



## **CITY COUNCIL MEETING NOTICE**

**HUXLEY CITY HALL – COUNCIL CHAMBERS – 515 N. MAIN AVENUE  
TUESDAY NOVEMBER 17, 2020 7:00 P.M.**

### **WORKSESSION AGENDA**

- 1. ROLL CALL**
- 2. APPROVE AGENDA AS PRESENTED AND/OR AMENDED**
- 3. PUBLIC COMMENT (5 MINUTE TIME LIMIT FOR ITEMS NOT ON THIS AGENDA)**
- 4. PUBLIC HEARINGS**
- 5. CONSENT AGENDA – *These are routine business items and will be acted upon by one Roll Call Vote without separate discussion unless a Councilmember or citizen requests an item to be removed or considered separately.***
- 6. BUSINESS ITEMS**
  - a. Review of City of Huxley Land Use, Growth and Utilities Map, Adjacent Rural Water Agency Boundaries and Agreements
- 7. INFORMATIONAL ITEMS**
- 8. CITY ADMINISTRATOR AND DIRECTOR REPORTS**
- 9. MAYOR AND COUNCIL REPORTS**
- 10. ADJOURNMENT**
- 11. WORKSESSION**

#### **UPCOMING WORK SESSION TOPICS**

Update on Trails & Sidewalk Infill Master Plan  
Zoning Ordinance Review and Amendments  
Economic Development Projects  
Follow Up on Low-Moderate Income Fund Uses  
New City Mapping Capabilities

For more information on this and other agenda items, please call the City Clerk's Office at 515-597-2561 or visit the Clerk's Office, City Administration Building at 515 N. Main Ave. Council agendas are available to the public at the City Clerk's Office on Monday morning preceding Tuesday's council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email.

# COUNCIL COMMUNICATION

## **AGENDA HEADING:**

Worksession-City of Huxley Comprehensive Planning, Growth and Utilities

## **SUBMITTED BY:**

Rita Conner, City Administrator

## **SYNOPSIS:**

Through 2020, Council and staff have been reviewing the City's Comprehensive Plan, evaluating long range capital improvement and infrastructure needs, and working to plan for the City's future. The 2013 and 2019 future land use maps have been updated to identify where new developments have occurred and new infrastructure has been constructed to serve residents and businesses. An \$8M project is in design to expand the City's water treatment plant and a master plan has been developed for extending the City's recreational trail system and infilling sidewalks city wide.

As the City of Huxley plans for development to continue to the west, south, north and east, an important step is to work with outside agencies including electric and gas utilities, other cities, Story County and the existing rural water districts within the proposed long range growth boundary. These discussions allow for the ability to collaborate where possible and also to make the most efficient use of public funds.

Staff discussions in 2020 with Xenia Rural Water and the Iowa Rural Utilities Association (IRUA) have included map and plan review and the City's anticipated directions of growth from the 2013 and 2019 plans. Review of an existing agreement between the City and Xenia from 2002 appears to provide a framework to move forward with identifying service areas and development of connection fee districts for passing along per acre costs to future development and also serve as a template for a similar agreement with IRUA. There is also ability to evaluate shared infrastructure. Additional information on this proposal is below.

## **FISCAL IMPACT:**

Amount: To be determined. The current agreement provides for certain costs to be evaluated by the City and Xenia, which could be similar with IRUA. With connection fee districts being a common mechanism for cities in Iowa to recoup costs of installing public utilities, the establishment of districts for this purpose is not an unusual consideration. Learning what these fees would consist of is necessary to conclude the evaluation and be able to fully inform future investors in Huxley.

Funding Source: Connection fee districts developed by the parties. An example formula may be \$100,000 spread over 80 acres is roughly \$1200 per acre. If 3-4 homes were constructed, the per acre costs is further broken down. There is a need to understand what actual numbers would look like and how to apply to the acres in the City's growth area. With the housing stock in the Huxley market at costs between \$250,000 and \$400,000 and even higher, the ability to absorb the fees as a cost of doing business appears achievable.

