tax revenues in 2014 or 2015, therefore, sales tax revenues remain the same as 2013. Interest income is based on new information received from our financial advisor.

Table 3 compares costs to revenues. What the table illustrates is that without any additional borrowing, the Council will have sufficient available funds to pay all project expenses for completion of the project in 2015 and that a surplus of over \$15 million will be available for the maintenance and operations of improvements being built and for other possible projects.

The Council still has substantial borrowing capacity, even using very conservative assumptions regarding revenue and financing conditions. Mr. Jeff White of Columbia Capital will be at the August meeting to present to the Board the bond funding potential that exists as we continue to finalize our overall project costs.

What this exercise illustrates is that the Council continues to be well-positioned to meet our goals of achieving FEMA certification by 2015 with the revenue available from the dedicated FPD sales tax. This confident conclusion results largely from two factors: a continued concentrated effort throughout the design process to reduce costs, and a delay of over a year from the original construction schedule as it was originally conceived in 2010. Some uncertainty remains, of course, such as schedule interruptions for weather and remaining property acquisition, but the risks to successful completion of the project continue to diminish.

A draft FY2014 budget is shown in Table 4.

The construction of the project did not progress as fast as expected in the FY2014, so the majority of construction expenditures will occur in next year's budget. Administrative expenditures, which are a relatively small portion of our costs, remain virtually unchanged for the next year.

In general, expenditures for next year's budget are based on completion of the 100 year level of protection, providing if and where needed for the maintenance and operation of the improvements built, and the Board's consideration and determination of future expenditures.

Key assumptions are:

1. All remaining construction will be completed in FY2015
2. The level of Council staffing does not change in FY2015, and general and administrative costs remain a very small portion of the project expenditures (less than 1%). Staff resources are supplemented however, by the continued use significant consulting and professional services.
3. In accordance with the bond indenture, all sales tax receipts are intercepted by the Trustee and any surpluses after payment of debt service and Council administrative costs will be transferred back to the county FPD funds for use in future project financing. These transfers are shown as expenditures in the budget.
4. No bond proceeds are included in this year's budget, as there are sufficient funds available to complete the project, possible maintenance and operations of improvements being built, and for additional design or improvements.

After considering any comments or suggestions over the next month, a final FY2015 budget will be presented at the August Board meeting for adoption and to forward to the county boards for their approval.

Mr. Etwert then pointed out that the projected expenditures for construction for the current fiscal year will be about \$23,000,000 and for next fiscal year it is projected to be over \$43,000,000.

Also noted were line items for Maintenance/Operations of Improvements Built (\$3,000,000.) and Design or Construction of Additional Improvements (\$7,000,000.). He indicated that the cost of maintenance and operation of the improvements being built is currently unknown and that meetings with each of the levee districts would be necessary to determine just how these costs would be handled. These two line items would be funded out of the projected \$15,000,000. surplus.

Mr. Wittenauer expressed his concern regarding Ameren Illinois electric rates and the operation of pumping facilities, the demand charges, and the costs to the levee districts.

Mr. Long indicated his concern regarding the Maintenance/Operations of Improvements Built (\$3,000,000.) and the Design or Construction of Additional Improvements (\$7,000,000.) line items and people thinking these funds were available to the levee districts to be spent. He agreed that a maintenance plan is necessary but it needs to be developed methodically. Therefore, he requested these two line items be removed from the proposed budget. There was a brief discussion and the consensus of the Board was to remove these two items from the proposed budget. It was felt that the budget can always be amended if needed.

Mr. Maher asked for a motion to accept Mr. Etwert's report on the draft budget. A motion was made by Mr. Long with a second by Mr. Bergkoetter to accept Mr. Etwert's report as modified. Mr. Pennekamp called the roll and the following votes were made on the motion:

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

The motion was approved unanimously.

Acceptance of BP #6 Change Orders

Mr. Maher asked Mr. Etwert to explain this item.

Mr. Etwert indicated that he has reviewed and agrees with these change orders which require Board approval per the Board's Construction Change Order Policy of approving change orders which cause a line item to increase by more than ten percent. He indicated that AMEC will be

discussing the four change orders on today's agenda with a preview of a large change order, also on BP #6, which will be on next month's agenda. It was noted that BP # 6 is the largest of all of the projects currently under construction with a current estimated cost of almost \$13,000,000.

Mr. Jon Omvig presented the following change orders:

Change Order 5 – Air Testing of HDPE Pipe \$29,566.29

This change increases the amounts paid for 30", 36", and 42" HDPE pipe. These pipes are part of the relief well collector system. During subsequent USACE reviews, the specifications for other projects added air testing requirements for these piping systems that were not included in this project at the time of bid. (Note that these changes also took place for the smaller pipe sizes, but the increase over the bid amount was less than a 10% increase.) The increases are \$2,497.95 for 30" pipe which is 12% over the bid amount, \$19,373.34 for 36" pipe which is 22% over the bid amount, and \$7,695.00 for 42" pipe which is 19% over the bid amount. The modified unit prices per linear foot of pipe are in line with the amounts on the subsequent bid packages with these new specifications in place at the time of bid. AMEC recommended this change be approved to maintain consistency across all bid packages.

Change Order 6 – Vacuum Testing of Manholes \$26,950.00

This change increases the amounts paid for 48", 60", and 72" precast manholes. These manholes are used as part of the relief well collector system. During subsequent USACE reviews, the specifications for other projects added vacuum testing requirements for the manholes on these piping systems that were not included in this project at the time of bid. The increases are \$16,800.00 for 12 - 48" manholes which is 62% over the bid amount, \$8,250.00 for 5 - 60" manholes which is 56% over the bid amount and \$1,900.00 for 1 - 72" manhole which is 49% over the bid amount. The modified unit prices per each manhole are in line with the amounts on the subsequent bid packages with these new specifications in place at the time of bid. AMEC recommended this change be approved to maintain consistency across all bid packages.

Change Order 8 – Additional Piezometer Raise to Grade \$4,210.00

This change increases the quantity of piezometers that are to be raised to grade due to earthwork construction. This piezometer is close to the new pump station in Fish Lake, and would be buried due to the earthwork on that project. Since this item of work is covered in Bid Package 6, it is felt to be appropriate to add to this bid package instead of the pump station package. The total increase for adding 1 piezometer – raise to grade of \$4,210.00 is 20% over the bid amount. AMEC recommended this change be approved to maintain consistency across all bid packages.

Mr. Jay Martin then presented the final change order on the July agenda.

Change Order 7 –Pilot Hole Changes \$205,863.75

This change increases the amount paid for pilot holes to be drilled on the Prairie du Pont and Fish Lake Levee systems. Original estimates for pilot hole depths were based on the underseepage analysis and the former borings along the levee. For the relief wells to function

correctly, they need to penetrate a certain depth into the aquifer sands. During the initial drilling of pilot holes, the aquifer sands needed for the relief wells to function correctly were not located as close to the surface as expected. It was necessary to drill the pilot holes deeper in order to achieve the necessary penetration into the aquifer sands. It was also necessary to take extra soil samples from the borings in areas where soil conditions were different (more silt or clay in the sands, for example). Additionally, there will be an additional pilot hole drilled for a relief well that was not originally on the plans. The total depth of pilot holes for the relief wells increased to a total of 5,391 VF, and there were 227 additional samples taken. It also came to light that a bid item for piezometer pilot holes was omitted from the bid tab sheet. As the methods were similar to the relief well pilot holes, the same bid price was used for these holes. The length of pilot holes drilled for piezometers was 267.5 VF, and 34 additional boring samples were required for the same reasons as the other additional pilot holes. This brings the total depth of pilot holes to 5,658.5 VF, for a total increase in cost of \$130,173.75. The total of 261 additional samples added \$75,690.00 to the pilot hole cost. The total cost increase for pilot holes of \$205,863.75 is 82% over the bid amount. The quantity increase for pilot holes is 52% of the estimated original bid quantity, but the differing conditions encountered required the additional samples to be taken. AMEC recommended this change be approved due to the subsurface conditions that have been encountered.

There was a discussion regarding the large BP #6 change order that will be on the August agenda regarding Type D and T Relief Wells which will probably be between 1.2 and 1.6 million dollars. This relates to the pilot hole changes in Change Order 7, deeper pilot holes mean deeper relief wells. Unfortunately, there aren't a lot of options available, the procedures are identified, the wells must function properly, and the gradation of sand particles have to be a certain way to allow the water to flow properly to provide the relief that is necessary. The scope of this change order is currently being finalized and negotiated with the contractor. The soil trends found in the PDP/Fish Lake area don't appear to be prevalent in other reaches of the levee project.

With approval of this large change order, the total of all change orders on BP # 6 will exceed the ten percent change order project threshold, and it will be required that all future change orders regardless of size on the BP #6 project be approved by the Board.

Mr. Etwert confirmed that the funding for all of the change orders would come out of the \$8.5 million currently budgeted for contingencies, and would not come from the estimated \$15 million fund surplus.

There was a discussion regarding the operation of the piezometers and relief wells that are being installed and how they might assist with the electric usage of the pump stations previously discussed.

Mr. Etwert requested that the Chief Supervisor be authorized to approve the following BP #6 Change Orders: Change Order 5 for Air Testing of HDPE Pipe for \$29,566.29, Change Order 6 for Vacuum Testing of Manholes for \$26,950.00, Change Order 7 for Pilot Hole Changes for \$205,863.75 and Change Order 8 for Raising the Grade of an Additional Piezometer for \$4,210.00. Total cost of all of these change orders not to exceed \$266,590.04.

A motion was made by Mr. Parks, seconded by Mr. Bergkoetter to authorize the Chief Supervisor to approve the following BP #6 Change Orders: Change Order 5 for Air Testing of HDPE Pipe for \$29,566.29, Change Order 6 for Vacuum Testing of Manholes for \$26,950.00, Change Order 7 for Pilot Hole Changes for \$205,863.75 and Change Order 8 for Raising the Grade of an Additional Piezometer for \$4,210.00. Total cost of all of these change orders not to exceed \$266,590.04. Mr. Pennekamp called the roll and the following votes were made on the motion:

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

The motion was approved unanimously.

Corps of Engineers Update

Mr. Maher asked who would be providing the report from the Corps.

Col. Mitchell introduced himself and indicated that Tracey Kelsey would be providing the update, but he would like to make a few introductory comments.

Col. Mitchell emphasized the Corps continuing commitment to support the Council.

He next discussed his recent experience with renewable energy sources and how it relates to the previous discussion on electrical rates.

He discussed the partnership the Corps has with the Council and his commitment to further that partnership to obtain sustainable and resiliency in the Council's structures.

Lastly, he discuss the PLA review process the Corps is currently performing and the end goal of completing the necessary level structures.

Tracey Kelsey then used a PowerPoint® presentation to illustrate her remarks regarding Project Status Updates on various Corps projects.

She indicated that the 408 review of the BP 7A and BP 7B projects was progressing at Headquarters and is still on schedule for an August completion.

She gave an overview of the Corps' anticipated FY14 and FY15 activities, including the design and construction of the shallow and the deep cutoff walls in Wood River, the design and construction of the deep cutoff wall in East St. Louis, and the utilization of all available funds. It was noted that issues such as the PLA, needed to be resolved, in order, to meet the schedule shown.

Projected FY16 Activities and the ongoing 408 Construction Observation Activities were discussed next.

She discussed the revised PLA information gathering process and indicated that a mid-September decision was expected from the Contracting Officer. This decision would apply to the Wood River Shallow Cutoff Wall Project.

She indicated currently, as presented last month by Col. Hall, on all FY15 projects, contractors would be allowed to submit bids with a PLA, without PLA or with both. Selection will be made under a lowest price technically acceptable evaluation process. If a contractor submits the lowest bid with a PLA, that contractor will need to negotiate the PLA with the local labor organizations. There would be no guarantee that a PLA would be utilized.

Lastly, she reported on the progress of the Wood River Upper NFIP Levee System Evaluation Report, which cannot be completed until BP 7A and BP 7B are constructed.

There was a brief discussion regarding the exact timing of funding requests from the Corps, the availability of funds in the budget, and the timing of the Corps PLA decision.

Mr. Dunstan expressed that everyone wants to get to the 100 year level and ultimately to the 500 level of protection, and that the PLA is something that everyone is very concerned about. In this area, we have all used PLAs and have nothing but good things to say about them in our region. It is something that we really need to get in order to move forward with Corps. We want to ensure that local people are working.

Col. Mitchell stated that there are Federal regulations that the Corps must follow, and in determining the way forward, whatever decision is made should be considered for the betterment of achieving the end result.

Mr. Maher indicated that the Council would not commit funds on the "if come basis", and would not put money on the table prior to knowing the results. This is a position the Council has taken a number of times previously.

Tracey Kelsey indicated that she wanted to clarify that in October the Corps would also be making non-federal share requests for the completion of design of the East St. Louis and Wood River Deep Cutoff Walls.

Mr. Motil left during the presentation.

A motion was made by Mr. Parks with a second by Mr. Long to receive the Corps report. Mr. Pennekamp called the roll and the following votes were made on the motion:

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

The motion was approved unanimously.

Public Comment

Mr. Maher asked if there is any public comment. There were none.

Mr. Maher asked to convene an executive session to address real estate and personnel matters.

Mr. Conrad made a motion at 8:45 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 agency and pending litigation. The motion was seconded by Mr. Bergkoetter. Mr. Etwert indicated that all Board members should be present, along with, the county board chairs, AMEC, Joe Parente and our attorneys. Mr. Pennekamp called the roll and the following votes were made on the motion:

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

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

Mr. Long made a motion to adjourn the executive session at 9:10 am and to go back into public session. Mr. Bergkoetter seconded the motion. Mr. Pennekamp called the roll and the following votes were made on the motion:

Mr. Polka - Aye
Mr. Brinkman – Aye
Mr. Bergkoetter - Aye

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

Mr. Maher called the meeting to order.

A general discussion ensued after the executive session on the issue PLAs.

Real Estate Transactions

A motion was made by Mr. Long, and seconded by Mr. Bergkoetter to authorize the Chief Supervisor to negotiate the acquisition of easements and/or fee simple titles from the Slow, Tite, and Gillham/Cizek parcels in accordance with the terms and conditions discussed by the Board in the executive session.

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

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

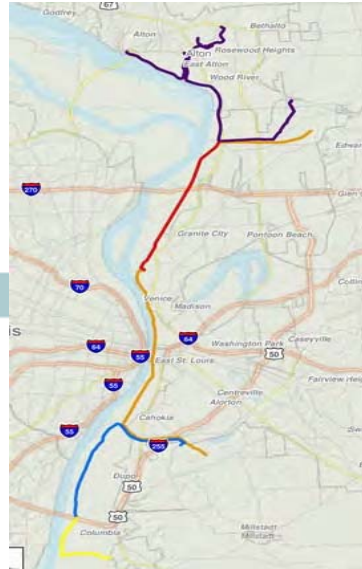
Respectfully submitted,

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

Table 4
SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
PROPOSED BUDGET
OCTOBER 1, 2014 THRU SEPTEMBER 30, 2015

	AUDITED EXPENDITURES OCTOBER 1, 2012 THRU SEPTEMBER 30, 2013	PROJECTED EXPENDITURES OCTOBER 1, 2013 THRU SEPTEMBER 30, 2014	PROPOSED BUDGET OCTOBER 1, 2014 THRU SEPTEMBER 30, 2015
REVENUES			
Sales Tax Proceeds From Districts	\$ 11,089,494	\$ 11,077,375	\$ 11,195,000
Interest Income	782,144	770,803	60,000
Other Contributions		100,000	
Total Revenues	11,871,638	\$ 11,948,178	\$ 11,255,000
EXPENDITURES			
Design and Construction			
Engineering Design & Construction	3,948,071	3,424,475	8,995,390
Management		-	
Construction	1,291,765	22,899,670	43,291,821
Maint./Operations of Improvements Built			3,000,000
Design or Construction of Add. Improvements			7,000,000
Construction and Design by USACE		2,477,634	
Total Design and Construction	5,239,836	28,801,779	62,287,211
Professional Services			
Legal & Legislative Consulting	287,332	112,283	216,000
Diversity Program Manager		193,650	64,140
Construction Oversight	34,581	-	-
Other	7,581	3,808	-
Financial Advisor	11,555	56,500	120,000
Bond Underwriter/Conduit Issuer	2,289	-	
Total Professional Services	343,338	\$ 366,241	\$ 400,140
Refund of Surplus Funds to County FPD Accounts			
Total Refund of Surplus Funds to County	4,163,668	\$ 4,090,185	\$ 4,000,000
Debt Service			
Principal and Interest	7,102,439	7,102,339	7,101,239
Federal Interest Subsidy	(870,549)	(844,610)	(844,610)
Total Debt Service	6,231,890	\$ 6,257,729	\$ 6,256,629
Total Design & Construction Expenses	15,978,732	\$ 39,515,934	\$ 72,943,980
General and Administrative Costs			
Salaries, Benefits	190,970	211,303	206,000
Advertising	-	-	-
Bank Service Charges	576	1,439	1,500
Conference Registration	651	496	500
Equipment and Software	497	2,357	2,000
Fiscal Agency Services	22,150	25,300	26,500
Audit Services	-	14,100	15,000
Meeting Expenses	29	37	1,000
Postage/Delivery	376	291	400
Printing/Photocopies	2,438	2,327	2,500
Professional Services	33,956	10,313	20,000
Publications/Subscriptions	3,480	2,833	250
Supplies	1,770	2,163	1,500
Telecommunications/Internet	2,268	2,796	2,500
Travel	9,222	2,917	7,500
Insurance	1,070	981	1,000
Total General & Administrative Costs	269,453	\$ 279,653	\$ 288,150
Total Expenditures	16,248,185	\$ 39,795,587	73,232,130
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(4,376,547)	\$ (27,847,409)	\$ (61,977,130)
OTHER FINANCING SOURCES			
Proceeds From Borrowing	-	\$ -	
NET CHANGE IN FUND BALANCE	\$ (4,376,547)	\$ (27,847,409)	\$ (61,977,130)

**Progress Report
July 16, 2014
SW IL Levee System
By Jay Martin**



Construction Status

- Production during June and early July has been impacted by high river levels
 - Excavations, relief wells, pilot holes, borrow areas, instrumentation

- BP #2A – *Fish Lake Pump Station*
 - High river levels impacting excavation activities (access gates and flowable backfill construction)
 - Extension of existing gravity drain for farm access

- BP #2B - *WR/MESD/PDP Pump Stations*
 - Site 10 (Cahokia #2) dewatering postponed due to river levels
 - Piping work on land side of levee at Site 5 (Gummersheimer) and 16 (Water Street) ongoing; Site 15 (Hartford) construction waiting on long lead items (ordered)

- BP #03 – *WR Seepage Improvements*
 - Land acquisition still impacting the start of work

Bid Package Update



- BP #04 – *MESD Seepage Improvements (Conoco Phillips)*
 - High river levels impacting ability to drill new relief wells
 - Pump station construction slated for fall (after wells have been installed)

- BP #05 – *MESD Seepage Improvements (MESD excluding Conoco Phillips)*
 - Relief well drilling will start soon, pending the river levels, permit status and material delivery
 - Relief well conversions and collector system by Granite City Pump Station (Site 12, BP #2B) on hold pending Ameren relocation

- BP #06 – *PDP/FL Seepage Improvements*
 - High river levels impacting piezometer drilling, seepage berm placement, and slip lining of existing 84" culverts at Palmer Creek
 - Seepage berms – new borrow pit open, original borrow pit inaccessible due to high water
 - Relief well designs are ongoing, and designs are being reviewed by USACE

3

Bid Package 2A



Compaction over forcemains



4

Bid Package 2B



Site 5 Forcemains



5

Bid Package 2B



Site 10 Outfall Structure



6

Bid Package 2B



Site 15 Intake Structure



Bid Package 2B



Site 16 (Water Street) inside the intake structure



Bid Package 04



Removal
of old
security
fencing



9

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



- Project Design and Preparation of 408
 - 408 application to be submitted to the USACE Headquarters June 12th for final review.
 - Pre-Bid Meeting and Contractor site visit held June 26, 2014
 - Contractor bids due August 13, 2014 at 2:00pm
 - Bid Opening August 13, 2014 2:01pm

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Other Activities...



- Land acquisition – Weekly calls with the team. Process moving forward. Timing has impacted some schedules. Several key properties needed.

- Upcoming Work Orders from AMEC
 - Chain of Rocks - data gaps and analysis

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Questions?

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Metro East Projects, IL

PROJECT STATUS

- 408 Other Than Minor Cutoff Wall Review
- Ongoing Project Work
 - FY14
 - Wood River
 - Shallow Cutoff Wall - Field Exploration and Design
 - Deep Cutoff Wall - Field Exploration
 - East St. Louis (MESD)
 - Deep Cutoff Wall - Field Exploration
 - FY15
 - Wood River
 - Shallow Cutoff Wall - Design Review
 - Shallow Cutoff Wall - Bid Package (Jan/Feb 2015)
 - Deep Cutoff Wall - Continue design and complete review process
 - Deep Cutoff Wall - Bid Package (May/June 2015)

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Metro East Projects, IL

PROJECT STATUS

- East St. Louis (MESD)
 - Deep Cutoff Wall - Continue design and complete review process
 - Deep Cutoff Wall - Bid Package (May/June 2015)
- Projected FY16 Activities
- 408 Construction Observation Activities
- Project Labor Agreement
 - PLA Provision provided for all FY15 construction contracts
 - Wood River Upper Shallow Cutoff Wall
 - Wood River Lower Deep Cutoff Wall
 - East St. Louis Deep Cutoff Wall
 - PLA Data Gathering Process
- Wood River Upper NFIP LSER

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Memo to: Board of Directors
From: Chuck Etwert
Subject: Program Status Report for August 2014
Date: August 18, 2014

We continue to work on the acquisition of easements needed to complete the projects. Unfortunately, no additional easements have been obtained during the last month, however, we are getting close to finalizing the easements discussed in the executive session last month and it appears that there has been some movement on other easements that are also still needed. We still have 8 owners involving 18 parcels involving BP #3, 7A, and 7B construction. There will be an executive session at the end of the meeting.

Bids on the two remaining bid packages 7A & 7B were submitted on August 13, and the selection of contractors for these jobs is on the August Board agenda. The good news is that the total of these bids came in \$1.7 million under the project completion budget presented at the July meeting. These contracts will be discussed in detail at the meeting.

Approximately 28% of the \$39 million of construction involved in our six current construction bid packages had been completed thru July 31th.

Construction continued to be slowed due to high water river conditions, with even less construction completed in July (\$948,303) than in June (\$1,278,064). It will be a very busy fall for our contractors. AMEC in their update report will again provide a summary of the high water effect on our projects.

The "streamlined" Sec. 408 review of BP #7A and BP #7B has been completed on schedule with the Corps providing preliminary approval to us last Friday, August 15th. Final approval should be given this week when General Deluca, who was unavailable last week, signs off on the permit. A copy of the preliminary approval is enclosed.

On Tuesday, August 12th, there was a substantial completion inspection on Bid Package 2A. Korte & Luitjohan, nothing major was identified.

AMEC is still developing the large change order for Type D and T Relief Wells in Bid Package #6 that was discussed last month. The last pilot hole was drilled last week and there are still nine relief wells to be designed. This change order should be on next month's agenda and has an estimated cost of 1.2 to 1.6 million dollars. This large change order will cause all remaining change orders on BP #6 to be approved by the Board.

As discussed by Tracey Kelsey last month a decision by the Corps of Engineers on the PLA issue is expected by mid-September.

Regarding our second FOIA request to the Corps of Engineers concerning their payments to drilling contractors working on Design Deficiency Correction Projects, which the FPD has provided non-federal cost-share funds towards, our legal counsel has advised us that from a legal standpoint the Corps isn't required to provide that information, and it's not that they can't. This is very disappointing since we have Project Partnership Agreements with the Corps in both MESD and the Wood River Districts. This decision doesn't seem to reflect the true spirit of partnership.

At the meeting on Wednesday, Jeff White of Columbia Capital will present different funding scenarios that are available to the Board for the consideration of funding future projects. With the awarding of the last two 100-year projects BP #7A & #7B, we have refined our project cost estimates to reflect the bids received, and our uncertainties have been reduced. Therefore, next month, the Board should begin discussions regarding where we go from here. I plan on providing the Board some alternative strategies prior to the September meeting.

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

I have included in your Board packet a copy of AMEC's Monthly Progress Report for August.



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

REPLY TO

Programs and Project
Management Division

AUG 15 2014

Mr. Steve Kochan
Levee Board
543 West Madison Avenue
Wood River, Illinois 62095

Dear Mr. Kochan:

The proposed alterations for BP 7A and BP 7B, for the Wood River D&L Upper and Lower Cutoff Walls, dated April 18, 2014 are recommended for your approval under 33 USC 408 (Section 408 alteration permit) with the following clarifications:

1. The Construction Quality Assurance Plan shall be submitted to the Corps of Engineers or approval prior to beginning any construction activities.
2. The Contractor shall notify the Corps of Engineers a minimum of 72 hours prior to beginning construction.
3. The Corps of Engineers shall be notified for approval of any physical changes to the construction project.
4. The Corps of Engineers reserves the right to inspect the construction site during and at the completion of work. Corps of Engineers personnel will coordinate all site visits with the appropriate construction management personnel.
5. Shop drawings and final as-built project record drawings shall be submitted in electronic format to the Corps of Engineers.
6. For restriction on construction operations during rising or high water, the applicant shall refer to Specification Section 01 14 00 paragraphs 1.3.5 and 1.3.6 and Section 31 73 01 paragraphs 3.7 and 3.7.1 for BP 7A, Permit OD-R 14-007A. For BP 7B, Permit OD-R 14-007B, the applicant should refer to Specification Section 01 14 00 paragraph 1.3.5.

7. Per DIVR 415-2-3, Alterations to Federally Constructed Floodwater Retaining Works, work which will degrade or weaken in section any existing Mississippi River Main Stem (MRM) levee, shall not proceed without approval of the President, Mississippi River Commission, or Commander, Mississippi Valley Division. MVS will obtain this approval and notify Southwestern Illinois Flood Prevention District Council when received and alteration activities can begin.
8. The Southwestern Illinois Flood Prevention District Council requests to modify the subject project in accordance with 33 USC 408; guidance is approved based on the stipulations in this memorandum. The Southwestern Illinois Flood Prevention District and the Wood River Levee and Drainage District will be responsible for 100-percent of the costs associated with the construction of project modifications. Approval of this request does not equate to a levee system evaluation for Federal Emergency Management Agency National Flood Insurance Program purposes.

A copy of this letter is being furnished to the Southwestern Illinois Flood Prevention District. If you have any questions pertaining to this permit, please contact Matthew Hunn at (314) 331-8568 or Matthew.Hunn@us.army.mil.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony P. Mitchell", with a long horizontal flourish extending to the right.

