



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701

Public Works Department Engineering Services Division

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August 30, 2016

To: Mayor, Public Works Committee, Common Council

From: Dale Tech – Interim Public Works Director

RE: Request Authorization to Seek Proposals to Obtain Professional Services to Conduct a Utility Rate Study; Project No. 16-2191/CIP No. 50935

The Public Works Department is requesting authorization to seek proposals to obtain professional services to conduct a Utility Rate Study for the Water Division and Water Reclamation Division.

The most recent rate study for these utilities was conducted in 2008. This study developed a five year rate plan for the Water and Water Reclamation Divisions. This plan has elapsed and a new five year plan is required to ensure adequate funding of these utilities.

The proposed rate study will develop a defensible plan for the Water and Water Reclamation Divisions that will position the City to meet current and future operation and maintenance expenses and capital requirements. The plan will identify proposed funding strategies for capital improvements, ensure the Water and Water Reclamation rate structures reflect the true cost of service, provide fair and equitable rates across all user classes and maintain revenue stability for the Water and Water Reclamation Divisions.

The City's standard consultant selection process will be used to select a firm to conduct this study.

The estimated cost for this Utility Rate Study is \$200,000.00. Funding for the project will be divided evenly between the 933 Water Enterprise Fund and the 833 Sewer Enterprise Fund.



EQUAL OPPORTUNITY EMPLOYER