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CITY OF NEVADA

October 7, 2025

Mayor Ryan Condon
City of Nevada
1209 6th Street
Nevada, IA 50201

Dear Mayor Condon:

RE: Resource Recovery System Next Steps and 28E Agreements

Earlier this year, I wrote you with an update regarding our plans for the next generation of waste disposal operations in our community. Our new approach involves retiring the waste-to-energy system and constructing a new Resource Recovery and Recycling Campus to receive, process, and transport solid waste for disposal.

The City of Ames has now acquired 9.5 acres of property along Freel Drive to site this new operation. At this campus, commercial haulers and residents will be able to deliver solid waste, recyclable materials, household hazardous waste, and organics including yard waste. The solid waste will be minimally processed to recover recyclable metals, and the non-recyclable solid waste will be loaded into semi-trucks for transportation to the landfill. Recyclable materials will be aggregated for delivery to partners who will process and responsibly dispose of these materials.

We are pleased to inform you that we have secured a long-term partnership with the Carroll County Solid Waste Management Commission to dispose of our solid waste in the Carroll County Landfill. **The transition from the Boone County Landfill to the Carroll County Landfill will occur on or before July 1, 2027, and our agreement with Carroll County extends for at least 20 years thereafter.**

In the late spring of this year, the City of Ames retained HDR Engineering, Inc. to perform a preliminary engineering study and develop a detailed financial model for the new operation. The results of this analysis were presented to the Ames City Council on June 24 and are posted on our website at www.cityofames.org/resource-recovery.

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HDR's study calculates that the cost to construct the facility, including the processing equipment and transfer trucks, is estimated to be approximately \$14 million. A majority of this amount is expected to be financed over a 20-year period. **City of Ames staff provided HDR with instructions in the financial model to maintain the per-capita fee at its current rate of \$10.50 through the duration of the 20-year planning horizon. With these figures in mind, the calculated tipping fee needed for the operation of the facility beginning in 2027 is \$95.11 per ton. For comparison, the existing tipping fee is \$75 per ton.** By keeping the per-capita charge level and placing more of the cost on tipping fees, users are encouraged to be more conscious about what they dispose of and are incentivized to consider reducing the volume of garbage they generate, along with alternative disposal methods such as recycling.

It is important to note that these figures represent conservative estimates of costs and revenues, and there are several potential cost reductions and other revenue sources (e.g., grants and revenues from partnerships with Carroll County) that have not been factored into this estimate. Additionally, although the tipping fee is higher than the existing operation, it may be offset in part by a reduction in downtime compared to the existing operation, which results in direct-haul trips for haulers that cost considerably more in fuel, equipment, and staff costs.

HDR has been retained by the City of Ames to perform design development and final design services to produce a set of bidding documents for the construction of the facility. Bidding is anticipated to occur in January/February of 2026. A 12-month construction timeframe is expected with the facility projected to be completed in the late spring of 2027.

Communities in Iowa are subject to state fees depending on the rate of landfill diversion through efforts such as recycling. In the current waste-to-energy Resource Recovery System, our landfill diversion rate is very high. **As we transition away from waste-to-energy, it will become necessary to rely more on traditional recycling to ensure we are meeting these obligations. The need for our partner agencies to divert material away from the waste stream through recycling or other waste diversion practices will be necessary to help meet the requirements of the Iowa DNR.**

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In Ames, we are exploring the prospect of curbside recycling to ensure materials that cannot be easily pulled out of garbage (e.g., paper, cardboard, glass, and plastics) are still recycled. As we consider a contract for a hauler to assist us with residential curbside recycling in Ames, we will be seeking pricing that would allow any of our partnering communities, such as Nevada, to opt in to the pricing we have secured.

Of course, Nevada would be free to seek its own proposals for curbside recycling collection, or alternative methods for recycling such as designated drop-off sites. Our staff would be happy to work with you as you consider your options and determine the best approach for your community.

With these upcoming changes in mind, we are requesting that the City of Nevada consider the adoption of a revised 28E intergovernmental agreement. The current agreement between Ames and Nevada is set to expire in 2034. As Ames considers taking on the debt to proceed with the construction of the new facility, we are requesting that Nevada approve the enclosed draft agreement, which would extend our partnership through 2047, coinciding with the anticipated term of the debt.

We are proud of our many years of partnership with Nevada and our many other partners. Together, we have successfully met the challenge of providing an innovative and safe method to dispose of the area's solid waste. Our proposed approach builds upon this legacy, and we look forward to Nevada's continued partnership in this operation.

