



AGENDA
CITY OF SHERIDAN
JUNE 13, 2022
STUDY SESSION COUNCIL MEETING START 5:30 P.M.

1. Discussion of County-wide Lodging Tax Ballot Proposition - Sheridan County Travel and Tourism Director Shawn Parker
2. Discussion of ARPA Ambulance Funding - Fire Chief Gary Harnish
3. Discussion of PL-22-21, Ordinance 2253, Bender Rezone from M-1 to R-3 - Community Development Director Wade Sanner
4. Discussion of Ordinance 2250, regarding a Gambling Moratorium within the Downtown Development District - Community Development Director Wade Sanner
5. Discussion of Proposed 5-Year Utility Rate Plans
 - A. Utilities Director Dan Roberts and Vita Quinn
 - B. City Administrator Stuart McRae
6. Discussion of a Professional Services Agreement with Duke's Root Control, Inc. for the 2022-2024 Sanitary Sewer Root Control Program - Utilities Director Dan Roberts
7. Discussion on Water Rights - City Attorney Brendon Kerns and Utilities Director Dan Roberts



CITY OF SHERIDAN, WYOMING

55 Grinnell Street, P.O. Box 848, Sheridan Wyoming 82801

Ph (307) 674-6483 Fax (307) 674-2195

Fire Rescue

MEMORANDUM

Project Name: Discussion of ARPA Ambulance Funding - Fire Chief Gary Harnish
From: Gary Harnish, Fire Chief
To: Mayor and Council
CC:
Date:

Recommendation:

See attached memo

Background:

See attached memo

Attachments

Memo



Gary Harnish
Fire Chief



**ARPA Ambulance Purchase/Replacement
2022 Horton 603 Type 1 Custom
Ambulance on a 2022 Ford F-550 4x4 Diesel**

Replacing Sheridan Fire-Rescue's 1998 Type 1 4x4 Diesel Ambulance was identified on the list of priorities for ARPA Funding, the sum of \$300,000 was presented to Council as a likely replacement cost.

Sheridan Fire-Rescue conducted an extensive search for potential vendors and discovered that, like many other things, purchasing a new ambulance was no longer a simple and relatively quick task. Supply chain problems exist everywhere,

We were able to bring the above listed ambulance to Sheridan. It is a current demo unit for Professional Sales and Service, L.C. (PSS) an ambulance dealer for Horton Ambulances out of Salt lake City, UT. They are only building and selling demo units at this time due to a shortage of truck chassis available. PSS is a Sourcwell dealer so this ambulance can be purchased without going through an RFP process. This is the same process used in purchasing the new tower truck. While we are still waiting on the numbers for the Sourcwell price and the amount of reduction due to mileage as a demo unit the base numbers are as follows:

- Ambulance Box \$187,840
- F 550 Chassis 57,315
- Graphics allowance 4,500
- Exhaust tip 400
- Portable "D" Bracket 315
- \$250,370**

Options

- Cot \$26,508
- Lifepack 15 32,500
- Mount for Lifepack 1,175
- \$60,183**
- *\$310,553**

***Before Sourcwell and mileage discounts**

Fleet

Crews continue to prepare Tower 1 for service. I anticipate it being ready and hosting a “Push-in Ceremony” near the beginning of May.

Engine 2 required unanticipated maintenance needs when mechanics in the service center discovered substantial cracking occurring on the under vehicle side of both front tires. Both tires were replaced. (Thanks to Ivan and Crew for finding that potentially dangerous condition!). Engine 2 also suffered the failure of its Primary Fuel Pump. This part was replaced with limited Out of Service time for E2. Both fire engines are nearing 15 years old with anticipated replacement at 20 years.

Training

Firefighters completed 893 hours of training during the first quarter of 2022. Training occurred in Fire Suppression, EMS, HazMat, Confined Space Rescue, High and Low Angle Rope Rescue, and Ice Rescue. The Departments training schedule provides for skill strengthening, recertification needs, and current best practices in each discipline. Division Chief Chad Brutlag is putting in place systems that are providing for consistent training across shifts.

In the coming months we will focus on Wildland certifications for the coming season and swift water rescue refresher for the potential Spring runoff.

Community Services Division

1. During the first quarter of 2022 the Department completed 69 Fire Code Maintenance Inspections and Pre-Incident Plans. These covered primarily Restaurants and Daycares. This encompassed 352,086 square feet of buildings; only 8 violations were noted and corrected. With a regular inspection interval we tend to see lower numbers of violations.
2. DC Brutlag led a local campaign following the fatal structure fire in January to alert the public to the availability of home oxygen “fire stops” made available by the State of Wyoming Fire Marshal’s office. Wyoming’s first two fire fatalities of 2022 were both related to smoking while on home oxygen. The “Fire Stops” are a state wide initiative to place these devices on all who may be on home oxygen to reduce the risk of fires. Through this initiative 45 of these kits were placed on home oxygen devices within the City of Sheridan



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Planning

MEMORANDUM

Project: Discussion of PL-22-21, Ordinance 2253, Bender Rezone from M-1 to R-3 - Community
Name: Development Director Wade Sanner
From: Wade Sanner, Community Development Director
To: Mayor and Council
CC:
Date: 06/13/2022

Recommendation:

Discussion of PL-22-21, Ordinance 2253, Bender Rezone. The applicant, Hartland Enterprises, LLC and Scott Berber and Ayme Ahrens, are requesting to rezone 1.53 acres from M-1 Industrial District to R-3 Residence District. Located at 1700 Bender Lane. (PIN 56843530001933).

Background:

The applicants, Hartland Enterprise, LLC, Scott Berber and Ayme Ahrens, are requesting to rezone 1.53 acres from M-1 Industrial District to R-3 Residence District on the property located at 1700 Bender Lane (PIN 56843530001933).

The property is bordered to the west by a large-lot single-family home zoned M-1, to the south a large-lot single-family home zoned M-1, to the east two single-family homes zoned M-1, and to the north by Little Goose Creek. The property at one time contained a number of mobile homes, but these mobile homes have been removed in the last few years, and the property is currently vacant. The applicant is proposing to rezone the property from the M-1 Industrial District to the R-3 Residence District.

It is important to note that though the property is not adjacent to residentially zoned properties, the M-1 zone is not in line with the future land use map, which designates this area as a transition from residential to commercial. The proposed rezone is more in compliance with the future land use map.

As part of the request to rezone this property, staff sent notices to the 10 property owners within 300 feet, placed a legal notice in the newspaper, and posted a sign on the property. At the time of writing this staff report, no inquiries or comments were received by staff. The applicant has been in consistent talks with the adjacent property owners.

Discussion:

Neither state statute nor City Code contains required findings that must be made in changing a property's zoning designation. State statute does provide some requirements for zoning regulations in general, which the Planning Commission and City Council should be aware of:

WS §15-1-601(d)

d) All regulations shall be made:

In accordance with a comprehensive plan and designed to:

- A. Lessen congestion in the streets;*
- B. Secure safety from fire, panic and other dangers;*
- C. Promote health and general welfare;*
- D. Provide adequate light and air;*
- E. Prevent the overcrowding of land;*
- F. Avoid undue concentration of population; and*
- G. Facilitate adequate provisions for transportation, water, sewage, schools, parks and other public requirements.*

- ii. With reasonable consideration, among other things, of the character of the district and its peculiar suitability for particular uses;*
- iii. With a view to conserving the value of buildings and encouraging the most appropriate use of land throughout the city or town; and*
- iv. With consideration given to the historic integrity of certain neighborhoods or districts and a view to preserving, rehabilitating and maintaining historic properties and encouraging compatible uses within the neighborhoods or districts, but no regulation made to carry out the purposes of this paragraph is valid to the extent it constitutes an unconstitutional taking without compensation.*

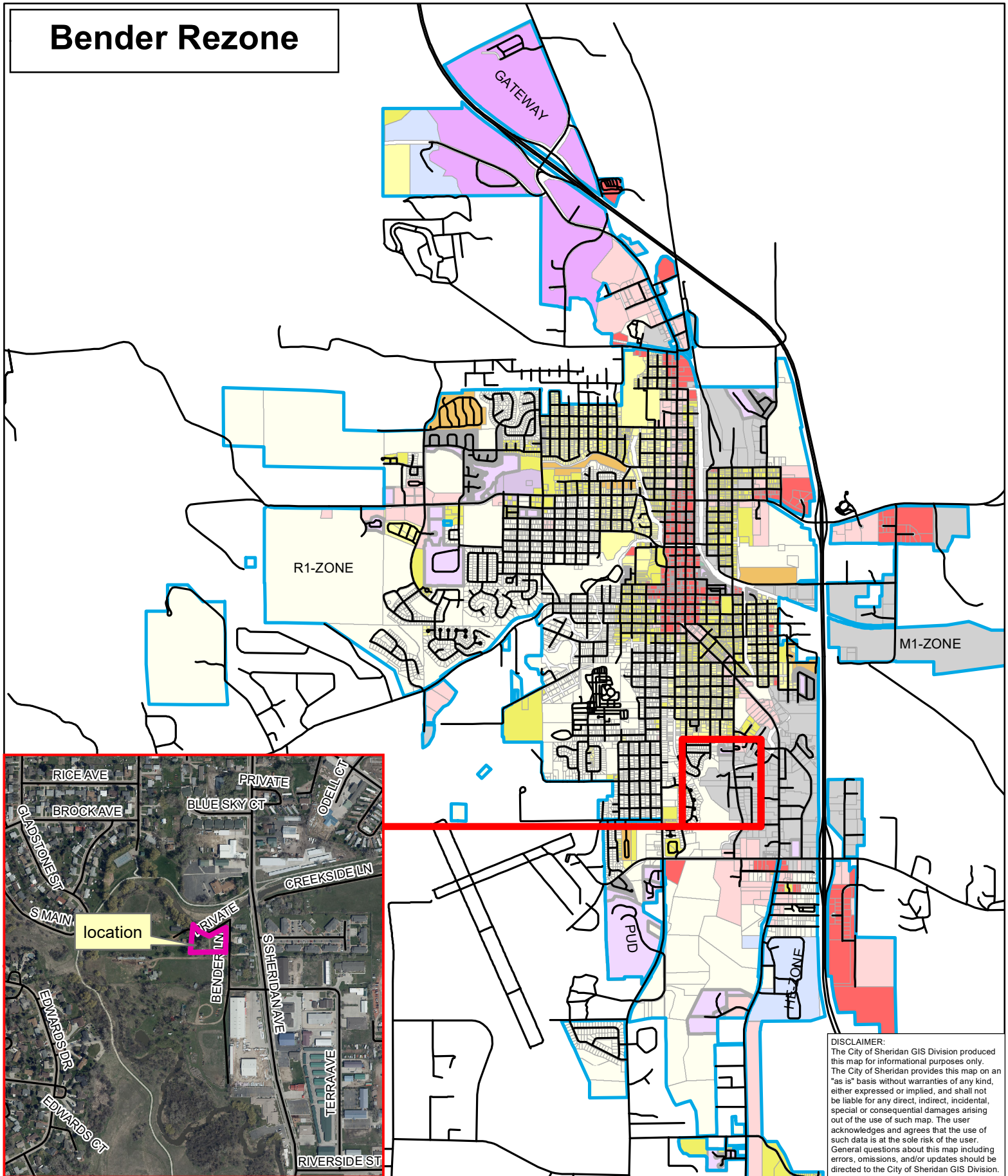
The Preamble of the City's Zoning Ordinance (Appendix A) states that the purpose of the zoning ordinance is to, *"promoting the health, safety, morals and general welfare of the inhabitants of the City of Sheridan by lessening congestion in the streets; securing safety from fire, panic and other dangers providing adequate light and air; preventing the overcrowding of land; avoiding the undue concentration of population, facilitating the adequate provision of transportation, water, sewerage, schools, parks, and other public requirements."*

The future land use map designates this area as right on the border of commercial and residential uses, so the proposed rezone is in accordance with the future land use map. It is important to note that the City would like to see the south part of Sheridan Avenue transition from industrially zoned properties to commercial and residentially zoned properties, more conducive with the existing land uses.

Attachments

Aerial
Rezone Exhibit
Ordinance

Bender Rezone



DISCLAIMER:
The City of Sheridan GIS Division produced this map for informational purposes only. The City of Sheridan provides this map on an "as is" basis without warranties of any kind, either expressed or implied, and shall not be liable for any direct, indirect, incidental, special or consequential damages arising out of the use of such map. The user acknowledges and agrees that the use of such data is at the sole risk of the user. General questions about this map including errors, omissions, and/or updates should be directed to the City of Sheridan GIS Division.

