

**COUNCIL ACTION FORM**

**SUBJECT: 161KV ELECTRIC LINE RELOCATION PROJECT REIMBURSEMENT AGREEMENTS FOR IOWA DOT I-35/US 30 IMPROVEMENTS**

**BACKGROUND:**

This item relates to two construction reimbursement agreements that provide for the Iowa Department of Transportation (DOT) to reimburse the City for all construction expenses involved with the relocation of City electric lines to facilitate the Iowa DOT's upcoming expansion project on I-35 and US 30.

The Iowa Department of Transportation is **carrying out two highway improvement projects** in the vicinity of the Skunk River, and along Interstate 35 at the Highway 30 interchange. In this report, staff refers to these as the **Skunk River project** and the **I-35/Hwy 30 relocation project**. These two projects require relocation of a portion of the new Ames 161kV transmission line.

The Iowa Department of Transportation (IDOT) is preparing to make improvements to Interstate 35 in the vicinity of Highway 30 (US 30) and the Skunk River. This will require the relocation of approximately one-half mile of Ames' 161kV electric transmission line which is located along the east side of the Interstate. **The IDOT has agreed to reimburse the City for all of the costs associated with the relocation of its transmission line.**

**Skunk River Project**

This agreement has a total estimated cost of \$763,928.00. The agreement language says that Iowa DOT will reimburse up to 125% of the estimated cost, which should cover any change orders. If there are change orders that exceed 125% of the estimated cost, a request would have to be sent to the Iowa DOT to approve payment.

**I-35/Hwy 30 Project**

This agreement has the estimated cost at \$321,337. It also contains the 125% language, and says that the DOT will reimburse the City up to 125% of this figure. Again, costs above 125% must be submitted to the Iowa DOT for their approval.

This agreement also has language regarding a small section of distribution line that must also be relocated, but will not be 100% reimbursable. The exception is for the underground service line at South Dayton Place which serves the City's lighted entryway structures. A portion (80%) of this service is currently within Iowa DOT's existing right of way, which is why Iowa DOT is reimbursing a 20% share of that specific expense. That amounts to roughly \$5,500 that will not be reimbursed.

Reimbursement agreements for the engineering expenses associated with these two project areas were previously approved by City Council. The Iowa DOT has already completed the acquisition and recording of the necessary replacement easements for this relocation.

On July 26, 2016, City Council approved preliminary plans and specifications for the Ames Plant to NE Ankeny 161 kV Transmission Line Iowa DOT Relocation. In another item on this agenda, staff is recommending award of a construction contract to relocate a portion of Ames' 161kV Transmission Line in these two locations, referred to as the **Skunk River project** area and the **I-35/Hwy 30 project** area.

**ALTERNATIVES:**

1. Approve the two reimbursement agreements with the Iowa Department of Transportation for the construction expenses associated with the relocation of the electric transmission line.
2. Do not approve the Reimbursement Agreements with Iowa DOT and delay the award of contract under a separate item at this same Council meeting.

**MANAGER'S RECOMMENDED ACTION:**

The relocation of this transmission line is necessary to allow the Iowa DOT to make necessary improvements to the Interstate 35/ US-30 interchange. It is anticipated that all City costs will be reimbursed by the IDOT. Approval of the recommended action will allow the City to move forward with the relocation project to accommodate IDOT's improvement plans and schedule.

**The City Council should understand there is some risk involved with these agreements, since the language requires IDOT only to reimburse the City up to 125% of the estimated costs of these two relocation projects. However, since the City's Electric Engineering staff believes that a 25% contingency should be sufficient to cover any unexpected change orders associated with these projects, it is the recommendation of the City Manager that the City Council adopt Alternatives No. 1 as stated above.**