



Memo to: Board of Directors

From: Chuck Etwert

Subject: Program Status Report for December 2014

Date: December 15, 2014

We continue to work on the acquisition of easements needed to complete the projects that have been awarded. I am pleased to report that the easements required from the Olin Corporation have finally been obtained. There are some conditions that the contractor has to work out with Olin, but we have the easements needed. We are now down to 3 owners involving 6 parcels on the BP #3 construction project. The easements involve the Union Pacific Railroad, American Oil Company, and one individual. As previously mention, the delay in obtaining these easements will have an effect on costs and completion times. AMEC will be discussing this in their presentations at the meeting. There may be an executive session at the end of the meeting to discuss one or two easement situations.

Approximately 46% of the \$45.0 million of construction, involved in the seven construction bid packages that have started, has been completed thru November 30th. There was 2.85 million dollars' worth of construction completed in November.

We have only one change order on this month's agenda, involving BP #7A, AMEC will be explaining it and also discussing change orders procedures and denials, and project schedules.

On November 24<sup>th</sup>, we received from the Corps of Engineers the Executive Summary and the Response Summary from the Market Survey Data Report regarding the use of Project Labor Agreements (PLAs) on the FY15 Cutoff Wall Construction Contracts. Unfortunately, the two summaries only provide the approach taken and the responses received, and do not provide adequate justification for the Corps final decision.

Lacking was the review of FPD bid line items to bid line items on previous Corps projects. We were led to believe that this would occur and quickly provided the Corps all of the FPD's bid results, promptly after our meeting with them in mid-July. A general comparison of existing bid results on pump stations, relief wells, clay caps, etc. could have provided valuable information on the utilization of PLAs and cost effectiveness. The Corps has indicated that they did receive a limited amount of data regarding bids solicited with and without a PLA, and in those

circumstances, the non-PLA bids were lower. I requested a copy of this data on December 2<sup>nd</sup>, but haven't received a response to date.

Also, confusing is the Response Summary where responses from each entity was given an indication rating of either Pro, Neutral, or Con. On one, it is summarized as "PLA brought additional contracting competition on future projects", I would think that this would be a good result of using a PLA and be marked as a Pro PLA response, yet it was indicated as Neutral. Copies of the Corps' Executive Summary and Response Summary from the Market Survey Data Report (previously e-mailed to each Board member) will be provided at the meeting.

On November 26<sup>th</sup>, the FPD requested that as the Southwestern Illinois Flood Prevention District Council waits for the US Army Corps of Engineers' final determination of our June 19, 2014 request for consolidation of the separately authorized levee projects located in Madison, Monroe, and St. Clair Counties as allowed in the Water Resources Reform and Development Act (WRRDA) of 2014 that the Corps also consider the levee projects within these Counties for the Water Infrastructure Public-Private Partnership Pilot Program also established by the WRRDA 2014. Under the Pilot Program, the non-federal sponsor and the Corps switch roles with the non-federal sponsor taking the lead and the Corps providing funds to the non-federal sponsor. The cost sharing remains the same 65% federal/35% non-federal. The goal is to get projects built quicker and reduce the backlog of projects. No response has been received from the Corp as of today, but I expect the standard response of no decision can be until implementation guidelines for WRRDA 2014 are developed. However, at least the FPD request will be on record. A copy of the FPD request (again previously e-mailed to each board member) will be provided at the meeting.

On December 2<sup>nd</sup>, I met with Jon Omgvig and Tracey Kelsey to discuss the 500-Year (Authorized) Level Flood Protection and how the FPD utilizing PLAs can work with the Corps and move forward towards obtaining the authorized level. I will be presenting preliminary approaches, which we discussed, at the meeting. These approaches appear to have potential benefits to both the FPD and the Corps.

To date, there hasn't been any response to Senator Durbin's letter to President Obama requesting the override of the Corps' decision to not require Project Labor Agreements (PLAs) on contracts pertaining to federal levee improvement projects in the East St. Louis, Prairie Du Pont/Fish Lake, and Wood River areas of Illinois.

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