



SURCHARGES
FOR CITY OF
STURGIS



September 19, 2022



Neighborhood Surcharges

Murray Addition Sewer (\$859,536 original)

\$210,027.42 remains

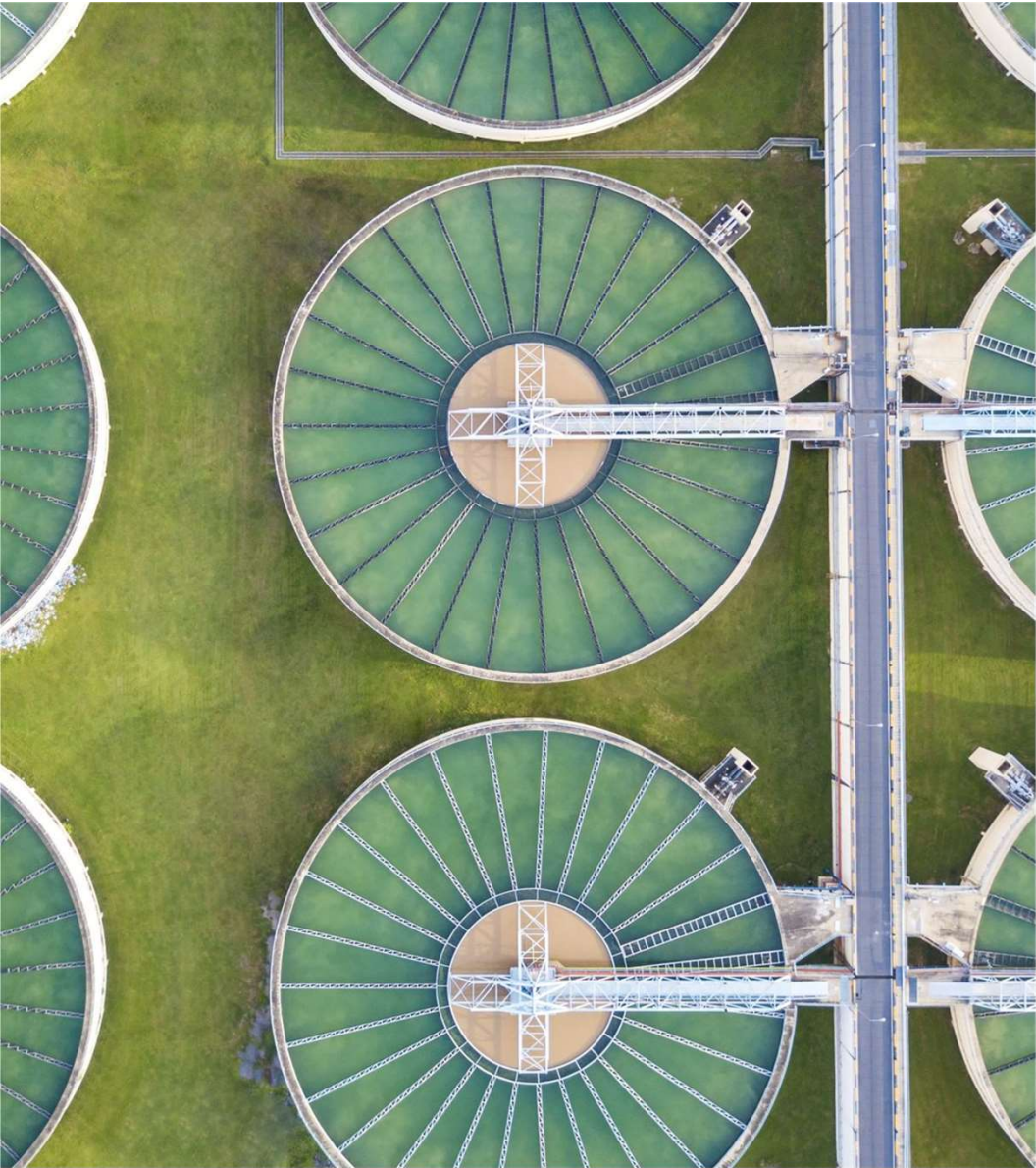
\$2,561.31 per household (82)

