



Memo to: Board of Directors

From: Chuck Etwert

Subject: Program Status Report for March 2015

Date: March 16, 2015

We continue to work on the acquisition of easements needed to complete the projects that have been awarded. Husch Blackwell continues to work with the attorneys for Union Pacific, regarding the 3 parcels needed on the BP #3 construction project. It does appear that we are getting close to the obtainment according to their attorney. As previously mention, the delay in obtaining these easements and others on the BP #7B project will have an effect on completion times and possible costs of these projects

Approximately 59% of the \$46.7 million of construction, involved in the eight current construction bid packages (not including BP 7B), has been completed thru February. With 1.4 million dollars' worth of construction completed in February, the total amount of construction completed is now \$27.8 million.

We have two change orders on this month's agenda, involving Relief Well Construction Obstruction on Bid Package #3 and Relief Well Design Improvements on Bid Package #6. Amec Foster Wheeler will be explaining these at the meeting.

We have received Standard & Poor's three year review of our Series 2010A-C revenue bonds. The bonds continue to have a AA long-term rating with a stable outlook. A copy of the report is attached.

AMEC Foster Wheeler and I continue to meet with the Corps of Engineers regarding the process of the Council moving ahead with 500-year level of protection projects. Topics discussed include the most cost effective and highest priority projects, roles and responsibilities, coordination of design efforts, possible utilization of Corps designs, Limited Reevaluation Reports (LRRs), schedules & coordination, reviews, the Work In Kind (WIK) process, the Design process, etc. The 500-year authorized level of flood protection is the Corps' standard, and the Corps has the final say on what is and isn't 500-year protection.

The Corps has provided a ten page Guidance Scope of Work for In-Kind Contribution Credit Provisions to Amec Foster Wheeler and the FPD, which highlights all the procedures that the non federal sponsor must be follow, in order, to obtain credit.

All of these discussions will assist Amec Foster Wheeler is preparing a comprehensive work order, outlining the work to be done, that will be brought before the Board in April for consideration of approval.

Once Amec Foster Wheeler has developed a schedule for identifying the most cost effective and highest priority projects, Columbia Capital will develop a bond transaction schedule involving bond counsel, underwriters, rating agencies, etc.

While at the Corps, Colonel Mitchell indicated that he would like the Board to reconsider going forward with the Upper Wood River Shallow Cutoff Wall project, with bidders allowed to bid with a PLA, without a PLA, or both and the selection being the Lowest Price Technically Acceptable bid, which he feels will include a PLA. However, as previously, there is no PLA guarantee. He isn't able to make this month's meeting, but plans on attending the April meeting with his request.

Senator Durbin met last week with the Secretary of the Army and the Army Chief of Staff regarding the Corps' rejection of Project Labor Agreements (PLAs). A news release regarding the meeting is attached.

There will be an executive session on regarding pending litigation at the end of the meeting.

I have included in your Board packet a copy of Amec Foster Wheeler's Monthly Progress Report for March.