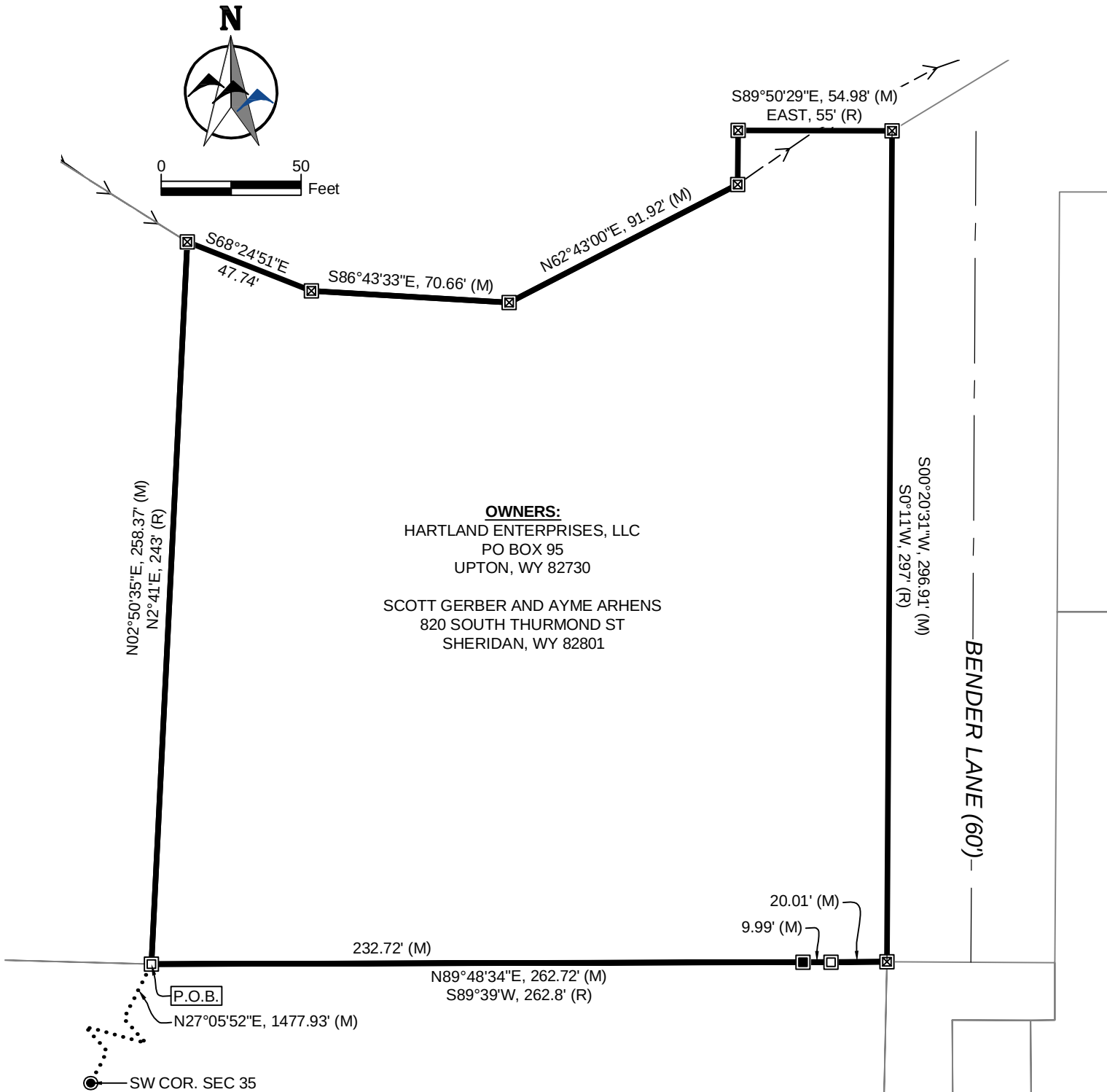
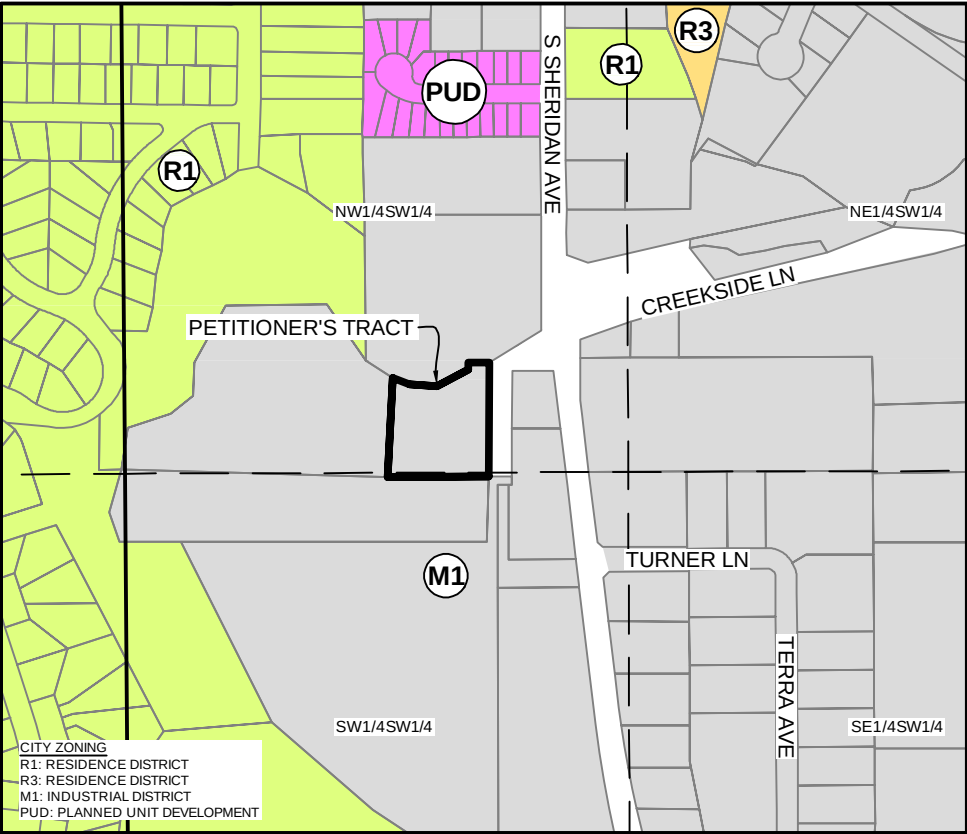


K:\SHERIDAN\GERBER, SCOTT\20211115 BENDER MAJOR SUBDIVISION\05CAD\SHSHEETS\211115_REZN_FIGR.DWG 10/26/2021 3:03 PM

LEGAL DESCRIPTION

A tract of land located in and being a portion of the NW1/4SW1/4 of Section 35, Township 56 North, Range 84 West of the 6th Principal Meridian, Sheridan County Wyoming, being more particularly described by metes and bounds as follows:

Beginning at a point from which the southwest corner of said Section 35 bears S27°05'52"W, 1477.93 feet; thence N02°50'35"E, 258.37 feet, more or less, to a point in the thread of Little Goose Creek; thence along the thread of Little Goose Creek for the next 3 calls, S68°24'51"E, 47.74 feet; thence S86°43'33"E, 70.66 feet; thence N62°43'00"E, 91.92 feet; thence leaving said thread, N00°09'34"E, 19.35 feet; thence S89°50'29"E, 54.98 feet, more or less, to the extension of the west line of Bender Lane; thence along the west line of Bender Lane, S00°20'31"W, 296.91 feet; thence N89°48'34"E, 262.72 feet, more or less, to the Point of Beginning and contains 1.53 acres, more or less, and is subject to any and all easements, rights-of-way, reservations, and other encumbrances that have been legally acquired.

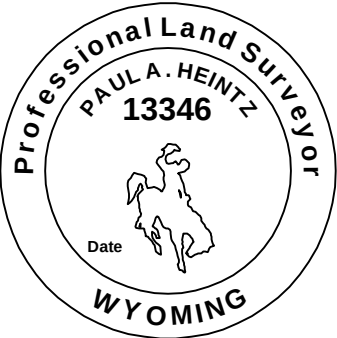


CURRENT ZONING WITHIN 1000' OF PETITIONER'S TRACT
1" = 500'

- CALCULATED CORNER
- SET REBAR WITH ALUMINUM CAP PLS #13346
- RECOVERED ALUMINUM CAP
- PETITIONER'S TRACT
- PROPERTY LINE
- ROAD CENTERLINE
- LITTLE GOOSE CREEK CENTERLINE

CERTIFICATE OF SURVEYOR

I, PAUL A. HEINTZ, A PROFESSIONAL LAND SURVEYOR LICENSED UNDER THE LAWS OF THE STATE OF WYOMING, HEREBY CERTIFY THAT PLAT HEREON WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION FROM A SURVEY COMPLETED AUGUST 2021 AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



PREPARED BY:
WWC ENGINEERING
1849 TERRA AVE.
SHERIDAN, WY 82801
(307) 672-0761
www.wwcengineering.com

PROJECT NO.: 2021-115

SCOTT GERBER

REZONE APPLICATION EXHIBIT
NW1/4SW1/4, SECTION 35, T.56N., R.84W.,
SHERIDAN COUNTY, WYOMING

DESIGNED BY: T.L.G.
DRAWN BY: C.I.G.
CHECKED BY: J.P.C.
DATE: 5/11/22

SHEET
1

ORDINANCE NO 2253

AN ORDINANCE amending Ordinance No. 826, the Zoning Ordinance of the City of Sheridan, to zone the entirety of the land more particularly described in Appendix A Section 1., and shown on the attached Exhibit, from an M-1 Industrial District to a R-3 residence District; for the property located at 1700 Bender Land.

WHEREAS, the owner of the following described land has petitioned the City Council to rezone the same from an M-1 Industrial District to a R-3 Residence District, and a public hearing having been held thereon by the City Council; THEREFORE

BE IT ORDAINED BY THE CITY COUNCIL OF SHERIDAN, WYOMING:

Section 1.

The following described land is hereby rezoned from an M-1 Industrial District to the R-3 Residence District, to wit:

(See Attached Exhibit)

Section 2.

That Ordinance No. 826, The Zoning Ordinance of the City of Sheridan is hereby amended to conform herewith.

Section 3.

If any provision or portion of this ordinance is declared by any court of competent jurisdiction to be void, unconstitutional, or unenforceable, than all remaining provisions and portions of this ordinance shall remain in full force and effect.

Section 4.

That this ordinance shall be in full force and effect immediately upon its passage and publication as provided by law.

PASSED, APPROVED, AND ADOPTED this _____ day of _____, 2022

ATTEST:

Richard Bridger, Mayor

Cecilia Good, City Clerk
State of Wyoming)
)SS
County of Sheridan)

Subscribed and sworn to (or affirmed) before me this _____ day of _____, 2022 by _____.

Notary Public

My commission expires _____.



CITY OF SHERIDAN, WYOMING

55 Grinnell Street, P.O. Box 848, Sheridan Wyoming 82801

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Planning

MEMORANDUM

Project Name: Discussion of Ordinance 2250, regarding a Gambling Moratorium within the Downtown Development District - Community Development Director Wade Sanner

From: Wade Sanner, Community Development Director

To: Mayor and Council

CC:

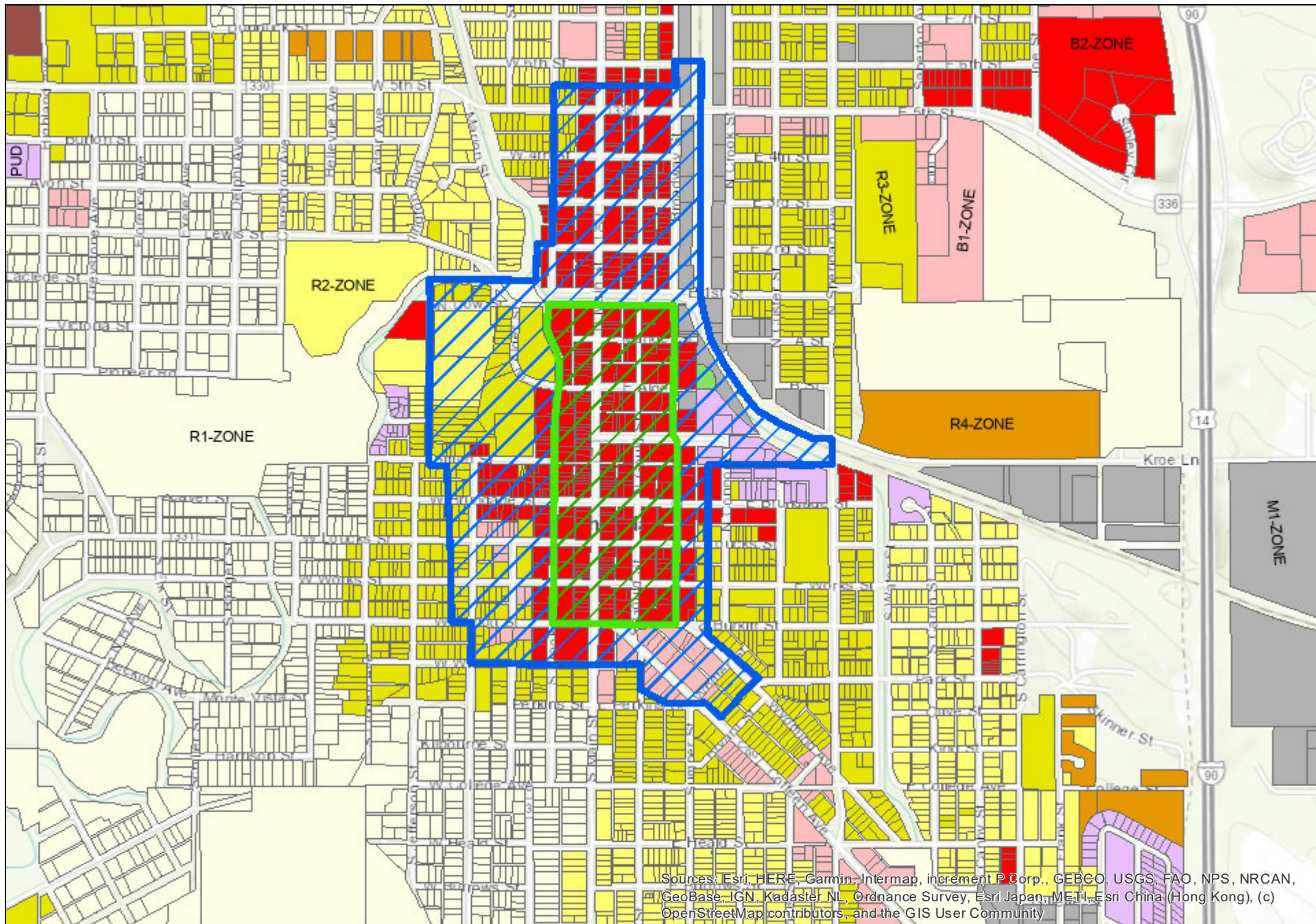
Date: 06/13/2022

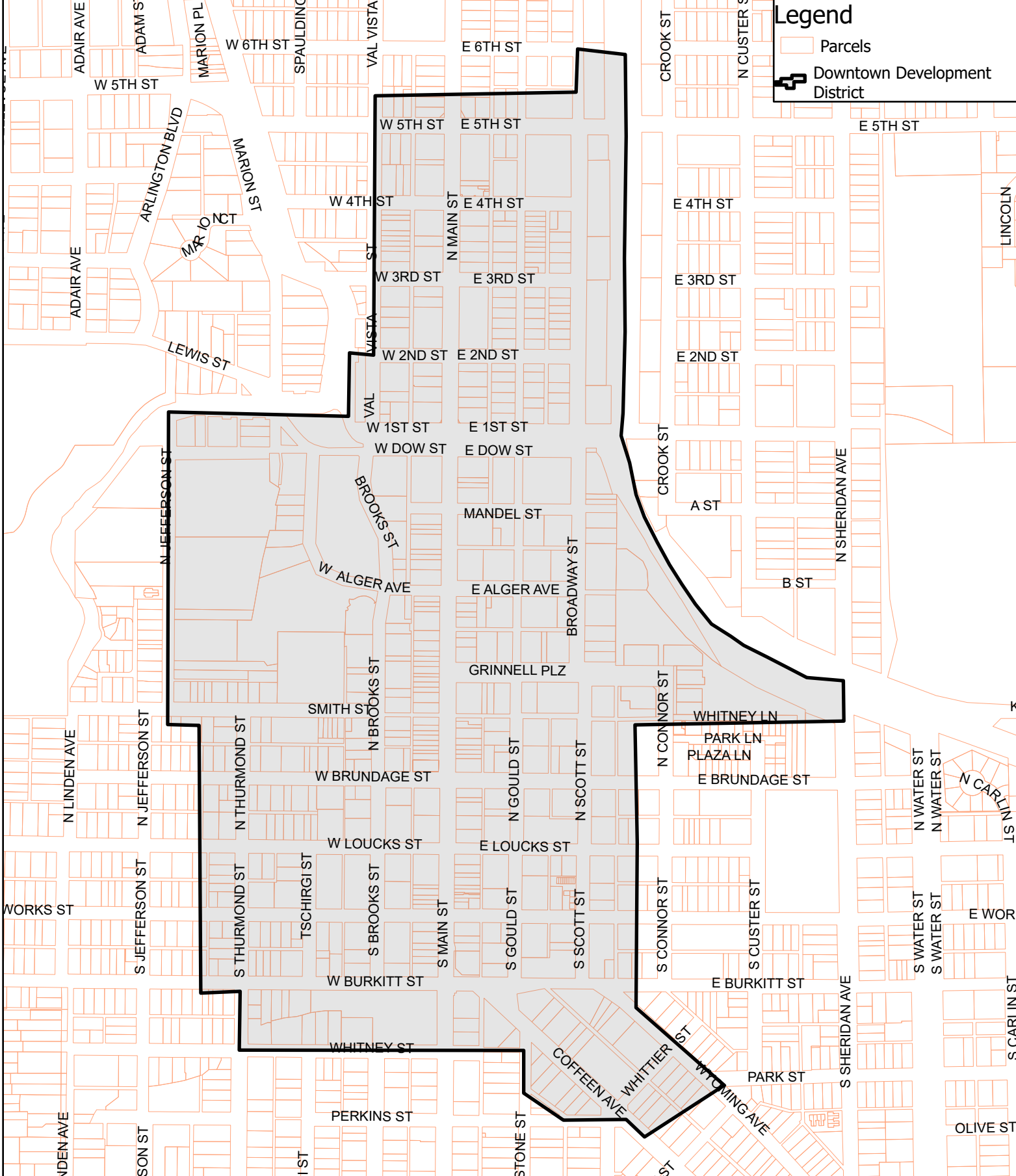
Recommendation:

Discussion of a request by staff to enact a gambling moratorium for the Downtown Development District. For further details, see the attached staff memorandum.

