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August 24, 2007

Mayor Alan Hanks
City of Rapid City
300 Sixth Street
Rapid City, SD 57701

RECEIVED

AUG 27 2007

Rapid City Growth
Management Department

RE: Water Reservoir Funding Request
Good Samaritan Society – St. Martin’s Village
Rapid City, SD

Dear Mayor Hanks:

On behalf of our client, the Good Samaritan Society, we are making this request that the City of Rapid City provide funding for a new public water reservoir and associated appurtenances in conjunction with the above referenced project.

This request is for \$1,000,000.00 as described below and in the Engineering Planning Study for GSS – St. Martin’s Village prepared by FMG, Inc. A copy of the Engineer Planning Study is enclosed. Section 1 of the study is a general description of the project and Section 4 is the water study. The study recommends construction of a new 750,000 gallon reservoir and related appurtenances including a booster station.

This request is being made consistent with our understanding that the City of Rapid City has traditionally funded all public water supply reservoir systems.

The following items are included in the funding request:

• Booster Station	\$150,000.00
• 750,000 Gallon Reservoir	\$600,000.00
• Telemetry	\$100,000.00
• 12” Water Main from St. Martins Drive to Reservoir	\$145,000.00
TOTAL ESTIMATED CONSTRUCTION COST	\$1,000,000.00

It needs to be noted the above costs do not include an additional 4,000 feet of 10” water main between the proposed booster station and a 12” water main that feeds the reservoir from St. Martins Drive. Even though that 10” main serves to transmit water to the 12” feed line and thus the reservoir, the costs of the 10” water main would be developer funded as part of the normal water distribution system for the development.

This request is being made concurrent with applications that have been made for the Rezoning and Initial Planned Development for the project. GSS-St. Martin’s Village is located on about 200 acres of land proposed to be purchased from the Benedictine Covenant of St. Martins. We have included a reduced set of drawings from the Initial Planned Development which illustrate the GSS project. Full size drawings have been submitted to the Growth Management Department. In general the GSS – St. Martin’s Village project is described as:

“The Good Samaritan Society - St. Martin’s Village will be a Senior Living Campus, the future home of as many as 532 Rapid City residents. The project is being sensitively planned on a beautiful parcel of land to be acquired from the St. Martin Monastery by The Evangelical Lutheran Good Samaritan Society (ELGSS), a non-profit owner and operator of senior living facilities in 24 states, headquartered in South Dakota.”

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The Rapid City Catholic School System and the Catholic Diocese of Rapid City have also proposed purchase of approximately 200 acres from the Benedictine Convent property for future expansion of the Catholic School System and for educational ministries of the Diocese.

The Benedictine Convent will retain approximately 160 acres of St. Martins Valley. A new monastery for the Benedictine Convent is proposed on the property.

The existing St. Martins valley area is served by a water main connected to the City's system at the south end of the property. The proposed development is located in the portion of the City served by the existing Pinedale High-High Level (PHHL) water system. The existing water system is inadequate to serve the three proposed projects described above.

The water system is also of such inadequacy that City Operations personnel have indicated that they must notify St. Martin's personnel before water lines located north of South Canyon Road are flushed. The flushing operations result in a substantial lowering of the water pressure at the existing St. Martin's structures.

It is important to note that the proposed reservoir system can serve other areas in addition to the St. Martin's Village, School Site, and Benedictine Convent properties. Construction of the storage tank would allow for water service to be extended to the Kingswood Subdivision area, the existing small development on the north side of Hidden Valley Road, and all potential development areas below elevation 3690. It is interesting to note that potential service area could extend northerly up the Piedmont Valley to near Tilford.

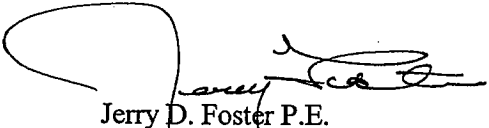
This proposed storage tank could also improve fire protection capability within the existing Pinedale High High Level water system.

We would be pleased to meet with you, your staff, and the 0.16 committee to discuss this request.

Please give me a call if you have any questions.

Sincerely,

FMG, Inc.



Jerry D. Foster P.E.

Attachments

CC City Growth Management – Marcia Elkins (w/o study)
Good Samaritan Society (w/o study)
Benedictine Convent of St. Martins (w/o study)
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