

Action Item#6 – INDOT Utility Extraordinary Cost Agreements for the Water, Wastewater and Fiber Utility

The Westfield Public Works Department is recommending that the Board of Public Works and Safety consider entering into an agreement with the Indiana Department of Transportation regarding the Extraordinary Cost Agreements for the required City of Westfield Utility Relocations associated with the US 31 Major Moves Freeway Corridor Project.

Pursuant to Indiana Code, the State of Indiana cannot financial burden a municipal utility with utility relocations in the State of Indiana that are associated with road improvements on State owned and operated roads and highways.

There are basically two types of Extraordinary Cost share agreements, the first being an agreement with the State for the State to move the municipality's facility's with their road contract. The second agreement permits the municipality to contract locally via a bid or quotes to perform utility relocations that are associated with the proposed road improvements. Each agreement defines the procedures and requirements associated with each agreement.

For the proposed US 31 Major Moves Freeway Corridor Project, the City of Westfield Public Works Department would like to enter into both agreements for the water, wastewater, and fiber utility. The reason for entering to both agreements is related to the timing of relocating these facility's, the sensitivity of some of these critical infrastructure relocations, and desire to have specialized contractor's work on certain aspects of these relocations. Each specific utility's relocation will be analyzed to ensure that the proper agreement is entered into for each relocation.

For these Extraordinary Cost Agreements, the cost to relocate these facilities cannot exceed 10% of the previous year's net operating revenue associated with that specific utility. So for an example, if the cost for the relocation of the wastewater facilities is \$5M, the Wastewater would only be required to pay approximately 10% of the previous year's revenue which is approximated at \$4.55 million, or 10% of that which would be \$455K.

The cost for engineering, R/W, appraisals, R/W purchasing, construction and inspection is defined in each of these agreements. The only item not covered under this agreement is if the Utility wants to upgrade facilities or add existing or additional lines to the system.

Therefore, due to proposed increased timeline associated with the proposed US 31 Major Moves Freeway Corridor Project, the Westfield Public Works Department is recommending to the Board of Public Works to authorize the Director of Public Works to enter into these agreements with the State of Indiana at the appropriate time that these agreements are finalized and agreed upon between both parties.