

SCOPE OF SERVICES
DETERMINATION OF SUPPLEMENTAL TAP FEES

This agreement envisions the following work:

- Moon Ridge Development (along Hwy 16 from Catron Blvd to Moon Meadows Road) – the developer has constructed a 14” diameter water main to and through his site. A supplemental tap fee for this area will encompass two components – an oversize component from 10” to 14”, and off-site improvements between Catron Blvd and the start of the developer’s site. The developer is also in the process of constructing a sanitary sewer to the site that will eventually include establishment of a supplemental tap fee for off-site improvements. However, the City Attorney has indicated supplemental tap fees cannot be established until a project is complete and final costs established. Therefore, the sanitary sewer is not part of this agreement. If the sewer is added by request of the City, it would be considered an additional service.
- Red Rocks Estates – The Red Rocks development will include five separate resolutions as outlined below. This development has both oversize and off-site components, as well as pumping facilities for both water and sewer. Additionally, the supplemental tap fee analysis for this development will be complicated by the variety of funding mechanisms that were utilized including Infrastructure Development Partnership Fund (IDFP) and Tax Increment Financing (TIF), which may have to be excluded or adjusted from the project costs. Other City / Developer agreements are associated with this development, and the associated extension of utilities to serve this area. Also, estimated supplemental tap fees have been collected from some properties, and those will need to be tracked and adjusted for the final determined fees. This task is comprised of several subtasks:
 - Supplemental Tap Fee associated with Sheridan Lake Road Sanitary Sewer extension;
 - Supplemental Tap Fee associated with Red Rocks Sewage Lift Station;
 - Supplemental Tap Fee associated with sanitary sewer oversize costs within Red Rocks Subdivision;
 - Supplemental Tap Fees within Red Rocks Subdivision for oversize and booster station costs to service this area (create flat per lot fee, and not base on frontage &/or acreage);
 - Supplemental Tap Fee for areas outside Red Rocks benefiting from oversize and offsite water main construction in route to Red Rocks.
- Highway 16 Water Main Extension (Rushmore Road from Fairmont south to Fox Run) – Council has previously entered into an agreement with Ridco to construct this water line so a new multi-story motel could be constructed. The agreement was done prior to final design and construction, and does not adequately address the final constructed project (oversize component – upsized to 12” at City’s request). Additionally, the previous agreement needs to be amended to reflect additional properties that could benefit from this

construction, specifically the Medical Center property on the east side of Highway 16 across the street from the Ridco properties. Assist in determining cost split & modifying existing agreement for cost recovery, and develop revised service area map.

- Heartland I-90 Business Park (I-90 & Elk Vale Rd) – As this development was moving towards approval, the City accelerated it's plans to construct a 24" sanitary sewer trunk line heading west out of the Elk Vale lift station. The first half mile of the trunk sewer has been constructed as a City project through this development. The development also includes oversized water mains (12") constructed by the developer. The developer is obligated for the costs he would have incurred for an 8-inch sewer, and the City is obligated to pay the oversize water. This task includes reviewing the costs and determining the funding balance between the City and the developer. The second portion of this task is to establish supplemental tap fees for both the water and the sewer to recover the City's oversize contribution.
- MJK Subdivision (NW corner of Hwy 79 & SE Connector) – This task is very similar to the Heartland Business Park described above. In this instance, the City constructed oversized (12") water main as part of the SE Connector Utility Relocation Project, and the developer is constructing oversized (15") sanitary sewer as requested by the City. This task also includes reviewing the costs and determining the funding balance between the City and the developer. The second portion of this task is to establish supplemental tap fees for both the water and the sewer to recover the City's oversize contribution.
- Catron Boulevard Sanitary Sewer Supplemental Tap Fee – new sanitary sewers are in the process of being completed or have been recently completed under three City projects – SE Connector Utility Relocations (18"), Catron Boulevard Sanitary Sewer (18"), and Fifth Street construction. This task overlaps to some degree with the 15" sanitary sewer in MJK Subdivision discussed above. This task is complicated by the inter-relationships of the multiple projects and the multiple funding mechanisms. Additionally, some areas contributing to this trunk line that benefit from the oversized main are existing homes on currently "dry" sewers or on relatively new septic systems – a decision will need to be made whether these will be excluded from the analysis since it may be difficult to collect the fees, or unlikely the new septic systems will convert to conventional sewer within the next 20 years unless directed by the City, which could trigger legal challenges. The supplemental tap fee determination would include the properties served by the sanitary sewer (8") constructed in the rearage road on the east side of Hwy 79 south of Minnesota Street. Smokin' Joes restaurant will connect to this 8-inch sewer, and will require an individual agreement with the City prior to the establishment of the supplemental tap fee for other properties on this sewer.
- Golden Eagle Drive (Arlene Ham Burr)– A previous agreement for a supplemental tap fee was approved by Council prior to construction of this 10" water main. However, just prior to construction, an adjacent property owner involved decided not to grant an easement and the project was altered.

- The approved agreement needs to be amended to reflect actual construction, and oversize costs (8" to 10") need to be reviewed, and reimbursed, if necessary.
- Act as Project Manager on City's behalf to negotiate amendment and oversee completion of utility study of North Deadwood Avenue (north of I-90) being performed by Ferber Engineering. The original scope of the project was to analyze sanitary sewer needs to service this area, with a cursory analysis of the water zones. An amendment to expand the study to include water distribution, storage and supply was initiated and was stalled at approximately the 90% level due to the Future Land Use Plan not being finalized at that time. Since then, development has been rapidly progressing on the east side of the ridge, which ridgeline was used as the study limit on the Deadwood Avenue study. An amendment will be negotiated to expand the study to include the ridge area to the east & the water zone in the North Haines Avenue area. The amended study would be managed by Consultant through final adoption by the Council.
 - Act as Project Manager on City's behalf to negotiate an amendment and oversee completion of East Rapid City water modeling study being performed by FMG, Inc. The study is to analyze available flow rates and pressures in the Elk Vale corridor area, especially the Rushmore Business Park and the new Valley View elementary school area. The study went through various iterations as development and City project priorities changed. The study was not completed and stands at a completion level of approximately 95%. However, recent concerns about available fire flow rate to the airport have arisen. An amendment will be scoped to include analysis of flow rates available to the Rapid City Regional Airport under different scenarios of water main construction and looping, and improvements to flows if a new reservoir is constructed along Elk Vale Road.
 - The City has separate water and sanitary sewer resolutions from the late 1970's that address oversize reimbursement and the responsibilities of the developer and the City. Those resolutions need to be updated and revised to more clearly define the process and procedures to request oversize, and how oversize is determined and paid. A draft revised resolution was initiated that combined the water and sanitary sewer as well as addressed the other issues, however, the resolution has not been finalized. This task includes determining status of revised resolution, facilitate compilation of comments from Public Works and Growth Management, and bring the final resolution to Council for adoption.