



**AGENDA
CITY OF SHERIDAN
OCTOBER 23, 2023
STUDY SESSION COUNCIL MEETING START 5:30 P.M.**

1. Discussion of Agreement with SAGE for Executive Director Services for the Sheridan Public Arts Committee - City Clerk Cecilia Good
2. Transfer of Ownership for Retail Liquor License #3 from D&B Liquors, Inc to Sheridan Liquor, Inc - City Clerk Cecilia Good
3. Discussion of SAWS Consolidation Agreement - City Attorney Brendon Kerns, Utilities Director Dan Roberts
4. Discussion of General Purpose Excise Tax Annual Application Policy - City Attorney Brendon Kerns



CITY OF SHERIDAN, WYOMING

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

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

Clerk

MEMORANDUM

Project Name: Discussion of Agreement with SAGE for Executive Director Services for the Sheridan Public Arts Committee - City Clerk Cecilia Good

From: Cecilia Good, City Clerk

To: Mayor and Council

CC: City Administrator Stuart McRae

Date: 10/23/2023

Background:

An updated contract between SAGE and the Sheridan Public Arts Committee is important to address evolving responsibilities and financial considerations associated with this collaboration. Changes in project scope and funding have necessitated a reevaluation of the existing contract to ensure clear and mutually agreeable terms. The attached contract includes an increased provision for the monthly amount of funds paid to SAGE for services (from \$1,000 to \$1,200 per month). Additionally, minor changes have been made to be more general in order to increase the durability of the contract, such as changing names to titles. The contract also changes the notification of termination from thirty days to ninety days.

Funding:

Funding for the increase to the contribution to SAGE is through the SPAC budget, which can accommodate the increase.

Attachments

Draft Agreement with SAGE

The transmission of this Contract to any Vendor or Party is intended for the purpose of negotiation and review and in no circumstance is considered an offer. Any change, edit or suggestion made by any party is for the purpose of negotiation and review. This Contract shall not be effective until approved and executed by the City of Sheridan City Governing Body or the authorized City of Sheridan Official.



AGREEMENT WITH SAGE
FOR
SHERIDAN PUBLIC ARTS COMMITTEE COORDINATOR

THIS AGREEMENT dated as the of the date of the last signing party below by and between City of Sheridan, a Wyoming municipal corporation, hereinafter "City", and Sheridan Artists' Guild Et. al., hereinafter "SAGE", Wyoming nonprofit Corporation.

RECITALS

WHEREAS, the City has need for a public art coordinator; and

WHEREAS, SAGE is an organization that focuses on art in the community; and

WHEREAS, SAGE represents that it is qualified to perform such services, is in compliance with the Wyoming Statutes and is willing to furnish such services to the City.

IN CONSIDERATION OF the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the City and the SAGE (collectively the "Parties" to this Agreement) agree as follows:

ARTICLE I - TERM

- 1.1 **Term.** The term of this agreement (the "Term") will begin on the date of this Agreement and will remain in full force and effect until terminated as described herein.

ARTICLE II – SCOPE OF WORK

- 2.1 **Services Provided:** The City hereby agrees to engage the SAGE to provide the City with services (the "services") consisting of:

SEE EXHIBT A

- a. SAGE point of contact is the Executive Director of SAGE

ARTICLE III - COMPENSATION

3.1 **Payment.** For the services rendered by the SAGE per this Agreement, the City will provide compensation (the "Compensation") to the SAGE in the amount of One Thousand Two Hundred and xx/100 Dollars (\$1,200.00) per month.

- a. SAGE shall submit an invoice to the City for services rendered monthly.
- b. Payments shall be made by the City within 45 days after the submission of the invoice pursuant to the City invoicing policy.

3.3 **Reimbursement of Expenses.** SAGE will be reimbursed for all reasonable and necessary expenses incurred by SAGE in connection with providing the Services hereunder. Provided the expenses must be approved by the Sheridan Public Arts Committee prior to being incurred. SAGE will furnish invoices to the City for all such expenses. Said expenses will be paid by the City within 45 days of the invoice.

ARTICLE IV - EMPLOYMENT

4.1 **Capacity/Independent SAGE.** In providing the Services under this Agreement, it is expressly agreed that the SAGE is acting as an independent contract and not as an employee. SAGE and the City acknowledge that this agreement does not create a partnership or joint venture between them, and is exclusively a contract for service.

4.1.1. SAGE is not an employee, and SAGE shall at all times remain responsible for payment of all applicable taxes shall remain responsible at all times to pay or properly deposit such sums with taxing authorities as are necessary and required by or for any applicable taxing authority, whether state, federal, or local. City shall provide a 1099 to SAGE as required by IRS rules and Federal law.

