Update on East Rapid City Water Users Region

Public Works Committee
November 1, 2016
Final Water Supply Study
Rapid City Regional Airport
Rapid City, South Dakota

Kadrmas
Lee & Jackson
Engineers Surveyors Planners

AES

Prepared for
Rapid City Regional Airport
City of Rapid City

Prepared by
Kadrmas, Lee & Jackson, Inc.
&
Advanced Engineering and Environmental Services, Inc.

July 2009
10908117
MEMORANDUM

TO: Mayor Kooiker and Common Council
FROM: Terry Woltenstorff, Public Works Director
DATE: April 25, 2012
SUBJECT: City Utility Services to Property Located Outside the City Limits

The Public Works Engineering Division is currently in the process of extending a second water transmission main (main) to the Rapid City Regional Airport. Banner Associates, Inc. is under contract for the design. The primary purpose for the main is to provide additional fire protection and provide additional capacity for growth and development of the Airport property.

After the main has been installed, a secondary benefit will be the opportunity to provide water service to properties located between the Airport and the City, refer to attached Exhibit A. Banner is currently surveying the proposed main alignment and Public Works is in the process of negotiating easements for the main. With these activities as well as by "word-of-mouth", a number of requests for water service have been received by Public Works staff. There are a number of private properties and small developments with water systems with poor water quality and/or inadequate supply, and there is significant interest in the opportunity to connect to the City water system.

Per attached policy 100.009 titled, "Resolution Establishing a Policy Regulating the Provisions of City Utility Services to Property Located Outside of the City Limits", the Rapid City Council may authorize providing utility services outside the City limits. With the installation of the second main, the City will have the capacity to provide water service between the Airport and the City. Public Works is requesting Council authorization to provide utility service outside the City, per City Policy, for the area shown on the attached Exhibit A.

If you have any questions or concerns please feel free to contact me.
December 2015 – Fire Department reports that fire flows at Airport, after completion of the looping project, test in excess of 4,000 gallons per minute (gpm) as compared to less than 1,500 gpm prior to the water looping project.
Tim Behlings, Division Chief; Fire & Life Safety, commented that the Airport Water discussions started in 2003 and the system performance now can be considered as a reliable water supply.

• 4 Mayors,
• 4 PW Directors,
• 3 Fire Chiefs,
• 2 Fire Marshals, and
• 4 Aircraft Fire Rescue Captains.
While the Airport water looping project was being constructed the South Dakota Department of Environment and Natural Resources (SDDENR) contacts City regarding public water systems (subdivisions) located between the Airport and the City that are dealing with Water Quality Issues and,

SDDENR inquires if City would be willing to providing water service to these water systems.
Water System Facilities Plan

for
East Rapid City
Water System Expansion
City of Rapid City, SD

Prepared for
City of Rapid City
300 Sixth Street
Rapid City, SD 57701

Prepared by
cetec
ENGINEERING SERVICES, INC.

March 26, 2014
Drinking Water Facilities Funding Application
Consolidated Water Facilities Construction Program (CWFCP)
Drinking Water State Revolving Fund Program (DWSRF)

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<th>Applicant</th>
<th>Proposed Funding Package</th>
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<tr>
<td>City of Rapid City</td>
<td>CWFCP / DWSRF $5,626,000</td>
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<td>Address</td>
<td>Local Cash $1,500,000</td>
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<tr>
<td>300 Sixth Street</td>
<td>Other</td>
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<td>Rapid City, SD 57701</td>
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<td>DUNS Number</td>
<td>TOTAL $7,126,000</td>
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Project Title: East Rapid City Water System Expansion Project

Description:

Residential developments in the project area have water sources that are inadequate, unreliable and over 50% of the homeowners have water that fails to meet EPA safe drinking water standards. Over the past several years these developments have individually looked at various project alternatives. These alternatives ultimately proved to be unfeasible. The preferred alternative is to have the small systems and individual homeowners combine efforts into one regionalization project. Rapid City water system has proven to be the most viable option to a regionalized approach due to their TMDL capabilities.

Rapid City is already in the process of extending an additional water line to the airport. This line runs through LVSD and is less than a quarter mile to Valley View. The proposed project will extend waterlines from the airport main to the small systems.

This project is absolutely critical for these homeowners in order to ensure safe clean and affordable drinking water.

Currently, Valley View residents pay $53/5000 gallons to a water system that has been out of compliance since 2002. Mesa View $51/5000, Terracotta $45/5000. The remaining homes in LVSD are on private wells or haul water.

