



SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
BOARD OF DIRECTORS MEETING  
March 20, 2019 7:30 am

Metro-East Park and Recreation District Office  
104 United Drive, Collinsville, Illinois 62234

1. Call to Order  
*Ron Motil, President*
2. Approval of Minutes of January 16, 2019
3. Public Comment on Pending Agenda Items
4. Program Status Report  
*Chuck Etwert, Chief Supervisor*
5. Budget Update and Approval of Disbursements  
*Chuck Etwert, Chief Supervisor*
6. Design and Construction Update  
*Jay Martin, Wood Environment & Infrastructure Solutions, Inc.*
7. 2018 Audit Report  
*Michael Brokering, Scheffel Boyle*
8. Amendment to Wood Work Order #14 – MESD  
Authorized Level Field Investigation and Design  
*Wood Environment & Infrastructure Solutions, Inc.*  
*Chuck Etwert, Chief Supervisor*
9. Wood Order #19 – Wood River LERRDs Services  
*Wood Environment & Infrastructure Solutions, Inc.*  
*Chuck Etwert, Chief Supervisor*

AGENDA

10. Update from Corps of Engineers  
*Tracey Kelsey, U.S. Army Corps of Engineers*

11. Public Comment

Executive Session (if necessary)

12. Other Business

13. Adjournment

**Next Meeting: May 15, 2019**

## MINUTES

### SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL BOARD OF DIRECTORS MEETING

January 16, 2019

The regular meeting of the Board of Directors was held at the Metro-East Park and Recreation District Office, 104 United Drive, Collinsville, Illinois at 7:30 a.m. on Wednesday January 16, 2019.

#### Members in Attendance

Ron Motil, President (Chair, Madison County Flood Prevention District)  
Debra Moore, Vice President (Chair, St. Clair County Flood Prevention District)  
John Conrad, Secretary/Treasurer (Chair, Monroe County Flood Prevention District)  
Bruce Brinkman, Monroe County Flood Prevention District  
Isabelle Crockett, St. Clair County Flood Prevention District  
Aaron Metzger, Monroe County Flood Prevention District  
Alvin Parks, Jr., St. Clair County Flood Prevention District  
Jeremy Plank, Madison County Flood Prevention District  
David Schwind, Madison County Flood Prevention District

#### Members Absent

None

#### Others in Attendance

Robert Elmore, Monroe County Board Chair  
Mark Kern, St. Clair County Board Chair  
Kurt Prenzler, Madison County Board Chair  
Chuck Etwert, SW Illinois FPD Council  
Totsie Bailey, Southwestern Illinois Building Trades Council  
Ron Carnell, Wood River Drainage & Levee District  
Randy Cook, Wood Environment & Infrastructure Solutions, Inc.  
Robin Cromer, Senator Tammy Duckworth  
Jeremy Dressel, Juneau Associates Inc.  
Khalen Dwyer, Columbia Capital Management, LLC  
Mike Feldmann, U.S. Army Corps of Engineers  
Hal Graef, U.S. Army Corps of Engineers  
Gary Hoelscher, Millennia Professional Services  
Larry Hofstetter, Prairie Du Pont Levee  
David Human, Husch Blackwell LLP  
Tracey Kelsey, U.S. Army Corps of Engineers  
Lance Lunte, Lochmueller Group

Jay Martin, Wood Environment & Infrastructure Solutions, Inc.  
Rick Mauch, SCI Engineering  
David Oates, Oates Associates  
Don Sawicki, Metro-East Sanitary District  
Cas Sheppard, SMS Engineers  
Jeff White, Columbia Capital Management, LLC  
Kevin Williams, Wood Environment & Infrastructure Solutions, Inc.

**Call to order**

President Ron Motil noted the presence of a quorum and called the meeting to order at 7:30 am.

Mr. Motil asked for a roll call to confirm that a quorum was present and the following indicated their attendance.

Mr. Brinkman – Present  
Mr. Conrad – Present  
Ms. Crockett - Present  
Mr. Metzger - Present  
Dr. Moore – Present  
Mr. Motil – Present  
Mr. Plank – Present  
Mr. Schwind - Present

A quorum was present.

**Approval of Minutes of November 21, 2018**

Mr. Motil asked for a motion to approve the minutes of the Board meeting held on November 21, 2018. A motion was made by Dr. Moore, seconded by Ms. Crockett, to approve the minutes of the Board meeting held on November 21, 2018. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Brinkman – Aye  
Mr. Conrad – Aye  
Ms. Crockett - Aye  
Mr. Metzger - Aye  
Dr. Moore – Aye  
Mr. Motil – Aye  
Mr. Parks – absent  
Mr. Plank – Aye  
Mr. Schwind - Aye

The meeting minutes were approved.

### **Public Comment on Pending Agenda Items**

Mr. Motil asked if there were any comments from the public on any agenda item on today's agenda. There were none.

### **Program Status Report**

Mr. Motil asked Mr. Etwert to provide a status report for the project.

Mr. Etwert discussed the 100-Year Certification Packages first.

### **100-Year Certification Packages Status**

He indicated the hydrologic and hydraulic (H&H) analyses by the Illinois State Water Survey (ISWS) was still ongoing. Additional requested information has been submitted and a final letter of determination is expected soon.

As previously indicated, with the addition of the ISWS review and approval, FEMA's issuance of continued accreditation letters for the Wood River East & West Forks, Lower Wood River, Upper Wood River, and Prairie Du Pont/Fish Lake Levee Systems isn't anticipated until this spring.

The Corps of Engineers has submitted all the supporting data for the East St. Louis (MESD) package to FEMA and has a status call scheduled with FEMA for February 9<sup>th</sup>. The Corps continues to wait for FEMA's desired submittal language to be provided to them.

Approval of the East St. Louis (MESD) package isn't expected until late 2019 or early 2020.

Next he discussed the 500-Year Authorized Level Status.

### **500-Year Authorized Level Status**

#### Wood River Levee System

Wood continues to design Bid Package #8, which will be constructed by the Corps of Engineers. Design is to be completed by April 2019.

The Corps has given preliminary approval on the \$16,041,496 of Work In-Kind credit submitted for the Wood River Levee System. Based on the Corps recently issued certified cost estimate, an

additional \$4.3 million dollars of Work In-Kind credit will be needed to satisfy the Corps' thirty-five non-federal participation requirement.

Approval of the new Project Partnership Agreement for Wood River, which will allow for the utilization of Work In-Kind credit, is expected in July 2019.

### MESD Levee System

The Corps of Engineers received \$95.2 million dollars of FY 2019 Work Plan Funds for the East St. Louis Design Deficiency Project. The East St. Louis Deep Cutoff Wall will be the first project to be built with these funds, with a contract award anticipated in September.

Wood continues to take the Corps' design of the Cahokia Relief Well Project, estimated cost \$10.6 million dollars, and develop the Council's Bid Package #18. Groundwater flow discussions between Wood and the Corps are ongoing with a spring bid date anticipated.

Wood is also continuing the design of Bid Package #14, a shallow clay trench and filter blanket with an estimated construction cost of \$4.3 million dollars. Tree removal and wetland mitigation has delayed some planned field work, delaying advertisement for bid until summer.

With the Corps' Risk Informed Solution for Bid Package #11 completed, Wood is starting the design process. Once necessary borings are identified, a schedule will be developed. Based on current Corps estimates, Bid Package #11 should be the last MESD bid package that Wood will be designing. Preliminary estimated construction cost is \$14,000,000 dollars.

Approval of the new Project Partnership Agreement, which will allow for the utilization of Work In-Kind credit, is now anticipated in February or March due to Corps Headquarters requesting a reformatting of the agreement. There was no change in the contents. The Council has submitted Work In-Kind requests totaling \$11,887,414 for work performed thru fiscal year 2017.

### Prairie Du Pont/Fish Lake Levee Systems

Wood is continuing the design of Bid Packages #15, #16, and #17. Discussions with the Corps of Engineers, about berm designs, are continuing, with emphasis on building to the Authorized Level of Protection. Once discussions are complete, a design, bid date schedule, and revised cost estimate will be developed.

The Corps' Prairie Du Pont/ Fish Lake Systems risk assessment review for possible funding not based on a benefit/cost ratio is underway with a tentative report completion date of October 2019.

Mr. Motil asked for a motion to accept the Program Status Report for January 2019. A motion was made by Mr. Brinkman to accept the Program Status Report for January 2019. Mr. Plank

seconded the motion. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Brinkman – Aye  
Mr. Conrad – Aye  
Ms. Crockett - Aye  
Mr. Metzger - Aye  
Dr. Moore – Aye  
Mr. Motil – Aye  
Mr. Parks – absent  
Mr. Plank – Aye  
Mr. Schwind - Aye

The motion was approved unanimously.

### **Budget Update and Approval of Disbursements**

Mr. Motil asked Mr. Etwert to provide a report.

Mr. Etwert noted that the financial statements for November and December 2018 prepared by fiscal agent, CliftonLarsonAllen, were included in the materials sent for the meeting. The reports include an accounting of revenues and expenditures for the months ending November 30, 2018 and December 31, 2018, as compared to the fiscal year budget.

Accrued expenditures for the current fiscal year beginning on October 1, 2018 thru December 31, 2018 are \$5,603,039 while revenues amounted to \$3,380,322 resulting in a deficit of \$2,222,717. A total of \$31,565,463 is held by the counties in their respective FPD sales tax funds and will be needed by the Council for the 500-Year Authorized Level of Protection.

Monthly sales tax receipts of \$1,008,420 for September 2018 were up .75% from last year and monthly sales tax receipts of \$1,027,289 for October 2018 were up 3.15% from last year. Both amounts were the highest amounts ever collected in September and October and are the twenty third and twenty fourth months in a row with the highest receipts collected for those particular months. Receipts are up 3.29% from last year, which was our highest year.

He also provided for the Board's review and anyone else who was interested, the bank transactions for November and December 2018. . Total disbursements for November were \$198,064.65 and for December were \$181,383.82. The largest payments were to Wood and East West Gateway.

Mr. Etwert recommended that the Board accept the budget report and disbursements for November and December 2018.

Mr. Motil asked for a motion to accept Mr. Etwert’s budget report and disbursements for November and December 2018. A motion was made by Mr. Schwind, seconded by Ms. Crockett, to accept the budget report and approve the disbursements for November and December 2018. Mr. Conrad called the roll and the following votes were made on the motion:

- Mr. Brinkman – Aye
- Mr. Conrad – Aye
- Ms. Crockett - Aye
- Mr. Metzger - Aye
- Dr. Moore – Aye
- Mr. Motil – Aye
- Mr. Parks – absent
- Mr. Plank – Aye
- Mr. Schwind – Aye

The motion was approved unanimously.

**Design and Construction Update**

Mr. Motil called on Jay Martin, Wood Environment & Infrastructure Solutions, Inc., to provide an update report. Mr. Martin indicated his report would be more on design updates than construction updates.

He used a PowerPoint® presentation to illustrate his remarks. His presentation focused on FEMA Certification Update, the Authorized Level (500-Year) Design, a summary of the past year and a projection for the coming year as follows:

**FEMA Certification Update**

A summary of the FEMA Certification by Levee/County was presented.

<b>Levee System</b>	<b>County Flood Maps</b>	<b>Submitted to FEMA</b>	<b>Comments from FEMA</b>	<b>Resubmitted to FEMA</b>
Upper Wood River	Madison	March 10, 2017 <i>(USACE)</i>	September 5, 2017	June 18, 2018
East/West Forks	Madison	December 5, 2016	January 26, 2018	June 29, 2018
Lower Wood River	Madison	October 17, 2017	April 20, 2018	July 13, 2018



Metro East Sanitary District (MESD)	Madison/ St. Clair	October 3, 2018		<i>(Final-Pending)</i>
Prairie Du Pont/Fish Lake (PDP/FL)	St. Clair/ Monroe	July 6, 2017	January 26, 2018	June 29, 2018

He indicated he expects certification approval in 2019 on the four packages that have been resubmitted to FEMA, with the East/West Forks being the first.

Next, Mr. Martin discussed the status of the Authorized Level (500-Year) Design.

### **Authorized Level (500-Year) Design**

#### **Wood River (Bid Packages 8, 9, and 10)**

- Bid Package 8

Design is ongoing

23 relief wells and 1 pump station

USACE plans to bid this project in summer 2019

- Bid Packages 9 & 10

On hold pending completion of USACE Risk Assessment & Supplemental Report (< 1 year remaining)

#### **MESD (Bid Packages 11, 12, 13, 14 & 18)**

- Bid Package 11

USACE provided relief well locations 30 Nov 2018.

Topo and legal survey was completed in 2017, prior to project hold.

Drilling completed in 2017; no additional drilling necessary

Construction drawings and relief well design is underway

- Bid Packages 12 & 13

Bid Package 13 no longer exists. USACE took on a portion and the rest was combined with Bid Package 12

Bid Package 12 is still on hold, pending USACE risk informed solutions (summer 2019)

- Bid Package 14

Pending USACE Section 404 permit revision to clear trees prior to drilling

Drilling to be completed along shallow clay trench alignment in February\

Advertise for bid late spring or early summer 2019

- Bid Package 18 (Cahokia Relief Well Project from USACE )

51 relief wells

Design & coordination with USACE is still ongoing

Advertise for bid early 2019

**Prairie Du Pont & Fish Lake (Bid Packages 15, 16, 17)**

- Still working with USACE to validate solutions
- Drilling not likely in 2019
- 100% FPD Council funded design and construction No Federal match)

- USACE Risk Review

Kick Off was December 2018

1<sup>st</sup> PFMA Meeting is scheduled for late February 2019

10-12 Month duration estimated

Lastly, he summarized 2018 and projected 2019.

- Look back on 2018

FEMA submittals and coordination

USACE coordination on all projects

Wood performed mostly design work, very little field

- Outlook for 2019

FEMA approvals for Wood River and PdP/FL (maybe MESD)

USACE coordination much heavier due to MESD funding and USACE increased activity

Field work (environmental, drilling)

Two projects scheduled for construction (BP14, BP18)

Risk Review for PdP/F; will take most of 2019

**2019 will be a busy year!**

Mr. Parks arrived at the beginning of the presentation.

Mr. Motil asked for a motion to accept Mr. Martin's Design and Construction Update report. A motion was made by Mr. Parks, with a second by Mr. Brinkman, to accept the Wood Environment & Infrastructure Solutions, Inc. Design and Construction Update report. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Brinkman – Aye  
Mr. Conrad – Aye  
Ms. Crockett - Aye  
Mr. Metzger - Aye  
Dr. Moore – Aye  
Mr. Motil – Aye  
Mr. Parks – Aye  
Mr. Plank – Aye  
Mr. Schwind - Aye

The motion was approved unanimously.

**Authorization to Execute Contract with Eberhardt Wetlands Bank, LLC for Wetland Mitigation Services**

Mr. Etwert asked Mr. Randy Cook of Wood Environment & Infrastructure Solutions, Inc., to explain this item.

Mr. Cook explained this contract was part of Bid Package #14 design and environmental permitting work. He explained the Section 404(b)(1) of the Federal Clean Water Act requires that anyone proposing activities within “waters of the United States” that are not water dependent is required to demonstrate that they have considered all appropriate reasonable and prudent measures to avoid and minimize impact to such waters. Furthermore, compensatory mitigation should be considered only after avoidance and minimization measures have been fully evaluated and applied to the extent practicable.

Wood, working in conjunction with the Corps of Engineers, has taken all practical and reasonable steps to avoid and minimize wetland impacts. Due to required tree clearing for the East St. Louis Design Deficiency Project, Bid Package #14, it will be necessary to replace about .9 acres of wetlands. The quality of the wetlands being replace require a replacement ratio of 3:1, therefore 2.7 acres will be needed to fully compensate for the wetlands that will be affected by the project.

Since the Council does not have in-house operations capability nor does it seek to own property long-term, a mitigation arrangement, which divests ownership and operational responsibilities and satisfies the Corps of Engineers, has been secured with Eberhardt Wetlands Bank, LLC at a cost of \$29,500 per acre, for a total cost of \$79,650.

It was indicated Wood sought the most economical mitigation cost. The only other mitigation bank with their service area within the project area was Fountain Creek Mitigation Bank and their cost was \$30,000 per acre. The Corps usually requires a higher mitigation ratio when utilizing banks outside the basin/watershed, since the impacts are not within the same basin/watershed. Previous mitigation costs for the 100-Year Level of Protection was \$30,010

per acre. There will be additional mitigation costs for future Authorized Level Projects, as the footprints of those projects are finalized. Mitigation costs for the rest of the Authorized Level Projects will probably be similar to the 100-Year Accreditation Projects, which was over to \$1.3 million dollars for around forty six acres.

Tracey Kelsey indicated that she thought the mitigation costs could be included in the Council's thirty-five percent non-federal share costs.

It was noted that the Corps is requiring the trees be cleared this winter prior to April 1<sup>st</sup>.

A copy of the Mitigation Credit Purchase Agreement was provided in the agenda package.

Mr. Motil asked for a motion to authorize the Chief Supervisor to execute a contract with Eberhardt Wetlands Bank, LLC to provide wetland mitigation for the East St Louis Design Deficiency Bid Package #14 project at a total cost of \$79,650. Under the terms of that agreement, Eberhardt Wetlands Bank, LLC will provide wetland mitigation for the required tree clearing for the East St Louis Design Deficiency Project Bid Package #14 project as approved by the Corps of Engineers.

A motion was made by Mr. Brinkman, with a second by Mr. Parks to authorize the Chief Supervisor to execute a contract with Eberhardt Wetlands Bank, LLC to provide wetland mitigation for the East St Louis Design Deficiency Bid Package #14 project at a total cost of \$79,650.

Mr. Cook indicated the area being cleared was south of the America's Central Port area located in Madison County and the Eberhardt Wetlands were also in Madison County.

Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Brinkman – Aye  
Mr. Conrad – Aye  
Ms. Crockett - Aye  
Mr. Metzger - Aye  
Dr. Moore – Aye  
Mr. Motil – Aye  
Mr. Parks – Aye  
Mr. Plank – Aye  
Mr. Schwind – Aye

The motion was approved unanimously.

### **Financial Update by Columbia Capital Management, LLC**

Mr. Motil welcomed Mr. Jeff White, who introduced his colleague Khalen Dwyer.

Mr. White explained that Columbia Capital's role with the Council is to advise on municipal bond transactions, which has been the Council's primary vehicle used to fund improvements since 2010 for the 100-Year and 500-Year improvements.

Mr. White provided a summary of the work performed by the Council to date, an accreditation timeline and the projected costs of the Authorized Level Projects.

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He indicated the non-federal share of the Authorized Level Improvements was \$135,486,050, with approximately \$47.8 million spent to date, and \$87.7 million to be spent in FY2019 and future years. Based on current available funds, a shortfall of \$26,458,000 was identified.

He identified sources and uses of funds for the time period FY2019 to FY2021, which indicated only \$663,544 remaining at the end of FY2021. In summary, additional funding of \$25.7 million would be needed in FY2022 and thereafter.

Mr. White then handed the presentation over to Mr. Dwyer to discuss opportunities to reduce existing debt service costs and a path to fill the \$25.7 million gap of funding.

Mr. Dwyer discussed the Council ability to issue and borrow additional bonds, the Council's current debt service schedule, and how much more the Council can borrow.

