

**MINUTES OF THE REGULAR MEETING OF THE AMES AREA METROPOLITAN
PLANNING ORGANIZATION TRANSPORTATION POLICY COMMITTEE,
REGULAR MEETING OF THE AMES HOUSING GOVERNING BOARD, AND
REGULAR MEETING OF THE AMES CITY COUNCIL**

AMES, IOWA

MARCH 25, 2008

**AMES AREA METROPOLITAN PLANNING ORGANIZATION (AAMPO)
TRANSPORTATION POLICY COMMITTEE MEETING**

The Ames Area Metropolitan Planning Organization (AAMPO) Transportation Policy Committee met at 6:30 p.m. on the 25th day of March, 2008, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law with Mayor Ann Campbell presiding. Voting members present were Campbell, Doll, Goodman, Mahayni, Popken, and Rice, representing the City of Ames; Wayne Clinton, Story County Board of Supervisors, and Robert Anders of the Ames Transit Agency. Mike Clayton, Iowa Department of Transportation, was also in attendance. Council Member Larson and Boone County Supervisor O'Brien were absent.

**FY 2008 TRANSPORTATION IMPROVEMENT PLAN (TIP) AND FY 2008
TRANSPORTATION PLANNING WORK PROGRAM (TPWP) AMENDMENTS:** Public

Works Director John Joiner explained that it was necessary to amend two planning projects and one capital project into the 2008 TIP and both planning projects into the 2008 TPWP. Shari Atwood, Transit Planner, advised that the two new planning projects were:

1. Facilities Study. A study will be conducted of the total future physical space requirement to ensure that CyRide continues to meet the needs of the community. The Ames MPO would allocate \$10,000 of STP funds to this project with the remaining \$34,843 coming from CyRide's local budget for a total cost of \$44,843.
2. Ames Alternatives Analysis. An Alternatives Analysis Study will be conducted of the Iowa State Center to Iowa State University campus corridor identified currently as the Orange Route. It was determined through the Transit Feasibility Study that the Orange Route may qualify for Small New Starts funding to establish a Bus Rapid Transit Corridor. The Study will analyze the specific route options in more depth regarding transit-only corridors, provide detailed information on bus stop upgrades, and analyze the route speed increases realized with extended green technology. This Study will also analyze the financial capacity/needs of the Ames community to undertake a project of this nature. This Analysis will cost \$200,000 with \$160,000 coming from the federal government and \$40,000 in local match.

Ms. Atwood stated that the capital project would be to purchase two additional buses to accommodate the planned service expansion in response to the proposed new development along E. 13th Street. The proposed budget would be \$100,000 in federal funding and local match in the amount of \$254,000 for a total cost of \$354,000.

Moved by Popken, seconded by Mahayni, to approve amendments of the three above-listed projects into the FY 2008 TIP and the two planning projects into the FY 2008 TPWP.

Vote on Motion: 8-0. Motion declared carried unanimously.

DRAFT FY 2009-12 TRANSPORTATION PLANNING WORK PROGRAM: A letter from Ria Keinert, President of the Main Street Cultural District, was placed around the dais. She requested that directional signage be included in the current Long-Range Transportation Plan.

Director Joiner stated that, although Program activities include several areas, the major activity will be work on updating the 2005 Long-Range Transportation Plan (LRTP). The update will include two elements that the Ames City Council identified as important and directed to be addressed: (1) establish Alternative Level of Service (LOS) criteria that may be used when meeting the current LOS C requirement and (2) identify a method for establishing a system-wide level of service for bicyclists and pedestrians.

Moved by Clinton, seconded by Rice, to approve the draft FY 2009-12 Transportation Planning Work Program and set May 13, 2008, as the date of public hearing.

Vote on Motion: 8-0. Motion declared carried unanimously.

DRAFT FY 2009-12 TRANSPORTATION IMPROVEMENT PLAN: According to Director Joiner, in order to receive funds for transportation improvement projects, it is necessary to have the projects be a part of the approved state-wide plan. In past years, the TIP covered a three-year planning period, but new regulations now require the TIP to include transportation planning for four years. The 2009-12 TIP provides for projects for street improvements, CyRide improvements, and trail projects. The Plan also involves annual payments for a pavement management program, which is operated state-wide, and annual support of the State-wide Urban Design and Specifications (SUDAS) program. Mr. Joiner listed the projects that are included in the 2009-12 TIP.

Moved by Goodman, seconded by Popken, to approve the draft 2009-12 Transportation Improvement Plan and set May 13, 2008, as the date of public hearing.

Vote on Motion: 8-0. Motion declared carried unanimously.

