

**Memorandum
Public Works Department**



To: City Manager
Subject: Wet Weather Treatment System Expansion – Gas Relocation Services
Project 2624
Date: March 9, 2012
Number: 2012-063

Attached is a Gas Main Extension Agreement with MidAmerican Energy to extend natural gas facilities to the new Wet Weather Treatment System Expansion. The extension is required because the existing gas service will not be large enough for the new plant expansion. Therefore, a new larger gas main extension is required to service the new pumping facility.

MidAmerican proposes to provide natural gas facilities to the new treatment facility at an estimated cost of \$52,000.

Recommendation

The Public Works Department recommends that the City Council approve the Gas Main Extension Agreement with MidAmerican Energy for a cost of \$52,000 and that the City Manager be authorized to sign the amendment on behalf of the City of Rock Island.

Submitted by: Robert T. Hawes, P.E., Assistant City Manager/Public Works Director
Michael J. Kane, P.E., City Engineer

Approved by: Thomas Thomas, City Manager

March 14, 2011

Mr. James E. Johnson
City Engineer, City of Rock Island
1309 – Mill Street
Rock Island, IL. 61201

Please find enclosed the proposal for Natural Gas Distribution Service to be provided by MidAmerican Energy Company (“MidAmerican”) to the proposed City of Rock Island’s Wet Weather Treatment System (WWTS) expansion in Rock Island, Illinois.

Assumptions

This cost estimate is based on the following assumptions. Any changes in these assumptions may require MidAmerican to revise its proposal:

- Peak Day: 6,900 therms
- Annual Load: 141,030 therms)
- Peak Hour Load: 430 therms/hr
- Delivery Pressure: 45 psig
- Estimated in-service: October 2012

Construction of Natural Gas Facilities

Based on the above assumptions, MidAmerican will take the following actions to provide natural gas facilities in order to provide the natural gas distribution service requested:

- Design, construct, own, operate, and maintain approximately 1,700 feet of 4” steel natural gas pipeline served out of MidAmerican’s existing high pressure system that crosses Illinois Highway 92 just south of District Regulator Station #0269 operating at 115 psig and 200 feet of 2” steel natural gas pipe operating at 115 psig to the proposed meter location at the WWTS plant site.
- Acquire all permits, easements and rights-of-way necessary for construction and operation of said facilities. (Pursuant to MidAmerican’s tariff, the property owner shall provide access rights or plant site easements to allow for pipeline metering and regulation construction, operations and maintenance);
- Design, construct, own operate and maintain meter set and telemetry equipment at customer site.

Based on the development of City of Rock Island's gas demand as noted above and MidAmerican's preliminary construction estimates, there will be a refundable advance required from City of Rock Island for the project in the amount of \$52,000. This amount is subject to change as the project's engineering specifications are refined, if there are any changes in the City of Rock Island's gas demand or if the project's contractor or material pricing changes. This advance will be due 30 days prior to the beginning of construction of the project. Refunds are determined by customer requests for gas service that would be served directly off this section of pipeline. MidAmerican will estimate three years of revenue from each such request and refund it to City of Rock Island. These requests will be applicable for ten years from the date the pipeline goes into service.

Natural Gas Delivery

MidAmerican would agree to deliver across its distribution system natural gas purchased and delivered to MidAmerican's system by City of Rock Island from a third-party supplier to City of Rock Island's WWTS plant using Rate MVT (Medium Volume Transport Service) of its natural gas tariffs filed with the Illinois Commerce Commission, as may subsequently be amended. Upstream pipeline transportation and delivery to NGPL's (Natural Gas Pipeline Company) town border station will be the responsibility of City of Rock Island or its assigned agent.

Rate No. MVT Monthly Charges:

Customer Charge:	\$149.80 per Billing Period per Delivery Point
Distribution Demand Charge:	\$0.04858 per therm
Admin. Service charge:	\$38.24 per Billing Period
Interval Meter Charge:	\$20.27 per Billing Period

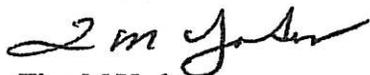
Should City of Rock Island accept the terms of this proposal from MidAmerican, the City of Rock Island will be required to execute the attached Gas Main Extension Agreement – Refundable Advance for Construction. This proposal is in effect for a period of 60 days from the date of this letter, after which time will expire.