He indicated at today's revenues and interest rate environment the Council would have the ability to borrow \$18M to \$22M in 2020 and with a 2% annual growth in sales tax revenues a possible \$24M in 2021. He provided what a 2021 bond issue would look like and other interest rate risk and cash flow funding scenarios.

Next, he discussed economic refunding opportunities that the Council may have, which could generate savings to the Council, potentially increase the Council's capacity to issue additional bonds, provide an opportunity to restructure the debt, if necessary, and if refunding the Series 2010B or Series 2010C Bonds, eliminate the Council's dependence on federal subsidy payments.

Lastly, he summarized the presentation, identifying the Council's \$25.7 million shortfall, the anticipated expenditures thru FY2021, available funding strategies, factors affecting the timing of bond financing, and the potential refunding opportunities.

Mr. Etwert reminded everyone that the current \$26 million shortage was based on current Corps of Engineers' estimates and the Authorized Level design and construction process is very early in the game. Early in the 100-Year Accreditation Projects, construction estimates were well over \$100 million dollars, and the final construction costs came in around \$75 million dollars. Hopefully, the same type of results can be achieved as the Authorized Level Projects are finally design and constructed. However, there is no guarantee that this will happen.

As the projects are bid this year and next, a better idea of the amount needed will be developed. Today's presentation was to provide everyone with what would be needed based on the Corps' current estimates and how it might be generated.

Mr. White indicated that if interest rates do hold, Columbia Capital would be back in the fall to discuss possible refunding as early as January of 2020.

A copy of their presentation and the Council's 2018 Year-End debt profile was provided to each Board member.

Mr. Motil asked for a motion to accept Columbia Capital Management's Financial Update.

A motion was made by Dr. Moore, with a second by Mr. Conrad to accept Columbia Capital Management's Financial Update. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Brinkman – Aye  
Mr. Conrad – Aye  
Ms. Crockett - Aye  
Mr. Metzger - Aye  
Dr. Moore – Aye  
Mr. Motil – Aye  
Mr. Parks – Aye  
Mr. Plank – Aye  
Mr. Schwind - Aye

The motion was approved unanimously.

Mr. Parks and Mr. Plank had to leave the meeting for commitments.

### **Corps of Engineers Update**

Mr. Motil asked Ms. Kelsey to provide the report from the Corps.

Ms. Kelsey provided an update of the current activities of the Corps using a PowerPoint® presentation to illustrate his remarks. Her presentation focused on the status of the Metro East Projects as follows:

### **USACE UPDATE**

#### **Project Status**

- Wood River
  - Cutoff wall construction complete

- BP 8
- Supplemental Report
- IDR/PPA WIK Amendment
- WIK Credit Submittal
  
- East St. Louis
  - Cutoff Wall
  - PPA WIK Amendment
  - WIK Credit Submittal
  - BP 14, BP 11, BP 18
  
- PdP/FL
  
- FEMA Submittals

Mr. Motil thanked Ms. Kelsey and asked for a motion to accept the Corps of Engineers Update Report. A motion was made by Mr. Schwind, with a second by Ms. Crockett to receive the Corps of Engineers Update Report. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Brinkman – Aye  
 Mr. Conrad – Aye  
 Ms. Crockett - Aye  
 Mr. Metzger - Aye  
 Dr. Moore – Aye  
 Mr. Motil – Aye  
 Mr. Parks – absent  
 Mr. Plank – absent  
 Mr. Schwind - Aye

The motion was approved unanimously.



**Public Comment**

Mr. Motil asked if there was any public comment. There was none.

Mr. Motil asked to adjourn the public session and convene an executive session regarding personnel matters under Open Meetings Act 5 ILCS 120/2 (c) (1) for the purpose of discussing personnel matters.. He indicated that any action, if taken upon reconvening the public session, would be in regards to the extension of the contract with the Chief Supervisor of Construction and the Works and the public was welcomed to stay for when the public session was reconvened.

Mr. Metzger made a motion at 8:20 a.m. to convene a closed session under Open Meetings Act 5 ILCS 120/2 (c) (1) for the purpose of discussing personnel matters. The motion was seconded by Mr. Brinkman. It was indicated that all Board members and County Board Chairs should be present, along with Chuck Etwert. Mr. Conrad called the roll and the following votes were made on the motion:

- Mr. Brinkman – Aye
- Mr. Conrad – Aye
- Ms. Crockett - Aye
- Mr. Metzger - Aye
- Dr. Moore – Aye
- Mr. Motil – Aye
- Mr. Parks – absent
- Mr. Plank – absent
- Mr. Schwind - Aye

The motion was approved unanimously and the Board went into executive session.

Mr. Motil asked for a motion to adjourn the executive session and reconvene the public session.

Dr. Moore made a motion to adjourn the executive session and reconvene the public session at 8:31 a.m. Mr. Schwind seconded the motion. Mr. Conrad called the roll and the following votes were made on the motion:

- Mr. Brinkman – Aye
- Mr. Conrad – Aye
- Ms. Crockett - Aye
- Mr. Metzger - Aye
- Dr. Moore – Aye
- Mr. Motil – Aye
- Mr. Parks – absent
- Mr. Plank – absent
- Mr. Schwind - Aye

The motion was approved unanimously.

Mr. Motil called the meeting to order.

**Extension of Chief Supervisor of Construction and the Works Employment Agreement**

Mr. Motil asked for a motion to authorize the extension of the Employment Agreement with the Chief Supervisor of Construction and the Works for two years, with a three percent increase to an annual salary of \$152,985, with benefits in accordance with East-West Gateway benefits, except for vacation which will be increased from four weeks to five weeks annually, a \$35 per month for cell phone allowance, and mileage allowance at the federal rate.

A motion was made by Mr. Schwind, with a second by Ms. Crockett to authorize the extension of the Employment Agreement with the Chief Supervisor of Construction and the Works for two years, with a three percent increase to an annual salary of \$152,985, with benefits in accordance with East-West Gateway benefits, except for vacation which will be increased from four weeks to five weeks annually, a \$35 per month for cell phone allowance, and mileage allowance at the federal rate. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Brinkman – Aye  
Mr. Conrad – Aye  
Ms. Crockett - Aye  
Mr. Metzger - Aye  
Dr. Moore – Aye  
Mr. Motil – Aye  
Mr. Parks – absent  
Mr. Plank – absent  
Mr. Schwind – Aye

The motion was approved unanimously.

Mr. Motil thanked Mr. Etwert for the fantastic job that he has done and expressed the Council's appreciation for everything that he does.

Mr. Etwert thanked the Council for the adjustments in the employment agreement and their continued support of him. He also thanked them for their continued focus of achieving the 100-Year Accreditation and the Authorized Level of Protection. Lastly, he indicated the Flood Prevention District Council is a text book example of three Counties working together to solve a regional problem.

**Other Business**

Mr. Motil asked if there was any other business. There was none.

**Adjournment**

Mr. Motil asked for a motion to adjourn the meeting. A motion was made by Dr. Moore, seconded by Ms. Crockett to adjourn the meeting. The motion was approved unanimously by voice vote, all voting aye.

Respectfully submitted,

John Conrad,  
Secretary/Treasurer, Board of Directors





## Progress Report January 16, 2019

Southwestern Illinois Levee Systems

By Jay Martin

woodplc.com



## FEMA Submittal Summary

Levee System	County (Flood Map)	Submitted to FEMA	Comments Received from FEMA	Resubmitted to FEMA
Upper Wood River	Madison	March 10, 2017 (USACE)	September 5, 2017	June 18, 2018 (USACE)
East/West Forks	Madison	December 5, 2016	January 26, 2018	June 29, 2018
Lower Wood River	Madison	October 17, 2018	April 20, 2018	July 13, 2018
Metro East Sanitary District (MESD)	Madison/St Clair	October 3, 2018		(Final-Pending)
Prairie du Pont & Fish Lake (PDP/FL)	St Clair/Monroe	July 6, 2017	January 26, 2018	June 29, 2018



## Authorized Level (~500-Year) Design

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### Wood River (Bid Packages 8, 9, & 10)

- Bid Package 8
  - Design is ongoing
    - 23 relief wells and 1 pump station
  - USACE plans to bid this project in summer 2019
- Bid Packages 9 & 10
  - On hold pending completion of USACE Risk Assessment and Supplemental Report (<1 year remaining)



## Authorized Level (~500-Year) Design

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### MESD (Bid Packages 11, 12, 13, 14 & 18)

- Bid Packages 11
  - USACE provided relief well locations 30 Nov 2018.
  - Topo and legal survey was completed in 2017, prior to project hold.
  - Drilling completed in 2017; no additional drilling necessary
  - Construction drawings and relief well design is underway
- Bid Package 12 & 13
  - Bid Package 13 no longer exists. USACE took on a portion and the rest was combined with Bid Package 12.
  - Bid Package 12 is still on hold, pending USACE risk informed solutions (summer 2019).



## Authorized Level (~500-Year) Design

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### MESD (Bid Packages 11, 12, 13, 14 & 18)

- Bid Package 14
  - Pending USACE Section 404 permit revision to clear trees prior to drilling
  - Drilling to be completed along shallow clay trench alignment in February
  - Advertise for bid late spring or early summer 2019
- Bid Package 18 (Cahokia Relief Well Project from USACE)
  - 51 relief wells
  - Design & coordination with USACE is still ongoing
  - Advertise for bid spring 2019

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A presentation by Wood.



## Authorized Level (~500-Year) Design

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### Prairie du Pont & Fish Lake (Bid Packages 15, 16, & 17)

- Still working with USACE to validate solutions.
- Drilling not likely in 2019
- 100% FPD Council funded design and construction (No Federal match)
- USACE Risk Review
  - Kick Off was December 2018
  - 1<sup>st</sup> PFMA Meeting is scheduled for late February 2019.
  - 10-12 Month duration estimated

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A presentation by Wood.



## Summary

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- Look back on 2018:
  - FEMA submittals and coordination
  - USACE coordination on all projects
  - Wood performed mostly design work, very little field
- Outlook for 2019:
  - FEMA approvals for Wood River and PdP/FL (maybe MESD)
  - USACE coordination much heavier to due MESD funding and USACE increased activity.
  - Field work (environmental, drilling)
  - Two projects scheduled for construction (BP14, BP18)
  - Risk Review for PdP/FL will take most of 2019

**2019 will be a busy year!**



**wood.**



# Financial Update

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COLUMBIA CAPITAL MANAGEMENT, LLC

Khalen Dwyer, Senior Vice President

Jeff White, Managing Member

January 2019



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## 100-Year Flood Improvements

### Construction Status

- The Council has completed each of its 100-Year Level of Protection Construction Bid Packages

100-Year Flood Protection Improvements			
Bid Package	Project Location	Project Description	Project Amount
1	-	Gravity Drain & Toe Rehabilitation	\$ 133,641
2A	FL	1 Pump Station	797,600
2B	PDP, MESD, WR	5 Pump Stations	5,346,711
2C	MESD	Site 12 Force Mains	311,692
3	WR	Blanket Drains, Earth Fill, Relief Wells, Seepage Berms, Piping, Weirs	12,922,904
4	MESD	1 Pump Station, Clay Cap, Piping, RW	6,398,834
5	MESD	Clay Cap, Earth Fill, Piping, Relief Wells Rip Rap, Sluice Gate Rehabs	14,420,884
5A	MESD	126" Sewer Repair	699,900
6	PDP, FL	Clay Cap, Seepage Berms, Piping, Relief Wells, Sluice Gate Rehabs	15,436,257
7A	WR (Upper)	Shallow Cutoff Wall	3,375,350
7B	WR (Lower)	Deep Cutoff Wall	14,919,724
			\$ 74,763,497



# 100-Year Flood Improvements

## Accreditation Timeline

- Levee certification documentation has been submitted to FEMA for all five levee systems:
  - Wood River East & West Forks (December 2015)
  - Upper Wood River (March 2017)
  - Prairie Du Pont & Fish Lake (July 2017)
  - Lower Wood River (October 2017)
  - MESD (Fall 2018)
- Current timeline anticipates accreditation sometime in 2019
- FEMA expected to issue new maps reflecting the improvements in 2020



# Authorized Level Improvements

## Total Cost of Authorized Level Projects

- With the completion of the 100-year flood improvements, the Council's resources are more narrowly focused on:
  - 500-year flood level improvements ("Authorized Level Improvements")
  - Assisting Levee Districts in obtaining additional funds to operate and maintain the 100-year flood improvements
- The Council's share of total costs (incurred and expected) related to the design, management and construction of the Authorized Level Improvements is currently estimated at **\$135.5 million**

Authorized Level Improvements	Non-Federal Share	Federal Share	Total Project
Wood River	\$29,851,500	\$ 55,438,500	\$ 85,290,000
Metro-East Sanitary District	54,709,550	101,603,450	156,313,000
Prairie DuPont/Fish Lake	50,925,000	-	50,925,000
<b>Total</b>	<b>\$ 135,486,050</b>	<b>\$ 157,041,950</b>	<b>\$ 292,528,000</b>



# Authorized Level Improvements

## Status of Funding the Council's Share

- As of today, the Council has committed—through cash, work-in-kind and design credit—approximately **\$47.8 million** in Authorized Level Improvements
- The remaining **\$87.7 million** in improvements is to be funded in FY 2019 and thereafter

	Wood River	MESD	PDP/FL	Total
<b>Total Authorized Funding Required</b>	\$ 29,851,500	\$ 54,709,550	\$ 50,925,000	\$ 135,486,050
<b>Funding Committed/Completed</b>				
Cash Contributions	\$ 8,553,254	\$ 4,192,799	-	\$ 12,746,053
Eligible Work-In-Kind Credit	16,041,496	12,415,405	-	28,456,901
Eligible Design Credit	921,273	4,588,292	1,053,938	6,563,503
	\$ 25,516,023	\$ 21,196,496	\$ 1,053,938	\$ 47,766,457
<b>Balance of Work/Funding Required</b>				
Cash Contributions	\$ 1,000,000	\$ 3,622,851	\$ 500,000	\$ 5,122,851
Work-In-Kind Credit	1,794,750	27,049,463	-	28,844,213
Design Costs	1,540,727	2,840,740	5,413,062	9,794,529
Construction Costs	-	-	17,500,000	17,500,000
Additional Funds Required	-	-	26,458,000	26,458,000
	\$ 4,335,477	\$ 33,513,054	\$ 49,871,062	\$ 87,719,593



# Authorized Level Improvements

## Sources & Uses of Funds (FY 2019 to 2021)

### Fiscal Year 2019 to 2021 (\$ millions)

- Total Cash & Revenues : \$ 104.2
- Operating & Other Expenditures: (42.2)
- Authorized Level Improvements: (61.3)
- Ending Fund Balance: \$ 0.7

### USES OF FUNDS (FY 2019 to FY 2021)

### SOURCES OF FUNDS (FY 2019 to FY 2021)

<b>Cash on Hand</b>	
SWIL Cash & Investments	\$33,920,821
County Cash & Investments	31,060,526
	<b>\$65,486,284</b>
<b>Estimated Sales Tax Revenues &amp; Interest Income</b>	
Fiscal Year 2019	\$ 12,755,000
Fiscal Year 2020	12,865,000
Fiscal Year 2021	13,050,000
	<b>\$ 38,670,000</b>
<b>Total Sources of Funds</b>	<b>\$ 104,156,284</b>

<b>Project Design &amp; Construction</b>	
Wood River	\$ 4,335,477
MESD	33,513,054
PDP/FL	23,413,062
	<b>\$ 61,261,593</b>
<b>Other Expenditures</b>	
Existing Net Debt Service	\$ 30,303,450
Design Program Management	600,000
FEMA Improvements Life Cycle	61,227
Construction Management	4,300,000
Operating Expenses	3,688,500
Property Acquisition	1,750,000
Wetland & Hazmat Mitigation	1,527,970
	<b>\$ 42,231,147</b>
<b>Total Uses of Funds</b>	<b>\$ 103,492,740</b>
<b>Ending Fund Balance</b>	<b>\$ 663,544</b>

Note: Data and estimates provided by the Council



# Funding Shortfall

## Additional Funding Required In FY2022 & Thereafter

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- Remaining Authorized Level Funding Required Today: **\$ 87.7 million**
- Estimated Project Expenditures in FY 2019 to 2021: **\$(61.3 million)**
- Projects Remaining Ending FY 2021: **\$26.4 million**
- Available Cash Ending FY 2021: **\$0.7 million**
- Funding Shortfall: **\$(25.7 million)**



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# Authority To Borrow

## Can the Council Issue/Borrow Additional Bonds?

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- The Flood Prevention District Act (ILCS 750) provides the Council with the authority to borrow through the issuance of sales tax revenues bonds with a maturity "not to exceed 25 years from the date of the bonds..."
- The Council's outstanding bonds fall into two categories:
  - Senior Lien Bonds (Series 2010ABC and Series 2015A)
  - Subordinate Lien Bonds (Series 2015B)
- The Council's ability to issued additional bonds on either a senior lien or subordinate lien basis is constrained by an Additional Bonds Test (ABT) in the respective bond legal documents
  - Senior Lien: 1.50x Coverage Test (Maximum Annual Senior Lien Debt Service)
  - Subordinate Lien: 1.10x Coverage Test (Combined Senior and Subordinate Lien Maximum Annual Debt Service)



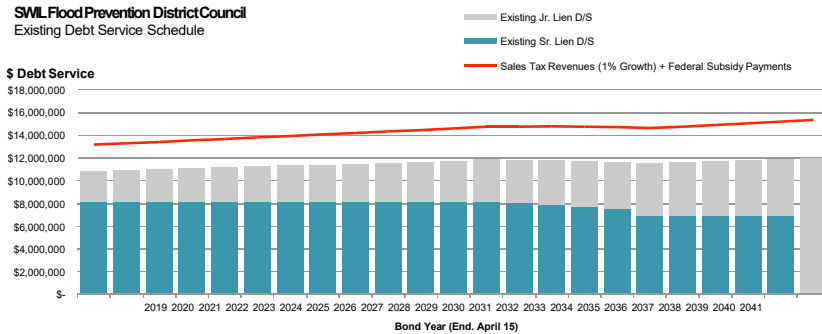
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# Existing Debt Service

## What is the Council's Current Debt Service Schedule?

The Council has **\$158.8 million** in outstanding bonds

- Senior Lien (**\$103.3 million**) and Junior Lien (**\$55.5 million**)
- The debt service is structured to increase steadily until the final debt service payment in 2041 (**\$11.9 million**)



# Additional Bonding Capacity

## How Much More Can the Council Borrow?

- The Council's additional bonding capacity is determined by comparing current revenues (including sales tax revenues, investment income and federal interest subsidy payments) against future maximum annual debt service
- Revenues for the most recent twelve months (ending September 2018) equal **\$13.77 million**
- The Council might require additional funding as soon as Fall 2020. At today's revenue levels and interest rate environment, the Council has the capacity to borrow **Senior Lien Bonds** to fund between **\$18-22 million** in projects
  - 24-year bonds could be issued to amortize in years 2042-44 (after existing senior lien bonds mature)
- With 2% annual growth in sales tax revenues from today's levels, and despite a moderate increase in interest rates, this capacity would increase to **\$24 million** by 2021
- The Council does NOT currently have the capacity to issue additional **Subordinate Lien Bonds**

	Current Maximum Annual Debt Service	Additional Bonds Test	Existing MADS Coverage	2020 Capacity	Projected 2021 Capacity*
<b>Senior Lien Bonds</b>	\$ 8.16 M	150%	169%	\$18M to \$22M	\$24M
<b>Subordinate Lien Bonds</b>	\$11.95 M	115%	115%	\$ 0	\$ 0

\*Assumes 2% annual growth in sales tax revenues over the next two years. The figures shown are the estimated bond proceeds available for projects net of costs of issuance and the funding of a required reserve fund. We also presume the Council would prioritize maximizing its senior lien bonding capacity, reducing its subordinate lien bonding capacity to zero.

