

ORDINANCE NO. 2006-02-019

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT FOR PRELIMINARY FEASIBILITY STUDY OF WATER UTILITY ACQUISITION

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

Section 1. That An Intergovernmental Agreement for Preliminary Feasibility Study of Water Utility Acquisition between the City of Champaign, Illinois, the City of Urbana, Illinois, the City of Pekin, Illinois, and the Board of Trustees of the University of 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 _____, 2006.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, 2006.

Laurel Lunt Prussing, Mayor

**AN INTERGOVERNMENTAL AGREEMENT FOR
PRELIMINARY FEASIBILITY STUDY OF WATER UTILITY ACQUISITION**

THIS AGREEMENT entered into this ____ day of _____, 2006, by and between the CITY OF CHAMPAIGN, ILLINOIS (“Champaign”), the CITY OF URBANA, ILLINOIS (“Urbana”), the CITY OF PEKIN, ILLINOIS (“Pekin”) and the BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS (“University”).

WHEREAS, reliable and low cost water service is essential for the economic health of the community; and

WHEREAS Illinois American Water Company is no longer a locally-based company focused on the needs and goals of central Illinois; and is proposed for sale for the third time since 1999; and

WHEREAS, the parties desire to agree to share the costs of a study to preliminarily evaluate the feasibility of acquiring the Water Company’s assets and other alternatives; and

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

NOW, THEREFORE, Champaign, Urbana, Pekin and the University agree as follows:

Section 1. Selection of a Consultant. Urbana shall be the Lead Agency on behalf of the parties and shall contract for services desirable or necessary, to facilitate the the exploration of the feasibility of the acquisition of the assets of the water company including, without limitation, financial, legal, engineering, project management, or governmental relations consultants. Such contract shall be entered into, as expeditiously as possible, however, no such contract shall be entered into except upon the consent of each party, as evidenced by the written approval of Urbana Chief Administrative Officer, Champaign City Manager, Pekin City Manager and the Associate Vice President, University Office for Facilities, Planning and Programs.

Section 2. Cost Sharing. Champaign, Urbana, Pekin, and the University agree to share all costs of a consultant selected pursuant to Section 1 at the rate of based on the following formula: Champaign 40%, and Urbana, Pekin and the University 20% each. The total cost of the preliminary feasibility study shall not exceed One hundred Thousand Dollars(\$100,000.00_).

If additional funds are required, each party will be contacted by Peoria with a proposed amendment to this Agreement, stating the required additional funds and each party will have an opportunity to continue with the project pursuant to the Agreement as amended. If a party chooses not to continue its participation due to the need for additional funds, such party may cease to participate by following the termination procedure in Section 5, but will be responsible for its proportionate share of costs to date.

Section 2A. Additional Parties. Other governmental entities may become parties to this agreement by requesting to do so if all other parties consent. Such consent shall be evidenced by the written approval of the parties representatives set forth in section 1. The consent may be evidenced electronically. Such additional party shall contribute financially to these undertakings in a proportionate amount appropriate relative to the other parties undertakings, as the persons consenting shall agree. The contribution shall be supplemental to the amounts already contributed by the parties and permit increased efforts as agreed to by the parties.

Section 3. Payment. Payment for consultant services rendered under this Agreement, shall be due to Urbana within 45 days following receipt by each of the participants of an itemized statement of the services performed. Such statement shall describe the services rendered.

Section 4. Coordination of Work. Urbana shall provide one (1) copy of each unit of work received from the consultant to each party. If a party chooses to terminate their

participation, such party will be entitled to a copy of the consultant's work product up to the effective date of that party's termination so long as that party has paid its share of the costs.

Section 5. Completion and Termination

(a) This Agreement will continue in full force and effect until completion of the work unless it is terminated at an earlier date by any 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;

(c) In the event of termination of this Agreement by any participant prior to completion and final payment by that participant, the participant will pay Urbana its share of the costs for all services performed up to that party's total proportionate share of the project costs which were actually and satisfactorily rendered up to date of termination.

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

Champaign at:

City Manager
City of Champaign
102 North Neil Street
Champaign, IL 61820

City Attorney
City of Champaign
102 North Neil Street
Champaign, IL 61820

Urbana at:

Chief Administrative Officer
City of Urbana
400 South Vine Street
Urbana, IL 61801

City Attorney
City of Urbana
400 South Vine Street
Urbana, IL 61801

University at:

Lyle Wachtel
Associate Vice President
University of Illinois Office for Facilities,
Planning & Programs
807 South Wright Street, Suite 340
Champaign, IL 61820

University Legal Counsel
506 South Wright Street
258 HAB
Urbana, IL 61801

Pekin at:

City Manager
City of Pekin
111 South Capital Street
Pekin, Illinois 61554

IN WITNESS WHEREOF, Champaign, Urbana, Pekin, and the University have executed this Agreement.

CITY OF CHAMPAIGN, ILLINOIS

CITY OF URBANA, ILLINOIS

By _____
City Manager

By _____
Chief Administrative Officer

DATE _____

DATE _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

City Attorney

City Attorney

UNIVERSITY OF ILLINOIS

By _____

Stephen K. Rugg, Comptroller

By _____

Michele M. Thompson, Secretary

DATE _____

APPROVED AS TO FORM:

University Legal Counsel

CITY OF PEKIN

By _____
City Manager

APPROVED AS TO FORM

By _____
City Attorney