Attachments

Zoning Map
Downtown Development District
Staff Memo
Governor's Letter
Ordinance





TARVER, KERNS & BUNTING, LLP

200 WEST LOUCKS STREET
SHERIDAN, WY 82801

TIMOTHY S. TARVER, LLC

P.O. Box 6284
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KERNS & BUNTING, LLC

Brendon E. Kerns*
Sheryl S. Bunting
P.O. Box 6669
Sheridan, WY 82801
(307) 655-8600 | (307) 674-5000 fax
*LICENSED IN WY & MT

MEMORANDUM

Date: June 8, 2022
To: City Governing Body
RE: Ordinance 2250 – Gambling in the Sheridan Downtown

Over the last few years, the Wyoming Legislature has greatly expanded the availability of gambling within the State. The City of Sheridan has witnessed this expansion. Gambling is a unique economic enterprise, which often can evoke passions and opinions of citizens and businesses because it can fundamentally alter a community. Whether that change is for good or bad is not at issue or the reason for this proposed ordinance amendment.

The Sheridan Downtown has a unique character that is obviously the cultural heart of the City. Changes to that culture and character should be debated and discussed thoughtfully. The Mayor has requested that City staff propose an ordinance which would prevent gambling from fundamentally altering the character, nature and uniqueness of the Sheridan Downtown.

Municipalities are only granted the powers that have been given to them by the Legislature. Unfortunately, as the Legislature has expanded gambling, it has not provided municipalities with regulatory tools. This issue is highlighted by Governor Gordon in his letter which is included in your packet. As a consequence, the City can only regulate gambling through its zoning power.

Ordinance 2250 is a proposed zoning change that would prevent gambling for B-1 zoned properties in the Downtown District and limit gambling to 6 devices in areas zoned B-2 in the Downtown District. B-1 and B-2 zoned properties outside of the Downtown District would be unaffected. None of the properties within the Downtown District would be in violation of this Ordinance and the State Gaming Commission has reported that they have no pending applications for Sheridan.

This Ordinance is only intended to be a 2-year moratorium. On December 31, 2024, the Ordinance would automatically expire unless Council approved a new ordinance. The purpose of the moratorium is to provide the Wyoming Legislature the opportunity to address this matter and to give City staff the ability to fully evaluate this issue. This freeze is intended to be temporary to allow everyone the opportunity to fully explore this issue and avoid an unfortunate situation of materially altering the Downtown District because of a lack of foresight.

TARVER, KERNS & BUNTING, LLP

A handwritten signature in blue ink, appearing to read "Brendon Kerns". The signature is fluid and cursive, with the first name "Brendon" being more prominent than the last name "Kerns".

Brendon E. Kerns



March 10, 2022

The Honorable Dan Dockstader
President of the Wyoming Senate
Wyoming Senate
200 W. 24th Street, Capitol Building, E201
Cheyenne, Wyoming 82002

Re: 2022 Senate Enrolled Act 14 – Wyoming Gaming Commission-scrivener error correction.

Dear President Dockstader:

Through Senate Enrolled Act 14, Wyoming's 66th Legislature adopted a much needed correction to 2021 Wyoming Session Laws, Chapter 109 (2021 Senate File 56). The 2021 law was intended to lift the sunset date on the Legislature's 2020 authorization of skill games while retitling and expanding the membership of the Parimutuel Commission and its scope to include skill games present in the state at the time. Instead unfortunately, the 2021 law unwittingly repealed the statute that created the Gaming Commission. I appreciate the 66th Legislature's attention and subsequent swift action to correct the portion of this error relating to the membership and naming of the Gaming Commission through Senate Enrolled Act 14.

I am, however, disappointed that the Legislature did not introduce a bill this session to limit the expansion of skill game expansion across the state to those that were contemplated in the 2020 session bill. The plain language of 2021 Wyoming Session Laws, Chapter 109 allows new skill game applicants to seek licensure from the Gaming Commission. Moreover, as long as the statutory criteria is met by the applicant, the Gaming Commission must grant such licensure. The 66th Legislature never expressly considered the question of expansion even though reportedly there are several opinions on this topic.

During our multiple meetings on this issue, some legislators advised that in adopting 2021 Wyoming Session Laws, Chapter 109, they did not intend to bring more skill games into the state. Other legislators, however, advised that the law's plain language accurately reflected their intent to open up skill game licensure to new applicants. I had hoped – and would have appreciated – the Legislature's consideration of a statutory amendment imposing a maximum cap on the number of skill game machines lawfully able to operate in Wyoming; but no such

amendment was considered this session. Such an amendment would have either succeeded or failed thereby indicating the will of the Legislature on this topic.

I am left with an incomplete solution to this question of expansion. Thus, I must conclude: if the legislative intent to expand skill games were unclear before, it no longer is. By adopting in 2021 the plain language authorizing new skill game applicants to seek and obtain licensure - and by failing to even consider alternative language this session - the Legislature, as a body, clearly intended to allow the number of skill game licensees to grow.

Although I personally do not agree with the policy to further expand skill games in Wyoming without giving local jurisdictions at least some say in the matter, I recognize that I must nonetheless sign Senate Enrolled Act 14. My failure to do so would result in a chaotic outcome, at best resetting the clock and at worst enabling skill games and online sports betting to be present in Wyoming but without an appropriate regulatory body to oversee their operations.

I would like to once again express my hope that in future sessions, the Wyoming Legislature will reassess whether a limit on the number of skill game operators, vendors, and machines should be imposed, or if local governments should have the authority to prohibit skill games in their jurisdiction. That future discussion will be especially needed as we witness the growth of skill games and gambling expand over the course of the next year. To default into such a posture vis-à-vis gaming without a substantive legislative discussion related to expansion in this session is truly a disappointment.

Sincerely,



Mark Gordon
Governor

MG:rm:kh

cc: Ellen Thompson, Chief Clerk

ORDINANCE NO. 2250

AN ORDINANCE ADOPTING PROVISIONS CONCERNING GAMBLING FOR APPENDIX A:

WHEREAS, the City of Sheridan recognizes that gambling, provides business opportunities for local entrepreneurs, and encourages economic activity in our community; and

WHEREAS, the Wyoming legislature has continued to expand the types of gambling allowed in Wyoming which the City of Sheridan anticipates will continue; and

WHEREAS, the Wyoming legislature has not granted Wyoming municipalities any special powers to regulate gambling within their jurisdictions and therefore is limited to addressing gambling within the context of zoning district approved uses; and

WHEREAS, the City of Sheridan Ordinances do not specify in which zoning districts gambling is appropriate; and

WHEREAS, the City of Sheridan recognizes that the Sheridan Downtown Development District has a unique character and differentiates it from other similarly zoned areas within the City.

NOW THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SHERIDAN, WYOMING:

That Appendix A, Section 2 Definitions shall be amended to be included within the alphabetical order:

Gambling. Means risking any property for gain, contingent in whole or in part upon lot, chance, the operation of a gambling device or the happening or outcome of an event, including a sporting event, pari-mutuel event, pari-mutuel wagering, or skill based amusement game over which the person taking a risk has no control, excepting for any exclusions provided by W.S. § 6-7-101(a)(iii)(B through H and K).

Gaming or Gambling Device. Means any device, machine, paraphernalia or equipment that is used or usable in the playing phases of any professional gambling activity, whether that activity consists of gambling between persons or gambling by a person involving the playing of a machine;

That Appendix A, Section 7 B-1 Business District shall be amended to include the following:

D. *Gambling*. Gambling as defined in Appendix A Section 2 of the City of Sheridan Code is prohibited within the Downtown Development District as established by Ordinance 2-74.

1. Sunset. This prohibition shall terminate and be removed from City Code on December 31, 2024 without any further action required by the City Governing Body.

That Appendix A, Section 8 B-2, Subsection A Business District shall be amended to include the following:

A. *Use Regulations*. Any use shall be permitted except the following:

1. Acetylene gas manufacture or wholesale storage.
2. Acid manufacture.
- 2a. Adult Oriented Business. No permit shall be issued for the placement of an adult oriented business unless and until it conforms to all of the criteria of City Ordinance Appendix A, Section 10, Subsection 21.
3. Ammonia, bleaching powder or chlorine manufacture.
4. Arsenal.
5. Asphalt manufacture or refining. Paving mixture plant.
6. Blast furnace.
7. Bag cleaning.
8. Boiler works.
9. Brick, tile or terra cotta manufacture.
10. Cement, lime, plaster of Paris or gypsum manufacture.
11. Central mixing plant for cement, mortar, plaster or concrete.

12. Creosote treatment or manufacture.
13. Disinfectants manufacture.
14. Distillation of bones, coal or wood.
15. Dyestuff manufacture.
16. Explosives or fireworks manufacture or storage.
17. Exterminator and insect poison manufacture.
18. Fat rendering.
19. Fertilizer manufacture.
20. Forge plant.
21. Garbage, offal or dead animals incinerations, reduction or dumping.
22. Gas manufacture or storage, drilling or production.
23. Glue, size or gelatin manufacture.
24. Iron, steel, brass or copper mill.
25. Junk, used material, auto wrecking, salvage, paper, scrap, bottles or rags, baling or storage except where such activities are conducted wholly within a building.
26. Mills, feed or flour.
27. Oiled goods manufactured from raw materials.
28. Ore reduction or smelting.
29. Paint, oil, shellac, turpentine or varnish manufacture.
30. Paper and pulp manufacture.
31. Petroleum and its products, refining or wholesale storage.
32. Rubber or gutta percha manufacture or treatment.
33. Shoe polish manufacture.
34. Soap manufacture.

- 35. Soda and compound manufacture.
- 36. Slaughter and dressing of animals, but not including poultry and rabbit dressing.
- 37. Stockyards.
- 38. Tallow, grease or lard manufacture or refining including processing of animal fat.
- 39. Tanning, curing or storage of raw hides or skins.
- 40. Tar distillation or manufacture.
- 41. Tar roofing or waterproofing manufacture.
- 42. Vinegar manufacture.
- 43. Wool pulling or scouring.
- 44. Yeast plant.
- 44a. Crematorium for human remains.

45. And those uses which may be, and as ordinarily operated generally, are obnoxious or offensive by reason of emission of odor, dust, smoke or noise.

46. *Gambling.* Gambling as defined in Appendix A Section 2 of the City of Sheridan Code, shall be allowed provided that no establishment within the Downtown Development District as established by Ordinance 2-74 has more than 6 gambling devices.

a. This prohibition shall terminate and be removed from City Code on December 31, 2024 without any further action required by the City Governing Body.

WHEREUPON, a motion was passed and this Ordinance and was declared adopted this _____ day of _____, 2022.

CITY OF SHERIDAN, WYOMING

Mayor

ATTEST:

City Clerk

FIRST READING: _____

SECOND READING: _____

THIRD READING: _____

PUBLISHED: _____

EFFECTIVE THE DAY OF , 2022.



CITY OF SHERIDAN, WYOMING

55 Grinnell Street, P.O. Box 848, Sheridan Wyoming 82801

Ph (307) 674-6483 Fax (307) 674-2195

Utilities

MEMORANDUM

Project Name: Discussion of Proposed 5-Year Utility Rate Plans
A. Utilities Director Dan Roberts and Vita Quinn
B. City Administrator Stuart McRae

From: Dan Roberts, Utilities Director

To: Mayor and Council

CC: City Administrator Stu McRae

Date: 06/13/2022

Discussion:

The City's Utilities Department conducts regular financial planning studies for the water, sewer, and solid waste enterprise funds in order to ensure their expenditures and revenues are well planned into the future. These financial plans identify what future utility rates should be set at in order to ensure the fiscal obligations of our enterprise funds are met. The financial plans are reviewed by staff annually and are updated every 3 to 5 years where new rate plans are developed and recommended to City Council for consideration.

A team from SCS Engineers' financial group has completed a thorough review and update of the financial plans for the City's water, sewer, and solid waste enterprise funds. A summary of their findings for the water, sewer, and solid waste enterprise funds are attached. They have developed 5-year rate plan recommendations for each of our utilities and will be presenting these findings to the City Council during their June 13th study session.

Staff will be seeking feedback from the City Council on their preferred 5-year rate plan for each enterprise fund. This feedback will guide the development of 3 resolutions which will be prepared outlining a 5-year rate plan, and subsequent rates, for each enterprise fund. These resolutions will be presented to the City Council for formal consideration at their June 20th regular meeting.

Attachments

SCS Memo Water
SCS Memo Sewer
SCS Memo Solid Waste

June 8, 2022

TECHNICAL MEMORANDUM

TO: Dan Roberts, Public Works Director

FROM: Vita Quinn, Director of Management Services – SCS Engineers

SUBJECT: Water Revenue Sufficiency Analysis

This memorandum highlights the results a Revenue Sufficiency Analysis (RSA) that was conducted for the Water utility (Utility) of the City of Sheridan, Wyoming by SCS Engineers' Management Services team (SCS).

BACKGROUND

The City of Sheridan, with a population of about 18,000, is located in north central Wyoming near the Big Horn Mountains. The revenue for the Utility comes from water sales, connection charges, water card/hydrant sales, hydropower and a joint powers relationship with the Sheridan Area Water Supply (SAWS).

As part of its annual budgeting process, the City reviews the financial sustainability of its Water enterprise fund, and engaged SCS to review the financial plan of the Utility and determine a plan of rate increases, if any, that would be required over a long-term projection period.

