

CONSTRUCTION AGREEMENT

THIS CONSTRUCTION AGREEMENT (the "Agreement") is made and entered into as of the 21st day of JUNE, 2016, by and between Illinois-American Water Company, an Illinois corporation ("IAWC"), and the City of Peoria, Illinois, an Illinois municipal corporation (the "City"). Hereinafter, IAWC and Peoria may be referred to individually as a "Party" or together as the "Parties".

RECITALS:

A. IAWC is engaged in furnishing water utility service within Peoria.

B. Peoria is planning the reconstruction of the University Street, which reconstruction will require the relocation of IAWC's water main along that street at IAWC's cost.

C. Peoria is willing to perform, through its contractors, the relocation of IAWC's water main in return for cost reimbursement by IAWC.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, and agreements set forth herein, the parties hereto agree as follows:

**Article I
Water Service Facilities**

1.1 Construction. In accordance with the approved plans and specifications attached hereto as Exhibit 1 and incorporated herein by reference, Peoria shall construct and install approximately 1,630 lineal feet ductile iron water main along the designated portions of University Street, together with all valves, fittings, hydrants, and other items indicated in Exhibit 1, hereinafter collectively referred to as the "Facilities." The size, design, type and quality of materials and of the system location and manner of installation of the Facilities shall be as indicated on Exhibit 1. No material change shall be made in the plans and specifications for the Facilities without the prior written approval of IAWC.

1.2 Cost Reimbursement. IAWC shall pay to Peoria all costs actually paid by Peoria to its contractors associated with the construction and installation of the Facilities in accordance with Exhibit 1. An itemized total cost estimate of the Facilities to be constructed pursuant to this Agreement is attached hereto as Exhibit 2 and incorporated herein by reference. The final cost to be paid by IAWC shall not exceed the Exhibit 2 estimate by more than ten (10) percent (the "Final Cost"). Peoria shall invoice IAWC for the Final Cost after completion of construction. IAWC shall pay the Final Cost within forty-five (45) days of receipt of the invoice. Any amount not paid within forty-five (45) days shall be subject to interest at ten (10) percent per annum.

Article II Rights-of-Way

Peoria shall provide to IAWC satisfactory evidence of rights-of-way and permits for all portions of the route along which the water main is installed as may be necessary to provide water service to each parcel or lot on said route and to operate, repair, and maintain the Facilities.

Article III Performance

3.1 No Encumbrances. Peoria shall construct and complete the Facilities free of all security interests, liens, and encumbrances of any nature. Peoria's general contract and all subcontracts shall contain a provision requiring a written release of the contractor's and subcontractors' and supplier's liens before IAWC's payment for any work performed by such persons will be made. Copies of all such releases shall be conveyed to IAWC upon transfer of the Facilities in accordance with Section 3.4.

3.2 Inspection. IAWC shall have the right at all times during construction to inspect the progress of the work performed and to determine whether the work is being performed in accordance with the plans and specifications contained in Exhibit 1. IAWC shall retain the services of an engineering firm for the purpose of inspecting and monitoring the performance of work and to ensure compliance with the plans and specifications contained in Exhibit 1. If, in IAWC's reasonable opinion, the work has not been, or is not being, performed in a good and workmanlike manner and in accordance with the plans and specifications contained in Exhibit 1, IAWC shall have the right to require the correction of any defects and compliance with the plans and specifications contained in Exhibit 1. Complete and satisfactory completion of the Facilities shall be a condition precedent to IAWC's obligation to accept the transfer of the Facilities.

3.3 Documentation. At the conclusion of construction, Peoria's hired contractor shall provide a current and complete set of "Record" drawings and other pertinent information of the completed Facilities showing their exact location and configuration within and outside, if applicable, the route. Peoria shall also deliver to IAWC a detailed itemization of all amounts paid in connection with the construction of the Facilities together with satisfactory evidence of full and final payment (or provision for payment satisfactory to Water Company) of all amounts due and payable in connection with such construction.

3.4 Ownership Transfer. Upon the satisfactory completion of the Facilities, and full compliance by Peoria with the provisions of Section 3.3 above, ownership of the Facilities shall be transferred to IAWC. For such purpose, Peoria shall execute and deliver to IAWC a written bill of sale, in the form of Exhibit 3, describing the Facilities with reasonable specificity. In such bill of sale, Peoria shall represent and warrant to IAWC that (i) the Facilities have been properly constructed and completed in accordance with the plans and specifications therefor; (ii) the Facilities are free and clear of all liens and encumbrances of any nature; and (iii) the Facilities have been inspected and approved by all public agencies and governmental authorities having authority over the construction and installation of potable water systems. Upon the transfer of the

Facilities, as provided herein, Peoria shall retain no right, title, or interest in them. Prior to such transfer, all risk of loss shall be with Peoria, and IAWC shall have no right or interest in the Facilities. Peoria's contractor shall warrant all work for a period of one (1) year from date of transfer.