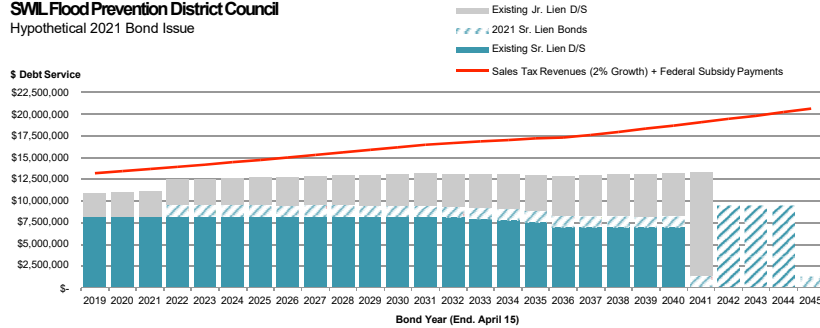


# Hypothetical 2021 Bond Issue

## What Would a 2021 Bond Financing Look Like?

- Net senior lien bonding capacity for projects: **\$24 million** (assuming 5% interest rate)
- Final maturity in 2045 (24-year final maturity)
- Annual interest payments on the new bonds constrain bonding capacity (Sr. Lien MADS in 2025)
- Principal amortization must be deferred until 2042-2045, after the existing bonds are paid off

**SWIL Flood Prevention District Council**  
Hypothetical 2021 Bond Issue



# Timeline Scenarios (\$25.7M Shortfall)

## Interest Rate Risk & Cash Flow Funding Scenarios

- The Council's actual funding shortfall (ending FY 2021) is **\$25.7 million**, as currently predicted
- Sales tax receipts grow by 2% annually over the next two years
- Reasonable fixed costs of issuance, underwriter's discount and a debt service reserve fund are funded with bond proceeds
- Sales tax receipts generate approximately **\$2 million annually** in additional net revenues available to cash fund projects as needed over the next few years

Assuming \$25.7 Million Needed	2020 Bond Issue	----- 2021 Bond Issue -----		
	Today's Market Rates	Today's Market Rates	Higher Rates (Baseline Scenario)	Much Higher Interest Rates
Est. Interest Rate (TIC)	4.2% to 4.6%	4.2% to 4.6%	5.0%	6.0%
Project Bonding Capacity	\$18.0M - \$22.0M	≥ \$25.7M	\$24.0M	\$19.4M
Shortfall Ending FY2021	\$3.7M - \$7.7M	N/A	\$1.7M	\$6.3M
Years After 2021 to Cash Flow the Balance Needed	3 to 4 years	N/A	≈ 1 year	3 to 4 years
Fully Funded In	2024 to 2025	2021	2022	2024 to 2025



# Refunding Analysis

## Economic Refunding Opportunities

- **The Bonds issued in 2010 are subject to optional redemption on and after April 15, 2020**
  - Series 2010A (Tax-Exempt)
    - \$39.2 million in callable par
    - Current refunding stands to generate savings of **\$2.7 million** or **7.5%** of refunded par
  - Series 2010B (Taxable Build America Bonds)
    - \$9.1 million in callable par
    - Federally subsidized interest rates (35% gross subsidy)
    - Current refunding stands to generate savings of **\$1.1 million** or **11.9%** of refunded par
  - Series 2010B (Recovery Zone Economic Development Bonds)
    - \$21.1 million in callable par
    - Federally subsidized interest rates (45% gross subsidy)
    - Current refunding stands to generate savings of **\$850,000** or **4.0%** of refunded par
- **Acurent refunding could close as early as mid-January 2020 and would:**
  - Generate savings to the Council
  - Potentially increase the Council's capacity to issue additional bonds
  - Provide an opportunity to restructure the debt, if necessary
  - If refunding the Series 2010B or Series 2010C Bonds, eliminate the Council's dependence on federal subsidy payments



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# In Conclusion

## Presentation Summary

- The Council estimates a funding shortfall for Authorized Level Improvements of **\$25.7 million**
- The Council's existing cash and bond proceeds are expected to last through FY 2021
- Funding strategies to close the **\$25.7 million** shortfall include (among others):
  - 2020 Bond Issue<sup>1</sup> (= **\$18 to 22 million**) + PAYGO Funding (2022 to 2025) (= **\$3.7 to 7.7 million**)
  - 2021 Bond Issue<sup>2</sup> (= **\$24 million**) + PAYGO Funding (2022) (= **\$1.7 million**)
- The Council should consider certain factors when timing its bond financing:
  - Interest rate risk—risk of significant upward interest rate movement
  - Economic risk—risk that an unexpected decline in sales tax revenues limit bonding capacity
  - Negative arbitrage risk—risk of inefficient reinvestment of idle bond proceeds prior to disbursement for projects
- The Council may have opportunities to refund its existing debt for economic savings over the next year or so

<sup>1</sup>Under current market conditions (4.6% interest cost)

<sup>2</sup>Assuming 5% interest cost



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# Q&A



# Appendices

Bonding Analysis

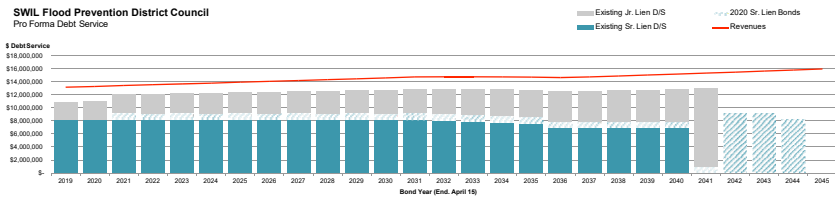
Refunding Analysis



## APPENDIX Bonding Analysis

### Scenario: 2020 Bond Financing At Current Market Rates (Coverage Projected With 1% Revenue Growth) Series 2020 Net Proceeds \$ 21,865,000

PERIOD	REVENUES			DEBT SERVICE				DEBT SERVICE COVERAGE			
	Sales Tax	Subsidy	Total	Existing Sr. Lien D/S	Series 2020 Sr. Lien D/S	Total Sr. Lien D/S	Existing Jr. Lien D/S	All Bond D/S	Senior A/B/T	Junior A/B/T	Projected Coverage
1 Bond Year = (April 15)											
0 2019	\$ 12,321,519	\$ 853,711	\$ 13,175,230	\$ 8,162,208	\$ -	\$ 8,162,208	\$ 2,714,363	\$ 10,876,570	1.500	1.062	1.211
1 2020	12,444,734	853,711	13,298,445	8,160,108	-	8,160,108	2,799,863	10,949,970	1.500	1.062	1.214
2 2021	12,569,181	853,711	13,422,892	8,162,408	1,011,520	9,173,928	2,864,713	12,038,640	1.500	1.062	1.115
3 2022	12,694,473	853,711	13,548,184	8,163,133	1,014,338	9,177,470	2,943,013	12,120,483	1.500	1.062	1.118
4 2023	12,821,422	853,711	13,675,133	8,164,383	1,014,338	9,178,720	3,024,163	12,199,883	1.500	1.062	1.121
5 2024	12,950,040	853,711	13,803,751	8,164,183	1,014,338	9,178,520	3,098,763	12,274,283	1.500	1.062	1.125
6 2025	13,079,340	853,711	13,933,052	8,164,433	1,014,338	9,178,770	3,171,863	12,352,633	1.500	1.062	1.128
7 2026	13,210,336	853,711	14,064,047	8,162,633	1,014,338	9,176,970	3,238,013	12,434,983	1.500	1.062	1.131
8 2027	13,342,439	853,711	14,196,150	8,161,283	1,014,338	9,175,620	3,319,888	12,515,508	1.500	1.062	1.134
9 2028	13,475,664	853,711	14,329,375	8,161,644	1,014,338	9,175,983	3,419,463	12,595,445	1.500	1.062	1.138
10 2029	13,610,022	853,711	14,464,333	8,163,295	1,014,338	9,177,633	3,497,163	12,674,795	1.500	1.062	1.141
11 2030	13,746,728	853,711	14,600,440	8,160,733	1,014,338	9,175,070	3,582,413	12,757,483	1.501	1.062	1.144
12 2031	13,884,196	853,711	14,737,907	8,155,783	1,014,338	9,166,120	3,671,350	12,839,470	1.502	1.062	1.148
13 2032	14,023,038	798,929	14,762,967	8,042,204	1,014,338	9,056,541	3,769,944	12,826,485	1.502	1.062	1.151
14 2033	14,163,268	612,951	14,776,219	7,902,014	1,014,338	8,916,352	3,881,725	12,798,077	1.502	1.062	1.155
15 2034	14,306,901	448,460	14,755,360	7,727,317	1,014,338	8,741,655	3,998,975	12,760,630	1.502	1.062	1.158
16 2035	14,447,950	277,407	14,725,357	7,542,076	1,014,338	8,556,413	4,123,200	12,679,613	1.502	1.062	1.161
17 2036	14,592,429	49,820	14,642,249	6,947,899	1,014,338	7,962,236	4,006,200	12,570,436	1.502	1.062	1.165
18 2037	14,738,353	-	14,738,353	6,919,063	1,014,338	7,933,400	4,076,800	12,610,200	1.502	1.062	1.169
19 2038	14,885,737	-	14,885,737	6,920,938	1,014,338	7,935,275	4,761,500	12,696,775	1.502	1.062	1.172
20 2039	15,034,548	-	15,034,548	6,921,656	1,014,338	7,935,994	4,851,500	12,787,494	1.502	1.062	1.176
21 2040	15,184,940	-	15,184,940	6,918,075	1,014,338	7,932,413	4,931,300	12,873,713	1.502	1.062	1.180
22 2041	15,336,790	-	15,336,790	-	1,014,338	1,014,338	11,949,300	12,963,638	1.502	1.062	1.183
23 2042	15,490,158	-	15,490,158	-	9,160,338	-	9,160,338	-	1.502	1.502	1.609
24 2043	15,645,059	-	15,645,059	-	9,167,944	-	9,167,944	-	1.502	1.502	1.706
25 2044	15,801,510	-	15,801,510	-	8,272,731	-	8,272,731	-	1.664	1.664	1.910
26 2045	15,959,425	-	15,959,425	-	-	-	-	-	-	-	-

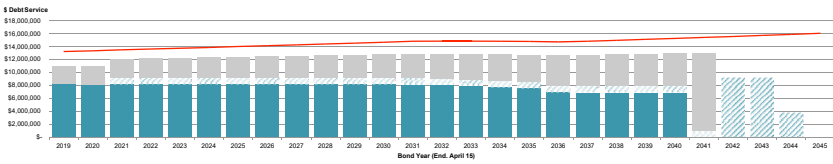


Scenario: 2020 Bond Financing At 5% Interest Rate (Coverage Projected With 1% Revenue Growth)

Series 2020 Net Proceeds \$ 17,720,000

Table with columns: PERIOD, REVENUES (Sales Tax, Subsidy, Total), DEBT SERVICE (Existing, Series 2020, Total), and DEBT SERVICE COVERAGE. It includes a 'Calculation of Revenues For Additional Bonds Test' and a 'Senior Lien MADS' section.

SWIL Flood Prevention District Council Pro Forma Debt Service

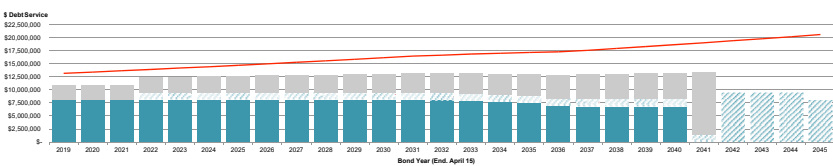


Scenario: 2021 Bond Financing At Current Market Rates (Coverage Projected With 2% Revenue Growth)

Series 2021 Net Proceeds \$ 29,790,000

Table with columns: PERIOD, REVENUES (Sales Tax, Subsidy, Total), DEBT SERVICE (Existing, Series 2021, Total), and DEBT SERVICE COVERAGE. It includes a 'Calculation of Revenues For Additional Bonds Test' and a 'Senior Lien MADS' section.

SWIL Flood Prevention District Council Pro Forma Debt Service

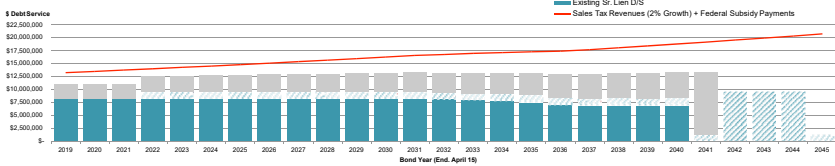


**Scenario: 2021 Bond Financing At 5% Interest Rate** (Coverage Projected With 2% Revenue Growth)

Series 2021 Net Proceeds \$ 23,960,000

Tax Growth For Projected Coverage	2.000%	PERIOD	REVENUES			DEBT SERVICE				DEBT SERVICE COVERAGE				
			Sales Tax Revenues	Subsidy Revenues*	Total Revenues	Existing Sr. Lien D/S	Series 2021 Sr. Lien D/S	Total Sr. Lien D/S	Existing Jr. Lien D/S	All Bond D/S	Senior A/B/T	Junior A/B/T	Projected Coverage	
1 Bond Year = (April 15)		0	2019	\$ 12,321,519	\$ 853,711	\$ 13,175,230	\$ 8,162,208	\$ -	\$ 8,162,208	\$ 2,714,363	\$ 10,876,570	1.500	1.073	1.211
<b>Calculation of Revenues For Additional Bonds Test</b>		1	2020	12,567,949	853,711	13,421,660	8,160,108	-	8,160,108	2,799,863	10,959,970	1.500	1.073	1.226
Dec-2017	\$ 995,901	2	2021	12,819,598	853,711	13,673,309	8,162,408	-	8,162,408	2,884,713	11,047,120	1.500	1.073	1.240
Nov-2017	1,032,735	3	2022	13,075,694	853,711	13,929,405	8,163,133	1,342,510	9,505,643	2,969,013	12,444,656	1.500	1.073	1.119
Dec-2017	1,218,555	4	2023	13,337,208	853,711	14,190,919	8,161,383	1,346,250	9,507,633	3,054,163	12,531,795	1.500	1.073	1.132
Jan-2018	884,025	5	2024	13,603,982	853,711	14,457,693	8,161,183	1,346,250	9,507,433	3,098,763	12,606,195	1.500	1.073	1.147
Feb-2018	885,009	6	2025	13,876,031	853,711	14,729,742	8,164,433	1,346,250	9,510,683	3,178,863	12,684,545	1.500	1.073	1.161
Mar-2018	1,007,122	7	2026	14,153,452	853,711	15,007,163	8,162,633	1,346,250	9,508,883	3,258,013	12,766,895	1.500	1.073	1.175
Apr-2018	991,560	8	2027	14,436,623	853,711	15,290,334	8,161,283	1,346,250	9,507,533	3,339,888	12,847,420	1.500	1.073	1.190
May-2018	1,102,138	9	2028	14,725,855	853,711	15,579,566	8,161,645	1,346,250	9,507,895	3,419,463	12,927,358	1.500	1.073	1.205
Jun-2018	1,087,259	10	2029	15,020,863	853,711	15,874,574	8,163,295	1,346,250	9,509,545	3,497,163	13,006,708	1.500	1.073	1.220
Jul-2018	1,010,353	11	2030	15,320,260	853,711	16,173,971	8,160,733	1,346,250	9,506,983	3,582,413	13,089,395	1.501	1.073	1.236
Aug-2018	1,036,543	12	2031	15,626,665	853,711	16,480,376	8,155,783	1,346,250	9,500,033	3,671,250	13,171,283	1.501	1.073	1.251
Sep-2018	1,008,420	13	2032	15,939,198	739,929	16,679,128	8,042,204	1,346,250	9,388,454	3,769,944	13,158,398	1.501	1.073	1.268
	\$ 12,321,519	14	2033	16,257,982	612,951	16,870,933	7,902,014	1,346,250	9,248,264	3,881,725	13,129,989	1.501	1.073	1.285
		15	2034	16,583,143	488,460	17,071,603	7,727,317	1,346,250	9,073,567	3,998,975	13,072,542	1.501	1.073	1.303
<i>Plus two years of growth at 2%</i>	\$ 497,789	16	2035	16,914,405	277,407	17,191,812	7,542,076	1,346,250	8,888,326	4,123,300	13,011,526	1.501	1.073	1.321
Federal Subsidy Revenue*	853,711	17	2036	17,255,101	49,820	17,304,921	6,947,899	1,346,250	8,294,149	4,466,200	12,962,349	1.501	1.073	1.341
Investment Income	592,211	18	2037	17,598,163	-	17,598,163	6,919,063	1,346,250	8,265,313	4,676,800	12,942,113	1.501	1.073	1.360
<b>Total Revenues</b>	<b>\$ 14,266,230</b>	19	2038	17,950,126	-	17,950,126	6,920,938	1,346,250	8,267,188	4,761,500	13,028,688	1.501	1.073	1.378
Senior Lien MADS	9,510,683	20	2039	18,309,179	-	18,309,179	6,921,056	1,346,250	8,267,306	4,851,300	13,119,606	1.501	1.073	1.396
Senior Lien AHT Test	1.50	21	2040	18,675,311	-	18,675,311	6,918,975	1,346,250	8,264,225	4,941,300	13,205,625	1.501	1.073	1.414
AHT Satisfied?	YES	22	2041	19,048,817	-	19,048,817	-	1,346,250	1,346,250	11,949,300	13,295,550	1.501	1.073	1.433
		23	2042	19,429,794	-	19,429,794	-	9,503,250	9,503,250	-	9,501,250	1.501	1.501	2.065
		24	2043	19,818,390	-	19,818,390	-	9,503,500	9,503,500	-	9,503,500	1.501	1.501	2.085
		25	2044	20,214,757	-	20,214,757	-	9,503,250	9,503,250	-	9,500,250	1.502	1.502	2.128
<i>*Assumes 6.2% reduction due to federal sequestration</i>		26	2045	20,619,053	-	20,619,053	-	9,273,750	-	12,757,500	11,153	11,153	16,162	

**SWL Flood Prevention District Council**  
Pro Forma Debt Service



**APPENDIX**  
Refunding Analysis

Series 2010-A

Local Government Program Revenue Bonds

Southwestern Illinois Flood Prevention District (SW IL Development Authority)

REFINANCING ASSUMPTIONS

Settlement:	4/14/20	Call Date:	4/15/20	✓ Target:	3.00%	Escrow Effc:	≥	75.00%
Call Price:	100	COI:	2.25%	✓ Target:	0.00%	Escrow Effc:	≥	50.00%