2009 PASSENGER TRANSPORTATION DEVELOPMENT PLAN (PTDP): Transit Director Sheri Kyras explained that the federal government has mandated an annual coordinated planning effort between human service agencies and transportation providers in order to increase transportation efficiencies or reduce duplicative services. The Iowa Department of Transportation has charged MPOs with this task in urbanized areas and requires that all state/federal funding be incorporated into a Passenger Transportation Development Plan. Over the past few months, CyRide staff has been working with human service agencies and transportation providers through the Human Services Council and United Way's Transportation Collaboration Committee to identify service gaps, transit challenges, and priority projects. Before any transit funding may be incorporated into the TIP, it must be identified within an approved PTDP. The requirements of a local PTDP Plan, goals and objectives, and the investment plan were explained by Ms. Kyras. She then summarized the projects that must be incorporated into the 2008 year of funding as the IDOT will apply for the funding before the 2009 STIP is approved. The projects total \$3,092,276 with \$2,522,072 in federal funding.

The 2009-12 PTDP identified transit service from Ames to Iowa City for medical purposes as a priority need for the community. It would be a two-year pilot project. This conceptual service, including costs, was detailed by Ms. Kyras. She advised that three human service agencies have indicated that approximately 13 - 19 persons per week are in need of this service. Operating costs for the first year would equate to \$114,818, of which \$94,104 would be in state and federal grants with a City match of approximately \$13,064. Heartland Senior Services would be contributing \$7,650. Ms. Kyras said that staff is bringing this concept to the Council's attention at this time to make it aware that a local match would be required. Staff is requesting permission to apply for federal grant monies; the deadline is May 1, 2008.

Assistant City Manager Sheila Lundt said that Heartland Senior Services would be the agency providing the transportation for the two-year trial. This will determine the need for such a service in Story County. Ms. Kyras explained that if this demonstration project shows a need for service, options for expansion to other communities/counties would be considered.

Ms. Atwood stated that there is a state-funded agency, the Iowa Cares Program, that currently provides a similar service; however, only Iowa Cares patients may take advantage of that service. There is currently no transportation option for those who are not covered by the Iowa Cares Program.

Ms. Kyras said that staff does need the Council's approval of the conceptual Ames-to-Iowa City Service, if so interested, in order to prepare the grant application by the deadline.

Moved by Mahayni, seconded by Popken, to approve the 2009 Passenger Transportation Development Plan for submission to the Iowa Department of Transportation and Federal Transit Agency.

Vote on Motion: 8-0. Motion declared carried unanimously.

ADJOURNMENT: Moved by Goodman, seconded by Mahayni, to adjourn the meeting at 6:56 p.m.

REGULAR MEETING OF THE AMES HOUSING GOVERNING BOARD

The regular meeting of the Ames Housing Governing Board was called to order by Chairperson Campbell at 7:00 p.m. on March 25, 2008, with the following members present: Doll, Goodman, Horness, Mahayni, Popken, and Rice. Council Member Larson was not present.

HEARING ON 2008/09 AMES PUBLIC HOUSING AUTHORITY (PHA) ANNUAL PLAN:

Mayor Campbell opened the public hearing.

Housing Coordinator Vanessa Baker-Latimer explained that the federal government mandates that Public Housing Authorities submit yearly updates to their Annual Plans to the Department of Housing and Urban Development (HUD). The Annual Plan informs HUD, its participants, and members of the public of the PHA's mission for serving the needs of low-income and very low-income families and its strategy for addressing those needs. Staff, with input from the Resident Advisory Board, reviewed the goals and objectives to be addressed and prepared the updated Plan for public review and comment. The legal notice was published, and the 45-day public comment period ended on March 15, 2008. No comments were received.

No one else wished to speak, and the hearing was closed.

Moved by Popken, seconded by Rice, to adopt RESOLUTION NO. 08-085 approving the submittal of the 2008/09 Annual PHA Plan and required attachments to HUD in connection with the City's Section 8 Rental Subsidy Housing Programs.

Roll Call Vote: 7-0. Resolution declared adopted unanimously and hereby made a portion of these minutes.

AMENDMENTS TO THE SECTION 8 ADMINISTRATIVE PLAN: Ms. Baker-Latimer introduced her staff present: Lydia Briggs and Joyce Brown. Ms. Baker-Latimer told the Council that, as part of the administration of the Section 8 Rental Housing Subsidy Programs, all PHAs are required to amend the discretionary policies and procedures in their Administrative Plan to conform to HUD's Section 8 Rental Housing Subsidy Program. Staff, in consultation with the Resident Advisory Board, reviewed the policies and procedures and found that several of the policies needed to be updated in order to be in compliance with HUD regulations. It was noted that the City's Housing Coordinator had been authorized to make minor changes, clarifications, and/or additions to the Administrative Plan and bring those changes, once a year, to the Governing Board for adoption. The updates/clarifications to the Administrative Plan were detailed by Ms. Baker-Latimer, which included:

1. Fair Housing, Equal Opportunity, and Privacy Policies
2. Terminations covered under the Violence Against Women Act
3. Waiting list closing/opening/purging/updating and procedures for withdrawal of applicants
4. Other Program Clarifications, including:
 - a. The definition of a Federally Subsidized Housing Program to include only those housing programs funded by HUD
 - b. Allowance for denial of applicants who have caused a financial loss to other City Housing Programs
 - c. Will re-verify a person's disability status at each annual reexamination
 - d. Will process rental housing payments on a mid-month basis, as needed
 - e. Added to Property Owners' Certification form specific language on their responsibility to collect rental payments from participants

 - f. Added to the definition of Family: individuals living in a stable family relationship and persons who have custody of non-biological children

Moved by Goodman, seconded by Mahayni, to adopt RESOLUTION NO. 08-086 approving updates to the City's Administrative Plan in connection with the Section 8 Rental Housing Subsidy Program.

