

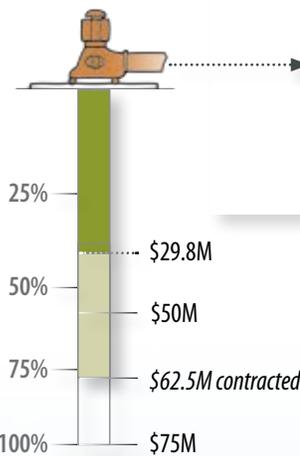


Water System Improvement Project

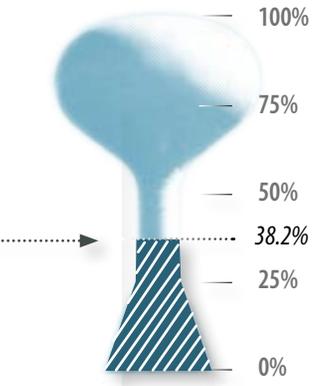
Project Expenditures and Progress

The City of Rockford is continuing to make significant progress toward completion of key elements of its Water System Improvement Project. During the 2nd Quarter of 2009, the City opened bids for the construction of two new water treatment facilities (Well 5/5A – Pelham Road and Well 13 – Skyline Drive), and the demolition of three aging water storage tanks. As of May 2009, the City has signed contracts for approximately \$56.3 million worth of studies, designs, and construction. Contracts worth another \$6.2 million are currently pending final approval. Together, this total of \$62.5 million represents approximately 83.3% of the project budget of \$75 million. Budget actually spent through May 2009 totals approximately \$29.8 million, or about 39.7% of the total budget. Progress reports developed for the individual projects completed or currently active indicate that the overall project is about 38.2% complete.

Budget Spent



% Complete



into operation already in 2009 include the new Well 45 located at the Stanley Street Pumping Station, the Lyford Road (Well 40) and Newburg Road (Well 42) Water Treatment Facilities, rehabilitated Wells 6, 22 and 37, and the Alpine Meadows, American Road, Ekberg, and Green Street water main projects.

The City and its consultant team are currently managing ten major construction contracts related to the water system improvement effort. These projects involve work at 15 different sites. Construction under two additional contracts affecting another 6 sites is expected to begin

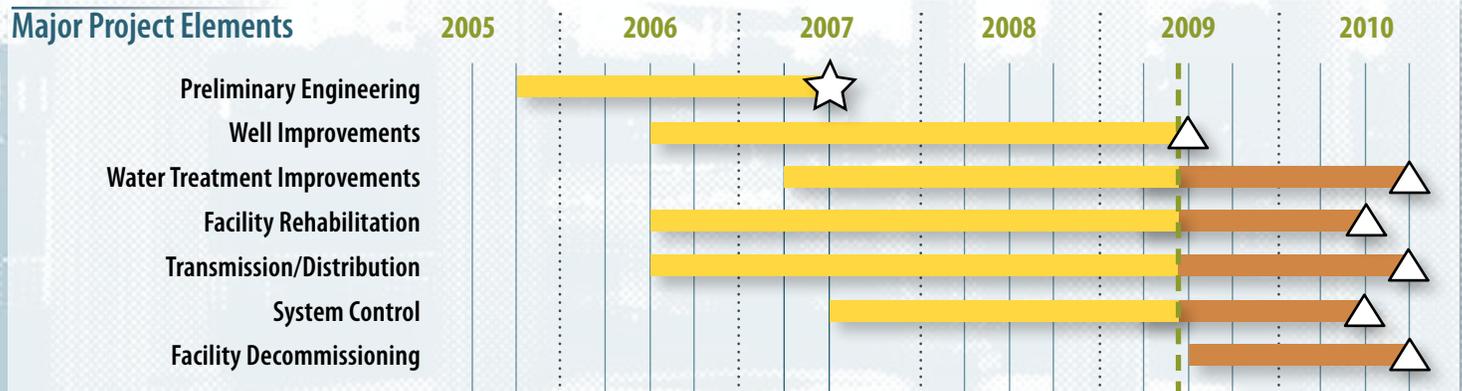
during the summer of 2009. Bids for construction of the last major water main, pressure zone improvement, and water treatment projects in the program are scheduled to be opened later in 2009. As a result, progress toward the program's goals will be highly visible to residents in all parts of the City.