REFINANCING ANALYSIS

Maturity	Principal	Coupon	New YTM	Bond Price	Face Price	Net Svc %	Svc % Distr	Net Svc \$	Net Arb	Face Effc
<b>Serial Bonds</b>										
4/15/21	3,265,000	3.500%	2.110%	101.372	100.003	-0.88%		(28,767)	22	0.00%
4/15/22	3,380,000	3.750%	2.180%	103.000	100.004	0.81%		27,263	16	100.00%
4/15/23	3,285,000	4.000%	2.260%	105.024	100.004	2.77%		97,074	9	100.00%
4/15/24	95,000	5.000%	2.370%	109.987	100.007	7.73%		7,343	(0)	100.00%
<b>Term Bond 1</b>										
4/15/24	3,550,000	4.000%	2.370%	106.190	100.004	3.94%		139,699	(2)	100.00%
4/15/25	3,795,000	4.000%	2.470%	107.159	100.004	4.90%		186,117	(13)	99.99%
<b>Term Bond 2</b>										
4/15/26	2,120,000	4.250%	2.560%	109.348	100.005	7.09%		150,376	(13)	99.99%
4/15/27	2,215,000	4.250%	2.670%	110.031	100.005	7.78%		172,230	(20)	99.99%
4/15/28	2,320,000	4.250%	2.800%	110.331	100.005	8.08%		187,369	(30)	99.98%
4/15/29	2,425,000	4.250%	2.930%	110.739	100.005	8.12%		196,991	(40)	99.98%
4/15/30	2,540,000	4.250%	3.050%	110.277	100.005	8.02%		203,767	(50)	99.98%
<b>Term Bond 3</b>										
4/15/26	1,825,000	5.000%	2.560%	113.497	100.007	11.24%		205,127	(11)	99.99%
4/15/27	1,910,000	5.000%	2.670%	114.792	100.007	12.53%		239,418	(17)	99.99%
4/15/28	1,995,000	5.000%	2.800%	115.675	100.007	13.42%		267,689	(26)	99.99%
4/15/29	2,090,000	5.000%	2.930%	116.276	100.007	14.02%		292,988	(35)	99.99%
4/15/30	2,180,000	5.000%	3.050%	116.701	100.007	14.44%		314,835	(43)	99.99%

SAVINGS BY PV% THRESHOLD

Threshold	Principal	Net Arb	\$ Savings	% Savings
≥ 3%	29,060,000	(299)	2,563,998	8.82%
≥ 0% < 3%	6,885,000	25	124,337	1.81%
< 0%	3,265,000	22	(28,767)	-0.88%

SAVINGS BY ESCROW EFFICIENCY

Threshold	Principal	Net Arb	\$ Savings	% Savings
75.00%	35,945,000	(274)	2,688,336	7.48%
50.00%	-	-	-	-
50.00%	3,265,000	22	(28,767)	-0.88%

SENSITIVITY ANALYSIS

--- SETTLEMENT DATE ---

t = 0

4/14/20				
MARKET A	0.00%	\$ 2,688,336	\$ -	\$ -
	0.25%	2,153,888	-	-
	0.50%	1,635,115	-	-
	1.00%	667,470	-	-
	1.50%	221,979	-	-

The Call Date is 0 Years From The Base Settlement

Break-Even Rate At Call Date: 0.00% or 0bps

Approx Corresponding PV Savings \$ 2,688,336 7.48%



Series 2010-B (BAB)

Local Government Program Revenue Bonds

Southwestern Illinois Flood Prevention District (SW IL Development Authority)

Net Subsid	32.830%	Gross Sub	35.000%	Federal Reduction	6.200%
Net Coupon	4.722%	Coupon	7.030%		

REFINANCING ASSUMPTIONS

Settlement:	4/14/20	Call Date:	4/15/20	✓ Target:	3.00%	Escrow Effc:	≥	75.00%
Call Price:	100	COI:	2.25%	✓ Target:	0.00%	Escrow Effc:	≥	50.00%

REFINANCING ANALYSIS

Maturity	Principal	Coupon	New YTM	Bond Price	Face Price	Net Svc %	Svc % Distr	Net Svc \$	Net Arb	Face Effc
<b>Term Bond</b>										
4/15/31	4,890,000	4.722%	3.170%	114.321	100.006	12.06%		594,801	(115)	99.98%
4/15/32	4,720,000	4.722%	3.310%	113.893	100.006	11.64%		479,407	(112)	99.98%

SAVINGS BY PV% THRESHOLD

Threshold	Principal	Net Arb	\$ Savings	% Savings
≥ 3%	9,050,000	(227)	1,074,207	11.87%
≥ 0% < 3%	-	-	-	-
< 0%	-	-	-	-

SAVINGS BY ESCROW EFFICIENCY

Threshold	Principal	Net Arb	\$ Savings	% Savings
75.00%	9,050,000	(227)	1,074,207	11.87%
50.00%	-	-	-	-
50.00%	-	-	-	-

SENSITIVITY ANALYSIS

--- SETTLEMENT DATE ---

t = 0

4/14/20				
MARKET A	0.00%	\$ 1,074,207	\$ -	\$ -
	0.25%	844,630	-	-
	0.50%	621,184	-	-
	1.00%	191,981	-	-
	1.50%	-	-	-

The Call Date is 0 Years From The Base Settlement

Break-Even Rate At Call Date: 0.00% or 0bps

Approx Corresponding PV Savings \$ 1,074,207 11.87%



**Series 2010-C (RZEDB)**

Local Government Program Revenue Bonds

Southwestern Illinois Flood Prevention District (SW IL Development Authority)

Net Subsid	42.210%	Gross Sub	45,000%	Federal Reduction	6.200%
Net Coupon	4.161%	Coupon	7.200%		

**REFINANCING ASSUMPTIONS**

Settlement	4/14/20	Call Date	4/15/20	✓ Target	3.00%	Escrow Effic	≥	75.00%
Call Price	100	COE	2.25%	✓ Target	0.00%	Escrow Effic	≥	50.00%

**REFINANCING ANALYSIS**

Maturity	Principal	Coupon	New YTM	Bond Price	Face Price	Net Spve %	Spve % Distr	Net Spve \$	Net Arb	Face Effic
4/15/32	1,045,000	4.161%	3.310%	108.371	100.005	6.12%		63,915	(28)	99.96%
4/15/33	5,390,000	4.161%	3.460%	107.288	100.005	5.03%		271,298	(179)	99.94%
4/15/34	5,405,000	4.161%	3.580%	106.352	100.005	4.10%		229,664	(195)	99.91%
4/15/35	5,825,000	4.161%	3.690%	105.388	100.005	3.13%		182,482	(221)	99.88%
10/15/35	3,265,000	4.161%	3.690%	105.388	100.005	3.13%		102,284	(124)	99.88%

**SAVINGS BY PV % THRESHOLD**

Threshold	Principal	Net Arb	\$ Savings	% Savings
≥ 3%	21,130,000	(739)	849,642	4.02%
≥ 0% < 3%	-	-	-	-
< 0%	-	-	-	-

**SAVINGS BY ESCROW EFFICIENCY**

Threshold	Principal	Net Arb	\$ Savings	% Savings
75.00%	21,130,000	(739)	849,642	4.02%
50.00%	-	-	-	-
50.00%	-	-	-	-

**SENSITIVITY ANALYSIS**

- - - SETTLEMENT DATE - - -

t = 0

**4/14/20**

MARKET A	0.00%	0.25%	0.50%	1.00%	1.50%
\$	849,642	258,703	11,502	-	-

The Call Date is 0 Years From The Base Settlement

Break-Even Rate A to Call Date: 0.00% or 0bps

Approx Corresponding PV Savings \$ 849,642 4.02%



## Metro East Projects, IL

### Project Status

- Wood River
  - Cutoff wall construction complete
  - BP 8
  - Supplemental Report
  - IDR/PPA WIK Amendment
  - WIK Credit Submittal
- East St Louis
  - Cutoff Wall
  - PPA WIK Amendment
  - WIK Credit Submittal
  - BP 14, BP 11, BP18
- PdP/FL
- FEMA Submittals









Memo to: Board of Directors  
From: Chuck Ewert  
Subject: Program Status Report for March 2019  
Date: March 18, 2019

### **100-Year Certification Packages Status**

On February 18<sup>th</sup>, the Illinois State Water Survey (ISWS) provided their comments to Woods' Hydrologic and Hydraulic (H&H) submittal of October 24, 2018. A follow-up conference call with FEMA and ISWS was held on February 21<sup>st</sup>.

Wood is currently evaluating the effort necessary to update the river/creek models to address recent the comments from ISWS and the conference call. There are generally two paths forward for each of the five waterways in question: certify against the existing, effective base flood elevations, or revise the newer/updated base flood modeling conducted by the Wood and the FPD Council to make that modeling the effective modeling. To certify against the current effective models will require additional geotechnical engineering analyses. Certification against the updated modeling will require revisions per ISWS comments. Wood is evaluating the time associated with each option for each waterway, and will recommend a path forward to the FPD Council shortly.

The timing of FEMA's issuance of continued accreditation letters for the Wood River East & West Forks, Lower Wood River, Upper Wood River, and Prairie Du Pont/Fish Lake Levee Systems will be dependent on the path recommended, but hopefully, will not be later than this summer.

FEMA's review of the Base Condition Risk Assessment (BCRA) for MESD and Chain of Rocks segments is moving along, with the Corps submitting a final report to FEMA within the next month, and FEMA anticipating a fast final review and acceptance.

It appears approval of the East St. Louis (MESD) package might be achieved sooner than expected.

## **500-Year Authorized Level Status**

### Wood River Levee System

Wood continues the design of Bid Package #8, which will be constructed by the Corps of Engineers. Wood has submitted the 65% design package and comments have been received from the Corps. Design is anticipated to be completed by the end of summer with a bid opening in October.

Approval of the new Project Partnership Agreement for the Wood River Levee System is expected in July. This will allow for the utilization of \$16,041,496 of Work In-Kind credit, which has already received preliminary approval.

The remaining \$4,256,759 dollars of Work In-Kind credit needed, will be achieved with eligible Wood design and a relief well abandonment package.

### MESD Levee System

Wood continues to take the Corps' design of the Cahokia Relief Well Project, estimated cost \$10.6 million dollars, and develop the Council's Bid Package #18. Design is anticipated to be completed by the end May with Board approval in July.

Wood is also continuing the design of Bid Package #14, a shallow clay trench and filter blanket with an estimated construction cost of \$4.3 million dollars. Advertisement for bid is expected this summer with Board approval in September.

Wood is now in the 35% design phase of Bid Package #11. Design is anticipated to be completed in the fall, with Board approval in January 2020. The preliminary estimated construction cost has been reduced by \$2,000,000 to \$10,000,000 dollars.

With the reduction on Bid Package #11, there will need to be some design/construction completed on Bid Package #12, to satisfy Work In-Kind credit requirements.

Approval of the new Project Partnership Agreement, which will allow for the utilization of Work In-Kind credit, is anticipated in the next month. The Council has submitted Work In-Kind requests totaling \$11,887,414 for work performed thru fiscal year 2017.

### Prairie Du Pont/Fish Lake Levee Systems

Wood is continuing the design of Bid Packages #15, #16, and #17. The design progress has slowed due to the Corps' risk assessment.

The first Potential Failure Mode Analysis (PFMA) has been rescheduled for the first week of April, with Wood in attendance. Once discussions are complete, a design, bid date schedule, and revised cost estimate will be developed.

The risk assessment review for possible funding not based on a benefit/cost ratio has a tentative report completion date of October 2019.

### Mel Price Lock & Dam

The President's FY2020 Budget was released on Tuesday and finally after years for funding, the Corps of Engineers will be receiving \$24,087,000 of funding for the construction of the Mel Price Segment of Upper Wood River – Design Deficiency Project. This project will correct the uncontrolled under seepage that was discovered in 2009. I am sure Tracey Kelsey will discuss this in the Corps of Engineers Update.

Lastly, per the National Weather Service, the potential for widespread flooding remains high this spring as soils are nearly saturated and frozen, while cold and active weather has allowed the snowpack to increase across northern Iowa, Minnesota, and Wisconsin. Additionally, the weather pattern is expected to stay active through March with significant rainfall and possibly additional snow across the northern parts of the Upper Mississippi River basin.

Along the Mississippi River, the probabilities for more severe flooding have risen due to the increased snowpack. It is now likely that much of the mainstem Mississippi River will have a high chance of reaching major flood stage levels, with a potential for some locations to reach levels near previous record crests. Occurrence of near record levels will depend on the rate of snowmelt, along with receiving additional spring rains.

If a flood event were to occur, we will have Wood available to assist each Levee District in monitoring the stability of the levees and adjusting pump station operation levels as needed. The flood events of December/January 2016 and April/May 2017 tested the 100-Year Improvements built by the Council. All of the Council's projects performed as designed and no problems were experienced and the same is expected for future events.





Memo to: Board of Directors  
From: Chuck Etwert  
Subject: Budget and Disbursement Reports for January/February 2019  
Date: March 18, 2019

Current Budget Highlights

Attached are the financial statements for January and February 2019 prepared by our fiscal agent, CliftonLarsonAllen. The reports include an accounting of revenues and expenditures for the months ending January 31, 2019 and February 28, 2019, as compared to our fiscal year budget.

Accrued expenditures for the current fiscal year beginning on October 1, 2018 thru February 28, 2019 are \$6,706,004 while revenues amounted to \$5,760,521 resulting in a deficit of \$945,484. A total of \$32,033,096 is held by the counties in their respective FPD sales tax funds and will be needed by the Council for the 500-Year Authorized Level of Protection.

Monthly sales tax receipts of \$1,056,091 for November 2018 were up 2.26% from last year and monthly sales tax receipts of \$1,191,097 for December 2018 were down 2.27% from last year. The amount collected in November was the highest ever collected for November and was the twenty fifth month in a row with the highest receipts collected for that particular month. However, the December collection was the lowest amount collected in December over the last four years. The total sales tax receipts for the year were up 2.64% making 2018 the highest collection year.

Monthly Disbursements

Attached are the lists of bank transactions for January and February 2018. Total disbursements for January were \$856,287.05 and for February were \$231,998.88. The largest payments were to the Corps of Engineers, Wood and Eberhardt Wetlands Bank LLC.

Recommendation:

Accept the budget reports and disbursements for January and February 2019.



**SOUTHWESTERN ILLINOIS FLOOD PREVENTION  
DISTRICT COUNCIL**

**GENERAL FUND  
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL**

**FOUR MONTHS ENDED JANUARY 31, 2019 AND 2018**







**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

Board Members  
Southwestern Illinois Flood Prevention District Council  
Collinsville, Illinois

Management is responsible for the accompanying General Fund Statement of Revenues and Expenditures of Southwestern Illinois Flood Prevention District Council (the "Council") for the four months ended January 31, 2019 and 2018, in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review services promulgated by the Accounting and Review Services Committee of the American Institute of certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of information provided by management. Accordingly, we do not express an opinion a conclusion, nor provide any form of assurances on these financial statements.

Management has omitted the management discussion and analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activity. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The change in fund balance for the Council's governmental activity is not reasonably determinable.

Management has not presented a balance sheet for the general fund. Accounting principles generally accepted in the United States of America require the presentation of a balance sheet for each fund contained in the financial statements. The amounts that would be reported in a balance sheet of the general fund for the Council are not reasonably determinable.

Management has not presented a change in fund balance on the Statement of Revenues and Expenditures – Budget and Actual. Accounting principles generally accepted in the United States of America require the Statement of Revenues, Expenditures and Changes in Fund Balance include a presentation of changes in fund balance. The amounts that would be reported in government-wide financial statements for the Council's governmental activity is not reasonably determinable.

Management has also elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included with the financial statements, they might influence the user's conclusions about the Council's results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying original and final budget amounts presented on the General Fund Statement of Revenues and Expenditures – Budget and Actual presented for the year ending September 30, 2019 and 2018, have not been compiled or examined by us, and, accordingly, we do not express an opinion or any other form of assurance on them.

We are not independent with respect to Southwestern Illinois Flood Prevention District Council.

A handwritten signature in black ink that reads "Clifton Larson Allen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

St. Louis, Missouri  
February 4, 2019

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
GENERAL FUND  
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOUR MONTHS ENDED JANUARY 31, 2019 (Actual)  
FISCAL YEAR ENDING SEPTEMBER 30, 2019 (Budget)**

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Sales Tax Proceeds From Districts	\$ 12,475,000	\$ 12,475,000	\$ 4,082,306	\$ 8,392,694
Interest Income	280,000	280,000	550,873	(270,873)
Other Contributions	-	-	-	-
Total Revenues	12,755,000	12,755,000	4,633,179	8,121,821
<b>EXPENDITURES</b>				
Current				
Design and Construction				
Engineering Design & Construction Management	7,869,377	7,869,377	682,717	7,186,660
Construction	20,527,970	20,527,970	28,112	20,499,858
Construction and design by US ACE	3,500,000	3,500,000	1,000,000	2,500,000
Total Design and Construction	31,897,347	31,897,347	1,710,829	30,186,518
Professional Services				
Legal & Legislative Consulting	322,500	322,500	20,618	301,882
Financial Advisor	65,000	65,000	6,850	58,150
Bond Underwriter/Conduit Issuer	12,000	12,000	4,542	7,458
Total Professional Services	399,500	399,500	32,010	367,490
Refund of Surplus Funds to County FPD Accounts				
Madison County	1,243,675	1,243,675	245,596	998,079
Monroe County	118,750	118,750	23,899	94,851
St. Clair County	1,137,575	1,137,575	235,442	902,133
Total Refund of Surplus Funds to County	2,500,000	2,500,000	504,937	1,995,063
Debt Service				
Principal and Interest	10,876,570	10,876,570	4,127,685	6,748,885
Federal Interest Subsidy	(850,070)	(850,070)	-	(850,070)
Total Debt Service	10,026,500	10,026,500	4,127,685	5,898,815
Total Operating Expenses	44,823,347	44,823,347	6,375,461	38,447,886
General and Administrative Costs				
Salaries, Benefits	213,000	213,000	67,439	145,561
Bank Service Charges	1,200	1,200	245	955
Equipment and Software	2,000	2,000	361	1,639
Fiscal Agency Services	32,000	32,000	11,840	20,160
Audit Services	16,500	16,500	-	16,500
Meeting Expenses	1,000	1,000	-	1,000
Postage/Delivery	1,000	1,000	323	677
Printing/Photocopies	2,500	2,500	326	2,174
Professional Services	10,000	10,000	364	9,636
Supplies	3,000	3,000	128	2,872
Telecommunications/Internet	3,000	3,000	647	2,353
Travel	5,000	5,000	-	5,000
Insurance	1,000	1,000	484	516
Total General & Administrative Costs	291,200	291,200	82,157	209,043
Total Expenditures	45,114,547	45,114,547	6,457,618	38,656,929
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	(32,359,547)	(32,359,547)	(1,824,439)	30,535,108
<b>OTHER FINANCING SOURCES</b>				
Proceeds From Borrowing	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (32,359,547)</b>	<b>\$ (32,359,547)</b>	<b>\$ (1,824,439)</b>	<b>\$ 30,535,108</b>

