

COUNCIL ACTION FORM

**SUBJECT: WATER SERVICE AGREEMENT FOR SCENIC POINT DEVELOPMENT
AT 3599 G.W. CARVER**

BACKGROUND:

When annexation occurs in water service territory controlled by Xenia Rural Water District, three separate agreements are consummated to confirm the territory transfer to the City. First, the City requires the developer to accept any financial responsibility for buying out Xenia's service territory. Second, Xenia requires the developer to agree to pay a certain amount for the service territory buy-out. Third, Xenia and the City then confirm the territory transfer by written agreement. This last step provides written documentation of the territory transfer, and also allows Xenia to comply with state law by legally transferring the obligation to provide water service in that area.

The property covered by this agreement is addressed as 3599 G.W. Carver Avenue (See Attachment A) and is owned by Hunziker Christy Shirk Builders, Inc. The City Council approved annexation of 4.08 gross acres of land on July 14, 2015 with the property owner's agreement for covering any cost of a rural water service buyout. The developer subsequently negotiated a separate buyout agreement with Xenia Rural Water District.

The attached agreement allows Xenia to comply with state law in transferring water service territory of the annexed area to the City of Ames.

ALTERNATIVES:

1. The City Council can approve the attached agreement with Xenia Rural Water District, confirming that the City of Ames will provide water service to the annexed property for Scenic Point located at 3599 G.W. Caver Avenue.
2. The City Council can refer this item back to staff for further information.

MANAGER'S RECOMMENDED ACTION:

With annexation of this property and the developer's buyout agreement in place, the last step in the process is for the City to agree to serve the former Xenia water service territory. That will allow the annexation to be filed with the state, thereby allowing the developer to process a development application for rezoning and subdivision of the property.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as stated above.

**ATTACHMENT A:
ANNEXATION MAP**

