RESOLUTION 2021-074

A RESOLUTION ESTABLISHING A MAXIMUM CONNECTION FEE FOR SEWER CONSTRUCTION PROJECTS IN THE SOURCE WATER PROTECTION AREA

WHEREAS, a Source Water Protection Study completed for the City by Stanley Consultants in 2009 (City Project No. W07-1684) recommended the City eliminate on-site wastewater systems in sensitive aquifer recharge areas by, among other things, extending public sewers into these areas; and

WHEREAS, when the City completes these sewer extension projects, it generally requires the property owners to pay a connection fee to reimburse the City for their proportionate cost of the sewer utility prior to connection; and

WHEREAS, the imposition of high connection fees discourages people from abandoning their current on-site wastewater system and connecting to the City’s sewer system; and

WHEREAS, therefore, in 2010, the City adopted Resolution No. 2010-168 to establish a maximum connection fee of $7,500 for properties located in the source water protection areas, to encourage residents to abandon on-site wastewater systems and connect to the City’s sewer system; and

WHEREAS, because of increasing construction costs, the existing fee of $7,500 resulted in the City funding a large portion of these projects; and

WHEREAS, the City now wishes to update these rates to reflect today’s construction costs and to better incentivize property owners to connect to City gravity sewer by adopting a discount for earlier connection; and

WHEREAS, the Common Council of the City of Rapid City finds that it is in the best interests of the City to cap the connection fee of sewer extension projects in areas identified in the Source Water Protection Study in order to encourage residents to abandon their on-site wastewater systems and connect to the City’s sewer system.

NOW, THEREFORE, BE IT RESOLVED by the City of Rapid City that any construction fees imposed pursuant to Resolution No. 2010-168 will remain capped at $7,500.

BE IT FURTHER RESOLVED that any new sewer connection / construction fees adopted after this Resolution for any sewer extension projects identified by the Public Works Director or his/her designee as source water protection projects be capped at $12,000 per property. However, the discounted rate for connection within the first year after the date of approval of the construction fee resolution is $7,500. The discounted rate for connection within the second year after the date of approval of the construction fee resolution is $10,000. These discounts apply only to construction fees that exceed $12,000 and are therefore capped at that amount per this resolution.
BE IT FURTHER RESOLVED that this policy will apply only to sewer extension projects located within City limits.

BE IT FURTHER RESOLVED that this policy will not preclude the obligation of the property owner to pay any other construction fees, tapping fees, inspection fees, permit fees, etc. that are required for a connection to the City sewer system.

BE IT FURTHER RESOLVED that the determination of what constitutes a source water protection project will be based on the 2009 Source Water Protection Study and as determined by the Public Works Director or his/her designee.

BE IT FURTHER RESOLVED that Resolution 2010-168 A Resolution Establishing a Maximum Connection Fee for Sewer Construction Projects Identified in the Source Water Protection Study (W07-1684) prepared by Stanley consultants in July 2009 is hereby repealed.

Dated this _____ day of ________________, 2021

CITY OF RAPID CITY

By __________________________
Steve Allender, Mayor

Attest

______________________________
Pauline Sumption, Finance Director
(seal)