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
GENERAL FUND  
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOUR MONTHS ENDED JANUARY 31, 2018 (Actual)  
FISCAL YEAR ENDING SEPTEMBER 30, 2018 (Budget)**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Sales Tax Proceeds From Districts	\$ 11,835,000	\$ 11,835,000	\$ 3,974,152	\$ 7,860,848
Interest Income	225,000	225,000	205,256	19,744
Other Contributions	-	-	-	-
Total Revenues	<u>12,060,000</u>	<u>12,060,000</u>	<u>4,179,408</u>	<u>7,880,592</u>
<b>EXPENDITURES</b>				
Current				
Design and Construction				
Engineering Design & Construction Management	5,688,038	5,688,038	1,672,424	4,015,614
Construction	7,330,945	7,330,945	2,358,650	4,972,295
Construction and design by US ACE	6,157,291	6,157,291	207,000	5,950,291
Total Design and Construction	<u>19,176,274</u>	<u>19,176,274</u>	<u>4,238,074</u>	<u>14,938,200</u>
Professional Services				
Legal & Legislative Consulting	486,000	486,000	46,133	439,867
Diversity Program Manager	11,525	11,525	-	11,525
Financial Advisor	65,000	65,000	7,520	57,480
Bond Underwriter/Conduit Issuer	16,000	16,000	4,915	11,085
Total Professional Services	<u>578,525</u>	<u>578,525</u>	<u>58,568</u>	<u>519,957</u>
Refund of Surplus Funds to County FPD Accounts				
Madison County	1,459,170	1,459,170	383,517	1,075,653
Monroe County	141,990	141,990	39,022	102,968
St. Clair County	1,398,840	1,398,840	377,588	1,021,252
Total Refund of Surplus Funds to County	<u>3,000,000</u>	<u>3,000,000</u>	<u>800,127</u>	<u>2,199,873</u>
Debt Service				
Principal and Interest	10,798,620	10,798,620	4,087,739	6,710,881
Federal Interest Subsidy	(847,340)	(847,340)	-	(847,340)
Total Debt Service	<u>9,951,280</u>	<u>9,951,280</u>	<u>4,087,739</u>	<u>5,863,541</u>
Total Operating Expenses	<u>32,706,079</u>	<u>32,706,079</u>	<u>9,184,508</u>	<u>23,521,572</u>
General and Administrative Costs				
Salaries, Benefits	203,000	203,000	60,689	142,311
Bank Service Charges	1,500	1,500	403	1,097
Conference Registration	350	350	307	43
Equipment and Software	2,000	2,000	1,603	397
Fiscal Agency Services	31,000	31,000	12,380	18,620
Audit Services	16,000	16,000	-	16,000
Meeting Expenses	1,000	1,000	-	1,000
Postage/Delivery	1,000	1,000	322	678
Printing/Photocopies	3,500	3,500	840	2,660
Professional Services	10,000	10,000	-	10,000
Publications/Subscriptions	-	-	-	-
Supplies	3,300	3,300	306	2,994
Telecommunications/Internet	3,000	3,000	987	2,013
Travel	5,000	5,000	-	5,000
Insurance	1,000	1,000	484	516
Total General & Administrative Costs	<u>281,650</u>	<u>281,650</u>	<u>78,322</u>	<u>203,329</u>
Total Expenditures	<u>32,987,729</u>	<u>32,987,729</u>	<u>9,262,830</u>	<u>23,724,901</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(20,927,729)	(20,927,729)	(5,083,422)	15,844,307
OTHER FINANCING SOURCES				
Proceeds From Borrowing	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (20,927,729)</u>	<u>\$ (20,927,729)</u>	<u>\$ (5,083,422)</u>	<u>\$ 15,844,307</u>

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION  
DISTRICT COUNCIL**

**GENERAL FUND  
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL**

**FIVE MONTHS ENDED FEBRUARY 28, 2019 AND 2018**





**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

Board Members  
Southwestern Illinois Flood Prevention District Council  
Collinsville, Illinois

Management is responsible for the accompanying General Fund Statement of Revenues and Expenditures of Southwestern Illinois Flood Prevention District Council (the "Council") for the five months ended February 28, 2019 and 2018, in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review services promulgated by the Accounting and Review Services Committee of the American Institute of certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of information provided by management. Accordingly, we do not express an opinion a conclusion, nor provide any form of assurances on these financial statements.

Management has omitted the management discussion and analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activity. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The change in fund balance for the Council's governmental activity is not reasonably determinable.

Management has not presented a balance sheet for the general fund. Accounting principles generally accepted in the United States of America require the presentation of a balance sheet for each fund contained in the financial statements. The amounts that would be reported in a balance sheet of the general fund for the Council are not reasonably determinable.

Management has not presented a change in fund balance on the Statement of Revenues and Expenditures – Budget and Actual. Accounting principles generally accepted in the United States of America require the Statement of Revenues, Expenditures and Changes in Fund Balance include a presentation of changes in fund balance. The amounts that would be reported in government-wide financial statements for the Council's governmental activity is not reasonably determinable.

Management has also elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included with the financial statements, they might influence the user's conclusions about the Council's results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying original and final budget amounts presented on the General Fund Statement of Revenues and Expenditures – Budget and Actual presented for the year ending September 30, 2019 and 2018, have not been compiled or examined by us, and, accordingly, we do not express an opinion or any other form of assurance on them.

We are not independent with respect to Southwestern Illinois Flood Prevention District Council.

A handwritten signature in black ink that reads "Clifton Larson Allen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

St. Louis, Missouri  
March 11, 2019



**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
GENERAL FUND  
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FIVE MONTHS ENDED FEBRUARY 28, 2019 (Actual)  
FISCAL YEAR ENDING SEPTEMBER 30, 2019 (Budget)**

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Sales Tax Proceeds From Districts	\$ 12,475,000	\$ 12,475,000	\$ 5,138,397	\$ 7,336,603
Interest Income	280,000	280,000	622,124	(342,124)
Other Contributions	-	-	-	-
Total Revenues	<u>12,755,000</u>	<u>12,755,000</u>	<u>5,760,521</u>	<u>6,994,479</u>
<b>EXPENDITURES</b>				
Current				
Design and Construction				
Engineering Design & Construction Management	7,869,377	7,869,377	899,219	6,970,158
Construction	20,527,970	20,527,970	28,927	20,499,043
Construction and design by US ACE	3,500,000	3,500,000	1,000,000	2,500,000
Total Design and Construction	<u>31,897,347</u>	<u>31,897,347</u>	<u>1,928,146</u>	<u>29,969,201</u>
Professional Services				
Legal & Legislative Consulting	322,500	322,500	28,606	293,894
Financial Advisor	65,000	65,000	10,384	54,616
Bond Underwriter/Conduit Issuer	12,000	12,000	4,542	7,458
Total Professional Services	<u>399,500</u>	<u>399,500</u>	<u>43,532</u>	<u>355,968</u>
Refund of Surplus Funds to County FPD Accounts				
Madison County	1,243,675	1,243,675	245,596	998,079
Monroe County	118,750	118,750	23,899	94,851
St. Clair County	1,137,575	1,137,575	235,442	902,133
Total Refund of Surplus Funds to County	<u>2,500,000</u>	<u>2,500,000</u>	<u>504,937</u>	<u>1,995,063</u>
Debt Service				
Principal and Interest	10,876,570	10,876,570	4,127,685	6,748,885
Federal Interest Subsidy	(850,070)	(850,070)	-	(850,070)
Total Debt Service	<u>10,026,500</u>	<u>10,026,500</u>	<u>4,127,685</u>	<u>5,898,815</u>
Total Operating Expenses	<u>44,823,347</u>	<u>44,823,347</u>	<u>6,604,300</u>	<u>38,219,047</u>
General and Administrative Costs				
Salaries, Benefits	213,000	213,000	84,135	128,865
Bank Service Charges	1,200	1,200	306	894
Equipment and Software	2,000	2,000	630	1,370
Fiscal Agency Services	32,000	32,000	14,250	17,750
Audit Services	16,500	16,500	-	16,500
Meeting Expenses	1,000	1,000	-	1,000
Postage/Delivery	1,000	1,000	332	668
Printing/Photocopies	2,500	2,500	326	2,174
Professional Services	10,000	10,000	-	10,000
Supplies	3,000	3,000	128	2,872
Telecommunications/Internet	3,000	3,000	1,113	1,887
Travel	5,000	5,000	-	5,000
Insurance	1,000	1,000	484	516
Total General & Administrative Costs	<u>291,200</u>	<u>291,200</u>	<u>101,704</u>	<u>189,496</u>
Total Expenditures	<u>45,114,547</u>	<u>45,114,547</u>	<u>6,706,004</u>	<u>38,408,543</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(32,359,547)	(32,359,547)	(945,484)	31,414,063
OTHER FINANCING SOURCES				
Proceeds From Borrowing	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (32,359,547)</u>	<u>\$ (32,359,547)</u>	<u>\$ (945,484)</u>	<u>\$ 31,414,063</u>

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
GENERAL FUND  
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FIVE MONTHS ENDED FEBRUARY 28, 2018 (Actual)  
FISCAL YEAR ENDING SEPTEMBER 30, 2018 (Budget)**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Sales Tax Proceeds From Districts	\$ 11,835,000	\$ 11,835,000	\$ 5,006,888	\$ 6,828,112
Interest Income	225,000	225,000	221,031	3,969
Other Contributions	-	-	-	-
Total Revenues	<u>12,060,000</u>	<u>12,060,000</u>	<u>5,227,919</u>	<u>6,832,081</u>
<b>EXPENDITURES</b>				
Current				
Design and Construction				
Engineering Design & Construction Management	5,688,038	5,688,038	1,907,603	3,780,435
Construction	7,330,945	7,330,945	2,554,301	4,776,644
Construction and design by US ACE	6,157,291	6,157,291	207,000	5,950,291
Total Design and Construction	<u>19,176,274</u>	<u>19,176,274</u>	<u>4,668,904</u>	<u>14,507,370</u>
Professional Services				
Legal & Legislative Consulting	486,000	486,000	59,266	426,734
Diversity Program Manager	11,525	11,525	-	11,525
Financial Advisor	65,000	65,000	8,910	56,090
Bond Underwriter/Conduit Issuer	16,000	16,000	4,916	11,084
Total Professional Services	<u>578,525</u>	<u>578,525</u>	<u>73,092</u>	<u>505,433</u>
Refund of Surplus Funds to County FPD Accounts				
Madison County	1,459,170	1,459,170	383,517	1,075,653
Monroe County	141,990	141,990	39,022	102,968
St. Clair County	1,398,840	1,398,840	377,588	1,021,252
Total Refund of Surplus Funds to County	<u>3,000,000</u>	<u>3,000,000</u>	<u>800,127</u>	<u>2,199,873</u>
Debt Service				
Principal and Interest	10,798,620	10,798,620	4,087,739	6,710,881
Federal Interest Subsidy	(847,340)	(847,340)	-	(847,340)
Total Debt Service	<u>9,951,280</u>	<u>9,951,280</u>	<u>4,087,739</u>	<u>5,863,541</u>
Total Operating Expenses	<u>32,706,079</u>	<u>32,706,079</u>	<u>9,629,862</u>	<u>23,076,218</u>
General and Administrative Costs				
Salaries, Benefits	203,000	203,000	72,750	130,250
Bank Service Charges	1,500	1,500	455	1,045
Conference Registration	350	350	307	43
Equipment and Software	2,000	2,000	1,756	244
Fiscal Agency Services	31,000	31,000	13,900	17,100
Audit Services	16,000	16,000	-	16,000
Meeting Expenses	1,000	1,000	-	1,000
Postage/Delivery	1,000	1,000	419	581
Printing/Photocopies	3,500	3,500	827	2,673
Professional Services	10,000	10,000	-	10,000
Publications/Subscriptions	-	-	-	-
Supplies	3,300	3,300	508	2,792
Telecommunications/Internet	3,000	3,000	1,182	1,818
Travel	5,000	5,000	-	5,000
Insurance	1,000	1,000	484	516
Total General & Administrative Costs	<u>281,650</u>	<u>281,650</u>	<u>92,588</u>	<u>189,062</u>
Total Expenditures	<u>32,987,729</u>	<u>32,987,729</u>	<u>9,722,450</u>	<u>23,265,280</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(20,927,729)	(20,927,729)	(4,494,531)	16,433,198
OTHER FINANCING SOURCES				
Proceeds From Borrowing	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (20,927,729)</u>	<u>\$ (20,927,729)</u>	<u>\$ (4,494,531)</u>	<u>\$ 16,433,198</u>

# Flood Prevention District Sales Tax Trends 2009-2018

<b>2009</b>												County Share		
Jan	Feb	March	April	May	June	July	August	Sept	October	November	December	Total		
Total Month	\$691,588	\$732,364	\$859,811	\$824,537	\$874,802	\$900,479	\$849,401	\$849,169	\$868,594	\$859,754	\$893,068	\$1,124,290	\$10,327,857	
Total Month	\$757,374	\$808,220	\$960,768	\$946,214	\$924,312	\$953,709	\$895,275	\$898,581	\$886,633	\$902,537	\$946,242	\$1,167,140	\$11,047,005	
<b>2010</b>														
<b>2011</b>														
Madison	\$380,021	\$383,976	\$460,129	\$454,562	\$466,904	\$477,396	\$473,303	\$448,256	\$444,204	\$455,842	\$538,000	\$5,419,230	48.108%	
St. Clair	\$363,984	\$395,231	\$455,562	\$437,820	\$436,490	\$475,972	\$433,460	\$441,030	\$412,793	\$451,390	\$594,129	\$5,331,638	47.330%	
Monroe	\$38,315	\$34,759	\$41,192	\$44,975	\$41,786	\$45,836	\$43,323	\$42,564	\$42,690	\$42,252	\$51,266	\$513,845	4.562%	
Total Month	\$782,320	\$813,966	\$956,883	\$937,357	\$945,180	\$999,204	\$914,984	\$931,850	\$899,687	\$949,484	\$1,183,395	\$11,264,713		
Cumulative Total	\$782,320	\$1,596,286	\$2,553,169	\$3,490,526	\$4,435,706	\$5,434,910	\$6,349,894	\$7,300,297	\$8,232,147	\$9,131,834	\$10,081,318	\$11,264,713		
<b>2012</b>														
Madison	\$381,470	\$406,476	\$473,049	\$471,191	\$481,989	\$477,254	\$427,562	\$434,603	\$428,193	\$429,127	\$523,240	\$5,362,675	47.481%	
St. Clair	\$361,727	\$415,491	\$468,490	\$432,173	\$468,782	\$473,567	\$425,923	\$441,838	\$424,289	\$454,916	\$589,183	\$5,394,563	47.763%	
Monroe	\$37,471	\$38,904	\$46,086	\$46,051	\$46,231	\$45,671	\$43,063	\$45,307	\$46,230	\$45,429	\$51,062	\$537,146	4.756%	
Total Month	\$780,668	\$860,871	\$987,625	\$949,415	\$997,002	\$996,492	\$896,548	\$921,748	\$899,040	\$929,472	\$1,163,485	\$11,294,384		
Cumulative Total	\$780,668	\$1,641,539	\$2,629,164	\$3,578,579	\$4,575,581	\$5,572,073	\$6,468,621	\$7,390,369	\$8,302,387	\$9,201,427	\$10,130,899	\$11,294,384		
<b>2013</b>														
Madison	\$375,398	\$383,170	\$424,507	\$425,469	\$457,212	\$451,494	\$436,686	\$442,449	\$429,499	\$432,541	\$500,233	\$5,189,199	47.062%	
St. Clair	\$381,645	\$395,527	\$449,397	\$434,001	\$457,942	\$462,603	\$422,892	\$432,195	\$419,350	\$448,076	\$560,165	\$5,293,807	48.011%	
Monroe	\$37,888	\$39,679	\$45,689	\$45,913	\$48,212	\$47,694	\$42,672	\$45,143	\$44,733	\$47,111	\$53,853	\$543,310	4.927%	
Total Month	\$794,931	\$818,376	\$919,593	\$905,383	\$963,366	\$961,791	\$902,250	\$919,787	\$893,572	\$927,728	\$1,114,251	\$11,026,316		
Cumulative Total	\$794,931	\$1,613,307	\$2,532,900	\$3,438,283	\$4,401,649	\$5,363,440	\$6,265,690	\$7,185,477	\$8,090,765	\$8,984,337	\$9,912,065	\$11,026,316		
% change/month	1.83%	-4.94%	-6.89%	-4.64%	-3.37%	-3.48%	0.64%	-0.21%	-0.74%	-0.61%	-0.19%	-4.23%		
% change/total	1.83%	-1.72%	-3.66%	-3.92%	-3.80%	-3.74%	-3.14%	-2.77%	-2.55%	-2.36%	-2.16%	-2.37%		
<b>2014</b>														
Madison	\$373,895	\$383,909	\$456,964	\$457,729	\$484,657	\$491,911	\$455,629	\$442,808	\$447,128	\$452,169	\$521,522	\$5,423,317	47.785%	
St. Clair	\$354,762	\$395,885	\$460,143	\$436,379	\$458,819	\$470,546	\$426,263	\$445,419	\$433,077	\$446,001	\$591,387	\$5,352,747	47.163%	
Monroe	\$42,321	\$39,665	\$47,587	\$47,796	\$52,206	\$49,022	\$47,357	\$46,167	\$48,920	\$49,552	\$52,714	\$573,362	5.052%	
Total Month	\$770,978	\$819,459	\$964,694	\$941,905	\$995,682	\$1,011,479	\$929,249	\$935,226	\$929,126	\$947,722	\$1,165,623	\$11,349,426		
Cumulative Total	\$770,978	\$1,590,437	\$2,555,131	\$3,497,036	\$4,492,718	\$5,504,197	\$6,433,446	\$7,368,671	\$8,306,955	\$9,236,081	\$10,183,803	\$11,349,426		
% change/month	-3.01%	0.13%	4.90%	4.03%	3.35%	5.17%	2.99%	1.68%	3.98%	2.16%	4.61%			
% change/total	-3.01%	-1.42%	0.88%	1.71%	2.07%	2.62%	2.68%	2.55%	2.80%	2.74%	2.93%	2.93%		

# Flood Prevention District Sales Tax Trends 2009-2018

## 2015

	Jan	Feb	March	April	May	June	July	August	Sept	October	November	December	Total
Madison	\$399,500	\$390,593	\$446,269	\$464,703	\$481,304	\$486,423	\$453,262	\$461,408	\$460,379	\$462,462	\$452,448	\$543,239	\$5,501,990
St. Clair	\$379,901	\$383,206	\$462,400	\$425,254	\$455,740	\$483,020	\$432,378	\$448,558	\$448,981	\$443,474	\$449,738	\$604,257	\$5,416,905
Monroe	\$42,760	\$39,903	\$45,866	\$47,189	\$50,546	\$48,723	\$47,636	\$45,837	\$46,257	\$46,831	\$46,048	\$52,198	\$559,793
Total Month	\$822,161	\$813,702	\$954,534	\$937,146	\$987,590	\$1,018,166	\$933,276	\$955,803	\$955,617	\$952,766	\$948,234	\$1,199,694	\$11,478,688
Cumulative Total	\$822,161	\$1,635,863	\$2,590,397	\$3,527,543	\$4,515,133	\$5,533,299	\$6,466,575	\$7,422,377	\$8,377,994	\$9,330,760	\$10,278,994	\$11,478,688	
% change/month	6.64%	-0.70%	-1.05%	-0.51%	0.87%	0.66%	0.43%	2.20%	1.85%	2.54%	0.05%	2.92%	
% change/total	6.64%	2.86%	1.38%	0.87%	0.50%	0.53%	0.51%	0.73%	0.86%	1.03%	0.93%	1.14%	1.14%