Roll Call Vote: 7-0. Resolution declared adopted unanimously and hereby made a portion of these minutes.

ADDITIONAL SECTION 8 HOUSING CHOICE VOUCHERS: According to Housing Coordinator Vanessa Baker-Latimer, on March 11, 2008, staff received notice that HUD was requesting the City to consider administering 13 additional vouchers that would be available for families affected by HUD's conversion action of the contract to the Sheldon Munn Apartments. If the City accepted the administration, a special one-time fee would be reserved to cover any specific costs that would be needed to ensure the transfer of these additional vouchers into the City's system.

The additional 13 Vouchers would increase the City's total to 235, which is an increase of 6%. According to Ms. Baker-Latimer, the present staff capacity is adequate to handle the increased workload and to maintain an adequate lease-up rate. It is anticipated that the City will receive approximately \$60,700 annually in additional Housing Assistance Payments and approximately \$6,100 in additional administrative fees. Accepting the additional Vouchers will allow the City to spread the cost over a larger number of units and reduce the time on the waiting list, which is approximately 20-24 months. HUD has informed the City that seven (7) of the 13 vouchers are already occupied by residents currently living in the Sheldon Munn Apartments.

Moved by Goodman, seconded by Popken, to adopt RESOLUTION NO. 08-087 accepting 13 additional vouchers from the Sheldon Munn Conversion Project and authorizing staff to submit a funding application to HUD to accept the administrative responsibilities once the City receives the official Letter of Request.

Roll Call Vote: 7-0. Resolution declared adopted unanimously and hereby made a portion of these minutes.

ADJOURNMENT: Moved by Doll, seconded by Goodman, to adjourn the Housing Governing Board meeting at 7:15 p.m.

REGULAR MEETING OF THE AMES CITY COUNCIL

The regular meeting of the Ames City Council was called to order by Mayor Ann Campbell at 7:18 p.m. on March 25, 2008, in the City Council Chambers in City Hall, 515 Clark Avenue. Present from the Ames City Council were Doll, Goodman, Mahayni, Popken, and Rice. *Ex officio* Member Luttrell was also in attendance. Council Member Larson was absent.

Mayor Campbell announced that the Council would be working from an amended agenda. The additional item was under Consent and entitled, "application for a Federal Emergency Management Agency Assistance to Fire Fighter Grant."

PROCLAMATION FOR GOOD NEIGHBOR EMERGENCY ASSISTANCE MONTH:

Mayor Campbell proclaimed the Month of April 2007 as Good Neighbor Emergency Assistance Month. Accepting the Proclamation were Tamaria Wright, Director; Tim Gossett, President; and Mary Jo Larsen and Kathy Hanson, Board Members of the Good Neighborhood Emergency Assistance organization.

CONSENT AGENDA: Moved by Mahayni, seconded by Popken, to approve the following items on the Consent Agenda:

1. Motion approving payment of claims
2. Motion approving minutes of the regular meeting of March 4, 2008, and special meetings of February 29, March 14, and March 18, 2008
3. Motion accepting Report of Contract Change Orders for February 16-29 and March 1-15, 2008
4. Motion approving renewal of the following liquor licenses and beer permits:
 - a. Class A Liquor & Outdoor Service Privilege - Elk's Lodge, 522 Douglas Avenue
 - b. Class E Liquor, B Wine & C Beer - Cyclone Liquors, 626 Lincoln Way

