



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-5035

## Engineering Services

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## MEMORANDUM

TO: Dan Coon

FROM: Jennifer Davis

SUBJECT: Big Sky Motel Water Improvements

DATE: 11/7/2007

During the review period for the water main extension associated with the Big Sky Motel Water Improvement (DEV96-260) project, the City identified water mains required to service the surrounding area that needed to be oversized. The developer determined that an 8" water main would meet the needs of the project. However, the City determined that a 10" water main in this location would be beneficial and necessary for future use in the area. The developer installed a 10" water main as requested by the City. The "oversize" cost difference between an 8" and 10" water main was \$3,660.09. This oversize water main benefits 210.36 acres with a resulting water construction fee of \$20.47 per acre. In discussions with the City Attorney's Office, utility construction fees cannot be charged retroactively. Therefore lots already connected to the City's water system become unrecoverable. The acreage of lots with permits issued as of October 26, 2007 is approximately 137.58 acres. Based on the recommended water construction fee and that acreage, approximately \$2,816.19 will be unrecoverable, or approximately 76.9% of the City paid oversize. After review by City staff the decision was made not to pursue the collection of this fee.



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