## 2016

	Jan	Feb	March	April	May	June	July	August	Sept	October	November	December	Total
Madison	\$395,852	\$411,203	\$475,278	\$456,249	\$478,524	\$494,024	\$452,132	\$458,210	\$470,096	\$475,402	\$484,213	\$567,037	\$5,618,218
St. Clair	\$372,259	\$406,919	\$474,256	\$423,758	\$448,782	\$480,827	\$436,971	\$434,488	\$445,274	\$426,875	\$453,732	\$581,743	\$5,385,884
Monroe	\$40,343	\$38,630	\$45,925	\$48,147	\$46,862	\$46,530	\$44,151	\$43,946	\$44,775	\$47,195	\$43,931	\$56,287	\$546,721
Total Month	\$808,455	\$856,751	\$995,459	\$928,154	\$974,167	\$1,021,380	\$933,254	\$936,644	\$960,144	\$949,471	\$981,877	\$1,205,068	\$11,550,824
Cumulative Total	\$808,455	\$1,665,206	\$2,660,665	\$3,588,818	\$4,562,986	\$5,584,366	\$6,517,619	\$7,454,264	\$8,414,408	\$9,363,879	\$10,345,756	\$11,550,824	
% change/month	-1.67%	5.29%	4.29%	-0.96%	-1.36%	0.32%	0.00%	-2.00%	0.47%	-0.35%	3.55%	0.45%	
% change/total	-1.67%	1.79%	2.71%	1.74%	1.06%	0.92%	0.79%	0.43%	0.43%	0.35%	0.65%	0.63%	0.63%

## 2017

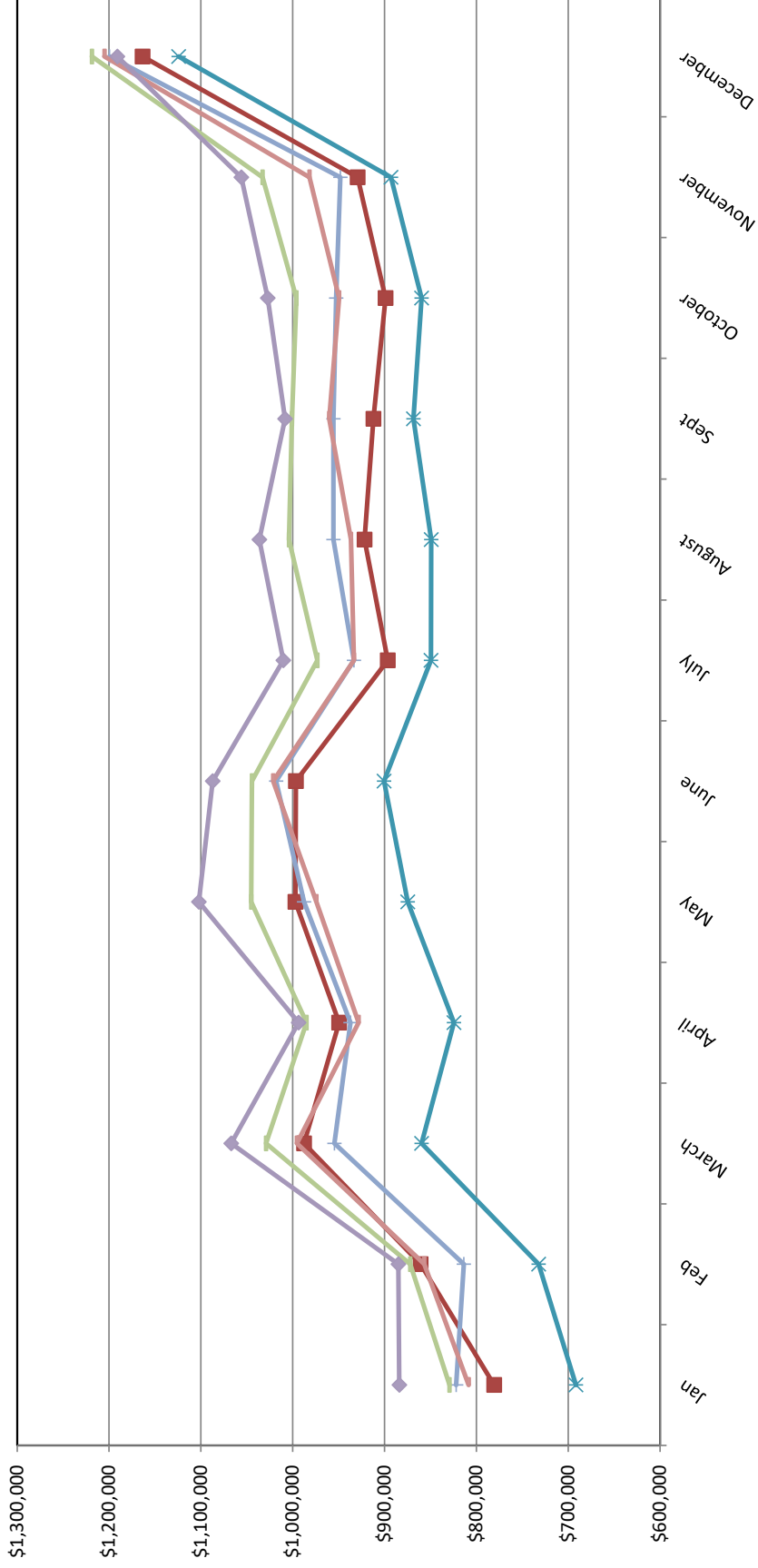
	Jan	Feb	March	April	May	June	July	August	Sept	October	November	December	Total
Madison	\$415,258	\$430,036	\$504,211	\$491,654	\$526,342	\$520,314	\$491,546	\$503,604	\$498,967	\$498,088	\$515,011	\$590,042	\$5,985,073
St. Clair	\$372,274	\$401,535	\$478,561	\$447,083	\$470,278	\$475,488	\$434,801	\$452,641	\$452,607	\$448,381	\$469,634	\$571,184	\$5,474,466
Monroe	\$41,692	\$40,595	\$46,453	\$46,375	\$48,562	\$48,715	\$46,928	\$47,831	\$49,327	\$49,432	\$48,091	\$57,529	\$571,530
Total Month	\$829,224	\$872,167	\$1,029,226	\$985,112	\$1,045,182	\$1,044,517	\$973,275	\$1,004,076	\$1,000,900	\$995,901	\$1,032,735	\$1,218,755	\$12,031,070
Cumulative Total	\$829,224	\$1,701,391	\$2,730,617	\$3,715,729	\$4,760,911	\$5,805,428	\$6,778,703	\$7,782,779	\$8,783,679	\$9,779,580	\$10,812,315	\$12,031,070	
% change/month	2.57%	1.80%	3.39%	6.14%	7.29%	2.27%	4.29%	7.20%	4.24%	4.89%	5.18%	1.14%	
% change/total	2.57%	2.17%	2.63%	3.54%	4.34%	3.96%	4.01%	4.41%	4.39%	4.44%	4.51%	4.16%	4.16%

## 2018

	Jan	Feb	March	April	May	June	July	August	Sept	October	November	December	Total
Madison	\$443,850	\$446,844	\$534,938	\$504,589	\$559,962	\$545,446	\$513,918	\$523,807	\$504,297	\$520,584	\$529,285	\$582,616	\$6,210,136
St. Clair	\$396,750	\$397,343	\$483,255	\$441,038	\$487,559	\$491,515	\$446,749	\$464,302	\$454,152	\$453,626	\$478,027	\$553,293	\$5,547,610
Monroe	\$43,425	\$40,823	\$48,929	\$47,933	\$54,616	\$50,298	\$49,686	\$48,134	\$49,971	\$53,079	\$48,778	\$55,188	\$590,860
Total Month	\$884,025	\$885,009	\$1,067,122	\$993,560	\$1,102,138	\$1,087,259	\$1,010,353	\$1,036,244	\$1,008,420	\$1,027,289	\$1,056,091	\$1,191,097	\$12,348,606
Cumulative Total	\$884,025	\$1,769,033	\$2,836,155	\$3,829,715	\$4,931,852	\$6,019,112	\$7,029,465	\$8,065,709	\$9,074,129	\$10,101,418	\$11,157,509	\$12,348,606	
% change/month	6.61%	1.47%	3.68%	0.86%	5.45%	4.09%	3.81%	3.20%	0.75%	3.15%	2.26%	-2.27%	
% change/total	6.61%	3.98%	3.87%	3.07%	3.59%	3.68%	3.70%	3.64%	3.31%	3.29%	3.19%	2.64%	2.64%

# Flood Prevention District Sales Tax Trends 2009-2018

## Monthly Receipts 2009-2012-2015-2016-2017-2018



**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
SUPPLEMENTARY SUPPORTING SCHEDULE  
BANK TRANSACTIONS  
January 31, 2019**

Beginning Bank Balance as of January 1, 2019		<b>\$ 1,110,354.70</b>
Receipts		
UMB Bank	01/31/2019 Admin Transfer	19,823.56
UMB Bank	01/31/2019 Construction Transfer	751,256.44
The Bank of Edwardsville	01/31/2019 Interest	2,581.19
		<b>\$ 773,661.19</b>
Disbursements		
East-West Gateway Council of Governments	01/31/2019 Management Salary	16,696.39
Losch Family Irrev Trust	01/07/2019 Levee Construction	12,500.00
CliftonLarsonAllen LLP	01/10/2019 Fiscal Agent	4,426.42
AT&T	01/10/2019 Internet	102.19
Husch Blackwell	01/10/2019 Legal	4,670.00
Wood Enviroment & Infrastructure Solution	01/10/2019 Construction	233,186.44
The Bank of Edwardsville	01/11/2019 Wire Fee	15.00
The Bank of Edwardsville	01/11/2019 Wire Fee	15.00
Columbia Capital	01/07/2019 Financial Advisor	900.00
Adobe	01/28/2019 Equipment & Software	191.12
Hostgator.com	01/28/2019 Domain	15.00
The Bank of Edwardsville	01/31/2019 Bank Fees	31.28
LegMeIn, Inc.	01/28/2019 Outside Computer Service/Fee	364.16
UMB Bank	01/15/2019 Bond Trustee Fee	3,317.80
Copy Less Copy Center	01/15/2019 Copy Fees	170.40
Walmart	01/28/2019 Supplies	35.85
FAO USAED St. Louis	01/10/2019 Construction	500,000.00
Eberhardt Wetlands Bank LLC	01/30/2019 Construction	79,650.00
		<b>\$ 856,287.05</b>
		<b>\$ 1,027,728.84</b>

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
SUPPLEMENTARY SUPPORTING SCHEDULE  
BANK TRANSACTIONS  
February 28, 2019**

Beginning Bank Balance as of February 1, 2019		<b>\$ 1,027,728.84</b>
Receipts		
UMB Bank	02/20/2019 Admin Transfer	20,572.61
UMB Bank	02/20/2019 Construction Transfer	311,806.19
The Bank of Edwardsville	02/28/2019 Interest	1,896.12
		<b>\$ 334,274.92</b>
Disbursements		
Columbia Capital	02/06/2019 Financial Advisor	3,533.75
Wood Enviroment & Infrastructure Solution	02/19/2019 Construction	216,501.80
AT&T	02/19/2019 Internet	102.42
Husch Blackwell	02/19/2019 Legal	8,802.84
CliftonLarsonAllen LLP	02/19/2019 Accounting	2,685.70
The Bank of Edwardsville	02/20/2019 Wire Fee	15.00
The Bank of Edwardsville	02/20/2019 Wire Fee	15.00
The Bank of Edwardsville	02/28/2019 Bank Fees	30.80
CDW Government	02/06/2019 Equipment & Software	135.79
FedEx	02/06/2019 Postage	10.50
Copemic	02/06/2019 Equipment & Software	27.08
FedEx	02/06/2019 Postage	31.96
Microsoft Office	02/06/2019 Equipment & Software	106.24
		<b>\$ 231,998.88</b>
		<b>\$ 1,130,004.88</b>







Memo to: Board of Directors  
From: Chuck Etwert  
Subject: Fiscal Year 2018 Audit Report and Financial Statements  
Date: March 18, 2019

Attached is the fiscal year 2018 audit report and financial statements prepared by our auditor, Scheffel Boyle. Mr. Michael Brokering of the firm will be at our March Board meeting to present the report and answer questions.

The report will be submitted to the county boards as required by our authorizing legislation and submitted to the bond rating agencies to meet their requirements.

Recommendation: Accept the Fiscal Year 2018 Audit Report and Financial Statements and forward copies to the counties and to the bond rating agencies.



SOUTHWESTERN ILLINOIS FLOOD  
PREVENTION DISTRICT COUNCIL

ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2018

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
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ALTON   EDWARDSVILLE   BELLEVILLE   HIGHLAND  
JERSEYVILLE   COLUMBIA   CARROLLTON

## INDEPENDENT AUDITOR'S REPORT

To the Southwestern Illinois Flood  
Prevention District Council

We have audited the accompanying financial statements of the governmental activities and major fund of the Southwestern Illinois Flood Prevention District Council (the Council) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Southwestern Illinois Flood Prevention District Council, as of September 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Edwardsville, Illinois  
February 11, 2019

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018

This section of the Southwestern Illinois Flood Prevention District Council's (the Council) annual financial report offers a narrative overview and analysis of the financial activities during the fiscal year ended September 30, 2018. It should be read in conjunction with the Council's financial statements, which follow this section.

**Southwestern Illinois Flood Prevention District Council's Overview**

The formation of the Council was authorized by the Illinois Flood Prevention District Act (70 ILCS 750). The Council was formed in June of 2009 by an intergovernmental agreement between county flood prevention districts in Madison, St. Clair and Monroe counties and is governed by a nine member Board of Directors, three from each county. The Council's fiscal year end is September 30. The purpose of the Council is to finance, design and manage the reconstruction of the flood protection systems along the Mississippi River in the Illinois counties of Madison, St. Clair and Monroe. The Council's activities are funded by a ¼ cent sales tax collected in the three counties.

**Required Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The government-wide financial statements report information of the Council using accounting methods similar to those used by private sector companies and offer short and long-term financial information about the fiscal year 2018.

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

The current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid. All of the operations and programs are included here.

The fund-based financial statements consist of a series of statements that provide information about the Council's only governmental fund, the general fund.

Governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The statements consist of a balance sheet and statement of revenues, expenditures, and changes in fund balance.

The fund financial statements include reconciliations between the government-wide and fund financial statements because of the differences in basis of accounting. The differences are primarily in how capital assets and bonds are treated and the timing for recording some revenues and expenses.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

## Financial Analysis of the Council's Government-Wide Financial Statements

Net position as of September 30, 2018, was an overall deficit of (\$107,616,046), a decrease of \$1,617,718 compared to an overall deficit of (\$109,233,764) as of September 30, 2017.

Total assets and liabilities reflect the issuance of term and serial bonds in November 2010 and December 2015 to finance the levee improvements in the Illinois counties of Madison, St. Clair, and Monroe.

### Condensed Statement of Net Position (Compared to 2017)

	<u>2018</u>	<u>2017</u>	<u>Difference</u>
Current Assets	\$ 43,173,715	\$ 48,421,950	\$ (5,248,235)
Noncurrent Assets	12,301,227	12,300,286	941
Total Assets	<u>\$ 55,474,942</u>	<u>\$ 60,722,236</u>	<u>\$ (5,247,294)</u>
Current Liabilities	\$ 7,594,174	\$ 10,848,631	\$ (3,254,457)
Long-Term Liabilities	155,496,814	159,107,369	(3,610,555)
Total Liabilities	<u>\$ 163,090,988</u>	<u>\$ 169,956,000</u>	<u>\$ (6,865,012)</u>
Net Investment in Capital Assets	\$ 1,623	\$ 682	\$ 941
Restricted	46,929,874	49,784,682	(2,854,808)
Unrestricted (Deficit)	(154,547,543)	(159,019,128)	4,471,585
Total Net Position (Deficit)	<u>\$ (107,616,046)</u>	<u>\$ (109,233,764)</u>	<u>\$ 1,617,718</u>
Total Liabilities and Net Position	<u>\$ 55,474,942</u>	<u>\$ 60,722,236</u>	<u>\$ (5,247,294)</u>

### Statement of Activities (Compared to 2017)

	<u>2018</u>	<u>2017</u>	<u>Difference</u>
Revenues			
District Sales Tax	\$ 12,319,892	\$ 11,920,096	\$ 399,796
Less: Return of Excess Sales Tax to Districts	(1,530,975)	(1,132,640)	(398,335)
Investment Income	688,402	593,211	95,191
Total Revenues	<u>\$ 11,477,319</u>	<u>\$ 11,380,667</u>	<u>\$ 96,652</u>
Expenses			
General and Administration	\$ 253,826	\$ 259,342	\$ (5,516)
Design and Construction	2,940,517	24,955,662	(22,015,145)
Professional Services	176,159	313,352	(137,193)
Interest and Fiscal Charges (Net of Subsidy)	6,489,099	6,580,244	(91,145)
Total Expenses	<u>\$ 9,859,601</u>	<u>\$ 32,108,600</u>	<u>\$ (22,248,999)</u>
Change in Net Position	\$ 1,617,718	\$ (20,727,933)	\$ 22,345,651
Net Position (Deficit) - Beginning of Year	(109,233,764)	(88,505,831)	(20,727,933)
Net Position (Deficit) - End of Year	<u>\$ (107,616,046)</u>	<u>\$ (109,233,764)</u>	<u>\$ 1,617,718</u>



Current assets decreased by \$5,248,235 due to expenditure of design and construction activities and debt service payments on bonds.

Noncurrent assets increased by \$941 due to additions of capital assets, net of depreciation.

Current liabilities decreased by \$3,254,457 as payables on design and construction activities slowed with substantial completion on 100-year levee improvements. The Council is currently in the design phase of the 500-year levee improvements.

Long-term liabilities decreased by \$3,610,555 due to bond principal payments and bond premium/discount amortization.

District sales tax increased by \$399,796. These receipts represent the ¼ cent sales tax collected in Madison, St. Clair and Monroe County Flood Prevention Districts.

Under the terms of the bond indenture, all flood prevention district sales tax is remitted to the bond trustee by the State of Illinois. After payment of principal, interest and other costs, any excess sales tax is sent by the trustee to the county flood prevention districts in an amount proportional to the sales tax collections in each county. This reimbursement totaled \$1,530,975, an increase of \$398,335. This increase is due to the slowdown of construction activities until the 500-year levee improvements begin.

Investment income increased by \$95,191 which fluctuates based on financial market conditions.

Overall expenditures decreased by \$22,248,999. Design and construction costs for the levee improvements and professional fees decreased by \$22,152,338 mainly due to significant completion of the 100-year flood protection certification projects. The remaining decrease was due to changes in general and administration and interest and fiscal charges (net of subsidy).

### **Financial Analysis of the Council's Fund Financial Statements**

The financial analysis of the Council's governmental fund is not provided since the differences are primarily in how capital assets and bonds are treated and the timing for recording some revenues and expenses. The difference in the net change in net position/fund balance between the government-wide and fund financial statements is \$3,468,857, which is primarily the result of the repayment of bonds. The repayment of bonds is reported as an expenditure in the governmental funds but as a reduction of principal outstanding in the statement of net position.

