



# City Council Report

**Date:** July 1, 2021  
**To:** City Council  
**Through:** Marc Heirshberg, Deputy City Manager  
**From:** Jake West, Director  
Chris Hassert, Assistant Director  
**Subject:** Western Canal Sewer Rehabilitation  
City Project No. CN0077JO02  
Council District – City of Tempe

## Purpose and Recommendation

The purpose of this report is to request Council approval for execution of an Intergovernmental Agreement (IGA) with The City of Tempe (“Tempe”) for the design and construction of sewer rehabilitation along the SRP Western Canal in the City of Tempe north of Baseline Road at approximately Kyrene Road. The full scope of this rehabilitation project features a mix of ownerships as depicted in attached Exhibit A. One segment of the sewer is jointly owned by City of Tempe and City of Mesa (“Mesa”) and operated by the City of Tempe, one segment of the sewer is owned and operated by City of Tempe, and the final segment of the sewer is owned and operated by City of Mesa. The City of Tempe is the leading agency designated to manage the entire project since this sewer lies within Tempe City limits. (Refer to Exhibit “A” for the project location).

Staff recommends that Council authorize the City Manager to execute this IGA on behalf of the City. The estimated cost to the City will be \$1,922,661.64. Tempe will pay upfront all costs associated with the project, which will be \$3,278,557.50. Tempe will request reimbursement payment from Mesa at three stages of the project: 1) upon completion and closeout of the project design phase contracts; 2) upon completion and billing by contractor for fifty percent (50%) of the construction work; and 3) upon completion and closeout of all Project contracts.

## Background

Mesa and Tempe jointly own sewer interceptors that convey wastewater from both cities to the 91<sup>st</sup> Avenue Wastewater Treatment Plant for treatment. An IGA was signed in 1979 by the two cities establishing the pipeline ownership and responsibilities. Tempe is the leading agency that manages the sewer condition assessment and rehabilitation projects for the joint sewer pipelines. Mesa is responsible for reimbursing Tempe for a portion of the project cost according to the percentages established in the 1979 IGA. In 2020 a condition assessment was performed for part of the jointly owned sewer. Based on the

findings of this assessment, rehabilitation of this sewer segment was recommended for the 2021-2025 CIP.

The original plan was to rehabilitate only the jointly owned sewer along the Western Canal north of Baseline Road. However, Mesa has a section of sewer contiguous to the jointly owned sewer that also needs rehabilitation. To save Mesa the significant cost of future by-pass pumping and traffic control, the Mesa-owned sewer segment was added to the project.

## **Discussion**

The purpose of this IGA is to set forth the roles and responsibilities of Tempe and Mesa with respect to the rehabilitation cost of the jointly-owned, Tempe-owned, and Mesa-owned sewer segments, which includes engineering design services, CMAR preconstruction services, construction, construction administration, construction permitting, and inspection.

According to this IGA, Tempe and Mesa will be responsible for the rehabilitation cost of the sewer owned by each city and cost sharing allocation of the jointly-owned sewer according to the percentages established in the 1979 IGA. The total cost of \$1,922,661.64 to Mesa consists of \$1,722,654.71 for rehabilitation of the jointly-owned sewer and \$200,006.93 for rehabilitation of the Mesa-owned sewer.

Community Impact - The concurrent sewer rehabilitation will serve the best interests of Tempe and Mesa by saving the future costs of bypass pumping and traffic control. Additionally, concurrent sewer rehabilitation will reduce the overall disruption to the surrounding communities.

Once underway, the construction is anticipated to last no more than 5 months.

## **Alternatives**

One alternative would be to not rehabilitate the Mesa-owned sewer in conjunction with the Western Canal Sewer Rehabilitation. This is not recommended because Mesa-owned sewer will need rehabilitation in the next 3-5 years. The cost to Mesa for rehabilitation of the Mesa-owned sewer is \$200,006.93 now. Mesa would incur a much higher cost than this amount to start a separate project in the future because the costs of bypass pumping and traffic control in this area would be more than \$0.5 Million. Also, a UPRR permit and an archeological permit are required for construction in this area.

## **Fiscal Impact**

The total potential fiscal impact of this IGA is \$1,922,661.64, which includes an owner contingency in the amount of \$138,468.20.

This project is funded by utility obligation bonds.

**Coordinated With**

The Water Resources Department concurs with this recommendation.

**Exhibit A**



3221021B  
Western Canal Interceptor Rehabilitation

