



Memo to: Board of Directors

From: Les Sterman

Subject: Program Status Report for December, 2013

Date: December 16, 2013

Bids on three remaining bid packages were submitted on December 3, and the selection of contractors for these jobs is on the December Board agenda. The good news is that all of these bids came in under the project completion budget presented at the November meeting. With the exception of bid packages #7a/7b (Wood River cutoff walls) the entire project has now been bid and will be under contract by early next year. Construction is underway on three bid packages (a fourth was completed last year).

Based on the most recent bids, I think it is reasonable to conclude that our budget is now quite reliable, if not conservative.

The process of property acquisition is moving slowly but surely, and the process remains on the critical path for the project. Key properties have been acquired and other acquisitions are in progress. There are only a couple of problem properties where negotiations have not yet produced results. We will report on those at the Board meeting.

The Corps believes that they completed the design work for the Wood River cutoff walls on December 13. However, AMEC has raised a number of questions as part of their participation on the agency technical review (ATR) team, and those questions have not yet been fully addressed by the Corps, so we do not agree that the design is complete. A copy of AMEC's memo to the Corps on this subject is attached. This is a critical concern, because AMEC must assume responsibility for the Corps design. In the Corps' haste to meet the deadline we don't want to compromise the quality of the product, to the point where AMEC will need to make changes to the design and complicate the ensuing Sec. 408 review process.

The wetland mitigation work is nearly complete and the first two payments made to Republic Services.

Following the decision made at the November Board meeting and our evident future financial capacity, the Corps has suggested that we take steps designed to demonstrate our capacity to expend future federal funds. Those steps would include signing the Project Partnership Agreements for Wood River and East St. Louis (MESD) and providing cost-share under existing Design Agreements to move forward with designs for levee system improvements related to the

authorized (500-year) level of protection. I believe that these are prudent steps to take and have recommended appropriate action be taken at the December meeting. None of these actions will commit the Council to paying cost-share for construction, and I expect that we will need to continue discussions with the Corps regarding various policy matters with the hope of resolving our issues prior to committing to construction in the future.

We received four proposals from firms to serve as the Council's financial advisor. While the initial intention was to select an advisor at the December meeting, I thought it best to postpone the decision until the January meeting to give the incoming Chief Supervisor an opportunity to participate in the decision-making process.

Based on actions taken at the November Board meeting, the Council President has negotiated an agreement with an individual to assume the post of Chief Supervisor on January 16, 2014. That agreement will be presented to the Board for their approval at the December meeting. I am very confident that the person selected for this position will be able to carry on the work of the Council without interruption after my departure in January.

The St. Louis District of the Corps has received a waiver from Headquarters that would allow them to use federal funds to perform a levee system evaluation of the Upper Wood River and East St. Louis (MESD) levee systems. This evaluation would substitute for the certification required by FEMA and would address two levee reaches of concern to us: the Mel Price uncontrolled underseepage area, and the Chain of Rocks levee. In the former case, AMEC has indicated it would not be able to certify the levee under the current circumstances. In the latter, AMEC will likely be able to certify, but significant data gaps will have to be filled at substantial expense to the Council. While the waiver did not respond to our specific request, which was to have the Corps certify only the problematic segments of the levee (we never raised an issue about the cost of certification), it could prove helpful, especially in the Mel Price case. The potential problem with accepting the offer from the Corps will be the bifurcation of the design and certification process. The Council purposely combined the two processes under a contract with a single party to assure that, once designed and constructed, the improvements would be certified. We can get no such assurance if the Corps assumes the certification role. So it is possible, especially given the experience of the Sec. 408 review, that the Corps may not fully agree with the current design. That would create an untenable situation that would jeopardize the progress of the entire project. While the Corps asserts that risk is very small, we are working with them to evaluate that risk before asking the Corps to proceed with the evaluation.

Because the project schedule has stretched out from that originally contemplated, we will need to amend the AMEC work order for program administration to align with the current project completion date. The amendment is on the December Board agenda.



DATE: 13 December 2013

TO: Mr. Marc Masnor
USACE – ATR Lead, Wood River Lower Cutoff Wall and Upper Cutoff Wall

FROM: Jo Tucker and Jon Omvig
AMEC Environment & Infrastructure, Inc.

SUBJECT: USACE Cutoff Wall Designs
ATR Comment Status

We understand USACE intends to deliver plans and specifications for the Upper and Lower Wood River Cutoff Walls to AMEC on Friday December 13. The purpose of this memorandum is to advise you that AMEC has notified its client, Southwestern Illinois Flood Prevention District Council (SIFPDC), that the ATR process is incomplete and it is therefore inappropriate for AMEC to take receipt of plans and specifications for these projects.

