

ITEM #:	16
DATE:	07-08-25
DEPT:	W&PC

COUNCIL ACTION FORM

SUBJECT: **AMENDED 28E FUNDING AGREEMENT ASSOCIATED WITH STORY COUNTY EDGE OF FIELD PROJECT**

BACKGROUND:

The Water Pollution Control Facility (WPCF) is being converted to a nutrient removal treatment technology. Separate from the work that will occur inside the treatment plant, watershed-based improvements performed by the City can be “banked” as credit toward any future, more stringent nutrient reduction regulations imposed on the WPC Facility. On February 24, 2021, staff executed a Memorandum of Understanding with the Iowa Department of Natural Resources to allow these off-site nutrient reductions to be banked with the Iowa Nutrient Reduction Exchange.

Over the past four years, staff has developed a partnership with multiple entities to bundle together Edge-of-Field (EOF) practices that can be bid as a single bid package. The first bid package of the project resulted in 22 tile outlets being treated by either saturated buffers or bioreactors. The second bid package is currently under construction and will treat 18 tile outlets. A third bid package is being prepared and has plans for treating an additional 29 tile outlets. These practices allow natural removal of nitrogen from subsurface drainage before it enters a stream or other surface waters. Thus far, all work that has been completed, started, and planned for has occurred in Story County.

The success of the project is due in large measure to the collaboration between City staff, Story County, Story County Conservation, Story County Soil & Water Conservation District (SWCD), and the Iowa Department of Agricultural and Land Stewardship (IDALS). Staff from the Water & Pollution Control Department plans to continue working in collaboration with these groups to develop an annual project involving 20 to 30 installations, each treating tile drainage from fields ranging in size from 20 to 100 acres.

The City of Ames acts as the fiscal agent for the Edge of Field Project. This includes receiving funds from the different partners, procuring necessary temporary easements, and then contracting for the work to be performed. Funding for this project consists of 75% reimbursement from IDALS and 25% split equally between the City and Story County. The estimated cost for the City’s share is \$50,000 which will come from the Watershed Based Nutrient Reduction Capital Improvements Project, which sets aside \$100,000 per year for watershed-based projects.

Currently, the EOF project has been limited to work occurring in Story County. The Skunk River watershed extends into Hamilton County, and it is possible for the City to extend the EOF project into Hamilton County and “bank” the nutrient reduction credits created with the Iowa Nutrient Reduction Exchange. While there are no immediate plans to expand the project into Hamilton County, City staff and IDALS have discussed the possibility of pursuing opportunities within Hamilton County when they present themselves. For that reason, Hamilton County Soil & Water Conservation District is a signatory to the 28E Agreement.

To facilitate the continuation of the EOF project, the 28E Agreement already in place between the City of Ames, the Iowa Department of Agricultural and Land Stewardship – Division of Soil Conservation and Water Quality, the Story County Soil & Water Conservation District, and the Hamilton County Soil & Water Conservation District needs to be extended beyond the current term ending June 30, 2025. City staff has coordinated with each entity to review the agreement which would extend the term to June 30, 2028. The agreement (attached) has been finalized and is now ready for approval by City Council.

With assistance from the 28E partners, sites in Story and Hamilton County will be evaluated for their suitability for the project and the landowners will be educated about the EOF project. Each landowner that participates will be required to sign a 10-year maintenance agreement and allow temporary access to their property during construction, for which they will be compensated.

The attached 28E Agreement has already been signed by both the Story County and Hamilton County Soil and Water Conservation Districts. Once the City has executed the agreement, it will be forwarded to IDALS for the final signatures.

ALTERNATIVES:

1. Approve a third amendment to the 28E Agreement for fiscal agent assistance with the Iowa Department of Agriculture and Land Stewardship – Division of Soil Conservation and Water Quality (IDALS), City of Ames, Story County Soil & Water Conservation District, and Hamilton County Soil & Water Conservation District.
2. Do not approve the amended 28E Agreement. **Without the agreement, the City would then be responsible for enforcing the maintenance agreements, would not have access to information essential for the design of the practices, and would not be eligible for the 75% reimbursement from IDALS.**

CITY MANAGER'S RECOMMENDED ACTION:

The Ames Water Pollution Control Facility is being converted to a nutrient removal treatment technology. To mitigate future investment beyond what is already planned for, watershed-based projects can be performed, and the resulting nutrient reduction credits can be banked. Following project completion, the City will register each of these practices and receive annual nutrient reduction credit for the lifespan of each practice.

Continuation of the Edge of Field Project will allow for additional nutrient reduction credit possibilities. **To increase the effectiveness of the program, staff has negotiated an amendment to the existing 28E Agreement with the Iowa Department of Agriculture and Land Stewardship – Division of Soil Conservation and Water Quality (IDALS), City of Ames, Story County Soil & Water Conservation District, and Hamilton County Soil & Water Conservation District. This gives City staff access to technical resources, long-term maintenance assistance, and additional funds to complete the work.** Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

ATTACHMENT(S):

[IDALS-Ames 28E Agreement Amendment 3-FINAL DRAFT.docx](#)