

COUNCIL ACTION FORM

SUBJECT: **WATER TERRITORY AGREEMENT WITH CENTRAL IOWA WATER ASSOCIATION**

BACKGROUND:

In January 2014 the City Council established as one of its goals to "Promote Economic Development." A specific objective under that goal was to negotiate with Central Iowa Rural Water Association (CIWA) to resolve the rural water service territory issue east of Interstate 35.

As the City Council knows, current federal law preserves the right of CIWA to provide water service to the property east of Interstate 35 in the area where the Council hopes to expand our City limits for industrial land use. **Federal law only requires a rural water entity to provide potable water, and not to a level that will assure proper fire protection to an industrial use that locates there. Therefore, it is extremely important that the City be able to provide water for both potable uses and fire protection to the industrial properties that will locate within the city limits as we expand to the east.**

Attached for the City Council's approval is a contract that allows for the buyout of approximately 1,200 acres of service territory from CIWA. A summary of the highlights of this agreement is provided below.

Area Covered By This Agreement (Exhibit I)

The area covered by this agreement is reflected on Exhibit I and represents approximately 1,200 acres of land, most of which is along East Lincoln Way, involving property that has yet to be annexed into the City. You will note that this area also includes a portion of the land along East 13th Street that was previously annexed into the City, and which is planned for regional commercial uses.

Throughout the proposed contract, this area is referred to as the Phase I - Future Urbanized Area. This reference was important to City staff to indicate that it is the City's intent to further enlarge our industrial area east of Interstate 35.

Term of the Agreement (Paragraph 11)

The agreement calls for a twenty year term. However, after ten years of the effective date, either party may unilaterally cancel the contract by providing a twenty-four month written notice to the other party.

Continuing Members (Paragraph 4)

CIWA felt very strongly that they wanted to retain their eight existing customers, and also felt a responsibility to add new customers within the Phase I - Future Urbanized Area upon request. These are referred to as “Continuing Members” in the agreement. City staff would have preferred that CIWA not expand its customer base in the Phase I - Future Urbanized Area in order to assure that the largest possible amount of land is made available for large industrial entities to develop within the City.

You will note that, as a compromise, CIWA will be able to add customers after the effective date of the agreement, but the amount of land that will be allocated to any new Continuing Member will be only one acre in size.

Purchase Price (Paragraph 9)

The agreement is structured so that a buyout is possible when an industrial customer chooses to develop on land within the Phase I - Future Urbanized Area. In order to assure predictability for industries who hope to develop in this area, the formula for determining the cost of buyout has been established in advance in this agreement.

For the first five years of the agreement, the cost of the buyout will be \$2,500 per acre. For the following five years of the agreement, the buyout cost will remain firm after it is adjusted for inflation based on the Consumer Price Index - All Urban Consumers, All Cities, All Items. If the agreement remains in effect after ten years, the buyout cost will be adjusted every five years in a similar manner.

Release Of CIWA Service Territory To Continuing Members (Paragraph 5)

If any Continuing Member within the Phase I - Future Urbanized Area requests water service from the City, the following three events must occur before the property will be released by CIWA to the City's water service territory:

- 1) Approval must be given by CIWA for the transfer
- 2) The appropriate purchase price must be paid to CIWA
- 3) A reasonable disconnection fee must be paid to CIWA

Release Of CIWA Service Territory To Non-Continuing Members (Paragraph 6)

Under the agreement, CIWA is required to release to the City the remainder of those properties not allocated to a Continuing Member. In those cases, the only event that must occur is for the appropriate purchase price to be paid to CIWA.

Requirements Of CIWA When Operating In The City's Right-of-Way (Paragraph 8)

The staff had hoped that CIWA would agree to be subject to the provisions of the City's Right-of-Way ordinance. However, CIWA did not want to subject itself to this ordinance for fear that the requirements would add operating requirements in excess of what they are currently required to do when they work in Story County's rights-of-way.

In lieu of a blanket commitment to our ordinance, CIWA did agree to some of the major components of the ordinance. That should help reduce the possibility of damage to utility lines owned by the City and by other utilities in our rights-of-way. It should also make sure that City standards are met when certain types of construction are performed by CIWA, as well as eliminate the City's liability from claims arising out of CIWA's work or facilities being in the City rights-of-way. The agreement also grants this type of hold harmless promise to protect CIWA from claims arising out of the City's work or facilities in the rights-of-way that might adversely affect CIWA.

Sharing Of Water Consumption Information (Paragraph 12)

It is possible under this arrangement that Continuing Members within the Phase I - Urbanized Area could be served water from CIWA and receive sanitary sewer service from the City. Because sanitary sewer service fees are traditionally based upon water consumption, it is critical that CIWA provide this information to the City so that sanitary sewer bills can be calculated. In response to this need, CIWA has agreed to provide water consumption information for any such Continuing Members to the City within 30 days after the end of each month.

Effective Date Of The Agreement (Paragraphs 16 & 25)

It is important to note that this agreement will not become effective until:

- 1) The contract is approved by the United States Department of Agriculture and CIWA's financier, the National Bank for Co-operatives, and
- 2) The contract is recorded in the Office of the Story County Recorder

ALTERNATIVES:

- 1) Approve the attached agreement with the Central Iowa Water Association.

This agreement already has been approved by CIWA's Board of Directors.

- 2) Refer the agreement back to City staff to negotiate different terms.

Because the CIWA Board of Directors has already approved the terms of this agreement, it is unlikely that they will agree to any modifications at this time.

3) Reject the proposed agreement.

This action will call into question how industrial development annexed into the City east of Interstate 35 will receive the appropriate level of water service to provide fire protection to the area.

MANAGER'S RECOMMENDED ACTION:

The City staff has been working diligently over the past year with the administrative staff of CIWA to develop a trusting relationship that has led us to finalize the attached agreement. Some might question if a better deal might have been negotiated for the City. However, given the current level of protection granted to rural water entities by the federal government, this agreement represents an acceptable resolution of this issue.

The resolution of the rural water issue paves the way for the City to next (1) modify the City's Fringe Area Plan to extend industrial land uses east of Interstate 35, (2) annex land along East Lincoln Way all the way to 590th Street, and (3) extend water and sewer lines into this area in accordance with the City Council goal to promote economic development. Therefore, it is the recommendation of the City Manager that the City Council support Alternative #1, thereby approving the attached agreement with CIWA.