4.1.2. City shall not be paying for unemployment insurance or workman's compensation coverage for the SAGE or any employee, volunteer or subcontractor of SAGE.

4.1.3. Any and all employees of the Contactor or other persons while engaged in the performance of any work or services required by SAGE shall be considered employees of SAGE only and not of the City, and any and all claims that may arise under the Workman's Compensation Act on behalf of said employees or other persons while so engaged and any and all claims made by a third party as a consequence of any act or omission on the part of SAGE's

employees or other persons while so engaged on any of the work or services provided to be rendered herein, shall be the sole obligation and responsibility of SAGE.

ARTICLE V - DEFAULT and TERMINATION

5.1 **Termination.** In the event that either Party wishes to terminate this Agreement, that Party shall be required to provide at least a ninety (90) day written termination notice to the other Party.

ARTICLE VI - MISCELLANEOUS

6.1 **Confidentiality.** SAGE shall not issue any statements, releases or information for public dissemination without prior approval of the City. Any and all forms of communication, reports, documents, electronic messages, voicemails, letters, notes and electronic data may be public record and may be required to be disclosed to the public. The determination of whether any of the aforementioned information are required to be disclosed upon receipt of a public record request shall be at the sole discretion of the City.

6.2 **Return of Property.** Upon the expiration or termination of this Agreement, SAGE will return to the City any property, documentation, records or confidential information which is the property of the City.

6.3 **Notice.** All notices, requests, demands or other communications required or permitted by the terms of this Agreement will be given in writing and delivered to the Parties of this Agreement as follows:

City: Attn: City Clerk, City of Sheridan, 55 E. Grinnell Plaza, Sheridan, WY 82801

SAGE: SAGE, 21 W Brundage, Sheridan, WY 82801

6.4 **Indemnification.** Except to the extent paid in settlement from any applicable insurance policies, and to the extent permitted by applicable law, each party agrees to indemnify and hold harmless the other party, and its respective affiliates, officers, agents, employees, and permitted successors and assigns against any and all claims, losses, damages, liabilities, penalties, punitive damages, expenses, reasonable legal fees and costs of any kind or amount whatsoever, which result from or arise from any act or omission of the indemnifying party, its respective affiliates, officers, agents, employees, and permitted successors and assigns that occurs in connection with this Agreement. This indemnification will survive the termination of this Agreement.

6.4.1. **Governmental Immunity.** Nothing in this Agreement shall in any way be deemed a waiver by City any of the requirements or immunities provided by the Wyoming Governmental Claims Act.

6.5 **Insurance.** SAGE shall procure liability insurance which shall cover activities of SAGE while performing services pursuant to this Agreement. Such insurance shall be a minimum

coverage of One Million Dollars (\$1,000,000.00) per occurrence and One Million Dollars (\$1,000,000.00) aggregate. City shall be included as an additional insured on the policy.

6.6 **Legal Expenses.** In the event any legal action is brought to enforce or interpret any term of this Agreement, the prevailing Party will be entitled to recover, in addition to any other damages or award, all reasonable legal costs and fees associated with the action.

6.7 **Modification of Agreement.** Any amendment or modification of this Agreement or additional obligation assumed by either Party in connection with this Agreement will only be binding if evidenced in writing, signed by each Party or an authorized representative of each Party.

6.8 **Time of the Essence.** Time is of the essence in this Agreement. No extension or variation of this Agreement will operate as a waiver of this provision.

6.9 **Assignment.** SAGE will not voluntarily, or by operation of law, assign or otherwise transfer its obligations under this Agreement without the prior consent of the City.

6.10 **Entire Agreement.** It is agreed that there are no representations, warranty, collateral agreements or conditions affecting the Agreement except as expressly provided in this Agreement.

6.11 **Inurement and Assignment.** This Agreement will inure to the benefit of, and be binding on, the Parties and their respective heirs, executors, administrators, successors and permitted assigns. This Agreement may not, however, be assigned without the express written intent of the parties.

6.12 **Governing Law.** It is the intention of the Parties to this Agreement that this Agreement and the performance under this Agreement, and all suits and special proceedings under this Agreement, be construed in accordance with and governed, to the exclusion of the law or any other forum, by the laws of Wyoming, with regard to the jurisdiction in which any action or special proceedings may be instituted. Any such action shall be filed in the proper venue located in the Fourth Judicial District for the State of Wyoming.

6.13 **Severability.** In the event that any of the provisions of this Agreement are held to be invalid or enforceable in whole or in part, all other provisions will nevertheless continue to be valid and enforceable with the invalid or unenforceable parts severed from the remainder of this Agreement.

