

VILLAGE OF SWANSEA

RESOLUTION NO. 1-631

A RESOLUTION AUTHORIZING THE PRESIDENT OF THE BOARD OF TRUSTEES AND THE VILLAGE CLERK TO AFFIX THEIR SIGNATURES TO A SEWAGE SERVICE CONTRACT BETWEEN THE VILLAGE OF SWANSEA AND ST. CLAIR TOWNSHIP.

ADOPTED BY THE
BOARD OF TRUSTEES
OF THE

VILLAGE OF SWANSEA

THIS 20th DAY OF March, 1995.

Published in pamphlet form by authority of the Board of Trustees of the Village of Swansea, St. Clair County, Illinois, this 21st day of March, 1995.

RESOLUTION NO. 1-63

A RESOLUTION AUTHORIZING THE PRESIDENT OF THE BOARD OF TRUSTEES AND THE VILLAGE CLERK TO AFFIX THEIR SIGNATURES TO A SEWAGE SERVICE CONTRACT BETWEEN THE VILLAGE OF SWANSEA AND ST. CLAIR TOWNSHIP.

WHEREAS, The Village of Swansea owns and operates a Wastewater Treatment Plant within St. Clair Township, St. Clair County, Illinois, which serves unincorporated areas within the Swansea Facility Planning Area; and

WHEREAS, The Village of Swansea has submitted a new contract to St. Clair Township which has been adopted by St. Clair Township; and

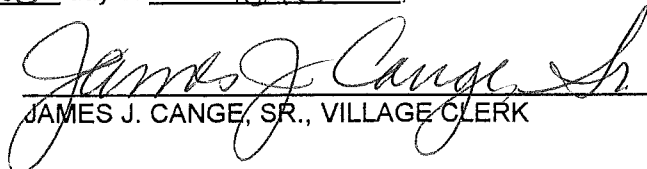
WHEREAS, It will be in the best interest of both Swansea and St. Clair Township to execute said agreement for the use of the Swansea Treatment Plant.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND THE BOARD OF TRUSTEES OF THE VILLAGE OF SWANSEA, ILLINOIS:


SECTION 1: That the President of the Board of Trustees of the Village of Swansea and the Village Clerk are hereby authorized to affix their signatures to a sewage service contract between the Village of Swansea and St. Clair Township, a copy of which is attached hereto.

SECTION 2: That this Resolution shall take affect immediately from and after its adoption by the Board of Trustees.

Adopted this 20th day of March, 1995.

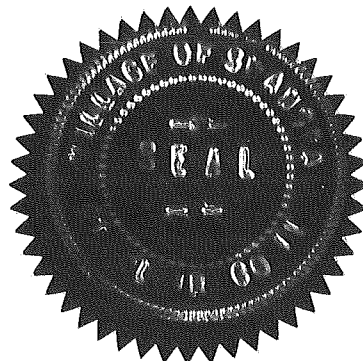

JAMES J. CANGE, SR., VILLAGE CLERK

Approved this 21st day of March, 1995.


MICHAEL S. BUEHLHORN, PRESIDENT
BOARD OF TRUSTEES

ATTEST:


JAMES J. CANGE, SR., VILLAGE CLERK



**St. Clair Township
201 Service Street
Swansea, IL 62221**

RESOLUTION 1995 - 01

WHEREAS: The Town of St. Clair owns and operates a sewage system within St. Clair Township, St. Clair County, Illinois, which serves unincorporated areas within the Swansea Facility Planning Area; and

WHEREAS: St. Clair Township and Swansea entered into an agreement on November 8, 1983 for Swansea to serve St. Clair's customers within the unincorporated areas of St. Clair which are within the Swansea FPA; and

WHEREAS: pursuant to said agreement Swansea served St. Clair with a written notice of its intent to terminate said contract at the end of the initial term of said Contract; and

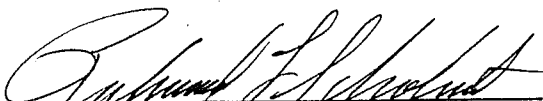
WHEREAS: A new contract has been submitted by the Village of Swansea pursuant to negotiations between the Village of Swansea and the Town of ST. Clair; and

WHEREAS: it will be to the best interest of both Swansea and St. Clair Township to continue with an agreement for the use of the Swansea treatment facilities.