WATER SERVICE TERRITORY AGREEMENT

THIS AGREEMENT is made and entered into by and between the Iowa Regional Utilities Association d/b/a Central Iowa Water Association ("CIWA") and the City of Ames, Iowa ("Ames").

WHEREAS, Ames ceded its right to provide public water supply services to certain territory east of Interstate 35 and approved by resolutions granting CIWA's request to have the right to provide water service thereto (the "Ceded Territory"); and

WHEREAS, CIWA is a federally indebted rural water association under 7 U.S.C. §1926(b) and has the exclusive right to provide public water supply services to the Ceded Territory; and

WHEREAS, Ames has identified a part of the Ceded Territory for annexation into the City for purposes of urbanized development and Ames desires to exclusively control the urbanized development thereof, including the provision of public water supply services thereto; and

WHEREAS, said part of the Ceded Territory Ames has identified for annexation into the City for purposes of urbanized development is shown on Exhibit I and is hereafter referred to as Phase I - Future Urbanized Area and is legally described on Exhibit II; and

WHEREAS, the Parties desire to enter into this Agreement for the purpose of accomplishing a release and relinquishment by CIWA of its (CIWA's) right to provide public water supply services to the Phase I - Future Urbanized Area such that Ames becomes the public water supply provider to the Phase 1 - Future Urbanized Area; and

WHEREAS, Ames and CIWA desire to work collaboratively, respecting each other's rights and interests, to assure the orderly urbanized development of the Phase I - Future Urbanized Area by Ames.

NOW THEREFORE, in consideration of the above recitals and the mutual covenants contained herein and reliance on the same, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Incorporation of Recitals.** The foregoing Recitals are incorporated herein and made a part of this Agreement as if fully set forth verbatim. The

Recitals and Exhibits attached hereto are a substantive, contractual part of this Agreement.

2. **Definitions**. As used in this Agreement, terms herein shall have the following meanings:

(a) "Ames" means the City of Ames, Iowa, an Iowa municipal corporation located in Story County, Iowa, with its principal offices currently located at 515 Clark Avenue, Ames, Iowa 50010.

(b) "Ceded Territory" means the territory to which CIWA has the exclusive right to provide public water supply services.

(c) "CIWA" means Iowa Regional Utilities Association d/b/a Central Iowa Water Association, an Iowa non-profit corporation with its principal offices currently located at 1351 Iowa Speedway Drive, Newton, Iowa 50208.

(d) "Continuing Member" means a member of CIWA who received public water supply services within a part of the Phase I - Future Urbanized Area on the effective date of the Agreement or who, after the effective date of the Agreement, receives public water supply services from CIWA within the Phase I - Future Urbanized Area as provided in this Agreement.

(e) "Phase I - Future Urbanized Area" means the area Ames has identified for initial annexation and urbanized development as depicted and described on Exhibits I and II, which are attached hereto and by this reference made a part hereof.

(f) "Parties" means Ames and CIWA.

(g) "Property" means all land, or a portion of any parcel of land, within the Phase I - Future Urbanized Area.

(h) "Public Water Supply Service" means the act of supplying water to an end consumer in accordance with governmental regulations, regardless of the source, quality, or end use of such water.

(i) "Purchase Price" means the total amount to be paid to CIWA in return for CIWA's release and relinquishment of its exclusive right to provide public water supply services to that property in a part of the Phase I - Future Urbanized Area.

(j) "Release and Relinquishment Date" means the date CIWA releases and relinquishes all of CIWA's right, title, and interest to provide public water supply services to a part of the Phase I - Future Urbanized Area.

(k) "Water System" means the easements, fixtures, pumps, pipes, valves, other similar infrastructure and all other tangible and intangible personal property and rights and interests necessary to the operation of CIWA's public water supply system or Ames' public water supply system as the case may be.

3. Identification of the Service Territory Affected by this Agreement. For purposes of this Agreement, the property that is depicted and legally described on Exhibits I and II is the Phase I - Future Urbanized Area that is affected by this Agreement.

4. Continuing Members. For purposes of this Agreement, the parties agree that there are eight (8) properties with the allocated acreages within the Phase I - Future Urbanized Area, as depicted on Exhibit III as Properties 1, 2, 3, 4, 5, 6, 7, and 8 that are owned or occupied by Continuing Members as of the effective date of this Agreement. After the effective date of this Agreement, the owner of any property within the Phase I - Future Urbanized Area may request public water supply service from CIWA. If CIWA has not released and relinquished its (CIWA's) right to provide public water supply services to said property, CIWA may provide service to that requestor, who shall thereby become a Continuing Member of CIWA. In that event, and for the purposes of this Agreement, the amount of property allocated to that new Continuing Member shall be one acre in size, notwithstanding the actual amount of property served by the new CIWA connection.

5. Conditions Precedent for CIWA's Release and Relinquishment of Its Right to Provide Public Water Supply Services to Continuing Member Property in the Phase I - Future Urbanized Area. Should any Continuing Member of CIWA within the Phase I - Future Urbanized Area request that Ames provide public water supply service to his or her property, CIWA shall release and relinquish CIWA's right to provide public water supply services to said property upon satisfaction of the following three conditions:

(a) Approval is given by CIWA.

(b) Payment of the Purchase Price is made to CIWA as calculated in accordance with the provisions of Paragraph 9 herein.

(c) Payment for CIWA's reasonable expenses for disconnecting the Continuing Member from its system is made to CIWA.

6. Conditions Precedent for CIWA's Release and Relinquishment of Its Right to Provide Public Water Supply Services to Non-Continuing Member Property in the Phase I – Future Urbanized Area. CIWA shall release and relinquish its right to provide public water supply services to the other properties within the Phase I - Future Urbanized Area (i.e. all properties other than those that have been allocated to a Continuing Member in accordance with Paragraph 4) upon payment of the Purchase Price to CIWA for the property to which release and relinquishment of CIWA's right to provide public water supply services is sought as calculated in accordance with the provisions of Paragraph 9 herein.