3.5 Indemnity. Peoria shall protect, indemnify, and hold harmless IAWC from and against any and all loss, damage, claims of damage, liability, judgments, or causes of action (including, but not limited to, court costs and reasonable attorneys' fees), caused or occasioned by or resulting from Peoria's construction of the Facilities and/or any action undertaken by or on behalf of Peoria, or its agents or employees, during or following such construction. In addition, Peoria shall cause its contract with its general contractor retained to construct and install the Facilities to contain the following provision: "Contractor shall protect, indemnify, and hold harmless IAWC from and against any and all loss, damage, claims of damage, liability, judgments, or causes of action (including, but not limited to, court costs and reasonable attorneys' fees), caused or occasioned by or resulting from Contractor's construction of the Facilities and/or any action undertaken by or on behalf of Peoria, or its agents or employees, during or following such construction."

Article IV Service Connections

IAWC shall be responsible for making all service connections from the Facilities to customers along the portions of the route in which the water main is installed.

Article V Notice

Any notice required or permitted to be given under this Agreement shall be deemed delivered and be effective on the date physically delivered to the party to whom notice is being provided or two (2) calendar days following the date on which the notice is deposited in the United States Mail, postage prepaid, certified delivery, and addressed to the party to whom notice is being provided, as follows:

IAWC:
Illinois-American Water Company
7500 N. Harker Drive
Peoria, IL 61615
Attn: Christian S. Volz, PE

Peoria:
City of Peoria
3505 N. Dries Lane
Peoria, IL 61604
Attn: Scott Reeise, PE

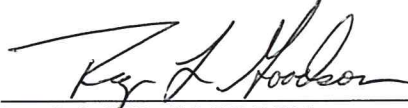
Each party shall promptly provide written notice to the other party, as provided herein, of any subsequent change of address.

**Article VI
Miscellaneous**

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. This Agreement, together with the exhibits hereto, sets forth the entire agreement between the parties and supersedes all prior negotiations, understandings, and agreements between them. No change in, addition to, or waiver of any of the provisions of this Agreement shall be binding upon any party unless in writing and signed by the party sought to be bound. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided, however, that an assignment or other transfer of this Agreement or any rights or obligations hereunder by Peoria shall not be binding upon IAWC or create any rights in the assignee until such assignment or other transfer is approved and accepted in writing by IAWC.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their authorized individuals to be effective as of the day, month, and year first above written.

ILLINOIS-AMERICAN WATER COMPANY



By: ROGER GOODSON
Senior Manager

CITY OF PEORIA, ILLINOIS




By: PATRICK URICH
City Manager

ATTEST.



City Clerk

REVIEWED AND APPROVED:


Corporation Counsel


Public Works Director



EXHIBIT 1

FINAL
JANUARY 2016

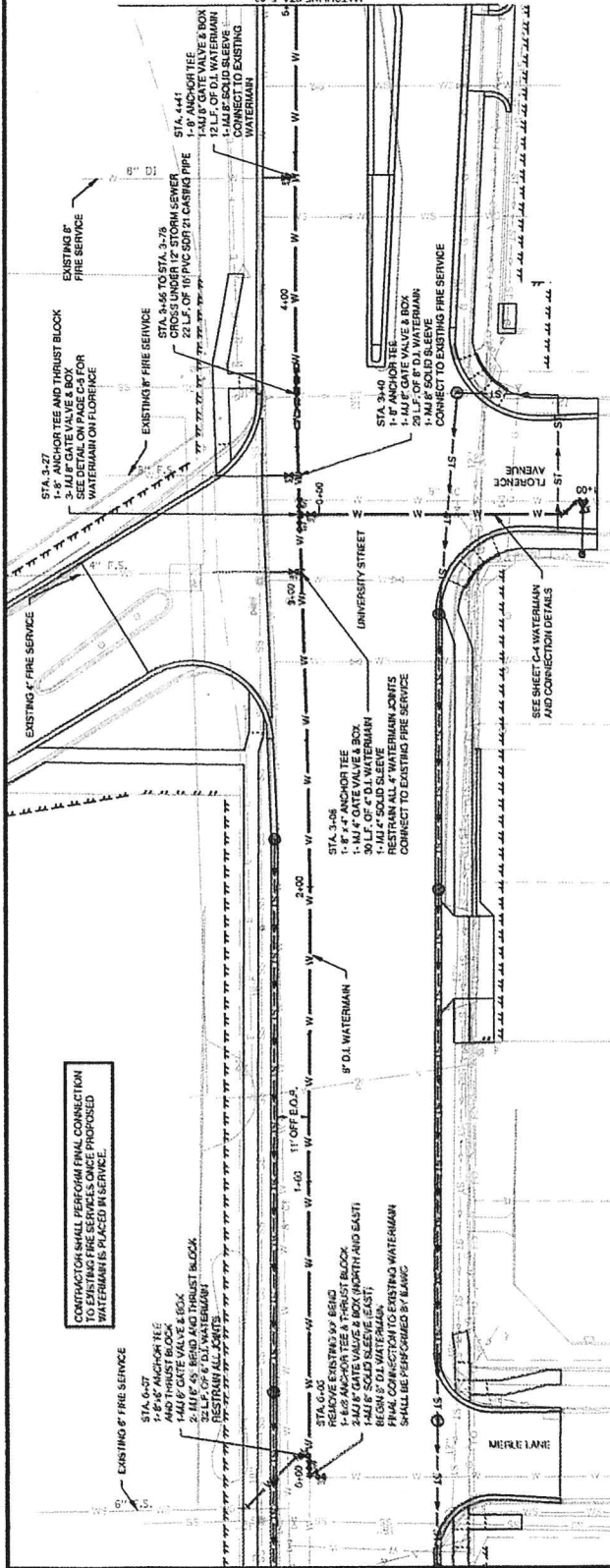
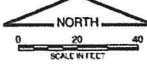
UNIVERSITY ST. WATERMAIN
REPLACEMENT PROJECT



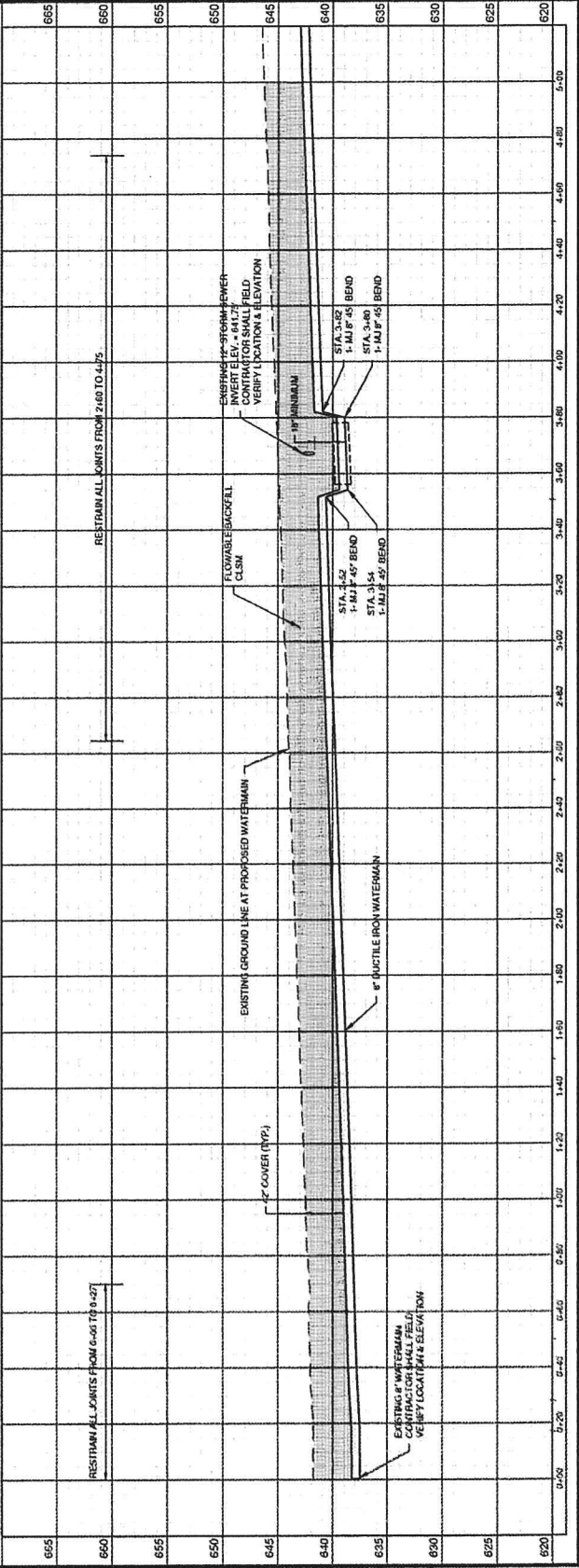
ILLINOIS AMERICAN WATER
PEORIA, ILLINOIS

