

COUNCIL ACTION FORM

SUBJECT: AGREEMENT WITH XENIA RURAL WATER DISTRICT TO PROVIDE WATER SERVICE AND FACILITATE TERRITORY TRANSFER

BACKGROUND:

The City of Ames is bordered by two rural water providers: areas to the east are served by Central Iowa Rural Water Association, and the areas to the north, west, and south of the Ames corporate limits are served by Xenia Rural Water District. Rural water providers have the right under law to be the exclusive provider of potable water to customers within their established territory. However, rural water providers are not obligated to provide water at the pressures and flows that would adequately serve future residents and businesses with fire protection.

Since the early 1990s, Ames and Xenia have made several agreements to transfer water service territory from one entity to the other. Typically, these territory transactions involved property owners in the unincorporated fringe outside Ames who wished to receive water from Xenia. At the time the request was made, state law provided that the City could grant the territory to Xenia or commit to serving the property with City water within four years (the law changed later to a three-year timeframe to serve). **Because requests for Xenia water service were often outside of the City Council's planned growth areas reflected in the Land Use Policy Plan, the City's response in these situations was frequently to release the service territory to Xenia.**

PRESENT CHALLENGES:

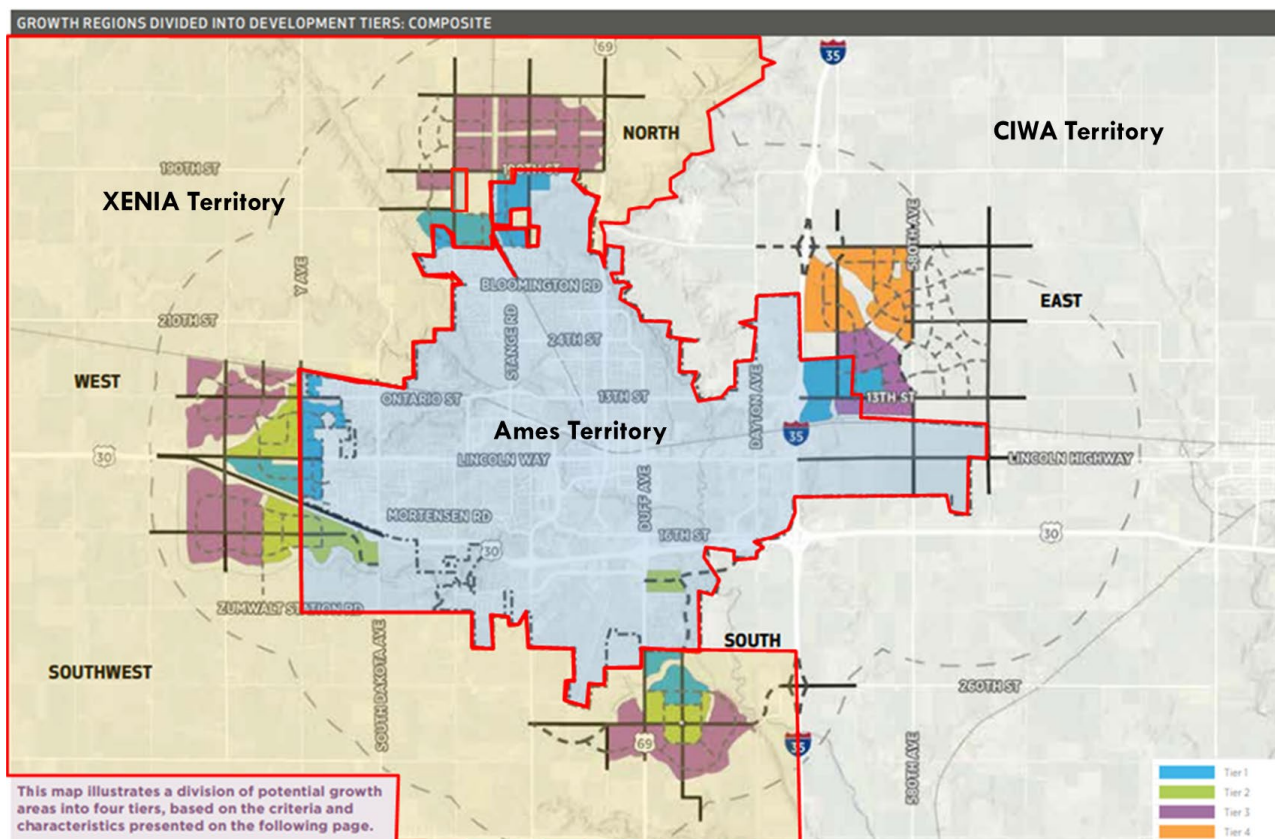
There is little guidance in the law regarding how to arrive at a price to transfer water service territory. Therefore, it is up to the parties to determine a mutually agreeable purchase price. In situations where rural water providers adjacent Ames have been willing to transfer their territory, the purchase price for territory has typically been influenced by the potential lost future revenue and the value of abandoned infrastructure. **Furthermore, there is no obligation for a rural water provider to transfer its water service territory if it is capable of serving that property and does not wish to release the property.**

In addition to areas that Ames and Xenia may disagree about whether to potentially transfer, there exists different perspectives about where the territory boundary actually lies. Several of the transfers of service territory from Ames to Xenia in the 1990s were requests for Xenia to serve certain homes (as opposed to acreages). In these instances, the request documentation to Ames and the approval documentation to Xenia was not as precise as it could have been, nor was it accompanied by legal descriptions or clear maps regarding what territory was to be transferred. Therefore,

there exist certain areas outside the Ames corporate limits that Xenia believes it has a right to serve, which Ames contends the City never released to Xenia.

Finally, the City is in the process of determining its directions for future growth through the adoption of Ames Plan 2040. These future growth areas are divided into four Tiers, with Tier 1 being the areas with the least costly infrastructure investment (most readily developable areas) and Tier 4 being the highest cost infrastructure investment to develop.

As the City expands through annexation, nearly all of the logical growth areas lie within territory already claimed by a rural water provider. The territory transactions that have occurred over time have resulted in approximately the territory boundaries depicted in Figure 1, below. Figure 1 also indicates the Ames Plan 2040 growth areas.



PROS:

- Once bought out, customers are served by a single provider; Ames controls price and quality
- Fire protection is provided
- Overhead costs for the water utility are spread across more customers

CONS:

- Most areas Ames intends to grow into are those that Xenia is unwilling to sell
- The buyout cost is uncontrolled; dependent on negotiations with Xenia

2. Avoid growth into rural water territory, and focus growth into areas where Xenia has no rights or where transfer rights have already been negotiated with CIWA.

PROS:

- No buyout costs and customers are served by a single provider; Ames controls price and quality
- Fire protection is provided
- Overhead costs for the water utility are spread across more customers

CONS:

- Most areas Ames intends to grow into are Xenia areas, therefore, the Ames Plan 2040 would need to be substantially revised to focus on infill/intensification

3. Grow into Xenia territory and allow Xenia to serve potable water needs within the Ames city limits. In this option, Ames would have to develop an alternative fire protection model for these areas.

PROS:

- No buyout costs
- Fire protection is provided

CONS:

- Ames either develops a rural firefighting model (at urban densities) or installs parallel infrastructure (costly and less effective)
- Ames would not control price or quality of drinking water
- Xenia customers within the City of Ames would experience higher water costs than residents who are customers of the Ames water utility
- Billing for sanitary sewer and storm sewer service would be difficult
- Portions of Ames would likely experience a higher insurance rating
- Potential for customer confusion between Ames and Xenia

- Limited growth potential for Ames water utility; diminishing ability to spread the utility's overhead costs to new customers

4. Negotiate with Xenia to require installation/maintenance of infrastructure at Ames standards and provide a guaranteed buyout cost to developers for those areas that Xenia agrees to transfer to Ames

PROS:

- Growth into Ames Plan 2040 growth areas would not be impeded by water territories
- No buyout costs
- Fire protection is provided
- Uniform insurance rating across all of Ames
- A mechanism would exist to bill for sewer and storm sewer costs

CONS:

- Ames would not control price or quality of drinking water
- Xenia customers within the City of Ames would experience higher water costs than residents who are customers of the Ames water utility
- Potential for customer confusion between Ames and Xenia
- Limited growth potential for Ames water utility; diminishing ability to spread the utility's overhead costs to new customers

COST COMPARISON OF AMES AND XENIA RETAIL WATER RATES:

Several of the alternatives indicated above reference higher water costs to customers under Xenia's water rates. Xenia's rate structure differs from Ames. Xenia provides a fixed minimum charge and a block of 2,000 gallons per month to each customer. Consumption in excess of the first 2,000-gallon block is charged at a fixed fee for each subsequent 1,000-gallon increment. In contrast, Ames water customers are charged a minimum charge to cover fixed costs (meter reading, bill preparation, meter equipment, etc.), and then consumption is billed on a per-cubic foot basis.

The table on the following page compares the billing experiences of residential and commercial water users at different consumption levels under Ames and Xenia's rate structures (Note: these figures exclude taxes, sewer, or other charges).