# **COUNCIL COMMUNICATION**

## **ADDITIONAL INFORMATION:**

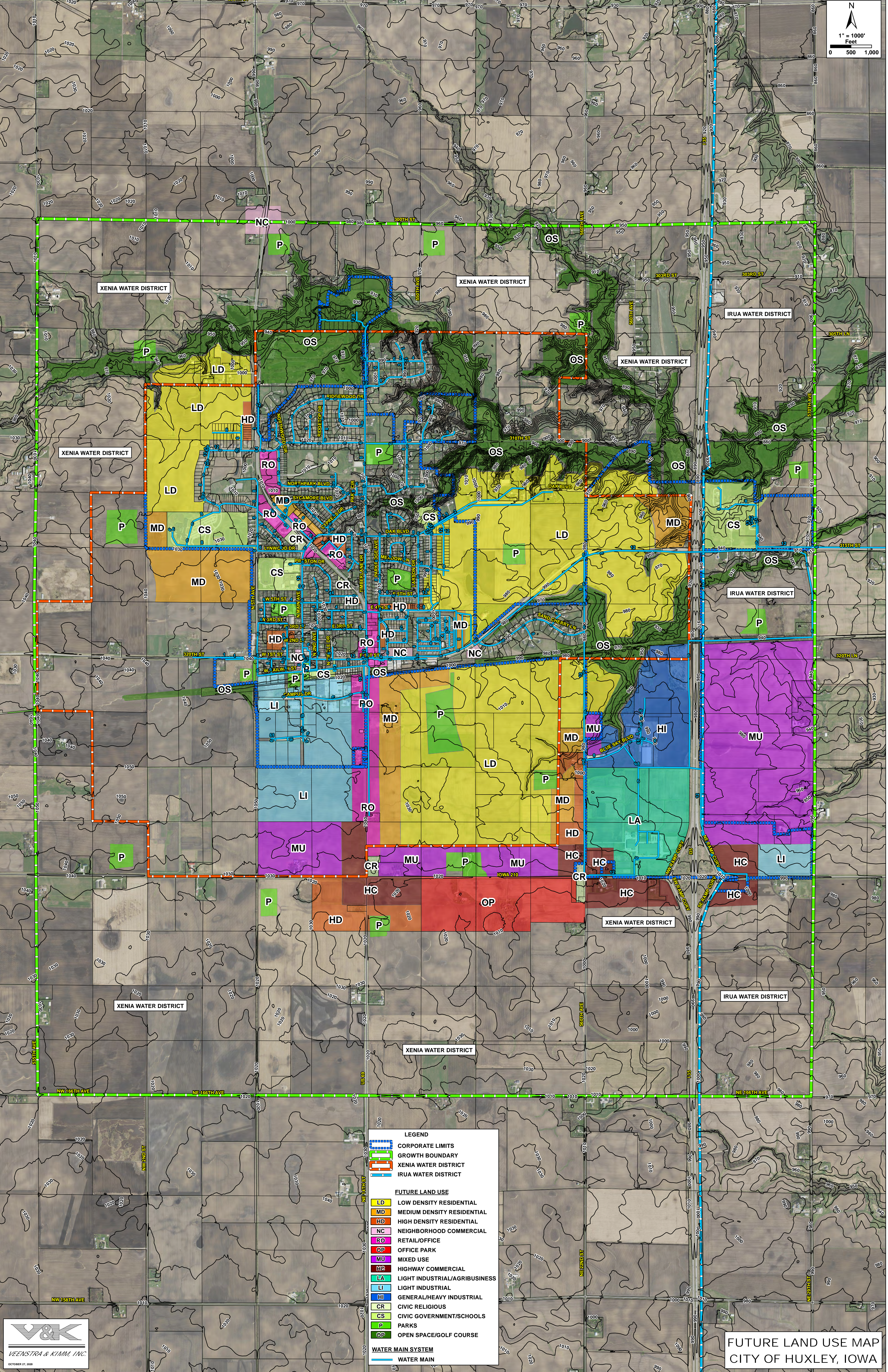
- There are instances in Iowa where cities and rural water agencies have not been able to reach solutions easily or without high costs for litigation. The intent of discussion is to avoid those costs and circumstances and develop solutions.
- The discussions in 2020 also included the City's planned water system expansion project and whether either rural water agency could be a partner/contributor to avoid redundant investment with public funds. These discussions stemmed from prior year conversations on emergency service connections and what types of distribution systems are in the ground in Story County, including those of Des Moines Water Works and the City of Ames.
- In Polk County in the early to mid 2000's, the Cities of Pleasant Hill and Altoona worked collaboratively with the SE Polk Rural Water District, Polk County and Des Moines Water Works on a scenario similar to the one described in this agenda item, which provided the ability for the two cities to grow to the degree that is visible today.