7. Limitations.

This Agreement does not involve or affect:

- (a) any of CIWA's rights to provide public water supply services to Continuing Members or other CIWA members outside of the Phase I - Future Urbanized Area.
- (b) any of CIWA's rights, title, and interests in real estate (including easements) or its Water System located within the Phase I - Future Urbanized Area.
- (c) CIWA's right to own, construct, repair, replace, maintain and do all other things necessary to operate its Water System within the Phase I - Future Urbanized Area in such manner as CIWA, in accord with 7 U.S.C. § 1926(b) and in its sole discretion deems necessary [a] to provide public water supply services to its Continuing Members in the Phase I – Future Urbanized Area and [b] to provide public water supply services to its members outside of the Phase I – Future Urbanized Area.

8. Operational Matters. Notwithstanding the provisions of 7(a), (b) and (c) above and CIWA's rights under 7 USC §1926(b), any work performed by CIWA to construct, repair, replace, maintain and do all other things necessary to operate its Water System within the City's right of way in the Phase I - Future Urbanized Area shall be done in accordance with the following requirements:

- (a) All CIWA facility crossings of streets, driveways, shared use paths and sidewalks shall be bored. When the Parties mutually agree that boring is unfeasible, backfilling and area restoration (including paved surfaces and shoulders to like manner and condition) shall be performed by CIWA according to City specifications and standards. All other ditches, trenches, and other excavations shall be firmly filled and maintained, including seeding,

in such a manner as to present no hazard or obstacle to the use of the premise for other purposes.

(b) All crossings of existing City sewers, water mains, electric facilities, and other registered right-of-way users facilities shall be in accordance with the requirements of the City Public Works Department. The City shall have the right to construct, or grant the permit to construct, such facilities across or along CIWA facilities, in such a manner as to not interfere with CIWA facilities installed hereunder.

(c) Within sixty (60) days of making an installation of facilities in the City right-of-way, CIWA shall furnish the City with one (1) complete set of as-built drawings, preferably in an electronic format compatible with the City's mapping system.

(d) Except for emergency situations, CIWA shall give five (5) working days advance notice to the City when CIWA plans to place, construct, bury, or repair anything in the City right-of-way. Such notice shall include graphic material showing the location and extent of the proposed work along with projected beginning and ending dates for the work.

(e) CIWA shall participate with the City and with the other registered right-of-way users in an annual coordination meeting scheduled by the City's Public Works Department. The purposes of this meeting are to coordinate scheduling and installation of right-of-way user facilities in the City right-of-way and to minimize public inconvenience and costs.

(f) CIWA agrees to indemnify and save Ames harmless from any and all causes of action, suits at law or in equity, or losses, damages, claims, or demands, and from any and all liability and expense of whatsoever nature for, on account of or due to the acts or omissions of CIWA's officers, members, agents, representatives, contractors, employees or assigns arising out of or in connection with CIWA's work or facilities in Ames' right of way. Ames agrees to indemnify and save CIWA harmless from any and all causes of action, suits at law or in equity, or losses, damages, claims, or demands, and from any and all liability and expense of whatsoever nature for, on account of or due to the acts or omissions of Ames' officers, members, agents, representatives, contractors, employees or assigns arising out of or in connection with Ames' work or facilities in the Ames' right of way. Damages to property or facilities of the City or its permittees within Ames' right of way during construction, maintenance, or repair of CIWA facilities shall be promptly repaired or compensated for by CIWA. Damages to property or facilities of CIWA within

Ames' right of way during construction, maintenance, or repair of Ames facilities shall be promptly repaired or compensated for by Ames.

(g) In the event the City requests a relocation of CIWA facilities that are in Ames' right of way because of street construction or maintenance in the area, CIWA agrees to move or relocate said facilities to another suitable location, with the costs of relocation to be paid by CIWA. These relocation and related cost requirements are specifically limited to CIWA facilities that were originally constructed in public rights of way and is not intended to include CIWA facilities constructed in private rights of way that later become Ames' rights of way.

9. Purchase Price. For the first sixty (60) months following the effective date of the Agreement, the Purchase Price shall be \$2,500 per acre.

The Purchase Price will remain firm for the months 61 through 120 following the effective date of the Agreement after it is adjusted for inflation based on the difference in Consumer Price Index - All Urban Consumers, All Cities, All Items, as published by the Bureau of Labor Statistics, in month 60 compared to month 1.

If the Agreement is extended past ten (10) years from the effective date of the Agreement as provided for in Paragraph 11, the Purchase Price shall be adjusted every five years in a similar manner for the two remaining five-year periods, utilizing data to compare the change in the most recent 60 month period. The Purchase Price shall be rounded to the nearest dollar as shown in the example below.

The following example illustrates the computation of the Purchase Price for months 61 through 120.

CPI published in the 60th month from the effective date of the contract	240.501
Less CPI published in the month the agreement took effect	<u>229.815</u>
Equals index change	10.686
Divided by the CPI published in the month the agreement took effect	229.815
Equals	0.0411
Result multiplied by 100	4.11%

\$2,500 per acre X 1.0411 = \$2,603 per acre payment due for months 61 through 120 following the effective date of the Agreement

10. Release and Relinquishment Procedure. Within sixty (60) days of the accomplishment of the conditions precedent specified in Paragraph 5 or Paragraph 6, CIWA by way of a written confirmation to Ames shall release and relinquish all of CIWA's right, title, and interest to provide public water supply services to said property in the Phase I - Future Urbanized Area subject to the terms and provisions hereof. This written confirmation shall identify each property subject to release and relinquishment and the effective date of the release and relinquishment. Such identification shall include both a map and a legal description of the property affected thereby.

11. Term of Agreement. This Agreement shall be in effect for twenty (20) years from the effective date specified in Paragraph 25 below, except that each party reserves the right to unilaterally terminate and cancel this Agreement at any time after ten (10) years from the effective date, by providing written notice to the other party twenty-four (24) months in advance of such cancellation, whereupon the parties agree that this Agreement shall be deemed canceled, void, and of no further legal force and effect.

12. Sharing of Water Consumption Information. Ames will provide sanitary sewer service to the Phase I - Future Urbanized Area. The monthly charge by Ames for sanitary sewer service will be based on water usage. CIWA agrees to provide to Ames, no later than 30 days after the end of each month or other timeframe mutually agreeable to both parties, the monthly water consumption amounts for every metered connection where a Continuing Member receives sanitary sewer service from Ames within the Phase I - Future Urbanized Area.