Anthony P. Mitchell
Colonel, U.S. Army
District Commander



Southwestern Illinois Flood Prevention District Council
c/o Charles Etwert
104 United Drive
Collinsville, IL 62234

Monthly Project Progress Report August 2014

AMEC Project No. 563170001
Period Ending Date: August 15, 2014

Date of Issue: August 18, 2014

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AMEC Environment & Infrastructure – Construction Engineering and Inspection

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1. OVERVIEW

1.1 Project Description

Levees along the east side of the Mississippi River within four levee districts have been found to be out of compliance with FEMA Requirement 44CFR 65.10 and therefore have been de-certified. The four districts are: Wood River Drainage and Levee District, Metro-East Sanitary District, Prairie du Pont Drainage and Levee District, and Fish Lake Drainage and Levee District. The counties involved have formed an overarching entity called the Southwestern Illinois Flood Prevention District Council (SIFPDC). AMEC has been selected by the SIFPDC to design and manage the construction of levee system improvements necessary to demonstrate compliance with FEMA Requirement 44CFR 65.10.

Bid Package 2A is composed of the construction of one (1) pump station within the Fish Lake Levee District System.

Bid Package 2B is composed of the construction of five (5) pump stations within the Wood River, MESD, and Prairie du Pont Levee Districts.

Bid Package 3 is composed of the construction of seepage control improvements within the Wood River Drainage and Levee District Levee System.

Bid Package 4 is composed of the construction of seepage control improvements within the Metro East Sanitary District Levee System, from Station 1209+00 to 1242+00. This package also includes the construction of one (1) pump station.

Bid Package 5 is composed of the construction of seepage control improvements within the Metro East Sanitary District Levee System.

Bid Package 6 is composed of the construction of seepage control improvements within the Prairie du Pont Drainage and Levee District and Fish Lake Drainage and Levee District Levee Systems.

Bid Package 7A is composed of the construction of a shallow cutoff wall and flush clay cap near the upstream portion of the Upper Wood River Levee System, from station 20+00 to 38+00.

Bid Package 7B is composed of the construction of a deep cutoff wall and protruding clay cap in the Lower Wood River Levee System, from station 132+00 to 170+00.

1.2 AMEC Scope

Based on baseline budgets and baseline schedules, monitor and manage the program performance.

- track program cost
- monitor program budget
- track program progress
- monitor program schedule
- complete earned value analysis, performance measurements and forecasting
- schedule and cost variance management and corrective action plans

1.3 Key Contacts / People

Program Manager	Jay Martin, PE, 615.333.0630 jay.w.martin@amec.com
Project Manager	Jon Omgig, AICP, 636.200.5118 jon.omvig@amec.com
Resident Engineer/QA Manager	Jim Solari, PE, 314.478-9287 james.solari@amec.com
Construction Manager	Kevin Williams, 618.401.7226 kevin.m.williams@amec.com
Project Coordinator	Kendra Mitchom, 618.346.9120 kendra.mitchom@amec.com

2. HEALTH, SAFETY, SECURITY, ENVIRONMENT (HSSE)

2.1 HSSE Reports

Health/Safety
The Contractors continue to conduct daily toolbox safety talks. Amec continues to conduct monthly safety meetings. No issues during this reporting period.
Security
No issues during this reporting period.
Environment (SWPPP)
No issues during this reporting period.

3. PROJECT STATUS UPDATE

3.1 Bid Package 2A

3.1.1 Calendar

Bid Date:	June 11, 2013
Contract executed	October 11, 2013
Schedule received	October 29, 2013
Anticipated start of field activities	January 22, 2014
Start of field activities	January 27, 2014
Anticipated completion date	<i>September 12, 2014 (see 3.1.9 below)</i>
Final Walk Through	Substantial completion walkthrough August 12, 2014
Final Acceptance	

3.1.2 Progress

ID	Description	Target	Actual	Comments
A	Construct Site 1 Pump Station	august 2014	98.0%	Contractor working on punch list items.

3.1.3 Property Acquisition

All property is acquired.

3.1.4 Levee Board Considerations

None at this time.

3.1.5 Submittals

Submittals complete.

Contractor working on final closeout submittals.

3.1.6 Change Orders

See Change Order Log attached.

Upcoming change order: Stumpf bypass and time extension.

3.1.7 Field Activities and Look Ahead

Substantial Completion walk through was conducted on August 18, 2014. Contractor working on punch list items.

3.1.8 QC/QA Activities

Juneau/SCI are complete with performing testing activities.

3.1.9 Considerations

Extra time will be given to the Contractor to complete project expected due to high river levels and extension of existing gravity drain. Amec to work with Contractor.

3.1.10 Payment Progress

See Contract Invoice Log attached.

3.2 Bid Package 2B

3.2.1 Calendar

Bid Date:	October 1, 2013
Contract executed	December 16, 2013
Schedule received	December 17, 2013
Anticipated start of field activities	February 17, 2014
Start of field activities	February 24, 2014
Anticipated completion date	<i>August 27, 2014 (see 3.2.9 below)</i>
Final Walk Through	
Final Acceptance	

3.2.2 Progress

ID	Description	Target	Actual	Comments
A	Construct Site 10 Pump Station	July 2014	34.1%	The Contractor is dewatering for intake structure; Contractor placed concrete walls for the intake structure.
B	Construct Site 16 Pump Station	July 2014	59.8%	Force main installed. Contractor conduction pipe testing.
C	Construct Site 5 Pump Station	July 2014	48.9%	Force main installation and earthwork operations underway; Pump tubes installed
D	Construct Site 12 Pump Station	November 2014	5.9%	Testing of existing force main failed and the system to be designed and replaced.
E	Construct Site 15 Pump Station	August 2014	40.6%	Concrete work completed; Force Main Installation underway

3.2.3 Property Acquisition

All property is acquired.

3.2.4 Levee Board Considerations

Work on Site 16 access is pending USACE permits.

3.2.5 Submittals

Submittal process ongoing.

3.2.6 Change Orders

See Change Order Log attached

3.2.7 Field Activities and Look Ahead

- Site 5 – force mains, earthwork, electrical, pumps & motor control center install

AMEC Environment & Infrastructure – Construction Engineering and Inspection

- Site 10 – continue construction of intake structure
- Site 12 – force main pipe testing failed and a new piping system to be designed by Amec.
- Site 15 – installation of pumps and associated electrical
- Site 16 – delivery of pumps and piping for inside of pump station; and finish grading

3.2.8 QC/QA Activities

Juneau/SCI onsite performing testing activities.

3.2.9 Considerations

Site 12 Pump Station construction cannot start until October 16, 2014 per USACE 408 permit requirements..

3.2.10 Payment Progress

See Contract Invoice Log attached.

3.3 Bid Package 3

3.3.1 Calendar

Bid Date:	December 3, 2013
Contract executed	January 27, 2014
Schedule received	December 3, 2013
Anticipated start of field activities	Pending property acquisition
Start of field activities	
Anticipated completion date	<i>This completion date is delayed due to land acquisition.</i>
Final Walk Through	
Final Acceptance	

3.3.2 Progress

ID	Description	Target	Actual	Comments
A	Blanket Drains, Seepage Berms and Stream Banks	TBD	TBD	Inactive due to land acquisition
B	Relief Wells and Piezometers	TBD	TBD	Inactive due to land acquisition

3.3.3 Property Acquisition

Major parcels are still needed for project to progress. Partial NTP issued March 13, 2014.

3.3.4 Levee Board Considerations

The slow progress of land acquisition is affecting the levee certification schedule. Property acquisition needs to be expedited.

3.3.5 Submittals

Submittal process ongoing.

3.3.6 Change Orders

See Change Order Log attached.

3.3.7 Field Activities and Look Ahead

Project is currently inactive. Field activities may begin the week of 25 August (Clearing and Pilot Hole Drilling). Full mobilization of field activities pending property acquisition.

The Contractor is reviewing the Upper Wood River portion of the project and is considering piezometer and pilot hole activities.

3.3.8 QC/QA Activities

None at this time.

3.3.9 Considerations

Current contract completion date cannot be met due to land acquisition delays. Work is expected to take seven months, and a time extension is expected once work can begin. Property acquisition has been critical and is affecting the Bid Package 03 project schedule and overall levee improvements project and certification schedule.

3.3.10 Payment Progress

See Contract Invoice Log attached.

3.4 Bid Package 4

3.4.1 Calendar

Bid Date:	December 3, 2013
Contract executed	February 6, 2014
Schedule received	December 3, 2013
Anticipated start of field activities	February 24, 2014
Start of field activities	March 17, 2014
Anticipated completion date	<i>September 6, 2014 (see 3.4.9 below)</i>
Final Walk Through	
Final Acceptance	

3.4.2 Progress

ID	Description	Target	Actual	Comments
A	Earthwork	June 2014	8.5%	No earthwork has been performed. Contractor searching for clay.
B	Relief Wells (new and converted)	August 2014	0	relief well contractor is awaiting delivery of materials.

3.4.3 Property Acquisition

All property is acquired.

3.4.4 Levee Board Considerations

Contractors are having difficulty locating material source for clay cap. AMEC is meeting with the contractors to discuss all options available.

3.4.5 Submittals

Submittal process underway.

3.4.6 Change Orders

See Change Order Log attached.

3.4.7 Field Activities and Look Ahead

Contractor will begin drilling new relief wells when the well screen material arrive on-site.

3.4.8 QC/QA Activities

No current material testing needs.

3.4.9 Considerations

Time extension expected for delays in relocation of Phillips 66 security fence. AMEC received the request from Haier Plumbing and is reviewing. River levels have also impacted the start of relief well drilling. Targets shown in table above based on previous schedule. River was above specification limit of 25.0 a total of 13 working days in the month of July.

3.4.10 Payment Progress

See Contract Invoice Log attached.

3.5 Bid Package 5

3.5.1 Calendar

Bid Date:	December 3, 2013
Contract executed	January 27, 2014
Schedule received	December 3, 2013
Anticipated start of field activities	February 17, 2014
Start of field activities	February 17, 2014
Anticipated completion date	<i>October 31, 2014 (see 3.5.9 below)</i>
Final Walk Through	
Final Acceptance	

3.5.2 Progress

ID	Description	Target	Actual	Comments
A	Sluice Gates	June 2014	1.9%	Work on rehabilitating gravity drains and sluice gates resumed 11 August once river levels receded.
B	Relief Wells and Piezometers	October 2014	20.0%	Manholes and collection systems have been installed in southern portion of project; drilling of new wells began August 18, 2014.
C	Earthwork	September 2014	25.0%	Contractor searching for suitable clay material.
D	Rip Rap repairs	October 2014	20.0%	Need lower river levels; started work but left in place due to higher water

3.5.3 Property Acquisition

All property is acquired.

3.5.4 Levee Board Considerations

Contractors are having difficulty locating material source for clay cap. AMEC is meeting with the contractors to discuss all options available.

3.5.5 Submittals

Submittal process underway.

3.5.6 Change Orders

See Change Order Log attached.

3.5.7 Field Activities and Look Ahead

Relief well drilling started on August 18, 2014..

3.5.8 QC/QA Activities

Juneau/SCI on site for QC testing as needed.

AMEC Environment & Infrastructure – Construction Engineering and Inspection

3.5.9 Considerations

Time extension likely due to river level delays. River was above specification limit of 25.0 a total of 13 working days in the month of July.

3.5.10 Payment Progress

See Contract Invoice Log attached.

3.6 Bid Package 6

3.6.1 Calendar

Bid Date:	June 11, 2013
Contract executed	October 3, 2013
Schedule received	October 31, 2013
Anticipated start of field activities	November 11, 2013
Start of field activities	November 19, 2013
Anticipated completion date	January 22, 2015 (see 3.6.9 below)
Final Walk Through	
Final Acceptance	

3.6.2 Progress

ID	Description	Target	Actual	Comments
A	Seepage Berms	August 2014	69.2%	Work continues; new borrow site to be opened soon for berms south of East Carondelet
B	Clay Caps	April 2014	0	Contractor searching for suitable clay material. Minor site clearing has begun.
C	Relief Wells and Piezometers	June 2014	20.0%	Piezometer installation started, but was slowed by river levels; relief well drilling to start later this month.
D	Pipe Conveyance	October 2014	0	None

3.6.3 Property Acquisition

All property is acquired.

3.6.4 Levee Board Considerations

Contractors are having difficulty locating material source for clay cap. AMEC is meeting and working with the contractors to discuss all options available.

3.6.5 Submittals

Submittal process ongoing.

3.6.6 Change Orders

See Change Order Log attached.

3.6.7 Field Activities and Look Ahead

Slip lining of gravity drains to begin in August. Relief well drilling began. Seepage berm construction to continue as possible.

3.6.8 QC/QA Activities

ABNA is testing material as it is blended; AMEC and Geotechnology performing QA testing.

AMEC Environment & Infrastructure – Construction Engineering and Inspection

3.6.9 Considerations

River was above specification limit of 25.0 a total of 11 working days in the month of July. Additionally, 9 weather delay days impacted production. A total of 16 days will be credited for this contract. (River Days (11) + Weather Days (9) – USACE Allowable Weather Days(4))

3.6.10 Payment Progress

See Contract Invoice Log attached.

CONTRACT INVOICE LOG

Contractor: Korte & Luitjohan Contractors, Inc
 12052 Highland Road
 Highland, IL 62249

Project: SWILCD
Construction Package: BP2B

Original Contract Amount: \$3,865,405.00
Change Order #1: \$434.00 Monroe County Building Permit
Change Order #2: \$7,965.00 Additional Road Aggregate

Total Change Order Amount: \$8,399.00
Total Revised Contract Amount: \$3,873,804.00

Payment Request No.	Pay Request Date	Pay Request Recommended Approval Date	Total Completed and Store to Date	Cumulative Retained (10% to 50%) then (5% to 95%)	Total Earned Less Retained	Current Payment Invoice	Date Paid by FPD	Estimate to Complete (\$)
1	2/5/2014	2/10/2014	\$51,750.00	\$5,175.00	\$46,575.00	\$46,575.00	2/18/2014	\$3,827,229.00
2	3/6/2014	3/13/2014	\$132,450.00	\$13,245.00	\$119,205.00	\$72,630.00	3/25/2014	\$3,754,599.00
3	3/31/2014	4/15/2014	\$504,300.00	\$50,430.00	\$453,870.00	\$334,665.00	4/22/2014	\$3,419,934.00
4	4/30/2014	5/13/2014	\$846,000.00	\$84,600.00	\$761,400.00	\$307,530.00	5/22/2014	\$3,112,404.00
5	5/31/2014	6/12/2014	\$1,295,000.00	\$129,500.00	\$1,165,500.00	\$404,100.00	6/19/2014	\$2,708,304.00
6	6/30/2014	7/14/2014	\$1,736,000.00	\$173,600.00	\$1,562,400.00	\$396,900.00	7/17/2014	\$2,311,404.00
7	7/31/2014	8/11/2014	\$2,180,100.00	\$205,850.00	\$1,974,250.00	\$411,850.00		\$1,899,554.00

TITLE: CONSTRUCTION CHANGE ORDER LOG

CLIENT: Southwestern Illinois Flood Prevention District Council
PROJECT Bid Package 2B

PROJECT NUMBER: SIFPDC-BP2B

Change Request Number	Description	Change Type (Field, Design, Spec, Other)	Cost to FPD	Cost to Others	As Bid Line Item #	Original Cost of Associated Line Item	% of Original Line Item	% of Original Contract	Date	Status	Comments
1	Building Permit	Field	\$434.00	\$0.00	2B.1	\$ 32,720.00	1.33%	0.01%	2/24/2014	Approved	Required by Monroe County
2	Additional Roadway Aggregate	Field	\$7,965.00	\$0.00	2B.3	\$ 171,825.00	4.64%	0.21%	3/18/2014	Approved	Required by Monroe County
3	Site 10, 12, 15 fence and aggregate changes	Field	\$0.00	\$0.00	NA	NA	0.00%	0.00%	8/12/2014	Approved	Field changes to enable constructability and provide maintenance ease
4	Site 12 Time Extension	Other								Pending	Anticipated change order to extend contract time for Site 12 Pump Station only of Bid Package 2B due to USACE non-work period of March 15-Oct 15 in project area
			Total of Project Change Orders	\$8,399.00						Total	\$ 8,399.00

Original Contract Amount Revised Contract Amou % Change from Original Amount
\$3,865,405.00 3,873,804.00 0.22%

TITLE: CONSTRUCTION CHANGE ORDER LOG

CLIENT: Southwestern Illinois Flood Prevention District Council
PROJECT Bid Package 03

PROJECT NUMBER: SIFPDC-BP03

Change Request Number	Description	Change Type (Field, Design, Spec, Other)	Cost to FPD	Cost to Others	As Bid Line Item #	Original Cost of Associated Line Item	% of Original Line Item	% of Original Contract	Date	Status	Comments
1	IDOT Permit	Other	\$1,000.00	\$0.00	3.01	\$ 498,000.00	0.20%	0.01%	5/21/2014	Approved	IDOT Required Permit
2	Time Extension	Other								Pending	Anticipated change order to extend contract time due to land acquisition impact on construction
Total of Project Change Orders			\$1,000.00	\$0.00						Total	\$ 1,000.00

Original Contract Amour Revised Contract Amou % Change from Original Amount
 \$10,082,345.00 10,083,345.00 0.01%

TITLE: CONSTRUCTION CHANGE ORDER LOG

CLIENT: Southwestern Illinois Flood Prevention District Council
PROJECT Bid Package 05

PROJECT NUMBER: SIFPDC-BP05

Change Request Number	Description	Change Type (Field, Design, Spec, Other)	Cost to FPD	Cost to Others	As Bid Line Item #	Original Cost of Associated Line Item	% of Original Line Item	% of Original Contract	Date	Status	Comments
1	Locking Sewer Lids	Other	\$0.00	\$19,698.78	5.18-5.22	\$ 113,685.00	17.33%	0.24%	3/18/2014	Approved	To be paid by MESD Levee District
2	Gravity Drain Cleaning	Field	\$2,815.00	\$0.00	5.29	\$ 67,225.00	4.19%	0.03%	4/16/2014	Approved	Anticipated \$2,815.00 change to accommodate field condition and constructability
3	Rip Rap Survey	Field	\$1,224.14	\$0.00	NA	NA	NA	0.01%	6/18/2014	Approved	Operator and equipment cost for assistance with survey done on rip rap discovered on railroad embankment
4	Manhole JN1601 Extension	Field	\$683.99	\$0.00	5.21	\$ 9,325.00	7.34%	0.01%	7/18/2014	Approved	4ft extension due to BP05 and BP2B grade conflict
Total of Project Change Orders			\$4,723.13	\$19,698.78						Total	\$ 24,421.91

Original Contract Amount Revised Contract Amount % Change from Original Amount
\$8,256,481.84 **8,280,903.75** **0.30%**

TITLE: CONSTRUCTION CHANGE ORDER LOG

CLIENT: Southwestern Illinois Flood Prevention District Council
PROJECT Bid Package 06

PROJECT NUMBER: SIFPDC-BP06

Change Request Number	Description	Change Type (Field, Design, Spec, Other)	Cost to FPD	Cost to Others	As Bid Line Item #	Original Cost of Associated Line Item	% of Original Line Item	% of Original Contract	Date	Status	Comments		
1	Spiral Wound (Slip-Lining)	Spec	\$0.00	\$0.00	6.20	\$1,629,000.00	0.00%	0.00%	2/27/2014	Approved	Specification change to coordinate and be consistent with material and methods used by Corps of Engineers		
2	Bronze Survey Markers	Spec	\$1,870.00	\$0.00	6.40	\$1,039,884.00	0.18%	0.01%	3/18/2014	Approved	Specification change to make consistent with other bid packages. Comments back from Corps of Engineers on other bid packages but was missed on this bid package.		
3	Red Flint Filter Pack	Spec	\$132,809.60	\$0.00	6.39 6.40	\$1,806,432.00	7.35%	1.03%	6/20/2014	Approved	Specification change as required by the Corp of Engineers. The change order cost of \$132,809.60 is based on original bid quantities and may increase based on final relief well design. If final quantizes result in increase of 10% above original line item, Board approval required		
4	Air Testing of HDPE Storm Sewer Pipe 12" 18" and 24"	Spec	\$12,040.40	\$0.00	NA	NA	NA	0.09%	7/17/2014	Approved	Specification change to make consistent with other bid packages.		
5	SaniTite pipe upgrade and air testing on 30"-42" pipe	Spec	\$29,566.29	\$0.00	6.25 6.26 6.27	\$149,797.00	19.74%	0.23%	7/17/2014	Approved	Specification change to make consistent with other bid packages. Board approval required		
6	Vaccum testing manholes	Spec	\$26,950.00	\$0.00	NA	NA	NA	0.21%	7/17/2014	Approved	Specification change to make consistent with other bid packages. Board approval required		
7	Additional Pilot Hole Drilling & Additional Pilot Hole Sampling	Design	\$205,863.75	\$0.00	6.38	\$251,775.00	81.76%	1.60%	7/17/2014	Approved	Design change to accommodate actually quantities. Bid quantities were very preliminary since no pilot holes were drilled at the time and Armec had not received the USACE design template for relief wells. Board approval required		
8	Raise to Grade Piezometer	Field	\$4,210.00	\$0.00	6.45	\$21,050.00	20.00%	0.03%	7/17/2014	Approved	PZ 689L to be raised to grade to accommodate field conditions. Board approval required		
9	Modify Piezometer	Field	\$9,504.00	\$0.00	6.43	\$132,960.00	7.15%	0.07%	7/18/2014	Approved	Modify piezometers to provide additional concrete		
Total of Project Change Orders											\$422,814.04	\$	422,814.04

Original Contract Amount	\$12,857,127.75	Total % Change from Original Amount	3.29%
Revised Contract Amount	\$13,279,941.79		



Memo to: Board of Directors
From: Chuck Ewert
Subject: Budget and Disbursement Report for July 2014
Date: August 18, 2014

Current Budget Highlights

Attached is the financial statement for July 2014 prepared by our fiscal agent, CliftonLarsonAllen. The report includes an accounting of revenues and expenditures for the month ending July 31, 2014, as compared to our fiscal year budget.

Accrued expenditures for the current fiscal year beginning on October 1, 2013 are \$29,446,007 while revenues amounted to \$10,026,189 resulting in a deficit of \$19,419,818. A total of approximately \$18,610,714 is now held by the counties in their respective FPD sales tax funds and is available for the Council's use on the project.

Monthly sales tax receipts for May 2014 (the latest month reported by the Illinois Department of Revenue) were up by 3.35% from the previous year. In general, receipts are up 2.07% from last year and continue to run just above of 2011 levels.

Monthly Disbursements

Attached are lists of bank transactions for July 2014. Total disbursements for the month were \$1,472,072.43. The largest payments were to the Lane Construction for BP #6, Keller Construction for BP #5, Korte & Luitjohan Contractors for BPs #2A & #2B, and AMEC and ABNA Engineering.

Recommendation:

Accept the budget report and disbursements for July 2014.

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION
DISTRICT COUNCIL**

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

TEN MONTHS ENDING JULY 2014 AND 2013



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

Board Members
Southwestern Illinois Flood Prevention District Council
Collinsville, Illinois

We have compiled the accompanying General Fund Statement of Revenues and Expenditures – Budget and Actual of Southwestern Illinois Flood Prevention District Council (the “Council”) for the ten months ended July 2014 and 2013. 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, 2014 and 2013, have not been compiled or examined by us, and, accordingly, we do not express an opinion or any other form of assurance on them.

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

A handwritten signature in cursive script that reads "Clifton Larson Allen LLP".