AMEC, along with the other ATR reviewers, has diligently reviewed, re-reviewed, and discussed with the USACE design team the many materials provided to the ATR reviewers. Most, but not all, AMEC comments have been satisfactorily resolved and closed. However, the comments that are not yet closed are important, and pertain to project viability and safety. These include comments about the 3D trench stability models for the deep wall, the 3D groundwater model for the deep wall, and the 2D analyses that appear to necessitate degrading the shallow wall.

As discussed with the USACE design team, AMEC is in the process of reviewing pertinent information, some of which was provided as recently as Monday, December 9. Other information that has a direct effect on the design remains to be provided to AMEC (e.g., one of the outstanding items evidently supports a key design assumption related to the seepage entry point at the deep wall). The design team has been responsive, but the time limitations resulting from the internal deadline have made it virtually impossible to effect an adequate and timely exchange of information. AMEC will not close comments without the necessary information, a practice no different from that imposed on us by the USACE in reviewing design submittals. We also wish to note there is a possibility that the resolution of outstanding comments could require further design revisions by the Corp's team. We believe it most appropriate for the project design team to complete the plans, specifications, and reports after receipt of all ATR comments, and consider anything we receive prior to the closure of all ATR comments to be an interim submittal.

While we appreciate the Corps' commitment to meeting the often-stated deadline for completing the design of this project, we do not believe that the deadline should compromise appropriate and accepted protocols for design review, especially when critical elements of the design might be affected. We also note that as part of the impending Sec. 408 review of the project, other parties will be engaged, and many of the same questions could be raised. We believe that the investment of a little more time now could insure a better and more timely outcome of the Sec. 408 review process.

We appreciate your consideration of our position, and look forward to discussing with you the best way to proceed with the completion of the design of this project.

cc: David Busse (USACE)
Lou Del'Orco (USACE)
Tracey Kelsey (USACE)
Les Sterman (SIFPDC)



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
441 G STREET, NW
WASHINGTON, DC 20314-1000

REPLY TO
ATTENTION OF

CECW-CE

NOV 25 2013

MEMORANDUM THRU Commander, Mississippi Valley Division (CEMVD-DE), P.O.
Box 80, Vicksburg, Mississippi, 39181-0080

FOR Commander, St. Louis District (CEMVS-DE), 1222 Spruce Street, St. Louis, Missouri
63103-2833

SUBJECT: MVS Waiver Request to Conduct a National Flood Insurance Program (NFIP)
Levee System Evaluation Report for St. Louis Metro East Levee Systems including East St.
Louis Flood Protection Project and Wood River Flood Protection Project

1. References:

- a. Memorandum, CEMVS-EC-GD, 1 November 2013, subject as above (encl 1).
- b. Memorandum, CEMVD-RB-T, 6 November 2013, subject as above (encl 2).
- c. Memorandum, CEMVD-PD-SP, 18 November 2013, subject as above (encl 3).
- d. Engineer Circular (EC) 1110-2-6067, 31 August 2010 (expired), USACE Process for the National Flood Insurance Program (NFIP) Levee System Evaluation.

2. The purpose of this memorandum is to document Headquarters USACE (HQUSACE) decision related to St. Louis District's and Mississippi Valley Division's request to conduct four levee system evaluations for the purposes of the NFIP at full federal expense.

3. As per policy, USACE may perform NFIP evaluations for levee systems it has the responsibility to operate and maintain, but typically not for levee systems operated and maintained by a local sponsor. In addition, USACE will not perform a NFIP evaluation on a portion of a levee system. The entire system must be evaluated. In the case of the East St. Louis Flood Protection Project, this levee system contains two segments – one operated and maintained by a local sponsor and the other operated and maintained by USACE. To preserve the system approach, HQUSACE concurs with the waiver request for St. Louis District to perform the levee system evaluation for NFIP purposes for the entire East St. Louis Flood Protection Project, including the segment locally operated and maintained. HQUSACE also concurs that funding for the Chain of Rocks construction project, which is the segment USACE operates and maintains, will be used to conduct the NFIP evaluation at full federal expense.