NOW, THEREFORE, be it resolved that the Town of St. Clair approve and accept said contract, a copy of which is attached hereto, and the same is hereby approved and accepted, giving Supervisor Richard L. Schobert and Town Clerk Dean Wallen authority to sign said contract for the Town of St. Clair.

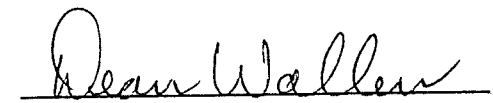
The Town Clerk is directed to forward an executed copy of said agreement to the Village of Swansea, together with an executed copy of this Resolution.

Dated this 14th Day of March 1995.



Richard L. Schobert, Supervisor

ATTEST:



Dean Wallen, Town Clerk

SEWAGE SERVICES CONTRACT

THIS AGREEMENT, made by and between the Village of SWANSEA, a Municipal Corporation located in St. Clair County, Illinois, hereinafter "Swansea," and the Town of St. Clair, a Governmental Body located in St. Clair County, Illinois, hereinafter "St. Clair."

W I T N E S S E T H :

WHEREAS, St. Clair owns and operates a sewage system within St. Clair Township, Illinois, which serves unincorporated areas within the Swansea Facility Planning Area, hereinafter "Swansea FPA."

WHEREAS, within the Swansea FPA the natural drainage flows to Swansea; and

WHEREAS, Swansea is expanding its present treatment facilities to provide expanded secondary and tertiary treatment capabilities to allow Swansea to meet the water quality standards of both State and Federal authorities with the increased flows as development occurs within the Swansea FPA; and

WHEREAS, the Swansea treatment facility improvements are being built in part with the aid of State loans; and

WHEREAS, in accordance with certain standards established by said State and Federal authorities, municipalities which have quality sewage treatment capabilities such as Swansea shall treat sewage of a contiguous governmental body in order to eliminate the duplication of costs of treatment plants, lift stations, force mains, pumps and such other expensive equipment when, as in this instance, natural drainage to Swansea can be used advantageously; and

WHEREAS, St. Clair and Swansea entered into an agreement on November 8, 1983 for Swansea to serve St. Clair's customers within the unincorporated areas of St. Clair which are within the Swansea FPA; and

WHEREAS, pursuant to said agreement Swansea served St. Clair with a written notice of its intent to terminate said Contract at the end of the initial term of said Contract; and

WHEREAS, both parties wish to enter into a new Sewage Services Contract to provide for continued use by St. Clair of the Swansea sewage treatment facilities; and

WHEREAS, it shall be to the best interest of both Swansea and St. Clair for St. Clair to continue to use the Swansea sewage treatment facilities to serve St. Clair's customers within the unincorporated areas of St. Clair which are within the Swansea FPA.

NOW, THEREFORE, in consideration of the mutual benefits accruing to Swansea and St. Clair, it is agreed as follows:

1. Swansea and St. Clair will each build and maintain its own collection system at its own expense, and each shall collect its respective connection fees and user charges in accordance with the ordinances in the respective jurisdictions. St. Clair shall provide Swansea with a quarterly listing of new sewer connection addresses tributary to the Swansea facility.

2. Swansea will accept that residential and commercial sewage from St. Clair which is tributary from the Swansea FPA and which does not exceed a maximum of thirty-four percent (34%) of the design flow capacity of the Swansea Treatment Facility which capacity is 2,700,000 gallons per day.

All calculations for residential and commercial users will be in accordance with the attached exhibit entitled "Wastewater Service Rate Determination" (see attached "Exhibit A").

