

REQUEST AUTHORIZATION FOR MAYOR AND FINANCE OFFICER TO SIGN PROFESSIONAL SERVICES AGREEMENT OR AMENDMENT

Date: July 21, 2014

Project Name & Number: Southside Ditch Water Right Validation; Project No. 11-1933

CIP #: 50303

Project Description: Validation and transfer of Southside Ditch Water Right No. 2020-2.

Consultant: ReSpec

Original
Contract Amount: \$20,000.00

Original
Contract Date: February 8, 2011

Original
Completion Date:

Addendum No: 1

Amendment Description: An increased effort was required for interaction with Southside Ditch and SDDENR representatives. In addition a second water right transfer application was required for submittal to the SDDENR.

Current Contract Amount: \$20,000.00

Current Completion Date: _____

Change Requested: \$10,988.00

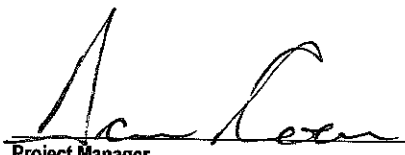
New Contract Amount: \$30,988.00


New Completion Date: _____


Funding Source This Request:

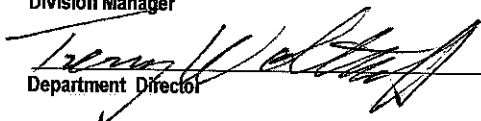
Amount	Dept.	Line Item	Fund	Comments
\$10,988.00	933	4223	602	
\$10,988.00	Total			

Agreement Review & Approvals


Project Manager 7/7/14
Date


Division Manager 7-9-14
Date


Compliance Specialist 7/8/14
Date


Department Director 7-9-14
Date


City Attorney Date

ROUTING INSTRUCTIONS

Route **two** originals of the Agreement for review and signatures.
 Finance Office - Retain one original
 Project Manager - Retain second original for delivery to Consultant
 cc: Public Works
 Engineering
 Project Manager

FINANCE OFFICE USE ONLY

(Note to Finance: Please write date of Agreement in appropriate space in the Agreement document)

Date	Initials	Approved
7/10/14		(Y) N
Cash Flow		Y N

AMENDMENT NO. 1 TO AGREEMENT

Project: Southside Ditch Water Right Validation; Project No. W11-1933;
CIP No. 50303

Background Data: Effective Date of Agreement: February 8, 2011
Owner: City of Rapid City
Engineer: RESPEC

Nature of Amendment: Increased effort for interaction with Southside Ditch and
SDDENR representatives per Exhibits A and B.

Current Contract Amount: \$20,000.00

Change Requested: \$10,988.00

New Contract Amount: \$30,988.00

Owner and Engineer hereby agree to modify the above referenced Agreement as set forth in this Amendment. All provisions of the Agreement not modified by this or previous Amendments remain in effect. The effective date of this Amendment is: July 21, 2014.

CITY OF RAPID CITY:

By: _____
Mayor

Date Signed: _____

ATTEST:

By: _____
Finance Officer

Date Signed: _____

REVIEWED BY:

Project Manager

ENGINEER:

By: _____

Date Signed: 7-1-14



July 2, 2014

Mr. Dan R. Coon
City of Rapid City
300 6th Street
Rapid City, SD 57701

Dear Mr. Coon:

RESPEC is currently engaged in a contract (No. W11-1933) with the City of Rapid City to transfer water rights held by the City on the South Side Ditch to storage in Pactola Reservoir or uptake by water infiltration galleries within the City. An original budget of \$20,000 was submitted in February 2011 by RESPEC to the City of Rapid City to complete the work.

During the project, the South Dakota Department of Environment and Natural Resources (SD DENR) made multiple changes to the methodology of the transference of water rights. Originally, the SD DENR stated that the water rights first needed to be validated by the City before the transfer because it was left off the validation in 1989. A request to validate and transfer the water rights was prepared and submitted to the SD DENR by RESPEC for the City of Rapid City in early 2012. The SD DENR then determined that validation would not be required, but the application for transfer needed to be approved by the South Side Ditch Company board. RESPEC and city of Rapid City staff attended the South Side Ditch Company board meeting in March 2012 to explain the transfer and obtain a board motion to approve the application. Unfortunately, a motion was not made at the board meeting, and the item was tabled. In 2012, RESPEC made multiple, unsuccessful attempts to establish a quorum and gain approval from the South Side Ditch Company board for the transfer. RESPEC was scheduled to discuss the topic again at the March 2013 South Side Ditch Company board meeting. Two weeks before the meeting, the SD DENR staff informed the City and RESPEC that the previous methodology for transferring water rights on a pro rata acres basis used by SD DENR on past transfers was not valid and that a new method of pro rata shares would need to be developed before submitting an application. RESPEC staff attended the March 2013 South Side Ditch Company board meeting and explained the change in methodology, which led to a debate about how many shares the City actually possessed and were available for transfer. RESPEC then attempted to develop a pro rata shares methodology that the SD DENR would support while protecting the City's interests, only to be told by the SD DENR that they were unsure which methodology would ultimately be acceptable.

RESPEC believes these changes in methodology driven by the SD DENR are out of scope from what was originally proposed and is requesting a change in schedule and budget for the project. We are therefore adding scope to "Task 2 – Interaction with Irrigation Ditch Personnel and the South Dakota Environment and Natural Resources," which accounts for the effort involved in coordinating with the SD DENR on transfer methodology, as well as an additional

task titled "Task 4 – Submit an Updated Application for Water Rights Transfer to the South Dakota Department of Environment and Natural Resources".