MidAmerican's Commitment

MidAmerican will use reasonable means to plan, gather approvals, and construct its natural gas facilities to serve City of Rock Island's proposed plant pending the acceptance of this proposal and after all agreements, contracts, and surety requirements are satisfied and provided MidAmerican does not experience permitting and right of way (ROW) or other difficulties that are beyond MidAmerican's reasonable control.

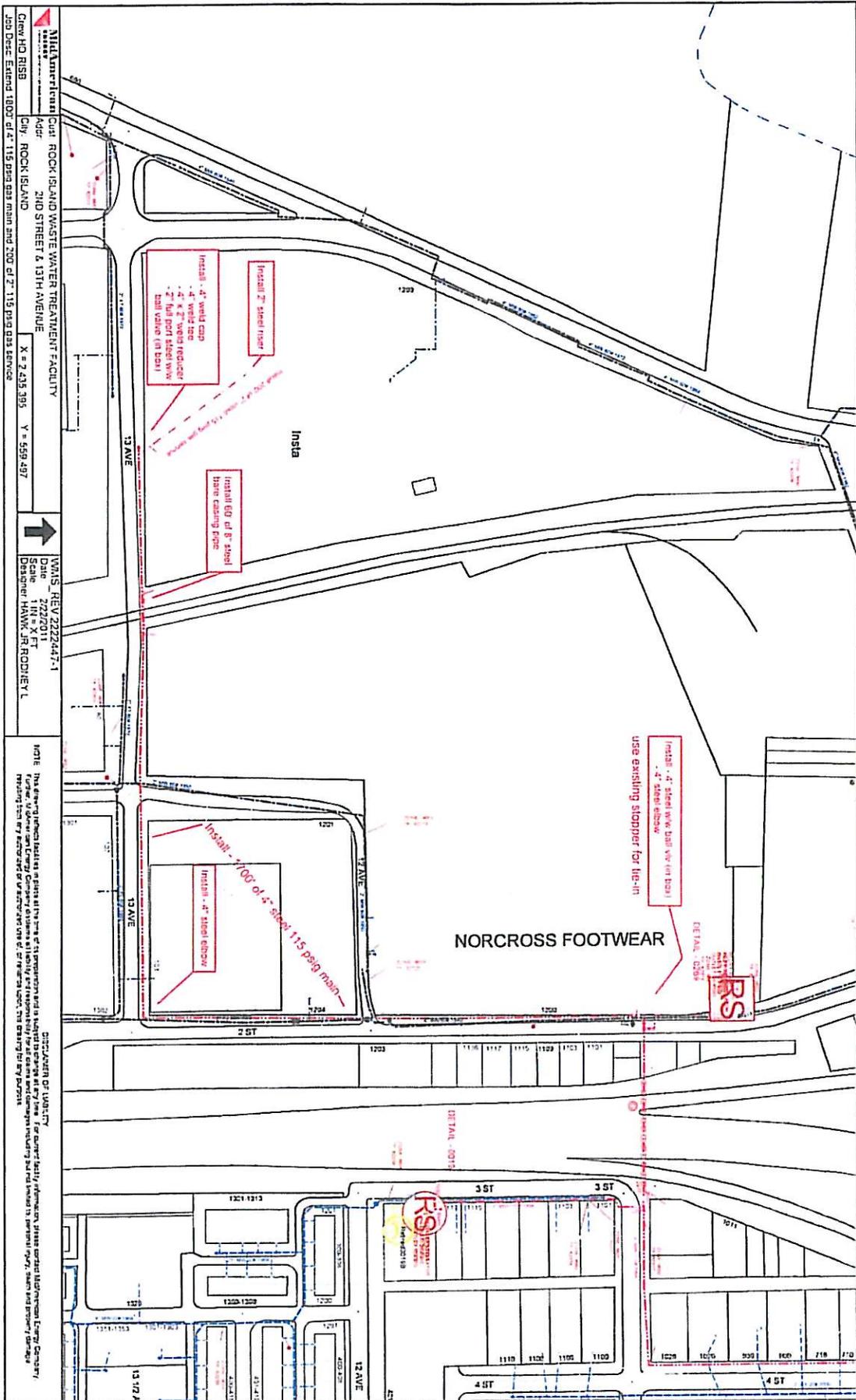
Please do not hesitate to contact me at 563-333-8045 if you have any questions or concerns.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Tina M Yoder".

