



DEPARTMENT OF THE ARMY
CHICAGO DISTRICT, CORPS OF ENGINEERS
111 NORTH CANAL STREET
CHICAGO, IL 60606-7206

October 18, 2010

REPLY TO
ATTENTION OF

Project Management Branch

Mr. Richard Lanyon, Executive Director
Metropolitan Water Reclamation District of Greater Chicago
100 East Erie Street
Chicago, Illinois 60611-3154

SUBJECT: Funding and Accounting Information for the Deer Creek Flood Reduction Project

Dear Mr. Lanyon:

The U.S. Army Corps of Engineers (USACE), Chicago District, is appreciative of the continued interest and support of the Metropolitan Water Reclamation District of Greater Chicago (District) in the Deer Creek Flood Reduction project. As requested in your August 25, 2010 letter, enclosed is an accounting summary for the overall project. The amount required from the Village of Ford Heights as the project's local sponsor to facilitate completion of the project in its entirety is \$659,337. This is in addition to the pending Illinois Department of Commerce and Economic Opportunity (DCEO) grant of \$253,000.

Enclosure 1 is a summary of the total expenditures for all phases of development of the Deer Creek Flood Reduction project broken out by Federal and non-Federal costs. Enclosure 2 shows the cost sharing requirements for the construction phase of the project along with the required non-Federal cash contribution needed to complete this phase. Enclosure 3 is the cost sharing analysis of the feasibility phase showing the remaining balance of the non-Federal cash contribution required to complete this phase of the project.

To comply with current USACE policy, fiscal law, and the applicable Feasibility Cost Sharing Agreement and Project Cooperation Agreement (PCA) executed with the Village of Ford Heights, it is necessary to receive the total outstanding non-Federal balance in order to move forward with completion of all phases of the project. The total estimated non-Federal cash contribution needed from the Village of Ford Heights to complete all phases of the Deer Creek project is \$912,337.

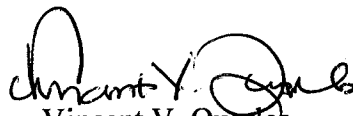
Of this amount, \$884,042 is needed to meet the 65 percent Federal, 35 percent non-Federal cost share requirements in accordance with the PCA executed August 21, 2002. This will facilitate the use of Federal and non-Federal funds currently on hand, and complete the outstanding construction features for the project. This includes awarding and managing contracts for the installation of the Flap Gates, as well as the Wetland Mitigation Banking project which must be completed to meet National Environmental Policy Act (NEPA) requirements. The remaining \$28,295 is the non-Federal balance required to close out the feasibility phase for the project.

The \$253,000 grant the District secured from DCEO is included in the \$912,337 total estimated non-Federal remaining balance. I understand that the escrow account issues with the Village are nearing resolution and that we can expect receipt of the DCEO grant funds shortly. Upon receipt of those funds, an additional \$659,337 is needed to complete the construction work and close out the feasibility phase of the project. Once we receive the \$253,000 grant funding and the remaining \$659,337, we will have access to a total of approximately \$1.7 Million in Federal and non-Federal funds to complete the Flap Gates and the Wetland Mitigation Banking construction. We anticipate award of the remaining construction contracts in the 3rd quarter of FY 2011.

Should the District be in a position to provide additional financial support to Ford Heights for this project, an escrow account will need to be established to convey the needed non-Federal cash contribution to USACE. We will review the DCEO grant escrow account language to determine if it is possible to use the one escrow account to accept both the \$253,000 DCEO grant funding as well as the additional \$659,337 requirement. Specifically, I want to ensure that the escrow account language has the provision to return any excess non-Federal funding back to the escrow account and to the District rather than the Village.

If you have any questions, please feel free to contact me at (312) 846-5300 or the Deputy for Project Management, Mr. Roy Deda, at (312) 846-5302.

Sincerely,



Vincent V. Quarles
Colonel, U.S. Army
Commander, Chicago District

Enclosures

Copies Furnished:

Roy Deda
Sherrie Barham
Kim Sabo
John Kannaby

Deer Creek Flood Reduction Project Expenditures

Through September 2010

ITEM	FEDERAL	NON-FEDERAL	TOTAL
Construction Placement	\$4,737,167	\$1,401,485	\$6,138,652
Real Estate	---	\$ 765,905	\$ 765,905
Engineering & Design	\$1,368,116	\$ 871	\$1,368,987
Construction Management	\$ 273,091	\$ 5,829	\$ 278,920
Total Construction Phase	\$6,378,374	\$2,174,090	\$8,552,464
Total Feasibility Phase	\$ 251,804	\$ 165,129	\$ 416,933

Deer Creek Flood Reduction Project Cost Sharing Funding Requirements

As of 30 September 2010

CONSTRUCTION PROJECT	RECEIVED TO DATE	REMAINING BALANCE DUE
Total Project Cost \$ 10,275,847	\$ 9,391,805	--
Federal Share \$ 6,679,300	\$ 6,679,300	\$ 0
Non-Federal Share \$ 3,596,547	\$ 2,712,505	\$ 884,042
Non-Fed Cash	(\$ 1, 946,600)	(\$ 884,042)
Non-Fed LERRDs	(\$ 765,905)	\$ 0

ANALYSIS OF CS#37 DEER CREEK, VILLAGE OF FORD HEIGHT, IL - FEASIBILITY STUDY 50/50

CASH

Party	TOTAL ESTIMATED SHARED PROJECT COSTS	Federal	NF Cash Per the FCSA	NF Cash Rcv'd Per CEFMS	Non Federal Cash / WIK Due	COMMENTS	Date of Deposit	Amount
Village of Ford Hts Federal		220,095.00	220,095.00	166,000.00	54,095.00	Cook County provided funding for Feasibility Phase	2/24/98	136,000.00
Not in FCSA		34,905.00	34,905.00	-	34,905.00	No supporting documentation	3/25/98	30,000.00
Changed to WIK			(89,000.00)	-	(89,000.00)	No supporting documentation		
Totals	421,000.00	255,000.00	166,000.00	166,000.00	-			166,000.00

WIK

Sponsor	TOTAL ESTIMATED SHARED PROJECT COSTS	Federal	Non Federal WIK No Support	Value of the IK Credit Recorded in CEFMS	Non Federal WIK Due	COMMENTS
Village of Ford Hts			-	-	-	
Changed to WIK			89,000.00	32,400.00	56,600.00	No supporting documentation
Federal						
Totals	89,000.00	-	89,000.00	32,400.00	56,600.00	

TOTALS 510,000.00 255,000.00 255,000.00 198,400.00 56,600.00

finrpt - (2/03/10):

Authorized Amount 420,989.81 254,989.81 166,000.00 166,000.00 254,989.81 Total NFS Costs
 Oblig & Cments Amt 420,989.81 254,989.81 166,000.00 166,000.00

SUMMARY COST LEDGER
 Should Be 453,389.81 287,389.81 198,400.00 198,400.00 Total NFS Cash & WIK Provided
 CASH Due From NFS 453,389.81 226,694.91 226,694.91
 or WIK Due From NFS 56,589.81

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