



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Details (With Text)

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Title: Authority to make payment of \$341,000.00 to the U.S. Army Corps of Engineers for the non-federal sponsor's share of the costs associated with the Chicagoland Underflow Plan McCook Reservoir, Project 73-161-2H, Account 401-50000-645630

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Date	Ver.	Action By	Action	Result
6/21/2018	1	Board of Commissioners	Approved	Pass
6/21/2018	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF JUNE 21, 2018

COMMITTEE ON ENGINEERING

Mr. John P. Murray, Acting Executive Director

Authority to make payment of \$341,000.00 to the U.S. Army Corps of Engineers for the non-federal sponsor's share of the costs associated with the Chicagoland Underflow Plan McCook Reservoir, Project 73-161-2H, Account 401-50000-645630

Dear Sir:

The Project Cooperation Agreement (PCA) between the U.S. Army Corps of Engineers (Corps) and the Metropolitan Water Reclamation District of Greater Chicago (District), acting as the non-federal sponsor, for the Chicagoland Underflow Plan (CUP) McCook Reservoir Project was signed on May 10, 1999.

In 2017, the District made an initial payment of \$6,033,000.00 for the non-federal sponsor's share of the anticipated fiscal year 2017 budget; however, actual federal funding levels in 2017 were limited to \$10,550,000.00. The lower than anticipated federal funding level resulted in an overpayment by the District in an amount of \$2,516,333.34 and this additional funding proved critical to being able to complete Stage 1 on time. In addition to the overpayment of the cost share, and as a result of the lack of a federal budget, the Corps requested in 2017 that the District provide additional advanced funding to keep the project on schedule. At the Board meeting held on June 15, 2017, the Board authorized payment of up to \$2,000,000.00 in advanced funds, although only \$360,000.00 was required to make Stage 1 operational and will be applied to the District's 2018 cost share.

The Corps has now receiving federal funding in the amount of \$9,625,000.00 for fiscal year 2018 for the remaining costs associated with Stage 1 of the McCook Reservoir Project. In accordance with Article II of the PCA, the District will be required to provide matching funds that equate to 25 percent of the total project costs for fiscal year 2018. As a result of the previous year's overpayment and the advanced funding provided, it is

estimated that the District's required payment to balance the overall 25 percent cost share is no more than \$341,000.00 and the actual amount paid will be based upon an updated accounting of all costs. The money will be used to help pay for completion of the SCADA control and instrumentation systems, to settle claims from the Main Tunnel and Final Reservoir Prep projects, and for continued engineering work.

In addition, funding in the amount of \$34,700,000.00 was approved in the 2018 work plan for the federal share of the remaining Stage 2 costs, in anticipation of the District assuming responsibility for the completing this work. We will begin negotiating with the Corps to amend the PCA so that these funds are turned over to the District for completion of the project, as authorized at the November 20, 2017 Board Meeting.

It is requested that the Acting Executive Director recommend to the Board of Commissioners that it authorize and approve a payment not to exceed \$341,000.00 to the Corps in 2018, upon receiving the written request.

It is further requested that the Acting Executive Director recommend to the Board of Commissioners that the Chairman of the Committee on Finance, Clerk and Treasurer be authorized and directed to make a payment to "FAO, USAED, Chicago" in an amount not to exceed \$341,000.00 as the non-federal share, via electronic funds transfer.

Funds are available in Account 401-50000-645630.

Requested, Catherine A. O'Connor, Director of Engineering, WSS:KMF

Recommended, John P. Murray, Acting Executive Director

Respectfully Submitted, Frank Avila, Chairman Committee on Engineering

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for June 21, 2018