The original statement of work was amended and updated to current City of Rapid City standards and is included as Attachment A. Attachment B is the revised budget for the amended tasks. The amended budget numbers reflect expenditures to date along with projected future expenditures. The remaining tasks include guiding the submitted water rights transfer through the process and supporting the City of Rapid City when the application is heard by the State Water Management board. Please note that although accurate estimates of remaining hours are submitted, this is a dynamic process with several unknown factors remaining.

Thank you for the opportunity to work on this project. If you have any questions or need additional information, please contact me by telephone (605.394.6400) or email (Jared.Oswald@respec.com).

Sincerely,

A handwritten signature in black ink, appearing to read "JKO", with a large, stylized flourish extending from the end of the signature.

Jared K. Oswald, P.E.
Manager, Watershed Management

JKO:amk

Enclosure

cc: Project Central File 1992 — Category F

ATTACHMENT A
RESPEC AMENDED SCOPE OF WORK

EXHIBIT A

RESPEC AMENDED SCOPE OF WORK SOUTH SIDE DITCH WATER RIGHTS PROJECT CITY OF RAPID CITY PROJECT NO. W11-1933

BACKGROUND

The City of Rapid City currently owns a parcel of land near the waste water treatment plant located within Sections 19, 25, and 30, Township 1 North, Range 8 East, Black Hills Meridian, Pennington County, South Dakota. The property has a portion of a vested right (Water Right No. 2020-2) that allows 23.4 cubic feet per second (cfs) to be diverted from Rapid Creek into the South Side Ditch. The purpose of this project is to determine the amount of water the property has the right to transfer to the water supply system for the City of Rapid City, South Dakota, and, then to ultimately transfer those rights.

SCOPE OF WORK

Task 1 – Determine Historic Cropping Patterns and Associated Water Use

RESPEC will assess historic data and reports, as well as communicate with City staff to determine the historic cropping patterns and water use at the site. This information will then be used to develop a Preliminary Engineering Report that will be attached to the water rights transfer application. Within the report, a methodology for transfer will be developed (pro rata shares or pro rata acres) that will protect the interests of the City of Rapid City.

Task 2 – Interaction With Irrigation Ditch Personnel and the South Dakota Department of Environment and Natural Resources

This task will consist of the following items:

- Meet with the appropriate Irrigation District boards or designated personnel to inform them of the project, review the information documented in Task 1, and obtain feedback concerning the project
- Provide a copy of the report developed in Task 1 to the appropriate South Dakota Department of Environment and Natural Resources (SD DENR) personnel and meet with and obtain feedback concerning the report
- Revise the Preliminary Engineering Report to address concerns identified in these meetings
- Coordinate meetings with the Irrigation Ditch and the SD DENR representative that will be attended by City personnel, as appropriate
- Prepare an agenda and record and distribute meeting minutes for all the meetings

- Develop alternate pro rata shares methodology for transferring water rights
- Research South Side Ditch records as well as SD DENR database to determine total number of shares in the South Side Ditch as well as shares held by City of Rapid City
- Determine number of shares held per acre transferred historically
- Determine number of shares held per cfs transferred historically

Task 3 – Submit an Application for Water Rights Transfer to the South Dakota Department of Environment and Natural Resources

The information gathered during Tasks 1 and 2 will be incorporated into an application to transfer the water rights from the land owned by the City of Rapid City, currently being served by the South Side Ditch, to storage at Pactola Reservoir or to uptake by water supply infiltration galleries.

Task 4 – Submit a Revised Application for Water Rights Transfer to the South Dakota Department of Environment and Natural Resources

The information gathered during Tasks 1 and 2 will be incorporated into an application to transfer the water rights from the land owned by the City of Rapid City currently being served by the South Side Ditch to storage at Pactola Reservoir or uptake by water supply infiltration galleries. RESPEC will also support the City of Rapid City during testimony given to the State Water Board during the transfer process.

PROJECT SCHEDULE

Task	Task Description	End Date
1	Determine Historic Cropping Patterns and Associated Water Use	10/01/11
2	Interaction With Irrigation Ditch Personnel and the South Dakota Department of Environment and Natural Resources	12/30/14
3	Submit an Application for Water Rights Transfer to the South Dakota Department of Environment and Natural Resources	12/30/11
4	Submit a Revised Application for Water Rights Transfer to the South Dakota Department of Environment and Natural Resources	12/30/14

ATTACHMENT B
AMENDED BUDGET FOR SOUTH SIDE DITCH
WATER RIGHTS PROJECT

EXHIBIT B**AMENDED BUDGET FOR SOUTH SIDE DITCH
WATER RIGHTS PROJECT CITY OF RAPID CITY
PROJECT NO. W11-1933**

Task	Task Description	Budget (\$)	Amended Budget (\$)
1	Determine Historic Cropping Patterns and Associated Water Use	18,600	18,600
2	Interaction With Irrigation Ditch Personnel and the South Dakota Department of Environment and Natural Resources		5,988
3	Submit an Application for Water Rights Transfer to the South Dakota Department of Environment and Natural Resources	1,400	1,400
4	Submit a Revised Application for Water Rights Transfer to the South Dakota Department of Environment and Natural Resources		5,000
Total		\$20,000	\$30,988