RESOLUTION 2018-121  

PASSED: AUGUST 27, 2018

AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT WITH THE 
KISHWAUKEE WATER RECLAMATION DISTRICT FOR EMERGENCY 
SEWER REPAIRS IN AN AMOUNT NOT TO EXCEED $100,000.

WHEREAS, the City of DeKalb has identified an area within the City's existing Tax 
Increment Financing (TIF) District No. 1 which includes a number of sanitary and storm 
sewer connections that require emergency and immediate repair based upon their 
condition and configuration; and

WHEREAS, the City Council seeks to authorize the City to collaborate with the 
Kishwaukee Water Reclamation District (KWRD) to enable the use of TIF funds to cover 
eligible project expenses;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF 
DEKALB, ILLINOIS:

SECTION 1: The City Council hereby authorizes and directs the to enter into an 
tergovernmental agreement with the KWRD in form and content acceptable to him with 
the recommendation of City staff. Said agreement shall authorize the City to pay the 
costs of, or to reimburse the KWRD for the costs of related expenses for the repair of 
sanitary and storm sewer structures, related public and private services, interior plumbing 
repairs and building repairs, abandonment and capping of unnecessary structures, road 
and sidewalk repairs, traffic control, and other similar expenses relating to the above-
described work, including but not limited to any third party professional services fees 
which are incurred by the City or KWRD through the performance of the above-described 
work. The Agreement shall provide that KWRD shall comply with all applicable legal 
requirements with regard to the performance of this work. In addition to the above-
described sum, the City shall not impose permit or approval fees customarily imposed 
with regard to the work to be performed, but rather shall directly reimburse itself for any 
TIF-eligible portion of said costs.

The funding approved herein is based upon an engineer's estimate of probable costs that 
the total costs of repair shall not exceed $100,000. The City shall provide reimbursement 
for 80% of the costs incurred (not to exceed $80,000), with such costs being funded by 
the City's water capital fund, as the repair is believed to be causally related to the City's 
potable water distribution system and a leak therein. The City shall provide reimbursement 
for 5% of the costs incurred through the Central Area TIF District, for TIF 
eligible costs (not to exceed $5,000). The KWRD shall be responsible for payment of 
10% of the costs, and the affected property owners shall be responsible for payment of 
5% of the costs. The owner responsibility shall be documented in a form acceptable to 
the KWRD.

SECTION 2: That this Resolution shall be effective upon passage.
PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a Regular meeting thereof held on the 27th day of August 2018 and approved by me as Mayor on the same day. Passed by a 7-0-1 roll call vote. Aye: Finucane, Marquardt, Fagan, Noreiko, Verbic, Faivre, Smith. Nay: Jacobson.

ATTEST:

LYNN A. FAZEKAS, City Clerk

JERRY SMITH, Mayor
INTERGOVERNMENTAL COOPERATION AGREEMENT
FOR SANITARY AND STORM SEWER REPAIRS

This Agreement is entered into as of the \text{8th} day of \text{March}, 2019, by and between the City of DeKalb ("the City") and the Kishwaukee Water Reclamation District ("the District"), with the City and the District collectively referred to hereafter as ("the Parties").

RECITALS

WHEREAS, 5 ILCS 220/1 \textit{et seq.}, entitled the "Intergovernmental Cooperation Act," provides that any power or powers, privileges or authority exercised, or which may be exercised, by a unit of government may be exercised and enjoyed jointly with any other unit of local government; and

WHEREAS, 5 ILCS 220/1 \textit{et seq.}, provides that any one or more public agencies may contract with any one or more public agencies to perform any governmental service, function, activity, or undertaking which any public agency entering into the contract is authorized by law to perform, provided that such contract will be authorized by the governing body of each party to the contract; and

WHEREAS, the Illinois Constitution and the Illinois statutes encourage and provide for units of local government to cooperate and enter into intergovernmental agreements in any manner not prohibited by law or ordinance to their mutual benefits; and

WHEREAS, the City is a municipality organized under the Illinois Municipal Code, as amended, 65 ILCS 5/1-1-1 \textit{et seq.}, possessing full and complete authority to enter into intergovernmental agreements with other units of local government; and

WHEREAS, the District is a Sanitary District organized under the Sanitary District Act of 1917, as amended, 70 ILCS 2405 \textit{et seq.}, possessing full and complete authority to enter into intergovernmental agreements with other units of local government; and

WHEREAS the City and the District, in the spirit of intergovernmental cooperation, and pursuant to Article 7, Section 10 of the Constitution of the State of Illinois, and pursuant to 5 ILCS 220/1 \textit{et seq.}, being the Intergovernmental Cooperation Act, desire to work together to resolve the joint issue identified below; and