CliftonLarsonAllen LLP

St. Louis, Missouri
August 14, 2014

**SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
TEN MONTHS ENDED JULY 31, 2014 (Actual)
FISCAL YEAR ENDING SEPTEMBER 30, 2014 (Budget)**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Sales Tax Proceeds From Districts	\$ 11,237,000	\$ 11,237,000	\$ 9,159,913	\$ 2,077,087
Interest Income	650,000	650,000	766,276	(116,276)
Other Contributions	-	-	100,000	(100,000)
Total Revenues	<u>11,887,000</u>	<u>11,887,000</u>	<u>10,026,189</u>	<u>1,860,811</u>
EXPENDITURES				
Current				
Design and Construction				
Engineering Design & Construction Management	4,000,000	4,000,000	2,182,383	1,817,617
Construction	60,000,000	60,000,000	14,080,257	45,919,743
Construction and design by US ACE	1,000,000	1,000,000	2,477,634	(1,477,634)
Federal Cost-Share	-	-	-	-
Total Design and Construction	<u>65,000,000</u>	<u>65,000,000</u>	<u>18,740,274</u>	<u>46,259,726</u>
Professional Services				
Legal & Legislative Consulting	210,000	210,000	122,476	87,524
Diversity Program Manager	210,000	210,000	164,780	45,220
Construction Oversight	-	-	-	-
Other	-	-	2,856	(2,856)
Financial Advisor	40,000	40,000	12,838	27,162
Bond Underwriter/Conduit Issuer	100,000	100,000	-	100,000
Total Professional Services	<u>560,000</u>	<u>560,000</u>	<u>302,950</u>	<u>257,050</u>
Refund of Surplus Funds to County FPD Accounts				
Madison County	2,270,400	2,270,400	1,658,533	611,867
Monroe County	220,800	220,800	165,179	55,621
St. Clair County	2,308,800	2,308,800	1,664,449	644,351
Total Refund of Surplus Funds to County	<u>4,800,000</u>	<u>4,800,000</u>	<u>3,488,161</u>	<u>1,311,839</u>
Debt Service				
Principal and Interest	7,107,440	7,107,440	7,102,339	5,101
Federal Interest Subsidy	(910,140)	(910,140)	(422,305)	(487,835)
Total Debt Service	<u>6,197,300</u>	<u>6,197,300</u>	<u>6,680,034</u>	<u>(482,734)</u>
Total Operating Expenses	<u>76,557,300</u>	<u>76,557,300</u>	<u>29,211,419</u>	<u>47,345,881</u>
General and Administrative Costs				
Salaries, Benefits	192,331	192,331	175,477	16,854
Advertising	-	-	-	-
Bank Service Charges	600	600	1,177	(577)
Conference Registration	500	500	372	128
Equipment and Software	4,000	4,000	1,768	2,232
Fiscal Agency Services	23,000	23,000	35,500	(12,500)
Furniture	-	-	-	-
Meeting Expenses	1,000	1,000	28	972
Postage/Delivery	400	400	218	182
Printing/Photocopies	2,500	2,500	1,895	605
Professional Services	20,000	20,000	8,663	11,337
Publications/Subscriptions	250	250	2,124	(1,874)
Supplies	1,500	1,500	1,769	(269)
Telecommunications/Internet	2,000	2,000	2,299	(299)
Travel	15,000	15,000	2,317	12,683
Insurance	1,000	1,000	981	19
Total General & Administrative Costs	<u>264,081</u>	<u>264,081</u>	<u>234,588</u>	<u>29,493</u>
Total Expenditures	<u>76,821,381</u>	<u>76,821,381</u>	<u>29,446,007</u>	<u>47,375,374</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(64,934,381)	(64,934,381)	(19,419,818)	45,514,563
OTHER FINANCING SOURCES				
Proceeds From Borrowing	10,000,000	10,000,000	-	10,000,000
NET CHANGE IN FUND BALANCE	<u>\$ (54,934,381)</u>	<u>\$ (54,934,381)</u>	<u>\$ (19,419,818)</u>	<u>\$ 55,514,563</u>

**SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
TEN MONTHS ENDED JULY 31, 2013 (Actual)
FISCAL YEAR ENDING SEPTEMBER 30, 2013 (Budget)**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Sales Tax Proceeds From Districts	\$ 11,639,000	\$ 11,639,000	\$ 9,160,597	\$ 2,478,403
Interest Income	960,000	960,000	802,038	157,962
Other Contributions	-	-	-	-
Total Revenues	<u>12,599,000</u>	<u>12,599,000</u>	<u>9,962,635</u>	<u>2,636,365</u>
EXPENDITURES				
Current				
Design and Construction				
Engineering Design & Construction Management	6,000,000	6,000,000	2,291,292	3,708,708
Construction	42,600,000	42,600,000	779,229	41,820,771
Construction and design by US ACE	1,400,000	1,400,000	475,000	925,000
Federal Cost-Share	-	-	-	-
Total Design and Construction	<u>50,000,000</u>	<u>50,000,000</u>	<u>3,545,521</u>	<u>46,454,479</u>
Professional Services				
Legal & Legislative Consulting	126,000	126,000	163,042	(37,042)
Construction Oversight	160,000	160,000	-	160,000
Impact Analysis/Research	10,000	10,000	-	10,000
Financial Advisor	20,000	20,000	11,555	8,445
Bond Underwriter/Conduit Issuer	93,529	93,529	2,289	91,240
Total Professional Services	<u>409,529</u>	<u>409,529</u>	<u>176,886</u>	<u>232,643</u>
Refund of Surplus Funds to County FPD Accounts				
Madison County	2,955,782	2,955,782	1,936,850	1,018,932
Monroe County	280,157	280,157	183,668	96,489
St. Clair County	2,907,860	2,907,860	1,905,527	1,002,333
Total Refund of Surplus Funds to County	<u>6,143,799</u>	<u>6,143,799</u>	<u>4,026,045</u>	<u>2,117,754</u>
Debt Service				
Principal and Interest	7,107,440	7,107,440	7,102,439	5,001
Federal Interest Subsidy	(910,140)	(910,140)	(798,802)	(111,338)
Total Debt Service	<u>6,197,300</u>	<u>6,197,300</u>	<u>6,303,637</u>	<u>(106,337)</u>
Total Operating Expenses	<u>62,750,628</u>	<u>62,750,628</u>	<u>14,052,089</u>	<u>48,698,539</u>
General and Administrative Costs				
Salaries, Benefits	192,331	192,331	181,422	10,909
Advertising	-	-	-	-
Bank Service Charges	420	420	448	(28)
Conference Registration	500	500	476	24
Equipment and Software	3,000	3,000	1,769	1,231
Fiscal Agency Services	23,000	23,000	18,450	4,550
Furniture	-	-	-	-
Meeting Expenses	1,000	1,000	29	971
Postage/Delivery	400	400	245	155
Printing/Photocopies	2,500	2,500	1,457	1,043
Professional Services	15,000	15,000	14,548	452
Publications/Subscriptions	250	250	255	(5)
Supplies	1,500	1,500	1,613	(113)
Telecommunications/Internet	2,000	2,000	1,895	105
Travel	15,000	15,000	8,021	6,979
Insurance	1,000	1,000	977	23
Total General & Administrative Costs	<u>257,901</u>	<u>257,901</u>	<u>231,605</u>	<u>26,296</u>
Total Expenditures	<u>63,008,529</u>	<u>63,008,529</u>	<u>14,283,694</u>	<u>48,724,835</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(50,409,529)	(50,409,529)	(4,321,059)	46,088,470
OTHER FINANCING SOURCES				
Proceeds From Borrowing	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (50,409,529)</u>	<u>\$ (50,409,529)</u>	<u>\$ (4,321,059)</u>	<u>\$ 46,088,470</u>

Flood Prevention District Sales Tax Trends 2009-2014

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%	

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
SUPPLEMENTARY SUPPORTING SCHEDULE
BANK TRANSACTIONS
July 31, 2014**

Beginning Bank Balance July 1		\$	418,846.32
Receipts			
UMB	07/15/2014 Funds Transfer-Admin		21,248.73
UMB	07/15/2014 Funds Transer Construction		1,354,554.03
The Bank of Edwardsville	07/31/2014 Interest July		65.02
			1,375,867.78
Disbursements			
Ameren Illinois	07/01/2014 Design & Construction		9,932.20
At & T	07/07/2014 Telephone		91.97
Family Phone	07/08/2014 Telephone		110.00
AMEC Earth & Environmental, Inc.	07/14/2014 Construction		155,431.69
Scheffel & Company, PC	07/14/2014 Fiscal Agent		14,100.00
Marks & Associates	07/14/2014 Design & Construction		13,130.00
Juneau Associates	07/14/2014 Construction		6,816.09
Smith Dawson & Andrews	07/14/2014 Professional Services		5,000.00
Juneau Associates	07/14/2014 Construction		4,726.80
CliftonLarsonAllen LLP	07/14/2014 Fiscal Agent		1,950.00
Juneau Associates	07/14/2014 Construction		1,706.72
Ameren Illinois	07/14/2014 Design & Construction		447.07
CDW Government	07/15/2014 Office Supplies		117.29
ABNA.	07/15/2014 Construction		81,911.55
Husch Blackwell Sanders	07/15/2014 Construction		23,659.38
Cost Less Copy Center	07/15/2014 Board Meeting Materials		150.00
Walmart	07/16/2014 Office Supplies		29.83
The Bank-Service Fees	07/16/2014 Wire Fee		10.00
The Bank-Service Fees	07/16/2014 Wire Fee		10.00
Korte & Luitjohan Contractors Inc	07/17/2014 Construction		396,900.00
Keller Construciton Inc	07/17/2014 Construction		111,535.56
Korte & Luitjohan Contractors Inc	07/17/2014 Construction		45,705.00
The Bank-Service Fees	07/17/2014 Wire Fee		15.00
The Bank-Service Fees	07/17/2014 Wire Fee		15.00
The Bank-Service Fees	07/17/2014 Wire Fee		15.00
The Bank-Service Fees	07/17/2014 Wire Fee		15.00
The Lane Construction Corporation	07/18/2014 Construction		598,523.40
The Bank-Service Fees	07/31/2014 Wire Fee		15.00
The Bank-Service Fees	07/31/2014 Service Charge		2.88
			1,472,072.43
		\$	322,641.67



Memo to: Board of Directors
From: Chuck Etwert
Subject: FY 2015 Annual Budget
Date: August 18, 2014

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

With all design of the project completed in FY2014, the FY2015 budget focuses on the completion of all construction needed to achieve FEMA accreditation. The final two projects will have been bid by the time the budget is adopted, our cost estimates will be finalized, and completion of the project will be in sight.

The recommended FY2015 budget is shown in Table 1.

The construction of the project did not progress as fast as expected in the FY2014, so the majority of construction expenditures will occur in next year's budget. Administrative expenditures, which are a relatively small portion of our costs, remain virtually unchanged for the next year.

Line items for the maintenance and operations of improvements being built (\$3,000,000) and for the design and construction of additional greater than 100-year level of protection projects (\$7,000,000) have been removed from the proposed budget as directed by the Board at last month's meeting. These items if needed or desired will be handled on a budget amendment basis.

The draft budget has been adjusted to reflect the bids received on BP 7A & 7B. The total of these two bids was \$13,689,608 which was \$1,710,392 less than our estimate. Now that the projects have been bid the 35% contingency on the projects can be reduced to 10%, thus also reducing overall estimated costs another \$4,022,000.

Added to the budget has been the future \$1,600,000 for the BP #6 Relief Wells Change Order discussed last at last month's meeting, \$2,000,000 for HazMat Mitigation if needed (this was

always in the estimated expenses, but somehow was omitted in the draft budget, \$139,850 for Wetland Mitigation, and \$4,500,000 worth of construction that has been shifted from FY 2014 to FY 2015 due to high river conditions. Construction Management costs have been reduced due to the schedules provided by the BP #7A & 7B contractors.

In general, expenditures for next year's budget are based on the total completion of the 100-year level of protection project.

Key assumptions are:

1. All remaining construction will be completed in FY2015
2. The level of Council staffing does not change in FY2015, and general and administrative costs remain a very small portion of the project expenditures (less than 1%). Staff resources are supplemented however, by the continued use significant consulting and professional services.
3. In accordance with the bond indenture, all sales tax receipts are intercepted by the Trustee and any surpluses after payment of debt service and Council administrative costs will be transferred back to the county FPD funds for use in future project financing. These transfers are shown as expenditures in the budget.
4. No bond proceeds are included in this year's budget, as there are sufficient funds available to complete the project.

The cash budget through 2015, when all construction will be completed has also been update to reflect the bids received and all anticipated expenses. This is shown in Table 2. Our revised estimated surplus at the end of the current project approximately \$19.5 million.

Recommendation: Authorize the Chief Supervisor to submit the proposed FY2015 annual budget for the Council to the boards of St. Clair, Madison, and Monroe counties as presented.

Table 1
SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
PROPOSED BUDGET
OCTOBER 1, 2014 THRU SEPTEMBER 30, 2015

	AUDITED EXPENDITURES OCTOBER 1, 2012 THRU SEPTEMBER 30, 2013	PROJECTED EXPENDITURES OCTOBER 1, 2013 THRU SEPTEMBER 30, 2014	PROPOSED BUDGET OCTOBER 1, 2014 THRU SEPTEMBER 30, 2015
REVENUES			
Sales Tax Proceeds From Districts	\$ 11,089,494	\$ 11,077,375	\$ 11,195,000
Interest Income	782,144	770,803	60,000
Other Contributions		100,000	
Total Revenues	11,871,638	\$ 11,948,178	\$ 11,255,000
EXPENDITURES			
Design and Construction			
Engineering Design & Construction	3,948,071	3,424,475	8,131,050
Management		-	
Construction	1,291,765	\$ 21,170,690	45,791,362
Construction and Design by USACE		\$ 3,578,134	
Total Design and Construction	5,239,836	28,173,299	53,922,412
Professional Services			
Legal & Legislative Consulting	287,332	112,283	216,000
Diversity Program Manager		193,650	64,140
Construction Oversight	34,581	-	-
Other	7,581	3,808	-
Financial Advisor	11,555	56,500	120,000
Bond Underwriter/Conduit Issuer	2,289	-	
Total Professional Services	343,338	\$ 366,241	\$ 400,140
			-
Refund of Surplus Funds to County FPD Accounts			
Total Refund of Surplus Funds to County	4,163,668	\$ 4,090,185	\$ 4,000,000
Debt Service			
Principal and Interest	7,102,439	7,102,339	7,101,239
Federal Interest Subsidy	(870,549)	(844,610)	(844,610)
Total Debt Service	6,231,890	\$ 6,257,729	\$ 6,256,629
Total Design & Construction Expenses	15,978,732	\$ 38,887,454	\$ 64,579,181
General and Administrative Costs			
Salaries, Benefits	190,970	211,303	206,000
Advertising	-	-	-
Bank Service Charges	576	1,439	1,500
Conference Registration	651	496	500
Equipment and Software	497	2,357	2,000
Fiscal Agency Services	22,150	25,300	26,500
Audit Services	-	14,100	15,000
Meeting Expenses	29	37	1,000
Postage/Delivery	376	291	400
Printing/Photocopies	2,438	2,327	2,500
Professional Services	33,956	10,313	20,000
Publications/Subscriptions	3,480	2,833	250
Supplies	1,770	2,163	1,500
Telecommunications/Internet	2,268	2,796	2,500
Travel	9,222	2,917	7,500
Insurance	1,070	981	1,000
Total General & Administrative Costs	269,453	\$ 279,653	\$ 288,150
Total Expenditures	16,248,185	\$ 39,167,107	64,867,331
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,376,547)	\$ (27,218,929)	\$ (53,612,331)
OTHER FINANCING SOURCES			
Proceeds From Borrowing	-	-	
NET CHANGE IN FUND BALANCE	\$ (4,376,547)	\$ (27,218,929)	\$ (53,612,331)

Table 2
Estimated Project Expenditures 1.1.2014 - 12.31.2015

Construction	2014	2015	ESTIMATED COST TO COMPLETE
<i>Bid Package #1</i>	\$0	\$0	\$0
<i>Bid Package #2a</i>	\$757,909	\$0	\$757,909
<i>Bid Package #2b</i>	\$3,873,804	\$0	\$3,873,804
<i>Bid Package #3</i>	\$4,449,576	\$5,632,769	\$10,082,345
<i>Bid Package #4</i>	\$3,213,527	\$0	\$3,213,527
<i>Bid Package #5</i>	\$6,939,346	\$1,340,873	\$8,280,219
<i>Bid Package #6</i>	\$10,588,795	\$4,291,146	\$14,879,941
<i>Bid Package #7a</i>	\$1,588,104	\$1,488,104	\$3,076,208
<i>Bid Package #7b</i>	\$3,136,311	\$7,477,089	\$10,613,400
<i>Contingency</i>	\$2,455,664	\$1,862,997	\$4,318,661
<i>Pre-Const. Testing</i>	\$0	\$0	\$0
<i>Const. Mgmt.</i>	\$3,323,625	\$2,716,154	\$6,039,779
<i>QC/Materials Testing</i>	\$808,000	\$253,000	\$1,061,000
<i>Utilities</i>	\$1,187,898		\$1,187,898
<i>Property Acquisition</i>	\$1,500,000	\$0	\$1,500,000
<i>Wetland Mitigation</i>	\$139,850	\$139,850	\$279,700
<i>HazMat Mitigation</i>	\$0	\$2,000,000	\$2,000,000
<i>Repair & Cost Share to LD</i>	\$3,578,134	\$0	\$3,578,134
TOTAL CONSTRUCTION	\$47,540,543	\$27,201,982	\$74,742,525
Design			
<i>Program Mgmt.</i>	\$261,858	\$523,717	\$785,575
<i>100% Design</i>	\$10,000	\$30,000	\$40,000
<i>Design #7a/7b</i>	\$60,000	\$40,000	\$100,000
<i>408 Review</i>	\$25,000	\$15,000	\$40,000
<i>408 Review #7a/7b</i>	\$20,000	\$15,000	\$35,000
<i>Certification COR</i>	\$208,300	\$1,874,700	\$2,083,000
<i>Certification</i>	\$75,000	\$250,000	\$325,000
TOTAL DESIGN	\$660,158	\$2,748,417	\$3,408,575
Operations & Financing			
<i>General & Administrative</i>	\$300,000	\$300,000	\$600,000
<i>Debt Service</i>	\$7,102,339	\$7,101,239	\$14,203,578
<i>Interest Rate Subsidy</i>	(\$844,610)	(\$844,610)	(\$1,689,220)
<i>Professional Services</i>	\$100,000	\$100,000	\$200,000
<i>Legal</i>	\$120,000	\$120,000	\$240,000
<i>Legislative</i>	\$100,000	\$100,000	\$200,000
<i>Financial Advisor</i>	\$80,936	\$95,564	\$176,500
<i>Appraisal & Prop. Acq.</i>	\$10,000	\$0	\$10,000
<i>Diversity Program Mgr.</i>	\$156,660	\$25,000	\$181,660
<i>Other</i>	\$20,000	\$10,000	\$30,000
TOTAL OPERATIONS	\$7,145,325	\$7,007,193	\$14,152,518
TOTAL EXPENSES	\$55,346,026	\$36,957,592	\$92,303,618
Cumulative Expenses	\$55,346,026	\$92,303,618	

Estimated Revenue 1.1.2014 – 12.31.2015

Fund Sources	2014	2015	TOTAL
<i>Sales Tax Revenue</i>	\$11,195,000	\$11,195,000	\$22,390,000
<i>Interest Income</i>	\$400,000	\$40,000	\$440,000
<i>County FPD Tax Bal. (12/31/13)</i>	\$16,180,190		\$16,180,190
<i>Cash on hand (12/31/13)</i>	\$2,058,858		\$2,058,858
<i>Bond Funds Balance (12/31/13)</i>	\$70,907,718		\$70,907,718
TOTAL FUNDS AVAILABLE	\$100,741,766	\$11,235,000	\$111,976,766
Cumulative Sources	\$100,741,766	\$111,976,766	

Annual Surplus/Deficit 2014-2015

Fund Sources	2014	2015	TOTAL
<i>Revenue</i>	\$100,741,766	\$11,235,000	\$111,976,766
<i>Expenses</i>	\$55,346,026	\$36,957,592	\$92,303,618
Surplus/Deficit	\$45,395,740	(\$25,722,592)	\$19,673,148



Memo to: Board of Directors

From: Chuck Etwert

Subject: Annual Report

Date: August 18, 2014

Attached is the proposed Annual Report for FY 2014. By law, the Council must submit an Annual Report to each county board describing activities for the past year. We generally submit this report with our annual request for approval of our budget.

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

Recommendation: Authorize the Chief Supervisor to submit the FY 2014 Annual Report to the county boards of St. Clair, Madison, and Monroe counties.

Southwestern Illinois Flood
Prevention District Council

Annual Report 2013-2014



August 20, 2014



**Southwestern
Illinois
Flood Prevention
District Council**

104 United Drive
Collinsville, IL 62234

618-343-9120
Fax 618-343-9132

www.floodpreventiondistrict.org

August 20, 2014

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

Board of Directors

Dan Maher
President

John Conrad
Vice President

James Pennekamp
Secretary-Treasurer

Paul Bergkoetter
Bruce Brinkman
Thomas Long
Ron Motil

Alvin L. Parks Jr.
Ronald Polka

Charles M. Ewert
Chief Supervisor of
Construction and the Works

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

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

Sirs:

Transmitted herewith is the 2013-2014 Annual Report of the Southwestern Illinois Flood Prevention District Council. The submission of this report is in satisfaction of the requirement of our authorizing statute (70 ILCS 750/).

The Council has adopted two primary goals: to assure accreditation by the Federal Emergency Management Agency of area levee systems and to limit any economic damage to the region during the period during which accreditation is being sought. The Council has made great progress toward achieving both goals during the last year. The total design of the project has been completed and currently, there are six bid packages under construction. The final two bid packages will start construction next month.

There remain a few uncertainties that could slow down the project or increase costs, but these are manageable. We remain concerned about the timeline for the Corps of Engineers to make necessary improvements to a critical stretch of levee in the Wood River area in the vicinity of the Mel Price Lock and Dam. This is the most serious problem on the entire levee system. Fortunately, FEMA has agreed to accept the Corps' certification of that portion of the system with the Corps utilizing an interim operations plan until final improvements can be made.

a regional partnership to rebuild Mississippi River flood protection

Hon. Mark Kern
Hon. Alan Dunstan
Hon. Delbert Wittenauer
August 20, 2014
Page2

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

In summary, I am pleased to report on behalf of our Board of Directors, that we continue to make progress in building and financing significant improvements to the flood protection systems in metro-east. The Council continues to be well-positioned to meet our goals of achieving FEMA certification by 2015 using only revenues available from the dedicated FPD sales tax. The problem is not yet solved, though. It will take a continued effort by our elected leaders, the business community and civic interests, in addition to the work of the Council, our design team, our contractors, and our construction workforce if we are to reach a successful conclusion. In the end however, this project will be an investment in the future prosperity of your counties and the region.

Thank you for supporting our efforts throughout the year.

Sincerely,



Charles M. Etwert
Chief Supervisor of Construction and the Works

I. Introduction

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

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

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

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

The purpose of this report is to outline the activities of the Southwestern Illinois Flood Prevention District Council in 2013-2014 towards implementing flood protection improvements.

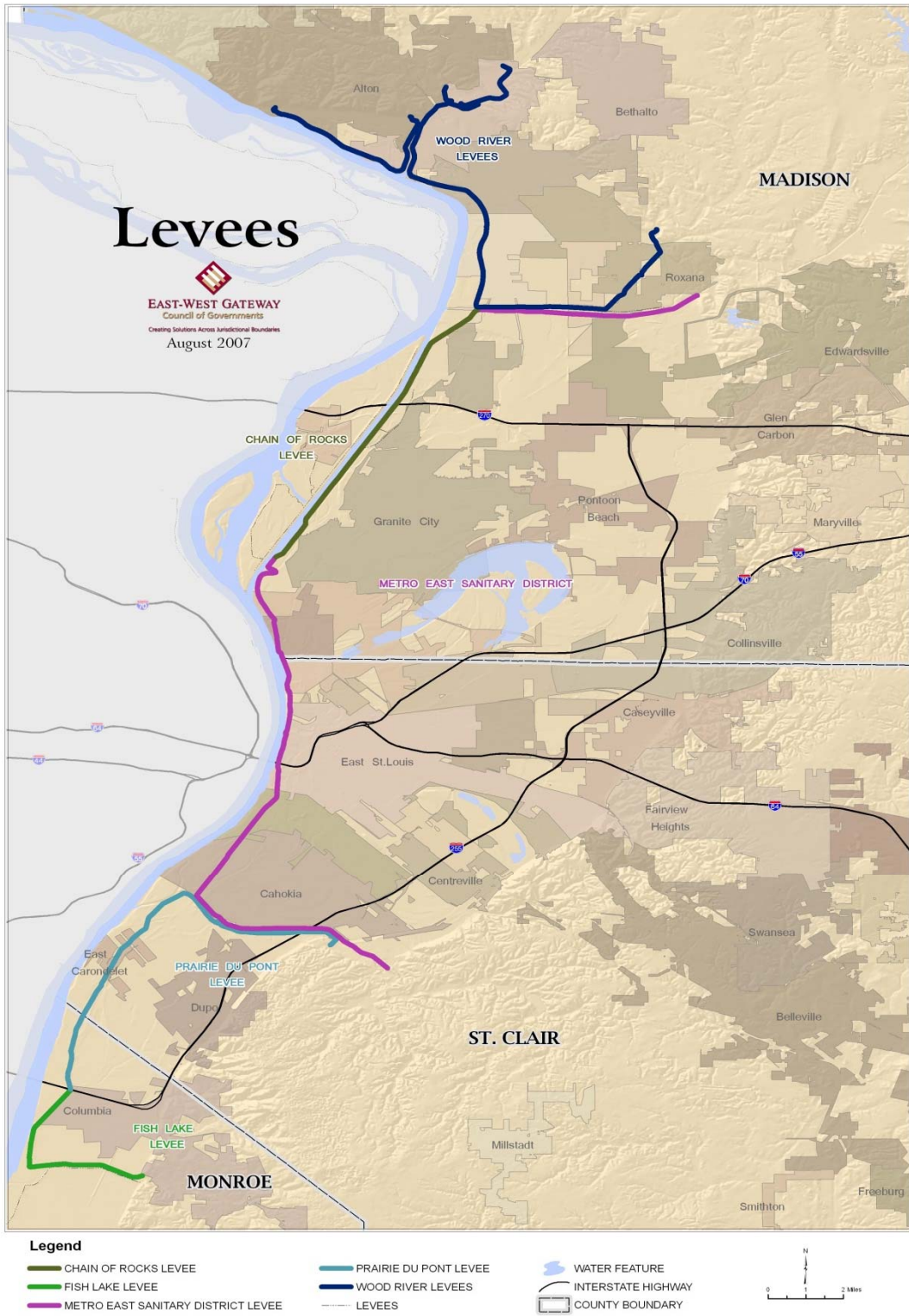
II. Background

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

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

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

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



**Figure 1 –
 Levee Systems**

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

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

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

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

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

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

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

III. FPD Council Activities

The following describes the work of the Council over its five year existence. Work done this year has brought the Council much closer to meeting its objectives. While some uncertainty remains, the probability of success has significantly increased in the last year. The Project Timeline since the announcement of de-accreditation by FEMA is shown in Figure 2.

Over the last couple of years the greatest challenge and source of doubt about the project has been the continued involvement of the Corps of Engineers in granting permission for most of the improvements to the levee system that the Council has proposed. The Corps is an institution that moves very deliberately, is governed by elaborate and extensive guidelines and procedures, most of which apply to federally funded projects but are being applied to our locally funded project. This process caused significant delays in the design process, but most of that is now behind us. The focus now is completing construction by June 2015.

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

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

The Council's general goals have been to:

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

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

the project using only the funds from the dedicated sales tax. So the essential elements of the project plan have now come together.

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

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

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

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

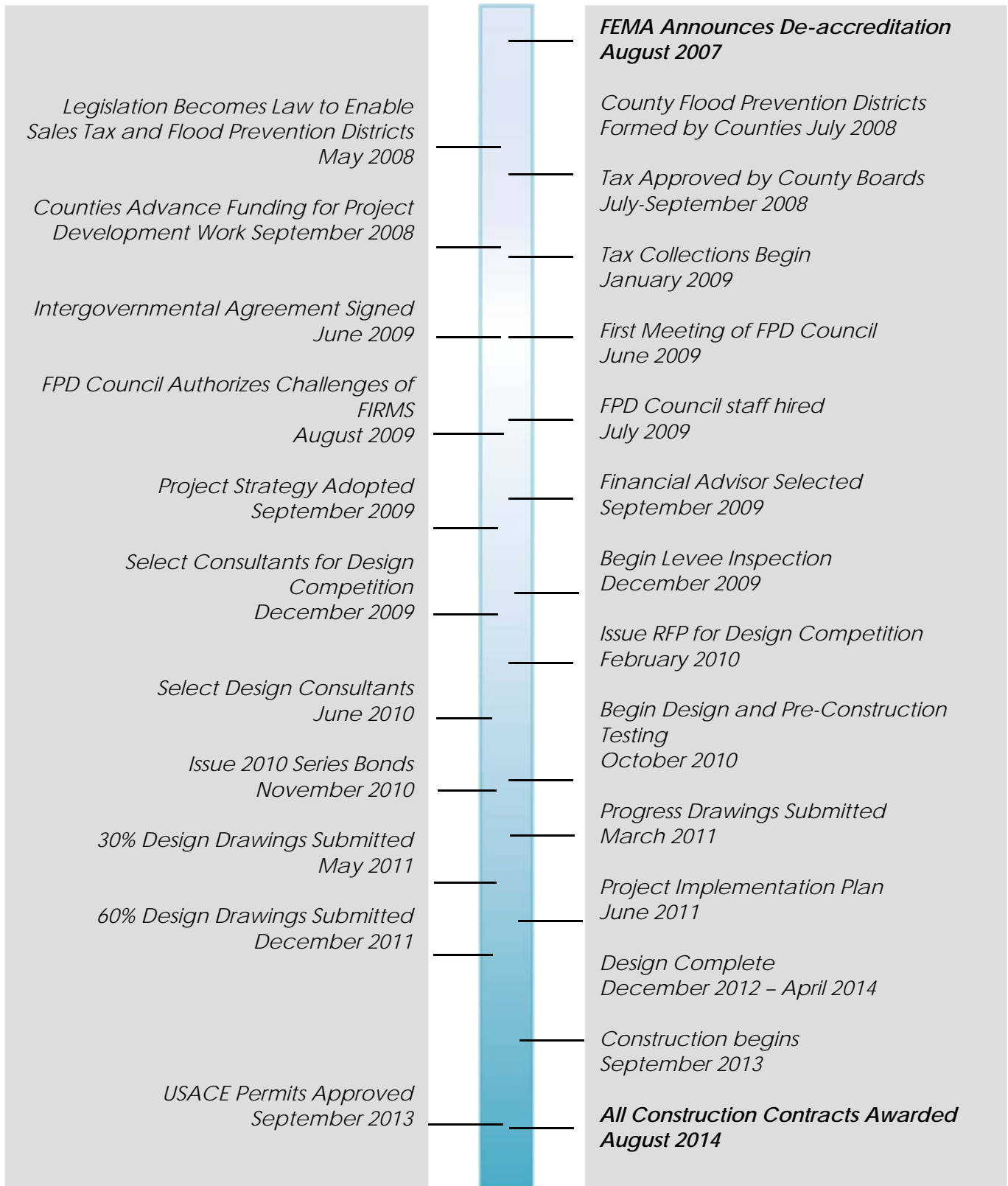
As it now stands, the FEMA mapping process has been interrupted while the agency implements better methodology for developing maps, especially for those areas protected by de-accredited levees. There is no schedule for producing new preliminary maps, nor is there any suggestion that new maps would differ significantly from those issued two years ago, so the urgency of making levee system improvements is not diminished. However, we do not believe that new maps will be produced or finalized before 2015, and it remains our hope that levee improvements leading to certification will be substantially completed by that time.

