



Memo to: Board of Directors

From: Chuck Etwert

Subject: Program Status Report for March 2018

Date: March 19, 2018

As previously indicated, all of the construction packages for the 100-Year certification have been finalized and completed with all retainage being released. The final cost of the ten construction packages was \$74,629,856.18. Amec Foster Wheeler's final Monthly Progress Report is attached to this memo.

Four certification packages have been submitted to FEMA. Amec Foster Wheeler submitted the East & West Fork Levee Systems, Prairie Du Pont & Fish Lake Levee Systems, and the Lower Wood River Levee System, and the Corps of Engineers submitted the Upper Wood River Levee System.

A FEMA Completeness Check and Comment for Levee Accreditation Submission was received for both the Wood River East & West Fork Levee Systems (submitted to FEMA on December 5, 2016) and the Prairie Du Pont & Fish Lake Levee Systems (submitted to FEMA on July 6, 2017) from FEMA Region V Regional Service Center on January 26, 2018.

A follow-up conference call between FEMA, Amec Foster Wheeler and myself was held on February 1st to discuss the comments presented. Amec Foster Wheeler is in the process of assembling the additional data, verification, and certification information requested by FEMA, with an anticipated submittal hopefully by the end of the month.

The Corps of Engineers received comments for the Upper Wood River Levee System (submitted on March 10, 2017) from FEMA on September 5, 2018, and anticipates submitting a draft response to FEMA by the end of the month.

To date, comments haven't been received from FEMA for the Lower Wood River Levee System submitted by Amec Foster Wheeler on October 17, 2017.

The Corps of Engineers' submittal of the final package, the MESD Levee System Evaluation Report, to FEMA is now anticipated to be May instead of April.

As previously indicated, FEMA has a backlog of work and it is anticipated the accreditation review and approval process will take up to a year. Approval of the MESD package, the last package being submitted, isn't expected until late spring of 2019.

We continue to wait for the official notice regarding the reprogramming request to transfer Wood River funds to East St. Louis. The request has been approved by the Assistant Secretary of the Army for Civil Works and is now at the Office of Management and Budget.

On February 8, 2018, our request for Work In-Kind Credit for East St. Louis in the amount of \$9,131,564.90 was submitted to the Corps of Engineers. When approved, this credit will be utilized by the Corps of Engineers for the non-federal share of future Corps projects such as the East St. Louis Deep Cutoff Wall and the Cahokia Relief Well Project.

A similar request for Work In-Kind Credit for Wood River will be made in the near future.

On March 13th, at the request of State Senator Haine, I attended a meeting in Springfield discussing changes to floodplain regulations by the Department of Natural Resources. I expressed our support for changes that would reduce redundancy, reduce conflicts between State and Federal requirements and utilize a worse case analysis being the Authorized Level (500-year frequency).

The Corps of Engineers is in the process of submitting a new Integral Determination Report, which incorporates the Corps' updated solutions and cost estimate for East St. Louis. This and an amended Project Partnership Agreement will be required for the utilization of Work In-Kind Credit.

As requested last month by Chairman Kern, I did discuss the recent tax reforms with Columbia Capital. At this time, the only concern to the Council's debt profile is the potential impact to the Council's Build America Bonds and the Economic Recovery Zone subsidy-era bonds. If the subsidy payments were eliminated, then other opportunities to replace those bonds with tax-exempt bonds would be explored. However, nothing will be known until a Federal budget is in place, and Columbia Capital would then present alternatives at the next Board meeting, if needed.

A copy of The American Bottom Levee Restoration Project (2007–2017) article in the March issue of the Illinois Business Journal is also attached.