While full completion of the treatment, rehabilitation, distribution, and control elements of the program is not expected until the end of the 2nd and 3rd quarters of 2010, the City will continue to bring individual facilities on-line as specific projects are completed. A number of individual facility rehabilitation and water main projects will be completed over the next 6 months, while additional treatment plants will be completed and put into service in the 4th quarter of 2009 and the 1st quarter of 2010. Details related to the status and anticipated completion dates for these and other individual projects are presented in the tables on pages 2 and 3 of this report.

Project Milestone Schedule

The focus of the City's Water System Improvement Project has now shifted from planning and design tasks to primarily construction and facility start-up. The final well rehabilitation project included in the program (Well 21 – Daisyfield Road) is scheduled to be complete by mid-summer. Other projects completed and placed

Major Project Elements



2nd Quarter 2009 Project Status

2nd Quarter 2009 Highlights

Project Status – May 2009

| Project | Ward | Planned Construction | Rehabilitation | | | | Progress | | | | Status |
|---|------|----------------------|----------------|-----------|----------------|---------|----------|--------|--------------|----------|--------|
| | | | Wells | Treatment | Facility Rehab | Abandon | Planning | Design | Construction | Complete | |
| Facility Rehabilitation / Improvements | | | | | | | | | | | |
| Treatment Equipment | -- | 2008-2010 | | X | | | ✓ | ✓ | ✓ | | |
| S01 : 525 Stanley Street | 13 | 2007-2008 | X | | X | | ✓ | ✓ | ✓ | ✓ | |
| U03 : 1404 River Bluff Blvd. | 12 | 2008-2009 | X | | X | | ✓ | ✓ | ✓ | | |
| U04 : 801 Marchesano Dr. | 5 | 2010 | | | | X | ✓ | | | | |
| U05 : 2526 Pelham Rd. | 3 | 2009-2010 | | X | X | | ✓ | | | | |
| U06 : 2604 19th Ave. | 8 | 2008-2009 | X | | X | | ✓ | ✓ | ✓ | ✓ | |
| U09 : 2708 Crosby St. | 10 | -- | | | | | ✓ | | | ✓ | |
| U10 : 4316 Newburg Rd. | 14 | 2008-2009 | | X | X | | ✓ | ✓ | ✓ | | |
| U11 : 1218 7th Ave. | 11 | 2010 | | | | X | ✓ | | | | |
| U12 : 1022 Benton St. | 3 | 2010 | | | | X | ✓ | | | | |
| U13 : 4625 Skyline Dr. | 10 | 2009-2010 | X | X | X | | ✓ | ✓ | | | |
| U15 : 3030 Chestnut St. | 13 | 2010 | | | | X | ✓ | ✓ | | | |
| U16 : 4550 Harrison St | 14 | 2010 | | | | X | ✓ | | | | |
| U17 : 3700 Brookview Rd. | 3 | -- | | | | | ✓ | | | ✓ | |
| U18 : 1409 S. Johnson Ave. | 5 | 2008-2009 | | | X | | ✓ | ✓ | ✓ | | |
| U20 : 2434 N. Central Ave. | 9 | 2010 | | | | X | ✓ | | | | |
| U21 : 703 Daisyfield Rd. | 13 | 2008-2009 | X | X | | | ✓ | ✓ | ✓ | | |
| U22 : 5110 Auburn St. | 13 | 2008-2009 | | | X | | ✓ | ✓ | ✓ | ✓ | |
| U23 : 1206 Elmwood Rd. | 12 | -- | | | | | ✓ | | | ✓ | |
| U24 : 6475 Cessna Dr. | 6 | 2008-2009 | X | X | | | ✓ | ✓ | ✓ | | |
| U25 : 5602 Spring Creek Rd. | 4 | 2009 | | | | | ✓ | ✓ | ✓ | | |
| U26 : 5500 E. State St. | 10 | 2009 | | | | | ✓ | ✓ | ✓ | | |
| U27 : 5834 Guilford Rd. | 1 | 2010 | | | | X | ✓ | | | | |
| U28 : 5400 Belt Line Rd. | 6 | -- | | | | | ✓ | | | ✓ | |
| U29 : 4750 Pepper Dr. | 4 | 2008-2009 | X | X | X | | ✓ | ✓ | ✓ | | |
| U30 : 3725 Trainer Rd. | 4 | 2008-2009 | X | X | X | | ✓ | ✓ | ✓ | | |
| U31 : 1780 Bell School Rd. | 1 | 2008-2009 | X | X | X | | ✓ | ✓ | ✓ | | |
| U33 : 930 Arthur Ave. | 1 | 2010 | | | | X | ✓ | | | | |
| U34 : 3945 Dawes Rd. | 5 | 2009-2010 | X | | X | | ✓ | ✓ | | | |
| U35 : 2944 Bildahl St. | 6 | 2010 | | | | X | ✓ | | | | |
| U36 : 4141 Samuelson Rd. | 6 | 2009-2010 | | X | X | | ✓ | | | | |
| U37 : 2100 Huffman Blvd. | 9 | 2008-2009 | | | X | | ✓ | ✓ | ✓ | ✓ | |
| U39 : 7423 Spring Brook Rd. | 4 | 2010 | | | X | | ✓ | | | | |
| U40 : 738 Lyford Rd. | 1 | 2008-2009 | | X | X | | ✓ | ✓ | ✓ | ✓ | |
| U42 : 6733 Newburg Rd. | 1 | 2008-2009 | X | X | X | | ✓ | ✓ | ✓ | ✓ | |
| U43 : 3447 Publishers Dr. | 14 | 2008-2009 | | X | X | | ✓ | ✓ | ✓ | | |
| U44 : 5250 Owen Center Rd. | 9 | 2008-2009 | | | X | | ✓ | ✓ | ✓ | | |
| SCADA | -- | 2008-2010 | | | | | ✓ | ✓ | ✓ | | |

