

BOARD OF COMMISSIONERS SNY ISLAND LEVEE DRAINAGE DISTRICT

2007 ANNUAL NEWSLETTER

Can you believe it's this time of year already? Where in the world has 2007 gone? It seems like we just finished the 2006 newsletter and here we are working on another one. It's December 19 as we finish up with this year's newsletter. Does the scene on the right look anything like your neighborhood? Ice storm, cold weather, and no electricity for days on end. It's been a tough start for the winter of 2007/08, but our staff has a saying we constantly refer to starting about Thanksgiving each year; *it's another day closer to April!*



TRADITION

Congressman Marion Berry from the 1st Congressional District of Arkansas recently spoke to those of us in attendance at the Mississippi Valley Flood Control Association's 72nd Annual Meeting. Congressman Berry reflected on the influence of the Association over the years in large part due to respect for tradition. Each year the event begins with a solemn dignified presentation of the colors by a military honor guard, a recitation of the



Pledge of Allegiance by all in attendance followed by the singing of the National Anthem by a soloist. The ceremony then closes with the retirement of the colors. It's traditional for the event to begin in this manner each year. A truly moving experience, no matter how many times you participate in it.

Congressman Berry was right. Our flood control association does draw strength from

honoring the past while working in the present in preparation for the future. And so does the Sny. Each day we draw strength from the rich heritage of the Sny Island Levee Drainage District. What great vision Hannibal businessman Charles Clark had in the 1870's as he looked across the mighty Mississippi River into Illinois and saw the future that has become the Sny.

Dedication to purpose, hard work, integrity, honor, respect, resilience, tenacity, all hallmarks of life in the Sny.

This is what sets us apart. This is what has brought about the successes we have enjoyed in the past, why we relish the opportunities presented to us today and why the Sny will continue to prosper in the future.



JULY 16, 2007

This is an historic date in the life of the Sny. It passed without anyone really noticing except the dredge crew and the Commissioners. At 11:40 A.M. on Monday, July 16,



2007, dredging operations for strengthening the main stem river levee in Reach II was completed. Shown on the left is the D6R and 350L closing the final section of levee south of the Cincinnati Landing ramp. Dredging work began in Reach II at the insistence of the U.S. Army Corps of Engineers. As a requirement to secure

100-year certification for the entire drainage district, on-going efforts had to be demonstrated to strengthen severely deficient levee cross-sections throughout this segment of river levee. The successful completion of this phase of the District's dredging program was made possible through the tremendous cooperation from landowners along the Reach II segment of river levee. They included Bill and Dan Kendrick, Jim Koeller, Jim Dunham, Dale Reilly and Ted Sprague. In addition, officials from Atlas and



Cincinnati Townships and the Pike County Highway Department along with Illinois Rural Electric and Verizon played critical roles in assisting with the project. We would also be remiss if we didn't mention the patience displayed by the camp owners at Cincinnati and Leeds' Landings for putting up with the

inconvenience and distraction caused by the District's dredging efforts. In other words, this was a team effort with sacrifices endured for the benefit of many.

In the image on the right, one can get an idea of the amount of sand added to the landside slope. It is estimated that more than 500,000 cubic yards of sand was placed on the Reach II river levee segment.



Depth of Sand Added to Land Side Slope



Loading 200' Lengths of Discharge Pipe

At the completion of Reach II, efforts were immediately initiated to move the entire dredging operation through Lock & Dam 22 upstream more than 16 miles to the north end of Reach I. By entire operation, we mean nearly 8,000' of discharge pipe, dredge, booster pump, work barge and workboat dock. The Sny enlisted the services of Caldwell

Towing of Canton, Missouri to assist with the move. Caldwell furnished one of their small towboats and a deck barge to facilitate the move. The deck barge was moored just south of where the Hadley-McCraney Diversion Channel flows into the river at the extreme north end of Reach II. The dredge discharge pipe was separated into 200' lengths and



