



MEMORANDUM

TO: Bruce K. Walden, Chief Administrative Officer
FROM: William R. Gray, Public Works Director
Gale L. Jamison, Assistant City Engineer
DATE: February 22, 2007
RE: East Urbana Interceptor Project
Intergovernmental Agreement for Design Engineering Services

Action Requested

Approval authorizing the Mayor to execute an intergovernmental agreement for engineering design services and easement acquisition for the East Urbana Interceptor Project with the Urbana-Champaign Sanitary District (District).

Background and Facts

On November 21st, 2006 the City Council directed City Staff to proceed with preparing an intergovernmental agreement between the City and the District for the engineering design. City and District staffs have completed the intergovernmental agreement for design services and a copy is attached for review and approval.

The Engineering Division was tasked with developing a proposed plan for providing sewer service for the east side of Urbana. A detailed analysis of the infrastructure required for sanitary sewers in East Urbana was completed in a preliminary engineering report prepared by Sodemann & Associates for the District in August 2006 and accepted by the City Council on November 21st, 2006. The sewer infrastructure proposed to serve the east side of Urbana is described below:

The East Urbana Interceptor Project will consist of:

- A new regional pump station to be located east of High Cross Road.
- A new 36-inch interceptor sewer between the existing Myra Pump Station and the new regional pump station.
- New 30-inch force main to the Northeast Wastewater Treatment Plant.
- Abandoning the existing Myra Pump Station.
- Stub out 30-inch and 21-inch sanitary sewer interceptors north, south, and east of the new regional pump station.

The new interceptors and pump station would provide sanitary sewer service for a 3,100 acre area east of High Cross Road, south of I-74, and north of Curtis Road.

The preliminary engineering report estimates the project cost at \$7.9 million dollars. The preliminary engineering report estimated that the District share would be 3.9 million dollars (49%) which included the 36-inch interceptor, a portion of the pump station, and a portion of the force main. The City's share would be 4.0 million dollars (51%) and includes the 30 and 21-inch interceptors, a portion of the pump station, and a portion of the force main.

The District desires to finance the project through a State Revolving Fund (SRF) loan from the Illinois Environmental Protection Agency. The SRF loan would be a twenty-year loan at a reduced interest rate. The City's annual payment on the 4.0 million dollar share of the project cost would be \$254,700 for a 20 year SRF loan at the current SRF interest rate of 2.5%. In order to obtain SRF loan monies the design for the project must have been completed and the project must be ready to bid. A separate intergovernmental agreement will be executed for the construction phase of this project.

It is planned that the City will recover its share of the project costs through an interceptor cost recovery fee for the area to be served. The City of Champaign, Village of Savoy, and District all currently charge an interceptor cost recovery fee.

Financial Impact

The engineering design fee for the East Urbana Interceptor Project is \$468,000 of which \$234,000 (50%) is the City's share with the balance being the District's share. The easement acquisition costs for the East Urbana Interceptor Project are estimated to be \$160,000 of which \$70,000 (44%) is the City's share with the balance being the District's share. The total City share of the engineering design and easement acquisition costs on the East Urbana Interceptor Project with some contingency is \$320,000.

There is presently \$320,387 available in the interceptor set aside budget line item in the Sanitary Sewer Construction Fund. These funds would be utilized for the City's share of the engineering design and easement acquisition costs. As development occurs, this fund would be reimbursed by monies collected from the interceptor cost recovery fee.

Recommendations

It is recommended that the ordinance authorizing the mayor and clerk to sign the intergovernmental agreement for engineering design services for the East Urbana Interceptor Project be approved.

Attachments: Intergovernmental Agreement for Engineering Design Services
Authorization Ordinance

ORDINANCE NO. 2007-02-026

**AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN
INTERGOVERNMENTAL AGREEMENT
WITH THE URBANA & CHAMPAIGN SANITARY DISTRICT FOR DESIGN
ENGINEERING SERVICES
FOR THE EAST URBANA INTERCEPTOR PROJECT**

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE
CITY OF URBANA, ILLINOIS, as follows:

Section 1. That an Intergovernmental Agreement for Design Engineering Services for the East Urbana Interceptor Project Between the City of Urbana, Illinois, and the Urbana-Champaign Sanitary District, Illinois, in substantially the form of the copy of said Agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this _____ day of _____, 2007.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, 2007.

Laurel Lunt Prussing, Mayor

**AN INTERGOVERNMENTAL AGREEMENT FOR
EAST URBANA INTERCEPTOR SEWER DESIGN**

THIS AGREEMENT entered into this ____ day of _____, 2007, by and between THE CITY OF URBANA, ILLINOIS (“the City”), and the URBANA AND CHAMPAIGN SANITARY DISTRICT (“the District”).