13. CIWA Authority. CIWA warrants and represents that it has the legal right and authority (a) to provide public water supply service within the Phase I - Future Urbanized Area and (b) to release and relinquish its legal right and authority to provide public water supply service within the Phase I - Future Urbanized Area as described in this Agreement subject to any requirements and approvals necessary by law or regulation.

14. Section 1926(b). Except as otherwise provided for herein, CIWA retains any and all of its rights, privileges, and benefits possessed and not herein specifically released and relinquished by the terms and conditions of this Agreement, including, but not limited to the rights, privileges, and benefits under 7 U.S.C. §1926(b) for the Continuing Members identified in Paragraph 4.

Notwithstanding CIWA's general retention of rights under Section 1926(b), the parties agree that this shall not preclude Ames from approaching CIWA

Continuing Members within the Phase I - Future Urbanized Area to transfer to the Ames Water Service Territory.

15. Default/Remedies. In the event of default, the non-defaulting party shall give the defaulting party a written notice of such default, whereupon the defaulting party shall have ninety (90) days to cure any such default. Thereafter, the parties shall be entitled to utilize any and all remedies as are at law or in equity available to them (including specific performance or injunctive relief). The existence of an adequate remedy at law or in money damages shall not be a defense to an action for specific performance or injunction.

16. Approval of USDA and National Bank for Co-operatives. This Agreement is subject to the approval of the United States Department of Agriculture and the National Bank for Co-operatives and shall not be deemed effective until such approvals have been obtained. In the event either the United States Department of Agriculture or the National Bank for Co-operatives does not approve this Agreement, then same shall be deemed void and of no force and effect. CIWA agrees to diligently and expeditiously seek those approvals.

17. No Precedent. The terms of this Agreement shall not otherwise be considered binding precedent on any other CIWA service territory transfers in the area surrounding Ames.

18. Intended Beneficiaries. This Agreement is made solely for the benefit of the Parties and nothing herein shall be construed as creating any benefits, rights, remedies, or claims in favor of any other entity or person.

19. Amendments. No amendment, change, or modification of any of the terms, provisions, or conditions of this Agreement shall be effective unless made in writing and signed by both parties. It is acknowledged and agreed to by the parties that the USDA's and the National Bank for Co-operatives' approval of any amendment will be required before the amendment is effective.

20. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Iowa and in accordance with applicable federal law, including but not limited to 7 U.S.C. §1926(b).

21. Notices. All notices required by this Agreement shall be given by certified mail, return receipt requested, and shall be deemed given as of the date of such certified mailing.

22. Further Assurances. Both Parties shall take such actions and execute all documents necessary to effectuate the purposes of this Agreement.

23. Construction. The Parties agree that this Agreement was prepared by the combined efforts of the Parties and their attorneys and to that end the Agreement shall not be construed against any Party as the drafter of the Agreement.

24. Binding Effect. This Agreement is binding on all successors and assigns of CIWA and of the City.

25. Complete Agreement and Effective Date. This Agreement, including Exhibits, constitutes the entire, complete, and final agreement of the Parties with respect to the rights to provide public water supply services in the Phase I - Future Urbanized Area and supersedes all prior understandings, undertakings, negotiations, representations, statements, and agreements made by or on behalf of or between the Parties. It is further agreed that this Agreement shall not be effective until the fully executed original Agreement has been recorded in the Office of the Story County Recorder.

In witness whereof, the parties, acting under authority of their respective governing bodies, have caused this Agreement to be executed in five (5) counter parts, each of which shall be deemed to be an original.

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CITY OF AMES, IOWA:

By: _____
Ann H. Campbell, Mayor

By: _____
Diane R. Voss, City Clerk

STATE OF IOWA)
)ss:
STORY COUNTY)

On this _____ day of _____, 2016, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Ann H. Campbell and Diane R. Voss, to me personally known, and, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Ames, Iowa, that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as contained in Ordinance Number _____ passed (the Resolution adopted) by the City Council, under Roll Call Number _____ of the City Council on the ____ day of _____, 2016, and that Ann H. Campbell and Diane R. Voss acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

Iowa Notary Public

**IOWA REGIONAL UTILITIES ASSOCIATION,
d/b/a CENTRAL IOWA WATER ASSOCIATION:**

By: Dan Brandt
Dan Brandt, Vice President

By: Delwin Van Zante, Sec.
Delwin Van Zante, Secretary

STATE OF IOWA)
)ss:
JASPER COUNTY)

On this 12th day of January, 2016, before me the undersigned, a Notary Public in and for the aforesaid State and County, personally appeared Dan Brandt and Delwin Van Zante, to me personally known, who, being by me duly sworn, did say that such persons are, respectively, the Vice President and the Secretary of Iowa Regional Utilities Association, d/b/a Central Iowa Water Association, the aforesaid corporation executing the within and foregoing instrument, that no seal has been procured by said corporation; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and, that the aforesaid Dan Brandt and Delwin Van Zante, as said officers of such corporation, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by said officers voluntarily executed.



Gayla E. Hannagan
Iowa Notary Public

THIS AGREEMENT IS APPROVED on behalf of the United States of America (USDA/RD) this _____ day of _____, 2016.