Moving North to Reach I

loaded on the barge using the 350L. The workboat dock and the dredge's three 600-lb. swing anchors were also loaded on the deck barge with the 350L. The Sny work barge was tied to the side of the deck barge. The dredge was tied to the side of the towboat and everything moved upstream at once. The entire fleet of equipment landed at the north end of McDonald Chute just north of the '93 break site. Off loading of the equipment began immediately. The entire length of dredge discharge pipe was put back together and laid from the District's northern most dredge site to Brockmeyer's Crossing, a

distance of 7,600'. The site for the District's booster pump was prepared. Appropriate drainage tubes for the dredge discharge channel were put in place. Upon receiving the proper permits, the dredging operation is ready to start back up next spring. The first area to be completed will be a three-mile stretch of levee from Brockmeyer's Crossing down to the north end of the '93 Break Site. This particular stretch of levee poses the most challenges to the District due to the distance from the dredge sites to the levee itself (more than ½ mile) along with the difficulties created by the location required for the booster pump. The area where the booster pump must be positioned is threatened by flooding when the river stage climbs to 15' on the Hannibal gauge. As we all know, a 15' river in either the spring or fall is not that uncommon. Therefore, we are researching the purchase of flotation for the booster pump to insure its security during high river stages. Another challenge posed at this project site is the river current itself. The first two dredge sites at this location are out in the river rather than protected in the backwaters like the other seven. By not having the protection of the backwater locations, the swift river currents impede the operation of our dredge. In other words, dredging in the backwater sites is no problem when the river approaches a 15'-16' stage. Dredging in the two river sites we're starting at is nearly impossible. Even though many challenges such as these remain, we will get the job done.

We are continuing to work on the permitting for the nine dredge sites selected for Reach I down to Lock & Dam 22. One requirement in the application process is the completion of a mussel survey at each proposed dredge site at a cost of \$22,715.00. We



were also required to complete borings of each site at a cost of \$16,589.00 to retrieve samples of material to be dredged. The test boring, depicted above, posed some interesting challenges since shallow water at many of the dredge sites did not permit the barge with the boring unit to be moved on site with the towboat. The barge would then be disconnected from the towboat and attached to the Sny's workboat so it could be moved to the proposed dredge site. Soil borings were taken every 5' to a depth of 35', the maximum depth of the Sny's dredge cut.

ROCKIES EXPRESS PIPELINE

A proposal from a national pipeline corporation known as Rockies Express, a subsidiary



of Kinder Morgan, to move natural gas along a 1,679 mile corridor from Rio Blanco County, Colorado to Monroe County, Ohio created concern not only in Pike County, Illinois, but throughout the country for most of the year. The plan called for the gas to move through a 42" diameter pipe under 1,500 psi pressure, crossing the Mississippi River

just north of Louisiana, Missouri on its way east across Illinois to Ohio. The Rockies proposal represented the largest such cross-country pipeline crossing the Mississippi River ever done. The Commissioners of the Sny were in total support of the concept of

moving natural gas to our neighbors in the east. The problem was that Rockies proposed to cross the Sny's Reach III river levee by directionally boring under it. The preferred method of crossing the levee providing the most safety to the residents and landowners of the Sny was to go over the levee. This method was



supported not only by the Commissioners, but also by the U.S. Army Corps of Engineers as well as all other major levee and drainage districts from St. Louis to New Orleans. The Sny worked hard in Washington, D.C. in March bringing our tri-state area Senators and Congressmen up-to-date on the matter. A meeting also took place in the offices of



Cong. Hare at the Sny's October 27 meeting

the Federal Energy Regulatory Commission to gather additional information on the process to be followed by Rockies Express to secure a permit for the project. Following a meeting with Rockies officials in Quincy on March 27, it became apparent to Sny officials that Rockies was steadfast in its plan to directionally drill under the levee, discounting the Sny's desire for the pipeline to cross over it.

Of particular concern was it appeared Rockies Express might try to circumvent the Sny's authority as the local sponsor of the Sny Federal project and go directly to the Corps of Engineers to seek approval for the directional drilling construction method. This created issues of national significance since if Rockies were to be successful in their effort to bypass the authority of the Sny, the authority of local sponsors of Federal projects throughout the nation would be jeopardized. Because of this, attention was being focused on the Sny throughout the region to see how the issue was resolved. The Sny continued to work for Congressional support with a second series of meetings in Washington, D.C. in September. Efforts to secure the help of the U.S. Army Corps of Engineers to require the pipeline to be laid over the levee increased.

