

ITEM #: 13
DATE: 02-27-24
DEPT: W&PC

COUNCIL ACTION FORM

SUBJECT: LAND ACQUISITION FOR DRINKING WATER SOURCE PROTECTION

BACKGROUND:

The Ames Water Plant obtains its source water from wells located in various parts of the community. In April of 2000, the City acquired approximately 73 acres of land for a future “I-35 East Well Field.” The FY 2018/19 Capital Improvements Plan included the “South Skunk River Well Field Land Acquisition” project to acquire additional ground at a then-undetermined location somewhere between the Hunziker Youth Sports Complex and the I-35 East Well Field. A portion of the authorized funds have been spent on test wells, and the balance (\$476,278) has been carried over from year-to-year while staff worked to assemble a meaningful project.

On September 12, 2023, Council approved a conceptual plan, subject to negotiation of acceptable terms and conditions, to acquire a parcel referred to as the C. G. Lee property. The concept was for the property to be acquired in partnership with the Iowa Natural Heritage Foundation (INHF). **This land acquisition is for a combination of drinking water source protection and nutrient reduction credit. The approximately 42 acres is hydraulically up-gradient from the I-35 East Well Field ground, and returning it to native species will serve to protect and preserve the groundwater in the vicinity for long-term source water protection. Additionally, the Water Pollution Control Facility can claim nutrient reduction credits for retiring the land.**

The City's acquisition price is the amount paid by the INHF (42 acres at \$12,000 per acre, or \$508,200) minus a private donation received by the INHF of \$8,200, for a final selling price of \$500,000. The source of the funds used to purchase the property are as follows.

South Skunk River Well Field Land Acquisition CIP (Water Fund)	\$390,000
Watershed-based Nutrient Reduction CIP (Sewer Fund)	75,000
Story County Pheasants Forever	10,000
Marshall/Tama County Pheasants Forever	2,000
ISU Chapter Pheasants Forever	12,500
Boone Co Pheasants Forever	8,000
<u>Hardin County Pheasants Forever</u>	<u>2,500</u>
Total	\$500,000

Several different Pheasants Forever chapters deserve credit for much-appreciated contributions to this project. These donations have been deposited into a Water Fund account. The City will expend \$425,000 from the Water Fund and \$75,000 from the Sewer Fund, with the donations reducing the net amount from the Water Fund to the \$390,000 shown above.

The deed places a restriction on the use of the land for “...conservation, open space, hunting, and trail purposes...” All of these uses are quite compatible with the City’s interest in protecting the underlying

groundwater. **Staff does not anticipate the future construction of drinking water wells on this property, but has reserved the right to do so at the City's sole discretion within the deed.**

Staff is continuing to pursue acquisition of portions of an adjacent property that was also conceptually approved by Council in September 2023, referred to as the Ryerson property. The acquisition of this land would be for the future construction of the I-35 West Well Field, and would be accomplished in partnership with the Iowa Department of Agriculture and Land Stewardship and Story County Conservation. The contribution by the City towards the Ryerson property would be approximately \$69,000, which would come from the remaining funds in the FY 2018/19 South Skunk River Well Field Land Acquisition CIP account.

The attached purchase offer has been reviewed and approved by the City's Legal Department. Following Council approval, staff will proceed with closing on the property over the next few weeks.

ALTERNATIVES:

1. Approve the purchase offer and direct staff to proceed with closing on the C. G. Lee property.
2. Do not approve the purchase and provide direction to staff regarding the acquisition of ground south of Ames for future drinking water supply needs.

CITY MANAGER'S RECOMMENDED ACTION:

The Capital Improvement Plan includes two important forward-looking projects. One is to secure an additional location from which the City could draw groundwater as a future drinking water source. The other is to pursue watershed-based nutrient reduction removal projects as a way to bank credits against any future restrictions on the Water Pollution Control Facility's discharge permit. Important considerations include the following.

- City funds have been budgeted and earmarked for this specific purpose;
- Outside funding partners are willing to assist both financially and with needed expertise; and
- A willing landowner is offering to sell the property to the City.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

ATTACHMENT(S):

[Location of C G Lee Property.docx](#)

[CG Lee Offer to City of Ames.pdf](#)