



Memo to: Board of Directors

From: Les Sterman

Subject: Program Status Report for September, 2013

Date: September 16, 2013

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

The process of property acquisition is moving more quickly in recent weeks, with offers and counteroffers made on many properties and a few agreements being concluded. We plan to host a meeting for remaining affected property owners in St. Clair and Madison counties in the next couple of weeks, so they will have the opportunity to meet with the engineering team and the property acquisition specialists. This model worked well in Monroe County and served to expedite the acquisition process.

The Corps is proceeding on design work for the Wood River cutoff wall as we agreed. AMEC is monitoring progress and will be able to report further at the Board meeting. It appears that the schedule has slipped by a month or two since the design process began.

We will continue to dispute the Corps' decision to deny our request to encourage the use of a project labor agreement for bid packages 7a/7b, the shallow and deep cutoff walls in the Wood River district. We requested a written explanation of the decision, and have not yet received it. The Corps has suggested that we should meet with the contract officer to get an explanation, but that meeting has not yet been scheduled.

I am also continuing to pursue the alternative strategy of reprogramming existing federal funds toward the Mel Price underseepage control project. The Corps recently agreed to reprogram \$2.3 million from FY2013 appropriations from MESD to the Mel Price project, which will be sufficient to finish the design of that project, so there has been some small success so far. Clearly, however, more needs to be done to address the most serious problem on the region's levee system, the uncontrolled underseepage in the Wood River district at the Mel Price lock and dam. As we have discussed at a number of previous meetings, the Corps' interim solution to the problem will likely not be adequate for certification, and that will jeopardize the certification of

the system. AMEC has responded to our request to determine whether the firm would be willing to certify the Wood River levee system given the current circumstance with the Mel Price project. AMEC provided a memo that described the issues that would prevent them from certifying the levee at this time. The most obvious of those issues is the Corps' inability to furnish a commitment to funding the operations plan needed to secure the levee during a high water event.

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

As the Board requested at the August meeting, the Corps has provided us with information regarding the contractor selected to do the latest design deficiency correction project in the Wood River district. We provided \$315,000 in cost-share for the project. The project was awarded to A&H Contracting. This project was awarded through selection from a list of pre-qualified contractors, rather than through competitive bid. Initial contact with the firm suggests that they will not agree to use a project labor agreement, nor utilize the local union workforce for the job.

Lastly, I would like to inform the Board that it is currently my intention to retire from the Council on January 15, 2014. It has been a great honor and privilege to be entrusted with a job that is so critically important to the entire region. While there is never a good time for this kind of transition, I think the time is appropriate, since I hope that the design will be fully completed and construction contracts awarded by next January. The difficult work of organizing the Council, putting a plan together, securing financing, completing the design, and securing the needed permits will have been completed. The project now will consist primarily of construction. While great challenges remain, the path toward completion of the project is certainly far clearer than it was when we started four years ago. I remain personally committed to the successful completion of the project and I plan to be available as a volunteer, to work part-time, or for consulting as the Board may require after January 15. Although I have some travel scheduled, I will be generally available as needs arise.

I will, of course, provide whatever assistance the Board may desire in the search for my successor.