6.14 **Waiver.** The waiver by either party of a breach, default or omission of any of the provisions of this Agreement by the other Party will not be construed as a waiver of any subsequent breach of the same or other provisions.

IN WITNESS WHEREOF the Parties have duly affixed their signatures under hand:

SPAC: _____
Committee Chairperson

Date: _____

CITY: _____
Mayor _____

Date: _____

ATTEST: _____
City Clerk

City Attorney, Approved as to Form

SAGE: _____

By/Title: _____ Date: _____

EXHIBIT A

Proactively maintain the quality of SPAC

Set-up call for art on CAFE

Facilitate delivery of sculptures

Work with artists to complete on-loan paperwork required by the City of Sheridan

Work with City of Sheridan to have sculptures installed/de-installed

Arrange with City of Sheridan to have sculptures and bases repaired/moved

Maintain email contact with committee members to set-up meetings via ZOOM or schedule in person meetings

Send all invoices to City of Sheridan

Order bases for sculptures

Maintain donor list, send out annual donor letter and thank you's

And such other work requested by the Sheridan Public Arts Committee

Maintain a program to repair and refurbish the sculptures

Maintain the SPAC website and social media

Maintain the minutes of the meetings

Order plaques for new sculptures and replacements in a timely manner



CITY OF SHERIDAN, WYOMING

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

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

Clerk

MEMORANDUM

Project Name: Transfer of Ownership for Retail Liquor License #3 from D&B Liquors, Inc to Sheridan Liquor, Inc
- City Clerk Cecilia Good
From: Cecilia Good, City Clerk
To: Mayor and Council
CC: City Administrator Stuart McRae
Date: 10/23/2023

Background:

The applicant, Sheridan Liquor Inc., is applying for the transfer of ownership of retail liquor license #3 from their previous name (D&B Liquor Inc.). The operations and ownership are not changing, this change is for administrative purposes.

Attachments

Sheridan Liquor Inc Transfer Application

NEW OR TRANSFER LIQUOR LICENSE OR PERMIT APPLICATION

FOR LIQUOR DIVISION USE ONLY

Customer #:		
Trf from:		
Reviewer:	Initials	Date
Agent:		/ /
Mgr:		/ /

To be completed by City/County Clerk

License Fees	Annual Fee: \$	Local License #: <u>3</u>
	Prorated Fee: \$	Date filed with clerk: <u>10 / 6 / 2023</u>
	Transfer Fee: \$	Advertising Dates: (2 Weeks) <u>10/18/2023</u> & <u>10/25/2023</u>
	Publishing Fee: \$	Hearing Date: <u>11 / 06 / 2023</u>
Publishing Fee Direct Billed to Applicant: ☐		
License Term:	<u>1 / 1 / 2024</u> Through <u>12 / 31 / 2024</u>	
	Month Day Year	Month Day Year

LICENSING AUTHORITY: Begin publishing promptly. As W.S. 12-4-104(d) specifies: **NO LICENSING AUTHORITY SHALL APPROVE OR DENY THE APPLICATION UNTIL THE LIQUOR DIVISION HAS CERTIFIED THE APPLICATION IS COMPLETE.**

Applicant: SHERIDAN LIQUOR, INC.

Trade/Business Name (dba): SHERIDAN LIQUOR

Building to be licensed/Building Address: 1842 SUGARLAND DR. #113
Number & Street

SHERIDAN WY 82801 SHERIDAN
City State Zip County

Local Mailing Address: 1842 SUGARLAND DR. #113
Number & Street or P.O. Box

SHERIDAN WY 82801
City State Zip

Local Business Telephone Number: (307) 672-6108 Fax Number: ()

Business E-Mail Address: SHERIDANLIQUOR307@GMAIL.COM

FILING FOR

- ☐ NEW LICENSE
- ☒ TRANSFER OF LOCATION

FILING IN (CHOOSE ONLY ONE)

- ☒ CITY OF: SHERIDAN
- ☐ COUNTY OF: _____

FILING AS (CHOOSE ONLY ONE)

- ☐ INDIVIDUAL
- ☐ PARTNERSHIP
- ☐ LP/LLP
- ☐ LLC
- ☒ CORPORATION
- ☐ LTD PARTNERSHIP
- ☐ ORGANIZATION
- ☐ OTHER _____

- ☒ TRANSFER OWNERSHIP ☐ ASSIGNMENT LETTER ATTACHED

FORMERLY HELD BY: D+B LIQUORS, INC.

