



# CITY OF RAPID CITY

## RAPID CITY, SOUTH DAKOTA 57701-2724

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July 26, 2018

Rapid City Common Council  
300 Sixth Street  
Rapid City, SD 57701

*Re: City Water Rates*

Dear Council Members:

It has been nearly nine months since the Council approved the second reading of Ordinance 6201 to amend Chapter 13.09 of the Rapid City Municipal Code to set water user rates, fees, and charges by a fee resolution. As a result of the February 20, 2018 special election (7% voter turnout) this item has been delayed.

As part of the petition and referral process, many residents were led to believe they were signing petitions and voting on a rate increase; however, as petition and ballot language clearly stated, they were simply voting to change the method of the rate increase from a fee resolution back to an ordinance. Unfortunately, the vote did not change what needs to be done, and it is time for us to revisit increasing water rates.

The Public Works Department will be bringing forth an agenda item for the July 31<sup>st</sup> Public Works meeting, followed by the August 6<sup>th</sup> City Council meeting, to discuss implementing a multi-year water rate increase. I anticipate this will be a controversial matter yet again, and I would like to solicit your input on implementation. I welcome your suggestions, ideas, and possible alternatives regarding this matter. As we move forward, it is important to remember the following:

- Water rates were relatively flat during the 1990's
- An ordinance for water rate adjustments failed in July of 2001
- An ordinance for water rate adjustments passed in November of 2004.
- An ordinance for water rate adjustments passed in January of 2009, which included rate increases from 2009 to 2013
- We are going on 6 years since a rate adjustment was implemented, but the City is growing, our needs are increasing, and our infrastructure is aging.
- The Council's decision in November of 2017 to change water rates from ordinance to resolution was overturned by the voters and the rates were removed from the resolution in June of 2018.



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Clearly, there is evidence the City failed to adjust water rates over the long term to provide for the needed maintenance and additional infrastructure within the water production and delivery system. Looking back in time, there is no justification for ignoring water rates, especially the needed and prescribed increases to those rates. Even though the events leading up to the special City election included blaming and finger-pointing, I believe the only thing we can do now, is make a commitment to the citizens that we will not put them in this position again.

I trust that you will weather the possible controversy surrounding this issue and support the water rate ordinance.

If you have questions or require further information please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Allender", with a long horizontal flourish extending to the right.

Steve Allender, Mayor  
Rapid City, South Dakota