WHEREAS, the District has identified the need for an interceptor sewer to serve the area located east of High Cross Road, south of I-74, and north of Curtis Road east of Race Street, to be known as the East Urbana Interceptor Sewer; and

WHEREAS, the City recognizes that development of the East Urbana Interceptor Sewer is essential to the planned and orderly expansion of its growth area; and

WHEREAS, in order to provide for this development, the City is willing to share in the cost of extending the sanitary sewer system within the District to the newly developing area; and

WHEREAS, the District anticipates utilizing an Illinois Environmental Protection Agency State Revolving Fund (SRF) loan for financing the cost of the project; and

WHEREAS, the parties desire to agree to share the costs of engineering design services, and easement acquisition costs with respect to the East Urbana Interceptor Sewer.

WHEREAS, Section 10 of Article VII of the 1970 Illinois Constitution and “The Intergovernmental Cooperation Act”, 5 ILCS 220/, et. seq.) provide for intergovernmental cooperation.

NOW, THEREFORE, the City and the District agree as follows:

Section 1. Scope of Services. The District shall cause the work described in Exhibit “A” attached hereto and incorporated herein to be completed for the East Urbana Interceptor Project. Exhibit “B” attached hereto includes a brief overview of the East Urbana Interceptor Project.

Section 2. Cost Sharing. The City and the District agree to share all costs performing the items detailed in Sections one of Exhibit A at the rate of fifty per cent (50.0%) paid by the

City and fifty per cent (50.0%) paid by the District, excluding termination of this Agreement per Section 4.

For engineering design services, the City's share of the engineering design services shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000). The District's share of the engineering design services shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000). For easement acquisition costs, the actual costs incurred in acquiring the pump station and forcemain easements shall be distributed among the participants at the same percentages listed in the first paragraph of this section. The City shall pay easement acquisition costs for the 21" and 30" sewer stubs from the pump station. The District shall pay easement acquisition costs for the 36" gravity line into the west of the pump station. The City's share of the easement acquisition costs shall not exceed Seventy Thousand Dollars (\$70,000). The District's share of the easement acquisition costs shall not exceed Ninety Thousand Dollars (\$90,000).

If additional funds are required, the City will be contacted by the District with a proposed amendment to this agreement stating the required additional funds and the City will have an opportunity to continue pursuant to the Agreement, as amended.

Section 3. Payment. Payment for engineering design services rendered under this Agreement, shall be due to the District after receipt by the City of an itemized statement of the services performed by the engineering firm of Sodemann & Associates, Inc. Such statement shall describe the services rendered and shall reference the date of such services, the person performing the service, the fee for each time service is rendered, and each type of service rendered under this Agreement.

Payment for easement acquisition costs incurred under this Agreement shall be due to the District after receipt by the City of an itemized statement of payments made by the District in the course of obtaining signed easement documents from property owners.

Payment shall be due at the District within forty-five (45) days following receipt of a statement of itemization for services timely and satisfactorily performed. The District waives, to the extent allowed by law, the provisions of the Local Government Prompt Payment Act.

Section 4. Termination and Suspension.

(a) This Agreement will continue in full force and effect until completion of the engineering design services, and easement acquisition efforts, as described in Exhibit "A", unless it is terminated at an earlier date by either party as outlined below;

(b) Any signatory to this Agreement may terminate this Agreement by giving no less than fourteen (14) days' written notice of the intent to terminate this Agreement. Notice shall be considered given when deposited in the United States mail, postage prepaid, and addressed as provided in Section 6 below.

In the event of termination of this Agreement by either party prior to completion and final payment by either party, the forfeiting party will pay the other party for all services which were performed to the satisfaction of all parties and also the other party's share of the engineering design and easement acquisition costs, which were actually and satisfactorily rendered up to receipt of the notice of termination;

(c) In the event any of the provisions of this Agreement are violated by any signatory, the aggrieved party may serve written notice upon the other the intention to terminate such Agreement, such notice to contain the reasons for the termination. Unless within five (5) calendar days after the serving of such notice, the violation shall cease, and satisfactory arrangements for correction be made, the contract shall expire five (5) calendar days after such service. In addition to any other remedies available at law, the defaulting Party shall be liable to the other Party for any damages sustained by them based on the default. The terminating Party shall pay the other party for all services performed up to the point of termination.

(d) In the event of termination of this Agreement by either party, such party forfeits any right to reimbursement of the engineering design and easement acquisition costs from the SRF loan funds defined under Section 5 of this Agreement.