**ADMINISTRATOR RECOMMENDATION:** Approve moving forward and direct City Administrator to continue discussion of draft terms for review by Council, and Xenia/IRUA Boards

## **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- The intent for this work is to be able to clearly and predictably welcome additional land into the City of Huxley for growth and development, particularly additional commercial, retail, office and industrial development that will offset the tax burden on residential property.





**LEGEND**

- CORPORATE LIMITS
- GROWTH BOUNDARY
- XENIA WATER DISTRICT
- IRUA WATER DISTRICT

**FUTURE LAND USE**

- LD LOW DENSITY RESIDENTIAL
- MD MEDIUM DENSITY RESIDENTIAL
- HD HIGH DENSITY RESIDENTIAL
- NC NEIGHBORHOOD COMMERCIAL
- RO RETAIL/OFFICE
- OP OFFICE PARK
- MU MIXED USE
- HC HIGHWAY COMMERCIAL
- LA LIGHT INDUSTRIAL/AGRIBUSINESS
- LI LIGHT INDUSTRIAL
- HI GENERAL/HEAVY INDUSTRIAL
- CR CIVIC RELIGIOUS
- CS CIVIC GOVERNMENT/SCHOOLS
- P PARKS
- GP OPEN SPACE/GOLF COURSE

**WATER MAIN SYSTEM**

- WATER MAIN



S P A C E   A B O V E   R E S E R V E D   F O R   O F F I C I A L   U S E

PREPARED BY: Susan Boe, 400 Locust St., Des Moines, IA 50309 - Telephone: 515-248-9000

## TWO-MILE AGREEMENT

This Agreement is made and entered into this 13<sup>th</sup> day of November, 2002, by and between the City of Huxley, Iowa (the "City"), a municipal corporation organized and existing under the laws of the State of Iowa, and Xenia Rural Water District ("Xenia"), organized and incorporated as a body politic pursuant to Chapter 357A of the Code of Iowa.

### RECITALS

WHEREAS, Xenia is organized under Section 357A of the Code of Iowa (the "Code") by resolutions of the Boards of Supervisors in Polk, Boone, Story, Greene, Dallas, Hamilton, Madison, Webster, Adair, and Guthrie Counties, in which counties it has constructed or shall construct a water system to serve members within such counties (the "Water System");

WHEREAS, Xenia has expanded the Water System to include an area located in Story County known as the Ames South Project (the "Ames South Project"), the boundaries of which are partially located within two miles of the corporate limits of the City of Huxley existing on the date of this agreement and as shown on Exhibit A attached hereto (the "Two-Mile Area");

WHEREAS, Section 357A.2 of the Code provides that a rural water district incorporated under 357A may not provide services within two miles of the limits of a city unless the city has approved a new water system plan or has not timely objected to a new water system plan submitted to the city as provided in Section 357A.2 of the Code;

WHEREAS, Xenia and the City desire to set forth their agreement as to the boundaries of the Ames South Project and the City's agreement to allow Xenia to provide water service to customers in the Ames South Project, which includes territory within the Two-Mile Area, provided that the City be granted an option to purchase that portion of the Ames South Project lying within the Two-Mile Area in the event the City annexes any area within the Two-Mile Area.

NOW, THEREFORE, the parties hereto agree as follows:

1. Purpose: The purpose of this Agreement is to provide for the boundaries of the

Ames South Project, to designate the areas within the Two-Mile Area that the respective parties may serve, and to provide for the continued operation of the Water System by Xenia within the area of the Ames South Project in the event the City exercises its option to purchase a portion of the Ames South Project located within the Two-Mile Area. The further purpose of this Agreement is to set forth the terms and conditions under which the City may purchase such portion of the Ames South Project located within the Two-Mile Area.