PROJECT NO.	16-212-B
DATE	11/18/15
DESIGNED BY	NSG
CHECKED BY	NSG
APPROVED BY	NSG
COPYRIGHT	© 2015 AMERICAN WATER

UNIVERSITY ST.
WATERMAIN
STA. 0+00 TO 5+00
C-2
SHEET



CONTRACTOR SHALL PERFORM FINAL CONNECTION TO EXISTING FIRE SERVICES ONCE PROPOSED WATERMAIN IS PLACED IN SERVICE.



Small text at the bottom right corner, likely a revision or drawing information.



UNIVERSITY ST. WATERMAIN REPLACEMENT PROJECT

EXHIBIT 1

FINAL
JANUARY 2016

UNIVERSITY ST. WATERMAIN
REPLACEMENT PROJECT

OWNER



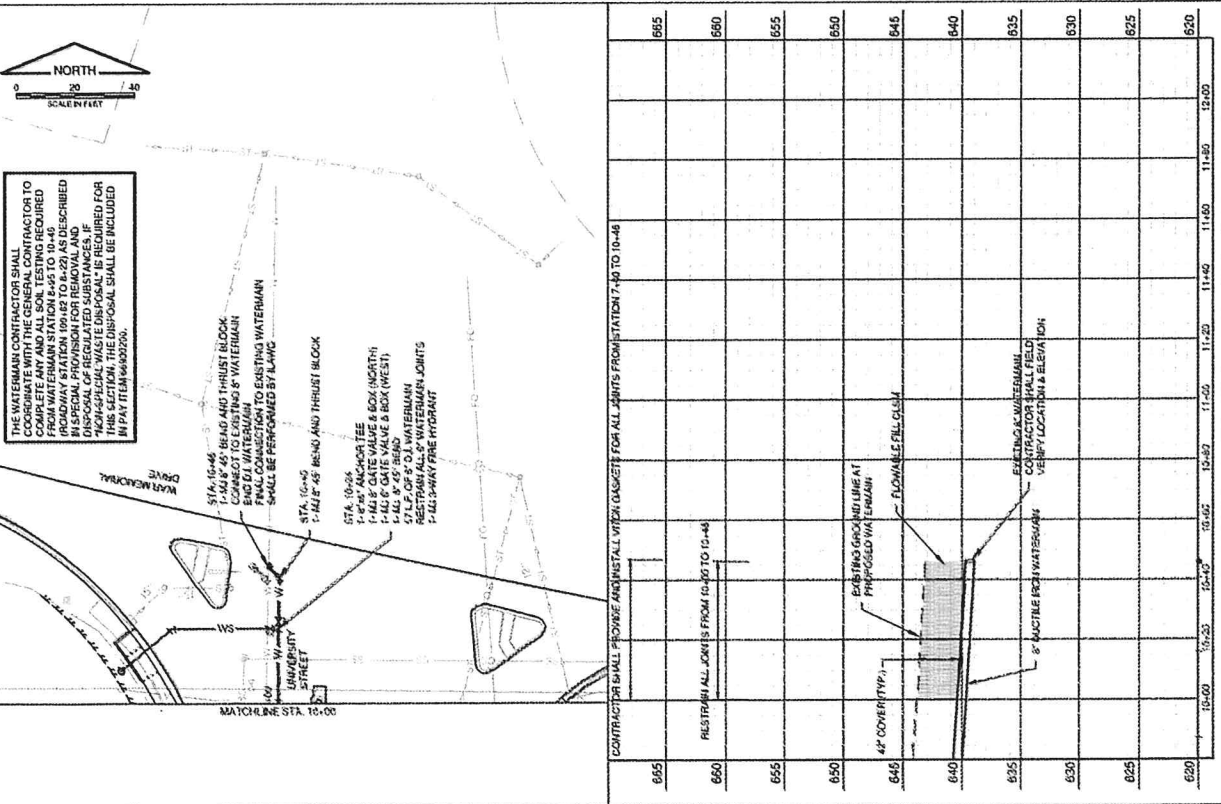
AMERICAN WATER

ILLINOIS AMERICAN WATER
PEORIA, ILLINOIS

DATE	SCALE	DESCRIPTION
03/27/13	AS SHOWN	PROJECT NO. 150827103
04/22/13	AS SHOWN	CAD DRAWING NO. 150827103-02-01-DWG
05/07/13	AS SHOWN	DESIGNED BY: POC
05/07/13	AS SHOWN	DRAWN BY: POC
05/07/13	AS SHOWN	CHECKED BY: SCD
05/07/13	AS SHOWN	APPROVED BY: SCD
05/07/13	AS SHOWN	CONTRACT: CHAMBERS, ILLINOIS # JULY 102 2013