- c. Class C Liquor - Café Northwest, 114 Des Moines Street
 - d. Class C Liquor - Lucullan's Italian Grill, 400 Main Street
 - e. Special Class C Liquor - Valentino's, 823 Wheeler Street, Ste. #1
 - f. Special Class C Liquor - The Spice Thai Cuisine, 402 Main Street
 - g. Class C Beer & B Wine - Kum & Go #200, 4510 Mortensen Road
 - h. Class C Beer & B Wine - Kum & Go #227, 2108 Isaac Newton Drive
 - i. Class C Beer - Swift Stop #4, 1118 South Duff Avenue
 - j. Class C Beer & B Wine - Swift Stop #5, 3218 Orion Street
5. Motion approving Class C Liquor License for Mother's Pub, 2900 West Street
 6. Motion approving 5-day Class C Liquor License for Olde Main Brewing Company for event being held at 2321 North Loop Drive, Ste. 140
 7. Motion setting April 1, 2008, as Special Workshop regarding targeted growth and annexation study update
 8. Motion referring to Planning & Zoning Commission the Petition for Annexation of property located at 1820 South Dayton Avenue
 9. RESOLUTION NO. 08-088 approving and adopting Supplement No. 2008-2 to the Ames Municipal Code
 10. RESOLUTION NO. 08-089 approving amendment extending contract with South Campus Association Neighborhood (SCAN)
 11. RESOLUTION NO. 08-090 approving contract with Kucera International of Willoughby, Ohio, in the amount of \$67,970 for Topographic Mapping/Aerial Photography
 12. RESOLUTION NO. 08-091 approving transfer of airport land lease with Field of Dreams, Inc., to Craig A. Sommerfeld
 13. Requests from Main Street Cultural District for "Tune In to Main Street" activities every Thursday evening from May 29 - July 31, 2008:
 - a. Motion approving blanket temporary obstruction permit for Central Business District (CBD) sidewalks from 8:00 a.m. to 8:00 p.m.
 - b. Motion approving blanket vending permit for entire CBD
 - c. RESOLUTION NO. 08-092 approving waiver of parking meter fees and enforcement in CBD from 3:00 p.m. to 6:00 p.m.
 - d. RESOLUTION NO. 08-093 approving waiver of fee for blanket vending permit
 - e. RESOLUTION NO. 08-094 approving usage of and waiver of fee for electricity in and near Tom Evans Plaza
 - f. RESOLUTION NO. 08-095 approving closure of 24 parking spaces in CBD Lot X
 14. MGMC Hope Run/Walk on June 14, 2008:
 - a. RESOLUTION NO. 08-096 approving closure, from 5:30 to 10:30 a.m., of East 24th Street; Broadmoor Avenue; east half of northbound lane of Duff Avenue from Broadmoor Avenue to East 20th Street; north half of westbound lane of East 20th Street from Duff Avenue to Meadowlane Avenue; Meadowlane Avenue from East 20th Street to East 13th Street; south parking lot at Inis Grove Park, and west parking lot at North River Valley Park
 - b. RESOLUTION NO. 08-097 setting temporary no-parking restrictions from 5:30 to 10:30 a.m. on both sides of East 24th Street, Broadmoor Avenue, Duff Avenue from Broadmoor Avenue to East 20th Street, East 20th Street from Duff Avenue to Meadowlane Avenue, and on east side of Meadowlane Avenue
 - c. RESOLUTION NO. 08-098 approving request for waiver of Road Race fee
 15. RESOLUTION NO. 08-099 awarding contract for purchase of Aluminum Cable for Electric Distribution to RESCO of Ankeny, Iowa, in the amount of \$56,750.00, plus applicable sales taxes (subject to reel length variances)
 16. RESOLUTION NO. 08-100 approving preliminary plans and specifications for 2007/08 Sanitary Sewer Rehabilitation Contract No. 1 – Meadowlane Avenue (East 13th Street to Carr Drive); setting April 16, 2008, as bid due date and April 22, 2008, as date of public hearing
 17. RESOLUTION NO. 08-101 approving preliminary plans and specifications for 2007/08 Concrete Pavement Improvements (Green Hills Drive/Red Oak Drive to University Boulevard); setting April 16, 2008, as bid due date and April 22, 2008, as date of public hearing
 18. RESOLUTION NO. 08-102 approving preliminary plans and specifications for Power Plant

- Coal Handling Sprinkler System; setting April 23, 2008, as bid due date and May 13, 2008, as date of public hearing
19. RESOLUTION NO. 08-103 approving contract and bond for Grand Avenue Extension Project - Underground Line Relocation
 20. RESOLUTION NO. 08-104 approving contract and bond for 2006/07 Annual Traffic Signal Program (Lincoln Way/Welch Avenue)
 21. RESOLUTION NO. 08-105 approving contract and bond for 2007/08 Annual Traffic Signal Program (Lincoln Way/Lynn Avenue)
 22. RESOLUTION NO. 08-106 approving contract and bond for WPC Facility Trickling Filter Building HVAC Heat Recovery Unit
 23. RESOLUTION NO. 08-107 approving Final Minor Plat for Woodbridge Subdivision, 1st Addition
 24. RESOLUTION ON. 08-108 approving submittal of application for FEMA "Assistance to Firefighters Grant"

Roll Call Vote: 5-0. Resolutions declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

PUBLIC FORUM: Richard Doi, 505 Eighth Street, Ames, told the Council that he had attempted to put an ad in the Ames Tribune. He indicated that he had spoken with several persons at the newspaper; however, no one would accept his ad. Mr. Doi requested that the Council make the press be naked when they are on public property.

Joe Rippetoe, 419 Pearson Avenue, Ames, spoke again about the relationship of Wolford Development with the City Council. He indicated that Wolford Development is over 110 days late in its Developer's Agreement obligations. Mr. Rippetoe said that he had lived in Ames for over 26 years and had never seen a legal contract so blatantly broken. According to Mr. Rippetoe, there are no known anchors, no known anchor prospects, and no known prospects. He commented that other commercial opportunities throughout the City are "dead in the water." Mr. Rippetoe reminded the Council that it has a remedy, i.e., rezoning the land to Industrial.

WATER RATES STRICTURE: Water and Pollution Control Director John Dunn advised that staff was not looking for any formal action by the City Council on the proposed seasonal water rate ordinance at this meeting; the public hearing on first reading will occur on April 8, 2008.