Individual Project Status

A detailed listing of the location, schedule and status of improvements planned for individual facilities, water mains, or the overall water system, is provided in these tables. Color-coded cells in the last column of the table indicate overall project status using a green (Good), yellow (OK, but some issues), or red (Problems) format.

| Project | Ward | Planned Construction | Progress | | | | Status |
|-----------------------------------|------|----------------------|----------|--------|--------------|----------|--------|
| | | | Planning | Design | Construction | Complete | |
| Preliminary Engineering | | | | | | | |
| | | 2005-2007 | ✓ | ✓ | ✓ | ✓ | |
| Well Rehabilitation | | | | | | | |
| | | 2006-2007 | ✓ | ✓ | ✓ | ✓ | |
| Pilot Test Program | | | | | | | |
| | | 2006-2007 | ✓ | ✓ | ✓ | ✓ | |
| Zone Boundary Improvements | | | | | | | |
| | | 2007-2010 | ✓ | ✓ | ✓ | | |
| Water Main Improvements | | | | | | | |
| W-1 : Harrison Street East | 8 | 2007 | ✓ | ✓ | ✓ | ✓ | |
| W-2 : Airport Loop | 6 | 2007-2008 | ✓ | ✓ | ✓ | ✓ | |
| W-3 : Auburn Street | 7/9 | 2008-2009 | ✓ | ✓ | ✓ | | |
| W-4 : Aldeen | 10 | 2008-2009 | ✓ | ✓ | ✓ | | |
| W-5 : Alpine Meadows | 4 | 2009-2010 | ✓ | ✓ | ✓ | ✓ | |
| W-6 : American Road | 14 | 2008-2009 | ✓ | ✓ | ✓ | ✓ | |
| W-7 : Dawson Avenue | 2/3 | 2008-2010 | ✓ | ✓ | | | |
| W-8 : 20th Street | 8/11 | 2008-2009 | ✓ | ✓ | | | |
| W-9 : Green Street | 13 | 2008-2009 | ✓ | ✓ | ✓ | | |
| W-10 : 22nd Street | 8 | 2008-2009 | ✓ | ✓ | | | |
| W-11 : Ekberg Pine Manor Park | 6/14 | 2008-2009 | ✓ | ✓ | ✓ | ✓ | |
| W-12 : 35th Street | 14 | 2008-2009 | ✓ | ✓ | ✓ | | |
| EXW : Porter Road | 9 | 2008-2009 | ✓ | ✓ | ✓ | | |

Group 1A Treatment Facilities Dedications

Treatment plants at Wells 40 and 42 were dedicated on February 24, 2009 and April 10, 2009. These treatment facilities are supplying filtered water for the first time to residents in the City of Rockford, and are designed to remove naturally occurring iron and manganese from the raw well water. The iron removal system is effectively producing a visually noticeable difference in the clarity of the supplied water. Training sessions for the operating staff are being completed and the contractor is in the process of completing punch list items and exterior work.



