

Selador Ranches, Inc.
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July 21, 2003 10:00 Hand-delivered

Mr. Ted Vore, Acting Director
Rapid City Public Works Department
300 Sixth Street
Rapid City, SD 57701-2724

Subject: Red Rocks Water Storage Reservoir

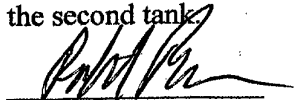
Mr. Vore:

I read this morning the *Journal's* minutes from the July 7th City Council meeting which provided some insight into the dynamics of that meeting and this issue. Mr. Hanks and Stacey are accurate in saying that 1) we believe that the tank should be at Site F; 2) we have no foreseeable intention to develop our ranch. I made these points at the earlier Public Works meeting where the decision was made to go with Site F.

The minutes however contain some comments of which I was previously unaware and would like to correct at this time: 1) Hani Shafai works for Red Rocks and not for Selador Ranches; 2) I have never heard or read any documentation in support of Mr. Shafai's statement that "Site E is a much better site for the reservoir because of the hydraulics"; and 3) Mr. Shafai "encouraged the City to adjust the boundaries to include the Selador Ranch site". I have made it clear from the onset that we have no desire to be annexed into Rapid City. I should also note that no one from Red Rocks has ever discussed any of the above with me during the three months I have been living here on the ranch. Finally, the TID funding issue and the re-designing of the District were only raised at the City Council meeting and have never been discussed with me. In fact, the TID funding unavailability for Site E was the "deal killer" at the Public Works meeting.

Our motivation in working with your department on the Red Rocks water tank(s) last year was to investigate whether a site on our ranch was better for the community than Site F within Red Rocks. However, this process has entered uncharted waters for us. Selador Ranches, Inc. has no desire in whole, or in part, to be annexed into Rapid City for any reason, e.g. a re-designing of the TID district; the City should proceed ahead solely with Site F within Red Rocks.

We have enjoyed working with Stacey on this project and remain open to future discussions on the second tank.


Robert Borgmeyer
President

Copies: Titus; Elkins; Hanks; Shafai.