

ITEM #: 30
DATE: 09-12-23
DEPT: W&PC

COUNCIL ACTION FORM

SUBJECT: CONCEPT FOR LAND ACQUISITION FOR WATER AND POLLUTION CONTROL DEPARTMENT

BACKGROUND:

The Ames Water Plant owns approximately 73 acres for a future “I-35 East Well Field.” The FY 2018/19 Capital Improvements Plan included the “South Skunk River Well Field Land Acquisition” project to acquire additional ground at a then undetermined location somewhere between the Hunziker Youth Sports Complex and the I-35 East Well Field. There have been many conversations with landowners and potential partners over the intervening years, and in recent months a path forward has emerged.

Staff has been working to acquire two adjacent parcels of land southeast of Ames in the South Skunk River flood plain (site map attached). **The purpose of the acquisitions is primarily to secure a site for a future well field and to provide source water protection for future wells. Additionally, land retirement on the parcels would generate nutrient reduction credits that can be claimed by the Water Pollution Control Facility.** The two parcels currently under discussion are shown in the attached map as the Ryerson property and the C.G. Lee property. Each has its own unique acquisition mechanism.

Ryerson Property. The Ryerson property is being pursued by the Iowa Department of Natural Resources and the US Department of Agriculture – Natural Resource Conservation Service (USDA-NRCS) for conservation purposes. It is adjacent to the Jordan Family Wildlife Area, as well as properties already owned by Story County Conservation and the Iowa Natural Heritage Foundation. **The concept being considered is that the USDA will purchase a conservation easement on the property and maintain it as a diverse, restored native prairie with oxbow restorations (old bends in the former river channel). Story County could then acquire the parcels outright for the residual value and would manage the ground for conservation, habitat restoration, and public hunting purposes.**

The proposed land management scheme of the Ryerson property is an ideal way to achieve source water protection, making the parcels a high-quality location for the future well field (tentatively referred to as the “I-35 West” well field.) Both USDA-NRCS and Story County Conservation have been working with the Water and Pollution Control Department to set aside a portion of the property for a City well field. **Ames would need to acquire the portions of land it needs for the future wells, pipeline, and access roads prior to the USDA placing its easement.** Last fall, test

wells were drilled by the City that confirmed the ground water under the parcel meets all Safe Drinking Water Act requirements, including for PFAS chemicals.

C. G. Lee Property. The C. G. Lee property would be acquired in partnership with the Iowa Natural Heritage Foundation (INHF). This acquisition would allow a similar restoration of an additional 42 acres that are immediately adjacent to other ground that is being returned to a native landscape. This area overlies the groundwater that is moving into the I-35 East well field property. **Placing this ground into native species serves to protect and preserve the use of the I-35 East property for long-term source water purposes.** The acquisition could be completed in early 2024. The INHF will work with the Story County Conservation Board on a plan to seed the land in early spring 2024. Wetland and/or oxbow restoration on the property is a possibility.

Funding for the acquisitions would come from a variety of sources. A conceptual funding scheme is presented below. It is important to note that the numbers shown here are still in flux at this stage. It is intended only to give Council a sense of the direction that the discussions are headed and the magnitude of the City’s participation. No purchase agreements have been finalized at this time.

	Acquisition Costs	Funding
Ryerson Property (120 acres)	1,677,000	
City of Ames (Water Fund)		69,000
USDA NRCS		1,364,000
Story County		244,000
Ryerson Property Total	1,677,000	1,677,000
CG Lee Property (42 acres)	508,000	
City of Ames (Water Fund)		400,000
City of Ames (Sewer Fund)		75,000
INHF (grants)		30,000
INHF (other sources)		3,000
C.G. Lee Property Total	508,000	508,000
Ames Contributions		
Water Fund		469,000
Sewer Fund		75,000
Ames Total Contribution		544,000

The Water Fund contributions will come from carryover (\$476,278) from the FY 2018/19 CIP well field land acquisition project. This would give the City three locations under its direct control (an expansion of the North River Valley well field, the currently owned I-35

East well field, and this new I-35 West well field) from which it could draw additional drinking water supplies in the future.

The Sewer Fund contribution will come from the FY 2023/24 Watershed-Based Nutrient Reduction project. Of the \$1,017,938 in current year adopted and carry-over funds for these watershed projects, \$169,714 is currently unobligated.

The two property acquisitions would provide approximately 162 acres of restored native landscape for which the City could claim nutrient reduction credits. While the final acquisition steps are still several months away, it would be helpful for the other funding partners to have an indication from the City Council that it is supportive of the conceptual plan. The action requested at this time is non-binding, and the City could back out if the final terms and cost share arrangements do not meet the Council's desires. If Council does not support the overall concept, it would be important to the other partners to know that now.

ALTERNATIVES:

1. A. Approve the conceptual plan, subject to negotiation of acceptable terms and conditions, to acquire a portion of the Ryerson property for a future water well field and nutrient reduction credit in partnership with the USDA-NRCS, Iowa DNR, and Story County Conservation.
- B. Approve the conceptual plan, subject to negotiation of acceptable terms and conditions, to acquire the C. G. Lee property for drinking water source protection and nutrient reduction credit in partnership with the Iowa Natural Heritage Foundation and Story County Conservation.
2. Do not approve the conceptual plans, and provide feedback to staff on the acquisition of ground south of Ames for a future well field.

CITY MANAGER'S RECOMMENDED ACTION:

The City's Capital Improvement Plan includes two important forward-looking projects. One is to secure an additional location from which the City could draw groundwater as a future drinking water source. The other is to pursue watershed-based nutrient removal projects as a way to bank credits against any future restrictions on the Water Pollution Control Facility's discharge permit. Staff has worked with multiple partners to assemble contiguous parcels along the South Skunk River corridor south of Ames that will all be held in a permanent state of conservation, making the area an ideal location to site future wells. Additionally, the retirement of row-cropped land is a highly effective practice to generate nutrient removal credits.

- City funds have been budgeted and earmarked for these specific purposes;
- Additional funding partners are willing to assist both financially and with needed expertise;
- Willing land owners have been identified;

- Of the total 162 acres purchased, the City will own 7 acres of the Ryerson property for the future water wells, pipelines, and roadways and 42 acres of the C.G. Lee property for source water protection for the water wells;
- The total financial obligation to the City is estimated to be \$544,000 for 49 acres, resulting in a cost of approximately \$11,102 per acre.

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

ATTACHMENT

Site Location Map