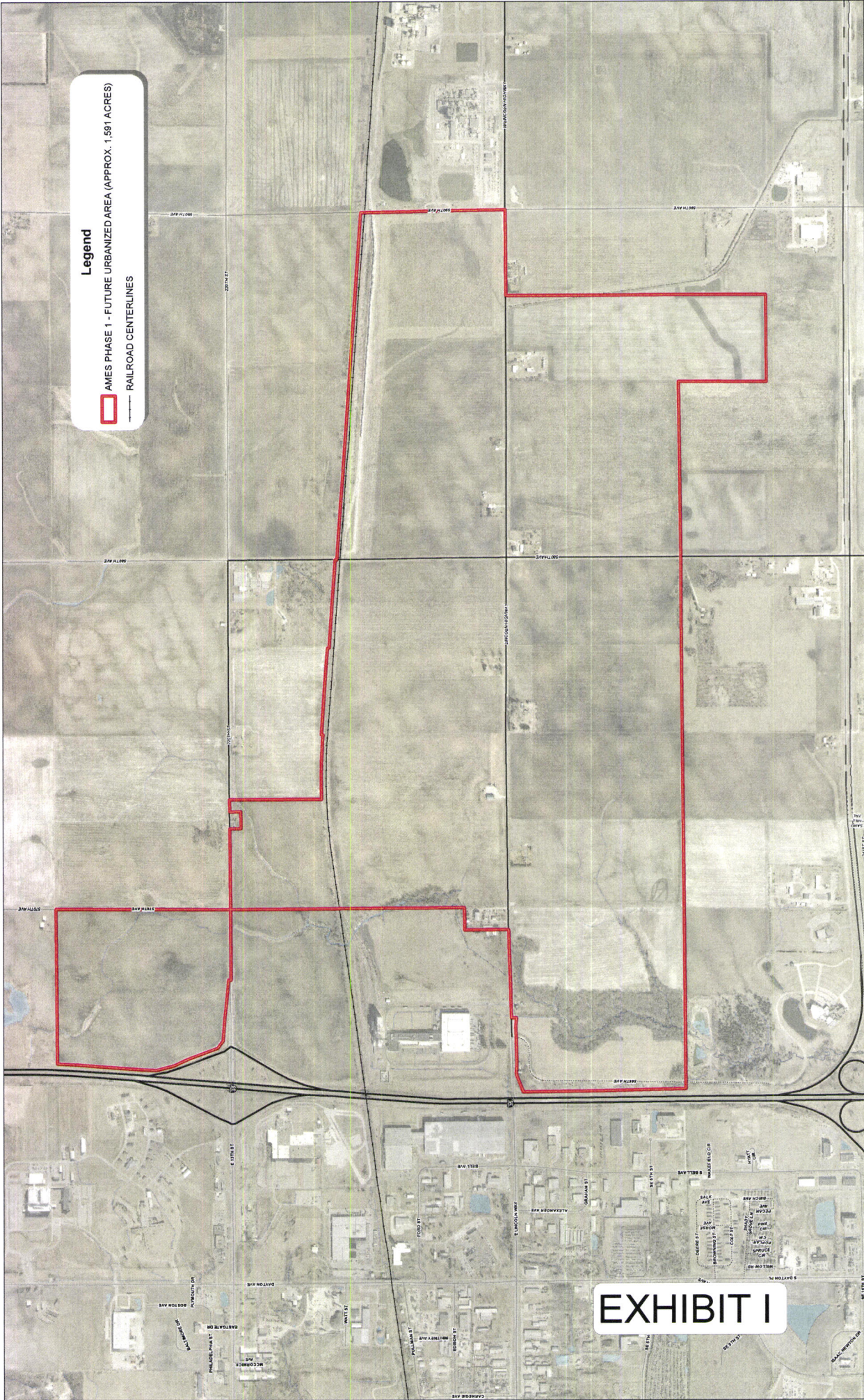
**UNITED STATES OF AMERICA:
DEPARTMENT OF AGRICULTURE/RURAL DEVELOPMENT**

By: _____
Area Director

THIS AGREEMENT IS APPROVED on behalf of National Bank for Co-operatives (Co-Bank) this _____ day of _____, 2016.

NATIONAL BANK FOR CO-OPERATIVES:

By: _____
Julia McCusker, Vice President



Legend

AMES PHASE 1 - FUTURE URBANIZED AREA (APPROX. 1,591 ACRES)

RAILROAD CENTERLINES

EXHIBIT I

1 inch = 600 feet
Date: 9/4/2015

Geographic Information System (GIS) Product Disclaimer: City of Ames GIS maps do not replace or modify land surveys, deeds, and/or other legal instruments defining land ownership and land use, nor does it replace field surveys of utilities or other features contained in the data. All features represented in this product should be fully reviewed and approved by the user for accuracy, timeliness or completeness. The user is responsible for determining accuracy, completeness, timeliness, and fitness for the appropriateness for use, it meets safety on the user.