UNIVERSITY ST.
WATERMAIN
STA. 10+00 TO 10+46

C-4
OF



THE WATERMAIN CONTRACTOR SHALL COORDINATE WITH THE GENERAL CONTRACTOR TO COMPLETE ANY AND ALL SOIL TESTING REQUIRED FROM WATERMAIN STATION 5+05 TO 10+46 AND IN SPECIAL PROVISION FOR REMOVAL AND DISPOSAL OF REGULATED SUBSTANCES. IF THE GENERAL CONTRACTOR IS REQUIRED FOR THIS WORK, THE DISPOSAL SHALL BE INCLUDED IN PAY ITEM #602020.

- STA. 10+46 6\"/>



CONTRACT NO.

EXHIBIT 1

FINAL
JANUARY 2016

UNIVERSITY ST. WATERMAIN
REPLACEMENT PROJECT

OWNER



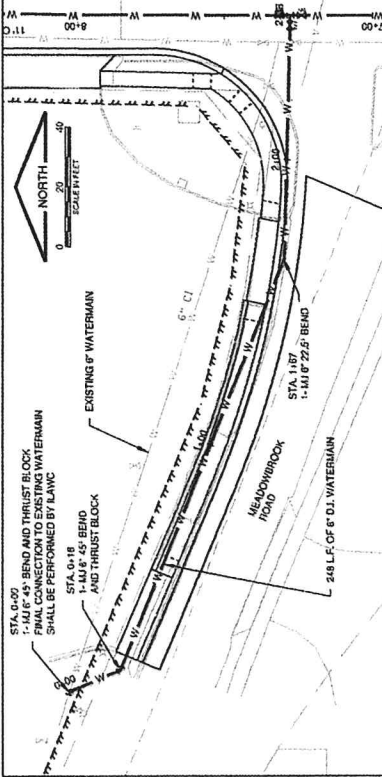
ILLINOIS AMERICAN WATER
PEORIA, ILLINOIS

DESIGNED BY: HOK
CHECKED BY: HOK
APPROVED BY: HOK
DATE: 11/27/15 TO 2/3/16

UNIVERSITY ST.
WATERMAIN
MISC. DETAILS

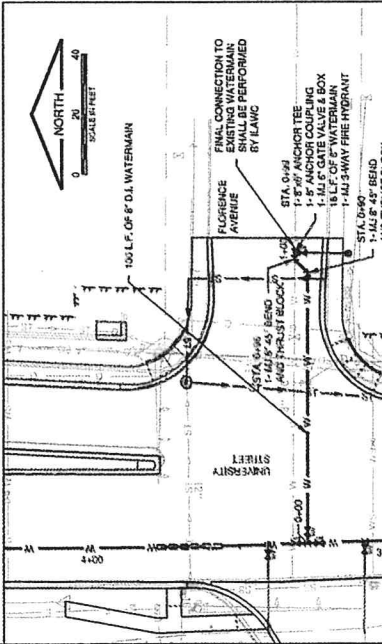
C-5
OF

DETAIL FOR WATERMAIN CONNECTION AT
MEADOWBROOK ROAD, UNIVERSITY WATERMAIN STA. 7+33



665	CONTRACTOR SHALL PROVIDE AND INSTALL WITCH GASKETS FOR ALL JOINTS FROM STATION 0+00 TO 2+48	665	2+48
660	RESTRAIN JOINTS FROM STA. 1+45 TO 1+40	660	2+26
655	RESTRAIN JOINTS FROM STA. 2+26 TO 2+18	655	2+18
650		650	2+00
645		645	1+50
640		640	1+40
635		635	1+20
630		630	1+00
625		625	0+80
620		620	0+60

DETAIL FOR WATERMAIN CONNECTION AT
FLORENCE AVENUE, UNIVERSITY WATERMAIN STA. 3+27



665		665	1+40
660	RESTRAIN ALL WATERMAIN JOINTS	660	1+20
655		655	1+00
650	PROPOSED 12\"/>		
645	EXISTING 12\"/>		
640	EXISTING 8\"/>		
635		635	0+80
630		630	0+60
625		625	0+40
620		620	0+20



