

ITEM #: 15
DATE: 08-08-23
DEPT: W&PC

COUNCIL ACTION FORM

SUBJECT: FUNDING AGREEMENTS ASSOCIATED WITH STORY COUNTY EDGE OF FIELD PROJECT

BACKGROUND:

The Water Pollution Control Facility (WPCF) is being converted to a nutrient removal treatment technology. Separate from the work that will occur inside the treatment plant, watershed-based improvements performed by the City can be “banked” as credit toward any future, more stringent nutrient reduction regulations imposed on the WPC Facility. On February 24, 2021, staff executed a Memorandum of Understanding with the Iowa Department of Natural Resources to allow these off-site nutrient reductions to be banked with the Iowa Nutrient Reduction Exchange.

Over the past 24 months, staff has developed a partnership with multiple entities to bundle together Edge-of-Field (EOF) practices that can be bid as a single bid package. The first year of the project is nearing completion with 22 tile outlets in Story County being treated by either saturated buffers or bioreactors. These practices allow natural removal of nitrogen from subsurface drainage before it enters a stream or other surface waters.

The success of the project’s first year was due in large measure to the collaboration between City staff, Story County, Story County Conservation, Story County Soil & Water Conservation District (SWCD), and the Iowa Department of Agricultural and Land Stewardship (IDALS). Staff from the Water & Pollution Control Department are again working in collaboration with these groups to develop a project involving 20 to 30 installations, each treating tile drainage from fields ranging in size from 20 to 100 acres.



A bioreactor being installed as a part of Year 1 of the Story County Edge of Field project.

The City of Ames acts as the fiscal agent for the Edge of Field Project. This includes receiving funds from the different partners, procuring necessary temporary easements, and then contracting for the work to be performed. The funding for this project will consist of 75% from IDALS and 25% split equally between the City and Story County. The estimated cost for the City's share is \$50,000 which will come from the Watershed Based Nutrient Reduction Capital Improvements Project, which sets aside \$200,000 per year for watershed-based projects.

Currently, the EOF project has been limited to work occurring in Story County. The Story County Soil & Water Conservation District provides important technical assistance during the design of the practices, and also manages the 10-year maintenance agreement with the landowners. A large majority of the Skunk River watershed extends into Hamilton County, and it is possible for the City to extend the EOF project into Hamilton County and "bank" the nutrient reduction credits created with the Iowa Nutrient Reduction Exchange.

To facilitate an expansion of the EOF project into Hamilton County, the Hamilton County Soil & Water Conservation District needs to be added to the 28E Agreement already in place between the City of Ames, the Iowa Department of Agricultural and Land Stewardship – Division of Soil Conservation and Water Quality, and the Story County Soil & Water Conservation District. City staff has coordinated with the Ames Legal Department and each entity to review the agreement. The agreement (attached) has been finalized and is now ready for approval by City Council.

With assistance from the 28E partners, sites in Hamilton County will be evaluated for their suitability for the project and the landowners will be educated about the EOF project. Each landowner that participates will be required to sign a 10-year maintenance agreement and allow temporary access to their property during construction, for which they will be compensated. Installation of EOF practices in Hamilton County could potentially begin as early as 2025.

The attached 28E agreement has already been signed by both the Story County and Hamilton County Soil and Water Conservation Districts. Once the City has executed the agreement, it will be forwarded to IDALS for the final signatures.

ALTERNATIVES:

1. Approve a 28E agreement for fiscal agent assistance with the Iowa Department of Agriculture and Land Stewardship – Division of Soil Conservation and Water Quality, City of Ames, Story County Soil & Water Conservation District, and Hamilton County Soil & Water Conservation District.
2. Do not approve the 28E Agreement. Without the agreement, the City would then be responsible for enforcing the maintenance agreements and would not have access to information essential for the design of any practices in Hamilton County.

CITY MANAGER’S RECOMMENDED ACTION:

The Ames Water Pollution Control Facility is being converted to a nutrient removal treatment technology. To mitigate future investment beyond what is already planned for, watershed-based projects can be performed, and the resulting nutrient reduction credits can be banked. Following project completion, the City will register each of these practices and receive annual nutrient reduction credit for the lifespan of each practice.