2. Water Service Areas.

(a) Xenia has and shall have the full unrestricted and exclusive right, subject only to the conditions of this Agreement pertaining to a purchase of one or more areas within the Two-Mile Area by the City, to construct, operate, maintain, repair, replace and reconstruct the Ames South Project irrespective of any annexation by the City of any additional territory within the boundaries of the Ames South Project.

(b) Xenia shall not without the City's written consent, which will not be unreasonably withheld, distribute water within the City's Water Service Protected Area as shown on Exhibit A and more particularly described in the attached Exhibit B. There is attached as Exhibit C a schedule of properties lying within the City's water Service Protected Area to which the City consents to permit service by Xenia.

(c) After completion of the initial construction, Xenia may make additional improvements or modifications to its distribution systems within the Two-Mile Area only upon the written consent of the City (except such consent shall not be required for the installation of additional meter pits and other service connections for new users on existing lines).

(d) The City shall not sell or provide water to any property served by Xenia or participating member of Xenia within the boundaries of the Ames South Project except as specifically provided in this Agreement. As used in this Agreement, "participating member" means an owner or occupant of land within the Water System who has subscribed to and paid the established fee for at least one benefit unit in Xenia's Water System pursuant to Chapter 357A of the Code.

(e) Xenia shall not sell or provide water to any property currently served by the City within the Two-Mile Area.

(f) Nothing herein shall limit the right of the City to extend water transmission mains through the Ames South Project or to provide service to

properties within the Two-Mile Area not within the Ames South Project.

3. Construction Standards. The City recognizes that the Water System is not constructed to provide fire protection and will not attempt to impose construction standards upon Xenia greater than ASTM standards applicable to water line construction. The City may, however, require the construction of new or upgraded water facilities in a new subdivision within the Two-Mile Area using the City's fire protection standards, but at the expense of the developer of the subdivision.

4. Purchase Option. With regard to any property in the Ames South Project that is within the Two-Mile Area and in the event of the annexation by the City of any additional territory within the Two-Mile Area and within the boundaries of the Ames South Project, the City shall have the option to purchase such property from Xenia and Xenia shall sell such property subject to the following terms and conditions:

(a) The City shall give written notice by certified mail at the address listed in this Agreement to Xenia of its intent to exercise this option and shall specify the property to be purchased by the City which shall be located within the Two-Mile Area (the "Purchase Area").

(b) The purchase price shall be based upon the lesser of (i) Xenia's costs for construction of the Purchase Area (which shall not include the cost for the main transmission lines), as well as any improvements or modifications to the Purchase Area subsequent to the initial construction, exclusive of any costs of repair performed on the system which construction costs incurred by Xenia through the date of this Agreement are set forth in Attachment I to this Agreement or (ii) the appraised value of the Purchase Area as determined by an MAI certified appraiser acceptable to Xenia and the City. Such Attachment shall be updated at the close of each calendar year upon the completion of improvements or other modifications to the property comprising the Ames South Project located within the Two-Mile Area, including the addition of any new water users on the existing lines to the Water System within the Two-Mile Area. In addition, the purchase price shall include all of Xenia's reasonable out-of-pocket expenses necessarily incurred in connection with the sale of the Purchase Area to the City.

(c) Xenia shall, within 60 days of receipt of said notice, provide the City an accounting reflecting the purchase price to be paid by the City to Xenia on the closing date of purchase. The Settlement and Closing shall occur within 180 days of the City's written notice or as the parties may mutually agree.

(d) At Closing, Xenia shall quit claim and convey all its right, title and interest in and to the Purchase Area, subject to the reservations in Section 6, which shall include: (i) all of the water distribution system, meters and other improvements, whether real or personal property; (ii) all easements and other right-of-way interests and permits; (iii) Xenia's right to construct, reconstruct, operate and maintain a water distribution system in the Purchase Area; and (iv) Xenia's right to sell water and service customers within the Purchase Area. Nothing herein shall preclude Xenia from expanding the water distribution system still retained by Xenia in the Purchase Area.