CONSTRAINTS

EXHIBIT 1

DESIGN
JANUARY 2016

UNIVERSITY ST. WATERMAIN
REPLACEMENT PROJECT

OWNER



AMERICAN WATER

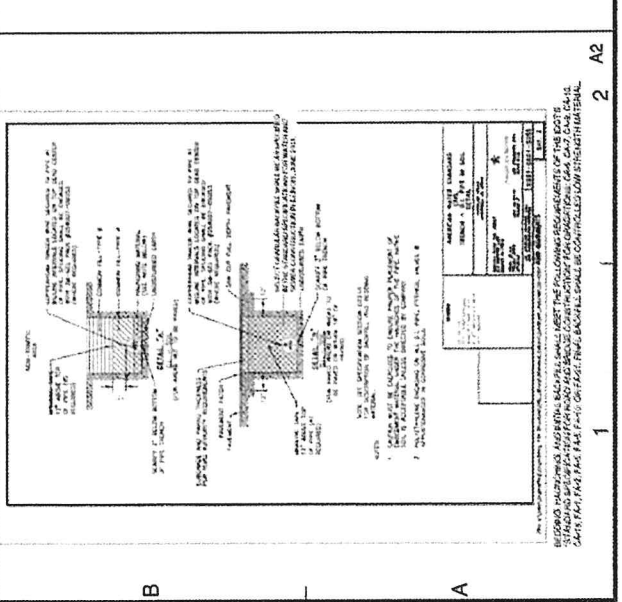
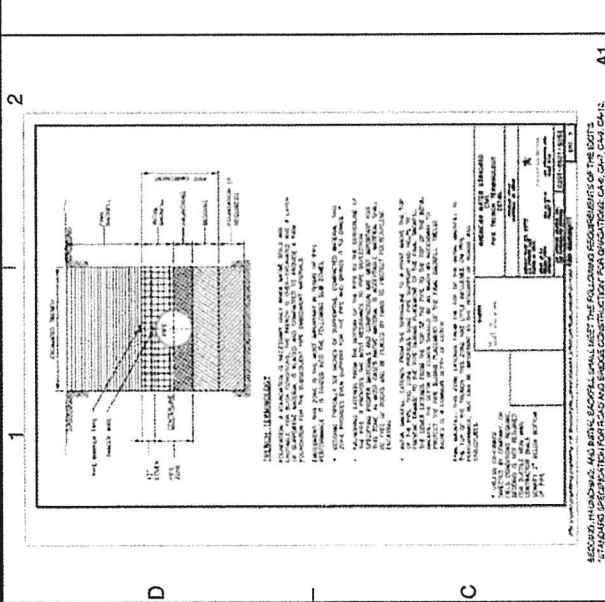
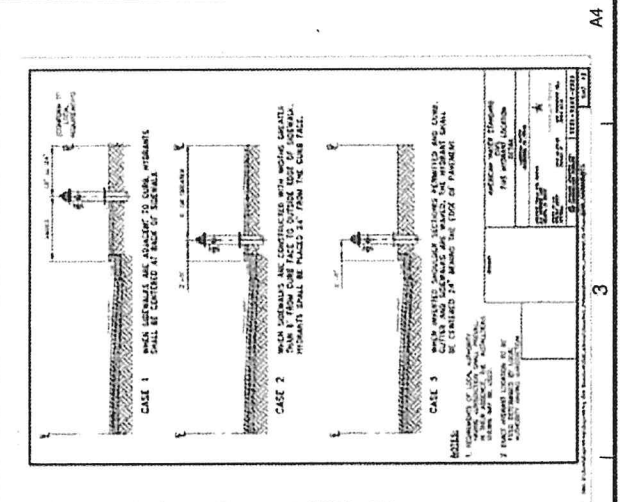
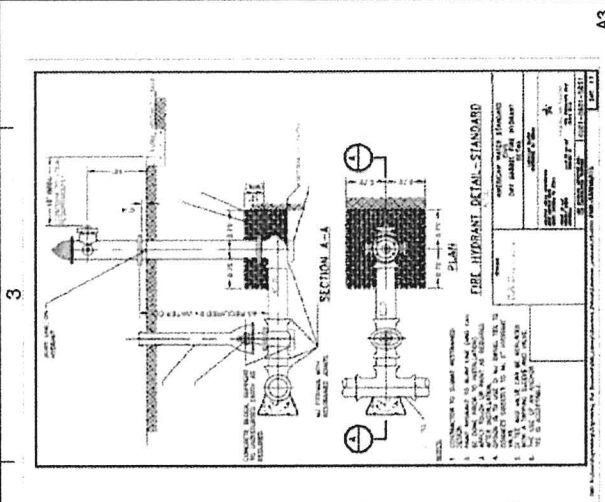
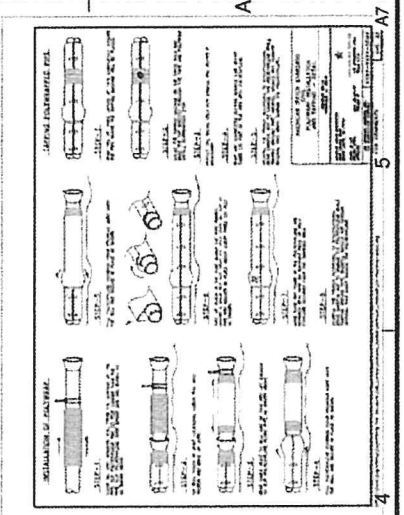
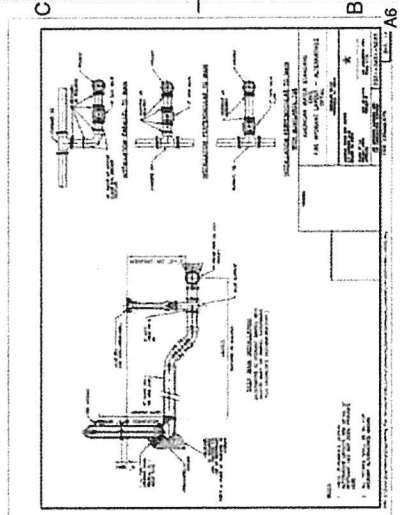
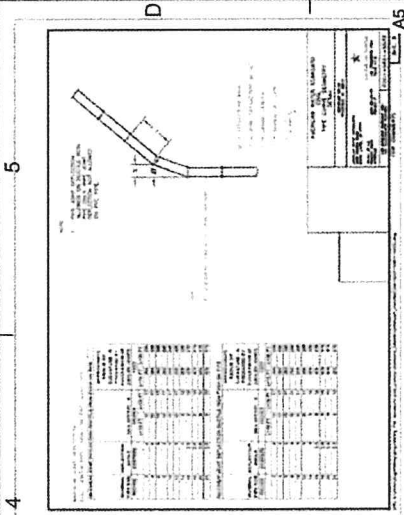
ILLINOIS AMERICAN WATER