Ames Phase 1 - Future Urbanized Growth Area



EXHIBIT II

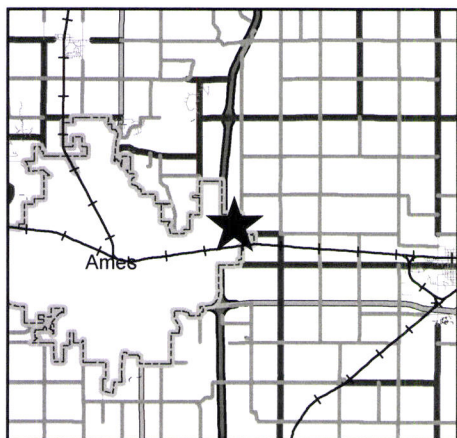
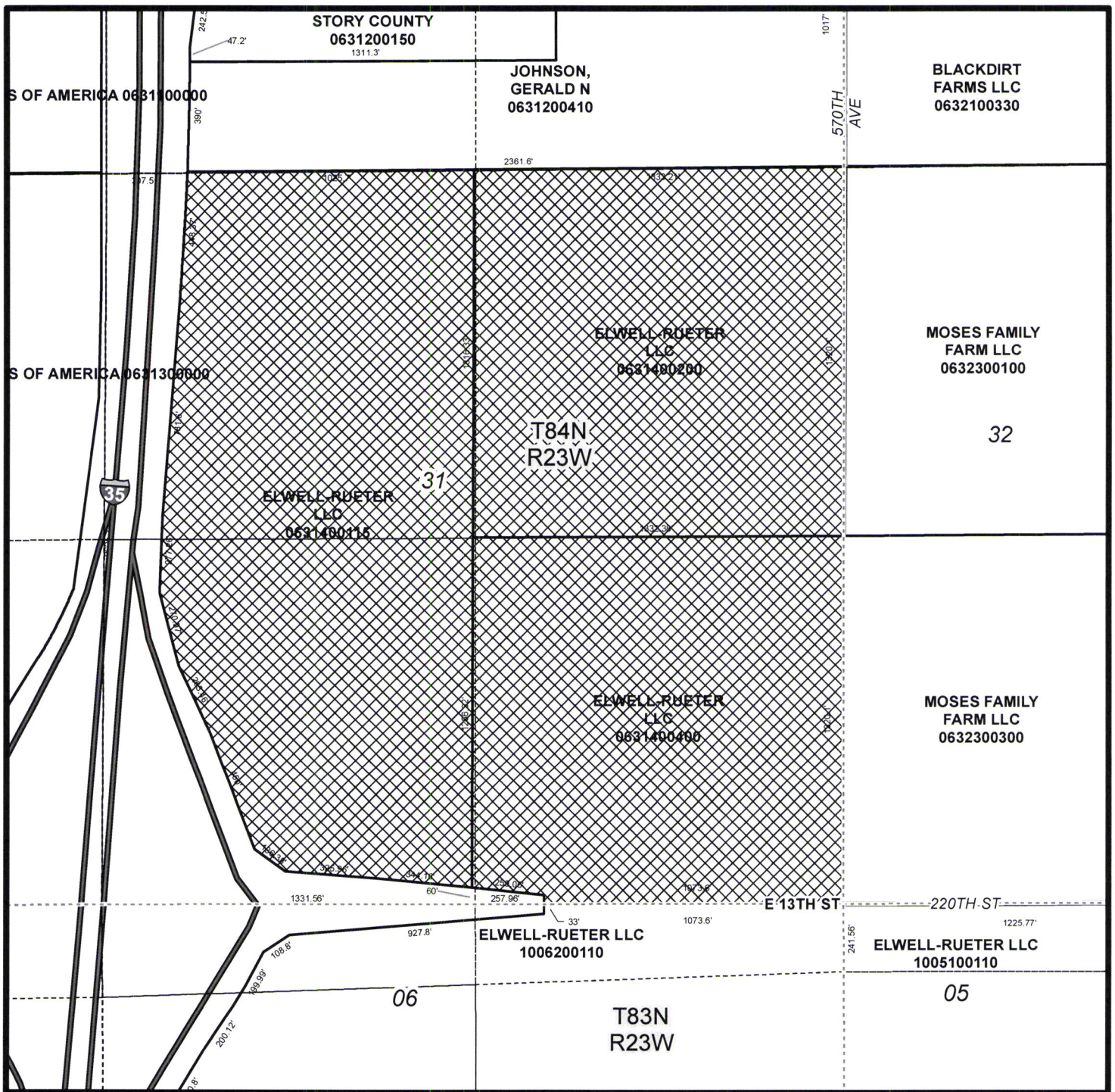
TRANSFER BOUNDARY DESCRIPTION

An area of land consisting of two tracts containing approximately 1594 acres and generally described as:

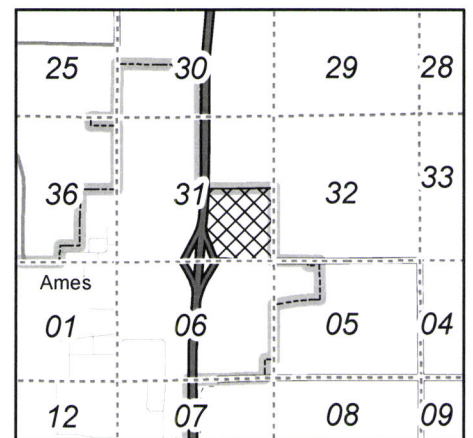
- 1) A portion of Section 31 of T84N R23W of MILFORD township in Story County in the State of Iowa and
- 2) Portions of Sections 4, 5, 7, 8 & 9 of T83N R23W in GRANT township in Story County in the State of Iowa.

