

AN AGREEMENT
 BETWEEN
 THE CITY OF PEORIA
 AND
 THE GREATER PEORIA SANITARY AND SEWAGE DISPOSAL DISTRICT

This AGREEMENT, entered into this 18th day of December A.D., 1990, by and between the CITY OF PEORIA, a municipal corporation, hereinafter referred to as City, and THE GREATER PEORIA SANITARY AND SEWAGE DISPOSAL DISTRICT, a municipal corporation organized and existing under the Sanitary District Act of 1917 of the State of Illinois, hereinafter referred to as District;

WITNESSETH AS FOLLOWS:

Whereas, the City owns and operates a separate and combined sanitary sewer system as indicated in Exhibit A; and

Whereas, the City recognizes a need to improve service to the public by improving their sewage collection system; and

Whereas, the goal of the City is to upgrade said sewer system to a minimum standard acceptable to the District's practice and transfer it to the District; and

Whereas, the City and District agree that until such time as the City's sewage collection system is upgraded to an acceptable level, the District is equipped to provide maintenance of said sewers; and

Whereas, the City and District entered into an Agreement dated September 18, 1990 addressing the operation, maintenance and ownership of certain combined sewer overflow improvements to be constructed by each party; and

Whereas, the parties may, pursuant to Article VII, Section 10 of the Constitution of the State of Illinois of 1970 and the Provisions of the Intergovernmental Cooperation Act (Illinois Revised Statutes, Chapter 127, Paragraph 741 et seq.), enter into agreements for the exercise of their joint corporate powers.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND AGREEMENTS HEREIN CONTAINED, AND IN FURTHERANCE OF INTERGOVERNMENTAL COOPERATION, THE PARTIES HERETO AGREE AS FOLLOWS:

1. Scope of Work: Beginning January 1, 1991, the District shall assume operation and maintenance responsibilities of those sewers and pump stations now or hereafter owned by the City located in the area indicated in Exhibit A and hereinafter referred to as the "Sewer System". Operation and maintenance shall include, but not be limited to, issuing permits for

extension of public sewers and connection of building sewers, performing routine and preventative sewer maintenance, responding to emergency calls as needed and providing for emergency repairs. The District's operation and maintenance authority shall be limited to separate sanitary sewers and only those portions of the combined sewer system which transport sanitary sewage for treatment at the District facilities on Darst Street. The District shall have no responsibility or obligation for operation and maintenance of City owned storm sewers.

The "Sewer System" includes sanitary sewers to be constructed or separated from storm sewers pursuant to the provisions of an agreement between the City and District dated September 18, 1990 addressing the operation, maintenance and ownership of certain combined sewer overflow improvements when completed by the City.

Permits for extension of public sewers and connection of building sewers issued by the District under the terms of the Agreement shall be according to the provisions of District ordinances then in effect. All fees and charges collected by the District pursuant to its ordinances shall be retained by the District.

2. Sewer System Evaluation: The District, with the consultation of the City, shall prepare or cause to be prepared various contracts for public bidding, the purpose of which is to complete a detailed evaluation of the condition of the "Sewer System" and scope of work required to upgrade the "Sewer System" to the criteria established by the District. On completion of this evaluation, the District shall prepare a report detailing the scope of work, estimated cost and implementation program whereby the City shall develop a financing program that will enable the District to complete the improvement program.

3. Rehabilitation Criteria: The District shall be the sole authority to determine the necessary extent and method by which the "Sewer System" is improved. The improvements shall, at a minimum, address hydraulic limitations of existing piping systems, pipe structural faults, lamphole replacements and manhole rehabilitation.

4. Costs and Payments: The City shall reimburse the District for all costs associated with sewer operation and maintenance, investigation, evaluation and rehabilitation. Said costs shall include but not be limited to payroll costs plus an administrative overhead factor, equipment costs, material costs, utilities, insurance premiums and contract obligations. The administrative overhead factor and equipment rates shall be calculated annually on a fiscal year basis and incorporated into the billing process. The District shall prepare monthly invoices for said costs incurred and deduct these amounts from user charge payments due the City. These user charge payments are collected by the District for the City in accordance with an agreement titled "City of Peoria/Greater Peoria Sanitary District Inter-Governmental Agreement" dated December 22, 1987 and effective January 1, 1988. Copies of said invoices shall be forwarded to the City on a monthly basis. In the event the District shall cease the collection of City user charges, or such user charges are not sufficient to pay an invoice, the City shall pay such invoice within 30 days of receipt.