Tina M Yoder
Key Account Manager
MidAmerican Energy Company

Cc: Mark Ludwigson, Symbiont



Milk River Plant
 2ND STREET & 13TH AVENUE
 CITY, ROCK ISLAND

WAIS REV 222247-1
 DATE 2/22/21
 DESIGNER HAWK, JR. RODRIGUEZ

NOTE: This drawing is intended for use as a guide only. It is not intended to be used as a legal document. The user of this drawing is responsible for obtaining all necessary permits and approvals from the appropriate authorities. The user of this drawing is also responsible for obtaining all necessary information from the appropriate authorities. The user of this drawing is also responsible for obtaining all necessary information from the appropriate authorities.

350 West 1800' of 115' dia gas main and 300' of 2" 115' dia gas service

MidAmerican Energy Company GAS MAIN EXTENSION AGREEMENT REFUNDABLE ADVANCE FOR CONSTRUCTION

MidAmerican Energy Company, an Iowa Corporation, its successors and assigns, (Company), and
Rock Island Waste Water Treatment Plant - City of Rock Island
its successors and assigns, (Applicant) agree as follows:

1. Company will extend its gas distribution mains as required to make natural gas service available to the following platted and described area:

Extend 1700' of 4" steel 115 psig gas main and 200' of 2" steel 115 psig gas service along 2nd Street and then west along 13th Avenue onto the Waste Water site.

2. The Company shall:

- a. Install, own, operate and maintain the gas distribution system and reserves the right to extend or alter the system in the future if necessary.
- b. Furnish all necessary labor and materials required for the construction of such mains and distribution system.
- c. Schedule such main installation with Applicant so as to provide timely service.

3. The Applicant shall:

- a. Provide a signed final plat of the subdivision or a detailed plot plan of the area to be served.
- b. Provide, without cost to the Company, such easements as are necessary for the construction, operation and maintenance of the gas main extension.
- c. Provide easement areas: 1) cleared of all obstructions; 2) within 4" of final grade over the route of the distribution system; 3) with streets finished to local specifications; and 4) with sewer and water installed.
- d. Place visible stakes, including lot numbers, on all lot corners and easement lines.
- e. Provide drawings showing the location of all present and future underground facilities.
- f. Locate all underground facilities such as storm sewers, sanitary sewers, septic lines and water lines that are not located by members of a one-call locating system.
- g. Indemnify, protect and hold harmless the Company from and against all liability, damage, loss, claims and actions of any nature whatsoever which arise out of damage to underground facilities resulting from the customer's failure to correctly locate such facilities as required under this agreement.
- h. Hold Company harmless for any loss, cost or damage caused by delays in construction of the distribution system and services.

4. Applicant agrees to provide a cash advance for construction totaling \$52,000. This amount includes \$52,000 for construction costs plus the composite Federal and State Tax liability (where applicable) of \$0. The cash advance for construction shall be due when this Agreement is signed by Applicant. If Applicant requires that the installation be completed during the winter construction season, or when adverse working conditions impede construction, Applicant shall pay an additional non-refundable sum of \$0 per foot. Company reserves the right to determine when such winter and/or adverse conditions exist. The amount of the cash advance is subject to change if Applicant's signed acceptance is not received by the Company within 90 days from the date Company executes this Agreement.

5. Company will refund portions of the cash advance for construction to Applicant as new customers connect to the main, subject to the following terms:

- a. A refund based on estimated revenue plus tax shall be allowed for each new gas customer connection made within the first ten years following the date of this Agreement.
- b. No interest will be paid on refunded cash advances.
- c. Refunds will be made at least once a year during the ten year period.
- d. Total refunds shall not exceed the original cash advance for construction.
- e. No refunds shall be made for customers connected after ten years from the date of this Agreement.
- f. The balance remaining on deposit at the end of the ten year period shall be deemed a non-refundable contribution in aid of construction.
- g. Further main extensions which use any part of the gas main extension constructed under this Agreement will Not result in refunds.