Comparison of Selected Typical Water Customers Using Ames and Xenia Rates and Fees

		AMES		XENIA
		Min. Charge plus Winter Rates	Min. Charge plus Summer Rates	Year-Round Rates
Residential Examples		$<1,000\text{ cf} = \$13.15, \text{ OR}$ $>1,000\text{ cf} = \$26.29$ <u>Plus</u> $\$0.0257/\text{cf}$	$<1,000\text{ cf} = \$13.15, \text{ OR}$ $>1,000\text{ cf} = \$26.29$ <u>Plus</u> $\$0.0257/\text{cf}$ (1 st 1,000 cf) $\$0.0454/\text{cf}$ (Next 1,500 cf) $\$0.0682/\text{cf}$ (all cf over 2,500)	$\$65.20$ minimum (up to 2,000 gals.) <u>Plus</u> $\$13/1,000\text{ gal.}$ (Gals. 2,001 – 10,000) <u>Plus</u> $\$5.50/1,000\text{ gal.}$ (all gals. over 10,000)
Small Res.	100 cf (748 gal)	$\$13.15 + \$2.57 = \mathbf{\$15.72}$	$\$13.15 + \$2.57 = \mathbf{\$15.72}$	$\mathbf{\$65.20}$
Median Res.	600 cf (4,488 gal)	$\$13.15 + \$15.42 = \mathbf{\$28.57}$	$\$13.15 + \$15.42 = \mathbf{\$28.57}$	$\$65.20 + \$39.00 = \mathbf{\$104.20}$
Large Res.	1,000 cf (7,480 gal)	$\$13.15 + \$25.70 = \mathbf{\$38.85}$	$\$13.15 + \$25.70 = \mathbf{\$38.85}$	$\$65.20 + \$78.00 = \mathbf{\$143.20}$
Commercial Examples		$<1,000\text{ cf} = \$13.15, \text{ OR}$ $>1,000\text{ cf} = \$26.29$ <u>Plus</u> $\$0.0257/\text{cf}$	$<1,000\text{ cf} = \$13.15, \text{ OR}$ $>1,000\text{ cf} = \$26.29$ <u>Plus</u> $\$0.0337/\text{cf}$	Same as residential, above
Small Com.	600 cf (4,488 gal)	$\$13.15 + \$15.42 = \mathbf{\$28.57}$	$\$13.15 + \$20.22 = \mathbf{\$33.37}$	$\$65.20 + \$39.00 = \mathbf{\$104.20}$
Median Com.	1,000 cf (7,480 gal)	$\$13.15 + \$25.70 = \mathbf{\$38.85}$	$\$13.15 + \$33.70 = \mathbf{\$46.85}$	$\$65.20 + \$78.00 = \mathbf{\$143.20}$
Large Com.	3,000 cf (22,440 gal)	$\$26.29 + \$77.10 = \mathbf{\$103.39}$	$\$26.29 + \$101.10 = \mathbf{\$127.39}$	$\$65.20 + \$104.00 + \$71.50 = \mathbf{\$240.70}$

cf = cubic foot gal = gallon 7.48 gallons = 1 cubic foot

Xenia’s industrial rates are a fixed cost with a minimum usage depending on the user, plus a charge of \$1.92 to \$3.40 for each 1,000 gallons exceeding the minimum. In 2019, Xenia had four industrial customers with fixed charges varying from \$14,631 to \$67,228.

PROPOSED AGREEMENT TO RESOLVE TERRITORY AND SERVICE:

Based upon the pros and cons evaluated above, City staff determined that if the City hoped to grow as outlined in the Ames Plan 2040 growth scenarios, the most feasible path would be to pursue Alternative #4, and develop an agreement with Xenia to allow it to serve residents within newly annexed portions of Ames. In November 2020, staff presented the first outline of the agreement to Xenia. After a series of discussions and iterations, both Xenia staff and Ames staff have arrived at an agreement that is ready to be presented to our respective governing bodies for consideration.

The agreement largely follows the model described by Alternative #4, above (with some modifications), that allows Xenia to operate a water distribution system within the corporate limits of Ames. Standards would be in place to assure acceptable fire protection using Xenia's infrastructure is provided. The proposed agreement is divided into two key sections:

INFRASTRUCTURE AND FIREFIGHTING

The first key section (Article II) outlines the standards for Xenia's infrastructure within the City of Ames. Xenia would agree to install new infrastructure within Ames to meet the Statewide Urban Design and Specifications (SUDAS) standards, including Ames' local amendments pertaining to crossings of water mains and sewer mains, and fire hydrants. Additionally, the agreement indicates that Xenia would operate the system within Ames to meet Ames' fire protection needs. The Fire Department would be permitted to use Xenia's hydrants for firefighting purposes.

Infrastructure that Xenia designs and installs in Ames urban fringe must also be designed and installed for firefighting if it is installed in an area designated as intended for future Ames annexation. However, Xenia may serve single dwellings in the fringe area without meeting firefighting standards if it is a dwelling on a parcel that has not been subdivided. **Just as Ames charges developers for the cost to install water infrastructure, it is expected that Xenia will charge developers for the cost to install infrastructure to meet both drinking water and firefighting requirements as outlined in the agreement.**

The agreement places expectations on Xenia to maintain and repair its infrastructure in Ames to a similar level as the City of Ames manages its infrastructure. Xenia would be responsible to address water main breaks in a timely manner, and would notify Ames of breaks so the City could address any inquiries that are received.

CUSTOMER BILLING

Because sewer bills are based on water consumption, Xenia will be responsible to bill their water customers within Ames for the City's sanitary and storm sewer fees in accordance with Ames' rates and rebate this revenue to the City each month.

Xenia would be allowed to collect a per customer, per month charge to administer Ames' billings (\$1.50 to start; may increase along with the actual cost to administer billings). If Ames ever required additional fees or services to be billed by Xenia, no additional charges would be assessed for Xenia to do so.

Xenia customers in Ames would be subject to Xenia's adopted rates and fees. However, Xenia would not be able to charge Ames customers more than customers in the same customer class in other parts of its service territory. A customer who experiences a water leak that did not enter the City's sanitary sewer would be referred to the City to consider authorizing Xenia to issue a credit in accordance with City policies (Xenia would not be empowered to credit customers' sanitary sewer bills without City direction).

Customers would be subject to Xenia's policies regarding late payments and non-payments. Xenia's policies for delinquent payments provide for late fees and finance charges (which this agreement allows Xenia to charge against the entire customer bill—sanitary sewer and storm sewer included—and retain). Xenia policies allow for one late fee to be written off per customer, per 12-month period. Xenia's policies also provide for water disconnection if payment for the entire bill (includes sanitary sewer and storm sewer) is not received within 21 days of the bill due date (contrasted with Ames, where disconnections take place approximately 29 days after a bill due date has passed, following multiple written and phone call communications).

Xenia will transfer to Ames the amount billed for Ames services. Therefore, in the event Xenia is ultimately unable to collect all or part of a customer bill, Xenia will deduct Ames' portion of that uncollected amount from a future transfer.

WATER SERVICE TERRITORY

The second key section of the agreement (Article III) settles which areas surrounding and within Ames are Ames' territory, which are Xenia's territory, and which could potentially be transferred from Ames to Xenia through this agreement. The maps included in this agreement supersede all other maps and prior grants of service rights between Ames and Xenia, thereby putting to rest any differing interpretations regarding some of the prior territory transfers between the two parties.

A core piece of the water service territory section of the agreement is the establishment of a defined buyout cost for any transfer of Xenia territory to Ames. That formula is \$3,000 per net acre (net acreage is gross acreage less any right-of-way easements). The \$3,000 is the price per net acre for the first 60 months of the agreement. It then adjusts based on the difference in Consumer Price Index (CPI) in month 60 compared to month 1, and that adjusted amount becomes the buyout price for months 61 through 120 (and so forth for each subsequent 60-month period).