Mr. Dunn recalled that staff had presented a conceptual water rate structure intended to encourage conservation during the summer peak demand season at the Council's meeting of March 4, 2008. During that presentation, staff had indicated some areas where additional detail was still needed to be developed. At that meeting, Council members had also pointed out desired modifications to the rate structures.

At the March 4, 2008, meeting, staff had indicated that additional work was necessary to distinguish between residential and commercial accounts and suggested the possibility of establishing small residential customer accounts (generally single-family houses) and large residential customer accounts (multi-plexes). Mr. Dunn advised that staff had reviewed other Iowa municipalities' rate structures to learn how they have made the distinction, and it was discovered that only three utilities: Cedar Falls, Cedar Rapids, and Newton, differentiate residential accounts from other types of accounts. Per Mr. Dunn, after much evaluation, staff is now suggesting that "residential" account be defined in the ordinance, as follows: "...customer accounts serving properties that are intended for occupancy by a single family, as defined by the Ames Zoning Ordinance, provided that such accounts consist of no more than two dwelling units being served by a single water meter". It was clarified by Mr. Dunn that where there is a single master meter serving the entire property, staff is recommending that the service account be treated as a commercial account instead of a residential account.

The second issue needing additional work was identified by Mr. Dunn as non-residential classes. He said that during the presentation on March 4, 2008, staff showed possible rate structures for three non-residential classes, i.e., Small Commercial, Large Commercial, and Industrial. An individual rate for each of those was calculated based on the demand patterns of those customers,

but the customers had been assigned to those categories based on their designation for electrical billing, not water usage. Mr. Dunn explained that trying to group customers together became very difficult because every business has a different pattern of use. Staff is now recommending that a single, non-residential class be used instead of the three separate rate classes. The rate proposed is 1.35 times the base rate, which would be \$1.88/hundred cubic feet. Director Dunn explained his reasons for making that recommendation, as follows:

1. Seasonal demand profiles vary considerably among those three types of customers, which make setting block sizes difficult.
2. Staff was concerned about having different classes of non-residential accounts charged different rates.
3. Other Iowa communities that use block structures have not attempted to distinguish between types of non-residential users, presumably because of the reasons listed above.

Council Member Rice noted that mobile home parks were not shown in the “Residential” category. Mr. Dunn informed him that those properties have a single master meter for the entire park, and the charge for water is added to the tenants’ rent; they are not billed individually.

It was asked by Council Member Goodman if staff considered dividing customers into summer-peaking and non-peaking. He felt that having those two categories would provide the best separation among the groups. Mr. Dunn advised that the challenge in doing that is that the City’s billing software does not allow for that opportunity. Due to that software limitation, Customer Service employees would have to hand-calculate peaking ratios for every account every year to determine which class the customer should be in.

The third issue dealt with large customers with flat demand profiles. Mr. Dunn recalled that several Council members had expressed concerns that large customers with a flat demand profile not be subject to the seasonal peak rate. Staff offered the following definition of a “non-peaking industrial” class: “The non-peaking industrial rate would apply to those non-residential users who meet both of the following requirements: (1) have an average winter demand of greater than 100,000 cubic feet per billing cycle for meter reads during the months of December, January, and February, and (2) have a peaking factor of no greater than 120%.” Peaking factor was defined as “the largest single monthly demand for billing cycles with meter reads during June, July, August, and September divided into the average winter demand”.

Mr. Dunn advised that, by using billing data for the months of December 2006 through February 2007 for the average winter demand and the months of June 2007 through September 2007 for the peak month demand, currently five customers would qualify for this “Non-Peaking Industrial” rate category, i.e., Flummerfelt Mobile Home Park, Old Orchard Mobile Home Park, Sauer-Danfoss, Barilla, and the Ames Power Plant. From the same data, the following five customers would meet the first criterion, but have a peaking factor of greater than 120% and would not meet the second criteria: USDA - National Veterinary Services Laboratory, Ball Plastics, Mary Greeley Medical Center, University Village, and the USDA - National Animal Disease Center.

According to Mr. Dunn, staff is recommending that for each facility with an average winter consumption above 100,000 cubic feet/month, the City will calculate a summer peaking factor annually and will automatically assign those with a peaking factor of 120% or less to the “Non-peaking Industrial” rate class for the following summer. Those accounts with a summer peaking factor greater than 120% will be assigned to the general “non-Residential” rate class for the following summer. New customer accounts with an anticipated winter demand of more than 100,000 cubic feet/month would be evaluated on a case-by-case basis.

Council Member Goodman expressed dismay that the City’s software will not allow different classes of customers. Mr. Dunn indicated that there is software available, but it is very cost prohibitive. Mr. Goodman said that, should the software become cost-effective at a future date,

he would want this issue revisited.

Council Member Rice asked if the City were receiving any benefit from not charging certain customers for high summer usage. Mr. Dunn said that, from purely a cost-of-service basis, the customers with a flat profile are the most efficient for the City to serve. The one justification that makes the most sense in terms of conservation is that, for two customers: Sauer-Danfoss and Barilla, which have summer peak factors just below the 120% threshold, it creates a large economic incentive for them to stay below that threshold.