6. Within the area described above, Company will provide gas service to customers in accordance with Company's tariffs and regulatory requirements.

MIDAMERICAN ENERGY COMPANY

APPLICANT

By [Signature]

By _____

Title Senior Dist. Design Tech.

Title _____

WMIS # 2222447

Date Wanted _____

District East

Date Signed _____



Customer's Authorization

The work described below will be done at:

13 Ave - Mill St
 Street
 Rock Island IL 61201
 City State Zip

The customer requests MidAmerican Energy to do the following work:

(Main)
 INSTALL 1700'-4" ST'Z 115 PSIG 200'-2"
 STEEL 115PSIG SERVICE ALONG 2ND ST
 TO 13 Ave P.O.W. THEN WEST TO NEW
 WASTE WATER SITE ALONG 13 Ave ROW

When the work described is complete, Customer promises to pay:

SUMMARY OF WORK	COST
SEE ABOVE	\$ 80,000
LESS REVENUE	\$ 28,000
Tax _____ %	\$ _____
TOTAL COST TO CUSTOMER	\$ 52,000

WMIS Number: 2222447

Bill Acct. Number: _____

Taken By: _____

Date: _____

BILL TO:

Name _____

Street _____

City State Zip

Phone No. _____

DATE REQUESTED _____

Indicate North:

Diagram of Facility Location

See Attached PDF

Applicant shall locate and mark all privately owned underground facilities and systems (including but not limited to water services, culverts, irrigation systems, drain pipes, septic lines, conduit and underground wiring) to conform with the current version of Recommended Marking Guidelines for Underground Utilities and the uniform color code established by the American Public Works Association, prior to MidAmerican Energy's construction. MidAmerican Energy will not be responsible for damage to unmarked or incorrectly marked privately owned underground facilities.

MidAmerican Energy will not replace sod nor be responsible for lawn, landscape, or hard surfaces (concrete, asphalt, etc.) restoration due to the installation/relocation of the gas and/or electric facilities.

The undersigned has read the back and front of this agreement and requests MidAmerican Energy to install and/or relocate its facilities on the property listed above.

SIGNATURE, CUSTOMER'S AGENT _____ DATE _____

CUSTOMER'S SIGNATURE _____ DATE _____



Customer's Authorization

<p>The work described below will be done at: <u>13 AVE - MILL ST</u> <small>Street</small> <u>Rock Island IL 61201</u> <small>City State Zip</small></p> <p>The customer requests MidAmerican Energy to do the following work: <u>(Main)</u> <u>INSTALL 1700'-4" ST'Z 115 PSIG & 200'-2" STEEL 115PSIG SERVICE ALONG 2ND ST TO 13 AVE P.O.W. THEN WEST TO NEW WASTE WATER SITE ALONG 13 AVE ROW</u></p> <p>When the work described is complete, Customer promises to pay:</p> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">SUMMARY OF WORK</th> <th style="text-align: right;">COST</th> </tr> </thead> <tbody> <tr> <td><u>SEE ABOVE</u></td> <td style="text-align: right;">\$ <u>80,000</u></td> </tr> <tr> <td><u>LESS REVENUE</u></td> <td style="text-align: right;">\$ <u>28,000</u></td> </tr> <tr> <td style="text-align: right;">Tax _____ %</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td>TOTAL COST TO CUSTOMER</td> <td style="text-align: right;">\$ <u>52,000</u></td> </tr> </tbody> </table>	SUMMARY OF WORK	COST	<u>SEE ABOVE</u>	\$ <u>80,000</u>	<u>LESS REVENUE</u>	\$ <u>28,000</u>	Tax _____ %	\$ _____	TOTAL COST TO CUSTOMER	\$ <u>52,000</u>	<p>WMIS Number: <u>2222447</u></p> <p>Bill Acct. Number: _____</p> <p>Taken By: _____</p> <p>Date: _____</p> <p>BILL TO:</p> <p>Name _____</p> <p>Street _____</p> <p>City _____ State _____ Zip _____</p> <p>Phone No. _____</p> <p>DATE REQUESTED _____</p>
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