4. In regard to the Wood River Flood Protection Project, which is comprised of three locally operated and maintained independent levee systems, HQUSACE concurs that the NFIP

CECW-CE

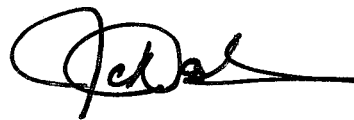
SUBJECT: MVS Waiver Request to Conduct a National Flood Insurance Program (NFIP) Levee System Evaluation Report for St. Louis Metro East Levee Systems including East St. Louis Flood Protection Project and Wood River Flood Protection Project

evaluation for the Wood River Levee Upper System can be conducted by the district in conjunction with the construction project associated with the Melvin Price Lock and Dam. The construction work on the Wood River Levee Upper System is mitigation work as a direct result of the relocation of the Melvin Price Lock and Dam and is considered an ongoing and current project. Using the construction funding for the Wood River Levee Upper System, which is at full federal expense, to also conduct an NFIP evaluation in conjunction with the construction work is within current policy.

5. For the Wood River Levee Lower System and the Wood River East and West Levee System, HQUSACE does not concur that the district can perform the NFIP evaluations for these two levee systems at full federal expense. The district may perform these NFIP evaluations using project funds, but because the project is funded with cost-shared funds, the NFIP evaluations would also need to be cost-shared.

6. In conjunction with the recent work of the USACE-FEMA Flood Protection Structure Accreditation Task Force, in accordance with Section 100226 of the Moving Ahead for Progress in the 21st Century Act, the district is requested to coordinate with the Risk Management Center and the HQUSACE Levee Safety Program Manager prior to initiation of the NFIP evaluations for the East St. Louis Flood Protection Project and the Wood River Levee Upper System. The purpose will be to seek opportunities for incorporating risk assessment methods as part of these evaluations.

7. The point of contact for this memorandum is Ms. Tammy L. Conforti, HQUSACE Levee Safety Program Manager, at 202-761-4649.



JAMES C. DALTON, P.E., SES
Chief, Engineering and Construction
Directorate of Civil Works



REPLY TO
ATTENTION OF:

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

01 NOV 2013

CEMVS-EC-GD

MEMORANDUM THRU Commander, Mississippi Valley Division

FOR Headquarters, U.S. Army Corps of Engineers, ATTN: CECW-CE/Mr. James Dalton,
441 G Street NW, Washington, DC 20314

SUBJECT: MVS Waiver Request to Conduct a National Flood Insurance Program (NFIP)
Levee System Evaluation Report (LSER) for St. Louis Metro East Levee Systems including East
St. Louis Flood Protection Project and Wood River Flood Protection Project

1. Reference EC1110-2-6067, CECW-CE, 31 August 2010, subject: USACE Process for the National Flood Insurance Program (NFIP) Levee System Evaluation.
2. Under current USACE policy, waivers may be provided allowing USACE to conduct NFIP Levee System Evaluation Report's (LSER) for levee systems in which USACE has O&M responsibility or for levee systems that are under study.
3. This memorandum serves as St. Louis District's request to MVD USACE and HQ USACE regarding work efforts to conduct NFIP Levee System Evaluations and subsequent reports. The NFIP LSERs are requested to be accomplished at 100% Federal expense, obtained through existing project funds, for the East St. Louis and Wood River Flood Protection Projects in accordance with guidelines set forth in EC1110-2-6067. Utilization of this funding source to conduct the NFIP LSERs will not adversely impact St. Louis District's other levee safety priorities.
4. The East St. Louis Flood Protection Project (MESD) and Chain of Rocks East Levee are two Federally constructed segments, comprising the entire levee system. The MESD segment is operated and maintained by the local sponsor and the St. Louis District operates and maintains the Chain of Rocks East Levee segment. Currently, the MESD segment has an approved Limited Reevaluation Report to correct underseepage deficiencies.

| System Name | System ID | Segment Name | Segment ID | Length | O&M Responsibility |
|---|------------|------------------------------|------------|--------|------------------------------|
| East St. Louis Flood Protection Project | 5605300001 | Metro East Sanitary District | 5604300001 | 22.5 | Metro East Sanitary District |
| | | Chain of Rocks | 5604040001 | 8.9 | USACE - MVS |

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CBMVS-EC-GD

SUBJECT: MVS Waiver Request to Conduct a National Flood Insurance Program (NFIP) Levee System Evaluation Report (LSER) for St. Louis Metro East Levee Systems including East St. Louis Flood Protection Project and Wood River Flood Protection Project


5. The Wood River Flood Protection Project is comprised of three Federally-constructed levee systems; each of which are operated and maintained by the Wood River Levee District local sponsor. Currently, the Upper and Lower Wood River Levee Systems have an approved Limited Reevaluation Report to correct underseepage deficiencies due to the relocation of a navigation project. In addition, a design deficiency has been identified for uncontrolled underseepage of Wood River Levee Upper, adjacent to Melvin Price Lock and Dam pool. The correction of the uncontrolled underseepage, which is being caused by the Melvin Price Lock and Dam navigation pool, is being planned as 100% Federal responsibility.