### **General Fund Budgetary Highlights**

Actual General Fund revenues are \$2,408,885 above the final budget amount and actual expenditures are \$16,667,955 below the final budget. The significant variance in budgeted revenues is due to \$1,468,111 decrease in return of excess sales tax to districts and the reason for the return of excess sales tax variance is explained above. The remaining revenue variance is due to over performing sales tax proceeds and financial market growth. The significant variance in budgeted expenditures is due to significant completion of the 100-year flood protection certification projects. The Council is currently in the design phase of the 500-year levee improvements.

## **Long-Term Debt**

The Council issued \$94,195,000 of revenue bonds in fiscal year 2011 and an additional \$83,835,000 of revenue bonds in fiscal year 2016. The maturity of the bonds varies from 2012 through 2040. See the accompanying financial statement notes for additional information related to outstanding debt.

## **Economic Conditions**

The Council continues to rely on the ¼ cent sales tax collected in the three Illinois counties of Madison, Monroe, and St. Clair. Tax receipts increased by approximately \$400,000 or 3.4% in fiscal year 2018. The construction of the 100-year levee system improvements along the Mississippi River in the three counties has been completed. The total construction cost for the eleven construction bid packages was \$74,763,497. FEMA accreditation for the Wood River and Prairie Du Pont/Fish Lake Levee Systems is anticipated this spring with the East St. Louis (MESD) Levee System accreditation anticipated by the end of the year or early 2020. The Council is now concentrating on the design and construction of the most critical and cost-effective projects to restore the federal Authorized Level of flood protection in the Metro-East. With a fund balance of almost \$54 million dollars as of September 30, 2018 and the ability to issue additional bonds, we remain confident that the Council's financial position is strong to complete the overall project and provide the Metro-East area with the authorized level (500-year) of flood protection.

## **Contacting the Council's Financial Management**

This financial report is designed to provide a general overview of the Council's finances for all those with an interest in the Council. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Supervisor of Construction and the Works, Southwestern Illinois Flood Prevention District Council, 104 United Drive, Collinsville, IL 62234.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018

	Governmental Activities
<u>ASSETS:</u>	
Current Assets:	
Cash and Investments	\$ 40,308,506
Accounts Receivable, Net	2,671,587
Interest Receivable	190,622
Prepaid Expenses	3,000
Total Current Assets	\$ 43,173,715
Noncurrent Assets:	
Investments - Bond Reserve	\$ 12,299,604
Capital Assets, Net of Accumulated Depreciation	1,623
Total Noncurrent Assets	\$ 12,301,227
Total Assets	\$ 55,474,942
<u>LIABILITIES AND NET POSITION:</u>	
Current Liabilities:	
Accounts Payable	\$ 703,796
Accrued Interest	3,380,378
Bonds Payable	3,510,000
Total Current Liabilities	\$ 7,594,174
Noncurrent Liabilities:	
Bonds Payable (Net of Current Portion)	\$ 155,496,814
Total Liabilities	\$ 163,090,988
Net Position:	
Net Investment in Capital Assets	\$ 1,623
Restricted for:	
Capital Projects	32,751,639
Debt Service	1,878,631
Bond Reserve	12,299,604
Unrestricted (Deficit)	(154,547,543)
Total Net Position (Deficit)	\$ (107,616,046)
Total Liabilities and Net Position	\$ 55,474,942

See accompanying notes to the basic financial statements.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

<u>Function/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Governmental Activities</u>	<u>Net (Expense) Revenue and Changes in Net Assets Primary Government</u>
Primary Government						
Governmental Activities:						
General and Administrative	\$ 253,826	\$ -	\$ -	\$ -	\$ (253,826)	
Design and Construction	2,940,517	-	-	-	(2,940,517)	
Professional Services	176,159	-	-	-	(176,159)	
Interest and Fiscal Charges (Net of Subsidy)	6,489,099	-	-	-	(6,489,099)	
Total Governmental Activities	<u>\$ 9,859,601</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,859,601)</u>	
General Revenues:						
District Sales Tax					\$ 12,319,892	
Less: Return of Excess Sales Tax to Districts					(1,530,975)	
Investment Income					688,402	
Total General Revenues					<u>\$ 11,477,319</u>	
Changes in Net Position					\$ 1,617,718	
Net Position (Deficit) - Beginning					(109,233,764)	
Net Position (Deficit) - Ending					<u>\$ (107,616,046)</u>	

See accompanying notes to the basic financial statements.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
BALANCE SHEET - GOVERNMENTAL FUND  
SEPTEMBER 30, 2018

ASSETS	
Cash and Investments	\$ 52,608,110
Accounts Receivable, Net	2,671,587
Interest Receivable	190,622
Prepaid Expenses	<u>3,000</u>
Total Assets	<u>\$ 55,473,319</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities:	
Accounts Payable	<u>\$ 703,796</u>
Deferred Inflows of Resources:	
Unearned Revenue - Sales Tax	<u>\$ 880,610</u>
Fund Balance:	
Nonspendable	\$ 3,000
Restricted	50,310,251
Committed	2,100,000
Unassigned	<u>1,475,662</u>
Total Fund Balance	<u>\$ 53,888,913</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 55,473,319</u>

See accompanying notes to the basic financial statements.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018

Total governmental fund balance	\$ 53,888,913
Amounts reported for governmental activities in the statement of net position are different because:	
Sales tax proceeds from districts (net of return of excess sales tax to districts) received more than sixty days after the end of the fiscal year are not financial resources and therefore are reported in the governmental funds as unearned revenue.	880,610
Capital assets used in the governmental activities are not financial resources and, therefore are not reported in the funds.	1,623
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable - current	(3,510,000)
Bonds payable - noncurrent	(155,496,814)
Accrued Interest	<u>(3,380,378)</u>
Net position (deficit) of governmental activities	<u>\$ (107,616,046)</u>

See accompanying notes to the basic financial statements.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

REVENUES:	
District Sales Tax	\$ 12,312,372
Less: Return of Excess Sales Tax to Districts	(1,531,889)
Investment Income	<u>688,402</u>
Total Revenues	<u>\$ 11,468,885</u>
EXPENDITURES:	
Current:	
General and Administrative	\$ 253,358
Design and Construction	2,940,517
Professional Services	176,159
Debt Service:	
Principal	3,300,000
Interest	7,498,652
Less: Federal Interest Subsidy	(850,071)
Capital Outlay	<u>1,409</u>
Total Expenditures	<u>\$ 13,320,024</u>
NET CHANGE IN FUND BALANCE	\$ (1,851,139)
FUND BALANCE:	
Beginning of Year	<u>55,740,052</u>
End of Year	<u><u>\$ 53,888,913</u></u>

See accompanying notes to the basic financial statements.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Net change in fund balance - total governmental funds \$ (1,851,139)

Amounts reported for governmental activities in the statement of activities are different because:

Sales tax proceeds from districts (net of return of excess sales tax to districts) received more than sixty days after the end of the fiscal year are reported as deferred revenue in the governmental funds. However, in the government-wide financial statements this is treated as revenues. 8,434

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 941

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal payments	3,300,000
Amortization of bond premiums and discounts	100,555
Changes in accrued interest	58,927
	58,927

Change in net position of governmental activities \$ 1,617,718

See accompanying notes to the basic financial statements.



SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Southwestern Illinois Flood Prevention District Council (the Council) was formed in June 2009 as authorized by the Illinois Flood Prevention Council Act (70 ILCS 750). The Council is responsible for the reconstruction of flood protection systems along the Mississippi River in parts of three Illinois counties - Madison, St. Clair, and Monroe; and four levee districts – Fish Lake, Prairie DuPont, Metro East Sanitary District, and Wood River.

The accounting policies of the Council conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies:

A. Reporting Entity

The Council defines its reporting entity in accordance with provisions established by the Governmental Accounting Standards Board (GASB). GASB requirements for inclusion of component units are based upon whether the Council's governing body has a significant amount of financial accountability for another entity.

The following criteria have been developed to determine whether related organizations should be included within the financial reporting entity. The criteria include, but are not limited to, whether the Council exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public services, and special financing relationships.

The Council has determined that no other outside agency meets any of the above criteria (except scope of public service) and therefore, no other agency has been included as a component unit in the Council's financial statements. The Council is not a component unit of any other government.

B. Government-Wide and Fund Financial Statements

*Government-Wide Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Currently, the Council does not have any business-type activities.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

*Fund Financial Statements*

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Accounting

The accounts of the Council are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Funds are classified into three categories: governmental, proprietary, and fiduciary. The Council does not have any proprietary and fiduciary funds.

*Governmental Funds*

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds) and the servicing of debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

The Council reports the following major governmental funds:

**General Fund** - The General Fund is the operating fund of the Council. It accounts for all financial resources that are not required to be accounted for in another fund. It is currently the only fund of the Council.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers revenues to be available if collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, interest on long-term debt is recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

As part of the bond covenants, sales tax collected is forwarded directly from the State of Illinois to the Council's Sales Tax Fund and held in trust to comply with required reserves and sinking fund requirements until all bonds have matured. After meeting bond requirements and any administrative costs, residual (excess) funds are remitted back to the individual districts on a monthly basis and reported as a decrease in sales tax collected.

E. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Cash and Investments

The Council has defined cash to include cash on hand and demand deposits.

Investments are stated at fair value and are comprised of certificates of deposit, money market mutual funds, municipal bonds, and a repurchase agreement. Investment income is stated net of amortization of municipal bond premiums and discounts.

G. Receivables

All receivables are reported net of estimated return of excess sales tax to Districts and allowance for doubtful accounts. As of September 30, 2018, the Council's estimated return of excess sales tax to Districts and allowance for doubtful accounts was \$383,430.

H. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid expenses.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I. Capital Assets

Capital assets, which include equipment and software, are reported in the government-wide financial statements. All capital assets are defined by the Council as assets with an initial, individual cost of more than \$200. Fixed assets are valued at cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Assets capitalized are depreciated using the straight-line method. Estimated useful lives are as follows: software (3 years), equipment (3-5 years), and furniture (10 years).

J. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year incurred and reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

K. Net Position

Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets is capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Council applies the expense to restricted resources first.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

L. Fund Balance

According to Government Accounting Standards, fund balance is to be classified into five major classifications; nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance. Below are definitions of the differences and how these balances are reported:

**Nonspendable Fund Balance** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories or prepaid amounts.

**Restricted Fund Balance** - Includes fund balance amounts with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

**Committed Fund Balance** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. The Board of Directors through a formal action (ordinance or resolution) commits fund balance amounts for the Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Council that originally created the commitment.

**Assigned Fund Balance** - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Intent may be expressed by the Board of Directors itself to assign amounts to be used for specific purposes. The Council does not have assigned funds at September 30, 2018.

**Unassigned Fund Balance** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any other governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

The Council had not adopted a fund balance spending policy at September 30, 2018. GASB Statement No. 54 set the default spending policy for fund balance as follows: expenditures are spent from restricted fund balances first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, unless there are legal requirements that prohibit doing this. When restricted fund balances are not available, the default policy considers expenditures to be spent from committed fund balance first, then assigned and then unassigned. Expenditures for a specifically identified purpose will act to reduce the specific classification of the fund balance that is identified.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

M. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2. CASH AND INVESTMENTS

Illinois Compiled Statutes authorize the Council to invest in interest-bearing savings accounts, certificates of deposit, other time deposits, obligations of savings and loan associations incorporated under the laws of Illinois or any other state or under the laws of the United States, obligations of the U.S. Treasury and U.S. government agencies, short-term obligations of the Federal National Mortgage Associations, and in short-term obligations of corporations organized in the United States with assets exceeding \$500 million if (i) such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services and mature not later than 270 days from the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations, and (iii) no more than 1/3 of the public agency's funds may be invested in short-term obligations of corporations.

In addition, the Council may invest its funds in interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency. The bonds shall be registered in the name of the governmental entity or held under a custodial agreement at a bank. The bonds shall be rated at the time of purchase within the four highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 2. CASH AND INVESTMENTS (CONT'D)

As of September 30, 2018, the carrying value of the Council's cash was \$1,028,160 and the total bank balances were \$1,054,610.

Amount insured by the FDIC	\$	250,000
Amount collateralized with securities held by a Pledging institution's trust department or agent in the Council's name		804,610
Uncollateralized		<u>-</u>
Total	\$	<u>1,054,610</u>

As of September 30, 2018, the Council had the following investments:

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>
Repurchase Agreement	\$ 6,194,424	\$ 6,194,424
Money Market Mutual Funds	7,637,338	7,637,338
Agency Securities	28,238,614	28,186,060
Treasury Notes	8,970,615	8,982,128
Municipal Bonds	<u>607,370</u>	<u>580,000</u>
Total	\$ <u>51,648,361</u>	\$ <u>51,579,950</u>

A. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Council manages its exposure to interest rate risk is by purchasing shorter term investments as necessary to provide the cash flow and liquidity needed for operations. The Council uses the segmented time distribution method to analyze interest rate risk as follows:

Investment Maturities (in Years)

<u>Investment Type</u>	<u>Fair Value</u>	<u>&lt;1</u>	<u>1-5</u>	<u>6-10</u>	<u>&gt;10</u>
Repurchase Agreement	\$ 6,194,424	\$ -	\$ -	\$ -	\$ 6,194,424
Money Mkt Mutual Funds	7,637,338	7,637,338	-	-	-
Agency Securities	28,186,060	21,868,114	4,405,040	1,912,906	-
Treasury Notes	8,982,128	8,982,128	-	-	-
Municipal Bonds	<u>580,000</u>	<u>580,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>51,579,950</u>	\$ <u>39,067,580</u>	\$ <u>4,405,040</u>	\$ <u>1,912,906</u>	\$ <u>6,194,424</u>

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 2. CASH AND INVESTMENTS (CONT'D)

B. Credit Risk

Credit risk is the risk that the security issuer or backer will not fulfill its obligations. The Council minimizes credit risk by prequalifying the financial institutions and advisors with which the District will do business. The Council diversifies the portfolio so that potential losses on individual securities will be minimized.

The Council's investments in money market mutual funds of \$7,637,338 are rated AAA by Standard and Poor's and Aaa by Moody's.

The Council's investments in municipal bonds are rated as follows:

<u>Credit Rating (S&amp;P/Moody's)</u>	<u>S&amp;P</u>	<u>Moody's</u>
<u>Long-Term Issue Ratings</u>		
AA/Aa2	\$ 580,000	\$ -
Not Rated/Withdrawn	-	580,000
Total	\$ <u>580,000</u>	\$ <u>580,000</u>

All municipal bond securities are rated by either S&P or Moody's as required by the Council's investment policy.

C. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a financial institution, a government will not be able to recover its investments or will not be able to recover collateral securities that are in the possession of an outside party.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of September 30, 2018, the \$6,194,424 in securities underlying the repurchase agreement were uninsured and held by the custodian's trust department, not in the name of the District.



SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 2. CASH AND INVESTMENTS (CONT'D)

D. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Council's investment in a single issuer. At September 30, 2018, the Council had investments greater than 5 percent of its total portfolio as follows:

<u>Investments</u>	<u>Fair Value</u>	<u>% of Total</u>
Repurchase Agreement		
Deutsche Bank Securities, Inc.	\$ 6,194,424	12.01%
Money Market Mutual Fund		
Fidelity Institutional Money Market Treasury Portfolio - Class III	7,637,338	14.81%
Agency Securities		
Federal Home Loan Bank	22,334,466	43.30%
Federal Farm Credit Bank	3,864,297	7.49%
Treasury Notes		
United States Treasury Notes	8,982,128	17.41%

NOTE 3. FAIR VALUE MEASUREMENT

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following table presents the fair value hierarchy for the balances of the investments of the Council measured at fair value on a recurring basis as of September 30, 2018:

<u>Investments by Fair Value Level</u>	<u>Fair Value Measurements Using</u>			<u>Total</u>
	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	
Repurchase Agreement	\$ 6,194,424	\$ -	\$ -	\$ 6,194,424
Money Market Mutual Funds	7,637,338	-	-	7,637,338
Agency Securities	-	28,186,060	-	28,186,060
Treasury Notes	-	8,982,128	-	8,982,128
Municipal Bonds	-	580,000	-	580,000
	<u>\$ 13,831,762</u>	<u>\$ 37,748,188</u>	<u>\$ -</u>	<u>\$ 51,579,950</u>

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 3. FAIR VALUE MEASUREMENT (CONT'D)

Level 1 Fair Value Measurements

The fair value of the repurchase agreement and money market mutual funds are determined by quoted market prices in active markets for identical assets.

Level 2 Fair Value Measurements

The fair value for agency securities, treasury notes, and municipal bonds are determined by reference to quoted market prices for similar investments, yield curves, and other relevant information.

NOTE 4. CAPITAL ASSETS

A summary of capital assets follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Capital Assets:				
Furniture & Equipment	\$ 11,681	\$ 1,409	\$ (795)	\$ 12,295
Software	1,477	-	-	1,477
Subtotal	<u>\$ 13,158</u>	<u>\$ 1,409</u>	<u>\$ (795)</u>	<u>\$ 13,772</u>
Accumulated Depreciation:				
Furniture & Equipment	\$ 10,999	\$ 468	\$ (795)	\$ 10,672
Software	1,477	-	-	1,477
Subtotal	<u>\$ 12,476</u>	<u>\$ 468</u>	<u>\$ (795)</u>	<u>\$ 12,149</u>
Net Capital Assets	<u>\$ 682</u>	<u>\$ 941</u>	<u>\$ -</u>	<u>\$ 1,623</u>

Depreciation expense was charged to the general and administrative function/program of the governmental activities.

NOTE 5. LONG-TERM DEBT

2010 Series Bonds

Southwestern Illinois Development Authority on behalf of the Council issued \$94.195 million in revenue bonds providing funds for the costs of design and construction of improvements to levees and related facilities that protect large areas in Madison, St. Clair, and Monroe counties from flooding of the Mississippi River and certain tributaries. These bonds are payable from a pledge of the sales tax revenues from Madison, St. Clair, and Monroe County Flood Prevention Districts. \$59.145 million were issued as term bonds and \$35.050 million were issued as serial bonds.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 5. LONG-TERM DEBT (CONT'D)

Of the bonds issued, \$9.05 million are Build America Bonds and \$21.130 million are Recovery Zone Economic Development Bonds. The Council is to receive a direct federal subsidy payment from the U.S. Government for a portion of their borrowing costs equal to a percentage of the total coupon interest paid to investors. The Build America Bonds receive a 35% interest subsidy and the Recovery Zone Economic Development bonds receive a 45% interest subsidy.

As a result of federal sequestration, the Council's interest subsidy on the Build America and Recovery Zone Economic Development Bonds was reduced by 6.6% for fiscal year 2018.

Series 2015 Bonds

On December 30, 2015, Southwestern Illinois Development Authority on behalf of the Council issued an additional \$83.835 million in revenue bonds providing funds for the construction, financing, design and oversight of levee improvement projects in order to qualify for the 500-year flood protection certification by Federal Emergency Management Agency (FEMA). These bonds are payable from a pledge of the sales tax revenues from Madison, St. Clair, and Monroe County Flood Prevention Districts. \$53.240 million were issued as term bonds and \$30.595 million were issued as serial bonds.