3. St. Clair agrees to pay Swansea for such sewage treatment service for each residential and commercial customer connected to Swansea in accordance with "Exhibit A." St. Clair shall make such payments whether or not its customers are making their respective payments to St. Clair, The payment shall be on a quarterly basis. For the purpose of this contract "commercial customer" shall include, but is not limited to, the following: churches, schools, business places of all kinds, service stations, coin-operated laundries and all public service establishments. The term "commercial customer" does not include an industrial user, which is an entity producing liquid wastes from industrial processes as distinct from sanitation sewage. Any industrial user must apply for service on a case-by-case basis, Said user shall only be accepted for service if a written agreement is reached between Swansea and St. Clair.

4. St. Clair shall be responsible for controlling all tributary flows deemed by Swansea to be excessive in strength and/or in volume so as to prevent back-up or damage to any of Swansea's collection or treatment system. flows of excessive strength shall be defined to mean wastewater having a five (5) day 20° centigrade biochemical oxygen demand (BOD₅) in excess of 260 mg/l and a suspended solids concentration in excess of 260 mg/l as determined by a State certified environmental laboratory.

Excessive flows shall be defined to mean infiltration flows greater than 120 gallons per capita per day (gpcd) produced during peak groundwater conditions and inflow (rainfall induced peak flows) exceeding 2.5 times the average design flow of the system.

If flows of excessive strength and/or volume are suspected by Swansea to be entering the system, ST. Clair shall install flow and/or sampling meters at locations determined by Swansea to monitor said flows. All billing thereafter for excessive flows shall be based upon monitored flows until such time as St. Clair demonstrates that the tributary flows are characteristic of residential wastewater. All rates for flows higher in strength than residential wastewater shall be negotiated from time to time based upon the characteristics of the wastewater as partially determined by the rates in the applicable Swansea Ordinance and costs associated therewith.

If requested by Swansea, St. Clair shall smoke test any areas suspect of infiltration or inflow as determined by Swansea and correct all areas found to be inadequate.

The design and construction of all collection system extensions and appurtenances comprising the St. Clair and Swansea systems shall conform with the latest edition of the Illinois Recommended Standards for Sewage Works as published by the Illinois Environmental Protection Agency.

5. The term of this contract shall be for fifteen (15) years from and after the date of execution, and thereafter shall continue for successive five (5) year periods unless terminated in accordance with the following termination provisions:

A. Five (5) years' written notice shall be required from either party to the other of such intended termination, said termination to take effect at the end of the initial lease period or on the successive five (year) anniversary dates thereafter.

B. Said notice shall be sent by certified mail to the post office address of the other party, and not be effective until the date of receipt.

C. In the event this agreement is terminated by St. Clair prior to the expiration of the 20th year, St. Clair shall pay to Swansea the remaining five years debt service either in twelve (12) monthly installments or in a lump sum at the sole discretion of St. Clair. In the event St. Clair chooses to make monthly payments on the debt service, said payments shall bear interest at the rate contained in the IEPA loan with Swansea. In the event this agreement is terminated prior to the expiration of the 20th year by Swansea, St. Clair shall pay the remaining five years debt service in accordance with Exhibit A attached hereto and incorporated herein.

D. For the purposes of subparagraph (c) hereof, the term "Debt Service" means the remaining unamortized principal of the total project cost as contained in Exhibit A, paragraph 2, estimated to be \$5,612,040.00.

6. The rates established by this contract are to be effective until May 1, 1997, and are to be re-evaluated thereafter yearly based upon the demonstrable costs of furnishing said service and upon the total number of customers at the time of re-evaluation.

Annually there shall be an inventory of all utilized capacity, and if requested unimproved platted residential lots and reserve (unutilized) capacity.

