



Memo to: Board of Directors

From: Chuck Etwert

Subject: Program Status Report for July 2014

Date: July 14, 2014

We continue to work on the acquisition of easements needed to complete the projects that have been awarded. We are now down to 8 owners involving 14 parcels on the projects currently under construction. All easements needed are part of the BP #3 project and involve- 3 individuals, 1 railroad, 3 corporations and 1 governmental units. There will also be three easements 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. There will be an executive session at the end of the meeting to discuss one or two situations.

Approximately 26% of the \$39 million of construction involved in our 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.

On today’s agenda we have the first change orders that exceed ten percent of a line item and required Board approval. AMEC will explain each in detail.

I am pleased, to inform you, that the \$100,000 Illinois Capital Development Grant has been received and deposited in the bank on day of receipt.

Our response to the Corps of Engineers' Request for Information Survey on the utilization of Project Labor Agreements (PLAs) (a copy was previously sent to you electronically) was sent on July 9th. This is part of their process of reconsidering of the issue. The survey was very similar to last year's survey with an addendum being issued for the Construction Community and , 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. We haven't received word of a new decision date as a result of the addendum being issued. However, Les Sterman and I have a meeting scheduled with the Corps on July 15th to discuss the PLA issue.

We have received a second response to our 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. I have attached our request and their response, which again doesn't provide us with any additional information.

Per their 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. The 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).

I am working with Husch Blackwell to determine how we proceed from here. There is a sixty day time period to appeal their determination.

As is our custom, the draft budget for the coming year is presented at the July Board meeting. I have continued the past practice of also providing estimated revenues and expenses to the end of 2015.

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