Council Member Goodman pointed out that the goal is conservation, and to decrease the summer peak, incentives or deterrents should be created for the largest users.

Council Member Popken said that it is a question of equity for the smaller customers because a break is being given to the flat rate large users; there are smaller customers who also are flat-rate users. He feels that it is unfortunate that the software cannot make those calculations and deliver the same benefits to the smaller flat-rate customers as would be given to large flat-rate users.

Council Member Goodman inquired as to what the change in the rate of the class would be if those five customers were put back in the category. Director Dunn said that the proposed \$1.88 did not subtract out those customers. Those businesses' volume of water is still being divided into that class. If you took that volume out, it would increase five or six cents.

Council Member Rice said that he was uncomfortable with creating a separate class as their volume still contributes to the peak. Council Member Goodman agreed that the top five users are not a large part of this issue; it is the five that are not in that class. This would provide an incentive to those customers to become more efficient.

Moved by Rice, seconded by Popken, to direct staff to not include the large industrial users with a flat rate in the ordinance.

City Manager Schainker clarified that, if this motion passes, Section 3a., b., and c., would be eliminated from the draft ordinance.

Vote on Motion: 2-3. Voting aye: Popken, Rice. Voting nay: Doll, Goodman, Mahayni. Motion failed.

Mr. Dunn advised that staff is also proposing a revision to the Municipal Code clarifying the number of billing cycles per year and the maximum volume for which the exemption from the sewer use charges would be allowed. This would bring the ordinance language in line with the original intent of the sewer use exemption, which was for one-time occurrences. Staff believes that this would serve as a deterrent against excessive watering and would eliminate a loophole where the sewer use exemption can be used in lieu of establishing a yard meter water account.

ELECTRIC RATE INCREASE: Finance Director Duane Pitcher gave a presentation on electric rates for Council discussion. He gave the history of the most-recent increase and advised that the FY 2008/09 Adopted Budget includes an 8% across-the-board increase in electric rates and an increase in the Energy Cost Adjustment (ECA) for emissions allowances that are expected to increase the energy portion of the rate structure by an additional 5%. The increase in electric rates will fund the increased operating costs, the Capital Improvement Plan projects, and revenue debt for the Electric Utility. The increase in the ECA will cover the cost of mercury and NOX allowances.

Mr. Pitcher advised that the Burns and McDonnell Study had been completed, providing an analysis of options to meet future electric service needs for customers. All options identified by that Study will require some future increases in electric rates. Mr. Pitcher said that, after a path for replacement of base electric load generation is chosen from the Study, staff will conduct a cost-of-service study, including review of rate structure, to find the best method to fund it. He advised that in order to implement the rates as planned in the budget, the first reading of the rate

ordinance must be approved at the second meeting in April. Sample bills under the new rates for Residential and Commercial customers were given by Mr. Pitcher.

In summary, Mr. Pitcher said that there will be an 8% increase in the rates and a 5% increase in the ECA; however, that does not apply to the demand charges or the base charges, so it really is not a 13% increase – it is somewhere in between.

Council Member Popken asked to know the difference in philosophies when looking at water rates versus electric rates. He noted specifically that staff was recommending a study be performed before the rates are set, but on the water side, the rate structure will be used to affect the demand and encourage conservation. Director Pitcher stated that, for electricity, the City is addressing conservation through Demand Side Management, and different seasonal rates are already in place. Pertaining to the Electric Utility, there can be very significant differences in the cost structure depending on what path is chosen to replace base electric load generation. With water, the “resource” is basically free, albeit it has to be pumped and there are some variable costs, but the fixed cost is based on the Plant. Currently, the City is just looking to reduce demand for water through seasonal rates. Studies will need to be performed in the future when the City is closer to identifying what is needed to replace infrastructure at the Water Plant.

It was also asked by Council Member Popken if the limitations of the City’s computer software will be an issue for electric customers. Specifically, he wanted to know if it would be worthwhile to look at updating utility software. Mr. Pitcher advised that, for electric, it is based on the City’s ability to meter it differently, and the billing system software is set up to handle that. Very sophisticated electric meters are already in place for the large commercial customers. Electric Services Director Donald Kom advised that the price of the electric commodity, whether generating or buying it on the market, currently changes every five minutes.

Referencing the Burns & McDonnell Study, Council Member Rice noted that this is the second rate increase; however, there are more to come. He wants to get the public more involved in the process. Director Kom stated that on April 21, 2008, the Study will be presented at a public meeting. Electric Services staff will also be meeting with many of its customers to discuss the impacts of the various options. Demand Side Management programs and renewable generation will also be covered in the meetings.