There are ten individual properties that are listed in the agreement. Xenia would acknowledge in the agreement that the right to serve the homes on these properties was granted to Xenia, but that the right to serve the adjacent land was not given to Xenia. Therefore, if the customers on these properties wish to cancel their contracts with Xenia and become Ames customers, they may do so upon paying the \$3,000 per net acre buyout cost indicated in the agreement. **These ten customers would not be required to pay for a buyout exceeding three acres** (e.g., if their parcel is 2.25 acres in size, the buyout is $\$3,000 \times 2.25 = \$6,750$; if their parcel is 40 acres, the buyout is $\$3,000 \times 3 = \$9,000$). **These ten customers, depicted in Figure 2, are:**

- 1264 N 500th Ave
- 1120 N 500th Ave
- 800 N 500th Ave
- 798 N 500th Ave
- 5318 240th St
- 5500 240th St
- 2042 S 500th Ave
- 2060 S 500th Ave
- 5600 240th St
- 56389 265th Street

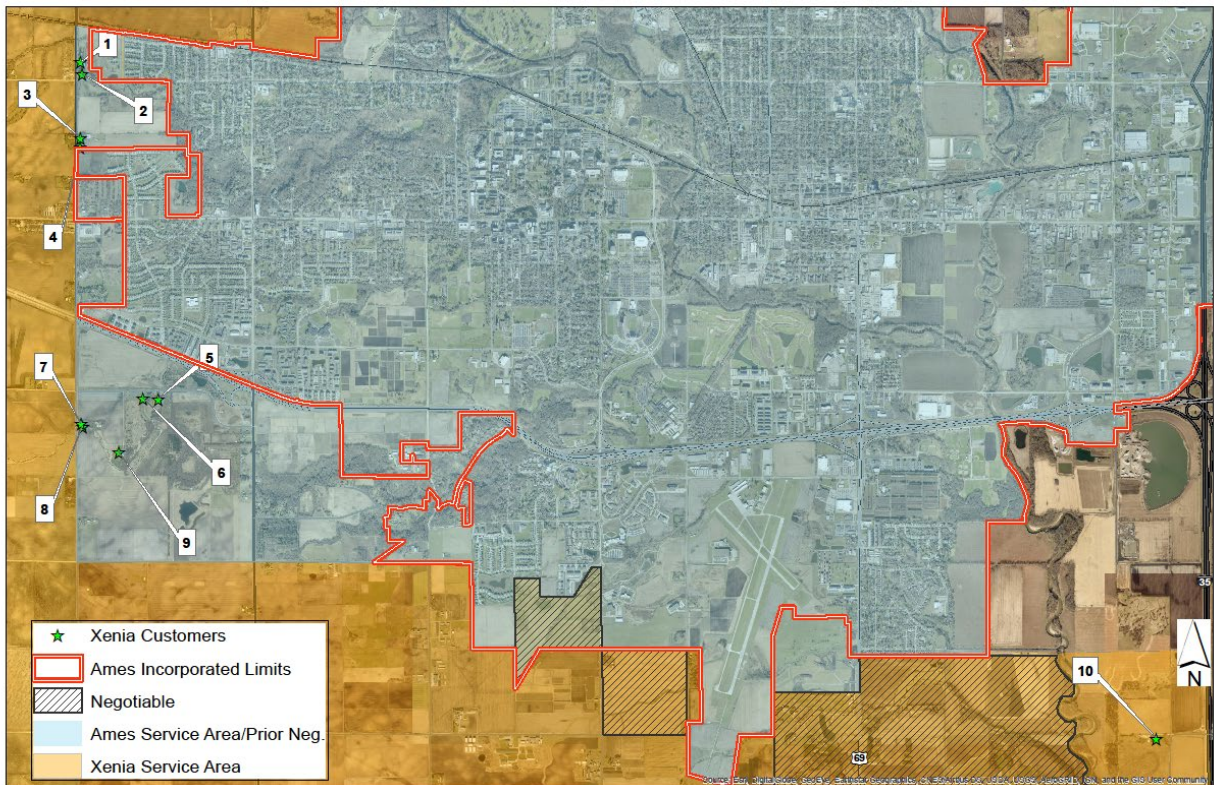


Figure 2: Customers Xenia would grant release at buyout of no more than 3 acres each.

The agreement acknowledges that there are certain areas adjacent Ames that Xenia does not have infrastructure readily available to serve, and it would be more desirable for the parties to allow developers to buy out that territory and be served by Ames. This arrangement has the advantage of allowing the Ames Water utility to gradually slow its expansion and plan for a transition to a finite service area, rather than abruptly reach the limits of Ames' water service territory.

To address these areas, the agreement establishes two sets of areas that could potentially be transferred to Ames. **Xenia would not reject a buyout request from Ames for properties within these areas. Both areas would be subject to the same buyout price (\$3,000 per net acre, as outlined above), but one area would be guaranteed to be granted a buyout for ten years (Figure 3), and the other would be guaranteed to be granted a buyout for five years (Figure 4).**

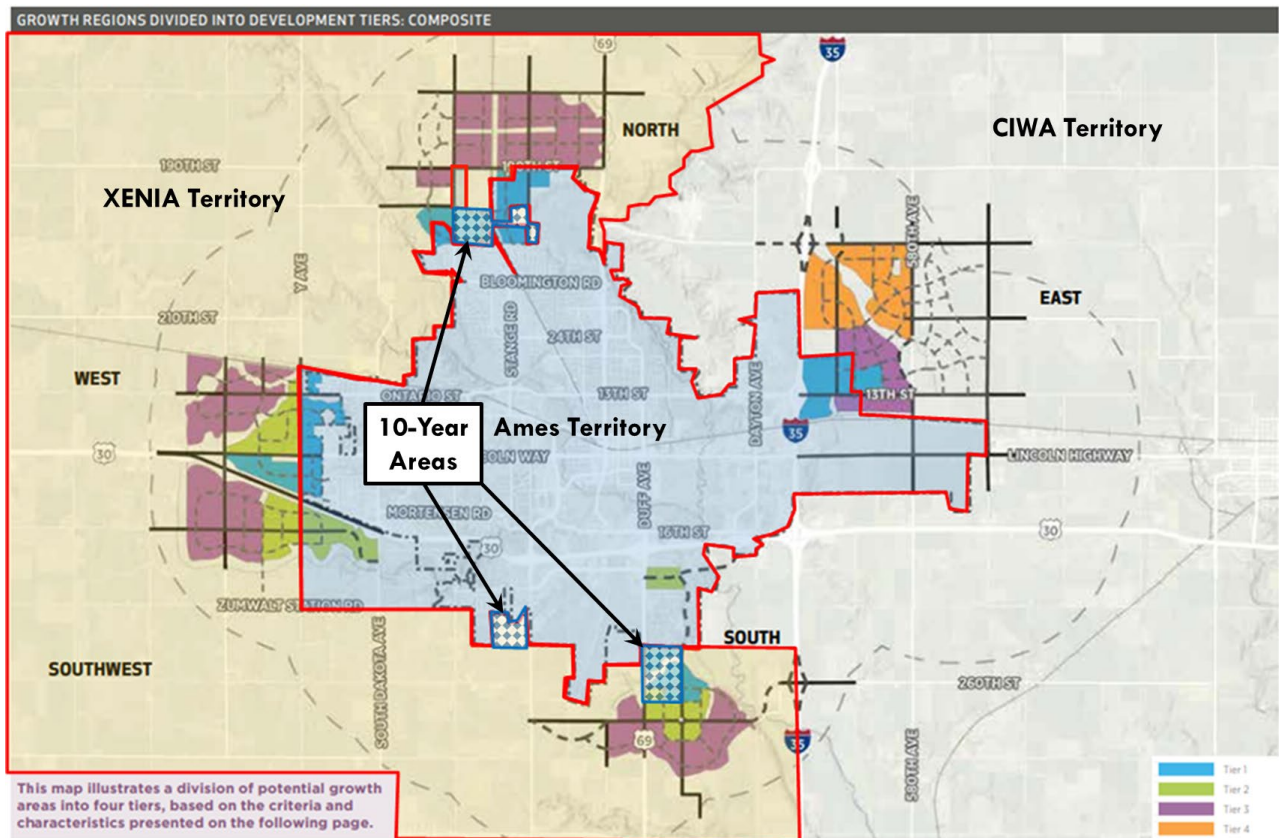


Figure 3: Xenia territory eligible for buyout for 10 years (renewable thereafter)