5. Easements: In order to allow the District to perform its obligations under this Agreement, the City agrees to allow the District to utilize all easements and City right-of-way for the purposes of operation and maintenance of the Sewer System. In the event easements do not exist for certain sewers owned by the City, the City shall obtain appropriate easements for the District's use.

6. Transfer of Ownership: On completion of the "Sewer System" evaluation report identified in paragraph 2, the City and District shall determine the most beneficial procedure by which the rehabilitation of the "Sewer System" may be completed and ownership transferred. Both parties recognize that after transfer of ownership occurs, the City will continue to retain an obligation in the management of the combined sewer system due to the storm water component of the "Sewer System". Transfer of ownership of the "Sewer System" shall be by Quit-Claim deed and all other necessary documents.

7. User Charges: At such time when ownership of the "Sewer System" or any segment of the "Sewer System" is transferred to the District, the District shall be responsible for the direct billing and collection of user charges for operation, maintenance, replacement and improvements. The charges shall be for disposal and lateral service as set forth in District Ordinance No. 359, as amended, or any subsequent ordinances of the District. The District's user charge shall be placed into effect and the City's user charge deleted upon conveyance of that segment of the "Sewer System" to the District.

8. NPDES Compliance: The City agrees that all monitoring and reporting required by the December 13, 1989 and any subsequent National Pollution Discharge Elimination System Permits issued to the City will be the City's responsibility.

9. Purpose: The City and District agree the essence of this Agreement is to provide the most cost effective administration of the operation, maintenance, rehabilitation and improvement of the "Sewer System."

10. Terms: This Agreement shall be in effect for a term of two (2) years ending December 31, 1992, and shall thereafter renew automatically from year-to-year unless either party terminates by written notice to the other party at least thirty (30) days prior to the end of said year.

11. Insurance: The City will maintain general liability insurance on the "Sewer System" during the term of this Agreement in a manner consistent with other potential liabilities of the City. The District will maintain worker compensation insurance on its employees performing work pursuant to this Agreement. The relationship between the City and the District is that of independent contractor and neither the City nor the District shall be required or obligated to provide benefits to the employees of the other.

12. Impossibility of Performance: In the event that any contingencies, now unforeseen, shall arise which render temporarily impossible the performance of this Agreement by the District, the performance thereof shall be suspended temporarily until such impossibility is removed, and the District shall incur no liability to the City for delays and/or

damages caused by any such contingency. Unforeseen contingencies include, but are not limited to, actions taken by appropriate governmental authority, acts or neglect by the City or those acting on its behalf, floods, labor disputes, epidemics, earthquakes, accidents, abnormal weather conditions, or acts of God.

13. Indemnity: The City agrees to save and keep harmless and indemnify the District of and from any and all claims for damages for persons or property arising out of matters pertaining to this Agreement; provided, however, this paragraph shall not apply to damages which were directly caused by an act, conduct or omission of the District.

14. Notice: Any notice provided for in this Agreement shall be in writing, and shall be addressed to the CITY at City Hall Building, 419 Fulton Street, Peoria, IL 61602, and to the DISTRICT at 2322 South Darst Street, Peoria, IL 61607.

15. Enforcement: No covenants, terms, conditions, obligations, or provisions contained in this Agreement shall be deemed abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

16. Severance: The invalidity of any provision of the Agreement shall not impair the validity of any other provisions. Any provision of this Agreement determined by a Court of competent jurisdiction to be unenforceable, will be deemed severable and the Agreement may be enforced with that provision severed or as modified by the Court.

17. Binding Effect: All the covenants and agreements herein contained shall extend to and be obligatory upon the successors and assigns of the respective Parties hereto.

18. Entire Agreement: This Agreement sets forth the entire understanding of the Parties. It may be amended or modified only by instruments signed by the Parties.

19. Attorney's Fees: In the event of default by either Party hereto necessitating the other Party to incur attorney's fees and/or Court costs in enforcing their rights hereunder, the defaulting Party hereby agrees to pay all reasonable attorney's fees, Court costs and other expenses incurred by the non-defaulting Party in curing said default.

20. Marginal Notes: The marginal notes and paragraph headings of this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of this Agreement, nor in any way affect this Agreement.

IN WITNESS WHEREOF, THE GREATER PEORIA SANITARY AND SEWAGE DISPOSAL DISTRICT has caused this Agreement to be executed by its officers, thereunto, duly authorized by its Board of Trustees, and the CITY OF PEORIA has caused this instrument to be executed by its respective officers, and the respective corporate seals affixed all at Peoria, Illinois, as of the day and year first above written.