7. It is further agreed that should the Village of Swansea at any further date annex a sewer area of St. Clair, the St. Clair shall sell to Swansea and Swansea shall buy the sewers in said area according to the following calculation:

ADD

A. The total cost of construction for sewers within the area annexed as per the contracts and addenda thereto; AND

B. Easement costs -- which shall be assumed to be one percent (1%) of Item "A" above; AND

C. Administrative costs -- a maximum of one percent (1%) of the sum of "A" and "B"; AND

D. Legal costs -- a maximum of one percent (1%) of the sum of "A" and "B"; AND

E. Engineering and inspection costs of the sewer construction; AND

F. Financing costs incurred directly and out-of-pocket to St. Clair to the time of sale; AND

SUBTRACT

G. The sum of grants received; AND

H. Depreciation -- utilizing a 30 year straight line depreciation based upon the sum of Items "A" thru "E" inclusive; AND

ADD

I. Profit of ten percent (10%) based on the figure remaining.

8. The rates set forth in paragraph 3, supra, are based on Federal and State construction loans in the amount of one hundred percent (100%) of the construction, design and construction phase engineering, legal and administrative costs, and the I-EPA loan rate of 3.375%. If construction loans as finally received are less than one hundred percent (100%), or said loan rate differs from 3.375%, the said rates shall be subject to review by both Swansea and St. Clair. Any modification of rates shall not take effect until ninety (90) days after written notice of determination of the amount thereof shall have been given to St. Clair by Swansea.

9. St. Clair shall not sell, convey or assign their interest in this agreement without the prior written consent of Swansea.

10. Should any dispute in respect to the construction, application, performance or modification of rates under this agreement hereinafter arise, such dispute shall be settled by binding arbitration. Each of the parties shall select one arbitrator within ten (10) days after written notice from the other that a dispute exists and cannot be settled between the parties. The party giving notice shall have ten (10) days from giving notice to select an arbitrator, and said arbitrators shall select a third arbitrator. If the arbitrators cannot agree on a third arbitrator, within twenty (20) days after the first notice is given, the Chief Judge of the Circuit Court of the Twentieth Judicial Circuit Court

shall appoint same on application by either party. Arbitrators shall be civil engineers experienced in the installation and operation of municipal sewage systems. Swansea and St. Clair shall pay the compensation expense of its respective arbitrator and the compensation expense of the third arbitrator shall be equally divided between them. The written decision of the said Board of Arbitrators shall be binding upon both Swansea and St. Clair.

11. This agreement may be modified at any time after its execution by the mutual written agreement of the parties hereto.

Dated this 14 Day of MARCH 1995.

This contract is executed pursuant to Resolution No. _____ of the Village of Swansea, passed and approved on the _____ Day of _____ 1995, and pursuant to Resolution No. 1995-01 of the Town of St. Clair, passed and approved on the 14 Day of MARCH 1995.

VILLAGE OF SWANSEA

TOWN OF ST. CLAIR

By _____
Michael S. Buehlhorn, Mayor

By Richard L. Schobert
Richard L. Schobert, Supervisor

ATTEST:

ATTEST:

By _____
James J. Cange, Sr., Clerk

By Dean Wallen
Dean Wallen, Town Clerk

EXHIBIT A

VILLAGE OF SWANSEA/TOWN OF ST. CLAIR

WASTEWATER SERVICE RATE DETERMINATION

1. Calculations for the proposed usage for St. Clair Township customers sewerred through the Village of Swansea Sewage Treatment Facility shall be based on the following four factors:

A. Swansea's portion of capital costs for improvements which is defined as the village's share of all treatment plant expansion costs, I-EPA Loan No. L170642, including the engineering for all Step 2 and 3 work, finance charges over the life of the loans, 1% for administrative costs, 1% for legal fees and a 10% profit to be added to all costs (out-of-pocket to the village) under this category except the finance charges. (The interest rates used in determining the finance charges will be as specified in the I-EPA Loan Agreement.)

B. Depreciation factor for existing treatment facility -- 0.90/month/user (for cost of trunk lines, existing facilities at the treatment site, etc.)