Revenue bonds payable consist of the following:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amount</u> <u>Due in</u> <u>One Year</u>
<u>Series 2010</u>					
Series A Bonds					
Dated November 23, 2010					
2.00% to 5.00%, payable					
in varying amounts through					
2040	\$ 48,390,000	\$ -	\$ 2,950,000	\$ 45,440,000	\$ 3,070,000
 Series B Bonds					
Dated November 23, 2010					
7.03%, payable					
April 15, 2032	9,050,000	-	-	9,050,000	-
 Series C Bonds					
Dated November 23, 2010					
7.23%, payable					
October 15, 2035	21,130,000	-	-	21,130,000	-
 Bond Discount	(435,142)	-	(55,509)	(379,633)	-
 Bond Premium	238,745	-	33,455	205,290	-
 Total Series 2010	\$ 78,373,603	\$ -	\$ 2,927,946	\$ 75,445,657	\$ 3,070,000

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 5. LONG-TERM DEBT (CONT'D)

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amount</u> <u>Due in</u> <u>One Year</u>
<u>Series 2015</u>					
Series A Bonds					
Dated December 30, 2015					
3.625% to 3.875%, payable					
in varying amounts through					
2040	\$ 27,705,000	\$ -	\$ -	\$ 27,705,000	\$ -
 Series B Bonds					
Dated December 30, 2015					
2.00% to 5.00%, payable					
in varying amounts through					
2040	55,865,000	-	350,000	55,515,000	440,000
 Bond Discount	(1,086,863)	-	(52,627)	(1,034,236)	-
 Bond Premium	1,550,629	-	175,236	1,375,393	-
 Total Series 2015	\$ 84,033,766	\$ -	\$ 472,609	\$ 83,561,157	\$ 440,000
 Total Bonds Payable	\$ 162,407,369	\$ -	\$ 3,400,555	\$ 159,006,814	\$ 3,510,000

The following is a summary of the Council's future annual debt service requirements net of federal interest subsidy on long-term obligations:

<u>Year Ending</u> <u>September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Subsidy</u>	<u>Total</u>
2019	\$ 3,510,000	\$ 7,366,571	\$ (853,711)	\$ 10,022,860
2020	3,695,000	7,254,971	(853,711)	10,096,260
2021	3,895,000	7,132,121	(853,711)	10,173,410
2022	4,105,000	7,001,146	(853,711)	10,252,435
2023	4,335,000	6,850,546	(853,711)	10,331,835
2024-2028	25,815,000	31,286,168	(4,268,556)	52,832,612
2029-2033	28,085,000	24,304,625	(3,914,013)	48,475,612
2034-2038	45,925,000	12,560,968	(775,687)	57,710,281
2039-2041	39,475,000	2,281,831	-	41,756,831
 Total	\$ 158,840,000	\$ 106,038,947	\$ (13,226,811)	\$ 251,652,136

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

NOTE 6. FUND BALANCES

Governmental fund balances reported on the fund financial statements at September 30, 2018 include the following:

Nonspendable - Prepaid Expenses	\$ 3,000
Restricted - Capital Projects	32,751,638
Restricted - Debt Service	5,259,009
Restricted - Bond Reserve	12,299,604
Committed - Capital Projects	2,100,000
Unassigned	<u>1,475,662</u>
Total	<u>\$ 53,888,913</u>

NOTE 7. LEASING ARRANGEMENT

The Council has an office and meeting space and services lease with the Metro East Park and Recreation District. The lease expires on December 31, 2020, unless extended by the written consent of both parties. No rent will be charged by the Metro East Park and Recreation District for the office and meeting space. The Council agrees to pay any fees and expenses related to its use of the premises, including, but not limited to, the costs of cleaning and janitorial services, equipment use or rental, repairs or damages to the premises, insurance, utilities, postage, facsimile or copy costs and/or secretarial services.

NOTE 8. CONSTRUCTION COMMITMENTS

Outstanding construction commitments were approximately \$11,000,000 at September 30, 2018.

NOTE 9. CONTINGENCY - RISK MANAGEMENT

The Council is exposed to various risks of loss for which it carries commercial general liability and property insurance. The Council purchases this insurance from a third party and thus retains no significant amount of risk. No settlements have exceeded insurance coverage for the past three years. There have been no material changes in insurance coverage limits during the year ended September 30, 2018.

NOTE 10. SUBSEQUENT EVENTS

The effect of subsequent events on the financial statements has been evaluated through the report date, which is the date the financial statements were available to be issued.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GOVERNMENTAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ACTUAL</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>OVER (UNDER)</u>
<b>REVENUES:</b>				
Sales Tax Proceeds From Districts	\$ 11,835,000	\$ 11,835,000	\$ 12,312,372	\$ 477,372
Less: Return of Excess Sales Tax to Districts	(3,000,000)	(3,000,000)	(1,531,889)	1,468,111
Investment Income	225,000	225,000	688,402	463,402
Total Revenues	<u>\$ 9,060,000</u>	<u>\$ 9,060,000</u>	<u>\$ 11,468,885</u>	<u>\$ 2,408,885</u>
<b>EXPENDITURES:</b>				
Current:				
General and Administrative	\$ 279,900	\$ 279,900	\$ 253,358	\$ (26,542)
Design and Construction	19,176,274	19,176,274	2,940,517	(16,235,757)
Professional Services	578,525	578,525	176,159	(402,366)
Debt Service:				
Principal	3,300,000	3,300,000	3,300,000	-
Interest	7,498,620	7,498,620	7,498,652	32
Less: Federal Interest Subsidy	(847,340)	(847,340)	(850,071)	(2,731)
Capital Outlay	2,000	2,000	1,409	(591)
Total Expenditures	<u>\$ 29,987,979</u>	<u>\$ 29,987,979</u>	<u>\$ 13,320,024</u>	<u>\$ (16,667,955)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (20,927,979)</u></u>	<u><u>\$ (20,927,979)</u></u>	<u><u>\$ (1,851,139)</u></u>	<u><u>\$ 19,076,840</u></u>
FUND BALANCE, BEGINNING OF YEAR			<u>55,740,052</u>	
FUND BALANCE, END OF YEAR			<u><u>\$ 53,888,913</u></u>	

See accompanying notes to the required supplementary information.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2018

NOTE 1. BUDGET AND BUDGETARY ACCOUNTING

The Council follows these procedures in establishing the budgetary data reflected in the financial statements:

The Council adopts its annual budget prior to the commencement of the fiscal year to allow time for the budget to be reviewed and approved by each flood prevention district prior to August 31. The budget is prepared on the modified accrual basis of accounting. All annual fund appropriations lapse at the end of the fiscal year.

The Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual presents a comparison of budgetary data to actual results. The fund utilizes the same basis of accounting for both budgetary purposes and actual results.







ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

To Board of Directors and Management  
Southwestern Illinois Flood Prevention District Council  
Collinsville, Illinois 62234

In planning and performing our audit of the financial statements of the governmental activities and major fund of Southwestern Illinois Flood Prevention District Council (the Council) as of and for the year ended September 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

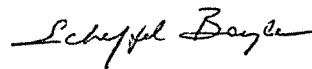
A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Council's internal control to be significant deficiencies:

**Finding 2018-01: Segregation of Duties**

The small size of the Council's office staff limits the extent of separation of duties. The basic premise is that no one employee should have access to cash receipts and disbursements. Because of the limitations in the size of the office staff, management review of the work performed on a monthly basis is critical to maintain a reasonable level of oversight.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Council, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Edwardsville, Illinois  
February 11, 2019



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ALTON   EDWARDSVILLE   BELLEVILLE   HIGHLAND  
JERSEYVILLE   COLUMBIA   CARROLLTON

To the Board of Directors and Management  
Southwestern Illinois Flood Prevention District Council  
Collinsville, Illinois 62234

We have audited the financial statements of the governmental activities and major fund of Southwestern Illinois Flood Prevention District Council (the Council) for the year ended September 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 11, 2017. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Council are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Council during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Council's financial statements was:

Management's estimate of the return of excess sales tax on accounts receivable is based on historical analysis. We evaluated the key factors and assumptions used to develop the return of excess sales tax on accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.



The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

The attached schedule (adjusting journal entries) shows the misstatements detected as a result of audit procedures, some of which are material, and corrected by management.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 11, 2019.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Council's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Council's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Governmental Fund, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Council and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Edwardsville, Illinois  
February 11, 2019

**SOUTHWESTERN ILLINOIS**

Year End: September 30, 2018

GASB 34 Journal Entries

80495

Date: 10/1/2017 To 9/30/2018

Prepared by	Reviewed by	A and A	Principal
MTB 1/18/2019			SPL 2/4/2019

AJE

Number	Date	Account No	Name	Debit	Credit
AJE 01	9/30/2018	125000	INTEREST RECEIVABLE		18,632.29
AJE 01	9/30/2018	451000	INTEREST INCOME - BOND PROCEEDS	18,632.29	
To adjust accrued interest to calculation.					
AJE 02	9/30/2018	201000	ACCOUNTS PAYABLE-ADDITIONAL	499.26	
AJE 02	9/30/2018	557001	RETURN OF EXCESS SALES TAX - MADISON		242.83
AJE 02	9/30/2018	557003	RETURN OF EXCESS SALES TAX - MONROE		23.63
AJE 02	9/30/2018	557004	RETURN OF EXCESS SALES TAX - ST. CLAIR		232.80
To adjust 9/30/18 surplus paid after year end to actual.					
AJE 03	9/30/2018	411000	TAX PROCEEDS - MADISON CO		5,330.91
AJE 03	9/30/2018	411100	TAX PROCEEDS - ST CLAIR		1,544.94
AJE 03	9/30/2018	411200	TAX PROCEEDS - MONROE CO		643.85
AJE 03	9/30/2018	557005	RETURN OF EXCESS SALES TAX - YEAR-EN	7,519.70	
To reclass change in receivables > 60 days.					
AJE 04	9/30/2018	112000	ACCOUNTS RECEIVABLE	123.00	
AJE 04	9/30/2018	557005	RETURN OF EXCESS SALES TAX - YEAR-EN		123.00
To adjust surplus allowance to revised calculation.					
AJE 05	9/30/2018	551140	OFFICE SUPPLIES	1,732.24	
AJE 05	9/30/2018	564006	OFFICE EQUIPMENT (SMALL)		1,732.24
To reclass small equipment purchases to office supplies.					
AJE 06	9/30/2018	200005	RETAINAGE PAYABLE	401,330.97	
AJE 06	9/30/2018	551075	CONSTRUCTION		401,330.97
To reclass retention paid.					
AJE 07	9/30/2018	201000	ACCOUNTS PAYABLE-ADDITIONAL	2,100,000.00	
AJE 07	9/30/2018	555001	LEVEE CONST MATCH - WOOD RIVER		1,000,000.00
AJE 07	9/30/2018	555003	CONSTRUCTION MATCH-MESD		1,100,000.00
To reverse Corps of Engineers cost sharing payables as amounts are fund balance commitments only, not liabilities.					

**SOUTHWESTERN ILLIN**

Year End: September 30, 2018

GASB 34 Journal Entries

80495

Date: 10/1/2017 To 9/30/2018

Prepared by	Reviewed by	A and A	Principal
MTB 1/18/2019			SPL 2/4/2019

AJE-1

Number	Date	Account No	Name	Debit	Credit
AJE 08	9/30/2018	111500	CASH & INVESTMENTS -TRUSTEE	128,641.23	
AJE 08	9/30/2018	140000	BOND RESERVE		128,641.23
To adjust bond reserve to actual.					
				2,658,478.69	2,658,478.69

Net Income (Loss) 1,617,718.11







Memo to: Board of Directors  
From: Chuck Etwert  
Subject: Wood Work Order #14 Amendment #5  
MESD Authorized Level Field Investigation and Design  
Date: March 18, 2019

Wood has determined it will need to conduct flow monitoring on relief wells, as needed, to design the Design Deficiency Corrections for the East St. Louis, Illinois Flood Protection Project. This amendment modifies the scope of Work Order #14, with no change in funding.

Work Order #14 – Metro East Sanitary District Authorized Level Field Investigation and Design - Amendment 5

Addition of flow monitoring services to existing scope of work  
No change in funding.

Copy of Work Order Amendment is attached.

Recommendation:

Authorize the Chief Supervisor to execute the following Work Order Amendment with Wood for:

Work Order #14 – Metro East Sanitary District Authorized Level Field Investigation and Design - Amendment 5, addition of flow monitoring services to existing scope of work, with no change in funding.





**WORK ORDER NO: MSA01-WO14 AMENDMENT #5**

**Metro East Sanitary District Authorized Level Field Investigation and Design**

Issued Pursuant to Master Services Agreement Effective November 1, 2011  
and Change of Name Notification dated April 16, 2018

By and Between

Wood Environment & Infrastructure Solutions, Inc. (Wood) and  
**Southwestern Illinois Flood Prevention District Council (CLIENT)**

CLIENT Office: 104 United Drive  
Collinsville, IL 62234

Wood Project No: 563170001

CLIENT Contact: Charles Ewert

Work Order Type: (Check One)

Wood Office: 15933 Clayton Road  
Suite 215  
Ballwin, MO 63011

Time and Materials X

Fixed Price \_\_\_\_\_

Wood Contact: Jon Omvig

CLIENT Reference No: n/a

1. SCOPE OF WORK: Addition of flow monitoring services to existing scope of work.

2. LOCATION/CLIENT FACILITY INVOLVED: Metro East Sanitary District Levee System

3. PERIOD OF PERFORMANCE: September 16, 2015 through December 31, 2020

4. AUTHORIZED FUNDING: \*No Change\*

5. SPECIAL PROVISIONS: n/a

**Southwestern  
Illinois Flood Prevention District Council**

**Wood Environment & Infrastructure  
Solutions, Inc.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Charles Ewert

Name: Stephen P. Stumne

Title: Chief Supervisor of  
Construction and the Works

Title: St. Louis Office Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address: 104 United Drive  
Collinsville, IL 62234

Address: 15933 Clayton Road, Suite 215  
Ballwin, MO 63011

**Attachment A  
Scope of Work**

**WORK ORDER NO: MSA01-WO14  
Metro East Sanitary District Authorized Level Field Investigation and Design  
Amendment #5**

**Wood Project No: 563170001**

**Scope of Work per Work Order 14, as amended.**

**AMENDMENT 5 – (03/20/2019)**

**Relief Well Flow Monitoring Services:**

Wood will conduct flow monitoring on relief wells as needed to design the Design Deficiency Corrections for East St. Louis, Illinois Flood Protection Project (The MESD Authorized Level Project). Wood will use available funds in this work order to complete any necessary flow monitoring.

Amount for Amendment 5 = \$ 0.00

**WORK ORDER 14 SUMMARY:**

<b>Total for Original Agreement</b>	<b>=\$5,972,432</b>
<b>Total for Amendment 1</b>	<b>=\$ 475,000</b>
<b>Total for Amendment 2</b>	<b>=( \$ 370,000)</b>
<b>Total for Amendment 3</b>	<b>=\$ 851,600</b>
<b>Total for Amendment 4</b>	<b>=\$ 245,000</b>
<b>Total for Amendment 5</b>	<b>=\$ 0</b>
 <b>Total for Work Order 14</b>	 <b>=\$7,174,032</b>





Memo to: Board of Directors

From: Chuck Etwert

Subject: Amec Foster Wheeler Work Order #19  
Wood River LERRD's Services

Date: March 18, 2019

It is the Non-Federal Sponsor's responsibility to obtain all land, easements, rights-of-way, relocations and disposal areas (LERRDs) necessary for the construction of Authorized Level Improvements.

This amendment will allow Wood Environment and Infrastructure Services, Inc. to provide necessary professional services associated with LERRDs for the Design Deficiency Corrections for the Wood River Flood Protection Project.

Wood's services will include legal surveys, title research, desktop review of existing easement boundaries, completion of required tracking sheets, and frequent coordination and meetings with parcel owners, utility companies, the U.S. Army Corps of Engineers, the legal counsel for the Wood River Drainage and Levee District, as well as the consultants and legal counsel of the Southwestern Illinois Flood Prevention District Council.

Service performed under the work order will be in accordance with the Non Federal Sponsor Guide to Land Acquisition, published by the U. S. Army Corps of Engineers, St. Louis District, Real Estate Division.

The cost of this work order will be eligible to be included LERRDs costs which can be part of the non-federal thirty five percent share of overall project costs.

A copy of Work Order #19 is attached to this memo.

**Recommendation:** Authorize the Chief Supervisor to execute Work Order #19 with Wood Environment & Infrastructure Services Inc. for Wood River LERRDs Services, as shown in the attachment, in the amount of \$235,000.







**WORK ORDER NO: MSA01-WO19**

**Wood River LERRDs Services**

Issued Pursuant to Master Services Agreement Effective November 1, 2011  
and Change of Name Notification dated April 16, 2018

By and Between

Wood Environment and Infrastructure Solutions, Inc. (Wood)

and

**Southwestern Illinois Flood Prevention District Council (CLIENT)**

CLIENT Office:	<u>104 United Drive</u> <u>Collinsville, IL 62234</u>	Wood Project No:	<u>563170001</u>
CLIENT Contact:	<u>Charles Ewert</u>	Work Order Type: (Check One)	
Wood Office:	<u>15933 Clayton Road</u> <u>Suite 215</u> <u>Ballwin, MO 63011</u>	Time and Materials	<u>X</u>
		Fixed Price	<u></u>
Wood Contact:	<u>Randy Cook Jr.</u>	CLIENT Reference No:	<u>n/a</u>

1. SCOPE OF WORK: See Attachment A (incorporated herein by reference)

2. LOCATION/CLIENT FACILITY INVOLVED: Lower Wood River Levee System

3. PERIOD OF PERFORMANCE: March 20, 2019 through December 31, 2020

4. AUTHORIZED FUNDING: \$235,000

5. SPECIAL PROVISIONS: n/a

**Southwestern  
Illinois Flood Prevention District Council**

**Wood Environment & Infrastructure  
Solutions, Inc.**

By: \_\_\_\_\_  
Name: Charles Ewert  
Title: Chief Supervisor of  
Construction and the Works

By: \_\_\_\_\_  
Name: Stephen P. Stumne  
Title: St. Louis Office Manager

Date: \_\_\_\_\_  
Address: 104 United Drive  
Collinsville, IL 62234

Date: \_\_\_\_\_  
Address: 15933 Clayton Road, Suite 215  
Ballwin, MO 63011

**Attachment A  
Scope of Work**

**WORK ORDER NO: MSA01-WO19**

Wood's services will include professional services associated with obtaining lands, easements, rights-of-way, relocations, and disposal areas (LERRDs) necessary from the construction of the Design Deficiency Corrections for Wood River Flood Protection Project (the Authorized-Level Project), except for appraisal, negotiation and acquisition/recording services (which are performed by other consultants of the Southwestern Illinois Flood Prevention District Council). Generally, Wood's services will include legal surveys, title research, desktop review of existing easement boundaries, completion of required tracking sheets, and frequent coordination and meetings with parcel owners, utility companies, the U.S. Army Corps of Engineers, the legal counsel for the Wood River Drainage and Levee District, as well as the consultants and legal counsel of the Southwestern Illinois Flood Prevention District Council.

Services performed for under this work order will be in accordance with the *Non Federal Sponsor Guide to Land Acquisition*, published by the US Army Corps of Engineers, St. Louis District, Real Estate Division.