



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701

Public Works Department

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MEMORANDUM

TO: Public Works Committee, Mayor Kooiker and City Council

FROM: Terry Wolterstorff PE, Public Works Director *TW*

DATE: November 13, 2012

RE: Recommendation of Recreation Facility Water Task Force

History/Background

In 2008 the City of Rapid City retained a consultant to conduct a rate study and make recommendations on what the City's water fees and rates should be. Many assumptions and projections were made as part of that rate study including determinations as to which users would be included as revenue sources. One of those revenue sources included Leased Accounts. Leased Accounts are water users occupying City owned property through lease agreements. In past years lease agreements often times included language allowing free use of City water. The rate study recognized that some leased accounts did not utilize conservative water practices and recommended that certain levels of revenue should be realized from Leased Accounts.

On January 9, 2009 the City's current Water Ordinance and Rate Structure went into effect. That rate structure included a specific rate structure for leased accounts.

In 2009 the Public Works Department notified leased accounts that once their leases were renegotiated the lease holders would be required to pay for water. Again in August of 2011, the Public Works Department sent notice to the lease accounts notifying them that the requirement to pay for water would be included in their new leases.

On October 3, 2011 the Rapid City Common Council passed a motion postponing the requirement for lease accounts to pay for water until December 31, 2012 and allowed the Mayor to appoint an Ad Hoc Committee to develop and implement a water conservation plan that would provide a certain level of raw water at no charge to the leases and a billing structure for any water used above the threshold.



EQUAL HOUSING
OPPORTUNITY

EQUAL OPPORTUNITY EMPLOYER

In February of 2012 the City retained a consultant to prepare a report for the Memorial Park and Civic Center Irrigation improvements. That report would include an analysis of the potential cost savings from the use of raw water versus treated water. In June of 2012 the Public Works Department reported the following findings to the City Council:

The Study indicated that the use of raw water can be a safe and cost effective alternative to using treated water for irrigation purposes. The Study offered two alternatives to using raw water, one using the existing Memorial Lake and the other using a future storm water pond planned near the intersection of 8th Street and Omaha Street. Alternative No. 1 (Memorial Lake) was the least expensive option, but still had a total cost of over \$860,000 once the cost of connecting and retrofitting the systems was included.

Staff recommends that construction of a raw water pump station not be pursued at this time due to funding limitations. Staff does recommend proceeding with replacement of the existing Memorial Park irrigation system and implementation of a central control system that will utilize a weather station to provide greater efficiency and scheduling control based on real time climate data.

Stats

Lease accounts used 42,628,520 gallons of water in 2011. The value of that water based on the existing rate structure would be \$280,323.00 for 2012 and \$314,820.00 for 2013. By comparison, the Water Enterprise Fund will waive approximately \$604,780.00 in 2012 and \$678,511.00 in 2013 in water fees to General Fund Departments such as parks, streetscaping, swimming pools, fire stations, library and other miscellaneous locations.

Recommendations

Installation of raw water pump systems at various lease account locations could be economically feasible but will require large upfront investments. Funding for those projects would most likely need to come from the Vision Fund or the CIP Fund.

Lease accounts should not be required to pay for water as the cost of providing the recreation/sporting activity would become too expensive and the activity would most likely cease to exist. The recreation/sporting activity should be considered a side activity of the Parks Department and treated similar to other General Fund recreation accounts.

To assist in the promotion of good water conservation practices future leases should require lease accounts to connect to and utilize the City's proposed central irrigation control system to assist in water conservation measures. Connections should be made within a 2 year period unless an exception is granted by the City Council.