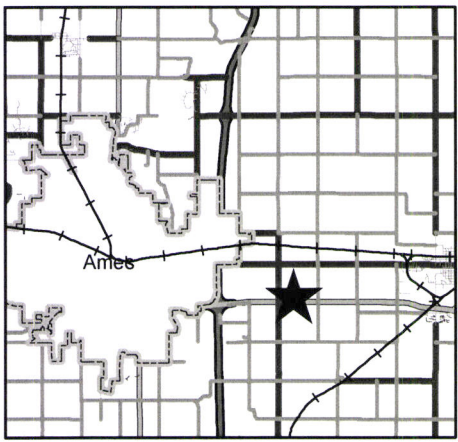
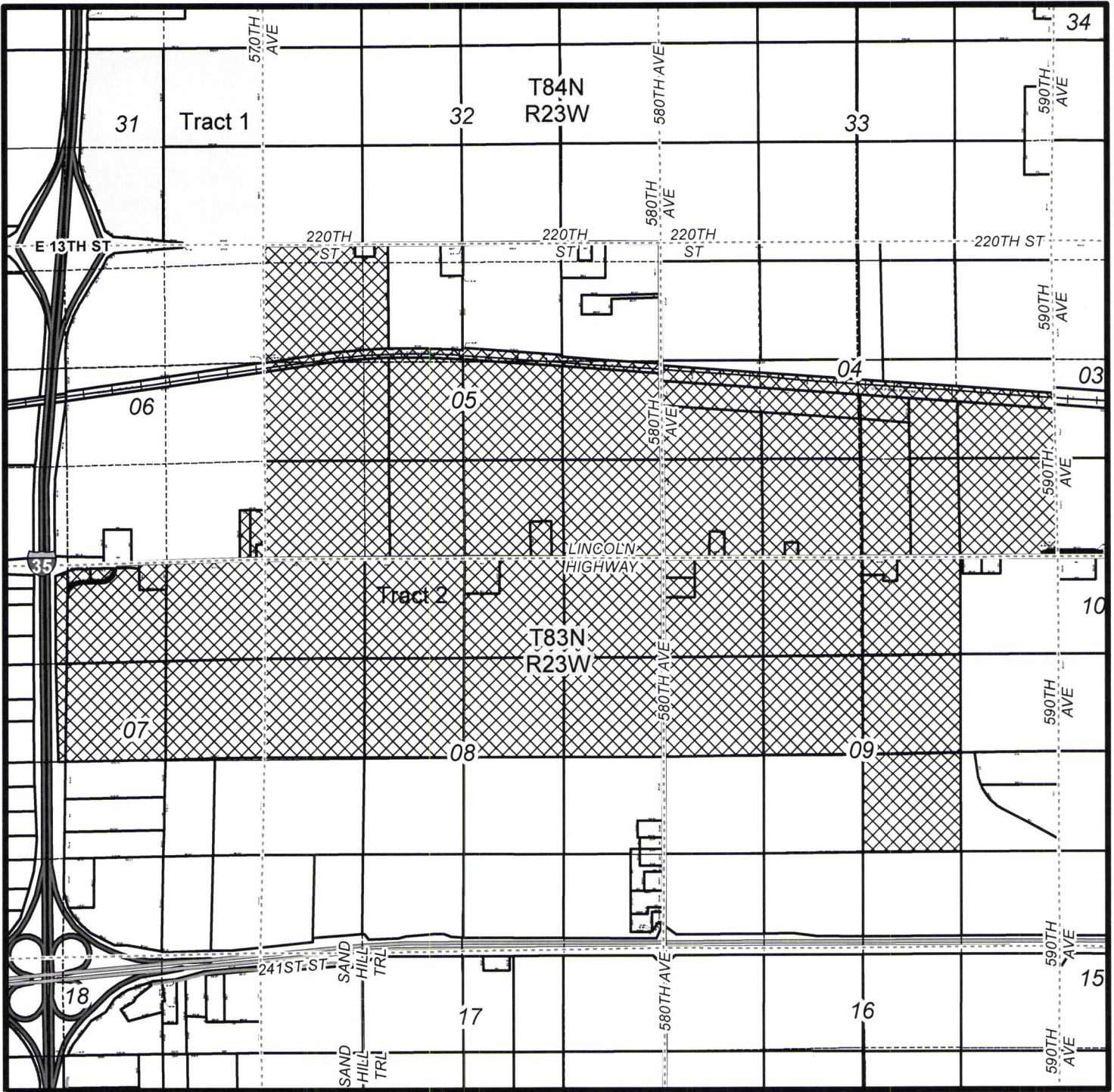
- 1) A tract of land encompassing approximately 140 acres. BEGINNING at the Southeast corner of Section 31 T84N R23W. THENCE Northerly along the Easterly line of said Section for a distance of 2640 feet more or less to the Northeast corner of the Southeast Quarter of Section 31 T84N R23W. THENCE Westerly along the Northerly line of the Southeast Quarter of Section 31 T84N R23W for a distance of 2360 feet more or less to the Easterly line of the Right-of-Way of US Interstate Highway 35. THENCE, Southerly and Easterly along the Easterly line of the Right-of-Way of US Interstate Highway 35 for a distance 3557 feet more or less. Thence Southerly for 33 feet more or less to the Southerly line of the Southeast Quarter of Section 31 T84N R23W. THENCE Easterly along said Section line for a distance of 1073 feet more or less to the POINT OF BEGINNING.
- 2) A tract of land encompassing approximately 1454 acres. BEGINNING at the SE corner of Section 4 T83N R23W thence Northerly along the Easterly line of said Section to the Northerly boundary of the real property conveyed to the CHICAGO AND NORTHWESTERN TRANSPORTATION COMPANY by Deed recorded in Story County Iowa. THENCE Westerly along said property line (Right-of-Way) for a distance 8960 feet more or less. THENCE leaving said ROW line Northerly along the Easterly line of the land conveyed to ELWELL-RUETER, LLC by Deed recorded September 6, 2011 in Book 2011, page 09157 in Story County Iowa for a distance of 1389 feet more or less. THENCE Westerly along North line of Section 05 T83N R23W for a distance of 180 feet more or less THENCE Southerly along the Easterly line of the real property conveyed by Deed to CROUSE, RODNEY K & LOIS C recorded August 24, 1983 in Book 207 on page 69 in Story County Iowa for distance of 166 feet more or less. THENCE, Westerly along the Southerly boundary of said real property for a distance of 258 feet. THENCE, Northerly along the Westerly boundary of said real property for a distance of 168 feet more or less, to exclude said property. THENCE Westerly along the Northerly line of Section 05 T83N R23W for distance of 1226 more or less to the Northwest corner of said section. THENCE Southerly along the Westerly line of Section 05 T83N R23W for a distance of 3540 feet. THENCE leaving said section line Westerly for a distance of 201 feet along the Northerly boundary of the real property conveyed to COUNTRY LANDSCAPES REAL EST LLC by Deed recorded on August 8, 1991 in Book 279, Page 79 in Story County, Iowa. THENCE Westerly along the Northerly boundary of the real property also conveyed to COUNTRY LANDSCAPES REAL EST LLC by Deed recorded on August 20, 1991 in Book 279, Page 82 in Story County, Iowa for a distance of 134 feet more or less. THENCE Southerly along the Westerly line of said real property for a distance of 667 feet more or less to the Northerly line of Section 07 T83N R23W. THENCE Westerly along the Northerly line of Section

07 T83N R23W for a distance of 2465 feet more or less to the Easterly Right-of-Way of US Interstate Highway 35. THENCE, Southerly along the Easterly Right-of-Way of US Interstate Highway 35 for a distance of 2016 feet more or less to the Southerly line of the Northwest Quarter of Section 07 T83N R23W. THENCE Easterly along the Southerly line of Northwest Quarter of Section 07 T83N R23W for a distance of 90 feet more or less to the Southwest corner of Northeast Quarter of Section 07 T83N R23W. THENCE Easterly along the Southerly line of the Northeast Quarter of Section 07 T83N R23W for a distance of 2660 feet more or less to the Southwest corner of the Northwest Quarter of Section 08 T83N R23W. THENCE Westerly along the Southerly line of the Northwest Quarter of Section 08 T83N R23W for a distance of 2660 feet more or less to the Southeast corner of the Northeast Quarter of Section 08 T83N R23W. THENCE Easterly along the Southerly line of the Northeast Quarter of Section 08 T83N R23W for a distance of 2680 feet more or less to the Southwest corner of the Northwest Quarter of Section 9 T83N R23W. THENCE Easterly along the Southerly line of the Northwest Quarter of Section 9 T83N R23W for a distance of 2656 feet, more or less, to the Southeast corner of the Northwest Quarter of Section 9 T83N R23W. THENCE Southerly along the Westerly line of the Northwest Quarter of the Southeast Quarter of Section 9 T83N R23W for a distance of 1317 feet more or less to the Southeast Corner of Northwest Quarter of the Southeast Quarter of Section 09 T83N R23W. THENCE Easterly along the Southerly line of the Northwest Quarter of the Southeast Quarter of Section 9 T83N R23W for a distance of 1313 feet more or less. THENCE Northerly along the Easterly line of the Northwest Quarter of the Southeast Quarter of Section 09 T83N R23W for distance of 1333 feet more or less. THENCE Northerly along the Easterly line of the Southwest Quarter of the Northeast Quarter of Section 09 T83N R23W for a distance of 1310 feet more or less to the Southeast corner of the Northwest Quarter of the Northeast Quarter of Section 09 T83N R23W. THENCE Northerly along the Easterly line of Northwest Quarter of the Northeast Quarter of Section 9 T83N R23W to the Southerly line of Section 04 T83N R23W. THENCE Easterly along the Southerly line of Section 4 T83N R23W for a distance of 1303 feet more or less to the POINT OF BEGINNING.