C. Operation and maintenance costs which shall include:

(i) All labor (both direct and indirect), contracts, insurance, chemicals, energy/utilities, repairs, professional services and testing directly related to the sewage treatment facility.

(ii) The operation and maintenance of all motorized vehicles used for the sewage treatment facility such as the sludge hauling truck, tractor and such other motorized vehicles as may be required from time to time.

(iii) Twenty percent (20%) of all costs related to the sewer biller's office including, but not limited to, telephone, building maintenance, office wages and benefits, energy/utilities, professional services and insurance.

Direct labor shall include wages and all employer financed benefits.

Contracts include the alarm answering service and such other contractual arrangements which may be made from time to time to assure the efficient operation of the facility.

These costs shall be determined by adding twenty percent (20%) of the total sewer billing expense column as determined in the annual Swansea audit plus the entire plant and Wolf Branch & Richland Creek interceptors expense column as determined in the Swansea annual audit and then dividing that total by the total volume of metered waster by both the Swansea and St. Clair sewer systems.

D. Replacement Fund which is costs per 100 cubic feet shall be equal; to the total amount of annual depreciation as detailed in "Exhibit B" divided by the actual total volume of metered water for both the Swansea and St. Clair sewer systems. Any replacement cost (i.e., motor, pump, blower, etc.) up to and including \$2,000.00 in cost for each individual event or \$10,000.00 total per year shall be taken from the Maintenance Account while any replacement exceeding those values shall be taken from the Replacement Fund.

2. After the annual Village audit is completed for the previous year and the actual metered flows and costs for the previous year have been finalized, the actual operation and maintenance costs and Replacement Fund costs per 100 cubic feet will be computed by Swansea and received by St. Clair along with a copy of the annual audit of the Swansea Sewage Fund. If St. Clair has underpaid Swansea, St. Clair shall pay the Village for the amount of any deficiencies within ninety (90) days after written notice from the village. If St. Clair has overpaid Swansea, St. Clair shall deduct the value overpaid from the next quarterly billing by Swansea. Should the value owed to St. Clair exceed the value of the next quarterly billing, the village shall reimburse St. Clair the balance within ninety (90) days after official determination of said deficiencies. Example of such a determination based on the following assumptions:

St. Clair presently has 1,882 users

A 3.375% - Twenty year I-EPA Loan is used to finance the 1994 improvements

Swansea total annual metered water consumption	33,548,500 cu. ft.
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St. Clair annual metered water consumption (695 cu.ft./mo/user) (12 mo./year)	15,698,000 cu. ft.
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Project Costs

Treatment Plant Upgrading (S. M. Wilson)	\$ 4,940,000.00*
Engineering (Steps 2 & 3)	<u>562,000.00</u>
Sub-Total	\$ 5,502,000.00
Administrative 1%	55,020.00
Legal 1%	<u>55,020.00</u>
Total Project Cost	\$ 5,612,040.00

Total Capital Improvement Costs

Financing - 3.375% - 20 years - 2 Payments/Yr.	\$ 2,151,026.00
Profit - 10% of \$5,612,040.00	<u>561,204.00</u>
Total Upgrade Costs	\$ 8,324,270.00

\$ 8,324,270.00 + 20 Yrs.	416,213.50
Township Debt. Service = 0.34	
X \$ 416,213.50	141,512.59*
\$ 141,512.59 + 12	\$ 11,792.72 per mo

Depreciation Factor for Existing Treatment Facility	0.90/mo
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Operation & Maintenance (O & M) (0.2 (\$71,584.95 x 1.05)) + (\$259,878.99 x 1.4) + 49,246,500 cu. ft. =	\$0.77/100 cu. ft.**
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\$0.77/100 cu. ft. x 695 =	5.35***
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Replacement Fund: \$132,887.00 + 49,246,500 cu.ft. = (See Attached Exhibit B)	0.27/100
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Average billing per St. Clair user:

Depreciation Factor	0.90
O & M	5.35
Replacement Fund 0.27 x 6.95	<u>1.88</u>
	8.13/mo/user
	\$11,792.72/mo

* Assumes \$4,800,000.00 original bid plus a \$140,00.00 contingency. Final values to be adjusted to reflect "as constructed values". A 5% contingency in lieu of the \$140,000. Assumed value would increase the Township Annual Debt Service approximately \$2,570.00.