TYPE OF LICENSE OR PERMIT (CHOOSE ONLY ONE)**RETAIL LIQUOR LICENSE**

- ☐ ON-PREMISE ONLY (BAR)
- ☒ OFF-PREMISE ONLY (PACKAGE STORE)
- ☐ COMBINATION ON/OFF PREMISE (BOTH BAR & PACKAGE STORE)

- ☐ RESTAURANT LIQUOR LICENSE
- ☐ BAR AND GRILL LIQUOR LICENSE
- ☐ RESORT LIQUOR LICENSE

LIMITED RETAIL LIQUOR LICENSE (CLUB)

- ☐ VETERANS CLUB
- ☐ FRATERNAL CLUB
- ☐ GOLF CLUB
- ☐ SOCIAL CLUB

- ☐ MICROBREWERY PERMIT
- ☐ WINERY PERMIT
- ☐ DISTILLERY SATELLITE PERMIT
- ☐ WINERY SATELLITE PERMIT
- ☐ COUNTY MALT BEVERAGE PERMIT
- ☐ SPECIAL MALT BEVERAGE PERMIT

ALL APPLICANTS MUST COMPLETE QUESTIONS 1-4**1. BUILDING OWNERSHIP:** Does the applicant? W.S. 12-4-103(a)(iii)(a) **OWN** the licensed building?☐ YES (own)(b) **LEASE** the licensed building? (Lease must be through the term of the liquor license)☒ YES (lease)

If Yes, please submit a copy of the lease and indicate:

(i) When the lease expires, located on page 1 paragraph 5, 1. of lease.(ii) Where the **Sales** provision for alcoholic or malt beverages is located, on page 17 paragraph 26.4 of lease.(MUST contain a provision for SALE OF ALCOHOLIC or MALT BEVERAGES.)**2.** To operate your liquor business, have you assigned, leased, transferred or contracted with any other person (entity) to operate and assert total or partial control of the license and the licensed building? W.S. 12-4-601(b)☐ YES ☒ NO**3.** Does any manufacturer, brewer, rectifier, wholesaler, or through a subsidiary affiliate, officer, director or member of any such firm: W.S. 12-5-401, 12-5-402, 12-5-403

(a) Hold any interest in the license applied for?

☐ YES ☒ NO

(b) Furnish by way of loan or any other money or financial assistance for purposes hereof in your business?

☐ YES ☒ NO

(c) Furnish, give, rent or loan any equipment, fixtures, interior decorations or signs other than standard brewery or manufacturer's signs?

☐ YES ☒ NO(d) If you answered **YES** to any of the above, explain fully and submit any documents in connection there within:**4.** Does the **applicant** have any interest or intent to acquire an interest in any other liquor license issued by **this** licensing authority? W.S. 12-4-103(b)☐ YES ☒ NO

If "YES", explain: _____

5. BAR AND GRILL LICENSE OR RESTAURANT LICENSE:

Have you submitted a valid food service permit or application? W.S. 12-4-413(a)

☐ YES ☐ NO**6. RESORT LICENSE:**

Does the resort complex:

(a) Have an actual valuation of at least one million dollars, or have you committed or expended at least one million dollars (\$1,000,000.00) on the complex, excluding the value of the land? W.S. 12-4-401(b)(i)

☐ YES ☐ NO

(b) Include a restaurant and a convention facility which will seat at least one hundred (100) persons? W.S. 12-4-401(b)(ii)

☐ YES ☐ NO

(c) Include motel, hotel or privately owned condominium, town house or home accommodations approved for short term occupancy with at least one hundred (100) sleeping rooms? W.S. 12-4-401(b)(iii)

☐ YES ☐ NO

(d) If no on question (c), have a ski resort facility open to the general public in which you have committed or expended not less than 10 million dollars (\$10,000,000.00)? W.S. 12-4-401(b)(iv)

☐ YES ☐ NO

9. LIMITED RETAIL (CLUB) LICENSE:**VETERANS CLUBS W.S. 12-1-101(a)(iii)(A):**

- (a) Does the Veteran's organization hold a charter by the Congress of the United States? ☐ YES ☐ NO
- (b) Is the membership of the Veteran's organization comprised only of Veterans and its duly organized auxiliary? ☐ YES ☐ NO

10. LIMITED RETAIL (CLUB) LICENSE:**GOLF CLUBS W.S. 12-1-101(a)(iii)(D)/W.S. 12-4-301(e):**

- (a) Do you have more than fifty (50) bona fide members? ☐ YES ☐ NO
- (b) Do you own, maintain, or operate a bona fide golf course together with clubhouse? ☐ YES ☐ NO
- (c) Are you a political subdivision of the state that owns, maintains, or operates a golf course? ☐ YES ☐ NO
1. Are you contracting/leasing the food and beverage services? W.S. 12-5-201(g) ☐ YES ☐ NO
2. If Yes, have you submitted a copy of the food and beverage contract/lease? ☐ YES ☐ NO