In November, due to numerous reasons, such as the Corps' unidentifiable project costs and schedules, the Council's lack of project control and the Corps' lack of commitment to the local workforce, the Council took back the design of Bid Packages 7A and 7B from the Corps of Engineers and assumed responsibility for the construction of the projects. As a result, there have been delays while AMEC Environment & Infrastructure, the Council's engineering consultant, assimilated the Corps' design and made changes necessary to satisfy their internal requirements prior to affixing their seal to the construction drawings. In addition, a "streamlined" Sec. 408 review (estimated to be four months) by the Corps on the AMEC design was now required. This decision of "take back" was in the best interest of our ability to serve the region by meeting our often-repeated goal of improving the levee system to meet FEMA standards by 2015 with funds from the dedicated sales tax and continuing our commitment to the local workforce.

All construction will be completed by June 2015 and levee certification documentation will be submitted to FEMA in August 2015.

In summary, breakthrough developments have continued on the levee improvement project in the last year. The level of uncertainty has diminished. There are still procedural concerns regarding the certification documentation on the Chain of Rocks levee and the segment in the vicinity of the Mel Price Lock and Dam. However, the Council remains committed to working within budget and time limitations, but with the continued support of the area's leadership and cooperation from the Corps of Engineers, we will be able to meet any remaining challenges to completion of the project.

Figure 2
Project Timeline



IV. Financing and Budget

Table 1 is a financial summary of the Council’s activities through September 30, 2013.

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

The Council issued bonds in the amount of \$94,195,000 in November 2010. After setting aside funds for a debt service reserve and costs of issuance, around \$87 million is available to fund construction of the project. No additional bond issues will be needed to complete the project, current projections indicate a possible surplus balance of \$19,500,000 may be achieved. This balance of funds plus the ability to issue additional debt will allow for the possible funding of potential future levee system improvements. The Council will meet the goals of achieving FEMA certification by 2015 with the revenue available from the dedicated FPD sales tax.

Figure 3
Flood Prevention District Sales Tax Trends 2009-2014

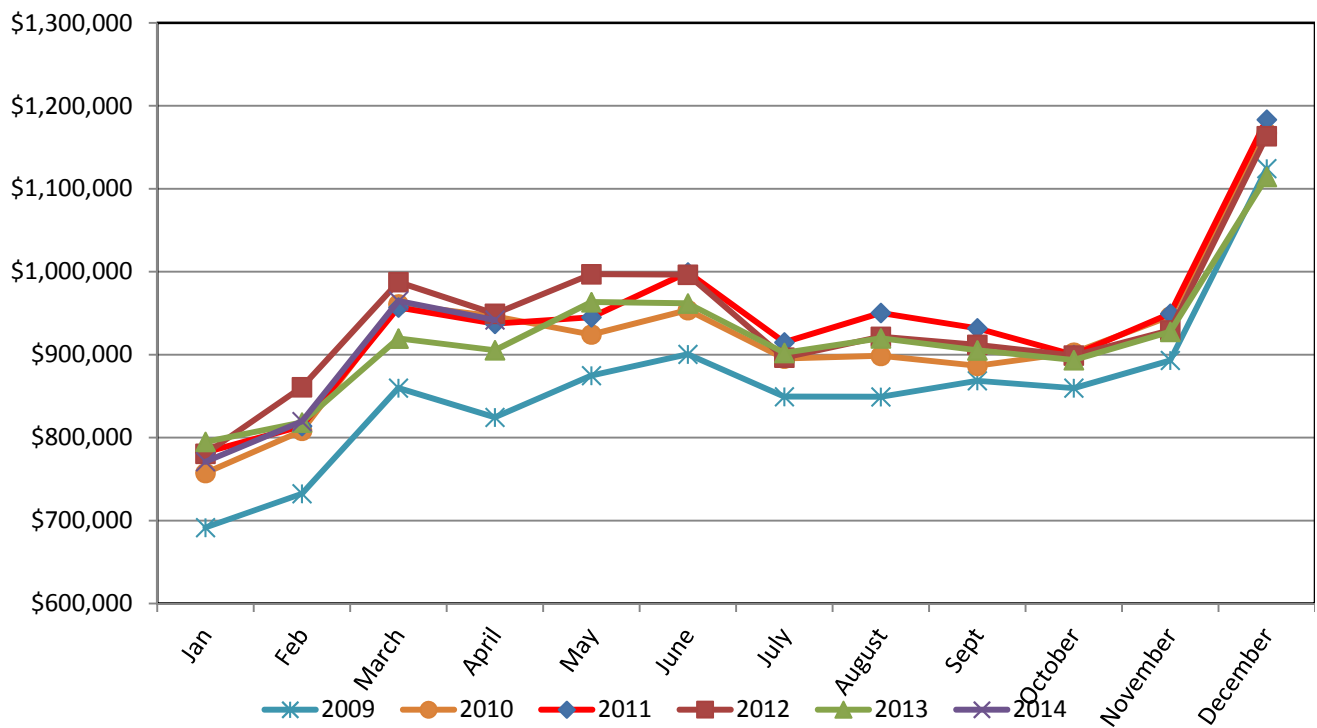


Table 1

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES- GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

REVENUES:	
District Sales Tax	\$ 11,089,494
Less: Return of Excess Sales Tax to Districts	(4,163,668)
Interest Income	782,144
Total Revenues	\$ <u>7,707,970</u>
EXPENDITURES:	
Current:	
General and Administrative	\$ 269,453
Design and Construction	5,239,836
Professional Services	343,337
Debt Service:	
Principal	2,505,000
Interest	4,597,439
Less: Federal Interest Subsidy	(870,549)
Capital Outlay	<u>1,272</u>
Total Expenditures	\$ <u>12,085,788</u>
 NET CHANGE IN FUND BALANCE	 \$ (4,377,818)
 FUND BALANCES:	
Beginning of Year	<u>85,508,388</u>
End of Year	\$ <u>81,130,570</u>

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

Table 2
Estimated Project Expenditures 1.1.2014 - 12.31.2015

Construction	2014	2015	ESTIMATED COST TO COMPLETE
<i>Bid Package #1</i>	\$0	\$0	\$0
<i>Bid Package #2a</i>	\$757,909	\$0	\$757,909
<i>Bid Package #2b</i>	\$3,873,804	\$0	\$3,873,804
<i>Bid Package #3</i>	\$4,449,576	\$5,632,769	\$10,082,345
<i>Bid Package #4</i>	\$3,213,527	\$0	\$3,213,527
<i>Bid Package #5</i>	\$6,939,346	\$1,340,873	\$8,280,219
<i>Bid Package #6</i>	\$10,588,795	\$4,291,146	\$14,879,941
<i>Bid Package #7a</i>	\$1,588,104	\$1,488,104	\$3,076,208
<i>Bid Package #7b</i>	\$3,136,311	\$7,477,089	\$10,613,400
<i>Contingency</i>	\$2,455,664	\$1,862,997	\$4,318,661
<i>Pre-Const. Testing</i>	\$0	\$0	\$0
<i>Const. Mgmt.</i>	\$3,323,625	\$2,716,154	\$6,039,779
<i>QC/Materials Testing</i>	\$808,000	\$253,000	\$1,061,000
<i>Utilities</i>	\$1,187,898		\$1,187,898
<i>Property Acquisition</i>	\$1,500,000	\$0	\$1,500,000
<i>Wetland Mitigation</i>	\$139,850	\$139,850	\$279,700
<i>HazMat Mitigation</i>	\$0	\$2,000,000	\$2,000,000
<i>Repair & Cost Share to LD</i>	\$3,578,134	\$0	\$3,578,134
TOTAL CONSTRUCTION	\$47,540,543	\$27,201,982	\$74,742,525
Design			
<i>Program Mgmt.</i>	\$261,858	\$523,717	\$785,575
<i>100% Design</i>	\$10,000	\$30,000	\$40,000
<i>Design #7a/7b</i>	\$60,000	\$40,000	\$100,000
<i>408 Review</i>	\$25,000	\$15,000	\$40,000
<i>408 Review #7a/7b</i>	\$20,000	\$15,000	\$35,000
<i>Certification COR</i>	\$208,300	\$1,874,700	\$2,083,000
<i>Certification</i>	\$75,000	\$250,000	\$325,000
TOTAL DESIGN	\$660,158	\$2,748,417	\$3,408,575
Operations & Financing			
<i>General & Administrative</i>	\$300,000	\$300,000	\$600,000
<i>Debt Service</i>	\$7,102,339	\$7,101,239	\$14,203,578
<i>Interest Rate Subsidy</i>	(\$844,610)	(\$844,610)	(\$1,689,220)
<i>Professional Services</i>	\$100,000	\$100,000	\$200,000
<i>Legal</i>	\$120,000	\$120,000	\$240,000
<i>Legislative</i>	\$100,000	\$100,000	\$200,000
<i>Financial Advisor</i>	\$80,936	\$95,564	\$176,500
<i>Appraisal & Prop. Acq.</i>	\$10,000	\$0	\$10,000
<i>Diversity Program Mgr.</i>	\$156,660	\$25,000	\$181,660
<i>Other</i>	\$20,000	\$10,000	\$30,000
TOTAL OPERATIONS	\$7,145,325	\$7,007,193	\$14,152,518
TOTAL EXPENSES	\$55,346,026	\$36,957,592	\$92,303,618
Cumulative Expenses	\$55,346,026	\$92,303,618	

Estimated Revenue 1.1.2014 – 12.31.2015

Fund Sources	2014	2015	TOTAL
<i>Sales Tax Revenue</i>	\$11,195,000	\$11,195,000	\$22,390,000
<i>Interest Income</i>	\$400,000	\$40,000	\$440,000
<i>County FPD Tax Bal. (12/31/13)</i>	\$16,180,190		\$16,180,190
<i>Cash on hand (12/31/13)</i>	\$2,058,858		\$2,058,858
<i>Bond Funds Balance (12/31/13)</i>	\$70,907,718		\$70,907,718
TOTAL FUNDS AVAILABLE	\$100,741,766	\$11,235,000	\$111,976,766
Cumulative Sources	\$100,741,766	\$111,976,766	

Annual Surplus/Deficit 2014-2015

Fund Sources	2014	2015	TOTAL
<i>Revenue</i>	\$100,741,766	\$11,235,000	\$111,976,766
<i>Expenses</i>	\$55,346,026	\$36,957,592	\$92,303,618
Surplus/Deficit	\$45,395,740	(\$25,722,592)	\$19,673,148

V. Conclusions, Issues and Next Steps

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

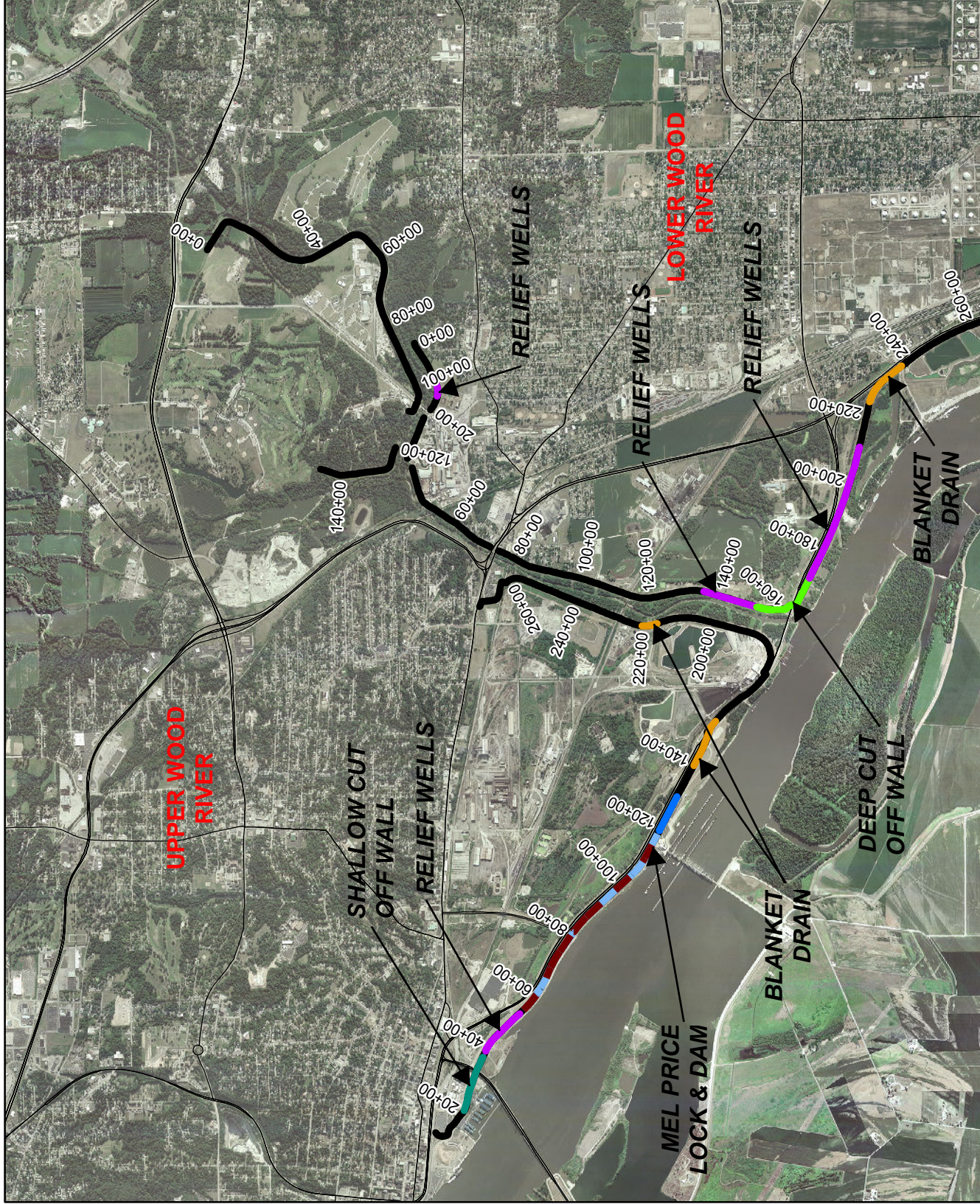
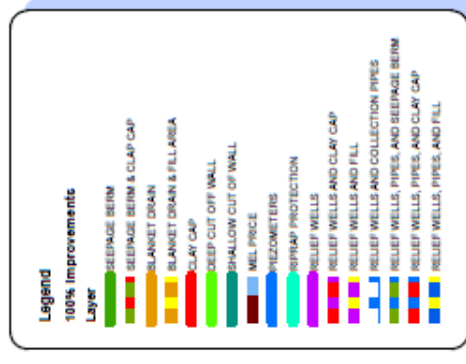
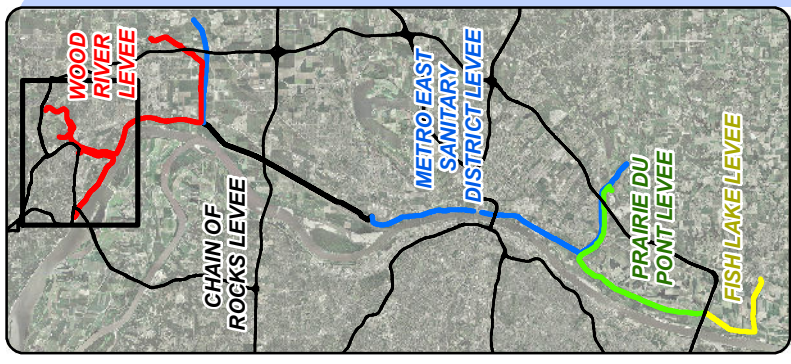
With regard to the critical question of the Council's capability to finance the project, the current cost estimate and financial capacity (the amount that can be raised from the FPD sales tax) are safely in balance. However, design changes driven by field conditions, delays for weather, or unknowns that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

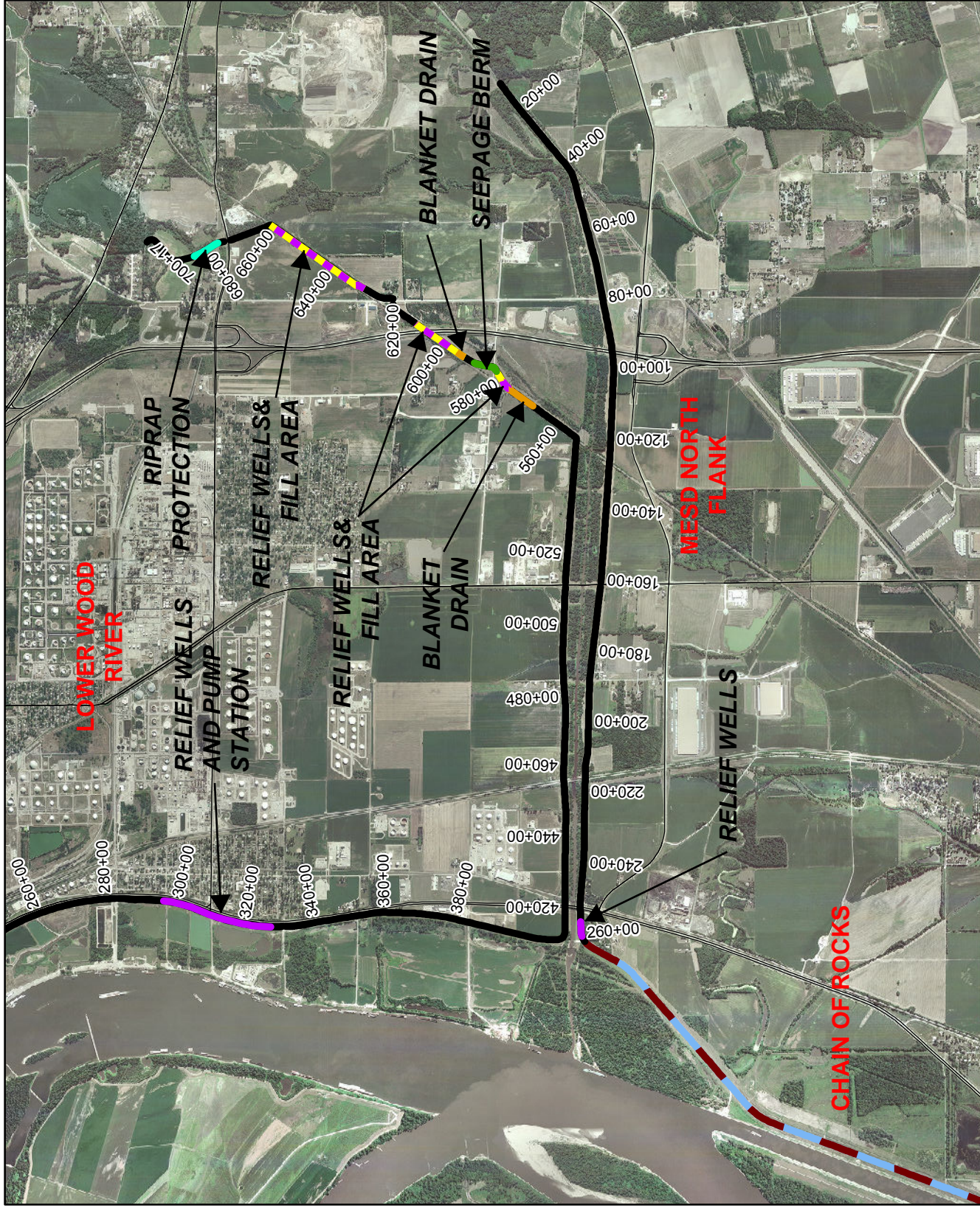
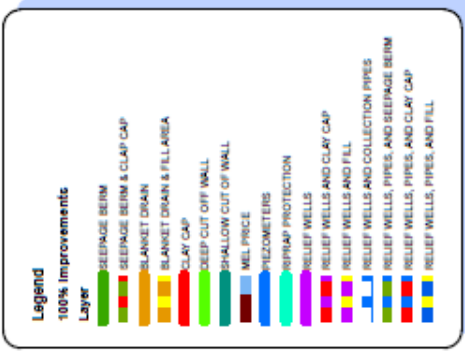
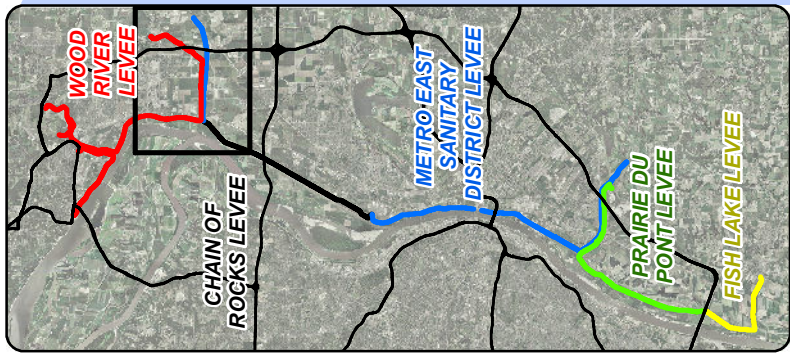
There are a number of critical next steps for the project:

- Complete remaining property acquisition required for construction.
- Expedite the construction process prior to deadline for certification to be done by the end of 2015.
- Resolve certification procedures on the Chain of Rocks and Mel Price segments of the levee system.
- Work with levee districts to provide for sufficient funding for ongoing maintenance of improvements.

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

Appendix I
Proposed Levee System Improvements



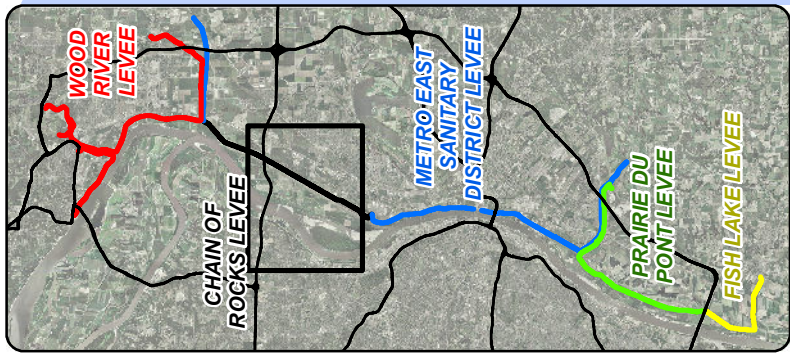
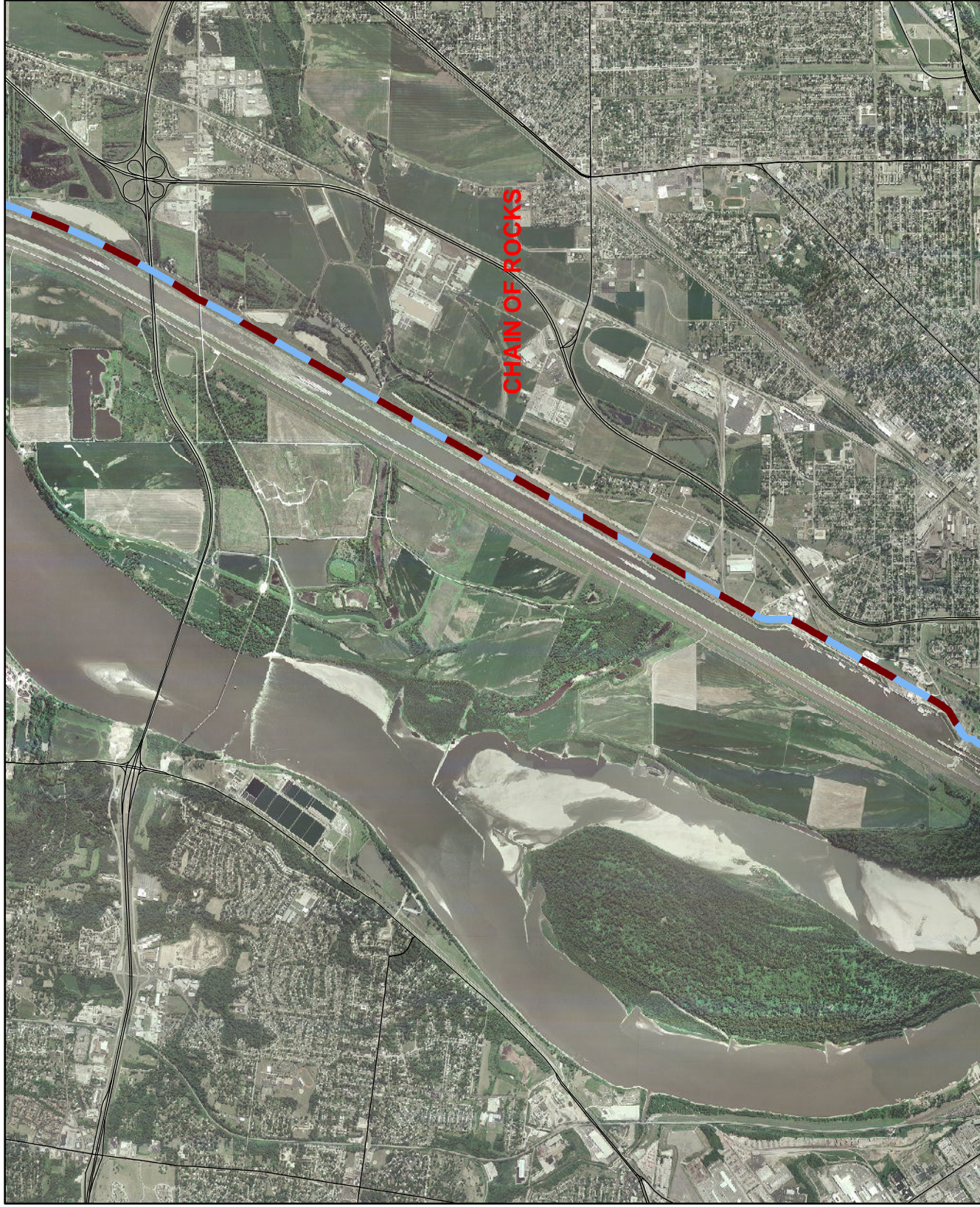