The Water Reclamation Division will be responsible for $1.5M.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Sam Kooiker, Mayor of Rapid City

Name & Title of Authorized Signatory (Typed) Signature Date
July 11, 2014

Re: City of Rapid City
CWFCP 2015G-202 East Rapid City Water System Expansion Project

Sam Koosker, Mayor
City of Rapid City
300 Sixth Street
Rapid City, SD 57701-2724

Dear Mayor Koosker:

I would like to congratulate the city of Rapid City for obtaining a grant from the Consolidated Water Facilities Construction Program for the East Rapid City Water System Expansion Project. I have been assigned to your project and will be responsible for all activities related to this grant.

A grant for 14.1 percent of approved costs, not to exceed a maximum grant of $1,000,000 was awarded for the project. Enclosed is the grant agreement for your project. Please have the authorized signatory sign the grant agreement, make a copy for your files, and return the original to our office. Also enclosed are the Assurances, Terms, and Conditions and a Payment Provisions Checklist related to the grant agreement. You cannot draw consolidated grant funds until the items checked in the payment provisions checklist are submitted. Please keep this information for future reference. In addition the enclosed W-9 form must be completed, signed, and return the original to this department. A W-9 form is necessary for each account that the city chooses to use for this project and the city will need to designate which funds will go to which account.

I look forward to working with the city of Rapid City on this project. Please contact me at 605-773-4045 if you have any questions.

Sincerely,

Eric Meintsma, P.E.
Natural Resources Engineering Specialist
Water Resources Assistance Program

Enclosures

cc: Greg Wierenga, CETEC Engineering Services, Inc., Rapid City
Denise Livingston, Rural Community Assistance Corporation, Rapid City
Rapid City lands $5.6 million in grants to extend water lines east

PIERRE | Rapid City will receive about $5.6 million in state grants and loans to extend water lines east of the city and provide clean drinking water to hundreds of homes that have been tapping unsafe sources of water.

The money will fund much of a larger project that will ultimately run drinking water lines all the way to Rapid City Regional Airport.

Rapid City has embarked on a $7.1 million project to extend a water main to the airport, and along the way provide new water sources to homes in several residential developments, including Valley View, Mesa View, Terra Cotta and the Longview Sanitary District. All of those neighborhoods currently rely on water sources that routinely fail to meet federal safe drinking water standards, the office of Gov. Dennis Daugaard said Thursday.

Several South Dakota communities saw their requests approved Thursday for loans and grants to help pay for water system improvements and waste disposal projects.

The state Board of Water and Natural Resources met in a digital conference to consider the applications.

Rapid City will get a contribution worth up to $5.63 million toward expanding or improving drinking water service to an estimated 228 users in residential areas between the city’s eastern edge and the regional airport.

The state board approved a $1 million grant and a loan of $4,626,000 with up to $3 million of the loan to be forgiven. The remainder of the loan would be at 3 percent interest for 20 years.

“This would result in four small water systems getting out of the water business,” said Mike Perkovich, a staffer at the state Department of Environment and Natural Resources.

Rapid City will contribute $1.5 million of local cash, he said. City officials expect the users to repay part of the loan. Perkovich said several of the small water systems have been in violation of state standards for radionuclides.

“To make this reality, we need substantial assistance from the state,” said John Wagner, Rapid City water superintender.

Gov. Daugaard sent out a news release later Thursday commending the grant and loan package.

“I am pleased to announce that Rapid City will receive this assistance,” the governor said in the release. “This funding will allow Rapid City to provide safe, reliable drinking water to several residential development areas east of the city.”

Other money allotted on Thursday includes:

- Refuse Solutions Inc. received a $70,000 loan to expand its cardboard recycling capabilities at Belle Fourche. The loan would be at 2.25 percent interest for 10 years. Private businesses are eligible under state law for financial aid on waste disposal.
- Freeman will get a loan of $1,536,000 at 3 percent interest. The plan calls for rebuilding the lift station.
### FUNDING SUMMARY EAST RAPID WATER MAIN EXTENSION PROJECTS

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<tr>
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**Of the $4,626,000.00, with up to $3,000,000 in Principal Forgiveness**
The agenda items concerning the East Rapid City Water Users Region are comprised of three subject matters:

1. *Existing Water distribution system transfers to the City,*
2. *A Resolution Establishing a Surcharge for the East Rapid City Water Users Region as the mechanism to repay the Water Enterprise Fund for the principal and interest component of the SRF loan funding package,*
Staff’s Request of the Public Works Committee:

1. Acknowledge this presentation (agenda Item #23),
2. Authorize Mayor and Finance Officer to Sign Agreements Concerning Transfer of Water Systems (agenda items #24 and #25),
3. Authorize Mayor and Finance Officer to Sign Resolution Establishing a Surcharge for the East Rapid City Water Users Region (agenda item #26), and
4. Approve Water Service Agreement Forms (agenda items #27, #28, #29, & #30).