11. LIMITED RETAIL (CLUB) LICENSE:**SOCIAL CLUBS W.S. 12-1-101(a)(iii)(E)/W.S. 12-4-301(b):**

- (a) Do you have more than one hundred (100) bona fide members who are residents of the county in which the club is located? ☐ YES ☐ NO
- (b) Is the club incorporated and operating solely as a nonprofit organization under the laws of this state? ☐ YES ☐ NO
- (c) Is the club qualified as a tax exempt organization under the Internal Revenue Service? ☐ YES ☐ NO
- (d) Has the club been in continuous operation for a period of not less than one (1) year? ☐ YES ☐ NO
- (e) Has the club received twenty-five dollars (\$25.00) from each bona fide member as Recorded by the secretary of the club and are club members at the time of this application in good standing by having paid at least one (1) full year in dues? ☐ YES ☐ NO
- (f) Does the club hold quarterly meetings and have an actively engaged membership carrying out the objectives of the club? ☐ YES ☐ NO
- (g) Have you filed a true copy of your bylaws with this application? ☐ YES ☐ NO
- (h) Has at least fifty one percent (51%) of the membership signed a petition indicating a desire to secure a Limited Retail Liquor License? (Petition Attached) ☐ YES ☐ NO

12. If applicant is filing as an Individual, Partnership or Club: W.S. 12-4-102(a)(ii) & (iii)

Each individual, partner or club officer must complete the box below.

True and Correct Name	Date of Birth	Residence Address No. & Street City, State & Zip DO NOT LIST PO BOXES	Residence Phone Number	Have you been a DOMICILED resident for at least 1 year and not claimed residence in any other state in the last year?	Have you been Convicted of a Felony Violation?	Have you been Convicted of a Violation Relating to Alcoholic Liquor or Malt Beverages?
				YES ☐ NO ☐	YES ☐ NO ☐	YES ☐ NO ☐
				YES ☐ NO ☐	YES ☐ NO ☐	YES ☐ NO ☐
				YES ☐ NO ☐	YES ☐ NO ☐	YES ☐ NO ☐

13. If the applicant is a Corporation, Limited Liability Company, Limited Liability Partnership or Limited Partnership: W.S. 12-4-102(a)(iv) & (v)

Each stockholder holding, either jointly or severally, ten percent (10%) or more of the outstanding and issued capital stock of the corporation, limited liability company, limited liability partnership, or limited partnership, and every officer, and every director must complete the box below.

True and Correct Name	Date of Birth	Residence Address No. & Street City, State & Zip DO NOT LIST PO BOXES	Residence Phone Number	No. of Years in Corp or LLC	% of Corpora te Stock Held	Have you been Convicted of a Felony Violation?	Have you been Convicted of a Violation Relating to Alcoholic Liquor or Malt Beverages?
CHAO LANSING FRANKLIN	10-11 1974	7 DEE DR. SHERIDAN, WY 82801	(307) 751-5616	5	43%	YES ☐ NO ☒	YES ☐ NO ☒
KARLYN LYNN FRANKLIN	6-1 1975	7 DEE DR SHERIDAN, WY 82801	(307) 461-1823	5	43%	YES ☐ NO ☒	YES ☐ NO ☒
						YES ☐ NO ☐	YES ☐ NO ☐
						YES ☐ NO ☐	YES ☐ NO ☐
						YES ☐ NO ☐	YES ☐ NO ☐
						YES ☐ NO ☐	YES ☐ NO ☐

(If more information is required, list on a separate piece of paper and attach to this application)

REQUIRED ATTACHMENTS:

- ☒ A statement indicating the financial condition and financial stability of the applicant. W.S. 12-4-102(a)(vi).
- ☒ Attach any lease agreements (especially for resort/political subdivisions leasing out food & beverage services) W.S. 12-4-103 (a)(iii)/W.S. 12-4-403(b) / W.S. 12-4-301(e).
- ☒ If transferring a license from one ownership to another, a form of assignment from the current licensee to the new applicant authorizing the transfer. W.S. 12-4-601(b).

OATH OR VERIFICATION

(Requires signatures by **ALL** Individuals, **ALL** Partners, **ONE (1)** LLC Member, or **TWO (2)** Corporate Officers or Directors except that if all the stock of the corporation is owned by **ONE (1)** individual then that individual may sign and verify the application upon his oath, or **TWO (2)** Club Officers.) W.S. 12-4-102(b)

Under penalty of perjury, and the possible revocation or cancellation of the license, I swear the above stated facts, are true and accurate.