| Project Name | System / Segment Name | System ID | Segment ID | Length (miles) | O&M Responsibility |
|-------------------------------------|--------------------------------|------------|------------|----------------|---------------------------|
| Wood River Flood Protection Project | Wood River Levee Upper* | 5605470002 | 5604470002 | 5.1* | Wood River Levee District |
| | Wood River Levee Lower | 5605470001 | 5604470001 | 13.3 | |
| | Wood River East and West Levee | 5605470003 | 5604470003 | 2.6 | |

*Includes the Mel Price portion of the overall system which is approximately 1.5 miles in length

6. MVS requests a waiver from HQ USACE to conduct NFIP Levee System Evaluations and subsequent reports, at 100% Federal expense, for MESD, Chain of Rocks East Levee, and the Wood River Flood Protection Project in accordance with guidelines set forth in EC1110-2-6067. Initiation of the development of the NLSERs would commence immediately, with available funding, and would be finalized once the local sponsor completes planned construction improvements for the 1% annual chance exceedance project.

7. Should additional information be required, please contact Ms. Jamie McVicker, at 314-331-8426.



CHRISTOPHER G. HALL
COL, EN
Commanding

6 November 2013

MEMORANDUM FOR CEMVD-PD-SP (Mark Moore)

SUBJECT: MVS Waiver to Conduct a National Flood Insurance Program (NFIP) Levee System Evaluation Report (LSER) for St. Louis Metro East Levee Systems including East St. Louis Flood Protection Project and Wood River Flood Protection Project

1. Reference memorandum, CEMVS-EC-GD, 1 November 2013, subject as above.
2. This office concurs with issuance of a waiver to allow the St. Louis District to conduct NFIP Levee System Evaluation Reports for the St. Louis Metro East Levee Systems.
3. The reference memorandum provides sufficient justification for a waiver under existing Corps policy.
4. The St. Louis District has funding available to perform the NFIP Levee System Evaluations.
5. The RB-T point of contact is Melissa Mullen, 901-544-0716.


MICHAEL A. TURNER, P.E.
Chief, Business Technical
Division

ENCLOSURE



DEPARTMENT OF THE ARMY
MISSISSIPPI VALLEY DIVISION, CORPS OF ENGINEERS
P.O. BOX 80
VICKSBURG, MISSISSIPPI 39181-0080

REPLY TO
ATTENTION OF:

CEMVD-PD-SP

18 NOVEMBER 2013

MEMORANDUM FOR HQUSACE (CECW-MVD), WASH DC 20314-1000

SUBJECT: MVS Waiver Request to Conduct a National Flood Insurance Program (NFIP) Levee System Evaluation Report for St. Louis Metro East Levee Systems including East St. Louis Flood Protection Project and Wood River Flood Protection Project

1. References:

a. Memorandum, CEMVS-EC-GD, 1 November 2013, subject as above (encl 1).

b. Memorandum, CEMVD-RB-T, 6 November 2013, subject as above (encl 2).

c. EC 1110-2-6067, CECW, 31 August 2010, subject: USACE Process for the National Flood Insurance Program Levee System Evaluation.

2. MVS requests a policy waiver to conduct work for NFIP Levee System Evaluations and subsequent reports at 100 percent Federal expense for Metro East Sanitary District, Chain of Rocks East Levee, and the Wood River Flood Protection Project in accordance with guidance in reference 1.c. Work would begin immediately upon approval of the requested waiver and be completed when the local sponsor completes planned construction improvements for the 1 percent annual chance exceedance project.

3. MVD has reviewed the package provided in reference 1.a. and supports the rationale presented therein. In a memorandum, 6 November 2013, Business Technical Division concurred in the subject request by MVS.


CEMVD-PD-SP

SUBJECT: MVS Waiver Request to Conduct a National Flood Insurance Program (NFIP) Levee System Evaluation Report for St. Louis Metro East Levee Systems including East St. Louis Flood Protection Project and Wood River Flood Protection Project

4. MVD endorses the request for the waiver and recommends HQ approval.

5. The MVD point of contact for this action is Mr. Philip Hollis, CEMVD-PD-SP, (601) 634-5293.

2 Encls


For PETER A. DELUCA COL, EN
Brigadier General, USA
Commanding