

ITEM #:	12
DATE:	07-28-26
DEPT:	PW

COUNCIL ACTION FORM

SUBJECT: REQUEST FROM CITY OF KELLEY TO WITHDRAW FROM RESOURCE RECOVERY SYSTEM

BACKGROUND:

The Resource Recovery System (RRS) consists of partnerships between the City of Ames, 11 of the incorporated cities in Story County, Story County itself, and Iowa State University. The partnerships are outlined in 13 separate 28E intergovernmental agreements with Ames. These agreements originated when the Resource Recovery Plant was established in 1975, and have been renewed several times since.

Included among these partners is the City of Kelley. In 2014, Ames and Kelley entered into the current agreement, which is in effect through June 30, 2034 (see attached). The agreement states that Ames will provide a solid waste disposal system, including arrangements for a landfill and the use of the Resource Recovery Plant to produce refuse-derived fuel for the Power Plant. In exchange, Kelley contributes to the cost of the operation of the RRS through a per-capita fee (currently \$10.50 per person, or \$3,192 total).

In the past several years, Ames has been developing a new approach to handling solid waste. By July 1, 2027, the waste-to-energy operation will be discontinued, and solid waste will be consolidated at the Resource Recovery and Recycling Campus (R3C) and transported to a landfill in Carroll County. The development of this new system requires increases in tipping fees and changes to waste diversion efforts (e.g., more robust recycling efforts).

In order to plan for the new R3C facility and its financing, City of Ames staff approached the current RRS partners in fall 2025 and requested that each partner consider approving revised 28E agreements. The revised 28E agreements would extend through June 30, 2047.

On June 21, 2026, the Ames City Clerk received a letter from the City of Kelley (attached) requesting a release from the existing 28E agreement on or before August 31, 2026. Kelley intends to join the solid waste planning area that contains Marshall County Landfill, and will be served by it.

The termination language in the existing 28E agreement allows for cancellation of the agreement prior to June 30, 2034 by mutual agreement of both parties. Several other communities in eastern Story County are served by the Marshall County Landfill.

City staff does not believe that the withdrawal of Kelley from the RRS will have a significant negative impact on the viability of the system. Staff has prepared an amendment to the 28E agreement (attached to this report), which would formalize the cancelation of the agreement effective August 31, 2026.

ALTERNATIVES:

1. Approve an amendment to the Resource Recovery System 28E agreement with the City of Kelley to cancel the agreement as of August 31, 2026
2. Do not approve the cancellation of the agreement which will bind the City of Kelley to the existing agreement until June, 2034.
3. Refer this item to staff for further information.

CITY MANAGER'S RECOMMENDED ACTION:

When the Resource Recovery System was initiated in 1975, partnerships were entered into with most of the communities across Story County to handle solid waste through the system. With the transition away from waste-to-energy, the costs for the disposal of solid waste through the Resource Recovery & Recycling Campus will necessitate fee increases. At the time the R3C was initially being discussed with the Resource Recovery System partners, it was clear to City staff that some communities may both desire and be able to leave the Resource Recovery System for an alternative.

The City of Kelley has identified a new solid waste management planning area (and associated landfill) with which it wishes to partner. City of Ames staff does not believe that releasing Kelley from the Resource Recovery System will present a significant financial burden to the system. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

ATTACHMENT(S):

[City of Kelley termination request.pdf](#)

[City of Kelley 2014 28E Agreement.pdf](#)

[Termination of 28E with Kelley.docx](#)