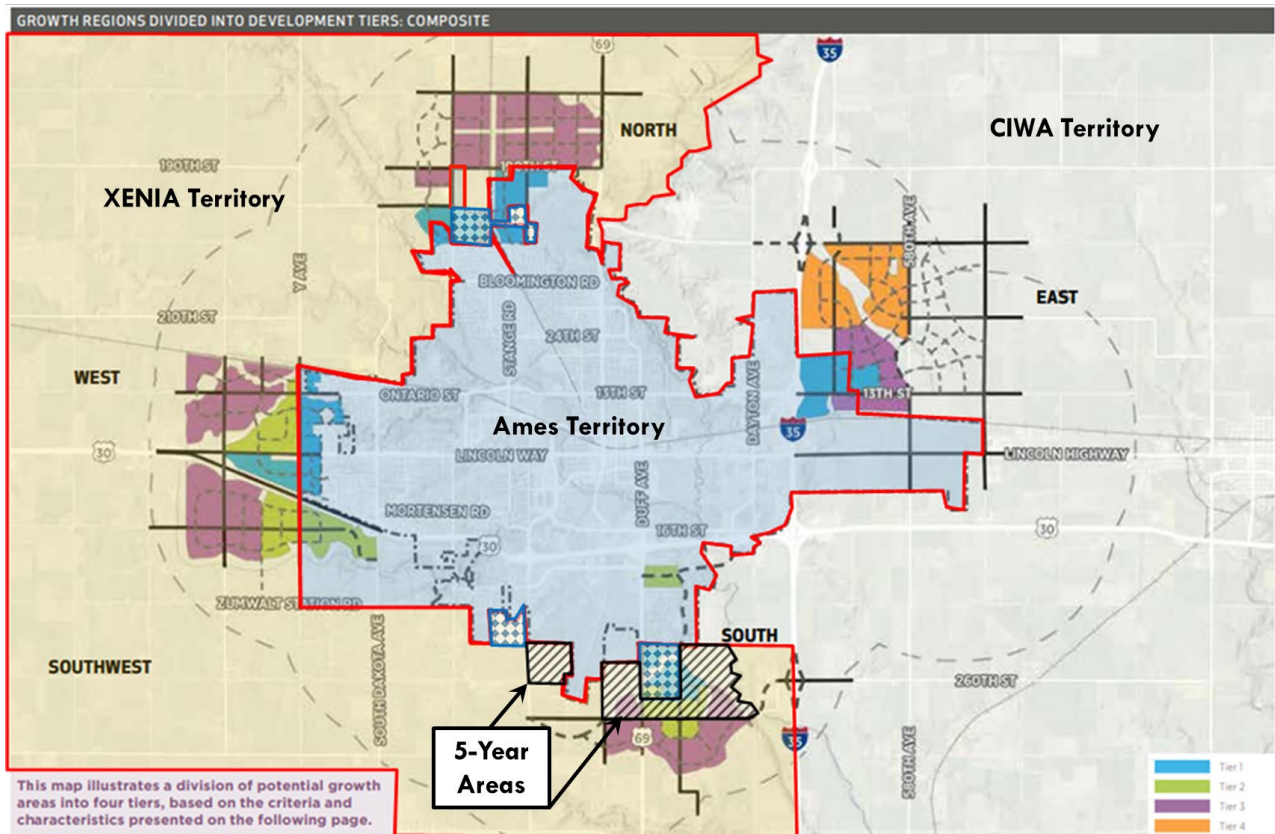


Figure 4: Xenia territory eligible for buyout for 5 years (renewable thereafter)

One year prior to the conclusion of the 5- and 10-year periods, if neither party objects, the guarantee from Xenia to allow the property to be bought out would extend for another five years. These areas could continue to be eligible for an unopposed buyout and inclusion into Ames territory for a maximum of 35 years. If an upcoming renewal is canceled (or if 35 years is reached), Xenia and Ames would be required to confer about the possibility of Ames selling water to Xenia for the purpose of serving those areas that would remain in Xenia’s control. However, there would be no obligation to agree to a proposal for water sales.

TERM OF AGREEMENT:

The ten-year and five-year buyout areas are limited to a maximum term of 35 years, assuming each of the automatic renewals takes place. The remainder of the agreement pertaining to infrastructure installation standards, maintenance, billing, and the buyout formula for any transferred land are in effect in perpetuity.

APPROVAL STEPS:

If the City Council approves the proposed agreement, Xenia’s Board of Directors will consider the approval of the agreement. Xenia is also obligated to obtain the consent of the U.S. Department of Agriculture prior to the agreement becoming effective.

ALTERNATIVES:

1. Approve the attached agreement for water service operations and territory transfer with Xenia Rural Water District.
2. Refer this proposed agreement to staff for further negotiations with Xenia.
3. Do not approve the attached agreement.

CITY MANAGER'S RECOMMENDED ACTION:

Ames' growth continues to be challenged by the ability to secure water service rights at a reasonable cost to developers. Without water service rights, the City cannot install infrastructure that meets the standards for both drinking water and fire protection needs. Meeting the community's needs for adequate fire protection services is exceedingly challenging if the City does not have access to an adequate firefighting water supply, which Xenia is not obligated to provide.

As the City completes Ames Plan 2040 and begins its implementation, many of the desirable areas to grow are within Xenia's water service territory. Additionally, the records that exist outlining Xenia's and Ames' territories result in differing interpretations regarding where each currently has the right to serve.

City staff has worked cooperatively with Xenia staff to determine acceptable terms for these issues to be resolved. City staff did not achieve in this agreement everything that was desired; however, the proposed agreement settles disputed territory, provides for substantial Xenia territory to be available for potential transfer at developer expense, and establishes an orderly approach for Xenia to provide water service that meets drinking water and firefighting needs for customers within the City of Ames.

City staff has extensively evaluated each of the components outlined in the agreement and believes the needs of future Ames residents and businesses will be met with an acceptable level of service with the approval of this agreement. City staff will continue to work with Xenia cooperatively to ensure this remains the case.

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

DO NOT WRITE IN THE SPACE ABOVE THIS LINE; RESERVED FOR RECORDER

Prepared By: City of Ames, City Manager's Office, 515 Clark Ave., Ames, IA 50010; 515-239-5101

Return Recorded Document To: Ames City Clerk, Ames City Hall, 515 Clark Ave., PO Box 811, Ames, IA 50010

AGREEMENT FOR WATER SERVICE OPERATIONS AND TERRITORY TRANSFER

ARTICLE I: PURPOSE AND DEFINITIONS

1.1 PURPOSE

- A. This Agreement is made and entered into, effective this ____ day of _____, 2021, between the Xenia Rural Water District (hereinafter sometimes referred to as "XENIA") and the City of Ames, Iowa (hereinafter sometimes referred to as "AMES"), (collectively hereinafter sometimes referred to as the "Parties"), pursuant to the provisions of Chapter 28E, Code of Iowa.
- B. The purpose of this Agreement is to:
- i. Establish the process for the delivery of Public Water Supply Service to new and existing Customers located within service territory served by XENIA that is also within the corporate limits of AMES as those corporate limits may change over time, and;
 - ii. Establish the procedures and purchase price for XENIA to transfer a portion of its water service territory to AMES.

1.2 DEFINITIONS

- A. *Customer*: A connection from XENIA's Distribution System to an end user. Such end user may be a person, firm, corporate body, or other legal entity.
- B. *Distribution System*: The collection of water mains, hydrants, fittings, and other appurtenances that facilitate the delivery of finished (treated) drinking water to a Customer's connection.

- C. *Effective Date*: The date this Agreement has been recorded in the Office of the Story County Recorder.
- D. *Emergency*: A situation requiring immediate attention and remedial action; an event that interferes with normal utility operations. This does not include growth in customer demand or other existing or continuing conditions. A water main break shall be considered an emergency.
- E. *Infrastructure Design Standards*: The collective body of standards for infrastructure design adopted by AMES, including the Statewide Urban Design and Specifications (SUDAS) and AMES' local amendments thereto specifically pertaining to fire hydrants and critical crossings of water/sewer mains, as those standards may be amended from time to time.
- F. *Property*: All land, or a portion of any parcel of land, to be served by either AMES or XENIA as generally depicted on Exhibit B.
- G. *Public Water Supply Service*: Construction of infrastructure consistent with standards for delivery of potable water for human consumption and beneficial use, including fire protection.
- H. *Purchase Price*: The total amount to be paid to XENIA in return for XENIA's relinquishment of its right to provide public water supply services to that property.
- I. *Transfer Date*: The date XENIA conveys, assigns, and transfers to AMES all of XENIA's right, title, and interest to provide public water supply services to a designated property or territory.

1.3 GEOGRAPHIC AREA CONCERNED

- A. Except where this Agreement indicates otherwise, it is understood that the obligations upon the Parties set forth in this Agreement extend only to activities and operations within the corporate limits of AMES, as those limits may change from time to time.

ARTICLE II: INFRASTRUCTURE AND BILLING

2.1 INFRASTRUCTURE STANDARDS, DESIGN, AND INSTALLATION

- A. For all XENIA Distribution System infrastructure installed within the corporate limits of AMES after the Effective Date of this Agreement:
- i. Such Distribution System infrastructure shall be installed according to the Infrastructure Design Standards as that term is defined in this Agreement. This infrastructure is to be installed and operated to provide fire protection in addition to other beneficial uses of water.
 - ii. XENIA will inspect and collect GPS data for new Distribution System infrastructure, and provide that data to AMES. AMES may inspect installations of new infrastructure at its own cost, and nothing shall prevent AMES from seeking reimbursement of those inspection costs from others not a Party to this Agreement.
 - iii. XENIA shall work with Property owners to develop mutually agreeable timeframes to provide water service to Customers in new developments.
- B. For all XENIA Distribution System infrastructure present within the corporate limits of AMES, whether existing prior to the Effective Date of this Agreement or after it:
- i. Although XENIA shall install all new Distribution System infrastructure in accordance with the fire protection standards as described in Article II, Section 2.1(A) above, it is acknowledged that XENIA is not obligated to upgrade any infrastructure serving existing XENIA Customers which was in existence prior to the Effective Date of this Agreement to meet those standards.
 - ii. XENIA shall install, operate, and maintain the Distribution System so as to prevent significant deterioration of water quality within the Distribution System.
 - iii. To the extent such information is available, XENIA shall provide to AMES information regarding the characteristics of its Distribution System infrastructure related to the service of Properties within the corporate limits of AMES. Information to be provided from XENIA to AMES will include a map showing the location of water mains (with diameters, construction material, and dates of installation), valves, and fire hydrants (with manufacturer, model, and flow rate). XENIA shall provide updated information upon request from AMES,

provided that AMES does not request data regarding the entire Distribution System more than once per year.