PEORIA, ILLINOIS

DATE DATE DESCRIPTION	PROJECT NO.	ISSUED TO
2015.12.28	1027714-0100	DESIGNED BY: JGD
		DRAWN BY: JGD
		CHECKED BY: JGD
		APPROVED BY: JGD
COPYRIGHT © 2015 AMERICAN WATER TREATMENT & SUPPLY CO.		

CONSTRUCTION
DETAILS - 01

C-6
OF
SHEET



1. American Water Treatment & Supply Co. 2015.12.28. 2. 1027714-0100. 3. C-6. 4. 16-212-B. 5. EXHIBIT 1. 6. UNIVERSITY ST. WATERMAIN REPLACEMENT PROJECT. 7. PEORIA, ILLINOIS. 8. AMERICAN WATER TREATMENT & SUPPLY CO.

EXHIBIT 2

Tabulation of Bids



Project: University Street (FAU 6593) - Nebraska Avenue through Forrest Hill Avenue
County: Peoria
Date: 6/2/2016
Local Agency: City of Peoria, 3505 N. Dries Ln, Peoria IL 61761
Time: 11:00 AM
Section: 12-00361-03-SW
Appropriation:
Estimate: \$2,546,829.75

Attended By: S. Reeise, D. Tucker, S. Letsky, D. Watkins, . Underwood, S. Alwan (BLR), Trevor Hanson (BLR), E. Munday (CMT), L. Savorgino (Farnsworth), ICCI Rep, UCM Rep