The City of Ames would like to invite you to an open-house meeting to further answer any questions or concerns you may have. This meeting is intended to be come and go as you need to help you in your understanding of the future of solid waste in our communities. City staff will be present from 6:30 to 8:00 PM on Thursday, October 16, 2025, at the City Council Chambers at 515 Clark Avenue, Ames, IA 50010.

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Realizing this is a quick turnaround for a meeting, if you are unable to attend and still would like to meet, please feel free to reach out and I will work with you to find a mutually agreeable time to be available to you.

If you have any questions or concerns in the meantime, please contact me at justin.clausen@cityofames.org or 515-239-5165, or Resource Recovery Plant Superintendent Mark Peebler at mark.peebler@cityofames.org or 515-239-5137.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin Clausen", written in a cursive style.

Justin Clausen

Public Works Director

CC: Ames Mayor and City Council
Steve Schainker, City Manager
Brian Phillips, Assistant City Manager
Mark Peebler, Resource Recovery Plant Superintendent

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

Prepared by: Mark O. Lambert, Ames City Attorney, 515 Clark Avenue, Ames, IA 50010; 515-239-5146

Return to: Ames City Clerk, Ames City Hall, 515 Clark Avenue, Ames, IA 50010

**CONTRACT AND AGREEMENT FOR USE AND SUPPORT OF A
SOLID WASTE RECLAMATION, RECYCLING AND DISPOSAL SYSTEM**

(AMES – NEVADA)

This Contract and Agreement is made and entered into by and between the City of Ames, Iowa, a municipal corporation organized and existing pursuant to the laws of the State of Iowa (hereinafter called "Ames") and the City of Nevada, a municipal corporation organized and existing pursuant to the laws of the State of Iowa (hereinafter called "Nevada").

WITNESSETH THAT:

WHEREAS, since 1974, the City of Ames has partnered with communities and entities within Story County (including Nevada) through 28E agreements for disposal of garbage and solid waste; and

WHEREAS, some provision must be made for the safe and sanitary disposal of garbage and solid waste both now and in the future; and

WHEREAS, it is found that due to the high fixed costs of an environmentally satisfactory solid waste disposal method there is a lower cost per person if the costs of a single high capacity system can be spread over the populations of a number of cities and towns; and

WHEREAS, Ames is willing and able to design, construct, operate and maintain an environmentally satisfactory, efficient and economical high capacity solid waste disposal system if a sufficient number of jurisdictions are committed to its use and support; and

WHEREAS, Nevada has considered the system proposed by Ames and finds that the Ames System will afford to the citizens of Nevada a safe, sanitary and environmentally desirable means for the disposal of solid waste; and

WHEREAS, this fourth agreement phase will commence on or about July 1, 2027 and span the next 20 years.

NOW THEREFORE, the parties hereto have and do hereby covenant, contract and agree as follows:

ARTICLE I BASIC INTENT AND PURPOSE

1. Ames shall, subject to terms, provisions and conditions hereinafter set out and in accordance with the procedures and provisions hereinafter made and declared, maintain a safe, sanitary and environmentally satisfactory solid waste processing system and for and by such system accept and cause to be disposed of all garbage and solid waste of Nevada during the period of July 1, 2027, to June 30, 2047.

2. Nevada shall, subject to terms, provisions and conditions hereinafter set out and in accordance with the procedures and provisions hereinafter made and declared, use and support the Ames solid waste disposal system by providing for the disposal of all garbage and solid waste of Nevada by means of the Ames System and to the lawful extent of its powers allow or permit no other means; and pay such proportionate share of the cost of the Ames System as the population of Nevada bears to the total of the populations of all the jurisdictions so using and supporting the Ames System during the period of July 1, 2027, to June 30, 2047.

3. Nevada agrees it shall encourage its citizens to participate in waste reduction and recycling efforts, whether public or private in nature. If, during the term of this agreement, it becomes necessary for all participating jurisdictions to assist in meeting state mandated recycling goals or demand-side management reduction goals, Nevada agrees to establish recycling programs to meet Nevada's proportionate share of those goals.

ARTICLE II METHOD OF PAYMENT

1. Costs of the Ames System shall be computed for each calendar year. On or before February 15 of each year Ames shall notify Nevada of its proportionate share of the net costs of the system for the prior calendar year. Such proportionate share of the costs shall be paid by Nevada to Ames as follows: one-half on or before July 15 and one-half on or before December 15 of each year.