** Assumes a 5% increase in sewer billing office and a 40% increase in Sewer Plant & Interceptors carrying Township Flows in relation to FY1994 actual audit values.

*** Assumes 695 cu.ft. per month per average Township user.

EXHIBIT B
VILLAGE OF SWANSEA

ANNUAL DEPRECIATION SCHEDULE

EXISTING EQUIPMENT AT PLANT	VALUE	YEARS LIFE	ANNUAL DEPRECIATION (STRAIGHT-LINE)
1. LIFT STATION	11,667.00	5	\$ 2,333.00
2. FLOW MEASUREMENT	2,000.00	5	\$ 400.00
3. LAB EQUIPMENT	6,833.00	5	\$ 1,367.00
4. MAINTENANCE EQUIP			
VACTOR TRUCK	30,000.00	5	\$ 6,000.00
TRACTOR	4,000.00	5	\$ 800.00
PORTABLE PUMPS	1,000.00	5	\$ 200.00
5. MISC. EQUIPMENT			
HELICORD			
COLLECTOR, HOIST	5,000.00	5	\$ 1,000.00
6. HVAC	5,000.00	5	\$ 1,000.00
7. PIPING	152,000.00	40	\$ 3,800.00
 EXISTING EQUIPMENT AT PLANT TOTAL	 <u>217,500.00</u>		 <u>\$16,900.00</u>
 STRUCTURES AT PLANT			
8. WET WELL	30,400.00	40	\$ 196.00
9. AERATION TANKS	298,400.00	40	\$ 1,928.00
10. FILTER BUILDING	157,600.00	40	\$ 1,018.00
 STRUCTURES AT PLANT TOTAL	 <u>486,400.00</u>		 <u>\$ 3,143.00</u>
 NEW EQUIPMENT AT PLANT			
11. AERATION EQUIP			
BLOWERS	140,000.00	15	\$ 9,333.00
12. TERTIARY FILTER	544,000.00	30	\$18,133.00
13. EMERGENCY POWER	65,000.00	20	\$ 3,250.00
14. SLUDGE HANDLING			
PUMPS	125,000.00	15	\$ 8,333.00
15. PAINTING	63,000.00	10	\$ 6,300.00
16. PAVEMENT	51,000.00	20	\$ 5,100.00
17. MAINTENANCE EQUIP			
SLUDGE TRUCK	60,000.00	15	\$ 4,000.00
18. FENCING	15,000.00	20	\$ 750.00
19. BAR SCREEN	250,000.00	15	\$16,667.00
20. BELT PRESS	297,000.00	20	\$14,850.00
21. UV DISINFECTION	180,000.00	15	\$12,000.00
22. PIPING	224,000.00	20	\$11,200.00
 NEW EQUIPMENT AT PLANT TOTAL	 <u>2,014,000.00</u>		 <u>\$ 109,917.00</u>
 NEW STRUCTURES AT PLANT			 SINKING FUND DEPRECIATION 6%
23. AERATION TANKS	400,000.00	50	\$ 1,378.00
24. FILTER BUILDING	85,000.00	50	\$ 293.00
25. UV TANK	8,000.00	50	\$ 28.00
26. BAR SCREEN			
BUILDING	100,000.00	50	\$ 344.00
27. SLUDGE PRESS			
BUILDING	65,000.00	50	\$ 224.00
28. SLUDGE STORAGE	192,000.00	50	\$ 661.00
 NEW STRUCTURES TOT	 <u>850,000.00</u>		 <u>\$ 2,928.00</u>
 TREATMENT PLANT TOTALS	 <u>3,567,000.00</u>		 <u>\$ 132,887.00</u>

STATE OF ILLINOIS }

COUNTY OF ST. CLAIR }

CERTIFICATION

I, James J. Cange, Sr., certify that I am the duly elected and acting municipal clerk of the Village of Swansea, St. Clair County, Illinois.

