

FINANCIAL AGREEMENT
BETWEEN SD DEPARTMENT OF TRANSPORTATION AND
THE CITY OF RAPID CITY FOR
SANITARY SEWER CONNECTION

AGREEMENT NO. _____

Financial agreement for construction of a sanitary sewer main through and along Interstate 90 between Exit 60 and Exit 61 and connection of the Department of Transportation Rapid City Region complex to the City of Rapid City sanitary sewer collection system.

WHEREAS, the **STATE OF SOUTH DAKOTA** acting by and through its Department of Transportation, hereinafter referred to as the **STATE**, concurs in the proposal with the City of Rapid City for construction of a sanitary sewer line through and along Interstate 90 within the boundaries of Federal Aid Construction Project No. EM 090-2(39)61, PCN 1939 Pennington County, hereinafter referred to as the **PROJECT**, and extending through portions of the City of Rapid City, South Dakota, hereinafter referred to as the **CITY**.

WHEREAS, the **STATE** and the **CITY** agree that it is in the best interest of both parties to construct the proposed sanitary sewer improvements within the limits of **PROJECT** based on construction costs and construction sequencing;

WHEREAS, the proposed sanitary sewer improvements consist of boring a sanitary sewer main and constructing sewer line pipe, manholes and other sewer line connections across the Interstate 90 right-of-way, across the right-of-way of Beale and Offutt Streets, as well as installing a sanitary sewer main along Beale Street, Dyess Avenue and Eglin Street to East North Street;

NOW THEREFORE, it is mutually agreed as follows:

A. **STATE** will perform the following activities:

1. **STATE** will compensate the **CITY** up to forty one thousand one hundred forty-four dollars (\$41,144) for sewer construction and hookup fees in order for the **STATE** to connect the Department of Transportation (**DOT**) Rapid City Region office complex (located at 2300 Eglin Street) to **CITY** sanitary sewer.

The breakdown in costs is as follows:

- Lump sum payment of twenty six thousand seven hundred seventy four dollars (\$26,774) for upsizing the main trunk line from an 8" PVC pipe to a 15" PVC pipe.
- Lump sum payment of six thousand seven hundred dollars (\$6,700) for any and all hook up fees for the **STATE** to connect to the **CITY**'s sanitary sewer. This payment will be considered all-inclusive for **CITY**

"Construction Fees" and connection fees and any miscellaneous associated costs to connect to the CITY sanitary sewer system.

- Actual costs for design, materials, inspection, and installation of an eight inch (8') service line from the STATE manhole adjacent to the existing STATE lagoons to the proposed main sanitary sewer along Eglin Street, except that in no event shall STATE be obligated to pay more than seven thousand six hundred and seventy dollars (\$7,670) for this item of work. Final costs will be based on the actual construction contract unit prices and final quantities, subject to the afore-mentioned limitation.

These payments will be considered all inclusive of out-of-pocket expenses for construction and connection to the proposed sewer main and construction of a sewer service to the STATE sanitary sewer lagoons. STATE will not participate in any other costs for the proposed sewer main or service line improvements on this system or for connection of the SDDOT complex to the CITY sanitary sewer system.

2. STATE will be required to pay monthly sanitary sewer service expenses based on standard CITY rates. STATE agrees that discharges to the sanitary sewer will comply with the CITY's sewer ordinance (Chapter 13.08 of the Rapid City Municipal Code)
3. STATE will only be responsible for the costs and expenses allocated to STATE in paragraphs A.1. and A.2., above. STATE will not be responsible for the cost of other sanitary sewer work to be performed within the PROJECT limits for the proposed sanitary sewer project.
4. This agreement is contingent upon CITY receiving approval from STATE for placement of the sanitary sewer facilities within STATE's highway right-of-way. STATE will review and process CITY's permit application for placement of the sanitary sewer within the STATE's highway right of way in accordance with applicable state statutes and administrative rules.
5. STATE will make payment to CITY within thirty (30) days of receiving a billing from CITY, provided construction is in conformance with the contract as awarded and the sanitary sewer system is functional from the STATE complex at 2300 Eglin Street.
6. STATE has granted a 35' utility easement along the south boundary of the STATE's property at 2300 Eglin Street. The easement allows the sewer main and a water main to be constructed as well as to allow for the future operation, maintenance, and repair of the same.

B. CITY will perform the following activities:

1. CITY will participate in the decision making process for the actual horizontal and vertical alignment of the sanitary sewer line.

2. CITY will approve the design for the construction of the proposed sanitary sewer improvements. The design shall be according to DOT and CITY design standards. Included in the design and construction shall be the connection of the STATE sewer service from the STATE manhole adjacent to the STATE lagoons to the proposed main sanitary sewer along Eglin Street. The design of this connection shall be such that the sewer shall be gravity flow and no lift station will be required for the DOT line.
 3. CITY will observe hydrostatic, vacuum, or pneumatic tests of the sewer main construction conducted to demonstrate watertight conditions. Following completion of the work and demonstration, through reports of observations of construction and testing, and certification from the design engineer, that the work is in compliance with the plans and CITY specifications, the CITY agrees to accept the completed work and to operate and maintain the sanitary sewer main.
 4. CITY will bill the STATE for reimbursement of those sewer construction costs and hookup fees which STATE is required to pay pursuant to paragraphs A.1. and A.2., above. Any billing for actual costs shall be based on an estimate prepared by the CITY and shall be provided to the STATE within 60 days after the PROJECT is complete.
 5. CITY will seek permission to install and maintain the sanitary sewer within the STATE's highway right-of-way through the STATE's established process for permitting utilities within the STATE's highway right-of-way. CITY will submit the STATE's standard utility permit form for STATE's review and approval. CITY will comply with all requirements of the permitting process.
 6. All other costs and expenses of the sanitary sewer project except for those costs allocated to STATE in paragraphs A.1. and A.2., above shall be the responsibility of parties other than the STATE.
 7. CITY agrees to indemnify and hold the STATE, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings that may arise as the result of performing services hereunder. This section does not require the CITY to be responsible for or defend against claims or damages arising from errors or omissions of the STATE, its officers, agents or employees or from the errors or omissions of third parties that are not officers, employees or agents of the STATE, unless such errors or omissions resulted from the acts or omissions of the CITY. Nothing in this contract is intended to impair the insurance coverage CITY or any subrogation rights of CITY's insurers.
- C. This AGREEMENT is binding upon signatories hereto not as individuals but solely in their capacities as officials of their respective organizations and acknowledges proper action of STATE and CITY to enter into the same.

DATED this _____ day of _____, 2007

CITY OF RAPID CITY

SOUTH DAKOTA
DEPARTMENT OF TRANSPORTATION

By: _____
Mayor

By: _____
Region Engineer

ATTEST:

APPROVED AS TO FORM:

City Auditor/Finance Officer

Assistant Attorney General

(S E A L)

APPROVED AS TO FORM
CITY ATTORNEY'S OFFICE

Kenneth A. Hagg 12/18/07
Attorney Date