Congressman Phil Hare met with Sny officials and landowners in the District Business Office on October 27 to learn additional details of the Rockies proposal, voice his total support for the Sny's preferred method of installing the pipeline over the levee and affirm his position that the local sponsor of Federal projects such as the Sny should have authority



Cong. Hare addressing concerns of Sny landowners

over matters impacting its project. He insisted that if necessary he would lead an effort in Washington to introduce legislation in the United States Congress requiring the pipeline to be installed over the levee. As a result of these efforts Rockies Express came to the decision at a meeting with Sny officials in New Canton on November 14 that the

pipeline will be installed over the levee. As of this date, Rockies officials are working in conjunction with Sny engineers and the U.S. Army Corps of Engineers to finalize details on crossing over the levee. Congressman Hare is to be commended for his support of the Sny. We also want to thank the U.S. Army Corps of Engineers leadership and staff in the Rock Island and St. Louis District offices and the Vicksburg Division office for backing the Sny's position on the levee crossing. The Sny's efforts to develop relationships with our political leaders and Corps leadership over the years came to the fore. Hard work paid off. Integrity paid off. Tenacity paid off. Insistence paid off. Professionalism paid off. The safest and right way to do things paid off. The citizens of the Sny prevailed.

EQUIPMENT UPDATE

The Commissioners and staff are constantly working to modernize the Sny's equipment assets whether they are stationary machines at the District's three pump stations or the District's fleet of heavy equipment and trucks. Our main heavy equipment units are a 1998 Cat 350L trackhoe, a 2003 Cat D6R bulldozer and a 1998 Cat D5M bulldozer along with a 1969 AC 645 wheel loader and two John Deere 7710 tractors. Our truck fleet is comprised of a 1992 Freightliner dump truck, a Mack road tractor and 60- ton lowboy



used to move our heavy equipment, 5 main line 4-wheel drive pick-up trucks and a sport utility vehicle. As finances allow, older equipment is rotated out of use, with new

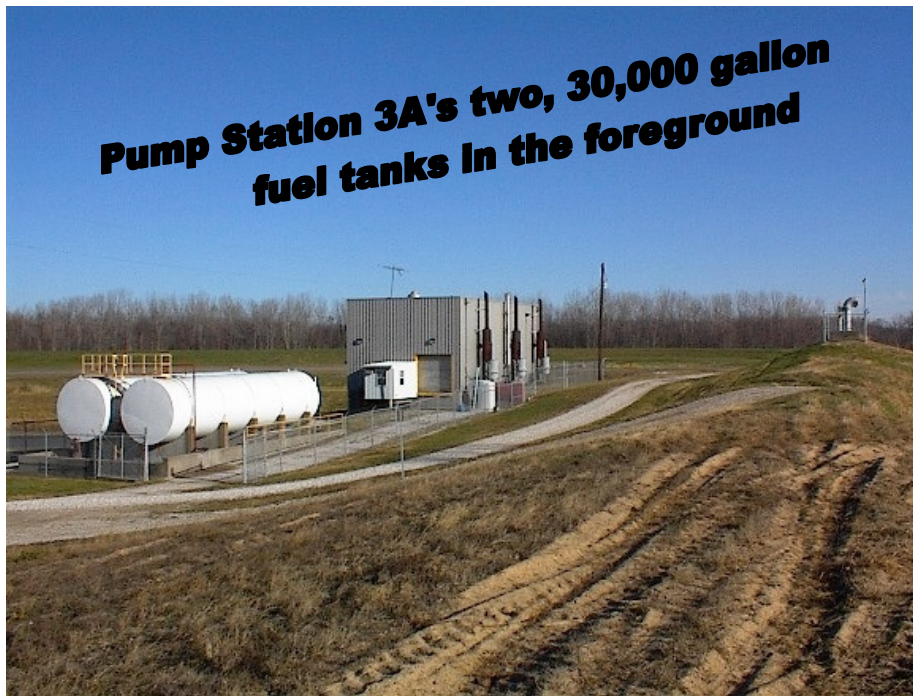
machines or trucks brought in to optimize the efficiency of the Sny's day-to-day operations. This past year, two new 2007 ½ ton 4-wheel drive pick-up trucks were purchased through a competitive bidding process from Gem City Ford in Quincy, Illinois. Also purchased was a 2008 sport utility vehicle from Tom Boland Ford. The two pick-ups shown above were assigned to Willard Lynch, our veteran heavy equipment operator, and Brad Bess, Pump Station 4 operator. Vehicles traded in on these purchases were a 2005 Ford Explorer and a 1997 Ford ¾ ton 4-wheel drive pick-up.