WHEREAS, The Parties acknowledge that in August of 2018, certain defects were discovered with the public and private infrastructure utilized to provide storm and sanitary sewer service to the structures at 218-226 E. Lincoln Highway. Said defects require repair to the public sanitary and storm sewer infrastructure (inclusive of repair to the District's sanitary sewer infrastructure and repair to the City's storm sewers), repairs to the private sanitary sewer lines and repair to the plumbing within the structure. Said defects also require professional services, traffic control, excavation, road repair, sidewalk repair, building repair and related costs.
WHEREAS, the District has agreed that it will manage the repair of the aforesaid defects and restoration of the roadway thereafter ("the Project"), and the City has agreed that it will provide the District with reimbursement for costs of the Project as outlined below, with funding from the City’s Tax Increment Financing ("TIF") District No. 1 and funding from the City’s water capital fund, to cover reimbursement of costs incurred by the District, and

WHEREAS, the parties agree that the agreements made herein are in the best interests of both the City and the District.

NOW, THEREFORE, the City and the District, in consideration of the foregoing recitals incorporated in this Agreement by reference and in consideration of the provisions and covenants contained herein, agree as follows:

1. Completion of the Project: The District agrees that it will cause the Project to be completed in accordance with best practices and applicable laws.

2. Payment and Reimbursement of Project Expenses: The parties agree that:
   a. they will collaborate in reviewing expenses associated with completion of the Project and identifying those which are or may be eligible for reimbursement through use of available TIF funds pursuant to the Tax Increment Allocation Financing Act ("the Act") and applicable laws.
   b. The District will coordinate the collection of prevailing wage records, the performance of construction observation, and the collection and payment of all invoices with accompanying lien waivers, all in compliance with applicable laws.
   c. Upon the conclusion of such process, the District will notify the City of the total amount of costs incurred in the completion of the Project, and the City will reimburse the District for a portion of such costs, in a total amount not to exceed Eighty-Five Thousand Dollars ($85,000.00) whether with TIF funds or other available funds,
   d. The Parties acknowledge that work done on any public infrastructure will require the payment of prevailing wages in accordance with the Prevailing Wage Act.

A. Permits and Legal Compliance: The City and the District will work together to obtain all permits and approvals required for the completion of the Project. The City agrees that, relative to any required City permits or approvals relating to the Project, the City will obtain said permits and not impose any fees for issuing the same. In addition, the City will take such action as may be necessary to obtain any IDOT permits that are required for the project. It is understood, however, that the City will directly reimburse itself for any TIF-eligible project expenses (and this reimbursement obligation will be in addition to the $100,000 total reimbursement authorized to the District).
B. Insurance, Indemnification and Defense: The District will, to the greatest extent possible, ensure that any agreements entered into after the date of this Agreement and relating to the completion of the Project include requirements that the applicable contractor(s) provide indemnification, defense and hold-harmless to the City and the District, and provide insurance in format acceptable to the Parties.

C. Allocation of Project Expenses: The City will pay 80% of the Project costs, not to exceed $80,000, from the City’s water capital fund. The City will pay 5% of the Project costs, not to exceed $5,000, from the City’s TIF 1 (with documentation of eligible project costs). The District will pay 10% of the Project costs, in an amount not to exceed $10,000. The affected property owners will be responsible for the remaining 5% of Project costs, and for any costs in excess of $100,000, should the Project costs exceed $100,000. The City will obtain the agreement of the Owners to this obligation, in form and content acceptable to both the City and the District. The City’s maximum obligation under this Agreement will be the reimbursement of the District in a maximum amount of $85,000.

i. TIF-Eligible Expenses: The City represents that it has reviewed the applicable provisions of the TIF Act and confirm that repair costs associated with the sewer lines as well as repair costs associated with the connection of such sewer lines to the subject properties are TIF-eligible expenses under 65 ILCS 5/11-74.4-3(q)(1), (3) and (4).

ii. Water Capital Expenses: The City confirms that it has reviewed the costs to be incurred and finds the potential for a causal relationship between a previously discovered water system leak and the need for repair, and that the City’s contribution from the Water Capital fund is an eligible expense for such fund.

3. General Provisions:

A. Compliance with All Applicable Laws: The Parties will cooperate in furtherance of this Agreement and will comply with all laws and regulations applicable thereto.

B. Term and Termination: This Agreement will have a term of one year.

Entered into and Agreed as of the date set forth above.

City of DeKalb

Dr. William Nicklas
City Manager

Kishwaukee Water Reclamation District

Mark Eddington, P.E.
District Manager