



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Details (With Text)

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Title: Authorization for the District to assume responsibility for the completion of the design and construction of remaining elements of the McCook Reservoir in exchange for receiving a lump sum payment from the U.S. Army Corps of Engineers for the federal government's share of the estimated remaining costs, Project 73-161-2H (As Revised)

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TRANSMITTAL LETTER FOR SPECIAL MEETING OF NOVEMBER 20, 2017

COMMITTEE ON ENGINEERING

Mr. David St. Pierre, Executive Director

Authorization for the District to assume responsibility for the completion of the design and construction of remaining elements of the McCook Reservoir in exchange for receiving a lump sum payment from the U.S. Army Corps of Engineers for the federal government's share of the estimated remaining costs, Project 73-161-2H (As Revised)

Dear Sir:

On May 10, 1999, the Metropolitan Water Reclamation District of Greater Chicago (District) entered into a Project Cooperation Agreement (PCA) with the U.S. Army Corps of Engineers (Corps) for the McCook Reservoir. The PCA specifies a project cost contribution of 25% by the District with the Corps providing the remaining funds. In addition, the Corps is responsible for design and construction of the major reservoir features.

In the last 2 budget years, the federal government has not budgeted for Stage 2 of the McCook project, and received less than the required amount for Stage 1. Over the last several months, the District has participated in meetings with Legislators, the Acting Assistant Secretary of the Army, the Director of Civil Works for the Corps, and the Chief of the Water and Power Branch of OMB (collectively the "Administration") to convince the Administration that in fact, Stage 2 was critical, high priority, and necessary to provide the authorized protection and should be added back into the budget, and requesting that the Stage 1 budget shortfall be added to the Corps' FY18 Work Plan.

During recent discussions with the Corps, the Corps proposed providing a lump sum federal share for the remainder of Stage 2, which is currently estimated to be approximately \$34.7 million. Further, the Corps would require the District to sign a letter agreeing to an amendment to the PCA, allowing for the District to assume

responsibility for the completion of the design and construction of the remaining elements of the McCook Reservoir and assume the risk of the federal share of any cost overruns beyond the identified lump sum amount of \$34.7 million. The lump sum amount and the remaining costs have been changing over the last several weeks and these numbers may change somewhat during the final negotiations.

Therefore, it is requested that the Executive Director recommend to the Board of Commissioners that it authorize the District to assume responsibility for the completion of the design and construction of remaining elements of the McCook Reservoir in exchange for receiving a lump sum payment from the U.S. Army Corps of Engineers for the federal government's share of the estimated remaining costs.

Requested, Marcella V. Landis, Acting Director of Engineering, WSS:KMF

Recommended, David St. Pierre, Executive Director

Respectfully Submitted, Frank Avila, Chairman Committee on Engineering

Disposition of this agenda item will be documented in the official Special Meeting Minutes of the Board of Commissioners for November 20, 2017