

ITEM #: 1
DATE: 04-18-23
DEPT: Electric/Legal

COUNCIL ACTION FORM

SUBJECT: REQUEST TO DRAFT ORDINANCE FOR GEOTHERMAL SERVICE FOR THE BAKER SUBDIVISION INCLUDING RATES, CHARGES, OWNERSHIP, AND REPAIR OF SERVICE CONNECTIONS

BACKGROUND:

The Baker Subdivision, located at 321 State Avenue in West Ames, is a 10+ acre parcel of infill land developed by the City to create a mixed-income housing subdivision that will address the affordable housing needs of low- and moderate income households and market rate housing through the development of a variety of housing types. The City has completed all of the public infrastructure improvements for the 26 single-family housing units, and some of the public improvements for a multi-family site. It is anticipated that construction of the single-family home will start in the late spring of 2023. **All homes in the Baker Subdivision will be served by City-installed geothermal wells, allowing for an all-electric development.**

Staff is requesting Council to authorize the Legal Department to draft an ordinance allowing the collection of charges from geothermal users and to set rules delineating ownership of geothermal service connections.

ALTERNATIVES:

1. City Council can make a motion to direct the Legal Department to draft a city ordinance allowing the collection of charges from geothermal users and to set rules delineating ownership of geothermal service connections.
2. City Council can make a motion not to direct the Legal Department to draft a city ordinance, which would delay the ability of the city to collect charges from users of the geothermal system.

MANAGER'S RECOMMENDED ACTION:

The proposed action will allow for cost recovery of the City's geothermal investment in the Baker Subdivision from users. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1.