Group 1-B Treatment Facilities Construction

Group 1B consists of a water treatment plant at Well 31 designed to remove naturally occurring iron and manganese from the raw well water. The new exterior building shells have been installed and work inside the facility continues. The Well No. 31 facility has been taken off line to complete interior demolition, replacement of electrical systems, and modifications of the mechanical systems. Group 1B is scheduled for final completion in the fourth quarter of 2009.



Stanley Street Well

The new Stanley Street Pumping Station went on line in late October, 2008. Spring weather has allowed final site restoration. Also at this site is a new well that was drilled in 2007 and placed into service this spring. This new well is over 1,600 feet deep, and is fitted with a 300 horsepower, 2,000 gallon per minute pump. This facility will provide a new, reliable, long-term supply of water into the Central Zone of the Rockford water system.

Group 1 Non-Treatment Base Facilities

Work on the 7 Group 1 non-treatment facilities began in July, 2008, and some work has started at nearly all of the facilities. Well Sites U06, U22, and U37 are complete and functional. Efforts have recently been concentrating at Well Sites U21 in the Ingersoll golf course on Daiseyfield Road, and at U03 on River Bluff Blvd. Both of these pump houses will get a completely new roof structure, and will also have improved electrical equipment, efficient heating systems, and new chemical feed equipment. U21 is expected to start up in June, 2009, and U37 in early July, 2009.



Group 2 Non-Treatment Base Facilities

Work at these facilities has been awarded to Sjostrom Construction, and will consist of major renovation at wells U10 (Newburg Rd) and U24 (Airport). Each facility will get new roof structures, new electrical and control equipment, efficient heating systems, and new chemical feed equipment. The facility at U10 will also get a new 150,000-gallon water reservoir, and the old circular reservoir will be demolished later this year. Work at site U24 is well under way, and this facility is expected to go on line in July, 2009. Sjostrom's contract also includes rework of the clearwell overflows at well sites U25 (Spring Creek Road) and U26 (East State Street).



2nd Quarter 2009 Highlights (cont.)

Group 2 Treatment Facilities Construction

The Group 2 treatment project consists of a single construction contract to be completed at three well sites (29 - Pepper Drive, 30 - Trainer Road, and 43 - Publishers Drive). The treatment facilities at these wells will remove naturally occurring iron, manganese, and radium. The project is being constructed by Williams Brothers Construction of Peoria, Illinois.



The contractor has completed the installation of the foundation and masonry walls at Well 29. The Well 30 foundation is approximately 80 percent complete. The Well 43 treatment building masonry block walls are in place and installation of the exterior block has begun. The delivery of the filter vessels will be occurring during the months of May and June. The work at these three wells is currently scheduled for completion by the end of April 2010.

Group 3 Treatment Facilities

The Group 3 Treatment Facilities Project was bid on March 26, 2009. Group 3 consists of iron and manganese removal at Wells 5/5A (Pelham Road) and 13 (Skyline Drive). Well 5/5A will consist of construction of an iron and manganese removal plant, new ground level reservoir, and booster station. This reservoir will be used to blend water from two wells before delivery to the water distribution system. Well 13 will consist of a water treatment plant and booster station and will utilize the existing ground level reservoir. The low bidder on the project was Scandoli Construction of Rockford, Illinois for an amount of \$6,948,890. This project will utilize IEPA Safe Drinking Water Loan funds and the bids are currently under IEPA review prior to final award to the contractor.

Water Main Construction

With almost six miles of water main already in service as part of the Water System Improvement Project, construction is currently progressing on an additional five miles of water main. Over 5,000 feet of water main is in service for the Green Street and Aldeen Park projects with final restoration under way. Construction is progressing well on the Porter Road project with three tunneled sections and approximately 13,000 feet water main already installed. The 35th Street project has completed tunneling under US20 and is nearing completion. Approximately 9,000 feet of water main is being installed along Auburn Street and Central Avenue. Design is complete for both the Dawson Avenue and the 20th/22nd Street projects.



Rockford Marathon

On Sunday, May 17, 2009, Public Works Director Tim Hanson and Water Division Superintendent Tim Holdeman joined other City staff and representatives from the engineering firms McMahon Associates, Strand Associates, and MWH to serve water from one of the City's recently dedicated water filtration plants to about 850 participants in the 2009 Rockford Marathon. McMahon, Strand and MWH sponsored a water station along the marathon route to celebrate the successful start-up of the City's first water filtration systems.



For more information on specific projects, please contact:

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