

**ORDINANCE #3736**

**AN ORDINANCE PERTAINING TO WATER RATES AND FEES, AMENDING CHAPTER 13.04 BY ADDING NEW DEFINITIONS TO SECTION 13.04.005; ADDING ARTICLE V, SECTION 13.04.800, SECTION 13.04.810, AND SECTION 13.04.820 TO CHAPTER 13.04; AND AMENDING SECTION 13.04.590 OF THE RAPID CITY MUNICIPAL CODE**

**FINDINGS**

The City hereby finds that:

- (a) New residential and nonresidential development creates additional system demand in supply, treatment and distribution components of the Water Utility facilities.
- (b) There exists no current method for generating revenue to contribute to the increased costs of providing for this additional capacity from new development.
- (c) Studies project that new development will continue and will place ever-increasing demands on the City to provide public facilities to serve new development.
- (d) To the extent that new development benefits from and places demands upon the public facilities, those demands should be satisfied by shifting the responsibility for financing part or all of such increased system capacity from the public to the new development creating the demands.
- (e) The City is responsible for and is committed to providing public facilities at levels necessary to cure any existing deficiencies in already developed areas.
- (f) It is the intent of the City Council that if a part of this ordinance chapter is invalid, all valid parts that are severable from the invalid part remain in effect.

BE IT ORDAINED by the City of Rapid City that Section 13.04.005 of Chapter 13.04 of the Rapid City Municipal Code be and is hereby added to read as follows:

**ARTICLE I. GENERALLY**

**13.04.005 Definitions.**

"Capacity" is defined as the supply, treatment, storage, and pumping capabilities of the municipal water utility system.

"SFRE" means single family residential equivalent, defined by the director as 350 gallons of water usage per day.

"Unit" means one hundred (100) cubic feet.

**BE IT FURTHER ORDAINED** by the City of Rapid City that a new Article V, Section 13.04.800 of Chapter 13.04 of the Rapid City Municipal Code be and is hereby added to read as follows:

**ARTICLE V**

**13.04.800 Capital Development Fees**

Every application for a connection permit, submitted in accordance with Section 13.04.070, shall pay an additional sum for capital development to be determined as follows:

- A. Residential Connection: A single family residence with a single water connection, including, but not limited to, condominiums and townhomes, shall pay a capital development fee of \$1,000.00.
- B. Multifamily Residential connections: Multifamily residential units shall be charged a capital development fee in the following amounts:
  - One (1) bedroom dwelling unit.....0.7 SFRE (\$700)
  - Two (2) bedroom dwelling unit .....0.8 SFRE (\$800)
  - Three (3) or more bedroom dwelling unit.....1.0 SFRE (\$1000)
- C. Commercial and Industrial connections: Commercial and Industrial users shall pay a Capital Development Fee equal to \$750.00 per SFRE. The addition of a larger meter or additional meters at any time in the future will incur an additional capital development fee. The number of SFREs per user shall be determined based on the water meter size as follows:

| <u>Meter Size</u> | <u>Commercial and Industrial SFRE</u> |
|-------------------|---------------------------------------|
| <u>5/8"</u>       | <u>1.0</u>                            |
| <u>3/4"</u>       | <u>1.1</u>                            |
| <u>1"</u>         | <u>1.4</u>                            |
| <u>1 1/2"</u>     | <u>1.8</u>                            |
| <u>2"</u>         | <u>2.9</u>                            |
| <u>3"</u>         | <u>11.0</u>                           |
| <u>4"</u>         | <u>14.0</u>                           |
| <u>6"</u>         | <u>21.0</u>                           |
| <u>8"</u>         | <u>29.0</u>                           |
| <u>Irrigation</u> | <u>0.0</u>                            |
| <u>Unmetered</u>  | <u>0.0</u>                            |

D. Users of Systems Other Than City Systems. If a user is connected to a system which is charged the wholesale rate, such user shall be charged a capital development fee equal to the fee charged to retail customers. Such fee shall be payable at the time the new user connects to the wholesale customer's system, or at the time of issuance of a building permit, whichever is earlier.

E. Annexed Users. Users whose property is annexed to the City and are not currently connected to the City system shall pay the appropriate capital development fee as listed in this section. Such payment shall be paid prior to connection to the City system.

F. Assumption of Systems. If the City assumes a water utility system which contributes to the capacity of the City system, the Director may negotiate, subject to Council approval, a discount in the capital development fee chargeable to the users of that system in exchange for the body having authority over that system continuing to maintain or deeding to the City all of the components of the private system. Any fee charged under this paragraph shall be payable at the time the new user connects to the City's system, or at the time of issuance of a building permit, whichever is earlier.

G. Waiver for Affordable Housing. Any user subject to the capital development fee may apply for a waiver of such capital development fee if the structure to which the capital development fee applies was constructed using a federal, state, local, or private non-profit subsidy designed to encourage the construction of low-income housing. The authority to grant such a waiver shall reside with the Director or his designee. A denial of such a waiver may be appealed to the Council in the manner provided in this Chapter.