5. Required Purchase. The City must purchase a particular area within the Ames South Project that is within the Two-Mile Area and has been annexed by the City before the City commences construction of any water system to provide water for the benefit of such area. Before the City lets bids for such construction, the City shall give prior notice that it will purchase such area from Xenia. Such notice shall conform to and constitute the notice described in Section 4 of this Agreement and the purchase shall thereafter be completed in the manner described in Section 4. If the City fails to give the foregoing notice, then Xenia may at any time either give the notice provided in Section 4 and consummate the purchase in accordance with Section 4 or enjoin the City from continuing such construction until it has purchased the subject area.

6. District Rights After Closing. From and after the closing date for any Purchase Area:

(a) Xenia shall have the right to continue to provide water to participating members who were participating members on such closing date until such time as the City provides notice to Xenia of its intention to provide water to such participating members. Xenia and the City shall jointly provide written notice to the persons who will be affected. The notice shall specify the date upon which Xenia shall no longer provide service and upon which the City water service shall be exclusively available. From and after the specified date Xenia shall not provide service to the designated participating members in the Purchase Area.

(b) From and after the notice date, Xenia shall not add any new participating members in the Purchase Area.

(c) Xenia shall continue to own all right, title and interest to that portion of the Water System within the Purchase Area that Xenia uses or in the future shall use to serve members outside the Purchase Area, including, without limitation, transmission mains. The City shall, at its sole cost, separate the



Purchase Area from the remaining Water System. Xenia may maintain, repair, replace, improve and operate its portion of the Water System within the Purchase Area as a part of the Water System but, except as provided in Section (a) herein, Xenia shall not provide water to any property or person within the Purchase Area.

7. Emergency Water Agreement. The City and Xenia agree that they intend to negotiate an agreement under terms and conditions mutually agreeable to the parties to provide for water purchases each from the other in the event of certain emergency needs for water by either of them; subject, however, to all applicable laws and regulations, and any and all approvals and proceedings necessary including consent, if required, from USDA Rural Development, Xenia's lenders and the Des Moines Water Works.

8. No Waiver. Xenia hereby retains any and all of its rights, privileges and benefits possessed and not herein specifically relinquished by the terms and conditions of this Agreement including, but not limited to, the rights, privileges and benefits under 7 U.S.C. § 1926(b) which provides as follows:

**“(b) Curtailment or limitation of service prohibited**

The service provided or made available through any such association shall not be curtailed or limited by inclusion of the area served by such association within the boundaries of any municipal corporation or other public body, or by the granting of any private franchise for similar service within such area during the term of such loan; nor shall the happening of any such event be the basis of requiring such association to secure any franchise, license, or permit as a condition to continuing to serve the area served by the association at the time of the occurrence of such event.”

9. Termination. This Agreement shall be in full force and effect until the earlier of (a) such time as fully performed by the parties hereto or (b) termination by the mutual agreement of the parties hereto in writing.

10. Notices. Any notices or mailings required by this Agreement shall be sent to the respective parties by personal delivery or certified mail to the following persons at the following addresses:



CITY:

City of Huxley  
Attention: City Administrator  
P.O. Box 6  
Huxley, Iowa 50124

XENIA RURAL WATER DISTRICT:

Xenia Rural Water District  
Attention: Executive Director  
2398 141st Street  
P.O. Box 39  
Bouton, Iowa 50039

11. Conditions to Effectiveness of Agreement. This Agreement shall not become effective until (a) the terms and conditions hereof have been approved by USDA Rural Development, and (b) this Agreement shall have executed by the appropriate officers or officials of each party after the passage of a resolution or ordinance, as applicable, approving this Agreement and authorizing the execution of this Agreement.

12. Resolutions and Execution. Each party represents to the other that this Agreement and the performance hereof by the parties hereto has been duly authorized and approved by all necessary action required to be taken by such party, including, without limitation, all necessary action on the part of the governing body of such party, and in the case of the City, by the City Council of the City, and this Agreement constitutes a valid and binding Agreement of such party enforceable against such party in accordance with its terms.

{Signature Page Follows}



Executed the day and year first written above.

