

Pine Grove Community Water Assn
23884 Hart Ranch Rd W
Rapid City, SD 57702

December 1st, 2023

Dear Pine Grove Community Water Assn Members,

The PGCWA has been operating and delivering water to this area since 1983. More recently, the need for major improvements had been documented in a feasibility study provided by an outside engineering firm in 2021. Identified in this study was the need for a secondary well. The costs associated with drilling and completing this new water well at the time was estimated at \$500,000. The existing Sudbury Ranch Subdivision water well nearby was listed as an alternate with a cost estimate of \$300,000. In 2022, the new well estimated cost was at \$800,000. In 2023 the board began negotiations to purchase the nearby Sudbury Ranch water well. This purchase was recently completed by the PGCWA in August of 2023 for a huge bargain at \$150,000. On the agenda is to connect this well to our current water distribution system hopefully next spring. This will provide the backup we need in case there is a pump failure, etc with our current system. In addition to this secondary well, the employees and board members have been aggressively repairing leaks throughout our aging system. This year-to-date we have spent \$75,710.93 to fix these repairs and includes an outstanding repair bill of \$29,335.33. Insurance has also increased this past year among other things.

The board members recently reviewed the financial statements for this year and decided that in order to keep up with today's rising costs for repairs and the upcoming improvements needed to provide you with continuous water that we will have to adjust the rates to accommodate these expenses.

Starting **January 1st, 2024** the rates will be as follows:

Minimum monthly charge: \$71.00 (includes \$50.00 service fee & 2,000 gallons of water)

Water Rates per 1000 gallons:

Usage - Gallons	Rate
2,001 - 10,000	\$10.50
10,001 - 20,000	\$14.50
20,001 - 30,000	\$20.00
30,001 - 40,000	\$25.50
40,001 - 50,000	\$32.00
50,000+	\$41.00

Monthly Availability fee: \$50.00 per month, billed annually (\$600.00) to those members not currently connected to the water system.

\$20.00 late payment fee will be applied to all overdue accounts.

If you have any questions please contact Ken Bruns at 605-430-2778.

Sincerely,

Pine Grove Community Water Association Inc Board of Directors