

ITEM# 43
DATE: April 22, 2008

COUNCIL ACTION FORM

SUBJECT: EXERCISE OF OPTIONS TO ACQUIRE EASEMENTS ON PROPOSED ROUTE OF 161-KV TRANSMISSION LINE

BACKGROUND:

In order to improve electric service reliability for our customers, there is the need for an additional transmission line to connect to the regional electric transmission grid. Following years of system impact studies, a route study, and substation and transmission line design work, the City determined that the best route for an additional transmission line extends from Ames to Ankeny. This project has been underway since 2004.

On February 27, the City filed its most recent brief with the Iowa Utilities Board. A ruling on the City's franchise application is yet to be received from the Iowa Utilities Board. The City has obtained options to acquire easements for the location of transmission lines along the proposed route. Two of the options to acquire an easement will expire on April 27 and April 28 of 2008. The cost of acquiring these easements is \$2,225.00 due April 27, and \$13,275 due April 28 for a total cost of \$15,500. These properties are in Polk County near the Polk/Story County line along Interstate 35 and are within the area that the Iowa Utilities Board hearing officer recommended to be double circuited.

The next group of payments for easements will come due in June. Staff is anticipating that the City will receive a decision from the Iowa Utilities Board prior to that time.

ALTERNATIVES:

1. The City Council may authorize staff to exercise the options to acquire the easements due to expire on April 27 and April 28 of, in the total amount of \$15,500.
2. The City Council may allow the easement options to expire and direct staff to begin the process of securing new options for easements in these locations.

MANAGER'S RECOMMENDED ACTION:

These easement options, which are due to be exercised in April, will be needed in order to be able to run a transmission line from the Ames Plant to the south. If the Iowa Utilities Board would require the City to redesign any part of the route further to the south, these easements may no longer be of use to the City. To let these options expire may mean that the easements would need to be repurchased later at a higher cost. The City will not know about the use of the four easements in question until after the Iowa Utilities Board makes its ruling. Staff feels that the risk of purchasing several unusable easements outweighs the possible cost for having to renegotiate these easements at a later date, should the route be approved as proposed.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, authorizing staff to exercise the Options to acquire the easements due April 27 and April 28, in the total amount of \$15,500.

CAF APPROVAL

SS SS BK _____ SL SL

JK JK JP _____ DV _____

To be sent to _____