- iv. AMES shall be notified when XENIA plans to conduct its periodic operating (flushing) of hydrants, and AMES shall be permitted to send representatives to attend the operating (flushing) to collect hydrant flow data using AMES' equipment for the purpose of planning firefighting response. AMES shall share any data collected with XENIA.
- C. XENIA shall be subject to all AMES right-of-way user policies for construction, maintenance, and site restoration.

2.2 FIRE PROTECTION

- A. In order to assure AMES is able to provide adequate fire protection for certain areas within the XENIA water service territory, XENIA agrees to:
- i. Ensure any infrastructure designed and installed after the Effective Date of this Agreement is designed and installed in a manner to facilitate firefighting needs when installed either:
 - 1. Within the corporate limits of AMES, as those boundaries may change from time to time, or
 - 2. Within areas designated by AMES in AMES' Urban Fringe Map and/or Comprehensive Plan as intended for future annexation to AMES. However, XENIA service installed in AMES' two-mile fringe area to a single dwelling on a parcel in existence as of the Effective Date of this Agreement is not subject to the requirement to be designed and installed in a manner to facilitate firefighting needs.
 - ii. The standard for such shall meet the Infrastructure Design Standards defined in this Agreement.
 - iii. Allow AMES to operate XENIA's hydrants and use XENIA's water to provide fire protection and other emergency services. XENIA shall not charge AMES for water used for fire protection or other emergency services purposes, training excepted. This provision includes the use of XENIA hydrants within the corporate limits of AMES, and if necessary, hydrants located outside the corporate limits of AMES that are used to provide fire protection to facilities AMES serves (Exhibit A). AMES understands that XENIA hydrants located outside the AMES corporate limits generally do not support

urban firefighting flows. Any XENIA hydrants used by AMES for fire protection outside of the AMES corporate limits will therefore only be used to create a water supply for drafting from a tank or pool.

- iv. Perform hydrant maintenance and repairs so as to meet the recommendations of the hydrant manufacturer.
- v. Operate and inspect all fire hydrants annually to ensure that hydrants do not freeze and break. It is understood that “operating” a hydrant includes opening the valve to expel water until any sediment accumulated in the main has been flushed out.
- vi. Tag any out-of-service hydrants, report such hydrants via email or telephone to contact person(s) whom AMES shall designate and complete repairs at the earliest opportunity.

B. AMES agrees to:

- i. Notify XENIA whenever XENIA’s hydrants are being utilized and the purpose of the use. Any use of hydrants for purposes other than fire protection or other emergencies shall only take place with advance approval by XENIA.
- ii. Operate XENIA’s hydrants in a manner intended to prevent the incidence of water hammer in the Distribution System and possible main breaks due to water hammer.
- iii. Calculate the amount of water used from XENIA’s hydrants and send notice of the amount of water used to XENIA so XENIA can properly monitor water lost for this service area.

2.3 WATER MAIN BREAK RESPONSE

- A. XENIA shall have sufficient staffing available to respond to water main breaks at all days and times and shall respond to water line breaks in AMES. XENIA shall arrive on site as soon as reasonably possible after being notified of a potential break.
- B. XENIA shall notify residents who will be affected by the main break either by going door-to-door or utilizing customer service records to notify these Customers.
- C. Should a water main break or other Emergency occur in XENIA’s Distribution System in a manner to necessitate a boil water advisory for

XENIA Customers within AMES, XENIA shall promptly notify contact person(s) whom AMES shall designate regarding the affected area and anticipated duration of the boil order, so AMES may respond to inquiries from residents should they be received by AMES. However, XENIA shall have the primary responsibility to notify and communicate with Customers regarding water main breaks and boil advisories.

2.4 WATER DISTRIBUTION SYSTEM MAINTENANCE

- A. XENIA shall:
 - i. Operate and maintain water Distribution System infrastructure in accordance with water industry standards and the rules and regulations of the Iowa Department of Natural Resources and the U.S. Environmental Protection Agency.
 - ii. Complete timely locates of underground facilities as required by Iowa Code Chapter 480 (“Iowa One Call” program).

2.5 CUSTOMER BILLING

- A. XENIA shall be responsible for metering and billing to its individual Customers for water service. The rates to be charged by XENIA to individual Customers for water provided under this Agreement shall be the same rates XENIA charges Customers in similar classes (residential, commercial, industrial) in other XENIA service areas throughout the state of Iowa.
- B. On behalf of AMES, XENIA shall bill to and collect from each Customer within AMES that Customer’s sanitary sewer fees and storm water utility charges on a monthly basis.
 - i. XENIA shall be responsible for processing Customer requests to start or stop service for its water service and for sanitary sewer and storm water utility services provided by AMES.
 - ii. Upon receipt of a request from a Customer to start or stop service, XENIA shall provide the Customer name, address, date of start/stop, and other pertinent service details to the contact person(s) whom AMES shall designate. These service details shall be provided to AMES from XENIA no more than one business day after request for start or stop of service. When AMES receives a notice to start or stop service from XENIA, AMES shall respond to XENIA with the rates and fees to charge the new Customer, including amount of impervious area related to storm water charges.

- iii. AMES shall inform XENIA of changes to rates and fees, as those may change from time to time.
- iv. XENIA shall remit to AMES monthly the fees and charges collected by XENIA on behalf of AMES, and shall provide AMES accompanying records of AMES' charges billed to each Customer. The records shall include water consumption, sanitary sewer billed amount and the storm sewer billed amount as well as totals for each category.
 - 1. XENIA may estimate consumption or allow for Customer-reported consumption at a given address as a means to calculate monthly bills, provided that XENIA completes a reading obtained by its staff at the same address no less than once every three months.
 - 2. If XENIA provides a Customer with a second water meter for purposes of metering water that does not reach the sanitary sewer (i.e., water consumed for outdoor irrigation, filling swimming pools, or used as a medium for chillers or evaporative condensers), XENIA may exempt water measured through that second meter from sanitary sewer charges.
 - 3. XENIA may not exempt a Customer from AMES sanitary sewer charges in the event of a leak or malfunction of a Customer's plumbing. In the event that a Customer experiences a leak, XENIA may refer that Customer to AMES for AMES to consider authorizing XENIA to issue a billing credit in accordance with AMES' ordinances and policies. AMES will notify XENIA within two business days of its decision regarding a sewer charge credit for billing purposes.
- v. XENIA will reimburse AMES the amount billed for AMES' services. Any adjustments to the reimbursement amount will be done when the adjustments are made. Adjustments would include items such as a deduct for a leak that did not go into the sanitary sewer or a deduct for the amount of AMES' services that were a part of a bill that was ultimately not collected, even after using all measures to collect a bill (disconnecting water service, utilizing a collection agency, etc.). Any adjustment will be made in the quarter that it occurs.
- vi. XENIA may assess, collect, and retain late fees and finance charges calculated against a Customer's entire delinquent balance, and

XENIA may assess, collect, and retain fees for disconnecting and reconnecting service to a delinquent Customer, provided that those fees and/or charges do not exceed the same fees and charges charged to Customers in similar classes (residential, commercial, industrial) in other XENIA service areas throughout the state of Iowa.

- vii. To recover the cost of administering billing on behalf of AMES, XENIA may assess, collect, and retain a fee from each Customer in an amount not to exceed \$1.50 per month per Customer. This amount may change from time to time and shall be the same amount charged by XENIA for Customer billing services in other communities, provided the amount charged reflects the actual cost to XENIA to administer billing.
- viii. AMES reserves the right to require XENIA to administer billing for additional services based on water meter readings, or fixed fees determined by AMES, if such services or fees are adopted by AMES for Customers or properties in the future (e.g., if AMES offered City-operated recycling collection in the future, XENIA agrees to conduct billing for that service without an amendment to this Agreement).