STATE OF WYOMING)

COUNTY OF SHERIDAN)

) SS.

Witness my hand and official seal
Jennifer Schulenberg



Signed and sworn to before me on this 4th day of October, 2023 that the facts alleged

in the foregoing instrument are true by the following:

- | | | | |
|----|-------------|-----------------|-----------|
| 1) | | CHAO FRANKLIN | PRESIDENT |
| | (Signature) | (Printed Name) | Title |
| 2) | | Karlyn Franklin | Sec/treas |
| | (Signature) | (Printed Name) | Title |
| 3) | | | |
| | (Signature) | (Printed Name) | Title |

Form of Assignment

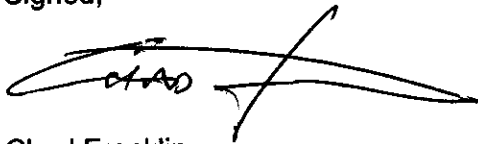
October 4th, 2023

To whom it may concern;

This form of assignment is to confirm the transfer of the current retail liquor license held by D & B Liquors, Inc. to Sheridan Liquor, Inc..

This is a change in Corporation filing. All owners, location, plans of operation, inventory and equipment will remain the same.

Signed,

A handwritten signature in black ink, appearing to read "Chad", followed by a large, sweeping horizontal stroke that extends to the right.

Chad Franklin
Owner/President

10:34 AM

10/04/23

Accrual Basis

Sheridan Liquor, Inc.

Balance Sheet

As of October 4, 2023

	Oct 4, 23
ASSETS	
Current Assets	
Checking/Savings	
First Bank Checking	4,877.73
Cash In Bank - Lotto Account	558.77
FIB 5197- Sales Tax Acct	18,060.96
FIB Operating Account	2,322.34
Total Checking/Savings	25,819.80
Accounts Receivable	
Accounts Receivable	5,824.77
Total Accounts Receivable	5,824.77
Other Current Assets	
Inventory	
Beer Inventory	24,750.96
Liquor Inventory	75,336.10
Misc Inventory	104.86
Mixers Inventory	3,524.50
Tobacco Inventory	5,517.75
Wine Inventory	36,375.87
Total Inventory	145,610.04
Loan from Shareholder - Chad	11,481.91
Total Other Current Assets	157,091.95
Total Current Assets	188,736.52
Fixed Assets	
Accumulated Amortization	-50,000.00
Accumulated Depreciation	-358,186.59
Equipment	213,649.84
Furniture and Equipment	132,521.88
Van	14,220.00
Lease Hold Improvements	24,111.60
Liquor License	50,000.00
Sign	5,274.20
Total Fixed Assets	31,590.93
Other Assets	
Security Deposit	3,713.96
Total Other Assets	3,713.96
TOTAL ASSETS	224,041.41
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
HELOC - Franklin	26,789.76
Payroll Liabilities	
Employee Advance	100.00
FUTA	67.76
WC/UI	-3,215.50
Total Payroll Liabilities	-3,047.74
Total Other Current Liabilities	23,742.02
Total Current Liabilities	23,742.02

10:34 AM
10/04/23
Accrual Basis

Sheridan Liquor, Inc.
Balance Sheet
As of October 4, 2023

	Oct 4, 23
Long Term Liabilities	
Note - First Bank	74,806.94
Note - Van	2,853.94
Total Long Term Liabilities	77,660.88
Total Liabilities	101,402.90
Equity	
Capital - Chad	-14,335.47
Capital - Karyn	-14,336.46
Capital - Maestri	49,232.14
Capital - Scott, Audra	8,572.69
Shareholder Distributions	
Distributions Chad	-221.33
Total Shareholder Distributions	-221.33
Net Income	93,726.94
Total Equity	122,638.51
TOTAL LIABILITIES & EQUITY	224,041.41



CITY OF SHERIDAN, WYOMING

55 Grinnell Plaza
Sheridan Wyoming 82801
(307) 675-4211
cgood@sheridanwy.gov

RETAIL LIQUOR LICENSE OPERATION PLAN

Name as it appears on license:	SHERIDAN LIQUOR, INC.
Common Name (doing business as):	SHERIDAN LIQUOR
Street Address:	1842 SUGARLAND DR. #113
Phone #:	(307) 672-6108

Hours of Operation

Our planned hours of operation are:

Monday:	9 AM TO 10 PM
Tuesday:	9 AM TO 10 PM
Wednesday:	9 AM TO 10 PM
Thursday:	9 AM TO 10 PM
Friday:	9 AM TO 10 PM
Saturday:	9 AM TO 10 PM
Sunday:	9 AM TO 10 PM

Last call will be _____ minutes before closing and last service will be _____ ^{AT TIME OF} ~~minutes before~~ closing.