PROJECT OBJECTIVE

The objectives of the study were as follows:

- Perform a 10-year revenue sufficiency analysis for the City's Water operations to ensure that it can meet its operating cost requirements while maintaining adequate operating reserves.
- Create a long-term financial plan, including a series of annual rate adjustments, as required. This plan should satisfy operating and capital requirements, maintain adequate operating reserves, and minimize rate increases to customers.

SOURCE DATA & ASSUMPTIONS

Source Data

The City's staff provided SCS with the following:

- Trial Balance schedules for the fiscal year ended 6/30/2021
- FY 2022 Budget vs. YTD
- FY 2023 Budget
- Current and planned capital spending, and
- Vehicle/equipment replacements through 2032.

Assumptions

All assumptions reflected in the study were discussed with Utility staff.

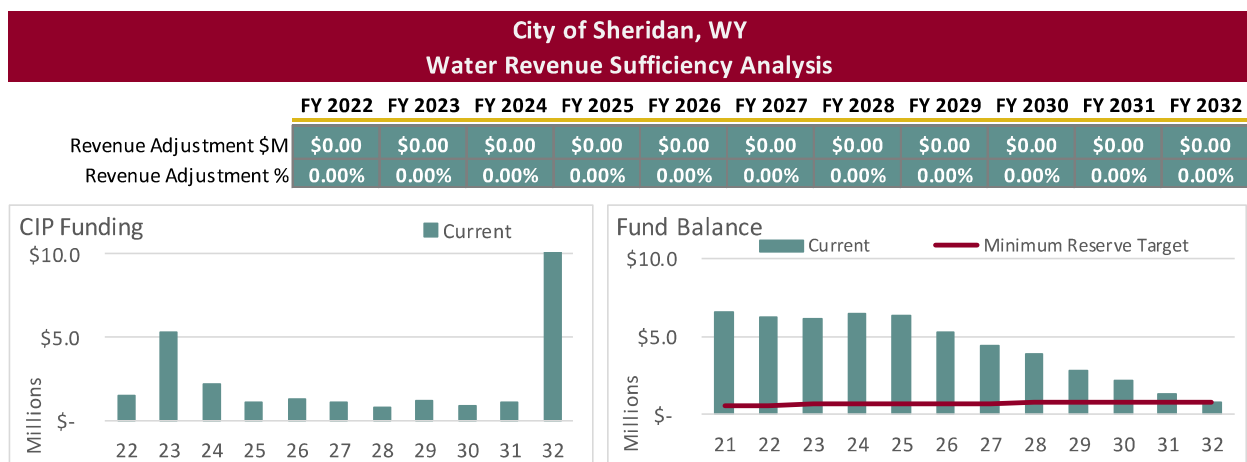
- **Escalation of Costs/Revenues** - Revenue projections and cost escalation factors used for various types of operating revenues and expenses were based upon historical trends, industry experience, and discussions with Utility Staff.
- **Interest Earnings** - Interest earnings on invested funds were assumed at a rate of 0.26% in each year of the projection period, based upon staff input and recent earnings.
- **System Growth** – Customer accounts and Usage projections were based upon a review of historical data and discussions with Utility staff. City of Sheridan customer accounts are assumed to increase 1.37% on average over the next 20 years, and the City Usage is assumed to increase 1.34% annually.
- **Minimum Reserve Policies** - Reserve balances for utility systems are set aside for specific cash flow requirements, future use, financial needs, etc. These funds are intended to minimize risk associated with meeting future obligations. The financial management plan reflected herein assumes that the minimum operating fund balance will equal 25%, or 3 months, of annual operations and maintenance expenses for the Utility.
- **Future Borrowing and Capital Funding** - Utility staff provided project-level capital improvement and vehicle replacement program budgets from FY 2022 to FY 2042. The total projected spending from FY 2023 – FY 2042 is projected to be approximately \$27.5 million, and included various Utility improvement projects, and an average of approximately \$192,000 annually for cash funded vehicle/equipment replacements. The capital projects use a combination of capital and operating reserves, and borrowing. To the extent that debt is projected in any year of the projection period, it is assumed to be funded using subordinate debt in the form of a State Revolving Fund (SRF) loan with 25% principle forgiveness with the following terms:

Term:	20 Years
Interest Rate:	1.55%
Cost of Issuance:	2.00% of Par
Debt Service Reserve:	Equal to 1 year of annual debt service expense
Debt Service Coverage:	1.20 times annual debt service

ANALYSIS

The RSA used the Utility's historical and budgeted financial information, historical customer counts and usage data, multi-year capital improvement programs, and documented the Utility's current financial and debt policies to create a multi-year projection of the City's current rate revenues to determine whether the level of existing revenues can meet the projected financial requirements during each year of the projection period from FY 2022 – FY 2032. We also spoke with City staff regarding other assumptions and policies that would affect the financial performance of the Utility, such as trends in demands, planned developments/customer growth, debt coverage levels, levels of reserves, capital funding sources, earnings on invested funds, escalation of operating costs, impacts of potential regulatory and legislative initiatives, etc.

The City has historically raised Water rates every other year. Based upon the source data, input provided by the City, and the assumptions and policies described herein, the Utility's current revenues are sufficient to fund its ongoing operating, capital, debt service and coverage requirements, and working capital reserve targets in every year of the projection period without rate adjustments. The Study concludes that the City could implement a biennial increase of 1.00% in FY 2024 every other year thereafter will be sufficient for the Utility to meet its financial requirements throughout the projection period as shown in the model screenshot below.



It is important to note, however, that this does not include the Lake DeSmet Water Supply Project, as the City does not currently know if or how much they might need to pay for this alternative water supply project. However, an analysis shows that, if the City is required to pay for a portion of the project, Water rates would likely require annual increases of up to 3.00%.

RECOMMENDATIONS

Based upon the results of the study described herein, we recommend the following:

- The City's current Water rates and other revenues are sufficient to fund its ongoing operations, capital, and reserve requirements without the need for rate increases.
- If the City is required to pay for a portion of the Lake DeSmet Water Supply Project, annual increases may be necessary to fund the debt service for that project in the long-term, and the analysis should be updated to reflect that cost when it is known.
- The City should update this analysis of revenue sufficiency and its financial management plan every 1-2 years to confirm that the current growth rate will continue to be sufficient to fund the City's Water operations while meeting all of its financial policies and goals.

We appreciate the opportunity to participate in the analysis, and look forward to working with you again in the future. If you have any questions or would like to discuss this further, please call me anytime at (386) 546-7719.

Regards,



Vita Quinn, MBA
Director of Management Services
SCS Engineers



Sheriean Carroll
Financial Analyst II
SCS Engineers

June 08, 2022

TECHNICAL MEMORANDUM

TO: Dan Roberts, Public Works Director

FROM: Vita Quinn, Director of Management Services – SCS Engineers

SUBJECT: Revenue Sufficiency Analysis

This memorandum highlights the results a Revenue Sufficiency Analysis (RSA) that was conducted for the Sewer utility (Utility) of the City of Sheridan, Wyoming by SCS Engineers' Management Services team (SCS).

BACKGROUND

The City of Sheridan, with a population of about 18,000, is located in north central Wyoming near the Big Horn Mountains. The revenue for the Sewer Utility comes from Sewer rate revenues and Grease/Septage fees.

As part of its annual budgeting process, the City reviews the financial sustainability of its Sewer enterprise fund, and engaged SCS to review the financial plan of the Utility and determine a plan of rate increases, if any, that would be required over a long-term projection period.

PROJECT OBJECTIVE

The objectives of the study were as follows:

- Perform a 10-year revenue sufficiency analysis for the City's Sewer operations to ensure that it can meet its operating cost requirements while maintaining adequate operating reserves.
- Create a long-term financial plan, including a series of annual rate adjustments, as required. This plan should satisfy operating and capital requirements, maintain adequate operating reserves, and minimize rate increases to customers.

SOURCE DATA & ASSUMPTIONS

Source Data

The ongoing relationship with SCS allowed for ease in data sharing. SCS has engaged in financial modeling and projection with the City for many years allowing for a model update and a depth of historical knowledge. The City's staff provided SCS with the following:

- Trial Balance schedules for the fiscal year ended 6/30/2021

- FY 2022 Budget vs. YTD
- FY 2023 Budget
- Current and planned capital spending, and
- Vehicle/equipment replacements through 2032.

Assumptions

All assumptions reflected in the study were discussed with Utility staff.

- **Escalation of Costs/Revenues** - Revenue projections and cost escalation factors used for various types of operating revenues and expenses were based upon historical trends, industry experience, and discussions with Utility Staff.
- **Interest Earnings** - Interest earnings on invested funds were assumed at a rate of 0.41% in each year of the projection period, based upon staff input and recent earnings.
- **System Growth** – Customer accounts and Usage projections were based upon a review of historical data and discussions with Utility staff. City of Sheridan customer accounts are assumed to increase 1.11% on average over the next 10 years, and the usage is assumed to increase at an average rate of 1.18% annually.
- **Minimum Reserve Policies** - Reserve balances for utility systems are set aside for specific cash flow requirements, future use, financial needs, etc. These funds are intended to minimize risk associated with meeting future obligations. A reserve level of 3-6 months of operations and maintenance expenses is considered to be a healthy level of reserves for a municipal utility system per the evaluation criteria published by the municipal ratings agencies. The financial management plan reflected herein assumes that the minimum operating fund balance will equal 16.67%, or 2 months, of annual operations and maintenance expenses for the Utility.
- **Future Borrowing and Capital Funding** - Utility staff provided project-level capital improvement and vehicle replacement program budgets from FY 2022 to FY 2032. The total projected spending from FY 2022 – FY 2032 is projected to be approximately \$11.1 million, and included various Utility improvement projects, and an average of approximately \$150,000 annually for cash funded vehicle replacements. The sewer capital projects use a combination of capital reserves, operating reserves, and borrowing. To the extent that debt is projected in any year of the projection period, it is assumed to be funded using subordinate debt in the form of a State Revolving Fund (SRF) loan with 25% principle forgiveness with the following terms:

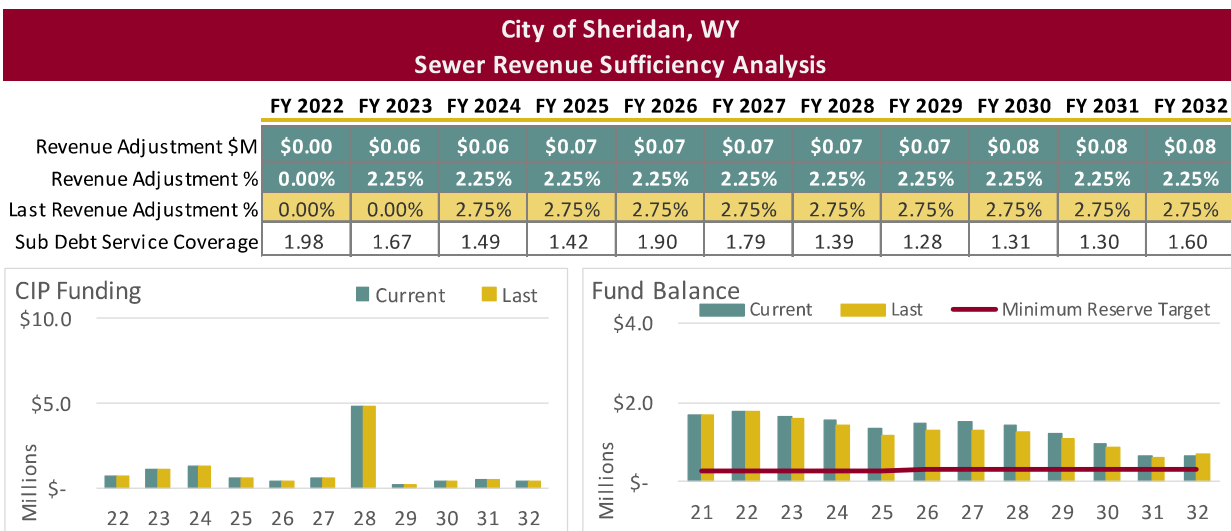
Term:	20 Years
Interest Rate:	1.55%
Cost of Issuance:	2.00% of Par
Debt Service Reserve:	Equal to 1 year of annual debt service expense
Debt Service Coverage:	1.20 times annual debt service

ANALYSIS

The RSA used the Utility's historical and budgeted financial information, historical customer counts and usage data, multi-year capital improvement programs, and documented the Utility's current financial and debt policies to create a multi-year projection of the City's current rate revenues to determine whether the level of existing revenues can meet the projected financial requirements during each year of the projection period from FY 2022 – FY 2032. We also spoke with City staff regarding other assumptions and policies that would affect the financial performance of the Utility, such as trends in demands, planned developments/customer growth, debt coverage levels, levels of reserves, capital funding sources, earnings on invested funds, escalation of operating costs, impacts of potential regulatory and legislative initiatives, etc.

Through this process, we identified two financial management plan options due to the City's desire to minimize rate increases and avoid borrowing: i) increasing the Sewer rates by 2.25% annually commencing in FY 2023, and ii) no rate increase in FY 2023, and 2.75% annually commencing in FY 2024. These two scenarios are compared in the model screenshot shown below.

Financial Management Plan Comparison



If the City chooses to increase Sewer in FY 2023 and each year thereafter, a plan of annual 2.25% increases would be sufficient for the City to maintain its minimum working capital reserve targets in each year of the projection period. This scenario is reflected in the green bars in the above screenshot. However, if the City chooses to forego a rate increase in FY 2023, and begin a plan of annual adjustments starting in FY 2024, the rate increases would need to be 2.75% annually to meet the same financial and fund balance targets. This scenario is reflected in the yellow bars in the above screenshot.

RECOMMENDATIONS

Based upon the results of the study described herein, we recommend the following:

- The City's current Utility Sewer Fees are not sufficient to fund its ongoing operations, capital, and reserve requirements over the ten-year period without the need for rate increases. Therefore, it is recommended that the City adopt a 5-year plan of rate increases from the options shown in the table below.

5-Year Rate Adjustment Options

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Increase Starting FY 2023	2.25%	2.25%	2.25%	2.25%	2.25%
Increase Starting FY 2024	0.00%	2.75%	2.75%	2.75%	2.75%

- The City should update this analysis of revenue sufficiency every 1-2 years to confirm that the recommended rate plan continues to be sufficient to fund the City's Sewer operations while meeting all of its financial policies and goals.

We appreciate the opportunity to participate in the analysis, and look forward to working with you again in the future. If you have any questions or would like to discuss this further, please call me anytime at (386) 546-7719.

Regards,



Vita Quinn, MBA
Director of Management Services
SCS Engineers



Sheriean Carroll
Financial Analyst II
SCS Engineers

June 8, 2022

TECHNICAL MEMORANDUM

TO: Dan Roberts, Public Works Director

FROM: Vita Quinn, Director of Management Services – SCS Engineers

SUBJECT: Solid Waste Revenue Sufficiency Analysis Update

This memorandum highlights the results of an updated projection of revenue sufficiency that was conducted for the Solid Waste Division (Division or Utility) of the City of Sheridan, Wyoming by SCS Engineers' Management Services team (SCS).

BACKGROUND

The City of Sheridan, with a population of about 18,000, is located in north central Wyoming near the Big Horn Mountains. The City's Solid Waste Division, which operates as an enterprise fund, serves approximately residential and commercial accounts garbage and recycling customers. Additionally, the City owns and operates a Landfill, Composting Operation, Household Hazardous Waste Facility, and a Material Recovery Facility that services the entire County. The revenue for the Solid Waste Division comes from landfill tipping fees, solid waste and recycling collection charges, and recycling sales.

Since 2018, SCS has been engaged by the City to update its solid waste collection rates, tipping fees, financial assurance estimates, and analyze the potential for a Pay-As-You-Throw program. As part of its annual budget process, SCS was again engaged to update the Division's financial projections and financial management plan.

PROJECT OBJECTIVE

The objectives of the study were as follows:

- Perform a 10-year revenue sufficiency analysis for the City's Solid Waste operations to ensure that it can meet its operating cost requirements while maintaining adequate operating reserves.
- Create a long-term financial plan, including a series of annual rate adjustments, as required. This plan should satisfy operating and capital requirements, maintain adequate operating reserves, and minimize rate increases to customers.

SOURCE DATA & ASSUMPTIONS

Source Data

The ongoing relationship with SCS allowed for ease in data sharing. SCS has engaged in financial modeling and projection with the City for many years allowing for a model update and a depth of historical knowledge. The City's staff provided SCS with the following:

- Trial Balance schedules for the fiscal year ended 6/30/2021
- FY 2022 Budget vs. YTD
- FY 2023 Budget
- Current and planned capital spending, and
- Vehicle/equipment replacements through 2032.

Assumptions

All assumptions reflected in the study were discussed with Division staff.

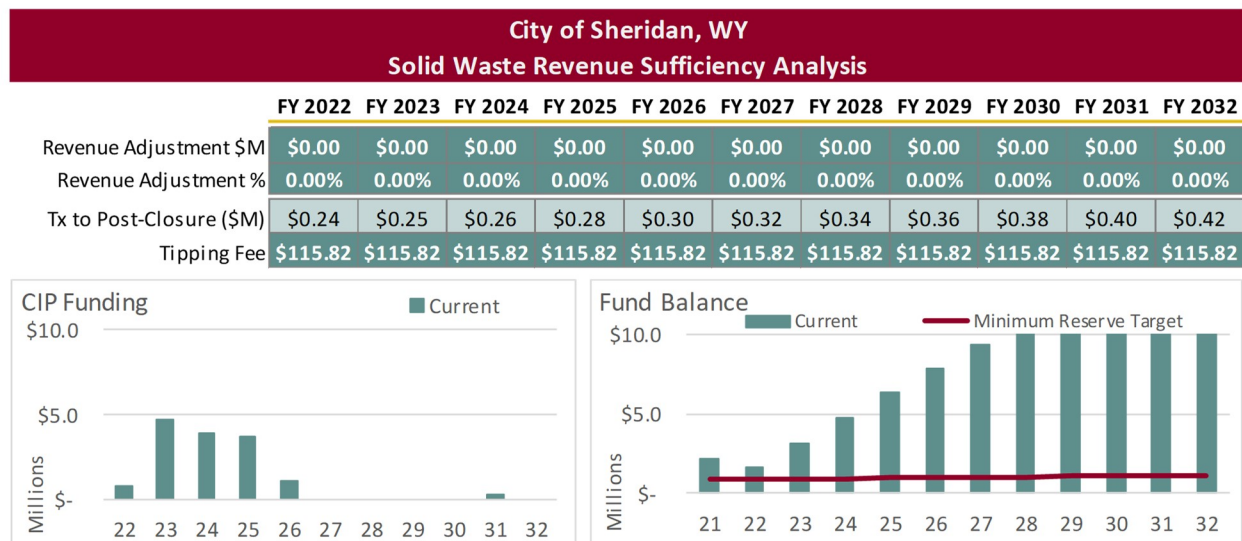
- **Escalation of Costs/Revenues** - Revenue projections and cost escalation factors used for various types of operating revenues and expenses were based upon historical trends, industry experience, and discussions with Division Staff.
- **Interest Earnings** - Interest earnings on invested funds were assumed at a rate of 0.40% in each year of the projection period, based upon staff input and recent earnings.
- **System Growth** – Customer accounts and tonnage projections were based upon a review of historical data and discussions with Division staff. City of Sheridan solid waste collection customer accounts are assumed to increase annually by an average of 0.81% over the projection period, and landfill tonnage is assumed to increase by an average of 1.27% annually through FY 2032.
- **Minimum Reserve Policies** - Reserve balances for utility systems are set aside for specific cash flow requirements, future use, financial needs, etc. These funds are intended to minimize risk associated with meeting future obligations. The financial management plan reflected herein assumes that the minimum operating fund balance will equal 25.00%, or 3 months, of annual operations and maintenance expenses for the Division.
- **Future Borrowing and Capital Funding** - Division staff provided capital improvement and vehicle replacement program budgets. The total projected spending from FY 2022 – FY 2032 is projected to be approximately \$14.5 million. This included various landfill cell construction, closure, and remediation projects, and an average of approximately \$470,000 annually for vehicle/equipment replacements, which are primarily cash funded. The landfill capital projects use a combination of capital reserves, closure/post-closure funds, and borrowing. To the extent that debt is required in any year of the projection period, it is assumed to be funded using subordinate debt in the form of a State Revolving Fund (SRF) loan with 25% principal forgiveness with the following terms:

Term:	20 Years
Interest Rate:	1.55%
Cost of Issuance:	2.00% of Par
Debt Service Reserve:	Equal to 1 year of annual debt service expense
Debt Service Coverage:	1.20 times annual debt service

ANALYSIS

The analysis used the Division's historical and budgeted financial information, historical customer counts and usage data, multi-year capital improvement programs, and documented the City's current financial and debt policies to create a multi-year projection of the current rate revenues to determine whether the level of existing revenues can meet the projected financial requirements during each year of the projection period from FY 2022 – FY 2032. We also spoke with City staff regarding other assumptions and policies that would affect the financial performance of the Division, such as trends in demands, planned developments/customer growth, debt coverage levels, levels of reserves, capital funding sources, earnings on invested funds, escalation of operating costs, impacts of potential regulatory and legislative initiatives, etc.

Through this process, we identified that the current revenue projections, escalated by the anticipated account and tonnage Growth, will be sufficient to fund operations, capital, debt service and coverage requirements, and maintain a working capital reserve balance above the minimum reserve target without the need for rate increases.



It is important to note that the Division is budgeting a significant increase in revenues this year due to increased landfill activity, plant investment fees, and compost sales. This boost in revenues feeds the optimistic financial projections beginning in FY 2024. However, the City should update this analysis frequently to determine if this increase will be sustained over a long-term period.

RECOMMENDATIONS

Based upon the results of the study described herein, we recommend the following:

- The City's current Landfill Tipping Fees, Solid Waste Collection and Recycling charges, and other revenues are sufficient to fund its ongoing operations, capital, and reserve requirements without the need for rate increases.
- The City should update this analysis of revenue sufficiency every year to confirm that the current growth rate and projected level of business at the landfill will continue to be sufficient to fund the City's solid waste operations while meeting all of its financial policies and goals.

We appreciate the opportunity to participate in the analysis, and look forward to working with you again in the future. If you have any questions or would like to discuss this further, please call me anytime at (386) 546-7719.

Regards,



Vita Quinn, MBA
Director of Management Services
SCS Engineers



Sheriean Carroll
Financial Analyst II
SCS Engineers



CITY OF SHERIDAN, WYOMING

55 Grinnell Street, P.O. Box 848, Sheridan Wyoming 82801

Ph (307) 674-6483 Fax (307) 674-2195

Utilities

MEMORANDUM

Project: Discussion of a Professional Services Agreement with Duke's Root Control, Inc. for the 2022-2024
Name: Sanitary Sewer Root Control Program - Utilities Director Dan Roberts
From: Dan Roberts, Utilities Director
To: Mayor and Council
CC: City Administrator Stu McRae
Date: 06/13/2022

Recommendation:

Staff recommends that the Mayor and City Council award a 3-year contract to Duke's Root Control, Inc. to perform root control maintenance within the City's sanitary sewer system.

Background:

Since 2013, the City has utilized a sanitary sewer maintenance technique that utilizes EPA Registered root-control agents to remove tree roots and suppress their growth within our sanitary sewer system. This maintenance technique has served the City well by helping us minimize tree roots in our system that contribute to main line sewer clogs, without causing harm to our treatment plant. Throughout the years the City has sought qualified and capable contractors to perform this work through a request for proposal (RFP) process.

An RFP soliciting services for 2022 through 2024 requested guaranteed pricing for each of those 3-years with the intention of awarding a 3-year contract to the selected contractor. The RFP was distributed on May 17th, and advertised in the press on 5/20/22, 5/27/22 and 5/31/22. Bids were due to the City on or before June 7th at 4:00pm. The City received 1 proposal (attached).

Duke's Root Control, Inc. has performed root control maintenance on the the City's sewer lines since 2013. The rapport Duke's Root Control, Inc. has established with the City is exemplary, and their services have benefited the City's root control program tremendously. As such, City Staff recommends that City Council award a 3-year contract to Duke's Root Control, Inc. to perform the City's root control application within critical areas of our sewer system.

Duke's Root Control, Inc. has proposed the following fee schedule:

Pipe Size*	Three Year Pricing Fee Schedule		
	2022 Price/Foot	2023 Price/Foot	2024 Price/Foot
6"	\$1.78	\$1.83	\$1.88
8"	\$1.78	\$1.83	\$1.88
10"	\$1.96	\$2.02	\$2.08
12"	\$2.13	\$2.19	\$2.25
15"	\$2.98	\$3.08	\$3.17

*Sewers larger than 15” in diameter are priced for treatment on a case-by-case basis. All prices are computed per linear foot, manhole to manhole.

This proposed contract is structured on the basis of guaranteed unit prices offered by Duke’s. Each annual application of the chemical root control will be performed to the limit of the City’s annual budget approved by City Council.

Funding:

Funding for this work has been proposed within the FY23 Professional Services budget where \$79,000 has been budgeted and would be funded from the following account:

- 50.6340.4680.0000 - Professional Services

Attachments

Bid Proposal

Letter of Transmittal

REQUEST FOR PROPOSAL

City of Sheridan, Wyoming

Sanitary Sewer Maintenance Program

Submitted June 7, 2022 @ 4:00PM (MST)

To

Jacob Martineau, Project Manager

Submitted by:



Braden Boyko, Vice President

braden@dukes.com

Company:

Duke's Root Control, Inc
3983 Eastbourne Drive
Syracuse, NY 13206
800-447-6687

Incorporated:

March 15, 2002

State Incorporated:

New York

Business Type:

C-Corporation

Federal ID#

75-3026801

General Contractor Information

Duke's Root Control, Inc., is the largest and most experienced sewer root control application company in the United States.

Page | 2

1. Duke's has been in business since 1948
2. Duke's has specialized in sewer root control since 1975.
3. Currently employing 59 Pesticide Applicators, all crew chiefs are state certified chemical root control applicators and have in excess of 5,000,000 linear feet of experience.
4. All requirements of this RFP will be performed with staff and management from our Syracuse, NY facility.

References

Owner / Agency: City of Gillette, WY
Length of Tenure: 5 Years
Results Achieved: Excellent
Contact: Roger Brown – Collection System Foreman
Phone number: (307) 687-2581

Owner / Agency: Sandy S.S.I.D., UT
Length of Tenure: Annual Contract Since 2008
Results Achieved: Excellent
Contact: Corey Hudson – Line Crew
Phone number: (801) 561-7662

Duke's has provided sewer root control services for the above referenced customers over the last two decades. Our turn key operation provides the customer with excellent service requiring minimal effort from the contracting agency. Each program has grown throughout this time achieving expected results by reducing sewer stoppages, overflows and maintenance costs.

Subcontractors

Duke's will not employ the services of any subcontractors on this project.

Page | 3

Approach

Methodology

Equipment

Duke's owns and operates 42 Ford F-550 custom built Sewer Root Control Application trucks. Each rig is designed to work continuously while all maintenance and repairs are done in the field due to a complete supply of on-board replacement parts. Each vehicle is equipped with a variety of equipment needed to treat sewers of various size and locations.

Product

Duke's will apply Razoroooter®, USEPA Registration# 94625-3, the most effective sewer root control product available today. Razoroooter provides the following environmental and worker/human health advantages:

- Reduces the number of chemical compounds released into the environment by 90%.
- Has been tested and proven to not contain NOMA, a potent carcinogen contaminating drinkingwater.
- Has no evidence of volatility, eliminating exposure to those in the vicinity of the treatment.
- Assigned to Category "E" by the EPA, the most favorable rating attainable on their chronicexposure toxicological rating scale.
- All chemical compounds used by Duke's are packaged in reusable, 30-gallon, DOT approved containers. These chemical containers are equipped with dry-lock fittings that enable field crewsto transfer chemicals directly from the container to the application equipment without opening thecontainers. Once the re-usable containers are emptied, they are returned to the factory for refilling. This method eliminates the need to dispose of contaminated containers.

Experience & Qualifications

Duke's employs four Wyoming Department of Agriculture Certified Pesticide applicators that will provide service to the City of Sheridan under this RFP. Our applicators have treated 10's of millions of feet of sewer nationwide in residential neighborhoods and rough easements for more than four decades.

Page | 4

Wyoming Department of Agriculture Licensed Certified Applicators

Applicator	Footage Treated	Experience	License#
Mark Lawler	32,650,967	35 Years	6910
Garv Roberts	26,304,004	31 Years	8059
Charles Morse	27,551,939	40 Years	58648
David Wall	23,850,819	23 Years	10956

Duke's corporate experience as well as the individual experience of project managers and field personnel will combine their knowledge to ensure that the City of Sheridan will receive a quality performance. Some noteworthy points regarding experience and qualifications are listed below:

- 1) Duke's has specialized in sewer root control since 1975.
- 2) Duke's has treated in excess of 385,000,000 linear feet of sewer pipe.
- 3) Duke's annually performs over 800 unique root control projects.
- 4) All Duke's crew chiefs are certified chemical root control applicators.
- 5) All Duke's crew chiefs have a minimum of 5,000,000 feet of chemical root control application experience.
- 6) Duke's employs 59 sewer root control applicators, more than ample to staff any project.

Fee Schedule

Pipe Size	2022 Price/Foot	2023 Price/Foot	2024 Price/Foot
6"	\$1.78	\$1.83	\$1.88
8"	\$1.78	\$1.83	\$1.88
10"	\$1.96	\$2.02	\$2.08
12"	\$2.13	\$2.19	\$2.25
15"	\$2.98	\$3.08	\$3.17

Page | 5

Time Schedule

Event	Proposed Date
Proposal Submitted	June 7 th , 2022
Project Selection	June 20 th , 2022
Mobilization	July 5 th , 2022
Project Commencement	July 7 th , 2022
Project Completion	July 29 th , 2022

Guarantee

See attached form for details.

GUARANTEE

We guarantee to kill all the roots in every sewer we treat and to eliminate the main line stoppages caused by live tree roots.

If live roots are found in a sewer within six months after the application, or if a treated sewer plugs up and floods due to tree roots during the guarantee period (see below), **we will re-treat that section, at our own expense, or remit to the customer 100% of the payment we received to treat that section of sewer.**

The decision of the customer as to the cause of the plug-up is binding.

This guarantee applies only to sewer stoppages caused by live tree roots. It does not apply to stoppages caused by grease or other foreign matter; flat, collapsed or deformed pipe; or flooding caused by a surcharged or plugged sewer section downstream from a guaranteed sewer section. **This guarantee applies to main line sewers only.**

Guarantee Period

Any section of sanitary sewer we treat will not plug up and flood due to tree root obstructions for a period of **two years**. The guarantee period begins on the date of treatment, and ends two years after the date of treatment.

Extended Guarantee With Repeat Treatments

Whenever we perform a repeat application to a section of sewer within six months of the expiration of the previous guarantee, the guarantee is extended for an **additional three years**. Re-treatments, performed at no charge in honor of the guarantee, do not extend the expiration date of the guarantee.

Liability

Duke's is an insured, fully licensed pesticide application company, and is certified to apply EPA-registered herbicides to sanitary sewers in compliance with Federal and State regulations. Duke's accepts responsibility for any damage to above-ground vegetation. Duke's is not responsible for damages caused by sewer stoppages.



1020 Hiawatha Blvd., West • Syracuse, NY 13204-1131
800-447-6687 • Local (315) 472-4781 • Fax (315) 475-4203 • dukes.com



CITY OF SHERIDAN, WYOMING

55 Grinnell Street, P.O. Box 848, Sheridan Wyoming 82801

Ph (307) 674-6483 Fax (307) 674-2195

Attorney

MEMORANDUM

Project Name: Discussion on Water Rights - City Attorney Brendon Kerns and Utilities Director Dan Roberts

From: Brendon Kerns, City Attorney

To: Mayor and Council

CC:

Date:

Recommendation:

See memo

Background:

See memo and attachments

Discussion:

See memo and attachments

Attachments

Pages from Res 7307

Policy Issues

Pages from 2019 Water Master Plan

Amendment to Ord 2051

Water Rights Ordinance 2251

Memo

CITY OF SHERIDAN
Resolution 73-07

POLICY RESOLUTION - WATER SUPPLY AVAILABILITY, OUTSIDE CITY WATER AND SEWER EXTENSIONS, PLANT INVESTMENT FEE REDUCTIONS, AND WATER RIGHTS CONSIDERATIONS

A RESOLUTION establishing the water capacity and outside water and sewer policy of the City Council of the City of Sheridan, Wyoming superseding all previous resolutions on the provision of water sewer service outside of the corporate limits.

WHEREAS, the 2001 Sheridan County Growth Management Plan – Vision 2020 designated and defined a Planning Area surrounding the City into which the City is expected to expand and grow, and within which it would be in the best interest of the City to promote and encourage quality growth and development that will meet and conform with existing standards and policies of the City, and

WHEREAS, the efforts of updating the City of Sheridan Comprehensive Plan has reexamined and revised the Comprehensive Plan Area boundary especially as it relates to subdivisions, zoning, and the construction of improvements, and

WHEREAS, in a September 15, 1995 memorandum to Bill Bense, then Attorney General William U. Hill gave the formal opinion that requiring annexation agreements in exchange for municipal water and sewer services was both legal and constitutional.

WHEREAS, the Sheridan Area Water System was designed to meet the following goals: Provide treated water for rural residents surrounding City of Sheridan, resolve raw water tap problem in Big Goose Creek Valley, provide public water supply for Town of Big Horn, provide additional water treatment plant capacity, resolve low pressure problems in areas of the City, Increase raw water transmission conveyance capacity, resolve Twin Lakes spillway deficiencies, increase raw water supply for City and rural residents, provide increased opportunities for economic development.

WHEREAS, it is critical for the City Council to espouse the goals and objectives of the 2001 Sheridan County Growth Management Plan, The City of Sheridan Comprehensive Plan, and any other planning document or study adopted by reference, and

WHEREAS, Sheridan City Council Resolutions 04-71, 08-88, 03-95 all addressed the provision of water and sewer service to customers outside of the corporate limits.

WHEREAS, the nature and quality of the development of lands within the defined Planning Area depends largely upon the availability of basic urban services, such as provided by municipal water and sewer systems, and,

WHEREAS, it is in the best interest of the City, and would promote and encourage quality growth and development of both contiguous and non-contiguous lands within the Comprehensive Plan Area, and utilize affirmative covenant agreements with the owners

of to extend the City water and sewer systems to such lands when economically feasible, in return for covenants running with the land by such owners that they will comply with required standards and policies of the City in the developing of their lands and constructing improvements thereon, and that their land will be annexed to the City as soon as such lands become eligible for annexation, and

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERIDAN:

Section 1. City Water Supply Availability:

- a. It shall the policy of the City of Sheridan Wyoming that all development within the Comprehensive Plan Area shall be evaluated for impact to the municipal water supply.
- b. Any evaluation of the municipal water supply shall use the following base assumptions.
 - i. The availability of water during a 5 year drought event (20% base annual chance of occurrence).
 - ii. That 500 acre feet will be left in Twin Reservoir to avoid environmental restoration costs.
 - iii. That no watering restrictions will be required of municipal residents.
 - iv. That Sheridan's "territorial" stream flow appropriation of 16 cfs during the non-irrigation season, and 13 cfs during the irrigation season is never "called" out of priority. If this right is called out, City will defer to "Drought Response Plan" adopted in March of 2003.
 - v. That Twin will fully recharge each winter.
 - vi. Capacity will be measured in 5/8-inch meter equivalents per AWWA Manual M-1.
- c. Based on these assumptions a current capacity measure was developed which is attached as Exhibit A.
- d. The City will consider providing available water supplies to other entities outside of the Comprehensive Plan Area experiencing drought conditions. These outside water agreements will be on a contract agreement for one-time annual provision of services.

Section 2. Extension of Water and Sewer Service

- a. The Council hereby adopts the Contiguous and Non-Contiguous Property Annexation Agreements, attached hereto as Exhibits B and C, as the template for annexation agreements required in conjunction for the extension of City services outside of the corporate limits.

- b. It shall be the policy of the City Council of the City of Sheridan that there shall be no extension or further extension of the municipal water or sewer systems beyond the corporate limits of the City except as hereinafter provided to land lying within the Comprehensive Plan Area surrounding the City as defined in the map attached as Exhibit D.
- c. The municipal water or sewer systems may be extended to lands within the Planning Area only if the landowner signs an annexation agreement as established in Section 2.A.
- d. The landowner must extend water and sewer main to and within the property to be served entirely at the expense of the landowner. All work shall meet current City Standards, and shall be constructed in accordance with plans and specifications to be approved by the City Engineer.
- e. Before the City Council shall enter into any agreement to provide water and sewer outside of the corporate limits, it shall find:
 - 1. That the City has an adequate water supply and sufficient water and sewer plant capacity to furnish outside service without adversely effecting service within the corporate limits.
 - 2. The extension of water and sewer service is economically feasible and can be accomplished within a reasonable time to be fixed by the City Council.
 - 3. The property to be served is readily adaptable to and can be made to conform, within a reasonable time to be fixed by the governing body, to the then existing ordinances, which relate to subdivision, platting, zoning, building and fire codes, and construction of improvements;
 - 4. The area, within which the property to be served lies, can be reasonably expected to be annexed to the municipality within the foreseeable future, and could reasonably be furnished with the other basic services available to residents of the City.
 - 5. Such extension would help promote the orderly growth and development of the municipality.
 - 6. Such extension would help promote the health, safety and welfare of the citizens of the municipality.
 - 7. Such extension is generally in the best interest of the citizens of the municipality.
 - 8. That the landowner has obtained or caused to be obtained the applicable City Permits and Licenses.
 - 9. That all property to be served by City water shall likewise be served by City sewer unless a hardship permit has been granted under the auspices of the 201 Agreement between the City of Sheridan, Sheridan County, and the Wyoming

Department of Environmental Quality. All properties served by City sewer shall be served by City water.

10. If the property is currently served by a water or sewer district or other provider with infrastructure compatible to current City standards, said infrastructure assets may be dedicated to the City at the discretion of the City Council.

Section 3. Plant Investment Fees

- a. Plant investment fees for water and sewer fees shall be established annually per resolution in accordance with Sheridan City Code Chapter 28 Article I Sections 1 and 4.4.
- b. As defined in, and in conjunction with, Sheridan City Code Chapter 28 Article III Section 41(f), water and sewer service lines shall be considered abandoned in cases where the water and sewer account has been inactive for a period of one year or more. Reactivation of the water and sewer account shall require the payment of Plant Investment Fees and among other connection charges. Said fees and charges shall be the amount required by resolution at the time the account is reactivated.
- c. The City Council may considering reducing Plant Investment Fees in the following cases:
 - i. An individual or entity performs an offsite extension of water or sewer mains in excess of 400 feet to serve an area.
 - ii. At the request of the City, an individual or entity enlarges the capacity of proposed mains to accommodate a larger service area.
- d. The reduction amount of Plant Investment Fees shall be of similar value of the associated costs to the individual or entity for the offsite extension or enlargement of water and sewer mains.
- e. In cases where the City Council authorizes the reduction of Plant Investment fees for offsite extension or enlargement, the individual or entity responsible for the improvements shall waive the right to enter into an agreement with the City to recapture enlargement or extension costs. The City shall reserve the right to recapture offsite enlargement and extension investment by assessing other nonparticipating individuals or entities benefiting from the improvements.

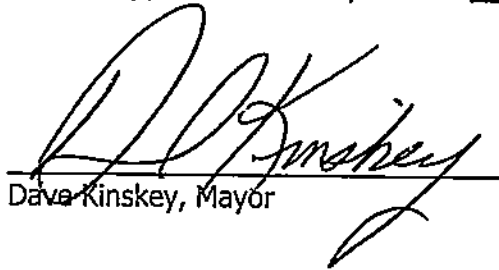
Section 4. Water Rights

- a. Individuals or entities possessing water rights for a given property may opt to transfer the water rights to the City in exchange for a Plant Investment Fee Reduction equal to the value of the water rights when

considering cost and effort necessary to transfer ownership, point of diversion, means of conveyance and change of use State Board of Control rules and regulations and State of Wyoming statutory requirements.

- b. The individual or entity requesting plant investment fee reduction in exchange for water rights shall provide the appropriate "Authorization to Detach" instrument or appropriate water right deed acceptable to the State Board of Control. The individual or entity shall also provide all other necessary documentation and supporting information necessary to effectuate the transfer.
- c. The sole discretion to accept or reject offers for water rights shall lie with the City Council based on the ability to utilize the water rights for municipal purposes.

Passed, approved and adopted this 17th day of September, 2007


Dave Kinskey, Mayor

Attest:


Arthur Elkins, City Clerk

6.7 POLICY ISSUES

Sound policies are an important part of the proper management of water supply, water system infrastructure and managing a water system. The City and SAWS have several important policies in place. These policies, their purpose and some recommendations for adjustments are included in this section. With this shared system, policies that coordinate the management of this system, its water supply and its service area form the foundation for system management.

A summary of current pertinent policies or policy considerations include:

- Maintaining water rates and connection fees that cover the true cost of not only paying for the operating and administrative costs, and debt repayment while setting aside reserves for both future system upgrades and emergencies, but for securing adequate long-term water supplies.
- Having a rate structure that encourages conservation and the wise use of water, as well as the availability of water and the capacity to pursue additional water supply. This includes a tiered rate structure so the cost per 1000 gallons increases with usage. This tiered rate structure already exists and has been working well. The recent water rate study and updating of the financial plan for this water system recommended rates be increased 2.5% every other year to maintain the adequacy of the tiered rate structure (see Section 9.2).
- Providing an incentive for land being developed that has agricultural water rights, for those rights to be maintained for outside watering of the subdivision once it is developed (see next item). For SAWS, include limitations in the Water Service Agreement for the use of water for outside use (to what extent can SAWS water be used for outside watering).
- Provide incentives and the means to allow a developer with water rights of value to provide those in exchange for considerations on their plant investment fees or PIFs. This is already being done by the City, as covered in Resolution 73-07.
- Have a policy in place to address the unusual year of significant drought and limited water supply (see discussion later in this section).
- Update agreements between the City and SAWS (as needed) to address policy issues relating to water rights issues and other areas of common interest.

The two primary agreements with the City are the original Ownership Agreement and Operating Agreement, both dated May 15, 1990. (See Appendix B for these documents).

Key provisions from the Ownership Agreement pertaining to this study are as follows:

7.2 WATER RIGHTS AND FUTURE WATER NEEDS

This section discusses Sheridan’s water rights and provides estimates of future water needs and then an estimate of when additional water supply will be needed. The following statements regarding water availability, water needs, and water rights are used in this assessment:

- The City’s direct flow right of 16.0 cfs and the SAWS JPB’s of 7.14 cfs apply when a call for regulation has not been placed on Big Goose Creek by the BOC.
- A call for regulation typically is placed in early July and lasts until September 30th. The duration of this call can include more days, but this length covers most years. Provisions, such as having sufficient water in storage need to be maintained as a contingency against a longer period.
- When a call for regulation has been placed, the SAWS right goes to 0 and the City’s drops to 13.0 cfs. This 13 cfs also covers the VAMC and their usage is included in these calculations.
- A call for regulation on the creek at the location of the City’s diversion point typically goes back to 1886 right away, so the 1.77 cfs with priority dates of 1891 to 1906 right is also lost.
- The start of the release of water from agriculture storage in the mountain reservoirs typically occurs at the same time as the call for regulation of Big Goose.
- Only the water needed will be diverted from the creek, so if the demand is <16 cfs, it will remain in the creek. Therefore, the total available water supply of 17,196 ac-ft (Table 5.2) can be misleading.
- During the winter, particularly in early winter such as November and December when there is little snow for insulation and it becomes very cold (below zero), springs can freeze and the flow in the creek can drop to 7 cfs or even less. So either the demand must be less than 7 cfs or there may need to be a release from storage in the winter. The historic diversions in the November through March time period have been running <6 cfs, so this situation appears to be manageable under most conditions at this time.
- Table 7.14 analyzes current water needs and those for the future years of 2050 and 2070 during three time periods. These are:
 - October thru April. The creek should not be in regulation during these months and demands drop off considerably with limited to no irrigation. Historic diversions and demands are similar enough that these months can be assessed together.

- May and June. Demands are increasing in May and can be high in June. Typically, a call for regulation has not yet been placed, so these two months are different than the others and are considered separately.
- July thru September. This is the irrigation season as discussed throughout this report. Demands are at their maximum and a call for regulation has typically been placed on Big Goose. With a growing population these months become of most concern and water from storage will be needed to satisfy demands.
- The BOC's implementation of the decree resulting from the settlement of the *MT v WY* water rights case must be considered but is not believed to have a major impact.

The Design Criteria in Table 6.10 presents the per EDU demands and the current and future water needs for this water system. Population and EDU projections are made in Table 6.1 and these result in the estimated total water needs for 2019, 2050 and 2070 for the City and SAWS users shown in Table 7.14.

Also to be included are the raw water needs of the VAMC and Kendrick Golf Course. These are included in Table 7.15, along with the treated water needs. Table 7.15 also estimates these water needs for the future years of 2050 and 2070 and presents these water supply quantities in different ways such as the annual average, the irrigation season, and with different units that apply depending on how these quantities are being considered.

A few comments on these tables:

- Water to users is the influent flows to the WTPs. This is water that is diverted for treatment as opposed to raw water usage. The influent meters at the WTPs are also considered to be more accurate than some other measuring locations.
- There are water uses within the WTPs and losses or apparent losses from the WTP to the user meters. All user meters are new so should be accurate. A multiplier of 1.3 is used to cover these losses or apparent losses when only the water quantity that passes through the user meters is being considered. This multiplier is included in Table 7.15.
- There are also losses, or apparent losses, between the point of diversion on Big Goose and the four points of delivery of raw water. In 2018, this quantity was about 0.4 MGD. Since this quantity should be fixed (not increase as usage increases), 0.4 MGD is added to the quantities used or estimated to be needed in the future at these four points. This 0.4 MGD (0.62 cfs) is not included in Table 7.15, but is included as total water supply is projected for the future and compared to water rights, such as in Table 7.14.

- The water needs of Kendrick Golf Course and the VAMC are not expected to increase, so they remain the same during this planning period.
- Another consideration is the capacity of the raw water diversion and transmission facilities. These capacities are estimated to be sufficient until after 2050. See additional discussion in Section 7.3.

Following the assessment of the above, the resulting conclusions and estimates of time periods for these water supplies are made:

- City.
 - If the City's direct flow right of 16 cfs is available until July 1st, per Table 7.14 this demand is reached in about 2050 when considering May/June needs.
 - Existing storage (Table 5.3) should cover the needs beyond the year 2050 (Table 7.14). The estimated year this will be exceeded is 2057, but this will require periodic recalculation and consideration of additional water supply obtained from Park and Dome.
 - The allowance for 10% of Twin Lakes capacity to be used outside of the irrigation period covers times in June, early October or even winter, when additional flow may be needed. This quantity provides an additional 3 cfs for 42 days. If this water is used in the fall or winter, this volume in Twin Lakes will refill during spring runoff.
- SAWS.
 - SAWS's direct flow right of 7.14 cfs should cover their peak withdrawal rates beyond the course of this study (>50 years), as long as the creek is not in regulation. So they do not need to use storage unless Big Goose is in regulation or the water is not present in the creek.
 - Their total current storage available (for the irrigation season) is 505 ac-ft (571-66) per Table 5.3. It is estimated that this storage will be depleted shortly after 2050.
- Total Water Rights and Water needs.
 - As noted above, the existing direct flow rights and stored water provide sufficient supply per the estimates past the year 2050.
 - The direct flow rights for the City, SAWS and the VAMC when Big Goose Creek is not in regulation (and there is sufficient water in the creek) are: $16.0 + 1.77 + 7.14 = 24.9$ cfs. This quantity takes the system through this entire planning period, when the creek is not in regulation, there is sufficient water in the creek, and demands are as estimated in Table 7.14.
 - If the combined system has 4586 ac-ft available in the irrigation season, there is sufficient water supply into the 2050's (estimate of 2055).
 - Currently the withdrawals from Big Goose run <5-6 cfs in October – April. When the 15 cfs ($16.0 - 1.0$ for the VA) plus the 7.14 cfs for SAWS are used in Table 4, it shows a total water supply available that is not realistic since this much water is not needed and therefore is not diverted. If the entire system needs 12,280 ac-ft in 2070

(Table 7.13), and if the direct flow during October through April is assumed to average 9.1 cfs, there is about 11,635 ac-ft available. So the future need for additional water during the peak usage months is emphasized.

- To get to the year 2070, additional stored water is needed, since it is very unlikely that the direct flow right can be increased.
- Considering the City with its obligations to the VA and Kendrick (but excluding SAWS).
 - In 2050 (from Table 7.13) they need 8127 ac-ft (8597 – 470 for SAWS); and for the irrigation season: 4149 – 470 = 3679 ac-ft.
 - They have 4081 ac-ft for the irrigation season, so are good till 2055.
 - In 2070 (from Table 7.13) they need 11,866 – 663 = 11,203 ac-ft; and for the irrigation season: 5751 – 663 = 5088 ac-ft.
 - They will need an additional 1007 ac-ft (5088 – 4081 ac-ft)
 - Estimated direct flows (these include the VA and not SAWS):
 - 2050: October – April = 6.0 cfs; May – June = 13.6; July – September = 21.4 cfs.
 - 2070: October – April = 8.0 cfs; May – June = 18.5; July – September = 29.3 cfs.
 - If the VA is taken out, it reduces by 0.5, 0.6, 0.8 cfs for these three time periods.
 - The City has 16.0 cfs in the non-irrigation season and 13.0 during irrigation.
 - The City also has the 1.77 cfs right but if this is needed when Big Goose Creek is in regulation (irrigation season) and is not available during regulation, it is of limited value. It can be used when Big Goose is not in regulation but demands >16 cfs.
 - Conclusions:
 - October – April: Good throughout.
 - May – June: Are getting close to the 16 cfs right in 2050 and will exceed it on some days, so may need to use some stored water by about 2050.
 - July – September: Needs are well above the direct flow right, so need to acquire additional stored water.
 - From Table 7.14, if the need in May – June + July – September is:
 - a. 2050: (30.4 ac-ft – 3.4 for SAWS) x 60 days + (47.6 ac-ft – 5.2 for SAWS) x 90 days = 5436 ac-ft
 - b. 2070: (41.7 ac-ft – 5.0 for SAWS) x 60 days + (65.4 ac-ft – 7.3 for SAWS) x 90 days = 7431 ac-ft.
 - c. Demand is increasing by 100 ac-ft per year for the 20 years.
 - Table 5.3 shows 4081 ac-ft available for the irrigation season. If we include 16 cfs in direct flow available for May – June this adds 1785 ac-ft, so now have 5866 ac-ft available.
 - When considering the available direct flow and stored water for these five months, we will run out in about 2054.

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Table 7.14 - Estimated Future Water Needs with a Comparison to Water Availability and Water Rights

This table covers influent flows to the WTPs, so it includes the per EDU share of water all water apparently lost between the WTP influent and user meters (a 1.3 multiplier). Kendrick, the VAMC, and the on-average 0.4 MGD “lost” between the intake and the delivery points to the 4 locations that receive this raw water are included as noted below.

	Usage (GPD/EDU) – With share of water as delivered to WTPs ¹													Total MGD			Total CFS			Ac-Ft/day			Total Ac-Ft ****	Ac-Ft for 90-day Irrigation Season (July – Sep) ****	SAWS only For the 90-day irrigation season (ac-ft)
	Ave. Day: Oct thru April	Ave. Day: May & June	Average Day Irrigation Season (July thru Sept)	EDUs	Average MGD For period indicated ³			Total MGD for City & SAWS Combined ³			Adders for VAMC, Kendrick, Raw water losses ^{2,3, 4}			Oct – April May – June July – Sept ³			Oct – April May – June July – Sept			Oct – April May – June July – Sept					
City – 2019	170	410	660	10,655	1.8	4.4	7.0	2.1	5.1	8.0	0.8	1.3	1.7	2.9	6.4	9.7	4.5	9.9	15.0	8.9	19.6	29.8	5772	2682	
SAWS – 2019	150	340	520	1925	0.3	0.7	1.0	-	-	-	-	-	-	-	-	-	0.5 ⁶	1.1 ⁶	1.5 ⁶	1.0 ⁶	2.2 ⁶	3.0 ⁶	5358 ⁴	2547 ⁴	276
City – 2050	170	410	660	18,330	3.1	7.5	12.1	3.6	8.6	13.8	0.8	1.3	1.7	4.4	9.9	15.5	6.8	15.3	24.0	13.5	30.4	47.6	9011	4284	
SAWS – 2050	150	340	520	3310	0.5	1.1	1.7	-	-	-	-	-	-	-	-	-	0.8 ⁶	1.7 ⁶	2.6 ⁶	1.6 ⁶	3.4 ⁶	5.2 ⁶	8597 ⁴	4149 ⁴	470
City – 2070	170	410	660	26,000	4.4	10.7	17.2	5.1	12.3	19.6	0.8	1.3	1.7	5.9	13.6	21.3	9.1	21.0	33.0	18.1	41.7	65.4	12,280	5886	
SAWS – 2070	150	340	520	4700	0.7	1.6	2.4 ⁵	-	-	-	-	-	-	-	-	-	1.1 ⁶	2.5 ⁶	3.7 ⁶	2.2 ⁶	5.0 ⁶	7.3 ⁶	11,866 ⁴	5751 ⁴	663

¹As discussed in the report, these quantities are an estimate of the usage in GPD/EDU, times a multiplier of 1.3 to cover all apparent losses between WTP influent and the user's meter.

²VAMC = 0.3 MGD for Oct-April, 0.4 MGD for May-June, and 0.5 MGD for irrigation season; Kendrick = 0.1 MGD for Oct-April, 0.5 MGD for May/June and 0.8 MGD for irrigation season; raw water losses = 0.4 MGD year-round.

³The breakout of the 3 quantities is for: October – April, May – June, July – September. The number of days used in the calculations are 215, 60 and 90 respectively.

⁴The VAMC is included in the Adders to establish the totals (footnote #2 above), but in following previous protocols and considering their direct flow right, a deduction for the VA has taken place in the water rights Table 5.2 and 5.3, so the ac-ft provided to the VA is not included in the amounts with footnote #4 in the two columns ****. The reduction amounts are 414 ac-ft for the average usage for the year, and 135 ac-ft for the 90-day irrigation season.

⁵The maximum estimated demand for SAWS only is <4 cfs, so as long as their 7.14 cfs right is available, they do not need to use storage. Storage is only for the irrigation season.

⁶These estimated amounts for SAWS in cfs and ac-ft are included in the immediately above quantities but are broken out as shown here in case a calculation for SAWS only is desired.

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7.3 RECOMMENDATIONS:

When considering the overall system, additional water supply should be acquired by about 2050. From the above analysis, the amount and process are recommended as follows:

1. Continue to acquire stored water in Park and Dome Lake Reservoirs as possible to increase the stored water quantities for future use. Since 2015, about 228 ac-ft have been acquired. At this time, maybe assume that the total amount to be acquired (since 2015 when the increased effort was started) will not exceed 500 ac-ft.
2. With limitations in the raw water supply facilities in the Big Goose Valley and other concerns such as a possible wildfire and the entire supply being in this watershed, it is recommended that the majority of the additional supply needs beyond about 2050 be obtained from another location.
3. Lake DeSmet source. Within 5 years, review and revise the calculations for water use, population growth and future needs included in this study. Then begin the process of investigating another water source for long-term supply that is not in the Big Goose watershed. As discussed in the report, that source is Lake DeSmet (or Piney Creek (or reservoirs that serve Piney Creek) that supplies Lake DeSmet). The major additional long-term water supply for the Sheridan water system (SWS) is believed to be Lake DeSmet and the process of planning this acquisition and the infrastructure should begin at least 20 years before the water is needed (which could be taken as about 2050 as currently estimated). This is a complex project that will need to be implemented in phases. The plan to be developed needs to include:
 - a. Water rights and exchanges. Will the supply come out of Lake DeSmet or can exchanges be made that will allow the diversion of water at a higher elevation? Exchanges are possible but are complicated in this location with three ditches coming out of Piney Creek at Story and many exchanges and agreements are already in place. Agricultural usage and designations are also issues. More research is needed on how this will work and if the quantity of exchange water from a higher elevation will be worth it for determining where the diversion will be located.
 - b. Select where the point of diversion will be. If some water (but not enough) is available at a point where diversion can be by gravity, are two diversion points needed, with one being at the lower elevation of the diversion to Lake DeSmet on Piney Creek (at the vertical shaft leading to the tunnel)?
 - c. Where will the WTP be built?
 - d. What additional area will be served (such as the Story/Banner area)? While a central water system for the 700 homes, cabins and businesses in Story may seem feasible, construction will be very expensive with the rocky ground and there does not seem to be any current interest in such a system. There are also wildfire concerns for Story given its location in the forest. A central water system with some level of fire protection would be very valuable regarding

this matter. This entire situation requires a thorough review and input from the residents as the time for final decisions approaches. Seek to obtain the level of interest in Story particularly. If this community was added as a community served by a central water system, it would help facilitate this major project.

- e. Will any diversion and pipeline facilities be combined with any infrastructure constructed by the State of Wyoming to run water into the Tongue River watershed to supplement any calls for water by Montana?
- f. What quantity of water should be brought into the SWS from this source?
- g. The additional water supply to be obtained from this source needs to be set and acquired. Currently Sheridan County holds 2500 ac-ft in Lake DeSmet for municipal use, which is a significant quantity but may not be sufficient to make the sizeable investment required. More water is available, but which rights the additional supply comes from and the yield of these rights needs to be determined. It is preliminarily recommended at this time that a goal of 7500 to 10,000 ac-ft of firm yield of senior rights be obtained, if possible.
- h. Lake DeSmet's water rights are very complex, with several issues needing to be thoroughly vetted early on, including:
 - i. Lake DeSmet's volume is often presented as 234,987 ac-ft, but this is at the maximum water surface elevation of 4620. The lake is not operated at 4620 and its annual firm yield is what's important not its volume. (Firm yield is its dependable yield during a critical dry period that is determined by a hydrology model using historical records).
 - ii. The lake is generally operated at an elevation of about 4611, and at this elevation it has a capacity of about 205,000 ac-ft.
 - iii. The estimated annual firm yield of Lake DeSmet has been calculated at 64,500 ac-ft.
 - iv. Lake DeSmet has 13 storage rights with priority dates of 1906 through 1968. The storage right from which water is obtained and its priority date are critical. The 1968 right is of no value for a municipality, for example.
 - v. There are many supply rights to these storage rights, and where the supply comes from must also be determined. Supply should come from Piney Creek, not Clear Creek.
 - vi. Water rights from the appropriate senior water right with its known firm yield must be clarified. The firm yield has been calculated for the many storage rights.
- i. A preliminary engineering report (Level II Study) for water availability and rights, and infrastructure needed and a cost estimate, must be prepared.
- j. Since this area includes several historical, environmentally sensitive and geotechnically challenging issues, the PER needs to address these topics in its analysis (on a preliminary basis).