Section 5. Cost Recoupment. The parties agree that if and when the East Urbana Interceptor Sewer project receives a State Revolving Fund loan from the Illinois Environmental Protection Agency, the City's share of the costs it has incurred in engineering design services will be recouped by the District through loan payments and reimbursed to the City within a reasonable time after receipt of the loan proceeds. All parties acknowledge that if a loan is not

received from the Illinois Environmental Protection Agency, or is received after such a delay of time that redesign of the project is necessary, then the parties will be reimbursed in whole or in part for the costs of engineering design, only to the extent loan proceeds are available. All parties acknowledge that payments made to property owners for easement acquisition will not be loan eligible and will not be reimbursed upon receipt of the loan. The City and the District agree that they will work together, after engineering design and easement acquisition, for the purpose of bringing this project to completion, provided that an IEPA loan is received by the District for construction and other costs. The parties recognize that further intergovernmental agreements memorializing the provisions of loan participation, cost sharing and recoupment are contemplated by the parties. It is agreed that if the Project is constructed, all of the actual costs of the parties attributable to the Project, including administrative costs, interest, engineering costs and easement acquisition, will, at the discretion of the parties, be collected by the District through connection fees. The future agreements will detail the amounts and details of such collection, when construction of the Project is planned and upon receipt of a loan from IEPA.

Section 6. Notice. Notice given hereunder shall be given to:

The District at:
 Executive Director
 1100 East University Avenue
 P. O. Box 669
 Urbana, IL 61803

The City at:
Director of Public Works
 City of Urbana
 706 South Glover Avenue
 Urbana, IL 61802

IN WITNESS WHEREOF, the City and the District have executed this Agreement.

URBANA AND CHAMPAIGN
SANITARY DISTRICT

CITY OF URBANA, ILLINOIS

By _____
 Michael R. Little, Executive Director

By _____
 Laurel Lunt Prussing - Mayor

Date: _____

Date: _____

APPROVED AS TO FORM:

By _____

Phyllis D. Clark – City Clerk

 City Attorney

DATE: _____

EXHIBIT “A”

TO

AN INTERGOVERNMENTAL AGREEMENT FOR EAST URBANA INTERCEPTOR SEWER DESIGN

Section 1. Engineering Design Services

Engineering design services to be performed shall be as detailed in the attached Agreement between Owner and Engineer for Professional Services between the Urbana & Champaign Sanitary District as “Owner” and Sodemann and Associates, Inc. as “Engineer”.

Section 2. Easement Acquisition

Easement acquisition will consist of negotiating for and obtaining permanent and temporary easements for construction of the proposed improvements. The following assumptions have been made to determine the costs associated with easement purchase.

1. A maximum of approximately 27,750 lineal feet of permanent easement area is required for the project. It is estimated that this will require 12.5 acres of permanent easement area. The cost of purchasing the permanent easements is based upon a maximum negotiated cost per acre of \$15,000.00 and a diminution in value of 50%. If negotiations are not successful at this compensation level, the District will use eminent domain to acquire the easements. Therefore, the total cost for permanent easement payments is estimated at \$93,750.
2. A total of approximately 17.2 acres of temporary easement area is required for the project. The cost of purchasing the temporary easements is based upon a maximum negotiated cost per acre of \$15,000.00 and a diminution in value of 25%. If negotiations are not successful at this compensation level, the District will use eminent domain to acquire the easements. Therefore, the total cost for temporary easement payments is \$64,350.
3. The total payments for easement acquisition will not exceed \$158,100, or approximately \$160,000.

EXHIBIT “B”

TO

AN INTERGOVERNMENTAL AGREEMENT FOR EAST URBANA INTERCEPTOR SEWER DESIGN

Section 1. Overview of the East Urbana Interceptor Sewer Project

Please see the “UCSD Facility Planning Report of the East Urbana Interceptor” for a detailed description of the project.

The main project items include:

Construction of a new pump station approximately one mile east of the existing UCSD Myra Pump Station located on High Cross Road.

Pump Station Characteristics:

- Start up flow, 2 MGD, 20 year design flow 12 MGD, ultimate flow 17 MGD
- Wet well would be cast in place concrete and would contain 5 submersible pumps, (2-90 Hp, 3 -110 Hp)
- Valve vault to include check and isolation valves for each pump plus a discharge piping header
- 2 mechanically cleaned bar screens, discharging into screening washer/compactors that would both discharge into one common roll off container.
- Building to house bar screens and peripheral equipment
- Process Control System for pumps and force main selection

Force Mains:

Two force mains would discharge from the new pump station: one 30” that would run from the new East Urbana Pump Station to the UCSD North East Treatment Plant: one 16” that would connect to the existing forcemain from the existing Myra Pump Station (existing Myra Pump Station to be abandoned in place)

- The 16” forcemain would be in service during low flows
- The 30” forcemain would be in service during high flows.

Gravity Sewers:

- One 36” sewer would be routed from the existing Myra Pump Station to the new East Urbana Pump Station, thereby allowing abandonment of the existing Myra Pump Station in place.
- Two 21” gravity sewer would be run from the new East Urbana Pump Station, north and east, approximately 800 feet total, for future use.
- One 30” sewer would be run from the new East Urbana Pump Station south approximately 400 feet for future use.