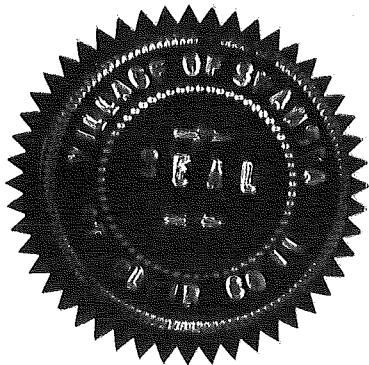
I further certify that on March 20th, 1995, the Corporate Authorities of such municipality passed and approved Resolution No. 1-631 entitled:

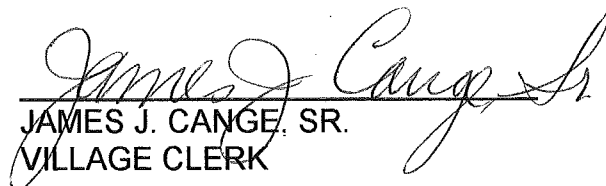
A RESOLUTION AUTHORIZING THE PRESIDENT OF THE BOARD OF TRUSTEES AND THE VILLAGE CLERK TO AFFIX THEIR SIGNATURES TO A SEWAGE SERVICE CONTRACT BETWEEN THE VILLAGE OF SWANSEA AND ST. CLAIR TOWNSHIP.

The pamphlet form of Resolution No. 1-631, including the Resolution and a cover sheet thereof was prepared and a copy of such Resolution was posted in the municipal building, commencing on March 21st, 1995, and continuing for at least ten days thereafter. Copies of such Resolution were also available for public inspection upon request in the office of the municipal clerk.

DATED at SWANSEA, Illinois, this 21st day of March, 1995.

(SEAL)




JAMES J. CANGE, SR.
VILLAGE CLERK

STATE OF ILLINOIS }
COUNTY OF ST. CLAIR }

AFFIDAVIT

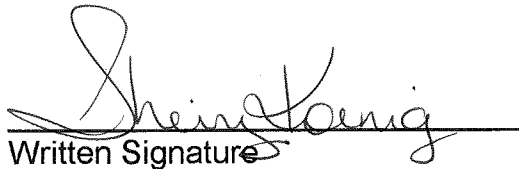
I, Sherry Koenig, an employee of the Village of Swansea, St. Clair County,
Illinois, do solemnly affirm that:

A RESOLUTION AUTHORIZING THE PRESIDENT OF THE BOARD OF
TRUSTEES AND THE VILLAGE CLERK TO AFFIX THEIR SIGNATURES TO A
SEWAGE SERVICE CONTRACT BETWEEN THE VILLAGE OF SWANSEA
AND ST. CLAIR TOWNSHIP.

was posted at the Swansea Government Center, 1400 N. Illinois Street,

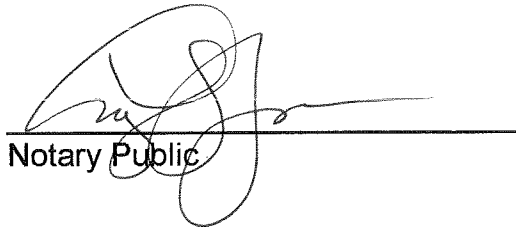
Swansea, Illinois, commencing on March 21st, 1995, at 3:00

o'clock pm.


Written Signature

Subscribed and sworn before me on this 21st day of

March, 1995.


Notary Public

(SEAL)