**BE IT FURTHER ORDAINED** by the City of Rapid City that new Article V, Section 13.04.810 of Chapter 13.04 of the Rapid City Municipal Code be and is hereby added to read as follows:

**13.04.810 Capital Improvements Not Covered by the Capital Development Fee.**

The City reserves the right to assess or otherwise charge to new users the cost of any capital improvement required to provide city water which improvement is not specifically listed in the Rapid City Water Rate Study dated March 25, 1999, together with all appendices and supplements thereto, or such other similar document as may be generated from time to time.

**BE IT FURTHER ORDAINED** by the City of Rapid City that new Article V, Section 13.04.820 of Chapter 13.04 of the Rapid City Municipal Code be and is hereby added to read as follows:

**13.04.820 Use of fees.**

All capital development fees paid to the City pursuant to this Article shall be deposited in a separate account in the water enterprise fund, and used exclusively for the purpose of the City's municipal water utility system expansion.

**BE IT FURTHER ORDAINED** by the City of Rapid City that Section 13.04.590 of Chapter 13.04 of the Rapid City Municipal Code be and is hereby amended to read as follows:

**13.04.590 Rates prescribed.**

A. All water taken from the waterworks system shall be metered or accounted for by a method approved by the director of public works and shall be paid for monthly by the consumer named on the account, based upon monthly meter readings or estimates, at the following rates:

1. For water delivered to service lines through mains owned by the city for residential, commercial, and industrial users (excluding irrigation meters):

**After Meter Reading in July 2002**

| <b>Number of units</b> | <b>Rate per Unit</b>       | <b>Surcharge</b> | <b>Final Rate</b> |
|------------------------|----------------------------|------------------|-------------------|
| 0-2                    | Included in Minimum charge | 0                | Min. Charge       |
| 3-40                   | \$.98                      | \$.35            | \$1.33            |
| 41+                    | \$1.44                     | \$.35            | \$1.79            |

**After Meter Reading in July 2003**

| <b>Number of units</b> | <b>Rate per Unit</b>       | <b>Surcharge</b> | <b>Final Rate</b> |
|------------------------|----------------------------|------------------|-------------------|
| 0-2                    | Included in Minimum charge | 0                | Min. Charge       |
| 3-40                   | \$1.05                     | \$.35            | \$1.40            |
| 40+                    | \$1.53                     | \$.35            | \$1.88            |

**Irrigation Allowance for Meters Used for Irrigation**

| <b>Meter Size</b> | <b>Volume, Units</b> |
|-------------------|----------------------|
| 5/8"              | 40                   |
| 3/4"              | 50                   |
| 1"                | 50                   |
| 1 1/2"            | 150                  |
| 2"                | 150                  |
| 3"                | 200                  |
| 4"                | 200                  |

An advanced payment, which shall be included in the first month's billing, shall be charged for each account as follows:

5/8" to 3/4" meter                      \$25.00

Meters larger than 3/4"                      \$100.00

Each unit of water delivered above the irrigation allowance shall be sold at the rate of \$1.30 per unit.

2. For water delivered to service lines through city or privately owned water mains outside the city limits or through mains owned by a governmental entity other than the city, the rates shall be established by contract.

3. Wholesale rates shall be eighty-five percent (85%) of the retail rate as set forth in Paragraph A.1 above.

4. Water sold to Ellsworth Air Force Base outside the city shall be as negotiated between the City and Ellsworth Air Force Base.

5. Raw water:

| After July of | Rate per 100 cubic foot unit |
|---------------|------------------------------|
| 2002          | \$.14                        |
| 2003          | \$.15                        |

B. The minimum charges prescribed in subsection A of this section, based upon the size of the meter, shall be as follows:

**After meter reading July 2002**

| Meter size | Minimum monthly charge | Surcharge | Final minimum monthly charge |
|------------|------------------------|-----------|------------------------------|
| 5/8"       | \$4.60                 | \$1.00    | \$5.60                       |
| 3/4"       | 6.55                   | 1.00      | 7.55                         |
| 1"         | 8.30                   | 1.00      | 9.30                         |
| 1.5"       | 15.10                  | 1.00      | 16.10                        |
| 2"         | 22.45                  | 1.00      | 23.45                        |
| 3"         | 29.95                  | 1.00      | 30.95                        |
| 4"         | 44.75                  | 1.00      | 45.75                        |
| 6"         | 75.60                  | 1.00      | 76.60                        |
| 8"         | 122.60                 | 1.00      | 123.60                       |

**After meter reading July 2003**

| Meter size | Minimum monthly charge | Surcharge | Final minimum monthly charge |
|------------|------------------------|-----------|------------------------------|
| 5/8"       | \$4.85                 | \$1.00    | \$5.85                       |
| 3/4"       | 6.90                   | 1.00      | 7.90                         |
| 1"         | 8.75                   | 1.00      | 9.75                         |
| 1.5"       | 15.90                  | 1.00      | 16.90                        |
| 2"         | 23.65                  | 1.00      | 24.65                        |
| 3"         | 31.45                  | 1.00      | 32.45                        |
| 4"         | 47.05                  | 1.00      | 48.05                        |
| 6"         | 79.45                  | 1.00      | 80.45                        |
| 8"         | 128.80                 | 1.00      | 129.80                       |

C. The Director shall, at the second meeting in May of each year, present to the Council an accounting of the status of the water utility and his or her recommendation regarding changes in the sewer use charge. If the Council determines that the rate increase according to the table in Paragraph B above is not required, it shall resolve that the water rate increase shall be suspended for one year. In the years following the year in which the rate freeze was enacted, the rate shall automatically increase to the next higher incremental rate unless the Council resolves otherwise.