ARTICLE III: WATER SERVICE TERRITORY AND TRANSFER

3.1 WATER SERVICE TERRITORY AND EXISTING CUSTOMERS

- A. In regards to that area shown on Exhibit B, it is acknowledged by the parties that:
- i. The area shown in blue on Exhibit B is within the water service territory of AMES.
 - ii. The area shown in orange on Exhibit B is within the water service territory of XENIA. Except for the properties in the area shown in orange that are also in the areas of black hatching or blue cross-hatching, XENIA has the desire to provide potable water service to these properties as they are annexed to AMES.
 - iii. The areas shown in black hatching and labeled as “5 Years” and the areas shown in blue cross-hatching and labeled as “10 Years” on Exhibit B are within the water service territory of XENIA, and XENIA is willing to transfer the exclusive territory rights to these properties to AMES in accordance with Article III Section 3.2 of this Agreement.
 - iv. The star symbols on Exhibit C are individual Customers that were transferred over time to XENIA for water service. In these circumstances, AMES ceded only the service for an individual Customer’s parcel (up to a maximum of three acres) and not the adjacent land. The Property owner is responsible for satisfying the terms of their contract with XENIA as an individual Customer and to provide for buyout or cancellation of their contract per XENIA’s terms; however, the buyout of that adjacent land, not having been ceded to XENIA originally, is not required. XENIA agrees to allow for buyout or cancellation of these contracts in order to remove individual Customers from XENIA service and to then become a customer of AMES. If a Customer refuses to buy out or cancel their contract with XENIA, the Customer may continue to be a XENIA Customer for domestic water service. A detailed list of these Customers is included as Exhibit C.
- B. Upon approval of this Agreement, Exhibit B shall be the agreed upon definition of AMES and XENIA territory boundaries adjacent to AMES. **All other maps and descriptions of territories from prior grants of service territory between AMES and XENIA shall be deemed null and void.**

3.2 PURCHASE OF WATER SERVICE TERRITORY FOR THE PROPERTY REFLECTED IN EXHIBIT B

- A. The Properties indicated in blue cross-hatching on Exhibit B are those that are well-situated to be served by AMES based upon AMES's existing infrastructure as compared to XENIA's existing infrastructure. Therefore, XENIA and AMES agree that with respect only to those Properties indicated in blue cross-hatching on Exhibit B:
- i. The provisions of Article III, Section 3.2 of this Agreement shall be in effect for an initial term of 120 months (10 years) from the Effective Date of this Agreement.
 - ii. At the conclusion of that initial 120-month term, the provisions of Article III, Section 3.2 shall automatically renew for up to five (5) 60-month renewal terms.
 - iii. Either party to this Agreement may elect to cancel an approaching automatic renewal of Article III, Section 3.2 as it pertains to those Properties indicated in blue cross-hatching on Exhibit B by notifying the other party in writing no less than 12 months prior to the end of the initial term or any renewal term. Upon receipt of a timely cancellation notice, the provisions of Article III, Section 3.2 as they pertain to those Properties indicated in blue cross-hatching on Exhibit B shall be void and of no further legal force and effect at the conclusion of the current term.
- B. The Properties indicated in black hatching on Exhibit B are those that are potentially suitable to be served by AMES and are potentially suitable to be served by XENIA. Therefore, XENIA and AMES agree that with respect only to those Properties indicated in black hatching on Exhibit B:
- i. The provisions of Article III, Section 3.2 of this Agreement shall be in effect for an initial term of 60 months (5 years) from the Effective Date of this Agreement.
 - ii. At the conclusion of that initial 60-month term, the provisions of Article III, Section 3.2 shall automatically renew for up to six (6) 60-month renewal terms.
 - iii. Either party to this Agreement may elect to cancel an approaching automatic renewal of Article III, Section 3.2 as it pertains to those Properties indicated in black hatching on Exhibit B by notifying the other party in writing no less than 12 months prior to the end of the initial term or any renewal term. Upon receipt of a timely cancellation notice, the provisions of Article III, Section 3.2 as they pertain to

those Properties indicated in black hatching on Exhibit B shall be void and of no further legal force and effect at the conclusion of the current term.

- C. During the period of time Article III, Section 3.2 is in effect for a given Property shown in black hatching and labeled as “5 Years” or shown in blue cross-hatching and labeled as “10 Years” on Exhibit B (as provided in Article III, Section 3.2(A) or Article III, Section 3.2(B)), XENIA agrees to transfer the water territory rights for that Property at the time the request to transfer the territory rights is made, utilizing the process described below:
- i. Regardless whether the request to transfer service territory comes from a Property owner or from AMES, AMES shall initiate the transfer process by submitting to XENIA a written request consisting of a map and legal description of the specific Property proposed to be released from XENIA to AMES.
 - ii. XENIA shall provide a written confirmation to AMES that shall release, waive, and transfer to AMES XENIA’s right, title, and interest to provide Public Water Supply Services to said Property. This written confirmation shall refer to the map and legal description provided in the initial request by AMES.
 - iii. Unless otherwise mutually agreed by XENIA and AMES, such transfer shall be completed within sixty (60) days of XENIA’s receipt of payment of all sums due XENIA related to such transfer of water service territory rights.
 - iv. By way of this Agreement AMES consents to accept any or all water service territory shown in black hatching and labeled as “5 Years” or shown in blue cross-hatching and labeled as “10 Years” on Exhibit B, provided that the provisions of Article III, Section 3.2 are still in effect for that Property, and subject to completing the appropriate steps for transfer defined in this Agreement and applicable state and federal law.
- D. XENIA and AMES agree that if any of the water service territory shown in black hatching and labeled as “5 Years” or shown in blue cross-hatching and labeled as “10 Years” on Exhibit B is set to be removed from eligibility for AMES service (i.e., by non-renewal of an approaching renewal term described in Article III, Section 3.2(A) or Article III, Section 3.2(B); or in the final 12-month period of the final renewal term of those Sections), XENIA and AMES will confer regarding the rates and terms for the potential sale of water from AMES to XENIA so XENIA may serve that territory. Nothing in this Agreement binds either AMES or XENIA to agree to a proposal regarding the sale of water.

- E. Nothing in this Agreement is intended to prohibit Property owners from requesting buyouts of other properties outside of those shown in black hatching and labeled as “5 Years” or outside of those shown in blue cross-hatching and labeled as “10 Years” on Exhibit B. If such a request for a buyout and transfer is agreed upon by XENIA and AMES, no amendment to this Agreement is required.

3.3 PURCHASE PRICE CALCULATION FOR WATER TERRITORY RIGHTS BUYOUTS

- A. For the first sixty (60) months following the Effective Date of this Agreement, the Purchase Price for XENIA’s water territory rights to be transferred to AMES shall be \$3,000 per net acre, and no greater amount shall be required. Net acreage shall be defined as gross acreage less any right-of-way easements.
- B. The Purchase Price for months 61 through 120 following the Effective Date of the Agreement shall be 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. The same Purchase Price adjustment process shall be used for all subsequent 60-month time periods (months 121 through 180, months 181 through 240, etc., and continuing in 60-month increments).
- C. The Purchase Price for the water territory rights 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 60 th month from the Effective Date of this Agreement	240.501
Less CPI published in the month the Agreement took effect	229.815
Equals index change	10.686
Divided by the CPI published in the month the Agreement took effect	229.815
Equals	0.0464
Result multiplied by 100	4.64%
\$3,000 per acre X 1.0464 = \$3,139 per acre payment due for months 61 through 120 following the Effective Date of this Agreement	

ARTICLE IV: TERM, REMEDIES, AND MISCELLANEOUS PROVISIONS

4.1 TERM OF AGREEMENT

- A. The provisions of Article III, Section 3.2 of this Agreement shall be in effect for thirty-five (35) years from the Effective Date, subject to the renewal provisions contained in Article III, Section 3.2(A) and Article III, Section 3.2(B) of this Agreement. All other provisions of this Agreement, being necessary to provide orderly and efficient potable water service and fire protection to the public, shall remain in effect in perpetuity, unless terminated by mutual agreement of the Parties.

4.2 REMEDIES

- A. The Parties retain all rights accorded them by law and equity to enforce the terms hereof. In the event either Party obtains a court order to enforce any provision of this Agreement that is in dispute, the prevailing Party shall be entitled to reimbursement from the other Party for reasonable attorneys' fees and court costs associated with bringing or defending the suit.

4.3 XENIA AUTHORITY

- A. XENIA warrants and represents that it has the legal right and authority to: (a) provide Public Water Supply Service for the Property reflected in Exhibit B, and (b) release, waive, and transfer its service territory rights as described in this Agreement. Nothing in this Agreement is intended to expand any water service territory rights that are not already XENIA's rights to provide Public Water Supply Services to.

4.4 AMES AUTHORITY

- A. Nothing in this Agreement shall limit the authority granted to AMES under Iowa law to review, approve, deny, or condition any use of land or division of land that is inconsistent with City standards.

4.5 INTENDED BENEFICIARIES

- A. 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.

4.6 AMENDMENTS

- A. 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 United States Department of Agriculture's approval of any amendment will be required before the amendment is effective.

4.7 GOVERNING LAW

- A. 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).
- B. Effective as of the time of the release and waiver of its water service rights for any portion of the Property reflected in hatching or cross-hatching on Exhibit B or as star symbols on Exhibit C, XENIA waives and relinquishes all rights, privileges, and benefits it has or may have under 7 U.S.C. § 1926(b) relating to that portion of Property reflected in hatching or cross-hatching on Exhibit B or as star symbols on Exhibit C, but XENIA retains all rights, privileges, and benefits it has or may have under 7 U.S.C. § 1926(b) for the water service territory depicted in orange on Exhibit B that is not transferred to AMES and to which AMES subsequently and immediately upon transfer provides Public Water Supply Services to.

4.8 NOTICES

- A. Except where otherwise required to take place in a different format, 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.