Item No.	Item	Unit	Quantity	Name of Bidder:		Total	Unit Price	Total
				Address of Bidder:	Address of Bidder:			
				ICCI 420 Pinecrest Dr East Peoria, IL 61611 5% Bid Bond				
				Proposed Guarantee: Terms:				
				Approved Engineer's Estimate				
				Unit Price	Total	Unit Price	Total	
1	WATERMAIN, 8" DIAMETER, DUCTILE IRON, OPEN CUT	L.F.	1,187	\$85.00	\$100,895	\$ 69.65	\$ 82,674.55	
2	WATERMAIN, 6" DIAMETER, DUCTILE IRON, OPEN CUT	L.F.	408	\$75.00	\$30,600	\$ 79.06	\$ 32,256.48	
3	WATERMAIN, 4" DIAMETER, DUCTILE IRON, OPEN CUT	L.F.	30	\$65.00	\$1,950	\$ 83.90	\$ 2,517.00	
4	16 INCH PVC SDR 21 CASING FOR WATER/SEWER CROSSING	L.F.	22	\$85.00	\$1,870	\$ 97.62	\$ 2,147.64	
5	GATE VALVE AND BOX, 8" DIAMETER	EACH	10	\$2,000.00	\$20,000	\$ 1,613.55	\$ 16,135.50	
6	GATE VALVE AND BOX, 6" DIAMETER	EACH	6	\$1,500.00	\$9,000	\$ 1,189.72	\$ 7,138.32	
7	GATE VALVE AND BOX, 4" DIAMETER	EACH	1	\$1,250.00	\$1,250	\$ 989.64	\$ 989.64	
8	DUCTILE IRON FITTINGS	LBS.	1,682	\$12.00	\$20,184	\$ 13.72	\$ 23,077.04	
9	FIRE HYDRANT (3-WAY)	EACH	3	\$5,000.00	\$15,000	\$ 3,034.55	\$ 9,103.65	
10	FLOWABLE BACKFILL CLSM	C.Y.	341	\$50.00	\$17,050	\$ 66.42	\$ 22,649.22	
11	PAVEMENT REMOVAL	SY	1,074	\$25.00	\$26,850	\$ 22.42	\$ 24,079.08	
12	CONCRETE PAVEMENT PLACEMENT	SY	1,074	\$75.00	\$80,550	\$ 65.99	\$ 70,873.26	
13	FIRE SERVICE TRANSFER	EACH	5	\$5,000.00	\$25,000	\$ 1,882.47	\$ 9,412.35	
14	WATERMAIN TESTING AND DISINFECTION	L.S.	1	\$5,000.00	\$5,000	\$ 1,871.72	\$ 1,871.72	
				Total	\$2,500,000.00		\$2,345,532.42	
				As Read	\$2,546,829.75			
				As Corrected				

Remarks: Addendum #1 was issued on 5/27/16

IAWC Cost: \$355,199.00 \$304,925.45
City Cost: \$2,191,630.75 \$2,040,606.96

EXHIBIT 3

BILL OF SALE

WHEREAS, the City of Peoria, Illinois, an Illinois municipal corporation with offices located at 419 Fulton Street, Peoria, IL 61602 (the "City") currently owns a certain underground ductile iron pipe line ("Pipeline"), totaling approximately 1,630 lineal feet and detailed on the attached Exhibit 1, along University Street public Right-of-Way that extends from approximately War Memorial Drive/US 150 to Merle Lane in Peoria, Illinois; and

WHEREAS, the City and ILAWC have previously made and entered into a Construction Agreement on June 14, 2016 for the relocation of ILAWC's water main along University Street between War Memorial Drive/US 150 to Merle Lane; and

WHEREAS, Article 3.4 of said Construction Agreement requires a Bill of Sale to ILAWC upon the satisfactory completion of the Facilities.

NOW THEREFORE, this Bill of Sale is signed on the _____ day of _____, 2016, the City, for and in consideration of the sum of no more than Three Hundred Thirty-Five Thousand, Four Hundred Eighteen Dollars and 00/100 cents (\$335,418.00) to it paid by ILAWC, agrees to sell to ILAWC. Per Article 3.4 of the Construction Agreement, The City represents and warrants the following to be true:

1. The Facilities have been properly constructed and completed in accordance with the plans and specifications.
2. The Facilities are free and clear of all liens and encumbrances of any nature.
3. The Facilities have been inspected and approved by all public agencies and governmental authorities have authority of the construction and installation of potable water systems.

IN WITNESS WHEREOF, ILAW has caused this Bill of Sale to be executed as of the day and year first above written.

SELLER:

City of Peoria

By: _____
_____, its _____

BUYER:

Illinois American Water Company

By: _____
_____, its _____

EXHIBIT 3

STATE OF ILLINOIS)
) ss
COUNTY OF _____)

On this _____ day of _____, 2016, before me appeared _____, to me personally known, who, being by me duly sworn did state that ___ is the _____ of City of Peoria, IL, and that the foregoing instrument was signed on behalf of said corporation, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County of _____, _____ the day and year first above written.

Notary Public

STATE OF _____)
) ss
COUNTY OF _____)

On this _____ day of _____, 2016, before me appeared _____, to me personally known, who, being by me duly sworn did state that ___ is the _____ of Illinois American Water Company and that the foregoing instrument was signed on behalf of said corporation, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County of _____ State of _____ the day and year first above written.

Notary Public