

A RESOLUTION ESTABLISHING A POLICY REGULATING THE PROVISION OF CITY
UTILITY SERVICES TO PROPERTY LOCATED OUTSIDE THE CITY LIMITS

WHEREAS the City of Rapid City has established water and sewer systems; and

WHEREAS the City of Rapid City is growing and new property is regularly annexed into the City; and

WHEREAS the City of Rapid City desires to support orderly growth and development and extension of infrastructure; and

WHEREAS the City of Rapid City desires to ensure the beneficiaries of the extension of City utility service bear the cost thereof rather than the utility customers; and

WHEREAS the utility services provided by the City of Rapid City to property located outside of the City limits constitutes an expense to the taxpayers of the City of Rapid City; and

WHEREAS the City of Rapid City determines it is in the best interests of the City of Rapid City to establish a policy that encourages the annexation of property located outside of the City limits that receives City utility service;

NOW, THEREFORE, BE IT RESOLVED by the City of Rapid City that the City hereby adopts the following policy to regulate extraterritorial provision of utility services:

The Rapid City Council will consider providing water and/or sewer utility services to property located outside of the corporate limits when the utility extensions are necessary to serve either existing or proposed development. If utility services are provided to property located outside of the City's corporate limits, it is desirable that both water and sewer services be extended when physically and economically feasible. If the City Council decides to extend utility services outside the corporate limits the applicant will comply with the following requirements:

1. The water and wastewater service shall be sold/provided at 150% of the retail water/wastewater rate charged to customers within Rapid City.
2. If the property is contiguous to the City limits at the time the City utility services are requested, the property shall be annexed prior to services being provided. If the property is not contiguous to the city limits at the time service is requested, the owners of all property served shall, pursuant to SDCL 9-4-4.1, enter into an irrevocable agreement and covenant running with the property. The covenant agreement shall contain the following provisions:
 - A. The property owner will agree to voluntary annexation of the property at such time as the property becomes contiguous to the City limits.

- B. The property owner will agree that should they refuse to consent to annexation at the time that the property becomes contiguous to the City limits that they will pay 300% of the retail water/wastewater rate charged to customers within Rapid City. Prior to the higher rate being imposed the property owner will have 60 days from the date they are requested by the City to agree to a voluntary annexation to consent to the annexation.
- C. The property owner will agree not to join a rural water, sanitary, or any other district that is involved in providing water/sewer services.
3. Once the property is annexed into the City, the rate charged for services shall be the same rate as the rate charged to all customers residing within the corporate limits of Rapid City.
4. Those requesting service shall pay all of the costs of improvements, including but not limited to the master planning of facilities, as well as the design and oversizing costs required to extend the utility services. All improvements shall be constructed in accordance with the adopted standards of the City of Rapid City and the State of South Dakota. System improvements shall be transferred to the City, at no cost to the City, at the time water or sewer service is provided by the City. No service shall be provided by the City until the system improvements have been donated to the City. If the property is annexed into another municipality, the City of Rapid City shall no longer provide utility services.
5. The same conservation standards shall apply to property located outside the corporate limits as those applied to property located inside the corporate limits.
6. This Resolution will not apply to any existing contracts unless the existing contracts are expanded on or revised at which time they will become subject to this resolution.

DATED this ____ day of _____, 2005.

CITY OF RAPID CITY

Mayor

ATTEST:

Finance Officer

(SEAL)