**XENIA RURAL WATER DISTRICT**

By: Thomas L. Pinn  
Chairman

By: Larry Huron  
Secretary

**IN WITNESS OF THIS AGREEMENT** and pursuant to Resolution Number 02-55 of the City Council approved on the 13<sup>th</sup> day of November, 2002, the City of Huxley has executed this instrument on the 13<sup>th</sup> day of November, 2002.

**CITY OF HUXLEY, IOWA**

By: [Signature]  
Daniel J. Gonnerman, Mayor

By: [Signature]  
Lee A. Hand, Clerk

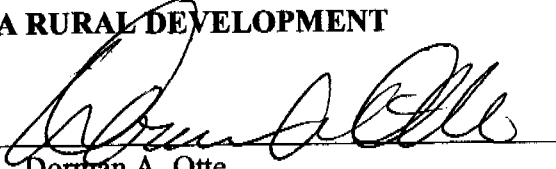


### CONSENT AND APPROVAL

This Agreement is consented to and approved by USDA Rural Development as of the 23rd  
day of December, 2002.

#### USDA RURAL DEVELOPMENT

By: \_\_\_\_\_

  
Dorman A. Otte

Program Director

Rural Utilities and Community Facilities

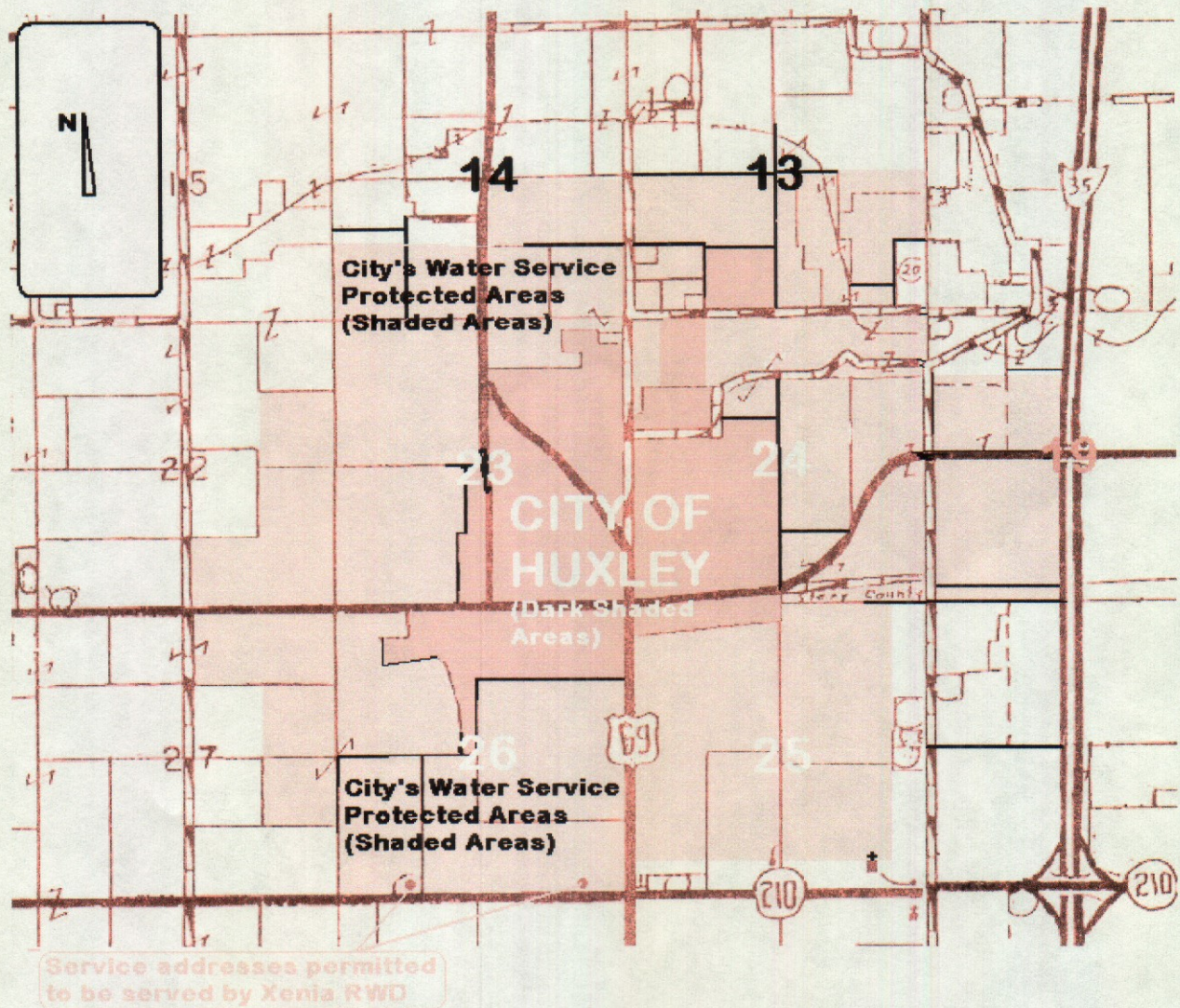
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# Exhibit A