- i. Notices to AMES shall be to:

City Manager's Office
City of Ames
515 Clark Avenue
Ames, IA 50010

- ii. Notices to XENIA shall be to:

Xenia CEO/General Manager
Xenia Rural Water District
23998 141st Street
P.O. Box 39
Bouton, IA 50039

4.9 CONSTRUCTION

- A. 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.

4.10 BINDING EFFECT

- A. This contract and Agreement is binding on all successors and assigns to XENIA and AMES.

4.11 COMPLETE AGREEMENT AND EFFECTIVE DATE

- A. This Agreement, including Exhibits, constitutes the entire, complete, and final agreement of the Parties to provide Municipal Water Service and to transfer certain service territory rights from XENIA to AMES, and supersedes all prior understandings, undertakings, negotiations, representations, statements, and agreements made by or on behalf of or between the Parties, with the exception of prior bulk water sale terms and agreements. 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 three (3) counterparts, each of which shall be deemed to be an original.

CITY OF AMES, IOWA:

By: _____
John A. Haila, Mayor

Attest:

Diane R. Voss, City Clerk

Executed _____, 2021

STATE OF IOWA, COUNTY OF STORY, ss:

On this ___ day of _____, 2021, before me, a Notary Public in and for the State of Iowa, personally appeared John A. Haila and Diane R. Voss, to me personally known and who, 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 Resolution No. _____ adopted by the City Council on the ___ day of _____, 2021, and that John A. Haila 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.

Notary Public in and for the State of Iowa

XENIA RURAL WATER DISTRICT:

By: _____
Chair, Board of Directors

Attest:

Secretary, Board of Directors

Executed _____, 2021

STATE OF IOWA, COUNTY OF STORY, ss:

This instrument was acknowledged before me on _____, 2021,
_____ and _____, as Chair, Board of Directors, and
Secretary, Board of Directors, respectively, of Xenia Rural Water District.

Notary Public in and for the State of Iowa

CONSENT

This Agreement is consented to by the United States Department of Agriculture (USDA), Rural Development, as of the ____ day of _____, 2021. USDA is not a party to this Agreement.

USDA RURAL DEVELOPMENT

By _____

Iowa State University Research Farm Locations



Map Created by City of Ames
Public Works Department
October 20, 2016

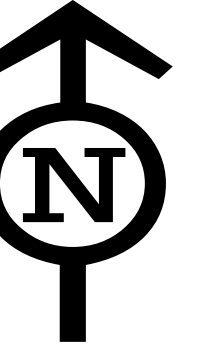
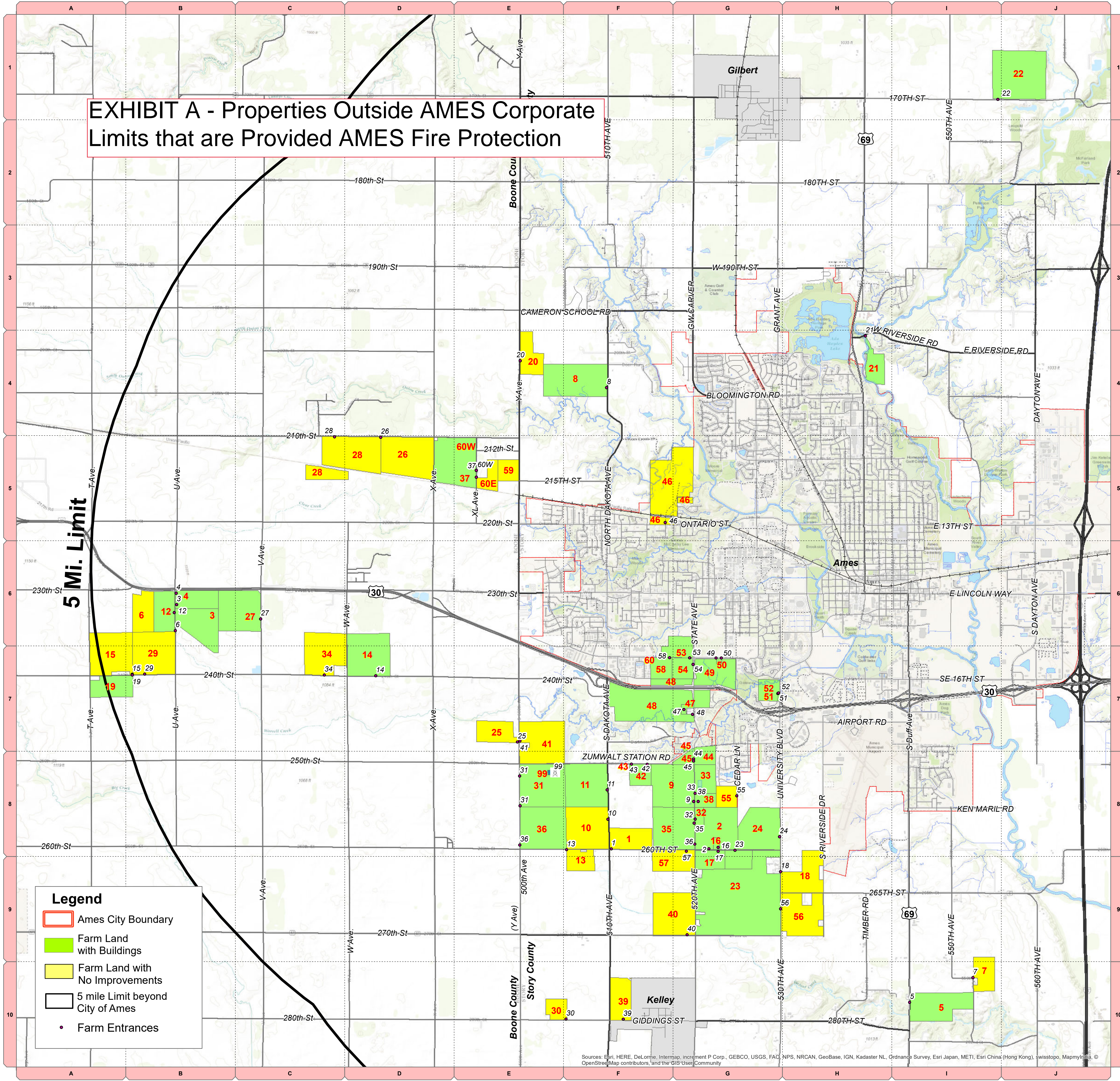


EXHIBIT A - Properties Outside AMES Corporate Limits that are Provided AMES Fire Protection