15933 CLAYTON ROAD, SUITE 215
BALLWIN, MO 63011

FEMA CERTIFICATION DESIGN - 100% SOLUTIONS

WOOD RIVER (WR) & METRO EAST SANITARY DISTRICT (MESD) LEVEES

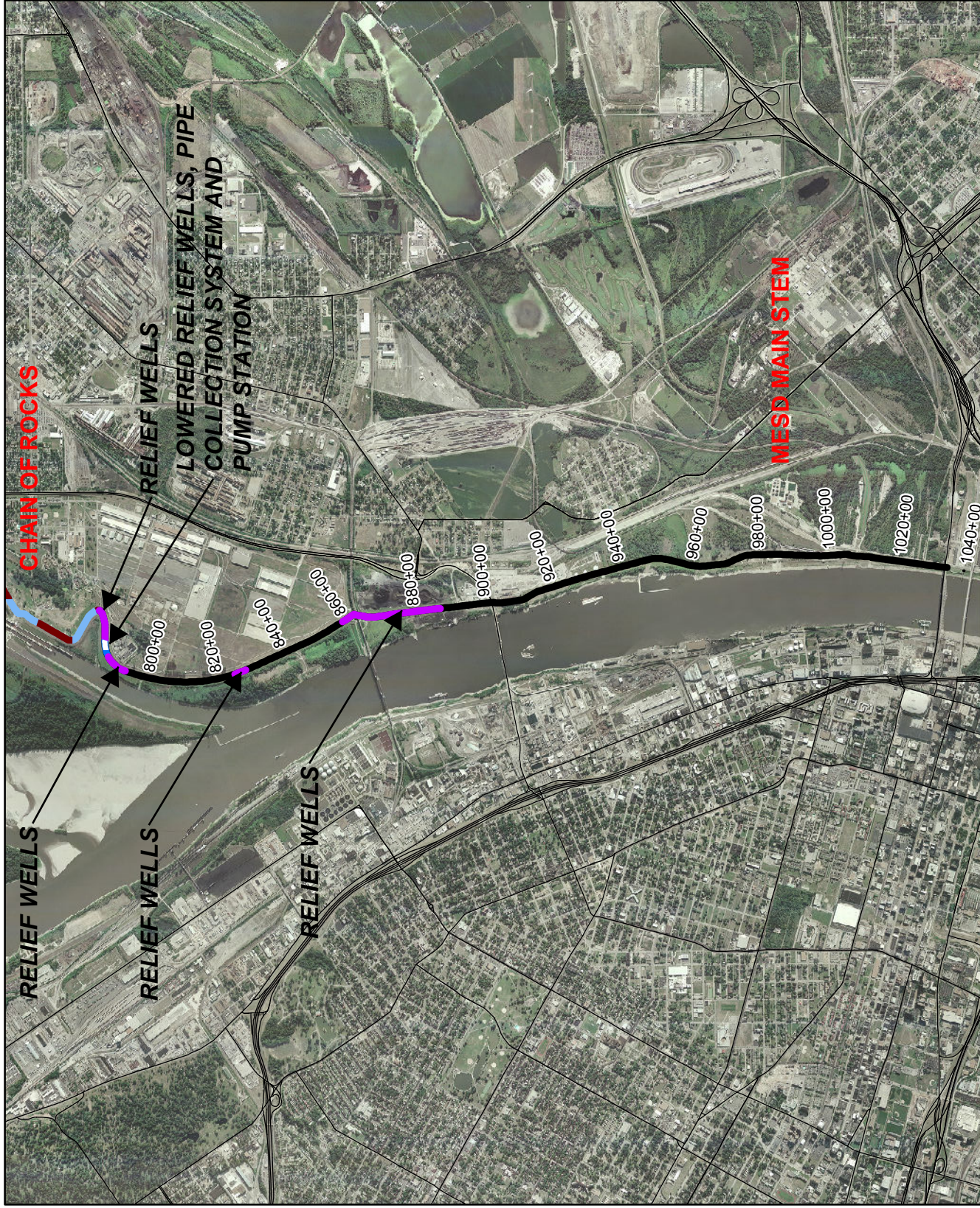
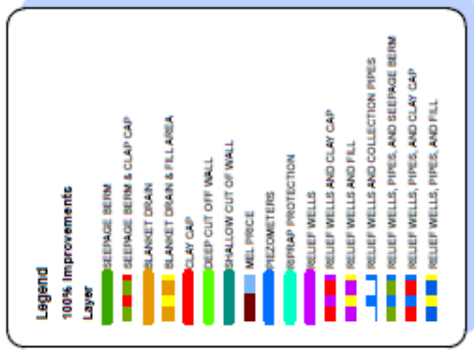
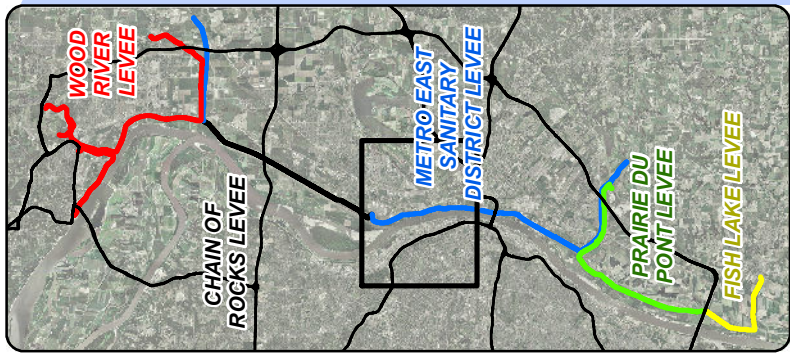


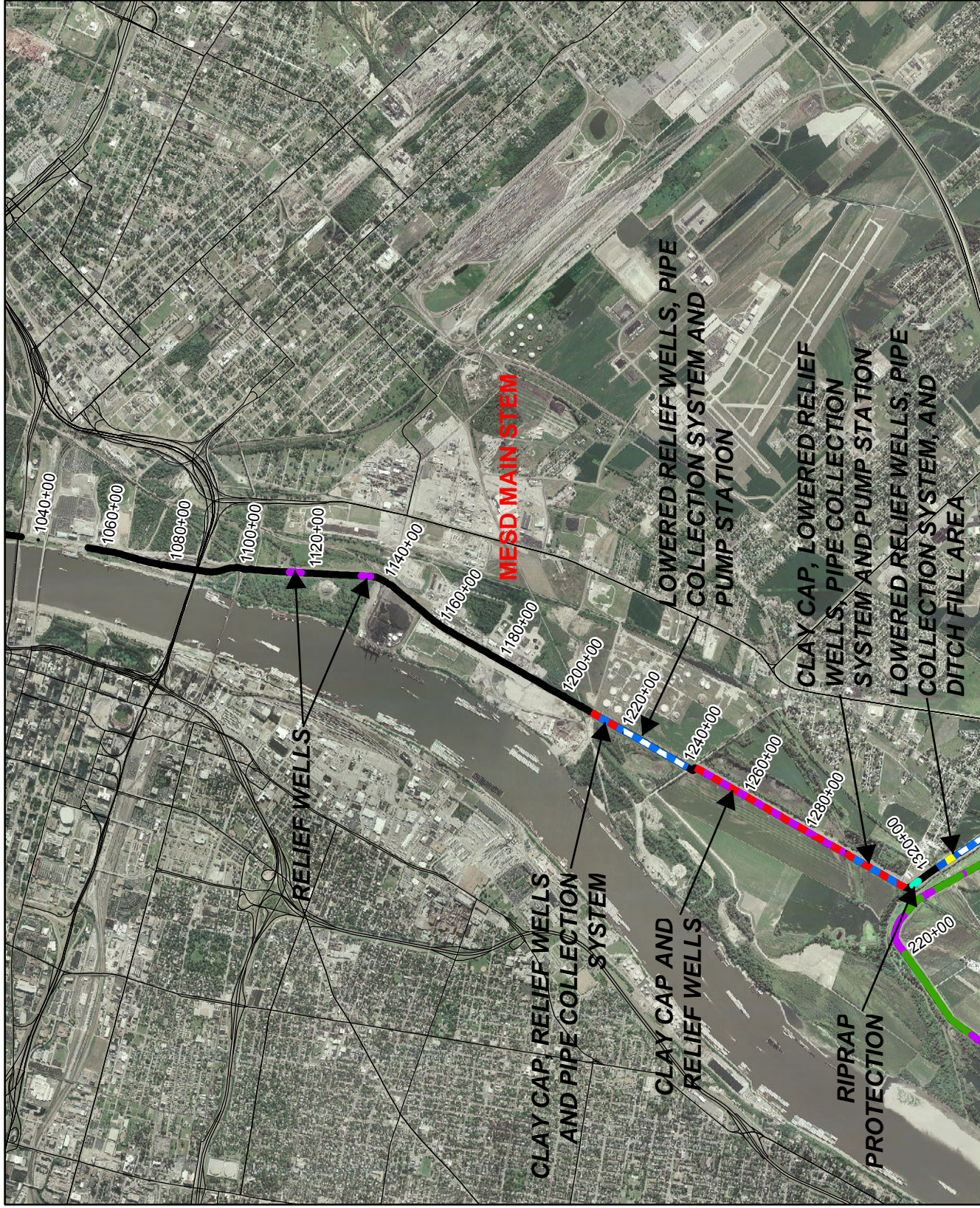
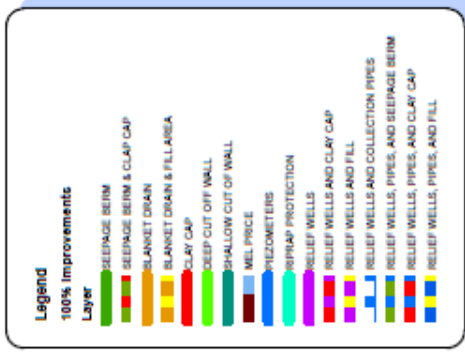
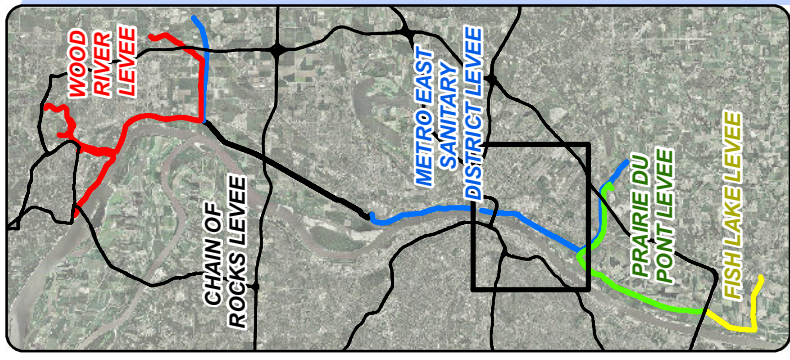


Legend

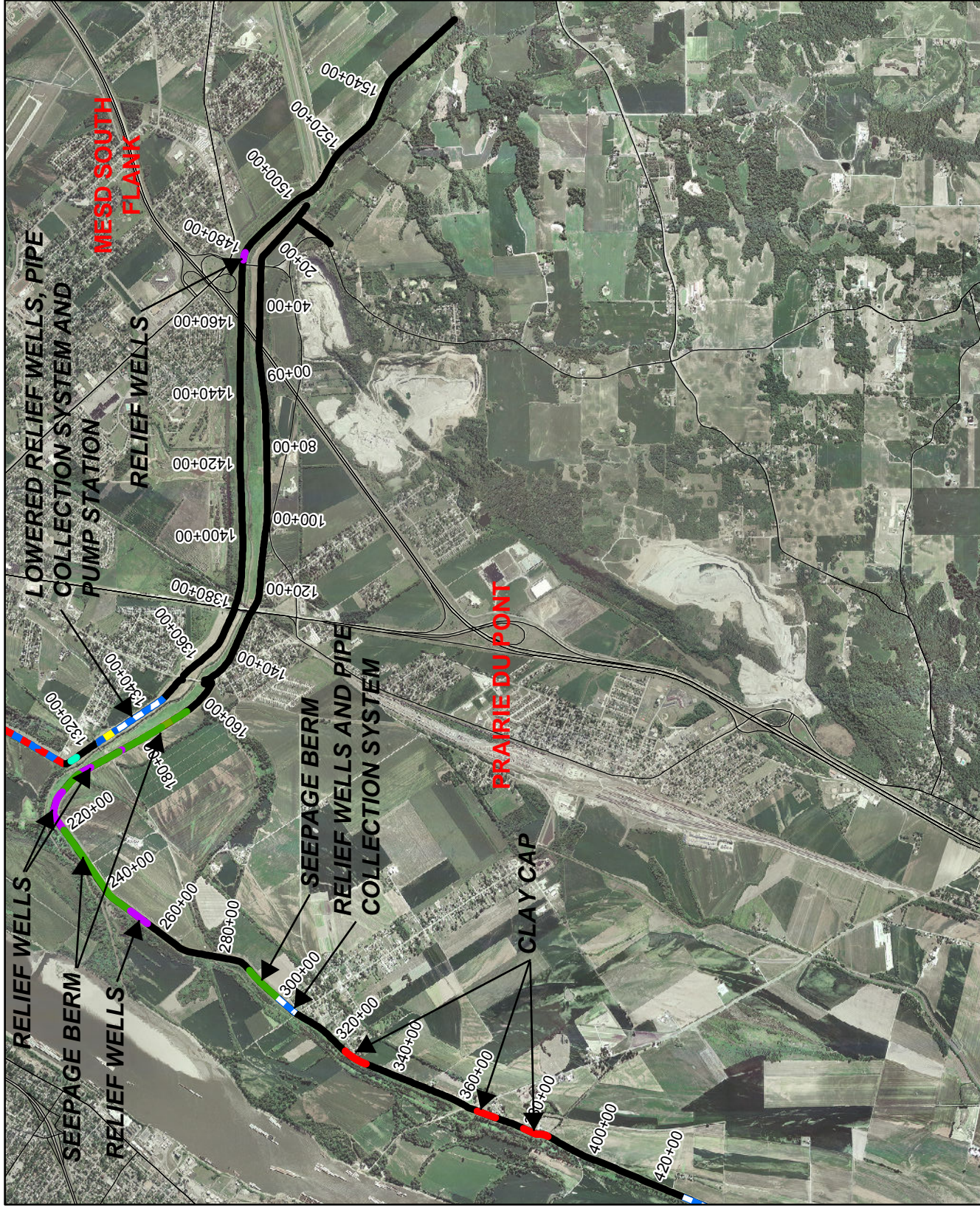
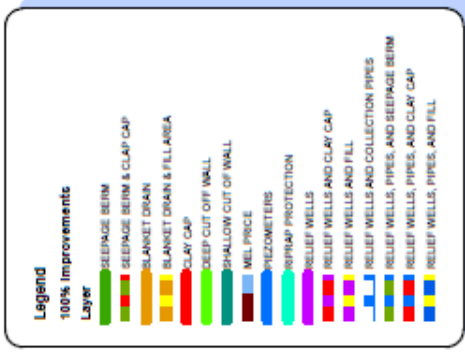
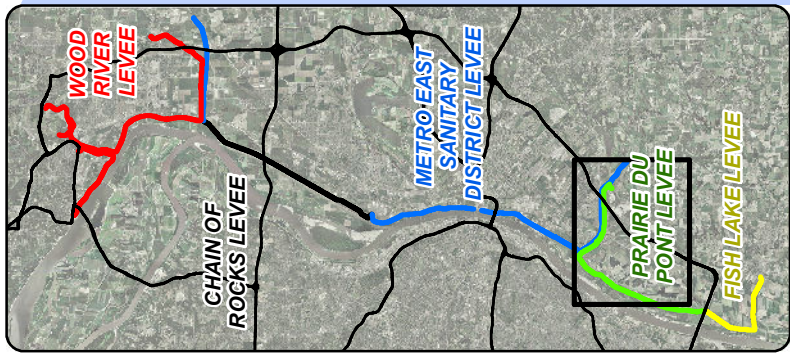
100% Improvements

Layer	Improvement Type
Green	SEEPAGE BEHM & CLAY CAP
Yellow	SEEPAGE BEHM
Orange	BLANKET DRAIN
Red	BLANKET DRAIN & FILL AREA
Light Blue	CLAY CAP
Dark Blue	DEEP CUT OFF WALL
Light Green	SHALLOW CUT OFF WALL
Dark Red	WEL PRICE
Light Purple	PIEZOMETERS
Light Cyan	UPHAMP PROTECTION
Light Yellow	RELIEF WELLS
Light Blue	RELIEF WELLS AND CLAY CAP
Light Green	RELIEF WELLS AND FILL
Light Purple	RELIEF WELLS AND COLLECTION PIPES
Light Cyan	RELIEF WELLS, PIPES, AND SEEPAGE BEHM
Light Yellow	RELIEF WELLS, PIPES, AND CLAY CAP
Light Blue	RELIEF WELLS, PIPES, AND FILL





FEMA CERTIFICATION DESIGN - 100% SOLUTIONS
 METRO EAST SANITARY DISTRICT (MESD) LEVEE



FEMA CERTIFICATION DESIGN - 100% SOLUTIONS

METRO EAST SANITARY DISTRICT (MESD) & PRAIRIE DU PONT LEVEES



Memo to: Board of Directors
From: Chuck Ewert
Subject: Bonding Capacity Analysis
Date: August 18, 2014

Mr. Jeff White of Columbia Capital will attend this month's meeting and present an updated Bonding Capacity Analysis, reflecting potential bond funding scenarios available to the Board.

Recommendation:

Accept Mr. White's report for future consideration of funding additional flood prevention projects in the metro east region.



500-yr Flood Protection Infrastructure Funding Pro Forma Capacity Analysis

COLUMBIA CAPITAL MANAGEMENT, LLC
Jeff White, Principal
Khalen Dwyer, Assistant Vice President

August 13, 2014



OBJECTIVE

The purpose of this report is to estimate the Southwestern Illinois Flood Protection District Council's ("Council") capacity to fund infrastructure improvements to achieve a 500-year probability flood protection level. We understand the total cost of such improvements is uncertain. For the purpose of this analysis, we have modeled the Council's capacity to fund \$150 million in improvements with proceeds from its existing sales tax using a combination of (i) available cash on hand (\$15 million), (ii) bond proceeds, and (iii) cash from net sales tax dollars available each year after Council operating expenses and bond debt service are paid.

THE LANGUAGE OF BONDS

This report refers to a number of terms that may be unfamiliar to the reader. These terms are common to the language of municipal bonds, specifically defined by the legal documents governing the Council's outstanding Series 2010A, 2010B and 2010C Bonds ("2010ABC Bonds") or used within this report.

Additional Bonds

New bonds issued by the Council that have the same claim to the repayment stream ("security") as the 2010ABC Bonds. In order to protect the 2010ABC bondholders from a significant dilution in their security for repayment, the Council may only issue Additional Bonds if Flood Prevention District Revenues for the twelve months leading up to the new bond issue equaled or exceeded 150% of the maximum annual debt service due in the then-current or subsequent year, including the projected debt service for such Additional Bonds.

ARRA Subsidy Payments

In 2009 the US Congress amended the Internal Revenue Code through the American Recovery and Reinvestment Act ("ARRA") to create a class of municipal bonds where interest to investors would be subject to Federal income taxation, but the issuers of such bonds would receive a subsidy payment from the US Treasury on each interest payment date equal to a fraction of the interest due to bondholders. ARRA Bonds included Build America Bonds (35% interest subsidy) and Recovery Zone Economic Development Bonds (45% interest subsidy), both of which the Council has issued with its respective Series 2010B and Series 2010C Bonds. ARRA Subsidy Payments are subject to annual appropriation by the US Congress; in recent years, Congress has appropriated only 92-93% of the moneys necessary to make the subsidy payments to issuers in full.

Capital Appreciation Bonds (CABs)

Bonds sold to investors for a fraction of their face value that pay both principal and compound interest in a single payment at maturity. Also known as zero coupon bonds. CABs allow an issuer to structure debt service to be due in a specific year without any budgetary impact on the years leading up to maturity of the CAB.

Coverage or Debt Service Coverage

The extent to which the revenues available to pay debt service for a certain period exceed the debt service actually due during that same period. Typically expressed as a percentage (150%) or a multiple (1.5x or 1.5 times).

Credit Rating or Bond Rating

An assessment of the likelihood of repayment of the bonds in full and on time issued by an independent firm recognized by the US Securities and Exchange Commission as having the skills to perform such assessments. Such ratings are expressed in alpha (Standard and Poor's Ratings Service and Fitch Ratings) or alphanumeric (Moody's Investors Service) form relative to a proprietary credit rating spectrum. Moody's rates the Council's Series 2010ABC Bonds as 'Aa3,' the fourth highest category.

Current Interest Bonds (CIBs)

Bonds on which interest payments are made by the issuer to bondholders periodically over the life of the bonds. The 2010ABC bonds are current interest bonds with semi-annual interest payments. CIBs are considered traditional financings and represent the most common form of municipal market securities. Structuring CIBs to be due at a future date creates budgetary impacts on all prior year due to the requirement for periodic (typically, semi-annual) interest payments prior to maturity of the CIB.

Debt Service

Principal and/or interest payments due to bondholders for any calculation period.

Debt Service Reserve Fund (DSRF)

An account funded by bond issuers roughly equal to one year's principal and interest payments that is made available to bondholders in the event the Flood Prevention District Revenues are insufficient to cover debt service at any time.

Excess Revenues	Flood Prevention District Revenues remaining each year after the payment of principal and interest on bonds and Council operating costs.
Flood Prevention District Revenues	Revenues from the flood prevention sales taxes imposed and collected by each of the Council's member counties, the ARRA Subsidy Payments and any other revenues specifically pledged by the Council or its member districts to bond repayment.
Maximum Annual Debt Service	The maximum amount of principal and interest coming due in the then-current and any subsequent 12-month period.
Parity	Having the same claim to the repayment stream. Additional Bonds are issued on a Parity basis with the 2010ABC Bonds. In the event Flood Prevention District Revenues were insufficient to cover all scheduled Debt Service due for a period, each holder of Parity bonds would receive a pro rata share of the revenues available.
Subordinate	Having a claim to the repayment stream but only after all 2010ABC Bonds debt service and any other Additional Bonds debt service is satisfied.
Surety	An insurance policy that substitutes for cash in the Debt Service Reserve Fund. Rather than borrowing monies to make the Debt Service Reserve Fund deposit at the onset of a financing, the issuer instead makes a one-time premium payment to an insurance company, which in turn agrees to fund draws on the Debt Service Reserve Fund in the future as necessary. The cost of the surety premium is typically a fraction of the Debt Service Reserve Fund requirement.

A TALE OF THREE SCENARIOS

Council staff asked us to identify one or more potential financing approaches to measure its capacity to fund future flood protection improvements. There is a nearly infinite number of ways to combine cash, senior lien bonds and junior lien bonds to achieve this goal. To provide a starting point for discussion, however, we prepared three scenarios to identify possible paths to achieve the \$150 million in targeted funding using the existing sales tax over the shortest period possible while protecting the Council's existing senior lien bond rating. In all three scenarios, we have assumed the Council uses available cash resources of \$15 million to make an upfront capital investment, resulting in a net balance of \$135 million to be financed over time. We recognize that \$150 million may be insufficient to finance all required improvements. The need to finance improvements beyond \$150 million would not materially change the analysis in this report because the key variable is really one of time: the more costly the additional improvements, the longer the timeline to create the financing capacity to fund them. Each scenario is discussed in turn below.

- Scenario I (Parity Bonds Only):** in addition to the immediate use of its cash on hand, the Council leverages its Flood Prevention District Revenues to issue bonds on a parity with the 2010ABC Bonds ("Additional Bonds"). This scenario minimizes the Council's borrowing costs by borrowing under the existing gross revenue pledge and maintaining a Maximum Annual Debt Service (MADS) coverage ratio of no less than 1.50 times (the threshold in the 2010 Indenture to permit the issuance of Additional Bonds on a parity with the 2010ABC Bonds). Because of the need to maintain a higher coverage ratio, this scenario results in project completion nearly a decade later than Scenario II, which uses a mixed-financing approach. Scenario I assumes borrowing costs reflective of a Moody's 'Aa3' credit rating, consistent with the current rating on the 2010ABC Bonds (please see the discussion of potential rating impacts below). Scenario I ignores the availability of excess revenues of approximately \$4 million per year which could be used to finance additional projects each year.
- Scenario II (Parity and Subordinate Bonds):** in addition to the immediate use of its cash on hand, the Council issues a combination of parity bonds and subordinate bonds, including both traditional current interest bonds and capital appreciation bonds. By maximizing the Council's capacity to issue Additional Bonds immediately (2015), and subsequently issuing both current interest and capital appreciation Subordinate Bonds as quickly as possible while maintaining a minimum subordinate lien net revenue coverage ratio of 1.20 times, we project the Council has the capacity to fund its improvements

more quickly than under Scenario I. Like Scenario I, Scenario II also ignores the availability of excess revenues which could be used to cash-finance additional projects each year.

- Scenario III (Bonding + All Excess Revenues):** in addition to the immediate use of its cash on hand, the Council issues one series of bonds on a parity with the 2010ABC Bonds to maximize its immediate bonding capacity under its existing gross revenue pledge (similar to Scenario I). The Council also uses excess revenues each year for Pay As You Go (PAYGO) capital as an additional funding source. Under this scenario, the Council's cumulative excess revenues amount to more than \$125 million over the next 21 years (through 2036), which together with the initial bonding and cash on hand today, exceed the \$150 million funding objective. Although this scenario reaches the funding target approximately three years later than under Scenario II, it minimizes the Council's leverage and financing costs. It does provide fewer resources in the near term and exposes the Council to more construction inflation risk than Scenario II.