2. Each using and supporting jurisdiction shall be responsible for a share of the system costs, based on the proportionate population of each jurisdiction. Such per capita cost shall be calculated annually, based on the most recent decennial Federal census. The per capita cost shall be established by analyzing the previous costs and revenues of the Ames System and projecting the future expenses and revenue sources of the system in order to maintain an adequate ongoing balance. When establishing the per capita cost, an effort will be made to maintain consistency over a period of time.

Revenue Sources

Planned Expenditures

Tipping and Other Use Fees

Operating Costs

Sale of Materials

Debt Service

Government Agency Contracts

Per Capita Cost = (Planned Expenditures – Projected Revenue) ÷ System Population

3. Whenever there is a Net Income to the Ames System for any calendar year, such Net Income shall be retained in a fund balance for future system needs.

**ARTICLE III
DEFINITIONS**

1. For the purpose of this agreement, certain words or phrases are defined as follows:
 - a. Garbage. Every accumulation of animal or vegetable matter, or otherwise, that attends or results from the preparation, use, cooking, dealing in or storage of food for human consumption, but not including the accumulated by-products of commercial animal slaughtering, butchering or meat-cutting activities.
 - b. Solid Waste. All waste materials, including yard waste and garbage except liquid matter, toxic and hazardous waste, and not including the accumulated by-products of commercial animal slaughtering, butchering or meat-cutting activities.
 - c. Ames System. A sanitary landfill and a Resource Recovery and Recycling Campus established, operated and maintained by Ames plus all attendant and ancillary processes, procedures and activities conducted by Ames, its agents and licensees for the collection and processing of garbage and solid waste.
 - d. Sanitary Landfill. Such areas as have heretofore or may hereafter be set aside or designated by Ames as a place where garbage and solid waste will be accepted and disposed of by compaction and burial, whether owned and operated by Ames or another entity.
 - e. Resource Recovery and Recycling Campus. The building(s), equipment and all attendant processes, procedures and personnel established and maintained by Ames for receiving garbage and solid waste, reclaiming useable elements and substances and reducing all material unable to be reclaimed into a form convenient for burial in a sanitary landfill.
 - f. Using and Supporting Jurisdiction. An incorporated city or town, or a county of the State of Iowa, that has entered into a contract and agreement

to use and support the Ames System pursuant to and in accordance with the same provisions, terms and conditions as are set out in this agreement.

- g. Operating costs. All costs, direct or indirect, incurred by Ames in the operation, maintenance and administration of the Ames System, including equipment replacement costs and interest costs needed to maintain cash flow requirements.
- h. Debt Service. Annual principal and interest for the repayment of debt incurred for capital improvements.
- i. Income from Government Agency Contracts. Monies received pursuant to any contracts which may be made for use of the Ames System at a rate per ton with such agencies as Iowa State University, the National Animal Disease Laboratory, the National Veterinary Services Laboratory and others.
- j. Plant Fees. Fees established by the Ames City Council for use of the Ames System.
- k. Income from Sale of Materials. Income derived from the sale of materials reclaimed from solid waste by the by the processes of the Resource Recovery and Recycling Campus.
- l. Population. The population of an incorporated city or town shall be the number of persons living within its corporate limits as established by the most recent Federal Census, except that for Ames the population thus established will be decreased by the number of persons living in Iowa State University housing facilities (on-campus living). For a county, population shall be the number of persons living within its borders as established by the most recent Federal Census, less the number of such persons living within the limits of incorporated cities and towns within that county as established by the most recent decennial Federal Census.

ARTICLE IV ADMINISTRATION

1. The Ames System shall be governed, controlled and administered solely by and through the Ames City Council and its City Manager in accordance with and pursuant to the terms of this agreement.

2. It is understood and agreed that Ames will cause the promulgation of specific rules and procedures for the use and workings of the Ames System. Such rules shall govern:

- a. Which types and quantities of garbage and solid waste shall be delivered to and accepted by a sanitary landfill.

- b. Which types and quantities of garbage and solid waste shall be delivered to and accepted by the Resource Recovery and Recycling Campus.
- c. The days and hours when the Resource Recovery and Recycling Campus and other system facilities will be open to receive materials.
- d. All procedures for billing and collection of fees.
- e. Every and any other aspect of the management and control of the Ames System.