Farm No.	Grid ID	Farm Name	Address	County	Fire District
1	F8	Accola Farm (Farmland)	51013 260th St	Story	Ames/Kelley
2	G8	Ag 450 Farm (including residence)	52097 260th St	Story	Ames/Kelley
3	B6	Ag Engineering/Agronomy Farm	1308 U Ave	Boone	Ames/Boone
4	B6	Ag Engineering/Agronomy Residence	1306 U Ave	Boone	Ames/Boone
5	I10	Animal Resource Station	27738 Hwy 69	Boone	Ames/Kelley
6	B6	Bass Farm (Farmland)	1305 U Ave	Boone	Ames/Boone
7	I10	Bates Farm (Farmland)	27492 550th Ave	Story	Ames/Kelley
8	F4	Beef Nutrition Farm (including residence)	3405 North Dakota Ave	Story	Ames/Gilbert
9	G8	Beef Teaching Farm	3725 S. 520th Ave	Story	Ames/Kelley
10	F8	Been Farm (Farmland)	50525 260th St	Story	Ames/Kelley
11	F8	Bennett Farm (including residence)	3643 S. Dakota Ave	Story	Ames/Kelley
12	B6	BioCentury Research Farm (BCRF)	1327 U Ave	Boone	Ames/Boone
13	F8	Brooks Farm (Farmland)	50544 260th St	Story	Ames/Kelley
14	D7	Bruner Farm	2237 240th St	Boone	Ames/Boone
15	B7	Burkey Farm (Farmland)	1949 240th St	Boone	Ames/Boone
16	G8	College Shop	52099 260th St	Story	Ames/Kelley
17	G8	Compost Facility (ISU)	52274 260th St	Story	Ames/Kelley
18	H9	East Dairy Farm (Farmland)	26238 530th Ave	Story	Ames/Kelley
19	B7	Field Extension Education Lab/ Boyd Farm	928 240th St	Boone	Ames/Boone
20	E4	Finch Farm (Farmland)	4164 N. 500th Ave	Story	Ames/Gilbert
21	H4	Hinds Farm (Farmland)	598 W. Riverside Rd	Story	Ames/Gilbert
22	J1	Horticulture Station (including residence)	5519 170th St	Story	Ames/Gilbert
23	G8	Dairy Farm	52470 260th St	Story	Ames/Kelley
24	G8	Johnson Farm	4441 530th Ave	Story	Ames/Kelley
25	E7	Kitchen Farm (Farmland)	2481 500th Ave	Boone	Ames/Kelley
26	D5	Kliver Farm (Farmland)	2274 210th St	Boone	Ames/Boone
27	C6	LEBRC facility	1333 V Ave	Boone	Ames/Boone
28	D5	Lippert Farm (Farmland)	2166 210th St	Boone	Ames/Boone
29	B7	Marsden Farm (Farmland)	1965 240th St	Boone	Ames/Boone
30	F10	Norman Farm (Farmland)	50533 280th St	Story	Ames/Kelley
31	E8	North Woodruff Farm	3562 S. 500th Ave	Story	Ames/Kelley
32	G8	Poultry Science Farm	3840 520th Ave	Story	Ames/Kelley
33	G8	Sheep Teaching Farm	3640 S. 520th Ave	Story	Ames/Kelley
34	C7	Sorensen Farm (Farmland)	2171 240th St	Boone	Ames/Boone
35	G8	South State Farm	3895 S. 520th Ave	Story	Ames/Kelley
36	E8	South Woodruff Farm	3976 S. 500th Ave	Story	Ames/Kelley
37	E5	Swine Nutrition Farm	1127 XL Ave	Boone	Ames/Boone
38	G8	Swine Teaching Farm & Rodeo Arena	3726 520th Ave	Story	Ames/Kelley
39	F10	Tilton Farm (Farmland)	1411 Giddings	Story	Ames/Kelley
40	G9	West Dairy Farm (Farmland)	26603 520th Ave	Story	Ames/Kelley
41	E7	Worle Farm (Farmland)	30485 S. 500th Ave	Story	Ames/Kelley
42	F8	Zumwalt Station Farm	4006 Zumwalt Station Rd	Story	Ames/Kelley
43	F8	Zumwalt Station Residence	4218 Zumwalt Station Rd	Story	Ames/Kelley
44	G8	Animal Science Teaching Center	3125 State Ave	Story	Ames
45	G8	Animal Science Teaching Residence	3151 State Ave	Story	Ames
46	F5	Applied Science Farm	1915 Scholl Rd	Story	Ames
47	G7	CAD Seed Plant	2219 State Ave	Story	Ames
48	G7	Curtiss Farm	2219 State Ave	Story	Ames
49	G7	Equine Farm	2600 Mortensen Rd	Story	Ames
50	G7	Equine Farm Residence	2602 Mortensen Rd	Story	Ames
51	G7	Packer Farm (new house)	2005 Ironwood Ct	Story	Ames
52	G7	Packer Farm (old house and buildings)	1815 University Blvd	Story	Ames
53	G7	Plant Introduction Station	1315 State Ave	Story	Ames
54	G7	Plant Introduction Station Residence	3200 Mortensen Rd	Story	Ames
55	G8	Ringgenberg Farm (Farmland)	3799 Cedar Lane	Story	Ames
56	H9	Julius Farm (Farmland)	26686 530th Ave	Story	Ames/Kelley
57	G8	Kingsbury Farm (Farmland)	51888 260th St	Story	Ames/Kelley
58	F7	LEAP Lab	3600 Mortensen Rd	Story	Ames
59	E5	Pesek Farm		Boone	Ames/Boone
60W	E5	Kelley Farm West	1127 XL Ave	Boone	Ames/Boone
60E	E5	Kelley Farm East		Boone	Ames/Boone
99	E8	WOI Radio Tower	5418 Zumwalt Station Rd	Story	Ames/Kelley


Legend

- Ames City Boundary
- Farm Land with Buildings
- Farm Land with No Improvements
- 5 mile Limit beyond City of Ames
- Farm Entrances

Source: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, ©

EXHIBIT B

Legend

 Ames Incorporated Limits

Negotiable

 5 Years

 10 Years

 Ames Service Area/Prior Neg.

 Xenia Service Area

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

EXHIBIT C MAP

- ★ Xenia Customers
- Ames Incorporated Limits
- Negotiable
- Ames Service Area/Prior Neg.
- Xenia Service Area

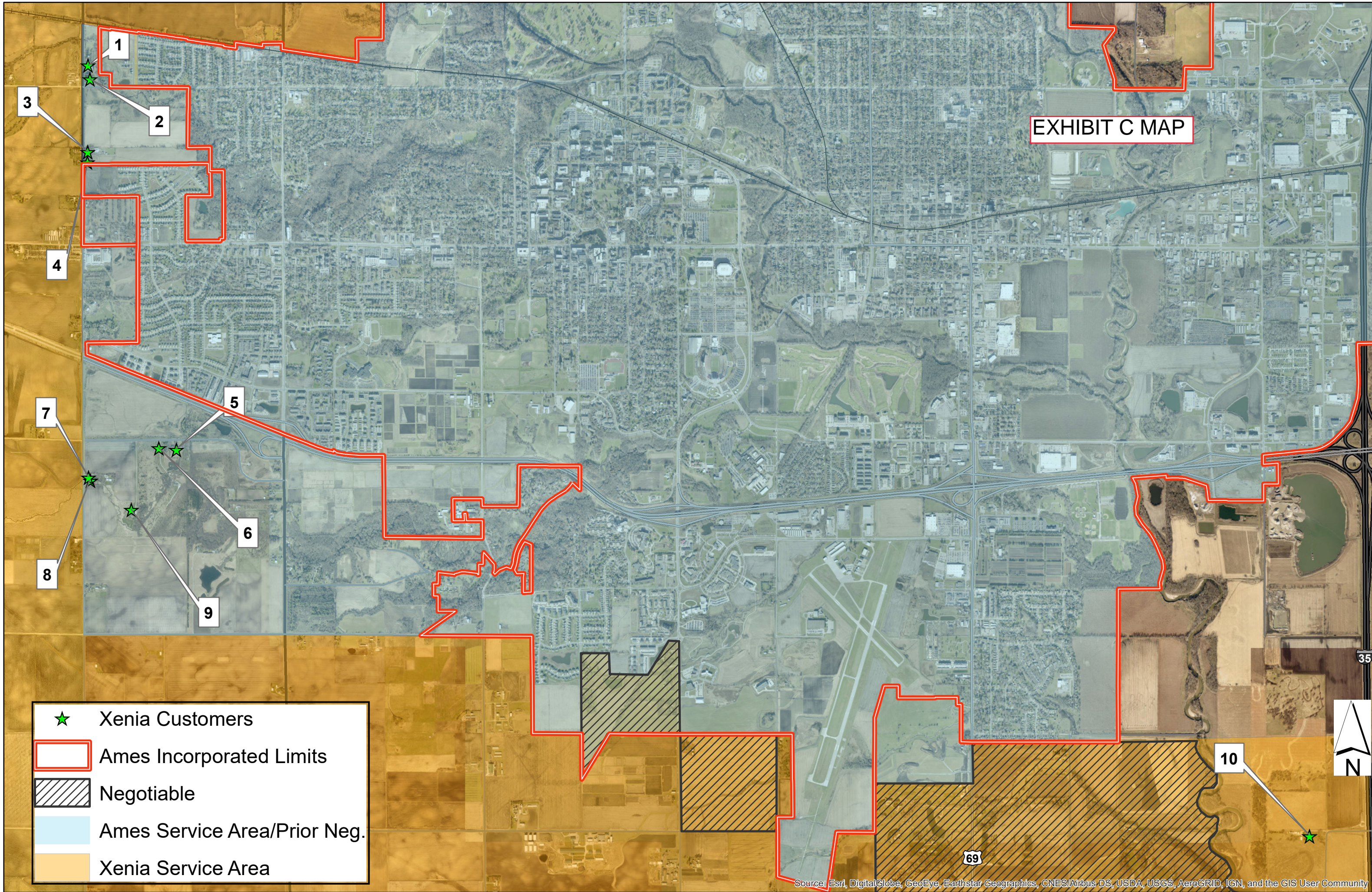


Exhibit C: Customers of XENIA Whose Adjacent Land Remains AMES Territory

Map #	Parcel ID	Address	Owner Name	Mailing Address			
1	0531300305	1264 N 500th Ave	Michael W. Stueckradt	1264 N 500th Ave	Ames	IA	50010
2	0531300360	1120 N 500th Ave	Philip L & Patricia L Edwards	1120 N 500th Ave	Ames	IA	50010
3	0906300105	800 N 500th Ave	Richard C Jr & Rena S Hall	800 N 500th Ave	Ames	IA	50010
4	0906300180	798 N 500th Ave	David Junk	768 N 500th Ave	Ames	IA	50010
5	0918100240	5318 240th St	John R Moore	5318 240th St	Ames	IA	50010
6	0918100215	5500 240th St	Wanda Chaffin McCay Trust	3016 Burnham Dr	Ames	IA	50010
7	0918100150	2042 S 500th Ave	Mark H & Elizabeth A Harmison	2042 S 500th Ave	Ames	IA	50010
8	0918100160	2060 S 500th Ave	Mark H & Elizabeth A Harmison	2042 S 500th Ave	Ames	IA	50010
9	0918100380	5600 240th St	Palensky 1998 Trust	317 6th Ave. Ste 900	Des Moines	IA	50309
10	1030100105	56389 265th Street	Jerald & Carol Ryerson	56389 265th Street	Ames	IA	50010