

May 14th, 2010

To: City of Rapid City Council
 From: Arrowhead C. C.
 RE: Irrigation Water Rates

Council Members,

The purpose of this communication is to express concern over the rate increases in our costs for the raw water used to irrigate the golf course at Arrowhead Country Club. Our goal with this letter is to understand the rate increases set forth in the ordinance 13.04.590 and our desire to communicate to you why we feel, in our situation, it is excessive.

Arrowhead irrigates the golf course using raw water diverted from Rapid Creek under water right no. 611-2 with the City of Rapid City. The water is pumped from a sump structure located on Rapid Creek directly behind the 7th green on Meadowbrook Golf Course, some 5000', to a holding pond located on Arrowhead C. C. The water is metered through a 6" meter by The City of Rapid City as it leaves the pump house at Rapid Creek. Our fees as set forth under ordinance 13.04.590 are as follows:

	<u>Monthly 6" Meter Fee</u>	<u>Raw Water Cost</u>
2009	\$285.80	\$.28/unit
2010	\$485.15	\$.30/unit
2011	\$833.74	\$.32/unit
2012	1,208.48	\$.35/unit
2013	1,570.72	\$.38/unit

In section A subsection 4 of the ordinance, which is where we fall, it states:

"Commercial and Industrial users purchasing water for irrigation use are required to install a separate Irrigation Meter. For water delivered to service lines through mains owned by the city for all water measured by dedicated Irrigation and leased Account meter:"

Our issue is not with the cost of the raw water, but rather with the meter fee. We would understand the meter fee if the delivery of the water was "through mains owned by the City", but in our case our water is delivered through an infrastructure maintained and operated by Arrowhead. Over the years Arrowhead has incurred costs for up keep of the structure and pays all power costs to pump the water. The City of Rapid City has no direct cost involved in the delivery of the raw water to Arrowhead except for the cost of the meter and the time to read it. The water we use for irrigation also goes directly on to turf and does not involve the city sewer system at all.

We would also like to point out that we basically irrigate for 7 months, from April 1st to October 31st, but our meter fee is a 12 month fee. As an example, what this means is that in the last year of the ordinance, 2013, it will cost almost \$7,800.00 for the meter fee despite not pumping any water at all.

Paying our fair share as part of Rapid City is all we desire. We do however feel that the meter fee is above and beyond our fair share considering our situation. We look forward to your response and to working with the City of Rapid City concerning this issue.

Sincerely,

Steve Battisti,
 General Manager Arrowhead Country Club

cc: Mayor Alan Hanks