- k. The routing of the primary supply main into the SWS and its interconnections to the existing system is needed and is critical. Through the Little Goose Valley, it should maximize the benefit to the SAWS system such as probably following McCormick Road to place a transmission main in that location (see 8.2.12). This task will be part of this Level II study.
- l. A funding plan and construction schedule then follow.
- m. Significant other aspects of a Level II study to develop Lake DeSmet as the future water source include water quality (both of Lake DeSmet at different locations and Piney Creek at the diversion dam), hydrology, water rights and water supply, and the infrastructure of the existing facilities. The 2008 Level I study investigated water quality and other aspects of Lake DeSmet to a significant level. Hydrology modeling for the Counties Coalition developed a very good hydrologic model for this facility and its water rights, as well as the nearby creeks. Other studies also exist on this facility. Those should all be used as part of this future Level II study.

7.4 CAPACITY OF RAW WATER SYSTEM COMPONENTS

This discussion covers the capacity of the infrastructure in the Big Goose Valley. Currently the entire water supply, followed by the raw water diversion, pretreatment, pipelines and supply facilities to the four delivery points (including the two WTPs) are in the Big Goose watershed and Big Goose Valley. This works well because everything is established, is in generally good condition, is concentrated in this location for easier operation, can continue to serve well into the future with additional capacity available, and maximizes the benefits of gravity flow.

As additional water supply is needed, there are multiple questions to be answered as to where this supply should come from. These include:

- What is the realistic additional supply that can be acquired in the Big Goose watershed?
- Should this major water system have two sources for at least a limited redundancy, especially as it continues to grow and serve more residents? One driving concern here is a possible wildfire in this watershed.
- Since this is a regional system and efficiencies are gained with regionalization as opposed to multiple smaller systems, should the service area of this system be expanded as new areas request water service?
- As the existing water supply infrastructure in this valley approaches its capacity, should investment continue to be made in expanding it, or in conjunction with the other items above, should new infrastructure that expands capacity be designed and constructed in another location?

The following section focuses on the last bullet.

Water availability – Big Goose Creek and Reservoirs

The water supply available from Big Goose Creek and mountain reservoirs is summarized in Table 5.1 through 5.3 and is discussed in Section 5.1. A couple points from these quantities:

- Per Table 5.3, there is 4586 ac-ft available for the 90-day irrigation season. This provides 16.6 MGD for every day. Since running at 16.6 MGD every day is unlikely, it appears we can assume about 20 MGD will be available on maximum demand days.
- Prior to the irrigation season (Big Goose not in regulation), the direct flow rights exceed the estimated water needs for the planning period.
- Therefore, the considerations of water availability vs estimated water needs primarily focuses on the available supply during the irrigation season.

From Table 7.14, the estimated water needs, including all four delivery points, for the Peak Day and for the Average Day during the 90-day irrigation season are presented below. Also included in these quantities is the 0.4 MGD that is “lost” prior to delivering the raw water to these points. This loss is discussed in Section 7.2.

Raw Water Supply	2050	2070
Peak Day	21.1 MGD	28.9 MGD
Day in the Irrigation Season	15.5 MGD	21.3 MGD

Therefore, by about 2050, it appears we will be approaching the available supply from this watershed during peak days and during the irrigation season.

Water diversion capacity at the Intake – Dam, pipelines and pretreatment facilities.

This discussion utilizes the *1999 Big Goose Creek Diversion Level II Study* and the *2004 Operation & Maintenance Manual for the Sheridan water Supply Intake Facilities* as references.

The capacity for diverting flow from Big Goose Creek and into the two 520-foot pipelines that bring water to the pretreatment facilities at this site was estimated at:

- If the water level is at top of dam = 27.5 MGD (elevation of about 4616.2)
- If the water level is 0.5 feet above the top of dam = 31.3 MGD (1999 report)

The estimated flow-through capacities of the pretreatment facilities are:

- Primary flow path of travelling screen and presedimentation basin: 16-17 MGD
- Flow path through old travelling screen and presedimentation basin (not currently operational) was estimated at 9-10 MGD.

Therefore, the total flow through capability of this facility was estimated to be 25-26 MGD. This depends partly on the elevation of the water surface at the diversion dam. It also depends on raw water quality (amount of debris and turbidity in the creek). There is also an older flow path that could be placed into service in an emergency should flows slightly exceed this rate, or one of the above two paths be out of service, but this is for an emergency or short-term period and should not be considered part of the capacity.

Recommendations are made for upgrading the old travelling screen/presedimentation basin. If these upgrades are made, a trial run should be made to maximize the flow through the entire facility to verify the total capacity.

Raw water transmission main (RWTM) pipeline capacity

The primary RWTM is the 30-inch steel line which was constructed in 1996. This is the only line that can deliver raw water to all four points – the two WTPs, Kendrick golf course and the VAMC.

The other two RWTMs are:

- 16-inch (OD) line from the intake to the BGWTP. This line is used to provide the water supply to the BGWTP. The 30-inch line can also provide this water supply if valves are opened and closed.
- 20-inch DIP. This line is in poor condition, is not used, and cannot be placed into service without major rehabilitation.

The starting HGL at the east edge of the intake facilities for these gravity flow lines should be at least 4600 (likely a couple feet more). So 4600 was used as a starting HGL in the hydraulic calculations.

This discussion utilizes the *1994 Sheridan Area Water Project 30-inch RWTM Design Report* and the *1996 Operation & Maintenance Manual for the 30-inch RWTM* as references.

16-inch steel line should have a capacity of at least 4 MGD (2800 gpm) (which this the capacity of the BGWTP), with the elevation drop available and estimated required pressure at the WTP influent (assumed to require an HGL of 4500 at the influent control valve). This pipeline was lined in 2009 with cement mortar. The resulting ID and friction factor are estimated. If an exact flow capacity is needed, a flow test is required. If this RWTM cannot keep up with demand required by the BGWTP, the 30-inch RWTM can be used.

The capacity of the 30-inch RWTM was estimated at 30 MGD (20,800 gpm) in the above referenced reports. This assumes an ending HGL at the delivery point to Kendrick and the VAMC of about 4160, and a C factor of 140. There is considerable pressure reduction taking place at Beckton Hall Road, and this reduction was recently changed from simple PRVs to a hydropower generator to take advantage of the cutting of head taking place. This maximum

flow-through capacity stated assumes virtually all head loss is due to friction at the resulting velocity. Therefore, there would be no generation of electricity at this flow rate. Some replumbing inside the Beckton vault will also be required.

The C factor of 140 is high, though it may be correct. Given the above, it should be assumed the 30 MGD capacity is a maximum, and for some level of conservatism, a slightly lower capacity maybe should be assumed. When forecasting many years into the future, a flow capacity of about 28 MGD may be a better estimate.

Water Treatment Plants

The BGWTP and SWTP have rated capacities 4.0 MGD and 14.0 MGD respectively, for a total treated water capacity of 18 MGD. With some of the raw water supply going to the VAMC and Kendrick, the current maximum raw water supply for this system is about 20 MGD. The WTPs can have their capacity increased to match the other raw water capacities mentioned above; therefore, reaching a total system capacity of 26 to 27 MGD is possible. This could involve increasing the capacity of each WTP by 3-4 MGD, which would be difficult and expensive. For one thing, the size of each WTP site would have to be increased (more land acquired), which is especially difficult at the BGWTP.

Given all of the above, when it is projected that the Peak Day needs of this entire water system will start exceeding 20 MGD on a regular basis, and even assuming the SWTP has possibly had a 5 MGD expansion so the total capacity is now 25 MGD, it appears we may be approaching the practical limits of the overall capacity of the Big Goose water supply and infrastructure.

If one of the WTPs is expanded, additional study is needed to select which one. The BGWTP has the advantage of its higher elevation, while the SWTP will be more easily expanded at lower cost. Piping and valving allow both WTPs to serve beyond their current primary service areas. Land availability is an issue, and both sites will require additional land for an expansion. This will likely be an easier task at the SWTP. The 20-inch treated water pipeline has a capacity of about 7.8 MGD as discussed in its design report, so an approximate doubling of the capacity of the BGWTP is possibly without adding pipeline capacity.

Summary

When considering the above – the water supply available from this watershed, the estimated water needs in 2050 and 2070, and infrastructure capacity issues – it appears it may not be practical to expand the infrastructure beyond the above capacities discussed of 25 to 27 MGD. Since additional supply will likely be needed after about 2050 and as discussed elsewhere in this report, the majority of that supply will come from another direction, the quantity of the water supply and the capacity of the infrastructure for that supply in the Big Goose Valley, may both be reaching their limits at these capacities.

Table 7.15 - Estimated Water Supply Needs

Condition	SWTP			BGWTP			VAMC			Kendrick			Total		
YEAR	2019	2050	2070	2019	2050	2070	2019	2050	2070	2019	2050	2070	2019	2050	2070
Average Annual (mgd)	3.2	5.5	7.8	0.8	1.4	2.0	0.3	0.3	0.3	0.4	0.4	0.4	4.7	7.6	10.5
Peak Day (mgd)	8.4	14.5	20.5	2.4	4.1	5.9	1.1	1.1	1.1	1.0	1.0	1.0	12.9	20.7	28.5
Irrigation Season (mgd)	6.5	11.2	15.9	1.5	2.6	3.7	0.5	0.5	0.5	0.8	0.8	0.8	9.3	15.1	20.9
Irrigation Season (ac-ft/day)	19.9	34.2	48.6	4.6	7.9	11.2	1.5	1.5	1.5	2.5	2.5	2.5	28.5	46.1	63.8
Annual Average (ac-ft/day)	9.8	16.9	23.9	2.5	4.3	6.1	0.9	0.9	0.9	1.2	1.2	1.2	14.4	23.3	32.1
Irrigation Season (cfs)	10.0	17.2	24.4	2.3	4.0	5.6	0.8	0.8	0.8	1.2	1.2	1.2	14.3	23.2	32.0
Annual Average (cfs)	4.9	8.4	12.0	1.2	2.1	2.9	0.5	0.5	0.5	0.6	0.6	0.6	7.2	11.6	16.0

Amendment 1 to Ordinance 2051

Section 510 shall be amended to read:

- A. Lands to be subdivided within the City limits of Sheridan, shall comply with applicable Wyoming Statutes §§ 15-1-415, 18-5- 306, and 18-5-316. The City Governing Body shall not certify or approve any map or plat in which the owner has not complied with the aforementioned statutes. **Provided, the City Governing Body may approve the plat or map conditionally upon providing adequate proof of compliance with Wyoming Statute.**
- B. Any water right which is appurtenant to the land to be subdivided shall be offered to the City upon submission of the preliminary plat.
 - (1) Upon the submission of the preliminary plat, the City Utilities Director determine whether to acquire the water rights or deny the acquisition.
- C. Water rights shall be purchased from the subdivider at the water right's market value. **Provided, the costs for transfer ownership, point of diversion, means of conveyance and change of use shall be deducted from the purchase price.**
 - (1) The terms of transfer of water rights may be made part of a subdivider or development agreement

Ordinance 2051 shall include an additional ordinance amendment to Appendix B Article 303(A). The additional subsection shall be included to read:

- (8) Provide satisfactory evidence from a Wyoming licensed surveyor or engineer, or a letter from the Wyoming State Engineer's Office or subdivision, identifying any water rights appurtenant to the land to be subdivided.

ORDINANCE NO. 2251

**AN ORDINANCE UPDATING APPENDIX B
ARTICLE 5 REGARDING WATER RIGHTS IN
ACCORDANCE WITH HOUSE BILL NO. HB0002**

WHEREAS, the Wyoming Legislature adopted House Bill 0002 regarding the disposition of water rights for new subdivisions within the City jurisdictional boundary; and

WHEREAS, the City Governing Body adopts the following provisions in accordance with the requirements of Wyoming Statute.

NOW THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SHERIDAN, WYOMING:

Appendix B Article 5 shall include a new section to read:

510 Water Rights

- A. Lands to be subdivided within the City limits of Sheridan, shall comply with applicable Wyoming Statutes §§ 15-1-415, 18-5- 306, and 18-5-316. The City Governing Body shall not certify or approve any map or plat in which the owner has not complied with the aforementioned statutes.
- B. No water right which is appurtenant to the land to be subdivided may be voluntarily abandoned without the approval of the City.

WHEREUPON, a motion was passed and this Ordinance and was declared adopted this _____ day of _____, 2022.

CITY OF SHERIDAN, WYOMING

Mayor

ATTEST:

City Clerk

FIRST READING: _____

SECOND READING: _____

THIRD READING: _____

PUBLISHED: _____

EFFECTIVE THE DAY OF , 2022.

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*LICENSED IN WY & MT

MEMORANDUM

Date: June 10, 2022
To: Mayor and City Council
RE: Ord. 2251 – Water Rights, 2019 Master Plan and Res. 73-07

Dear Mayor and Council,

Ordinance 2251 has been approved at first reading by the Governing Body. In the last presentation, I posed two questions to Council for further discussion: (1) Should all water rights on lands to be subdivided be offered to the City; and (2) Should developers be encouraged to install raw water systems. In order to fully explore this issue, there is a substantial amount of background information that I will attempt to distill into a useable format.

The City has a direct flow right (Big Goose) of 16 cubic feet per second (cfs) and SAWS has a right of 7.14 cfs. Sheridan Water System Level I Study Final Report, 2019, page 221. When there is inadequate water, those with the oldest water rights get water first. In July, the “call for water” is made and the City’s direct flow usually drops to 13 cfs because it does not have enough priority. SAWS has 0 priority and therefore has no water. *Id.* When the call is made, the City then obtains its water from its storage reservoirs. *Id.*

It was estimated in the 2019 report that the City will have insufficient water in 2057, or approximately 35 years. *Id.* at Page 208. In order to address this issue, the master plan makes a series of recommendations at pages 181-182 and 213-215:

- (1) Continue to acquire Park and Dome Lake shares.
- (2) Obtain Big Goose Water rights but understand that there is an insufficient supply to address long-term needs.
- (3) Maintain water rates and connection fees to cover the true cost of operation, debt, upgrades and securing long-term water needs.
- (4) Establish a rate structure that encourages conservation.
- (5) Provide an incentive for land being developed that has agricultural water rights, and allow for a developer to receive value for those water rights to be offset against PIFS.

- (6) Establish a drought and limited water supply policy.
- (7) Update agreements with SAWS.

The focus of the work study discussion will be on recommendations 4 and 5 noted above. The City has previously addressed this issue, in 2007 and 2009.

In 2007, the City approved Resolution 73-07 which specifically required the following:

- (1) Owners of water rights may transfer them to the City in exchange for PIF reduction equal to the value of the water, considering costs and efforts necessary to transfer ownership, point of diversion, means of conveyance and chance of use;
- (2) The City Council has the sole discretion to accept or reject the ability to utilize water rights for municipal purposes.

In 2009, the City established Ordinance 28-63 for the creation of a permanent water supply fund to be used for the purchase and development of water rights, supply and storage.

At the work study, I will be recommending to Council that Ordinance 2051 be amended at the second reading to require that all water rights on land to be subdivided be offered to the City. The City shall have the option of purchasing those water rights provided that the purchase be reduced by the cost to transfer the rights to the City.

TARVER, KERNS & BUNTING, LLP

A handwritten signature in blue ink, appearing to read "Brendon Kerns".

Brendon E. Kerns