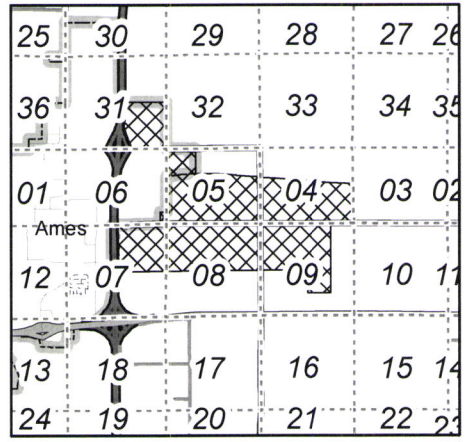
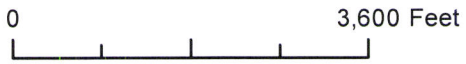


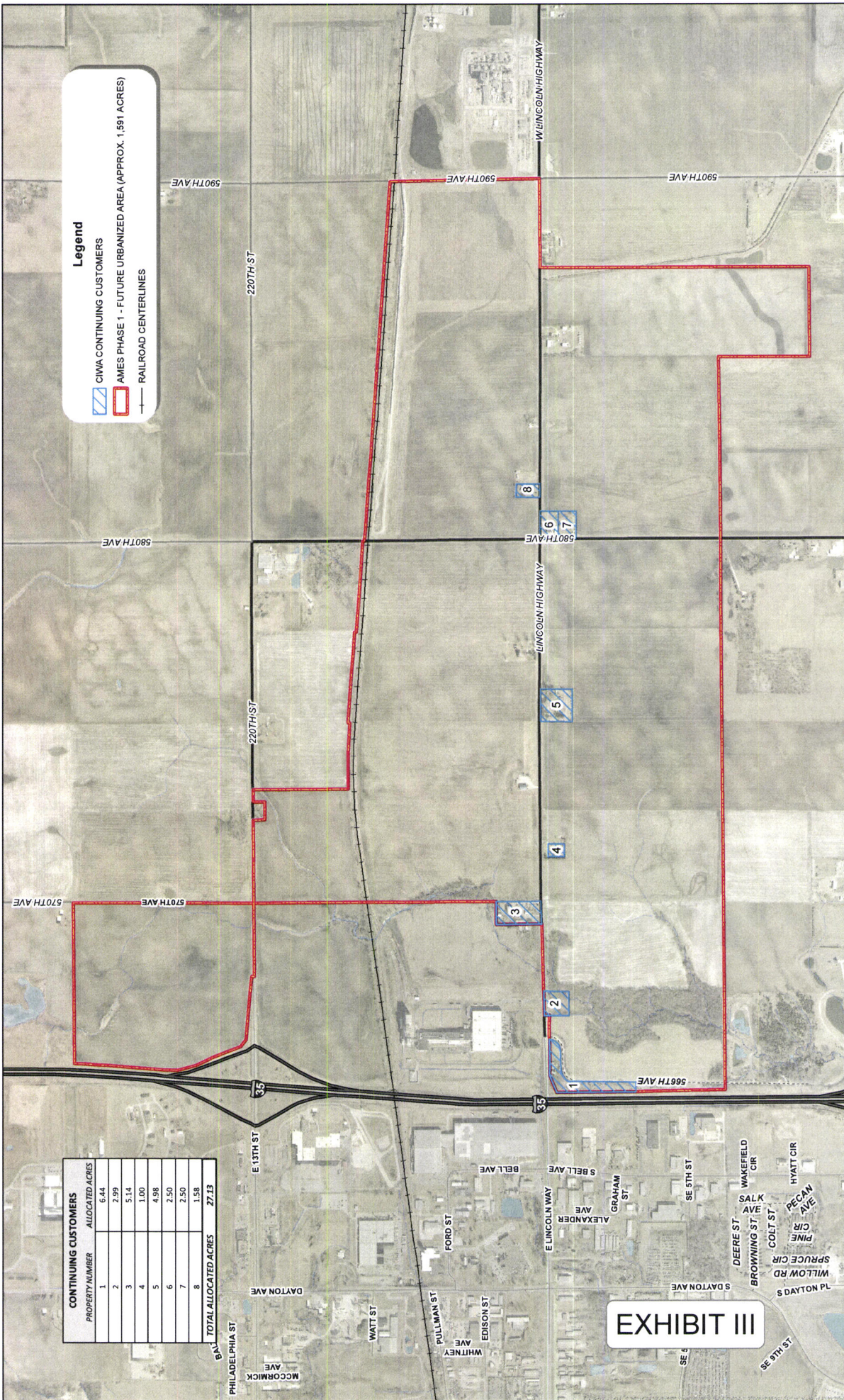
TRACT 1





TRACT 2





CONTINUING CUSTOMERS	PROPERTY NUMBER	ALLOCATED ACRES
	1	6.44
	2	2.99
	3	5.14
	4	1.00
	5	4.98
	6	2.50
	7	2.50
	8	1.58
TOTAL ALLOCATED ACRES		27.13

EXHIBIT III

1 inch = 1,250 feet
Date: 1/11/2016

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Phase 1 - Future Urbanized Growth Area
Central Iowa Water Association Continuing Customers