## Ames South Project Area in the Vicinity of the Corporate Boundaries of the City of Huxley

Parts of Township 82 North, Range 23 and 24 West of the 5th P.M., Story County, Iowa. This drawing is for reference purposes only. See Exhibit B for the legal description of the City's Water Service Protected Area. See Exhibit C for addresses of properties within the City's Water Service Protected Area permitted to be served by Xenia Rural Water District.





**EXHIBIT B**  
**Legal Description of the City's Protected Water Service Area**

- 1 In Township 82 North, Range 24 West of the 5th P.M., Story County, Iowa:
  - 1.1 In **Section 13**:
    - 1.1.1 The Northeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ ; and
    - 1.1.2 The West  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ ; and
    - 1.1.3 The West  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$ ; and
    - 1.1.4 Southwest  $\frac{1}{4}$ ; and
  - 1.2 In **Section 14**:
    - 1.2.1 The Southeast  $\frac{1}{4}$ ; and
    - 1.2.2 The South  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$ ; and
  - 1.3 In **Section 15**: The Southeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ ; and
  - 1.4 In **Section 22**:
    - 1.4.1 The East  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$ ; and
    - 1.4.2 The Northeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ ; and
    - 1.4.3 The South  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$ ; and
  - 1.5 All of **Section 23**; and
  - 1.6 All of **Section 24**; and
  - 1.7 In **Section 25**:
    - 1.7.1 The West  $\frac{3}{4}$  of the Northeast  $\frac{1}{4}$ ; and
    - 1.7.2 The Northwest  $\frac{1}{4}$ ; and
    - 1.7.3 The West  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ ; and
    - 1.7.4 The Northwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ ; and
    - 1.7.5 The North  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ ; and
    - 1.7.6 The North  $\frac{3}{4}$  of the Southwest  $\frac{1}{4}$ ; and
  - 1.8 All of **Section 26**; and
  - 1.9 In **Section 27**:
    - 1.9.1 The North  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$ ; and
    - 1.9.2 The Southeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$ ; and
    - 1.9.3 The Northeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ .
- 2 In Township 82 North, Range 23 West of the 5th P.M., Story County, Iowa:
  - 2.1 In **Section 19**: The South  $\frac{3}{4}$  of the section lying west of the right-of-way of Interstate Highway 35.



**EXHIBIT C**  
**Schedule of Properties within City's Protected**  
**Water Service Area which Xenia may serve**

- 54679 Highway 210 (Story County Parcel № 13-26-400-305), in the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of Section 26, Township 82 North, Range 24 West of the 5th P.M., Story County, Iowa
- 54223 Highway 210 (Story County Parcel № 13-26-300-395), in part of the Southwest  $\frac{1}{4}$  of Section 26, Township 82 North, Range 24 West of the 5th P.M., Story County, Iowa
- 55529 310th Street (Story County Parcel № 13-13-400-355), in a part of the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of Section 13, Township 82 North, Range 24 West of the 5th P.m., Story County, Iowa
- 55713 310th Street (Story County Parcel № 13-13-400-350), in a part of the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of Section 13, Township 82 North, Range 24 West of the 5th P.m., Story County, Iowa
- 55717 310th Street (Story County Parcel № 13-13-400-415), in a part of the West  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  and the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of Section 13, Township 82 North, Range 24 West of the 5th P.m., Story County, Iowa