PUMP STATIONS

What an interesting year at the Sny's three pump stations. Due to high river stages in the spring, the aqueducts at Pump Stations 3A and 4 remained closed well into the summer. With another dose of moderate flooding in the fall, the aqueducts were again closed causing daily pumping at 3A and 4. Even though we pumped a number of days throughout the year, we were seldom forced into 24 hour a day operations. We did, however, experience a lot of double shift pumping at 3A. But for the most part we ran 8 – 10 hour shifts at 4. Interestingly enough, we pumped very few hours at Pump Station 1 again this year. At 3A, we totaled 3,704 pumping hours. At Pump Station 4 we had a total of 1,748.25 pumping hours. With the inception of new E.P.A. regulations raising the standards for fuel emission, the use of high sulfur #2 diesel fuel at the Sny's three pump stations

was phased out this year. The changing of the fuel dictated a change to a more expensive grade of motor oil. It takes 980 gallons of motor oil to fill the five Fairbanks Morse engines at Pump Stations 1 & 3A. The change in fuel had no effect on the lubrication requirements of

Pump Station 3A's two, 30,000 gallon fuel tanks in the foreground



the District's three Caterpillar engines at Pump Station 4. With the use of this newer fuel, our per gallon fuel price has almost doubled over the last 30 months. Since we use an average of 150,000 gallons of fuel each year at our pump stations, these higher fuel and engine oil prices are placing a serious strain on our annual operating costs. The federal mandate leading to the changing of fuel seemed to be the ideal time to clean the fuel tanks before refilling them with the new ultra low sulfur fuel. The Sny's six horizontal fuel storage tanks, two at each pump station, have a total on-site storage capacity of 120,000 gallons. As the older fuel was used down this year, R.L. Hoener Company of Quincy was retained to clean the tanks at a total cost of \$14,676.00. Once cleaned, they were refilled with the newer fuel. By management of the cleaning schedule, we experienced no down time in pump operations.

HIDDEN ASSETS

When examining the many facets of flood control, one key component seems to be prevalent in every discussion, reservoirs. Be they large or small, the development of reservoirs in a flood control network to retain water for controlled releases is a valuable tool. When we talk about the flood control on the Mississippi, we invariably talk about Red Rock and Saylorville Reservoirs on the Des Moines River, Coralville Reservoir on



the Iowa River and Mark Twain Lake on the Salt River. These large regional reservoirs, local farm ponds or lakes, when developed properly, serve a valuable purpose in retaining potentially devastating floodwater for controlled release. The Sny Drainage District

itself is a basin collecting runoff from a nearly 200,000 acres watershed for controlled release into the Mississippi River to relieve flooding downstream. Over the years the Sny Commissioners have developed and maintained similar flood control assets in Sny Island through the construction of 16 sedimentation basins totaling more than 2,600 acres. These basins serve two basic purposes. They provide interior flood control by restraining the rate of water flowing into the Sny during storm events and also allow the dropping of the storm water silt load into the low lying basin areas rather than in Sny ditches and the Sny

itself creating maintenance headaches. But in recent years the value of these basins is realized in another manner. The Sny has developed Pigeon Creek, Walnut Creek, Hack and Ambrosia Basins as revenue producers through farming and hunting leases. Last year alone, the District generated approximately \$50,000.00 from hunting and farm agreements on District land to help offset annual operating costs. Waterfowl



hunting facilities are springing up, especially in the southern portions of the drainage district, through the installation of private pumping facilities for flooding nearby land either from the Sny itself or from wells. The Sny also protects the Federal government's 1,600 acre Delair Wildlife Refuge in Reach III as well as other conservation tracts in Reach IV. All of these conservation/hunting areas are quietly being developed and are co-existing with farming interests throughout the Sny in a cooperative manners.

SEASONS OF CHANGE

As time marches on, change is inevitable. The last three years has seen a turnover of three fulltime employees in the Sny's seven person fulltime staff, with another going into semi-retirement. Brad Bess is now approaching the completion of three years of service as the fulltime operator at Pump Station 4. Brad Motley is approaching his one-year anniversary at Pump Station 3A. Bryan Chapman is concluding 14 years as a member of the District's fulltime staff and moving into semi-retirement, yet staying with us on a part time basis at Pump Station #1 and in other areas of the District. Interviews will begin in January to fill a fulltime heavy equipment operator position to assist our long time operator Willard Lynch. Yvonne Billings continues to hold down the fort in the Sny's business office keeping track of more than 5,100 tracts of land owned by more than 600 Sny landowners. Two other long time employees working part time are Kevin Keithly serving on the dredge crew and as our in-house computer specialist and Paul Kenady, also working on the dredge as well as the mowing crew. Another major change occurred in September of this year when longtime Commissioner Jack Borrowman left the Board after 21 years of distinguished service to Sny landowners. Jack's valuable contributions to the life of the Sny are truly appreciated as all wish him nothing but the best in the future. Mr. Dan Lundberg, a life long farmer from the Hull area, was sworn into office to begin a three-year term as a Commissioner on September 11.



MERRY CHRISTMAS AND HAPPY NEW YEAR!

In observance of the upcoming holiday season, the Sny Business Office will be closed December 24,25 and 31 and January 1.

A very big THANK YOU to all of you for the support and help you provide us throughout the year. We want to extend to all of you our warmest wishes for a Merry Christmas and a Happy New Year.

FINANCIAL STATEMENT

The financial report included with this year's newsletter reflects audited figures for the fiscal year ending October 31, 2006. If you would like to access this year's as well as previous newsletters electronically, it can be found in PDF format at www.snyisland.org/newsletter.htm


Russell E. Koeller - President


Dan Lundberg - Secretary


George D. Borrowman - Commissioner

SNY ISLAND LEVEE DRAINAGE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED OCTOBER 31, 2006

	General Annual Maintenance	Capital Projects Fund Reserve fund Fall Creek	Permanent Fund Reserve Fund Seepage	Total Governmental Funds
REVENUES				
Assessments	\$ 786 796	\$	\$	\$ 786 796
Material and pipe sales	45 163			45 163
Lease income	21 225			21 225
Farm income	13 880			13 880
Investment earnings	19 940	13 779	52 243	85 962
Miscellaneous	24 235			24 235
Total revenue	<u>911 239</u>	<u>13 779</u>	<u>52 243</u>	<u>977 261</u>
EXPENDITURES				
Current:				
General administration				
Payroll	101 539			101 539
Office supplies	7 092			7 092
Building utilities and maintenance	8 689			8 689
Insurance	82 541			82 541
Legal and audit	23 015			23 015
Engineering	305			305
Farm expense				-
Miscellaneous	23 479			23 479
Pumping Operations				
Payroll	103 650			103 650
Operating expenses	120 253			120 253
Heavy Equipment Operations				
Payroll	99 849			99 849
Equipment expenses	57 275			57 275
Other Operations				
Payroll	6 049			6 049
Equipment expenses	96 021			96 021
Pipe and wire rope	37 504			37 504
Shop supplies and maintenance	11 774			11 774
Dredge	198 530			198 530
Levee and ditch maintenance	24 039			24 039
Other	1 128			1 128
Miscellaneous				
Payroll taxes	28 608			28 608
Employee benefits	99 060			99 060
Interest	18 439			18 439
Capital Outlay	11 450			11 450
Total expenditures	<u>1 160 289</u>	<u>-</u>	<u>-</u>	<u>1 160 289</u>
Net change in fund balances	(249 050)	13 779	52 243	(183 028)
Fund balances - beginning	(53 695)	503 327	1 582 938	2 032 570
Fund balances - ending	<u>\$ (302 745)</u>	<u>\$ 517 106</u>	<u>\$ 1 635 181</u>	<u>\$ 1 849 542</u>

The accompanying notes are an integral part of these financial statements.