Gregory Vitale, 2510 Pierce Avenue, Ames, explained that he has worked with utility issues for approximately 20 years. He said that he heard the staff’s explanation for another across-the-board Municipal Electric increase instead of studying the process of fixing its rate structure. According to Mr. Vitale, Ames Municipal Electric continues to have a declining block rate. He then focused his comments on declining block rates for primarily residential customers. Mr. Vitale said that, regardless of what option Ames takes for acquiring electricity in the future, either generating or purchasing capacity, the costs are going to be higher, and the costs are going to be higher in the summertime; rate adjustments should reflect that now. He also said that coal costs are now being driven by international markets; they are going up. Mr. Vitale believes that Ames’ rate structure is wrong, and several opportunities have been missed to start the process of getting at least the flat rate going. He commended the Electric Utility for approaching the net metering issue. Mr. Vitale feels that is a step in the right direction so that it is possible to have distributed generation throughout the City and be more self-sufficient. He does, however, wonder about the rate that is being applied; it seems excessive for people who generate more than what they use. According to Mr. Vitale, Ames Municipal Electric could do more to manage the expensive summer peak demand: by requiring new hook-ups to be part of the summer interrupt program when peaks are hit. He pointed out that the Sargent Study, which was performed approximately six years ago, suggested multiple sources of power. If the Marshalltown Alliant Plant comes to fruition, Mr. Vitale recommended that Ames consider buying some of that capacity; it would increase the City’s options for the future.

Mr. Vitale also wished to comment about stormwater fees. He noted that there is a problem at Greenbriar Park with stormwater, and apparently, there are no funds available. As the City is considering water and electric rates, it needs to revisit stormwater fees to make sure that funding

is available to solve problems that currently exist.

City Manager Schainker referenced the City's goal of disinfection at the sewer plant and the need for a sanitary sewer increase; it was scheduled for 2009/10. There was indication that the City Council might want to consider a smaller rate increase sooner, but that was not brought forward yet because customers were being educated first on the need for an increase in electric and water rates. Mr. Schainker asked if the Council wanted to give direction to staff on the possible acceleration of a smaller increase in sanitary sewer rates. Council Member Popken recalled that three utility rate increases were programmed into the 2009/10 budget, so it didn't matter whether there were two or three now. Mayor Campbell pointed out that the City is educating people to get them accustomed to two rate increases before another one is added. Mr. Schainker added that acceleration of the sanitary sewer rate was not discussed during the 2008/09 budget hearings.

INTERCONNECTION AGREEMENT: Electric Services Director Donald Kom said that numerous customers had called to inquire whether Electric Services has a policy dealing with the interconnection of small (10 kilowatts and less) green electricity generators to its system. Staff investigated the issue and developed an Interconnection Agreement, which covers the items necessary to safely isolate the customer-owned generator from the City's electric distribution system, and a Net Metering Rider, which covers how the customers will be metered and billed for their net use of electricity each month. By approving these documents, individuals who invest in a home solar unit or other small generating system may have their electric bills reduced by the amount of power that they are able to produce. It was noted that the City would not be purchasing the power from small producers, but merely crediting their bills for the power which they produce and avoid Electric Services having to provide; it is a transaction in kilowatt hours. Mr. Kom stated that this option is available to all customers, but the size is limited to 10 kilowatts or less at this time.

City Manager Steve Schainker advised that there was one more step to be taken before this issue is finalized, i.e., the City needs to make modifications to its electric tariff to codify this. It is anticipated that those modifications will be brought to the City Council at its April 8, 2008, meeting.

Al Joensen, 2602 Yorkshire Street, Ames, said that he wished to address the net metering clause of the Interconnection Agreement. It appeared to him that if a small generator inputs kilowatt hours, credit is given at the actual retail rate. The retail rate is based on production costs at the Power Plant, the annual fixed charges associated with the transmission line, and the overhead. Mr. Joensen advised that, based on his experience with interconnection agreements with other utilities, credit is normally given for avoided costs or production costs associated with the reduction of the kilowatt hours. However, what is being implied is that the City is giving the customer extra credit for the cost of the distribution line, which they are not paying for, and that cost is passed on to the other rate-payers. Mr. Joensen requested that the net metering clause be reexamined to determine the proper credit to be given for an on-site generator.

Janet McKee, 5317 Valley Road, Ames, expressed her thanks to City staff responsible for creating the Interconnection Agreement. At this time of great concern over global warming, she feels that it is wonderful that utility customers are encouraged to consider various renewable energy sources.

Moved by Goodman, seconded by Popken, to adopt RESOLUTION NO. 08-109 approving the Interconnection Agreement and Net Metering Rider allowing small generators to connect to Electric Services' system.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

HEARING ON RAW WELL WATER TRANSMISSION PIPELINE PROJECT: Christina Murphy, Assistant Director of Water and Pollution Control, introduced Les Wolfe, Project Manager with FOX Engineering Associates, Inc., 1601 Golden Aspen Drive, Ames; and Jay

Walton, Graham Land Acquisition Associates, serving as the right-of-way agent.

Ms. Murphy presented the background for this project. She said that the project's objectives are to: (1) provide increased reliability and redundancy for approximately 65% of the current supply capacity, (2) increase the productivity of existing well fields by approximately one million gallons/day by reducing existing pipe friction losses, (3) extend the well piping system closer to future well fields, and (4) provide balance between customers and affected property owners.