Use of License

Please describe the characteristics of your operations:

RETAIL PACKAGE LIQUOR, TASTING BAR, LIQUOR DELIVERY.

- Will you be catering? If yes, name of catering company: SHERIDAN LIQUOR



CITY OF SHERIDAN, WYOMING

55 Grinnell Plaza
Sheridan Wyoming 82801
(307) 675-4211
cgood@sheridanwy.gov

- Provide your dispensing building design referencing alcohol service and storage locations, including outside consumption areas*

RETAIL STORE, STORAGE
OF PRODUCT IS ON SHELVES, STORE ROOM AND COOLERS. NO
OUTSIDE CONSUMPTION AREAS.

Nature of Business:

- Bar
- Package Liquor
- Restaurant

Regular Events:

- Happy Hour
- Live Entertainment

Special Events:

Other:

(All outside events require a Catering Permit)

Security/ Crowd Control/ Capacity Limits

The official occupancy limit for our business is:

45

In order to comply with our occupancy limits we shall:

MONITOR PATRONS FOR CAPACITY LIMITS.

We shall maintain peace and order in and around our business by (but not limited to):

- Requiring TIPS Training
- Reporting altercations or potential altercations to the Sheridan Police Department
- Follow all guidelines established by Chapter Four of Sheridan Municipal Code

Rules of the establishment shall be enforced by:

PROFESSIONAL BUSINESS PRACTICES, MANAGEMENT
OPERATING PRACTICES AND PROCEDURES.



CITY OF SHERIDAN, WYOMING

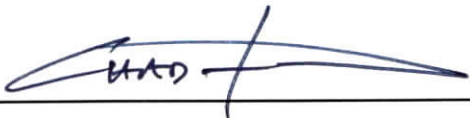
55 Grinnell Plaza
Sheridan Wyoming 82801
(307) 675-4211
cgood@sheridanwy.gov

Alcohol Management

To comply with Sheridan Municipal Code regarding alcoholic and malt beverages, including the use of eighteen (18) to twenty (20) year old servers in restaurants if applicable, our establishment will:

ONLY HIRE EMPLOYEES WHO ARE AGE
21 YEARS OR OLDER.

I acknowledge that the Sheridan Police Department is an agent of the licensing authority and shall have the ability to inspect the licensed premises. Violations of City Code are subject to Section 4-13, resulting in action from Administrative Fees up to license revocation.



Signature of License Holder

8.30.2023

Date

CHAD FRANKLEN

Printed Name

*Outside consumption areas located on public right-of-way require a Sidewalk Use Agreement obtainable from the City Clerk's Office. Any substantial improvements on public right-of-way require a lease agreement.

SEVENTH AMENDMENT TO LEASE

2nd *October*
~~THIS~~ **THIS SEVENTH AMENDMENT TO LEASE** (the "Amendment") is made as of the day of ~~September~~, 2023, by and between **TKG SUGARLAND VILLAGE, L.L.C.**, a Missouri limited liability company ("Landlord"), and **SHERIDAN LIQUOR, INC.**, a Wyoming corporation formerly known as D & B LIQUORS, INC., a Wyoming corporation ("Tenant").

WITNESSETH:

WHEREAS, Landlord and Tenant are bound by that certain Lease Agreement dated November 20, 2001, as amended by that certain Agreement for Renewal of Lease dated September 28, 2004, as amended by that certain Agreement for Renewal of Lease dated August 30, 2007, as amended by that certain undated Agreement for Renewal of Lease, as amended by that certain Fourth Amendment to Lease dated September 29, 2013, as amended by that certain Fifth Amendment to Lease dated August 23, 2018, as assigned by that certain Consent Letter dated October 8, 2018, as amended by that certain Sixth Amendment to Lease dated September 9, 2019 (collectively, the "Lease"), whereby Landlord leases to Tenant certain premises containing approximately two thousand three hundred forty (2,340) square feet (the "Premises") located at the shopping center commonly known as Sugarland Village in Sheridan, Wyoming (the "Shopping Center"), as more particularly described in the Lease.

WHEREAS, the parties are now desirous of making certain amendments, changes, and alterations to said Lease to reflect accurately their intents and wishes.