June 1, 2031 - Final Payment

Murray Addition Water (\$547,576)

Final Payment December 31, 2022





Sewer Surcharge

\$16,647,000 Wastewater Treatment Plant

\$2,000,000 - Grant and Principal
Forgiveness 12%

\$14,647,000 - Original Loan Principal

\$14,147,603 - Principal remaining

August 15, 2050 - Final Payment

Original Surcharge of \$17.63/month

2022 Surcharge of \$16.05/month

2023 Surcharge of \$15.77/month





Lazelle Water Surcharge

\$2,086,135 New Water Line installed during DOT reconstruction

\$50,242 - Grant and Principal Forgiveness 2.4%

\$2,035,893 - Original Loan Principal

\$1,316,066 - Principal remaining

January 15, 2034 - Final Payment

Original Surcharge of \$3.80/month

2022 Surcharge of \$3.22/month

2023 Surcharge of \$3.17/month

Phase II Water Surcharge



\$3,460,000 Rehab one well, replaced another well, new water mains

\$260,000 - Grant and Principal Forgiveness 11.3%

\$3,200,000 - Original Loan Principal

\$2,842,144 - Principal remaining

September 8, 2054 - Final Payment

Original Surcharge of \$3.79/month

2022 Surcharge of \$3.09/month

2023 Surcharge of \$3.04/month

Reduced the water monthly minimum by \$3.79



Preliminary Water Surcharge

\$4,938,000 Replace one to two wells, new storage tank, looping mains

Unknown - Grant and Principal Forgiveness

\$4,938,000 - Original Loan Principal

30-year loan at a fixed rate of 1.625%

Anticipate some funding from TIFs and State Housing Application

If no TIF Financing, Grants etc. to assist, a monthly surcharge would be
\$4.35

The Water Fund maintains a surplus of \$225,000/annually to make improvements which is sufficient to fully cover this surcharge, so the base rate could be reduced by the final surcharge

Preliminary Wastewater Surcharge



\$10,338,964 replace collector sewer main,
install new trunk main to enhance capacity

Unknown - Grant and Principal
Forgiveness

\$10,338,964 - Original Loan
Principal

30-year loan at a fixed rate of 2.125%

Anticipate some funding from TIFs
and State Housing
Application

If no TIF Financing, Grants etc. to
assist, a monthly surcharge
would be \$10.10

The Wastewater Fund does not maintain an
ongoing surplus, as such, any required surcharge
would not be able to be counterbalanced with a
corresponding base rate reduction

Preliminary Projects



The information is very preliminary

The City has not received word on its SRF Applications or State Housing Grant Application

The improvements are necessary to ensure stable, reliable utility services to our customers

If new surcharges are required, they will be partially offset by base rate savings

Final amounts will be known in approximately 3-6 months

Chart includes Sturgis' 2023 rates, the other 6 communities have 2022 rates

<i>January 1, 2023</i>								
	City Tax	School Tax	County Tax	Other Tax	Sewer*	Water	Garbage	Annual Total
Sturgis	613	1122	581	0	527	279	206	3327
Spearfish	406	1177	612	30	623	254	250	3354
Rapid City	480	1168	703	140	396	324	284	3496
Belle Fourche	802	1163	588	0	451	283	244	3530
Deadwood	813	1075	612	122	324	391	275	3613
Hot Springs	897	1132	595	50	381	369	244	3668
Lead	1238	1075	612	241	396	345	231	4138
Seven City average	\$662.38	\$ 969.90	\$531.94	\$ 83.46	\$367.34	\$280.94	\$ 218.21	\$ 3,114.17
Sturgis over (under)	\$ (49.48)	\$ 152.10	\$ 48.56	\$ (83.46)	\$159.46	\$ (2.42)	\$ (11.93)	\$ 212.83