CITY OF PEORIA, A MUNICIPAL CORPORATION

APPROVED:

David H. Thomas
Corporation Counsel

By: [Signature]
City Manager

ATTEST:

Mary G. Skyrnes
City Clerk



(SEAL)

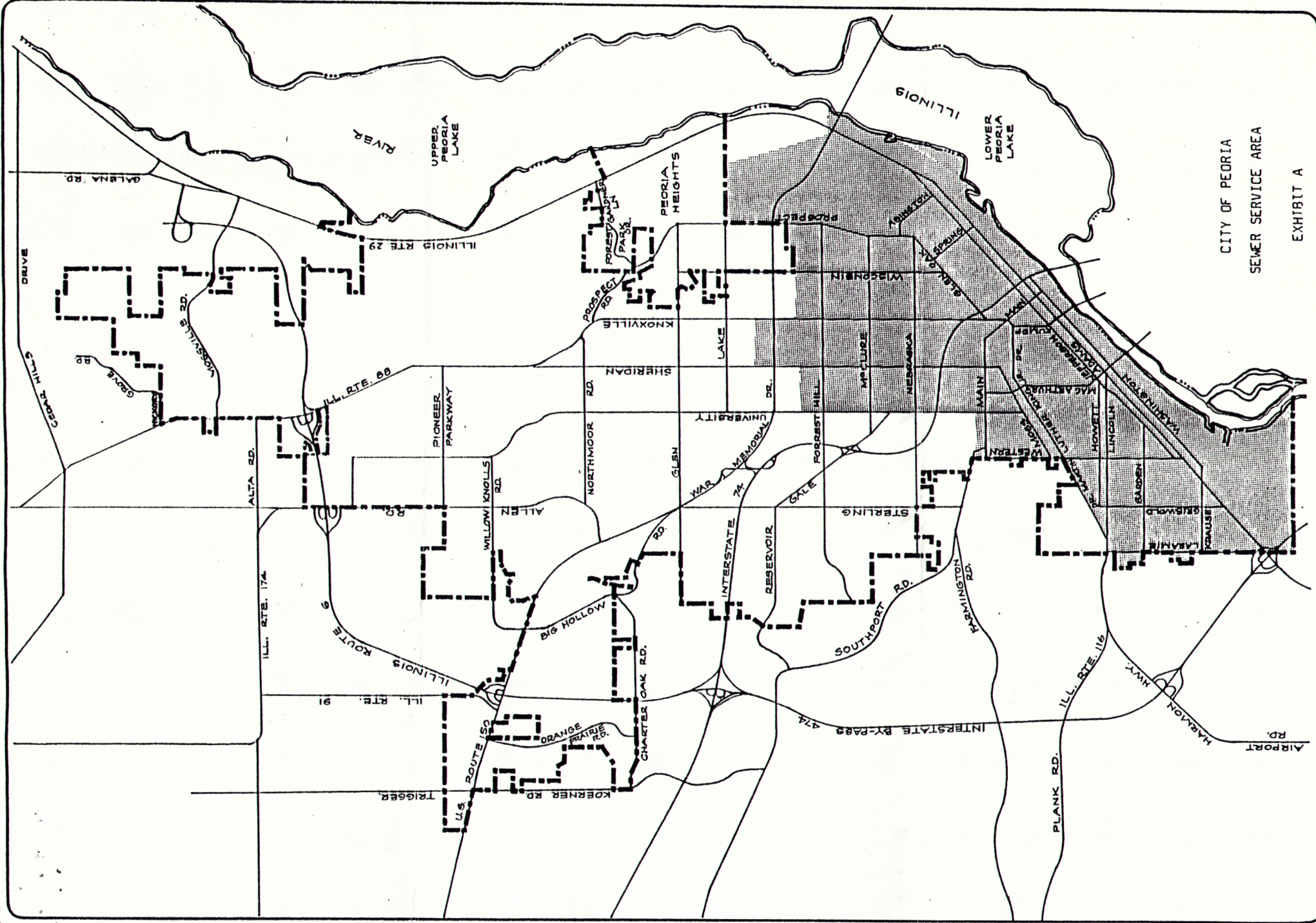
THE GREATER PEORIA SANITARY
AND SEWAGE DISPOSAL DISTRICT,
A MUNICIPAL CORPORATION

ATTEST:

[Signature]
Clerk

By: [Signature]
President

(SEAL)



CITY OF PEORIA
SEWER SERVICE AREA

EXHIBIT A