Expansion of the Edge of Field Project into Hamilton County will allow for additional nutrient reduction credit possibilities, and assistance from the Hamilton County Soil & Water Conservation District is imperative for that expansion. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

Preparer: Matt Lechtenberg, Water Quality Initiative Coordinator, PH: (515)-285-3857
Iowa Department of Agriculture & Land Stewardship
Henry A. Wallace Bldg., 502 E. 9th Street, Des Moines, IA 50319-0050

Return to: Matt Lechtenberg, Iowa Department of Agriculture & Land Stewardship
Henry A. Wallace Bldg., 502 E. 9th Street, Des Moines, IA 50319-0050

**SECOND AMENDMENT TO 28E AGREEMENT FOR FISCAL AGENT ASSISTANCE
BETWEEN IOWA DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
– DIVISION OF SOIL CONSERVATION AND WATER QUALITY; CITY OF AMES;
AND STORY COUNTY SOIL AND WATER CONSERVATION DISTRICT FOR THE
CENTRAL IOWA EDGE OF FIELD PROJECT**

Pursuant to Section XI (Amendment) of the original agreement, this agreement is amended to include practices installed within the Hamilton Soil and Water Conservation District (SWCD). Hamilton SWCD responsibilities for practices within this jurisdiction shall be the same as detailed in Article VIII of the agreement for Story SWCD, which includes the following.

- A. Execute an individual maintenance agreement with the appropriate landowner(s) prior to the start of construction of the edge of field practice. Execution of individual maintenance agreements between the Hamilton SWCD and landowner(s) shall be done for each practice site within the Hamilton SWCD. All maintenance agreements are to be recorded within the appropriate County where the practice is being installed.
- B. Provide technical assistance during the practice design and installation process and technical certification of practice upon completion of the practice in the respective County.

This Amendment does not otherwise affect the Agreement or its terms, and the Agreement may be further extended or otherwise amended only upon written agreement of all parties on terms stated therein.

This Amendment is valid upon signature of all parties once filed in an electronic format with the Secretary of State as required by Iowa Code section 28E.8(1)(b) (2021).

IN WITNESS WHEREOF, and in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt, adequacy, and legal sufficiency of which are hereby acknowledged, the parties have entered into this 28E Agreement and have caused their duly authorized representatives to execute this 28E Agreement.

DIVISION OF SOIL CONSERVATION AND WATER QUALITY

BY: _____ DATE: _____

Grant Menke, Deputy Secretary of Agriculture
Iowa Department of Agriculture & Land Stewardship

This instrument was acknowledged before me on the ____ day of _____, 2023, by Grant Menke, Deputy Secretary of the Iowa Department of Agriculture & Land Stewardship.

Notary Public in and for the State of Iowa

CITY OF AMES, IOWA

IN WITNESS THEREOF, THE CITY OF AMES, IOWA has caused this 28E Agreement to be executed on the _____ day of _____, 2023.

By: _____
John A. Haila, Mayor

Attest: _____
Diane Voss, City Clerk

STATE OF IOWA)
) ss:
COUNTY OF STORY)

On this _____ day of _____, 2023, before me, a Notary Public in and for said County, personally appeared John A. Haila and Diane Voss to me personally known, and who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the City of Ames, Iowa, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said City, and that said instrument was signed and sealed on behalf of said City by authority and resolution of its City Council as contained in Resolution No. _____ adopted on _____, 2023, and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said City by it voluntarily executed.

Notary Public in and for the State of Iowa

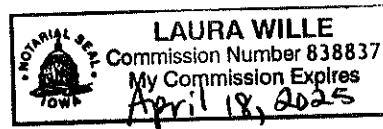


STORY COUNTY IOWA SOIL AND WATER CONSERVATION DISTRICT

BY: Kayla Bergman DATE: 7/24/23
Chair
Story County Soil and Water Conservation District

This instrument was acknowledged before me on the 26th day of July, 2023, by Kayla Bergman, Chair of the Story County Iowa Soil and Water Conservation District

Laura Wille
Notary Public in and for the State of Iowa



HAMILTON COUNTY IOWA SOIL AND WATER CONSERVATION DISTRICT

BY: Linda Prusmann DATE: 7-19-23
Chair
Hamilton County Soil and Water Conservation District

This instrument was acknowledged before me on the 19th day of July, 2023, by Linda Prusmann, Chair of the Hamilton County Iowa Soil and Water Conservation District

Colleen L. Trees
Notary Public in and for the State of Iowa