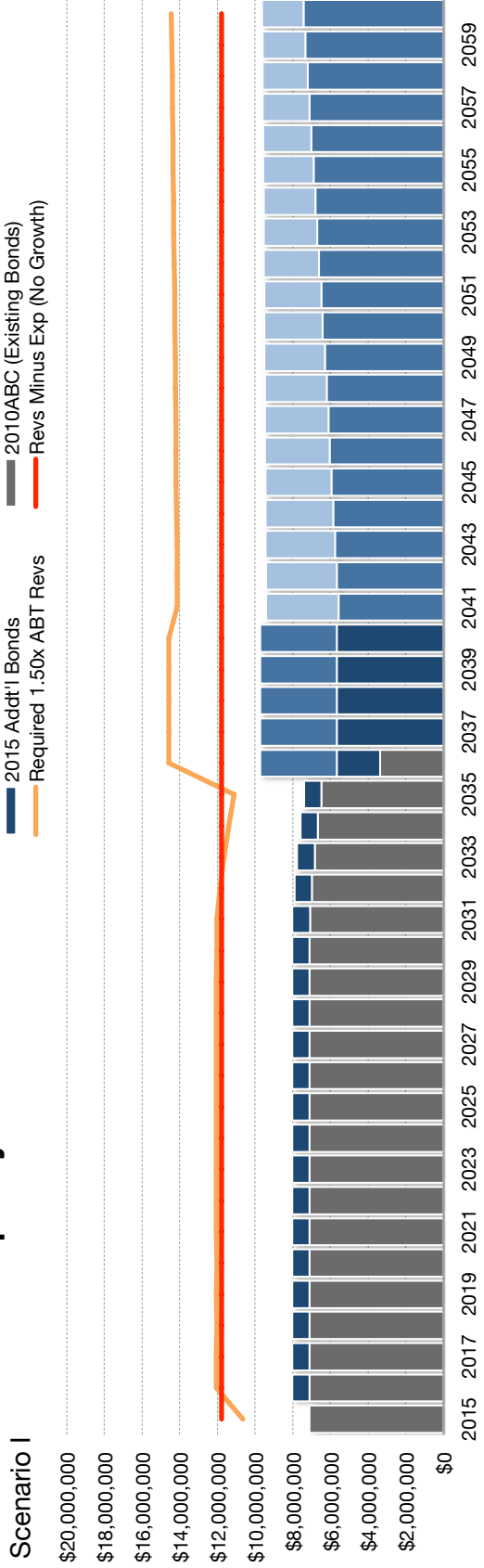
Scenario I – Parity Bonds Issued Under the Existing Indenture

Scenario I is designed to fund \$135 million in desired infrastructure improvements entirely with Additional Bonds secured by Flood Prevention District Revenues on parity with the existing 2010ABC Bonds. The chief constraint under this plan is the requirement that Flood Protection District Revenues for the 12 months prior to the issuance of any Additional Bonds equal at least 1.50 times aggregate Maximum Annual Debt Service including the projected debt service for such Additional Bonds. This coverage limitation, combined with the Council's existing debt and maximum bond maturity of 25 years from issuance, constrains the size and timing of the issuance of Additional Bonds. The goal of this scenario is to fund the full \$135 million exclusively with Additional Bonds as quickly, and with as few transactions, as possible while meeting these constraints.

The multi-year plan of finance, summarized below, illustrates the Council's capacity to immediately finance an estimated \$20.5 million, or approximately 15% of its total financing requirements, through bonding. The remaining \$114.5 million is financed with separate bond issues in 2035 (the next 55%) and 2040 (the remaining 30%). At the time of each financing, the Maximum Annual Debt Service coverage factor is calculated using the prior year's estimated revenues, which take into consideration the 1.25% annual growth factor we assume for revenues and expenditures (see discussion below). The projected coverage factor hovers at or just above 1.50x throughout the entire plan of finance. The table and graph below detail the issuance of each series of Additional Bonds under this scenario.

<u>Financing Designation</u>	<u>Security</u>	<u>Financing Type</u>	<u>Interest Rate</u>	<u>Issued</u>	<u>Final Maturity</u>	<u>Term (yrs.)</u>	<u>Net Proceeds</u>
Series 2015 Bonds	Senior	Current Interest Bonds	4.25%	4/15/2015	4/15/2040	25	\$20,500,000
Series 2035 Bonds	Senior	Current Interest Bonds	5.25%	4/15/2035	4/15/2060	25	\$75,000,000
Series 2040 Bonds	Senior	Current Interest Bonds	5.75%	4/15/2040	4/15/2060	20	\$39,500,000

Pro Forma Debt Capacity



Scenario II – Blended Securities and Financing Types

Scenario II is designed to estimate the Council's capacity to fund its infrastructure improvements as quickly as possible using a financing program comprised of both Additional Bonds and Subordinate Bonds and using both current interest bonds (traditional fixed-rate coupon bonds) and capital appreciation bonds. A capital appreciation bond, or CAB, is a bond sold at a steep discount that pays both principal and compound interest in a single payment at maturity. Although the single payment and compounding interest translate into higher borrowing costs for the Council versus traditional fixed-rate coupon bonds, the single payment structure of CABs creates extensive flexibility to work around coverage factors and existing debt constraints. In this scenario, for instance, CABs issued in 2025 and 2033 are used to bypass particularly tight revenue coverage "bottlenecks" that preclude the use of traditional coupon-bearing bonds.

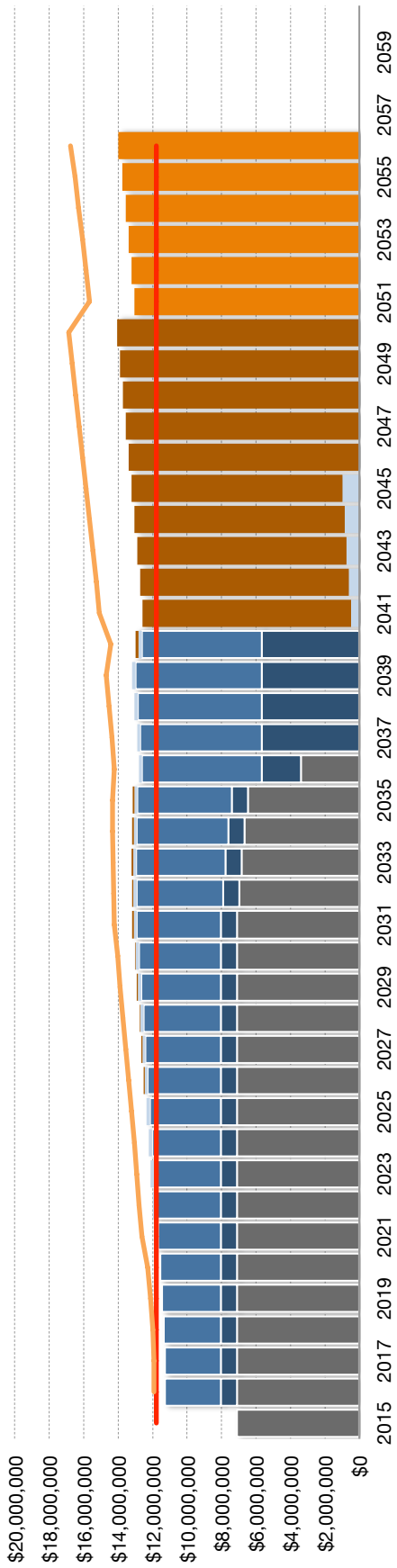
The repayment stream for Subordinate Bonds is net revenues, calculated as: (Flood Protection District Revenues) – (parity debt service + operating expenditures). The financing plan detailed below maximizes the Council's immediate capacity to issue the same Series 2015 Additional Bonds described in Scenario I, combined with a Series 2015 Subordinate Bond financing issued to maximize the Council's capacity assuming a 1.20x net revenues coverage constraint: [(Flood Protection District Revenues) – (parity debt service + operating expenditures)] ÷ (Subordinate Bond principal + interest)[†]. This plan expedites the development of 500-year probability event flood protection, providing financing for nearly 60% of the project by 2020, with the remaining balance partially funded in years 2025 and 2033.

[†] Available reserve fund monies are assumed to offset debt service requirements during the final maturity of each respective Subordinate Bond series.

The table below summarizes the assumed timing, amounts and structures of bonds to be issued in support of the project under Scenario II.

<u>Financing Designation</u>	<u>Security</u>	<u>Financing Type</u>	<u>Interest Rate</u>	<u>Issued</u>	<u>Final Maturity</u>	<u>Term (yrs.)</u>	<u>Net Proceeds</u>
Series 2015 Bonds	Senior	Current Interest Bonds	4.25%	4/15/2015	4/15/2040	25	\$ 20,500,000
Series 2015 Bonds	Subordinate	Current Interest Bonds	5.25%	4/15/2015	4/15/2040	25	\$ 54,250,000
Series 2020 Bonds	Subordinate	Current Interest Bonds	5.75%	4/15/2020	4/15/2045	25	\$ 2,900,000
Series 2025 Bonds	Subordinate	Capital Apprec. Bonds	6.00%	4/15/2025	4/15/2050	25	\$ 35,250,000
Series 2033 Bonds	Subordinate	Capital Apprec. Bonds	6.00%	4/15/2033	4/15/2056	23	\$ 22,100,000

Pro Forma Debt Capacity Revenues vs. Debt Service



Scenario III – One Time Bonding and PAYGO Funding

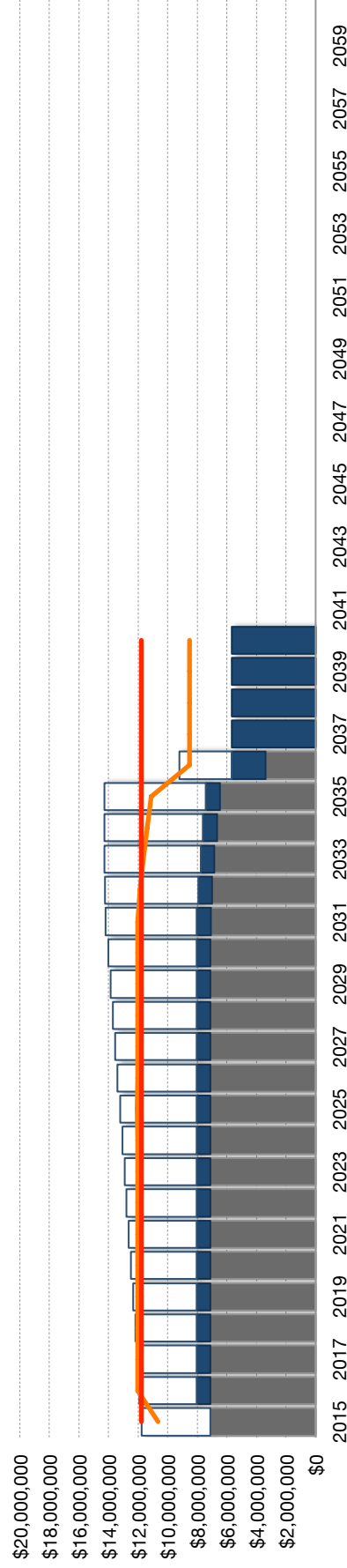
Scenario III is designed to estimate the Council’s ability to fund its improvements by (i) immediately maximizing its senior lien capacity through a financing in 2015 as demonstrated in Scenarios I and II, and (ii) pooling excess net revenues each year to fund improvements on an as needed basis with cash. We estimate the timetable for pooling enough cash to reach the Council’s funding target to be just over 20 years, demonstrated in the table below. The advantages of this scenario include improved cost efficiencies through (i) a significantly lower interest expense and (ii) relative to Scenario I, a diminished risk of construction cost inflation since projects are cash-funded on a consistent basis. The key disadvantage of dedicating most—or all—of the Council’s excess revenues to funding improvements

is a substantially reduced liquidity position. A more discreet disadvantage is the opportunity cost of capital—very limited, at least in the near-term—in the form of forgone interest earnings on sizable cash balances.

The table below summarizes the assumed timing, amounts and structures of capital to be used in support of the project under Scenario III.

Financing Designation	Security	Financing Type	Interest Rate	Issued	Final Maturity	Term (yrs.)	Net Proceeds
Series 2015 Bonds	Senior	Current Interest Bonds	4.25%	4/15/2015	4/15/2040	25	\$ 20,500,000
Pay As You Go (Years 1-5)							\$ 21,070,425
Pay As You Go (Years 6-10)							\$ 23,737,668
Pay As You Go (Years 11-15)							\$ 27,555,885
Pay As You Go (Years 16-20)							\$ 31,699,727
Pay As You Go (Year 21)							\$150 Million Funding Target Reached

Pro Forma Debt Capacity Scenario III

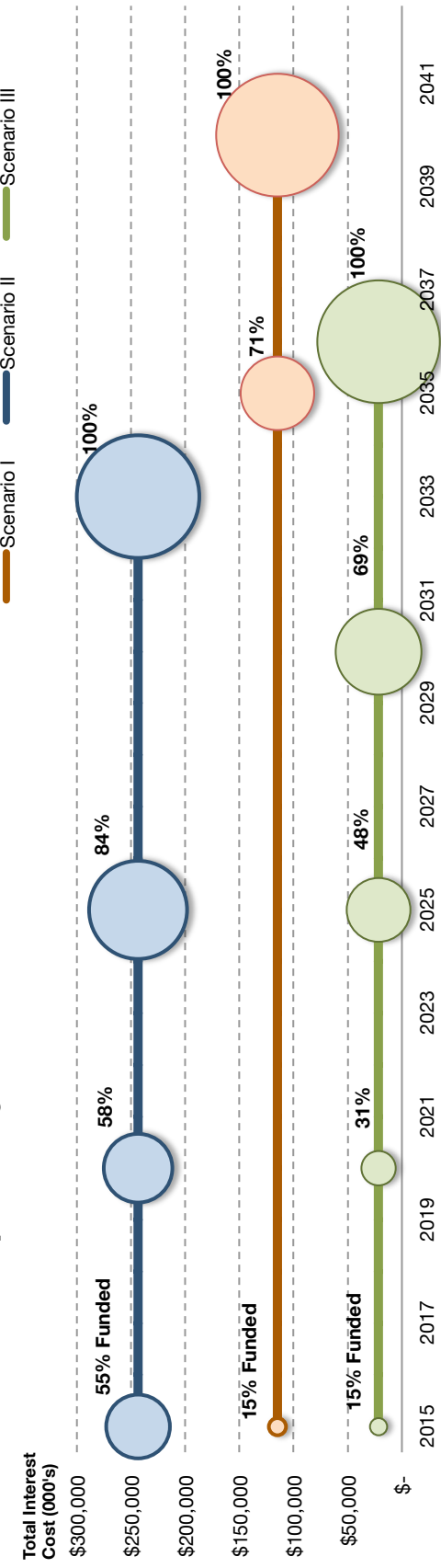


Financing Costs and Inflation Considerations vs. Construction Expediency

Assuming a constant net funding requirement of \$135 million, we have illustrated the tradeoff between estimated interest cost and the funding timeline for the three scenarios on the graph below. The tradeoff between issuing only senior lien bonds over a period of 25 years to save borrowing costs versus fully funding the

improvements in less than 20 years through the strategic use of a myriad of borrowing tools and security structures, is nominal interest cost through the life of each scenario of approximately \$128 million, or a 112% differential. In nominal terms, Scenarios I and II have total estimated interest costs of \$115 million (Scenario I) and \$243 million (Scenario II), as illustrated below. Scenario III provides the lowest total interest cost, but provides for significantly less progress toward the final construction goal in the short- and mid-term than Scenario II.

Interest Cost vs. Expediency

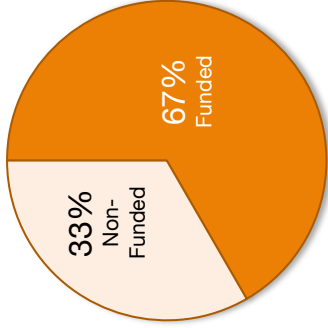


Each of the three scenarios detailed above assumes no loss of purchasing power over the study period: each produces \$150 million in total project funding. Realistically, however, we would expect that the longer the timeline for completion, the less purchasing power would be available to the Council. Put another way, it is reasonable to assume the same \$150 million today will purchase more yards of concrete, more pumping equipment and more steel rebar than \$150 million will in 2040. Although Scenario II produces the highest nominal interest cost of the three scenarios, the real cost of the scenario is mitigated when the impact of construction inflation is projected, as illustrated in the figure below. Assuming a two (2) percent constant rate of construction inflation, Scenario II provides the highest amount of purchasing power (because it finances more of the project in a shorter period of time). It is important the Council consider the potential impact of inflation in the context of the distinct funding timelines presented in all three scenarios. Detailed inflation-adjusted funding schedules at annual growth rates of 1%, 2%, and 3% are included in **Appendix—Digest of Key Assumptions**.

Purchasing Power Index for 500-yr Flood Protection Infrastructure

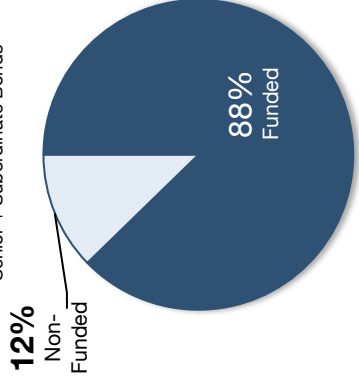
Assuming Constant 2.0% Annual Inflation Rate and \$150 million in Nominal Dollars

Scenario I at 2040
All Senior Bonds



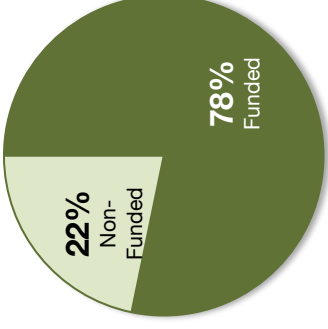
Inflation adjusted unfunded balance of **\$65.5 million** at time of final scheduled bonding in **2040**.

Scenario II at 2033
Senior + Subordinate Bonds



Inflation adjusted unfunded balance of **\$18.9 million** at time of final scheduled bonding in **2033**.

Scenario III at 2036
Senior Bonds + PAYGO



Inflation adjusted unfunded balance of **\$33.8 million** at time of final scheduled bonding in **2036**.

OTHER FINANCING TOOLS, LEVERS & CONSIDERATIONS

As part of our analysis, we identified a number of other considerations.

Leveraging the 2010ABC Bond's Optional Redemption Provision. The Council's 2010ABC Bonds maturing in 2021 and thereafter are subject to optional redemption at par on and after April 15, 2020. Although this report assumes the 2010ABC Bonds will remain outstanding through their respective maturity dates (as a conservative measure), it is plausible that an opportunity will arise when refunding these bonds to realize an economic or restructuring objective—or both—will prove advantageous. This scenario is especially likely for the federally subsidized Series 2010B (Build America Bonds) and Series 2010C (Recovery Zone Economic Development Bonds) if the US government expands cuts to—or eliminates altogether—the ARRA subsidy program, at which point the economic advantage of refinancing these bonds with traditional tax-exempt debt is likely to be material.

Extraordinary Optional Redemption. The Series 2010B and Series 2010C Bonds are subject to—and in light of the Federal Government’s reduction to its bond subsidy payments, qualify for—Extraordinary Optional Redemption (“ERP”) pursuant to the Indenture. The ERP is a “make-whole” provision that requires, if executed, that the Council redeem bonds at the price equal to the greater of (i) 100% of the principal amount of the bonds to be redeemed, and (ii) the sum of the present value (using a benchmark Treasury rate as the discount rate) of the remaining principal and interest payments. Although this make-whole provision all but precludes the Council from refinancing or restructuring the Series 2010B or Series 2010C Bonds for economic savings prior to April 2020, it provides the flexibility to defease the bonds at any time should the Council determine it is advantageous to do so.

Funding Debt Service Reserve Funds. Issuers, including the Council, typically use bond proceeds from each transaction to fully-fund the Debt Service Reserve Fund on that transaction. An alternative DSRF funding method is to purchase a surety bond from a third-party, which in exchange for a one-time nonrefundable payment at the issuance of the underlying financing—typically a predetermined percentage of maximum annual debt service—agrees to make available to bondholders the Debt Service Reserve Fund Requirement in the event of a revenue shortfall. As a result, bond proceeds at issuance that would typically be set aside to fund the DSRF are instead made available for projects, enhancing bond capacity.

The Council may also consider replacing its existing bond proceeds-funded reserve fund related to the 2010ABC Bonds with a surety bond to immediately free up the cash held on deposit (\$6.2 million) for projects.[†]

LIMITATIONS OF ANALYSIS

The feasibility of this analysis is heavily dependent upon the underlying assumptions, particularly: the Council’s borrowing costs and funding requirements (a net financing requirement of \$135 million that remains constant over time); projected revenues and expenditures growth; the marketability and credit ratings of the Council’s future bondings; and the consideration of inflated construction costs over time.

Financing Costs. We believe the interest rates used in this analysis are fair, reflect recent comparable transactions in the municipal bond market, and appropriately accommodate the prospect of rising borrowing costs over the next several years. Interest rates, however, are subject to significant change in a short period of time. Current interest rates remain well below historical averages. See **Appendix—Digest of Key Assumptions** for more information about the interest rates used in this analysis.

Growth in Revenues & Expenditures. Based upon the Council’s five-year sales tax collections history, we believe the 1.25% annual growth rate in revenues is a fair and conservative estimate (see **Appendix—Digest of Key Assumptions**, below). We have assumed a constant annual growth in expenditures of 1.25% to match the growth in revenues. Due to the unpredictable nature of both the capital markets and future economic conditions, we wish to emphasize, however, that the scenarios depicted in this analysis are preliminary estimates provided for illustrative purposes only and are fully subject to change. Stagnant or negative growth in sales tax collections, particularly, will have the effect of diminishing available bond proceeds and lengthening the projected completion timeline.

Bond Ratings. Moody’s Investors Service currently rates the Council’s 2010ABC Bonds as ‘Aa3.’ Using our proprietary model developed under Moody’s existing special tax rating criteria and methodology, we have concluded that the Council can reasonably expect to maintain/achieve this rating on its existing

[†] The Series 2010ABC Bonds DSRF is currently invested in a repurchase agreement expiring December 16, 2020. Using a surety would require breaking this agreement which might result in a fee to the Council.

bonds and any Additional Bonds issued under the Indenture. We expect any Subordinate Bonds should achieve a bond rating of either one ('A1') or two ('A2') notches lower than the Council's parity bond rating. Should the Council experience a rating downgrade related to its parity bonds for any reason, fail to achieve an 'A1' or 'A2' rating for its Subordinate Bond financing program, or experience an illiquid or otherwise unreceptive credit market, it will experience reduced bonding capacity.

Other Considerations. The funding scenarios described herein are only a fraction of the possible financing alternatives available to the Council. We believe, however, that they represent three of the more feasible approaches to meeting the Council's funding objectives. Other approaches might include more frequent, smaller issuances; the use of Senior Lien CABs; the strategic acceptance of a lower credit rating(s) today to permit more leverage of the Flood Prevention District Revenues; etc. We are prepared to explore these alternatives in-depth at the request of the Council.

CONCLUSION AND POLICY CONSIDERATIONS

The Council has the tools available to it to raise significant additional sums to finance additional flood protection improvements. Through a mix of additional senior lien bonds, subordinate lien bonds and pay-as-you-go cash financing, we have illustrated three possible scenarios to generate \$150 million (nominal dollars) for construction projections. Each scenario presents a trade-off of time versus cost versus inflation protection. The table below summarizes the findings of our analysis:

SCENARIO	\$150MM Funded by Year	Amount (\$) Funded Through 2020	Excess Revenues Not Used by Scenario Through 2020	% of \$150MM Funded at 2% Construction Inflation	Total Projected Interest Cost
Scenario I	2040	\$35,500,000	\$21.1 MM	67%	\$115 MM
Scenario II	2033	\$92,650,000	\$21.1 MM	88%	\$243 MM
Scenario III	2036	\$56,570,425	\$0	80%	\$64 MM

This analysis and the three scenarios presented are only a starting point. Once the Council has determined as a matter of policy that it desires to pursue additional flood protection improvements, we can refine our analysis to address the policy goals established by the Council for future projects. We look forward to participating in those discussions.

APPENDIX – DIGEST OF KEY ASSUMPTIONS & SUPPORTING DOCUMENTATION

The table below lists key assumptions used in preparing the analysis in this report. Significant changes in any of these assumptions may have a material impact on the analysis and the conclusions we have drawn from it.

Each of the scenarios described in this analysis assume the following base assumptions, as necessary:

Base Sales Tax Receipts (2015):	\$11,237,000
Annual Growth in Sales Tax Receipts:	1.25%
Base Operating Expenditures (2015):	\$300,000
Annual Growth in Operating Expenditures:	1.25%
Assumed Receipts of Scheduled Federal ARRA Subsidy Payments:	92.80%
500-yr Flood Prevention Assumed Total Funding Requirement:	\$150,000,000
Flood Prevention Funding Requirement Met with Cash on Hand:	\$15,000,000
Bond Issuance Costs Per Transaction (Working Group), % of Par Issued:	1.00%
Bond Issuance Costs Per Transaction (Underwriter), % of Par Issued:	1.20%
Maximum Issuance Term from Issuance for Each Series of Bonds:	25 Years
Senior Lien Bond Reserve Requirement:	Per 2010ABC Indenture
Subordinate Bond Reserve Requirement:	IRS 3-Prong Test
Senior Lien Minimum Coverage Constraint:	1.50x
Subordinate Lien Minimum Coverage Constraint (Net Revenues):	1.20x
Additional Bonds Test Revenues:	Projected at Time of Issuance

Interest Rate Assumptions and Derivation. The basis for the interest rates used in this analysis is summarized below, beginning with the assumption that the Council could borrow 25-year term Additional Bonds at 4.25% under prevailing market conditions. This assumption is supported by recent comparable market transactions and takes into consideration the potential impact of the “Illinois Penalty,” the cost all Illinois issuers bear given the fiscal challenges of the state government. We approximate the initial spread between borrowing senior and subordinate lien debt to be 1.00% and provide for systematic growth in borrowing costs over time to accommodate the prospect of an increasing interest rate environment.

Timeline t=	Senior		Subordinate		Senior
	CIB	CAB	CIB	CAB	
0	4.25%	-	5.25%	-	2015 Issuance at estimated market rate of 4.25%
5	-	-	5.75%	-	2035 Issuance at 4.25% plus 1.00% growth in rates over time
10	-	-	-	6.00%	2040 Issuance at 5.25% plus 0.50% growth in rates over time
18	-	-	-	6.00%	Subordinate
20	5.25%	-	-	-	2015 Issuance at estimated Senior rate + 1.00% Spread
25	5.75%	-	-	-	2020 Issuance at 5.25% + 0.50% growth in rates over time
					2025 Issuance at 5.75% + 0.25% growth in rates/CAB spread
					2030 Issuance at 6.00% on par with 2025 CAB

Sales Tax Growth Projections. The Council’s five-year history of sales tax collections, summarized below, equates to a compound annual growth rate of 1.65%. We have assumed an annual growth rate in sales tax collections of 1.25% throughout this analysis.

Year	Madison	St. Clair	Monroe	Total	Change	GeoMean
2009	4,783,780	5,074,450	469,627	10,327,857	-	-
2010	5,222,191	5,312,924	511,890	11,047,005	6.96%	6.96%
2011	5,419,230	5,331,638	513,845	11,264,713	1.97%	4.44%
2012	5,362,675	5,394,563	537,146	11,294,384	0.26%	3.03%
2013	5,189,199	5,293,807	543,310	11,026,316	-2.37%	1.65%

Inflation Adjusted Funding Status

Scenario I - All Senior Lien Bonds										Adjusting For Project Cost Inflation					
										1.00%		2.00%		3.00%	
t	Funding Year	Funding Requirement	Bond Proceeds	Requirement Balance	Nominal % Funded	Adjusted Balance	Adjusted % Funded	Adjusted Balance	Adjusted % Funded	Adjusted Balance	Adjusted % Funded				
0	2015	135,000,000	20,500,000	114,500,000	15.2%	114,500,000	15.2%	114,500,000	15.2%	114,500,000	15.2%				
1	2016	114,500,000	-	114,500,000	15.2%	115,645,000	15.1%	116,790,000	14.9%	117,935,000	14.8%				
2	2017	114,500,000	-	114,500,000	15.2%	116,801,450	14.9%	119,125,800	14.7%	121,473,050	14.4%				
3	2018	114,500,000	-	114,500,000	15.2%	117,969,465	14.8%	121,508,316	14.4%	125,117,242	14.1%				
4	2019	114,500,000	-	114,500,000	15.2%	119,149,159	14.7%	123,938,482	14.2%	128,870,759	13.7%				
5	2020	114,500,000	-	114,500,000	15.2%	120,340,651	14.6%	126,417,252	14.0%	132,736,882	13.4%				
6	2021	114,500,000	-	114,500,000	15.2%	121,544,057	14.4%	128,945,597	13.7%	136,718,988	13.0%				
7	2022	114,500,000	-	114,500,000	15.2%	122,759,498	14.3%	131,524,509	13.5%	140,820,558	12.7%				
8	2023	114,500,000	-	114,500,000	15.2%	123,987,093	14.2%	134,154,999	13.3%	145,045,174	12.4%				
9	2024	114,500,000	-	114,500,000	15.2%	125,226,964	14.1%	136,838,099	13.0%	149,396,530	12.1%				
10	2025	114,500,000	-	114,500,000	15.2%	126,479,233	13.9%	139,574,861	12.8%	153,878,425	11.8%				
11	2026	114,500,000	-	114,500,000	15.2%	127,744,026	13.8%	142,366,358	12.6%	158,494,778	11.5%				
12	2027	114,500,000	-	114,500,000	15.2%	129,021,466	13.7%	145,213,685	12.4%	163,249,622	11.2%				
13	2028	114,500,000	-	114,500,000	15.2%	130,311,681	13.6%	148,117,959	12.2%	168,147,110	10.9%				
14	2029	114,500,000	-	114,500,000	15.2%	131,614,797	13.5%	151,080,318	11.9%	173,191,523	10.6%				
15	2030	114,500,000	-	114,500,000	15.2%	132,930,945	13.4%	154,101,925	11.7%	178,387,269	10.3%				
16	2031	114,500,000	-	114,500,000	15.2%	134,260,255	13.2%	157,183,963	11.5%	183,738,887	10.0%				
17	2032	114,500,000	-	114,500,000	15.2%	135,602,857	13.1%	160,327,642	11.3%	189,251,054	9.8%				
18	2033	114,500,000	-	114,500,000	15.2%	136,958,886	13.0%	163,534,195	11.1%	194,928,586	9.5%				
19	2034	114,500,000	-	114,500,000	15.2%	138,328,475	12.9%	166,804,879	10.9%	200,776,443	9.3%				
20	2035	114,500,000	75,000,000	39,500,000	70.7%	64,711,760	59.6%	95,140,977	50.1%	131,799,736	42.0%				
21	2036	39,500,000	-	39,500,000	70.7%	65,358,877	59.4%	97,043,796	49.6%	135,753,728	41.3%				
22	2037	39,500,000	-	39,500,000	70.7%	66,012,466	59.1%	98,984,672	49.1%	139,826,340	40.6%				
23	2038	39,500,000	-	39,500,000	70.7%	66,672,591	58.9%	100,964,366	48.6%	144,021,131	39.9%				
24	2039	39,500,000	-	39,500,000	70.7%	67,339,317	58.6%	102,983,653	48.1%	148,341,764	39.2%				
25	2040	39,500,000	39,500,000	-	100.0%	28,512,710	82.6%	65,543,326	67.3%	113,292,017	54.4%				

Inflation Adjusted Funding Status

Scenario II - Senior + Subordinate Lien Bonds											
t =	Funding Year	Funding Requirement	Bond Proceeds	Requirement Balance	Nominal % Funded	Adjusting For Project Cost Inflation					
						1.00%		2.00%		3.00%	
						Adjusted Balance	Adjusted % Funded	Adjusted Balance	Adjusted % Funded	Adjusted Balance	Adjusted % Funded
0	2015	135,000,000	74,750,000	60,250,000	55.4%	60,250,000	55.4%	60,250,000	55.4%	60,250,000	55.4%
1	2016	60,250,000	-	60,250,000	55.4%	60,852,500	55.1%	61,455,000	54.9%	62,057,500	54.6%
2	2017	60,250,000	-	60,250,000	55.4%	61,461,025	54.9%	62,684,100	54.4%	63,919,225	53.9%
3	2018	60,250,000	-	60,250,000	55.4%	62,075,635	54.6%	63,937,782	53.9%	65,836,802	53.2%
4	2019	60,250,000	-	60,250,000	55.4%	62,696,392	54.4%	65,216,538	53.4%	67,811,906	52.4%
5	2020	60,250,000	2,900,000	57,350,000	57.5%	60,423,356	56.2%	63,620,868	55.0%	66,946,263	53.7%
6	2021	57,350,000	-	57,350,000	57.5%	61,027,589	56.0%	64,893,286	54.5%	68,954,651	53.0%
7	2022	57,350,000	-	57,350,000	57.5%	61,637,865	55.7%	66,191,151	54.0%	71,023,290	52.2%
8	2023	57,350,000	-	57,350,000	57.5%	62,254,244	55.5%	67,514,975	53.5%	73,153,989	51.5%
9	2024	57,350,000	-	57,350,000	57.5%	62,876,786	55.3%	68,865,274	53.0%	75,348,609	50.8%
10	2025	57,350,000	35,250,000	22,100,000	83.6%	28,255,554	80.0%	34,992,579	76.3%	42,359,067	72.7%
11	2026	22,100,000	-	22,100,000	83.6%	28,538,109	79.8%	35,692,431	76.0%	43,629,839	72.1%
12	2027	22,100,000	-	22,100,000	83.6%	28,823,491	79.7%	36,406,280	75.6%	44,938,734	71.5%
13	2028	22,100,000	-	22,100,000	83.6%	29,111,725	79.5%	37,134,405	75.2%	46,286,896	70.9%
14	2029	22,100,000	-	22,100,000	83.6%	29,402,843	79.3%	37,877,093	74.9%	47,675,503	70.3%
15	2030	22,100,000	-	22,100,000	83.6%	29,696,871	79.2%	38,634,635	74.5%	49,105,768	69.7%
16	2031	22,100,000	-	22,100,000	83.6%	29,993,840	79.0%	39,407,328	74.1%	50,578,941	69.1%
17	2032	22,100,000	-	22,100,000	83.6%	30,293,778	78.8%	40,195,475	73.7%	52,096,310	68.4%
18	2033	22,100,000	22,100,000	-	100.0%	8,496,716	94.1%	18,899,384	87.7%	31,559,199	81.1%

Inflation Adjusted Funding Status

Scenario III - Senior Bonds + PAYGO														
t	Funding Year	Funding Requirement	Bonds & PAYGO	Requirement Balance	Nominal % Funded	1.00%			2.00%			3.00%		
						Adjusted Balance	Adjusted % Funded	Adjusted % Funded	Adjusted Balance	Adjusted % Funded	Adjusted % Funded	Adjusted Balance	Adjusted % Funded	Adjusted % Funded
0	2015	135,000,000	25,180,371	109,819,629	18.7%	109,819,629	18.7%	109,819,629	18.7%	109,819,629	18.7%	109,819,629	18.7%	
1	2016	109,819,629	3,887,458	105,932,171	21.5%	107,030,367	21.4%	108,128,563	21.2%	109,226,760	21.0%	109,226,760	21.0%	
2	2017	105,932,171	4,025,130	101,907,041	24.5%	104,075,541	24.1%	106,266,005	23.7%	108,478,433	23.4%	108,478,433	23.4%	
3	2018	101,907,041	4,168,781	97,738,260	27.6%	100,947,515	27.0%	104,222,544	26.3%	107,564,004	25.7%	107,564,004	25.7%	
4	2019	97,738,260	4,308,685	93,429,575	30.8%	97,648,305	29.9%	101,998,310	29.0%	106,482,240	28.1%	106,482,240	28.1%	
5	2020	93,429,575	4,454,462	88,975,113	34.1%	94,170,326	32.8%	99,583,814	31.6%	105,222,245	30.4%	105,222,245	30.4%	
6	2021	88,975,113	4,597,636	84,377,477	37.5%	90,514,394	35.9%	96,977,854	34.3%	103,781,276	32.8%	103,781,276	32.8%	
7	2022	84,377,477	4,744,202	79,633,275	41.0%	86,675,336	39.0%	94,173,209	37.0%	102,150,512	35.1%	102,150,512	35.1%	
8	2023	79,633,275	4,895,085	74,738,190	44.6%	82,647,004	42.2%	91,161,588	39.8%	100,319,943	37.5%	100,319,943	37.5%	
9	2024	74,738,190	5,046,282	69,691,907	48.4%	78,427,191	45.4%	87,938,538	42.6%	98,283,259	39.9%	98,283,259	39.9%	
10	2025	69,691,907	5,195,917	64,495,990	52.2%	74,015,547	48.8%	84,501,392	45.5%	96,035,839	42.3%	96,035,839	42.3%	
11	2026	64,495,990	5,352,512	59,143,478	56.2%	69,403,190	52.2%	80,838,907	48.4%	93,564,402	44.8%	93,564,402	44.8%	
12	2027	59,143,478	5,510,593	53,632,885	60.3%	64,586,629	55.7%	76,945,092	51.4%	90,860,741	47.2%	90,860,741	47.2%	
13	2028	53,632,885	5,668,920	47,963,965	64.5%	59,563,575	59.4%	72,815,074	54.4%	87,917,644	49.7%	87,917,644	49.7%	
14	2029	47,963,965	5,827,943	42,136,022	68.8%	54,331,267	63.1%	68,443,432	57.6%	84,727,230	52.3%	84,727,230	52.3%	
15	2030	42,136,022	5,993,188	36,142,834	73.2%	48,881,392	66.9%	63,819,113	60.8%	81,275,859	54.9%	81,275,859	54.9%	
16	2031	36,142,834	6,164,853	29,977,982	77.8%	43,205,354	70.9%	58,930,643	64.1%	77,549,282	57.5%	77,549,282	57.5%	
17	2032	29,977,982	6,330,637	23,647,345	82.5%	37,306,770	74.9%	53,778,619	67.4%	73,545,124	60.2%	73,545,124	60.2%	
18	2033	23,647,345	6,514,060	17,133,284	87.3%	31,165,778	79.1%	48,340,131	70.9%	69,237,417	63.0%	69,237,417	63.0%	
19	2034	17,133,284	6,696,990	10,436,295	92.3%	24,780,446	83.4%	42,609,944	74.5%	64,617,550	65.8%	64,617,550	65.8%	
20	2035	10,436,295	6,886,109	3,550,186	97.4%	18,142,141	87.9%	36,576,034	78.2%	59,669,967	68.8%	59,669,967	68.8%	
21	2036	3,550,186	3,550,186	-	100.0%	14,773,377	90.1%	33,757,369	80.0%	57,909,881	70.0%	57,909,881	70.0%	



Memo to: Board of Directors

From: Chuck Etwert

Subject: Selection of Contractor for Construction Package #7A – Construction of the Upper Wood River Shallow (20 ft. – 30 ft. in depth) Cutoff Wall, Clay Cap, Piezometers, and Storm Water Pipe Conveyance System in the Wood River District

Date: August 18, 2014

The Southwestern Illinois Flood Prevention District (FPD) Council issued an advertisement for construction bids for Bid Package 7A on June 18, 2014. Bid Package 7A is for construction of a conventionally excavated soil-bentonite cutoff wall, approximately 20 ft. – 30 ft. in depth, a flush clay cap along the riverside face of the levee system along the cutoff wall, piezometers, and a storm drain culvert. A copy of the invitation is included as an attachment.

An advertisement for bid was published in the following newspapers the week of June 15, 2014: St. Louis Post Dispatch, Edwardsville Intelligencer, Belleville News Democrat, and the East St. Louis Monitor.

A pre-bid meeting was held on Thursday, June 26, 2014 at the Council offices. The meeting was attended by 36 individuals, including staff.

On August 13, 2014, bids were received from two (2) firms and read aloud. Results are as follows:

The Lane Construction Corporation in the amount of:	\$3,707,850.00
Kamadulski Excavating in the amount of:	\$3,076,208.70

The Council's budget for this work was \$2,750,000, with an additional 35% contingency amount.

The apparent low bid was Kamadulski Excavating from Granite City, Illinois.

AMEC reviewed the following:

- 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
- Reviewed the schedules provided
- Contacted and reviewed references
- Reviewed and discussed utilization of M/D/WBE subcontractors
- Reviewed the qualifications of the cutoff wall contractor, Geo-Solutions
- Reviewed the resumes of key construction personnel

AMEC further reviewed the specifications, bonding requirements, QA/QC material testing procedures and payment procedures to verify the FPD Council is protected during construction and quality construction is provided.

The high bidder, Lane Construction Corporation, was \$631,641.30 higher than the low bidder, Kamadulski Excavating. We reviewed the bids for the primary difference between the two bidders; the prices for the bid items varied across both of the bidders, but the primary difference in cost was for “Site Demolition and Restoration” (Line 0007) where there was a difference of \$235,682, and “Material Disposal” (Line 0017) where there was a difference of \$471,800. These items make up the majority of the difference in the bids and, in our opinion, do not indicate any bidding irregularities. The detailed bids are attached.

Both of the bids received for this project were missing a minor portion of the required submittal items; however, upon contacting both bidders we were promptly supplied with a complete set of bid documents, at which point we performed a complete review of the bids.

Kamadulski’s schedule shows a completion date of January 30, 2015 and the specification references completion by the same date.

Kamadulski Excavating has proposed to use Ray Lafore Truck Service in Swansea, IL for trucking of clay cap material, pending approval of their proposed clay source. Ray Lafore Truck Service is a WBE, certified with both IDOT and MODOT. The contractor has also indicated on their Good Faith Efforts Verification Report that Mayer Landscaping Inc., in Belleville, IL, may be used for establishment of turf, pending their bid which was not submitted to Kamadulski in time to meet the bid. Mayer Landscaping, Inc. is a WBE, certified with both IDOT and MODOT.

Based on their review, AMEC concluded that Kamadulski Excavating is qualified to perform the work and has recommended that the Council select this company to perform the construction of Bid Package 7A.

Recommendation

Authorize the Chief Supervisor to execute a \$3,076,208.70 contract with Kamadulski Excavating to perform Construction Package 7A with a total cost not to exceed \$3,383,829.50 (\$3,076,208.70. plus a 10% contingency)

			Kamadulski Excavating	The Lane Construction Corporation	High	Low	Average	Unit Cost High	Unit Cost Low	Unit Cost Avg
0001	Mobilization & Demobilization	1	\$ 110,150.00	\$ 150,000.00	\$ 110,150.00	\$ 110,150.00	\$ 110,150.00			
0002	Bonds & Insurance	1	\$ 52,860.00	\$ 20,000.00	\$ 52,860.00	\$ 52,860.00	\$ 52,860.00			
0003	Construction Staking	1	\$ 73,600.00	\$ 60,000.00	\$ 73,600.00	\$ 73,600.00	\$ 73,600.00			
0004	Environmental Protection	1	\$ 40,400.00	\$ 50,000.00	\$ 40,400.00	\$ 40,400.00	\$ 40,400.00			
0005	Establishment of Turf	1	\$ 64,900.00	\$ 35,000.00	\$ 64,900.00	\$ 64,900.00	\$ 64,900.00			
0006	Dewatering	1	\$ 27,584.00	\$ 30,000.00	\$ 27,584.00	\$ 27,584.00	\$ 27,584.00			
0007	Site Demolition & Restoration	1	\$ 315,818.00	\$ 551,500.00	\$ 315,818.00	\$ 315,818.00	\$ 315,818.00			
0008	Stripping	1	\$ 35,854.00	\$ 8,500.00	\$ 35,854.00	\$ 35,854.00	\$ 35,854.00			
0009	Excavation – Levee Slope and Crown									
	a. First 12,030 CY	12,030	\$ 89,503.20	\$ 48,120.00	\$ 89,503.20	\$ 89,503.20	\$ 89,503.20	\$ 7.44	\$ 7.44	\$ 7.44
	b. All over 12,030 CY	4,010	\$ 32,280.50	\$ 28,070.00	\$ 32,280.50	\$ 32,280.50	\$ 32,280.50	\$ 8.05	\$ 8.05	\$ 8.05
0010	Backfill - Soil Bentonite Slurry Trench Cutoff Wall									
	a. First 25,900 SF	25,900	\$ 397,565.00	\$ 388,500.00	\$ 397,565.00	\$ 397,565.00	\$ 397,565.00	\$ 15.35	\$ 15.35	\$ 15.35
	b. All over 25,900 SF	8,640	\$ 47,520.00	\$ 129,600.00	\$ 47,520.00	\$ 47,520.00	\$ 47,520.00	\$ 5.50	\$ 5.50	\$ 5.50
0011	Excavation - Soil Bentonite Slurry Trench Cutoff Wall									
	a. First 25,900 SF	25,900	\$ 182,595.00	\$ 142,450.00	\$ 182,595.00	\$ 182,595.00	\$ 182,595.00	\$ 7.05	\$ 7.05	\$ 7.05
	b. All over 25,900 SF	8,640	\$ 41,904.00	\$ 47,520.00	\$ 41,904.00	\$ 41,904.00	\$ 41,904.00	\$ 4.85	\$ 4.85	\$ 4.85
0012	Geotechnical Instrumentation Installation	1	\$ 167,415.00	\$ 108,000.00	\$ 167,415.00	\$ 167,415.00	\$ 167,415.00			
0013	Impervious Clay Fill	28,920	\$ 860,370.00	\$ 961,590.00	\$ 860,370.00	\$ 860,370.00	\$ 860,370.00	\$ 29.75	\$ 29.75	\$ 29.75
0014	Ditch Filling and Storm Drain Utilities	1	\$ 21,290.00	\$ 30,000.00	\$ 21,290.00	\$ 21,290.00	\$ 21,290.00			
0015	Waterline Abandonment	1	\$ 2,900.00	\$ 9,000.00	\$ 2,900.00	\$ 2,900.00	\$ 2,900.00			
0016	Electric and Communication Lines	1	\$ 225,000.00	\$ 140,000.00	\$ 225,000.00	\$ 225,000.00	\$ 225,000.00			
0017	Material Disposal	1	\$ 243,200.00	\$ 715,000.00	\$ 243,200.00	\$ 243,200.00	\$ 243,200.00			
0018	Railroad Track Removal and Reinstallation	1	\$ 43,500.00	\$ 55,000.00	\$ 43,500.00	\$ 43,500.00	\$ 43,500.00			
GRAND TOTAL - BID PACKAGE 7A				\$ 3,076,208.70	\$ 3,076,208.70	\$ 3,076,208.70	\$ 3,076,208.70	\$	\$	\$ 3,076,208.70
			Δ	\$ 631,641.30						
			Δ	21%						

CONTRACTOR INFORMATION

American Institute of Architects (AIA) Document A305	Yes
IDOT Prequalified	Yes
MoDOT Prequalified	No
Schedule of Values	Yes
Bid Security (Bid Bond) - Attachment 300-B	Yes
Tabulation of Subcontractors & Suppliers	Yes
Acknowledgement of Addendum #2	Yes
Acknowledgement of MBE Policy (ATTACHMENT 200-D)	Yes
Contractor's Good Faith Efforts Verification Report (ATTACHMENT 300-C)	Yes
MBE Utilization Statement (ATTACHMENT 300-D)	Yes
Proposed Construction Schedule	Yes
Cut Off Wall Contractor Qualifications	Yes
Bid Signed & Sealed	Yes
Was Present at Prebid Meeting	Yes
Illinois Business Registration	Yes
Contact Information Provided	Yes
References	Yes

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. Charles Etwert at the SIFPDC Office, 104 United Drive, Collinsville, Illinois 62234 until **2:00 p.m.** local time on **Wednesday, August 13, 2014**, for the construction of Southwestern Illinois Flood Prevention District Council Project (BID PACKAGE 7A – UPPER CUTOFF WALL). Bids will be publicly opened and read at the SIFPDC Office at **2:01 p.m.** local time on **Wednesday, August 13, 2014**.

A pre-bid conference will be held at **9:00 a.m.** on **Thursday, June 26, 2014**, at the SIFPDC Office, 104 United Drive, Collinsville, Illinois 62234. Representatives of OWNER (ENGINEER) will be present to discuss the Project. **Bidders are required to attend the pre-bid 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.

A site visit will be held shortly after the pre-bid meeting with representatives of OWNER (ENGINEER) to leave the SIFPDC Office, 104 United Drive, Collinsville, Illinois 62234 at approximately **10:15 a.m.** on **Thursday, June 26, 2014**. The site is approximately 20-minutes from the SIFPDC Office. The site visit is expected to last 30-60 minutes. A schedule of the day's pre-bid activities is below:

09:00 a.m. – 09:30 a.m. - Bid Package 7A pre-bid conference
09:30 a.m. – 10:00 a.m. - Bid Package 7B pre-bid conference
10:00 a.m. – 10:15 a.m. - Meet & Greet / Prepare for site visit
10:15 a.m. – 10:35 a.m. - Drive to Bid Package 7A construction site
(1 Henry St, Alton, IL 62002)
10:35 a.m. – 11:30 a.m. – Bid Package 7A site visit/walk (Approximate time frame)
11:30 a.m. – 11:35 a.m. – Drive to Bid Package 7B construction site
(Near intersection of IL-143 & Enviroway)
11:35 a.m. – 12:30 p.m. – Bid Package 7B site visit/walk (Approximate time frame)
12:30 p.m. - End of activities

The project consists of improvements to the Wood River Levee system including construction of:

- Cutoff wall, conventionally excavated soil-bentonite (20 ft. - 30 ft. in depth)
- Clay cap
- Piezometers
- Storm water pipe conveyance system

The improvements are along the Upper Wood River Levee system, near the Clark Bridge (U.S. Hwy 67) and the Alton Marina.

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 **Wednesday, June 18, 2014**, by submitting the following contact information to Kendra Mitchom (kendra.mitchom@amec.com) (618) 346-9120.

Contact Name:
Company Name:
Company Address:
Company Phone:
Cell Phone:
E-mail Address:
Contractor Type:

PROJECT # SIFPDC-BP7A

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.



Memo to: Board of Directors

From: Chuck Etwert

Subject: Selection of Contractor for Construction Package #7B – Construction of the Lower Wood River Deep (100 ft. – 140 ft. in depth) Cutoff Wall, Clay Cap, Piezometers, Relief Wells and Inclinometers in the Wood River District

Date: August 18, 2014

The Southwestern Illinois Flood Prevention District (FPD) Council issued an advertisement for construction bids for Bid Package 7B on June 18, 2014. Bid Package 7B is for construction of a cement-bentonite cutoff wall, constructed in panels, approximately 100 ft. – 140 ft. in depth, as well as a protruding clay cap along the riverside of the levee system along the cutoff wall, relief wells, piezometers, and other instrumentation. A copy of the invitation is included as an attachment.

An advertisement for bid was published in the following newspapers the week of June 15, 2014: St. Louis Post Dispatch, Edwardsville Intelligencer, Belleville News Democrat, and the East St. Louis Monitor.

A pre-bid meeting was held on Thursday, June 26, 2014 at the council offices. The meeting was attended by 36 individuals, including staff.

On August 13, 2014, bids were received from three (3) firms and read aloud. Results are as follows:

Kiewit Infrastructure Corporation in the amount of:	\$10,613,400.00
Brasfond USA Corporation in the amount of:	\$13,706,683.00
TREVIICOS Corporation in the amount of:	\$14,895,852.00

The Council's budget for this work was \$12,650,000, with an additional 35% contingency amount.

The apparent low bid was Kiewit Infrastructure Corporation from Omaha, Nebraska. Due to the specialty nature of this work, none of the bidders were local; however, each bidder has included a list of subcontractors, most of which were well known local companies. Brasfond USA Corporation is from Wooster, Ohio, while TREVIICOS Corporation is from Charlestown, Massachusetts.

AMEC reviewed the following:

- 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
- Reviewed the schedules provided
- Contacted and reviewed references
- Reviewed and discussed utilization of M/D/WBE subcontractors
- Reviewed the qualifications of each of the three cutoff wall contractors
- Reviewed the resumes of key construction personnel from all three contractors

AMEC further reviewed the specifications, bonding requirements, QA/QC material testing procedures and payment procedures to verify the FPD Council is protected during construction and quality construction is provided.

The high bidder, TREVIICOS Construction Corporation, was \$4,282,452 (40%) higher than the low bidder, Kiewit Infrastructure Corporation. We reviewed the bids for the primary differences between the three bidders; the prices for the bid items varied across all three bidders, but the major variations were:

Line Ite	Description	Difference Between Low Bid and Next Highest Bid
0009	Material Disposal	\$578,160
0010	Cement Bentonite Slurry Trench Cutoff Wall (0-80 ft.)	\$959,225
0014	Impervious Clay Fill	\$362,516
0019	Relief Wells	\$507,920
0020	Site Demolition and Restoration	\$148,751

These items make up a large portion of the difference in the bids. Given the large variation in the bid amounts for these items, we contacted the low bidder to discuss their bid and ensure they understand and can perform the work that is required as part of this construction package for the bid listed in their schedule of values. We received confirmation from the low bidder, Kiewit Infrastructure, that their bid was accurate and they fully understand all of the aspects of the project. The detailed bids are attached.

All three of the bids did not meet the full requirement of the specification with respect to previous cutoff wall project experience and/or resume qualifications for the Slurry Trench Specialist (STS) and/or the Project Field Superintendent (PFS). This extremely stringent specification requirement was imposed to ensure that only the most qualified construction firms would bid this important specialty work; each firm that bid was very close in meeting the quantity, years of experience, and previous project details that were required in the project specifications. Furthermore, all of the bids received provided very impressive personnel and project experience, which bolsters the idea that perhaps no firm in the world could have met each of the rigorous specification qualifications we imposed on the bidders. Given the specialty nature of this work, and the demonstrated competence of the contractors who bid this project, the intent of the specification with respect to previous cutoff wall project experience, STS experience, and PFS experience has been fulfilled.

Kiewit Infrastructure's schedule shows a completion date of June 05, 2015 and the specification references completion by the same date.

Kiewit Infrastructure has proposed to use R.M. Scott Trucking in East St. Louis, IL for trucking of on-site and off-site hauling of material. R.M. Scott Trucking is a MBE, certified with both IDOT and MODOT. The contractor has also indicated on their MBE Utilization Statement that Green Seasons Lawn and Landscaping Inc. will be used for on-site and off-site hauling; Green Seasons Lawn and Landscaping Inc. is a MBE, certified with both IDOT and MODOT.

Based on their review, AMEC concluded that Kiewit Infrastructure Corporation is qualified to perform the work and has recommended that the Council select this company to perform Construction Package 7B.

Recommendation

Authorize the Chief Supervisor to execute a \$10,613,400 contract with Kiewit Infrastructure Corporation to perform Construction Package 7B with a total cost not to exceed \$11,674,740 (\$10,613,400. plus a 10% contingency).

	Kiewit Infrastructure Co.	Brasford USA Corporation	TREVIICOS Corporation	High	Low	Average
0001	LS	\$ 500,000.00	\$ 744,781.00	\$ 744,781.00	\$ 500,000.00	\$ 639,720.33
0002	LS	\$ 200,000.00	\$ 456,300.00	\$ 456,300.00	\$ 200,000.00	\$ 307,995.67
0003	LS	\$ 150,000.00	\$ 114,294.00	\$ 150,000.00	\$ 96,132.00	\$ 120,142.00
0004	LS	\$ 100,000.00	\$ 180,119.00	\$ 180,119.00	\$ 29,093.00	\$ 103,070.67
0005	LS	\$ 210,000.00	\$ 114,800.00	\$ 210,000.00	\$ 114,800.00	\$ 163,167.67
0006	LS	\$ 200,000.00	\$ 28,909.00	\$ 200,000.00	\$ 28,909.00	\$ 91,522.33
0007	LS	\$ 250,000.00	\$ 111,000.00	\$ 250,000.00	\$ 111,000.00	\$ 173,050.00
0008	AC	\$ 15,000.00	\$ 57,000.00	\$ 105,390.00	\$ 15,000.00	\$ 59,130.00
0009	LS	\$ 400,000.00	\$ 978,160.00	\$ 2,527,274.00	\$ 400,000.00	\$ 1,301,811.33
0010	SF	\$ 4,575,000.00	\$ 5,535,750.00	\$ 5,535,750.00	\$ 4,575,000.00	\$ 5,214,991.67
0011	SF	\$ 1,764,000.00	\$ 2,134,440.00	\$ 2,134,440.00	\$ 1,579,368.00	\$ 1,825,936.00
		\$ 58,800 SF	\$ 1,579,368.00	\$ 2,134,440.00	\$ 1,579,368.00	\$ 1,825,936.00
		\$ 19,360 SF	\$ 425,920.00	\$ 702,768.00	\$ 425,920.00	\$ 569,829.33
0012	SF	\$ 820 SF	\$ 72,160.00	\$ 101,229.00	\$ 41,000.00	\$ 71,463.00
		\$ 820 SF	\$ 72,160.00	\$ 82,000.00	\$ 41,000.00	\$ 65,053.33
0013	LS	\$ 950,000.00	\$ 924,387.00	\$ 1,343,232.00	\$ 924,387.00	\$ 1,072,539.67
0014	CY	\$ 7,490	\$ 512,316.00	\$ 579,651.00	\$ 149,800.00	\$ 413,922.33
0015	LS	\$ 80,000.00	\$ 47,688.00	\$ 80,000.00	\$ 38,970.00	\$ 55,552.67
0016	LS	\$ 100,000.00	\$ 42,000.00	\$ 100,000.00	\$ 14,298.00	\$ 52,099.33
0017	LF	\$ 204,000.00	\$ 127,200.00	\$ 204,000.00	\$ 127,200.00	\$ 176,562.00
0018	VF	\$ 50,400.00	\$ 107,100.00	\$ 113,154.00	\$ 50,400.00	\$ 90,218.00
0019	VF	\$ 22,400.00	\$ 530,320.00	\$ 567,700.00	\$ 22,400.00	\$ 373,473.33
0020	LS	\$ 30,000.00	\$ 183,432.00	\$ 183,432.00	\$ 30,000.00	\$ 130,727.67
GRAND TOTAL - BID PACKAGE 7B		\$ 10,613,400.00	\$ 13,706,683.00	\$ 14,895,852.00	\$ 10,613,400.00	\$ 13,071,978.33
		Δ \$	3,093,283.00	\$ 4,282,452.00		
		Δ	29%	40%		

CONTRACTOR INFORMATION

American Institute of Architects (AIA) Document A305	Yes
IDOT Prequalified	Yes
MoDOT Prequalified	No
Specialty Cut Off Wall Contractor	No
Schedule of Values	Yes
Bid Security (Bid Bond) - Attachment 300-B	Yes
Tabulation of Subcontractors & Suppliers	Yes
Acknowledgement of Addendum #2	Yes
Acknowledgement of MBE Policy (ATTACHMENT 200-D)	Yes
Contractor's Good Faith Efforts Verification Report (ATTACHMENT 300-C)	Yes
MBE Utilization Statement (ATTACHMENT 300-D)	Yes
Proposed Construction Schedule	Yes
Cut Off Wall Contractor Qualifications	Yes
Bid Signed & Sealed	Yes
Was at Prebid Meeting	Yes
Licensed To Do Business In Illinois	Yes
Provided Contact Information	Yes
References	Yes

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. Charles Etwert at the SIFPDC Office, 104 United Drive, Collinsville, Illinois 62234 until **2:00 p.m.** local time on **Wednesday, August 13, 2014**, for the construction of Southwestern Illinois Flood Prevention District Council Project (BID PACKAGE 7B – LOWER CUTOFF WALL). Bids will be publicly opened and read at the SIFPDC Office at **2:01 p.m.** local time on **Wednesday, August 13, 2014**.

A pre-bid conference will be held at **9:30 a.m.** on **Thursday, June 26, 2014**, at the SIFPDC Office, 104 United Drive, Collinsville, Illinois 62234. Representatives of OWNER (ENGINEER) will be present to discuss the Project. **Bidders are required to attend the pre-bid 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.

A site visit will be held shortly after the pre-bid meeting with representatives of OWNER (ENGINEER) to leave the SIFPDC Office, 104 United Drive, Collinsville, Illinois 62234 at approximately **10:15 a.m.** on **Thursday, June 26, 2014**. The site is approximately 20-minutes from the SIFPDC Office, but a site visit of the Bid Package 7A site will be made prior to that of the Bid Package 7B site. Each site visit is expected to last 30-60 minutes. A schedule of the day's pre-bid activities is below:

09:00 a.m. – 09:30 a.m. - Bid Package 7A pre-bid conference
09:30 a.m. – 10:00 a.m. - Bid Package 7B pre-bid conference
10:00 a.m. – 10:15 a.m. - Meet & Greet / Prepare for site visit
10:15 a.m. – 10:35 a.m. - Drive to Bid Package 7A construction site
(1 Henry St, Alton, IL 62002)
10:35 a.m. – 11:30 a.m. – Bid Package 7A site visit/walk (Approximate time frame)
11:30 a.m. – 11:35 a.m. – Drive to Bid Package 7B construction site
(Near intersection of IL-143 & Enviroway)
11:35 a.m. – 12:30 p.m. – Bid Package 7B site visit/walk (Approximate time frame)
12:30 p.m. - End of activities

The project consists of improvements to the Wood River Levee system including construction of:

- Cutoff wall, cement-bentonite wall constructed in panels (100 ft. - 140 ft. in depth)
- Clay cap
- Piezometers
- Relief Wells
- Inclinerometers

The improvements are along the Lower Wood River Levee system, between the intersection of IL-143 / Enviroway and IL-143 / Wood River Creek, in East Alton, Illinois.

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 **Wednesday, June 18, 2014**, by submitting the following contact information to Kendra Mitchom (kendra.mitchom@amec.com) (618) 346-9120.

Contact Name:
Company Name:
Company Address:
Company Phone:
Cell Phone:
E-mail Address:
Contractor Type:

PROJECT # SIFPDC-BP7B

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.



Memo to: Board of Directors

From: Chuck Etwert

Subject: AMEC Work Order 10 – Construction Phase Services
Bid Packages 7A & 7B

Date: August 18, 2014

Our agreement with AMEC Environment & Infrastructure provides for the firm to serve as the Council's construction manager for the project. The proposed project budget includes a total of \$1,975,000 for this purpose for Bid Packages 7A & 7B. The role of the construction manager is to act as the Council's representative in managing all phases of the construction process, including administration of construction contracts, assuring that all work meets the standards shown in contract documents, managing decisions in the field to interpret or clarify plans and specifications, and determining amounts to be paid to contractors. With the award of the construction contracts for Construction Packages 7A & 7B for the shallow and deep cutoff wall construction in the Wood River District, we need to execute a Work Order with AMEC to define the scope and budget of construction management services for this work. Originally, we had budgeted \$3,200,000 for this work, however, with the schedules provided by the contractors, the construction timeframe has been reduced, which allows associated cost savings in the construction management services.

A detailed scope of work and cost estimate for the construction management services for the two subject construction packages is shown as an attachment to this memo.

Recommendation: Authorize the Chief Supervisor to execute Work Order 10 with AMEC Environment & Infrastructure as shown in the attachment in the amount of \$1,975,000 to provide construction management services for bid packages 7A & 7B.



WORK ORDER NO: MSA01-WO10

CONSTRUCTION PHASE SERVICES for Bid Packages 7A & 7B

Issued Pursuant to Master Services Agreement Effective **August 15, 2010**,

By and Between

AMEC Environment & Infrastructure (AMEC)

And

Southwestern Illinois Flood Prevention District Council (CLIENT)

CLIENT Office:	<u>104 United Drive</u> <u>Collinsville, IL 62234</u>	AMEC Project No:	<u>563170001</u>
CLIENT Contact:	<u>Charles Ewert</u>	Work Order Type: (Check One)	
AMEC Office:	<u>15933 Clayton Road</u> <u>Suite 215</u> <u>Ballwin, MO 63011</u>	Time and Materials (rates attached)	<u>X</u>
		Fixed Price	<u> </u>
AMEC Contact:	<u>Jon Omvig</u>	CLIENT Reference No:	<u>n/a</u>

1. SCOPE OF WORK: See Attachment A (incorporated herein by reference)
2. LOCATION/CLIENT FACILITY INVOLVED: Wood River Drainage and Levee District, Metro - East Sanitary District, Prairie du Pont Drainage and Levee District and Fish Lake Drainage and Levee District
3. PERIOD OF PERFORMANCE: August 20, 2014 through December 31, 2015
4. AUTHORIZED FUNDING: \$1,975,000
5. SPECIAL PROVISIONS: n/a

Southwestern Illinois Flood Prevention District Council

AMEC Environment & Infrastructure, Inc.

By: _____
Name: Charles Ewert
Title: Chief Supervisor of Construction and the Works

By: _____
Name: Jon Omvig
Title: St. Louis Manager

Date: _____
Address: 104 United Drive
Collinsville, IL 62234

Date: _____
Address: 15933 Clayton Road, Suite 215
Ballwin, MO 63011

**Attachment A
Scope of Work**

**WORK ORDER NO: MSA01-WO08
CONSTRUCTION PHASE SERVICES**

AMEC Project No: 56317001

I. Services Provided by the Engineer (AMEC) during the Construction Phase

- A. Upon successful completion of the Bidding and Negotiating Phase, and upon written authorization from Owner, Engineer shall:
1. General Administration of Construction Contracts: Consult with Owner and act as Owner's representative as provided in the Construction Contract. The extent and limitations of the duties, responsibilities, and authority of Engineer as assigned in the Construction Contract shall not be modified, except as Engineer may otherwise agree in writing. All of Owner's instructions to Contractor will be issued through Engineer, which shall have authority to act on behalf of Owner in dealings with Contractor to the extent provided in this Agreement and the Construction Contract except as otherwise provided in writing.
 2. Resident Project Representative (RPR): Provide the services of an RPR at the Site to assist the Engineer and to provide more extensive observation of Contractor's work. Duties, responsibilities, and authority of the RPR are as set forth in Section II below. The furnishing of such RPR's services will not limit, extend, or modify Engineer's responsibilities or authority except as expressly set forth in Section II below.
 3. Pre-Construction Conference: Participate in a Pre-Construction Conference prior to commencement of Work at the Site.
 4. Schedules: Receive, review, and determine the acceptability of any and all schedules that Contractor is required to submit to Engineer, including the Progress Schedule, Schedule of Submittals, and Schedule of Values.
 5. Baselines and Benchmarks: As appropriate, establish baselines and benchmarks for locating the Work which in Engineer's judgment are necessary to enable Contractor to proceed.
 6. Visits to Site and Observation of Construction: In connection with observations of Contractor's Work while it is in progress:
 - a. Make visits to the Site at intervals appropriate to the various stages of construction, as Engineer deems necessary, to observe as an experienced and qualified design professional the progress of Contractor's executed Work. Such visits and observations by Engineer, and the Resident Project Representative, if any, are not intended to be exhaustive or to extend to every aspect of Contractor's Work in progress or to involve detailed inspections of Contractor's Work in progress beyond the responsibilities specifically assigned to Engineer in this Agreement and the Contract Documents, but rather are to be limited to spot checking, selective sampling, and similar methods of general observation of the

Work based on Engineer's exercise of professional judgment, as assisted by the Resident Project Representative, if any. Based on information obtained during such visits and observations, Engineer will determine in general if the Work is proceeding in accordance with the Contract Documents, and Engineer shall keep Owner informed of the progress of the Work.

- b. The purpose of Engineer's visits to, and representation by the Resident Project Representative, if any, at the Site, will be to enable Engineer to better carry out the duties and responsibilities assigned to and undertaken by Engineer during the Construction Phase, and, in addition, by the exercise of Engineer's efforts as an experienced and qualified design professional, to provide for Owner a greater degree of confidence that the completed Work will conform in general to the Contract Documents and that Contractor has implemented and maintained the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Engineer shall not, during such visits or as a result of such observations of Contractor's Work in progress, supervise, direct, or have control over Contractor's Work, nor shall Engineer have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by Contractor, for security or safety at the Site, for safety precautions and programs incident to Contractor's Work, nor for any failure of Contractor to comply with Laws and Regulations applicable to Contractor's furnishing and performing the Work. Accordingly, Engineer neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish or perform the Work in accordance with the Contract Documents.
7. Defective Work: Reject Work if, on the basis of Engineer's observations, Engineer believes that such Work (a) is defective under the standards set forth in the Contract Documents, (b) will not produce a completed Project that conforms to the Contract Documents, or (c) will imperil the integrity of the design concept of the completed Project as a functioning whole as indicated by the Contract Documents.
8. Clarifications and Interpretations; Field Orders: Issue necessary clarifications and interpretations of the Contract Documents as appropriate to the orderly completion of Contractor's work. Such clarifications and interpretations will be consistent with the intent of and reasonably inferable from the Contract Documents. Subject to any limitations in the Contract Documents, Engineer may issue field orders authorizing minor variations in the Work from the requirements of the Contract Documents.
9. Change Orders and Work Change Directives: Recommend change orders and work change directives to Owner, as appropriate, and prepare change orders and work change directives as required.
10. Shop Drawings and Samples: Review and approve or take other appropriate action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Such reviews and approvals or other action will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto. Engineer shall meet any Contractor's submittal schedule that Engineer has accepted.

11. Substitutes and “or-equal”: Evaluate and determine the acceptability of substitute or “or-equal” materials and equipment proposed by Contractor as required.
12. Inspections and Tests: Require such special inspections or tests of Contractor’s work as deemed reasonably necessary, and receive and review all certificates of inspections, tests, and approvals required by Laws and Regulations or the Contract Documents. Engineer’s review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. Engineer shall be entitled to rely on the results of such tests.
13. Disagreements between Owner and Contractor: Render formal written decisions on all duly submitted issues relating to the acceptability of Contractor’s work or the interpretation of the requirements of the Contract Documents pertaining to the execution, performance, or progress of Contractor’s Work; review each duly submitted Claim by Owner or Contractor, and in writing either deny such Claim in whole or in part, approve such Claim, or decline to resolve such Claim if Engineer in its discretion concludes that to do so would be inappropriate. In rendering such decisions, Engineer shall be fair and not show partiality to Owner or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.
14. Applications for Payment: Based on Engineer’s observations as an experienced and qualified design professional and on review of Applications for Payment and accompanying supporting documentation:
 - a. Determine the amounts that Engineer recommends Contractor be paid. Such recommendations of payment will be in writing and will constitute Engineer’s representation to Owner, based on such observations and review, that, to the best of Engineer’s knowledge, information and belief, Contractor’s Work has progressed to the point indicated, the Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor’s being entitled to such payment appear to have been fulfilled in so far as it is Engineer’s responsibility to observe Contractor’s Work. In the case of unit price work, Engineer’s recommendations of payment will include final determinations of quantities and classifications of Contractor’s Work (subject to any subsequent adjustments allowed by the Contract Documents).
 - b. By recommending any payment, Engineer shall not thereby be deemed to have represented that observations made by Engineer to check the quality or quantity of Contractor’s Work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor’s Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in this Agreement and the Contract Documents. Neither Engineer’s review of Contractor’s Work for the purposes of recommending payments nor Engineer’s recommendation of any payment including final payment will impose on Engineer responsibility to supervise, direct, or control Contractor’s Work in

progress or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto, or Contractor's compliance with Laws and Regulations applicable to Contractor's furnishing and performing the Work. It will also not impose responsibility on Engineer to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any portion of the Work in progress, materials, or equipment has passed to Owner free and clear of any liens, claims, security interests, or encumbrances, or that there may not be other matters at issue between Owner and Contractor that might affect the amount that should be paid.

15. Contractor's Completion Documents: Receive, review, and transmit to Owner maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance required by the Contract Documents, certificates of inspection, tests and approvals, Shop Drawings, Samples and other data approved as provided above, and transmit the annotated record documents which are to be assembled by Contractor in accordance with the Contract Documents to obtain final payment. The extent of such review by Engineer will be limited as provided above.
16. Substantial Completion: Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company with Owner and Contractor, visit the Project to determine if the Work is substantially complete. If after considering any objections of Owner, Engineer considers the Work substantially complete, Engineer shall deliver a certificate of Substantial Completion to Owner and Contractor.
17. Additional Tasks: Perform or provide the following additional Construction Phase tasks or deliverables:
 - a. No additional tasks identified.
18. Final Notice of Acceptability of the Work: Conduct a final visit to the Project to determine if the completed Work of Contractor is acceptable so that Engineer may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, Engineer shall also provide a notice in the form attached hereto as Attachment B (the "Notice of Acceptability of Work") that the Work is acceptable (subject to the provisions of Paragraph I.A.15.b) to the best of Engineer's knowledge, information, and belief and based on the extent of the services provided by Engineer under this Agreement.

- B. Limitation of Responsibilities: Engineer shall not be responsible for the acts or omissions of any Contractor, Subcontractor or Supplier, or other individuals or entities performing or furnishing any of the Work, for safety or security at the Site, or for safety precautions and programs incident to Contractor's Work, during the Construction Phase or otherwise. Engineer shall not be responsible for the failure of any Contractor to perform or furnish the Work in accordance with the Contract Documents.

II. Resident Project Representative

- A. Engineer shall furnish a Resident Project Representative ("RPR") to assist Engineer in observing progress and quality of the Work. The RPR may provide full time representation or may provide representation to a lesser degree.

- B. Through RPR's observations of Contractor's work in progress and field checks of materials and equipment, Engineer shall endeavor to provide further protection for Owner against defects and deficiencies in the Work. However, Engineer shall not, during such RPR field checks or as a result of such RPR observations of Contractor's work in progress, supervise, direct, or have control over Contractor's Work, nor shall Engineer (including the RPR) have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, for security or safety at the Site, for safety precautions and programs incident to any contractor's work in progress, or for any failure of a contractor to comply with Laws and Regulations applicable to such contractor's performing and furnishing of its work. The Engineer (including RPR) neither guarantees the performances of any contractor nor assumes responsibility for Contractor's failure to furnish and perform the Work in accordance with the Contract Documents. In addition, the specific terms set forth in Section I above are applicable.
- C. The duties and responsibilities of the RPR are as follows:
1. General: RPR is Engineer's representative at the Site, will act as directed by and under the supervision of Engineer, and will confer with Engineer regarding RPR's actions. RPR's dealings in matters pertaining to the Contractor's work in progress shall in general be with Engineer and Contractor. RPR's dealings with Subcontractors shall only be through or with the full knowledge and approval of Contractor. RPR shall generally communicate with Owner only with the knowledge of and under the direction of Engineer.
 2. Schedules: Review the progress schedule, schedule of Shop Drawing and Sample submittals, and schedule of values prepared by Contractor and consult with Engineer concerning acceptability.
 3. Conferences and Meetings: Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences and other project-related meetings, and prepare and circulate copies of minutes thereof.
 4. Liaison:
 - a. Serve as Engineer's liaison with Contractor. Working principally through Contractor's authorized representative or designee, assist in providing information regarding the intent of the Contract Documents.
 - b. Assist Engineer in serving as Owner's liaison with Contractor when Contractor's operations affect Owner's on-Site operations.
 - c. Assist in obtaining from Owner additional details or information, when required for proper execution of the Work.
 5. Interpretation of Contract Documents: Report to Engineer when clarifications and interpretations of the Contract Documents are needed and transmit to Contractor clarifications and interpretations as issued by Engineer.
 6. Shop Drawings and Samples:
 - a. Record date of receipt of Samples and approved Shop Drawings.

- b. Receive Samples which are furnished at the Site by Contractor, and notify Engineer of availability of Samples for examination.
 - c. Advise Engineer and Contractor of the commencement of any portion of the Work requiring a Shop Drawing or Sample submittal for which RPR believes that the submittal has not been approved by Engineer.
- 7. Modifications: Consider and evaluate Contractor's suggestions for modifications in Drawings or Specifications and report such suggestions, together with RPR's recommendations, to Engineer. Transmit to Contractor in writing decisions as issued by Engineer.
- 8. Review of Work and Rejection of Defective Work:
 - a. Conduct on-Site observations of Contractor's work in progress to assist Engineer in determining if the Work is in general proceeding in accordance with the Contract Documents.
 - b. Report to Engineer whenever RPR believes that any part of Contractor's work in progress will not produce a completed Project that conforms generally to the Contract Documents or will imperil the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made; and advise Engineer of that part of work in progress that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection, or approval.
- 9. Inspections, Tests, and System Start-ups:
 - a. Consult with Engineer in advance of scheduled inspections, tests, and systems start-ups.
 - b. Verify that tests, equipment, and systems start-ups and operating and maintenance training are conducted in the presence of appropriate Owner's personnel, and that Contractor maintains adequate records thereof.
 - c. Observe, record, and report to Engineer appropriate details relative to the test procedures and systems start-ups.
 - d. Accompany visiting inspectors representing public or other agencies having jurisdiction over the Project, record the results of these inspections, and report to Engineer.
- 10. Records:
 - a. Maintain at the Site orderly files for correspondence, reports of job conferences, reproductions of original Contract Documents including all change orders, field orders, work change directives, addenda, additional Drawings issued subsequent to the execution of the Construction Contract, Engineer's clarifications and interpretations of the Contract Documents, progress reports, Shop Drawing and Sample submittals received from and delivered to Contractor, and other Project-related documents.

- b. Prepare a daily report or keep a diary or log book, recording Contractor's hours on the Site, weather conditions, data relative to questions of change orders, field orders, work change directives, or changed conditions, Site visitors, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to Engineer.
 - c. Record names, addresses, fax numbers, e-mail addresses, web site locations, and telephone numbers of all Contractors, Subcontractors, and major Suppliers of materials and equipment.
 - d. Maintain records for use in preparing Project documentation.
 - e. Upon completion of the Work, furnish original set of all RPR Project documentation to Engineer.
11. Reports:
- a. Furnish to Engineer periodic reports as required of progress of the Work and of Contractor's compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.
 - b. Draft and recommend to Engineer proposed change orders, work change directives, and field orders. Obtain backup material from Contractor.
 - c. Furnish to Engineer and Owner copies of all inspection, test, and system start-up reports.
 - d. Immediately notify Engineer of the occurrence of any Site accidents, emergencies, acts of God endangering the Work, damage to property by fire or other causes, or the discovery of any Constituent of Concern.
12. Payment Requests: Review applications for payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to Engineer, noting particularly the relationship of the payment requested to the schedule of values, Work completed, and materials and equipment delivered at the Site but not incorporated in the Work.
13. Certificates, Operation and Maintenance Manuals: During the course of the Work, verify that materials and equipment certificates, operation and maintenance manuals and other data required by the Contract Documents to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have these documents delivered to Engineer for review and forwarding to Owner prior to payment for that part of the Work.
14. Completion:
- a. Participate in visits to the Project to determine Substantial Completion, assist in the determination of Substantial Completion and the preparation of lists of items to be completed or corrected.
 - b. Participate in a final visit to the Project in the company of Engineer, Owner, and Contractor, and prepare a final list of items to be completed and deficiencies to be remedied.

- c. Observe whether all items on the final list have been completed or corrected and make recommendations to Engineer concerning acceptance and issuance of the Notice of Acceptability of the Work (Attachment B).

D. Resident Project Representative shall not:

1. Authorize any deviation from the Contract Documents or substitution of materials or equipment (including "or-equal" items).
2. Exceed limitations of Engineer's authority as set forth in this Agreement.
3. Undertake any of the responsibilities of Contractor, Subcontractors or Suppliers.
4. Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences or procedures of Contractor's work.
5. Advise on, issue directions regarding, or assume control over security or safety practices, precautions, and programs in connection with the activities or operations of Owner or Contractor.
6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by Engineer.
7. Accept shop drawing or sample submittals from anyone other than Contractor.
8. Authorize Owner to occupy the Project in whole or in part.

III. Scope of Construction Phase Service

- A. Engineer shall furnish construction phase services as defined herein.



Memo to: Board of Directors
From: Chuck Etwert
Subject: Authorization to Execute Second Year Contract with Marks and Associates for Diversity Program Manager Services
Date: August 18, 2014

In accordance with the Board's adopted a Minority Business and Workforce Utilization Plan of December 2012, in May 2013, the Board selected Marks and Associates to serve as the Diversity Program Manager for the project based on the firm's qualifications.

In July 2013, the Board authorized a one year contract with Marks and Associates to provide Diversity Program Manager Services to the Council at a cost not to exceed \$238,240.00 and renewable for a second year at a cost to be negotiated. This original contract was actually sufficient, based on actual hours utilized, to cover a fifteen month period.

Today's authorization for \$64,140.00 is for the remainder of the project and is greatly reduced in cost, due to construction of some projects being completed this fall and all construction activities reaching conclusion early next summer.

Sandra Marks will be at the August meeting to present her firm's outreach to minority firms and the results of the first year and what we can expect for the remainder of the project.

Attached is the Marks and Associates man-hour projection for the remainder of the project.

The DPM function is an important one as we make a credible effort to encourage the participation of minority firms and workers in the project.

Recommendation:

Authorize the Chief Supervisor to execute a contract with Marks and Associates to continue to serve as the Diversity Program Manager for the Council's flood prevention project. The contract will be for one year at a cost not to exceed \$64,140.



Memo to: Board of Directors
From: Chuck Ewert
Subject: Election of Officers for 2014-2015
Date: August 18, 2014

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

The election of officers will take place on August 20, 2014 at the Council's regular Board meeting.