D. There is established and imposed, pursuant to the authority of SDCL Chapter 9-40, a surcharge upon the service of water taken from the waterworks system, the proceeds of such surcharge to be used for payment of the principal of and interest on bonds issued under authority of SDCL Chapter 9-40; provided that any amount charged during any calendar year in excess of the amount required to pay the principal of and interest upon such bonds which is due and payable during such year may be expended for additions to, replacements of, rehabilitation of, or improvements to the waterworks system. The surcharge shall be imposed at the following rates:

1. For water use less than two units in any billing cycle month: one dollar;
2. For water used in excess of two units in any billing cycle month: thirty-five cents per one hundred cubic feet.

The surcharges are included in the final rate and final minimum monthly charges in Subsections A and B of this section. The surcharge shall not apply to sales of raw water pursuant to subsection A(5) of this section.

E. A new account charge of seven dollars and fifty cents for accounts within the city limits and ten dollars for accounts outside the city limits shall be paid for water turn-on service. A surcharge of fifteen dollars shall be paid in addition to the turn-on charge if such service is requested to be performed during hours other than hours that the general offices of the city are open. An additional surcharge of eight dollars and fifty cents during normal hours and fifteen dollars for after hours shall be paid if the employees of the city are unable to turn on the water because of inability to obtain access through no fault of the city.

F. No funds collected pursuant to charges imposed by subsections A and B of this section shall be spent for other than waterworks expenditures. No funds collected pursuant to charges imposed by subsection C of this section shall be spent for any purpose other than the purposes specified in subsection C of this section.

G. Whereas the state has imposed a tax denominated as an environmental fee upon central systems providing drinking water, there is imposed a surcharge, as set forth below, in addition to the charges established by subsection A(1) of this section, which surcharge shall be billed and collected with the monthly bill for July, 1992, and thereafter in June of each year.

The surcharge is imposed at the following rates:

| <b>Meter Size<br/>(inches)</b> | <b>Annual State<br/>Environmental<br/>Tax Surcharge</b> |
|--------------------------------|---|
| 5/8"                           | \$ 1.25   |
| 3/4"                           | 1.40  |
| 1"                             | 1.75  |
| 1 1/2"                         | 2.25  |
| 2"                             | 3.50  |
| 3"                             | 13.75   |
| 4"                             | 17.50   |
| 6"                             | 26.25   |
| 8"                             | 35.25   |

a. i. No person other than authorized employees of the city shall open, close, or operate any fire hydrant which is part of or connected to the city system.

ii. Except as provided in subsection B of this section, no person shall take any water from any fire hydrant which is part of or connected to the city system.

iii. No person other than authorized employees of the city shall attach, remove, or replace any hose, meter, back-flow prevention device, or other apparatus to or from any fire hydrant which is part of or connected to the city system; provided, nonetheless, that nothing herein shall prohibit authorized employees of a contractor engaged in the work of constructing additions to the city system from making such connections to the system as are shown on approved plans prepared by a licensed professional engineer.

iv. A violation of this section shall be punishable by a fine not to exceed two hundred dollars, thirty days in jail, or both. Each violation shall be punishable as a separate offense.

b. The director of public works may authorize the taking of water from fire hydrants subject to the following conditions:

i. All water shall be metered through meters provided and installed by the city, or approved in writing by the director of public works, and shall be paid for at the rates provided by Section 13.04.590 (A).

ii. The public works director, with the approval of the city council, shall establish written policies for the taking of water from fire hydrants. Such policies shall include the types of proposed uses which will qualify for use of water from fire hydrants, the fees to be charged in connection therewith in addition to the rates for use of water, and such other matters as he shall deem appropriate.

iii. Before any meter is installed and before any water is taken from the hydrant the customer shall pay to the city, at the time the account is opened, a deposit of five hundred dollars to cover the costs of enforcing this ordinance in the event of the failure of the customer

to comply with the provisions of this section. Upon closing the account the customer may have the deposit refunded if all city equipment is recovered undamaged and in good working order, the meter has not been removed or relocated by other than city employees, the account has been paid in full, and in all other respects the use of the hydrant has been in full compliance with this section. The deposit shall be for the purpose of paying administrative costs incurred by the City in enforcing this section and shall not be construed as a prepayment for the use of water or prepayment of damages arising from the failure to comply with this section.

CITY OF RAPID CITY

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Mayor

ATTEST:

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Finance Officer

(SEAL)

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Second Reading: September 3, 2002

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