3. All financial record keeping and accounting for monies and funds related to the Ames System will be done in accordance with such generally accepted accounting principles and procedures as the Ames City Manager and the Director of Finance for the City of Ames shall deem appropriate and sufficient to accurately reflect all costs, direct and indirect, and all revenues and income of the Ames System. Such financial records will be subjected to audit annually by an independent Certified Public Accountant or Certified Public Accounting firm. Financial records of the Ames System will be open and available for inspection by Nevada at any time during normal business hours.

4. In addition to any other method of communication desired and agreed to by the parties, Ames and Nevada agree to share relevant communications as follows:

- a. As a means of enhancing communications with the using and supporting jurisdictions, Nevada may request a meeting to discuss projected operating costs, revenues, rates, capital improvements and debt financing.
- b. When necessary, Ames will utilize meetings of the Story County Emergency Management Commission as a means of ongoing communication with the using and supporting jurisdictions.
- c. Ames will send an annual report regarding the Ames System no later than February 15 each calendar year.

5. Nevada shall require all garbage and solid waste collectors and haulers that it may license or engage to have and use for such collection and hauling, vehicles of a type and nature which meet the minimum standards Ames now or hereafter required of its licensed collectors and haulers. Nevada shall also require all garbage and solid waste collectors and haulers which it may license or engage to produce evidence of insurance coverage of the types and minimum amounts which Ames now or hereafter requires of its licensed collectors and haulers.

6. From time to time during the term of this agreement it may become necessary for Ames to incur additional debt for the Ames System. The decision whether to incur such additional debt for the Ames System shall be solely at the discretion of the Ames City Council. Ames will hold an official public hearing prior to the issuance of such additional debt.

7. All decisions and determinations as to fees, operating budgets, wages and salaries, equipment and supply purchases and any and all other expenses of or charges by the Ames System shall be solely within the discretion of the Ames City Council and City Manager.

8. All land and equipment and any and all other property before now or hereafter acquired by Ames to establish, operate and maintain the Ames System shall be solely the property of Ames, and Nevada shall not, by virtue of this agreement, obtain, acquire or succeed to any rights or entitlements other than those expressly set out and provided for herein.

9. This contract and agreement is made and entered into in accordance with the provisions of Chapter 28E, Code of Iowa, insofar as the provisions of that chapter are applicable and may not be terminated prior to June 30, 2047, except by the mutual consent of the parties hereto.

10. No later than calendar year 2046, representatives of Ames and Nevada shall meet to determine the feasibility of continuing this agreement after the expiration of the agreement on June 30, 2047.

11. On July 1, 2027, this agreement rescinds and replaces the agreement recorded as Instrument No. 2014-00006354 in the records of the office of the Story County Recorder.

ARTICLE V MISCELLANEOUS

1. Assignment. This agreement may not be assigned by either party without the prior written consent of the other party.

2. Waiver. No delay or failure to exercise a right resulting from a default or breach of this agreement shall impair such right or shall be construed to be a waiver thereof, but such right may be exercised from time to time and as often as may be deemed expedient.

3. Amendment. No amendment, modification, change or extension of this agreement shall be effective unless it is in writing and duly executed by the parties.

4. Agreement Governed by Iowa Law. This agreement shall be governed by the laws of the State of Iowa.

5. Execution of Documents. This agreement may be executed in any number of duplicate originals, any of which shall be regarded for all purposes as an original, and all of which shall constitute but one and the same instrument.

(this space intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have approved and caused the execution of the aforesaid covenant, contract and agreement, to wit:

CITY OF AMES, IOWA

By: _____
John A. Haila, Mayor

Attest: _____
Renee Hall, City Clerk

STATE OF IOWA, COUNTY OF STORY, ss:

On this ____ day of _____, 2025, before me, a Notary Public in and for the State of Iowa, personally appeared John A. Haila and Renee Hall, 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 _____, 2025, and that John A. Haila and Renee Hall 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

CITY OF NEVADA, IOWA

By: _____
Ryan Condon, Mayor

Attest: _____

(Printed name): _____

STATE OF IOWA, COUNTY OF STORY, ss:

On this ____ day of _____, 2025, before me, a Notary Public in and for the State of Iowa, personally appeared _____ and _____, to me personally known and who, by me duly sworn, did say that they are the _____ and _____, respectively, of the City of Nevada, 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 _____, 2025, and that _____ and _____ 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