Future well fields were identified by Ms. Murphy. Staff has been working with Iowa State University to examine where Ames needs to go next for water, and early studies have indicated that the best place for Ames to reach a future raw water supply is located on the east side of the South Skunk River. Staff is looking into that area now. It is one of staff's objectives to get rights to land on the east side of the River closer to the future well fields.

According to Ms. Murphy, funding for this project is included in the CIP. The total estimated project cost is approximately \$4 million. Preliminary engineering work has begun.

The public input process to date was shared by Ms. Murphy. Additional opportunities for public input will be provided when the project is further along.

Mr. Wolfe pointed out the location of the Raw Water Main Corridor. He said that ten future routes were studied. The selected route would equate to 13,200 feet of 30" pipe. Eighty-five percent (85%) of the route is located in the floodway or on City property. Six permanent easements would be necessary. The most directly affected property owners were named as: Story Construction; Pyle Land, LLC; Hickory Park; and Mildred Lange.

Discussion ensued on the preferred route and alternate routes requested by affected property owners.

Ms. Murphy reviewed the project time line. It is estimated that construction would begin in October 2008 and be completed by October 2009. Next steps were outlined by Ms. Murphy.

Mayor Campbell opened the public hearing.

Todd Rooks, representing Hickory Park Restaurant, said that Hickory Park is in favor of the basic concept, i.e., the City needs additional raw well water. The owner of the Restaurant is requesting to be able to make maximum use of the floodplain ground for future development to the east. It is felt that by shifting the waterline slightly farther to the west, they would gain 25 - 30 feet of usable developable ground. It would be a large benefit to them to have that extra footage to the east.

Noting the cost differential to move the route as representatives of Hickory Park Restaurant have requested, Council Member Goodman asked if it would be possible to do so if the Restaurant owner paid the cost difference (\$24,000). Ms. Murphy said that it was not an unreasonable request, however, a cost unknown at this point is the streambed stabilization. By pushing the pipe closer to the left side of the east bank of the River, it could result in a more significant cost for that stabilization.

No one else wished to speak, and the Mayor closed the hearing.

Moved by Mahayni, seconded by Goodman, to adopt RESOLUTION NO. 08-110 proceeding with raw well water transmission pipeline public improvement project and authorizing staff to acquire necessary easements for the selected route using eminent domain, if necessary.

Council Member Goodman said that he believes a goal in government should be to serve as many people as well as possible. He pointed out that many citizens are being served by the City by this project, and all attempts are being made to keep costs as low as possible, but there are a few people who will be negatively affected. It frustrates him to negatively impact any property owner,

but reminded the public that the goal is to do what's best for the overall community.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

HEARING ON CONSTRUCTION OF RESTROOMS AT ADA HAYDEN HERITAGE PARK: The public hearing was opened by the Mayor and closed after no one asked to speak.

Moved by Mahayni, seconded by Goodman, to accept the report of bids and refer the project to staff for further analysis of the above two issues.

Vote on Motion: 5-0. Motion declared carried unanimously.

HEARING ON VACATION OF UTILITY EASEMENT IN LOT 1 OF NORTHCREST SUBDIVISION: Mayor Campbell opened the public hearing. There was no one who came forward to speak, and the Mayor closed the hearing.

Moved by Mahayni, seconded by Goodman, to adopt RESOLUTION NO. 08-111 approving vacation of easement in Lot 1 of Northcrest Subdivision.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

Moved by Mahayni, seconded by Goodman, to adopt RESOLUTION NO. 08-112 accepting an electrical easement in Lot 1 of Northcrest Subdivision.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

COMMENTS: Mayor Campbell commented on the bill passed this week in the Legislature, which significantly amended the Collective Bargaining for Public Employees legislation, and its potential impact on local governments. She indicated that City representatives had met with its local legislators two or three weeks ago, and this issue was not brought up. In fact, only a week ago today, it was included in an amendment process in the Iowa House. Last Thursday morning, "with great speed," the bill passed the House and was sent immediately to the Senate. The City's concerns with this bill are twofold: (1) the procedure used and the haste with which this bill progressed, without any opportunity for input, and (2) the substance of the bill. Mayor Campbell pointed out that there had been Collective Bargaining for Public Employees since the 1970's. It was restricted to the subjects of wages, vacations, holidays, seniority, transfer procedures, job classifications, staff reduction, and in-service training. This bill adds significant new items, and has been passed by the House and the Senate and is awaiting signature by the Governor. The Governor had indicated that he may veto the bill because there has not been thorough dialog. It is now appearing that the bill will be reconsidered by the Senate, but there is no evidence that reconsideration means that the substance of the bill will change. The Mayor encouraged the

public to get involved in this process; it is a significant change that happened "on the spur of the moment".

Moved by Rice, seconded by Popken, to request a summary and time line from the City Manager on the topic of increasing sanitary sewer rates.

Vote on Motion: 5-0. Motion declared carried unanimously.

Maggie Luttrell advised that April 8, 2008, will be her last meeting as the *Ex officio* Member since she has been elected as Vice-President of the Government of the Student Body.

ADJOURNMENT: Moved by Doll, seconded by Goodman, to adjourn the meeting at 9:32 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor

