

BRUCE RAUNER GOVERNOR

May 4, 2018

Colonel Craig S. Baumgartner Commander, Rock Island District U.S. Army Corps of Engineers PO Box 2004 Clock Tower Building Rock Island, Illinois 61204-2004

Dear Colonel Baumgartner:

Please accept this letter as a non-binding indication of the State of Illinois' willingness to act as the sole legal and appropriate Non-Federal Sponsor for the U.S. Army Corps of Engineers GLMRIS-Brandon Road Lock and Dam Study and Project ("Project"), pursuant to the terms and conditions stated herein.

As the Project would directly affect the jurisdictional public waters and interests of the State of Illinois, it is our position the State of Illinois is the only legal and appropriate non-federal sponsor for the Project. Pursuant to Illinois law, the State of Illinois, through the Illinois Department of Natural Resources, exercises jurisdiction, supervision and regulatory permitting authority over of all state public waters, which would specifically include the Project. (See Rivers, Lakes and Streams Act, 615 ILCS 5) (See also Judgment Order, State of Illinois v. USACE et al., United States Dist. Court, Southern Dist. of Illinois, 1979). Additionally, Assistant Secretary for the Army for Public Works R.D. James recently affirmed such views in Congressional testimony before the House Transportation Committee (See: United States. Cong. House. Committee on Transportation. Building a 21st Century Infrastructure for America: Water Resources Projects and Policy. Hearing, March 15, 2018. 115th Cong. 2nd session).

The State of Illinois understands the responsibilities of a Non-Federal Sponsor include: a cost-share of construction at 35%, provision of Lands, Easements, Rights of Way, Relocations and Disposal sites (LERRD), and Operation, Maintenance, Repair, Replacement and Rehabilitation (OMRR&R) of the construction project.

To fund construction costs, the State of Illinois plans to enter into an Intergovernmental Agreement with the Metropolitan Water Reclamation District (MWRD) to apply credits provided to MWRD for its work on the Chicagoland Underflow Plan (CUP) at Thornton Reservoir. (See 2016 WIIN Act, Sec. 1171)

Furthermore, to satisfy the OMRR&R financial obligations of a Non-Federal Sponsorship, the State of Illinois will pursue an Intergovernmental Agreement with our partners throughout the Great Lakes, including other states, provinces, and non-governmental organizations to share OMRR&R costs of the project. At the same time, Illinois, in coordination with our neighboring Great Lakes states, plans to consider all options, including but not limited to working with Congress to federally fund OMRR&R costs in the current WRDA reauthorization. This follows precedent set in WRDA to fund federally the full OMRR&R costs for the three electric barriers that operate in the Chicago Sanitary and Ship Canal within the Chicago Area Waterway System.

As Non-Federal Sponsor, the State of Illinois plans to continue to work with the Corps to review and better understand the underlying scientific justification to support a project of this size, scope, and cost. Furthermore, the State of Illinois plans to work diligently with the Corps to mitigate our ecologic, transportation, economic and cost concerns to deliver an Illinois-supported Final GLMRIS-Brandon Road Report by July 31st, 2018. This timeline should provide the State of Illinois ample time to secure more accurate cost estimates that must be provided prior to securing intergovernmental agreements. Finally, this timeframe provides an opportunity for Congress to authorize OMRR&R funding for the Brandon Road Project in the upcoming reauthorization of WRDA.

If you have any questions or would like to discuss this matter in further detail, please feel free to contact my Policy Advisor, Ngozi C. Okorafor, at 312-814-0984 or ngozi.okorafor@illinois.gov.

Sincerely,

Bruce Rauner

Governor, State of Illinois

CC: Hon. Evelyn Sanguinetti, Lieutenant Governor, State of Illinois Hon. Wayne Rosenthal, Director, Illinois Department of Natural Resources