WHEREAS, the Lease expires on December 31, 2023, and Landlord and Tenant desire to extend the term of and otherwise modify the Lease as hereinafter set forth;

NOW, THEREFORE, in consideration of mutual covenants and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. **Extension of Lease Term.** The term of the Lease shall be extended for a period of five (5) years, commencing January 1, 2024 and expiring December 31, 2028 (the "Extension Term").

2. **Minimum Rent.** Minimum Rent for the Extension Term shall be as follows:

Term	Monthly Rent	Annual Rent	Rent Per Square Ft.
1/1/2024 – 12/31/2028	\$4,290.00	\$51,480.00	\$22.00

Tenant shall continue to be responsible for its payment obligations relating to additional rent, the Shopping Center's operating cost, insurance, Real Estate Taxes, and any other charges due to Landlord under the Lease.

1. **Remaining Options.** All unexercised options, if any, to extend the term of the Lease are hereby rendered null and void and shall be of no further force or effect. Tenant has no further right to extend the term of the Lease beyond December 31, 2028.

2. **No Construction Against Draftsman.** No inference in favor of or against any party shall be drawn from the fact that such party has drafted any provision of this Amendment or that such provisions have been drafted on behalf of said party.

3. **Binding Effect; Governing Law.** This Amendment inures to the benefit of and shall be binding upon Landlord and Tenant and their respective successors and permitted assigns. This Amendment and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Wyoming.

4. **Partial Invalidity.** If any term, covenant or condition of this Amendment, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Amendment or the application of such term, covenant or condition of this Amendment shall be valid and enforceable to the fullest extent permitted by law.

5. **Effectiveness.** The submission of this Amendment by Landlord, its broker, agent or representative, for examination or execution by Tenant, does not constitute an option or offer to lease the Premises upon the terms and conditions contained herein or a reservation of the Premises in favor of Tenant; it being intended hereby that this Amendment shall become effective and binding upon Landlord only upon the execution hereof by Landlord and its delivery of a fully executed counterpart hereof to Tenant.

6. **Miscellaneous.** Except as specifically amended by the provisions of this Amendment, the terms and provisions stated in the Lease shall continue to govern the rights and obligations of Landlord and Tenant with respect to the matters that are the subject of the Lease; and all provisions and covenants of the Lease are and shall remain in full force and effect as stated therein, except to the extent specifically amended by the provisions of this Amendment. The Lease and this Amendment shall be construed as one instrument. In that regard, the Lease and this Amendment, including all exhibits and addenda (if any) to each such document, constitute the entire agreement between the parties relative to the subject matter hereof and thereof and supersede all prior and contemporaneous agreements and understandings of Landlord and Tenant in connection therewith. Captions and headings throughout this Amendment are inserted only as a matter of convenience and are not to be given any effect whatsoever in construing this Amendment. Tenant hereby acknowledges and represents that Landlord is not in default of the Lease. Words of masculine, feminine or neuter gender as used in this Amendment shall mean and include the correlative words of the other genders, and words used in this

Amendment importing a singular number shall mean and include the plural number and vice versa. All references in this Amendment to numbered paragraphs are references to the paragraphs of this Amendment, unless otherwise expressly designated in context. Except as hereby modified and amended, all other terms, covenants, and conditions of said Lease shall continue and remain without change. This Amendment may be executed in counterparts, all of which taken together shall constitute the same agreement. Further, photocopies and/or electronic transmission (including, but not limited to, by portable document format (.pdf)) signatures shall be deemed as valid as an original.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the day and year first above written.

LANDLORD:

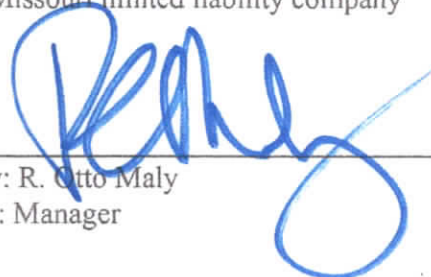
TKG SUGARLAND VILLAGE, L.L.C.,
a Missouri limited liability company



Witness

10.2.23

Date



By: R. Otto Maly
Its: Manager

TENANT:

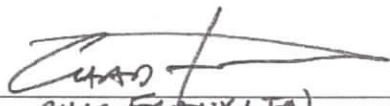
SHERIDAN LIQUOR, INC,
a Wyoming corporation



Witness

9/22/23

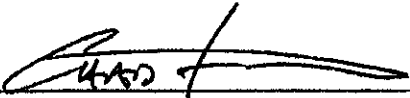
Date

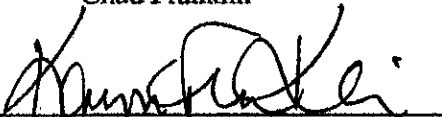


By: CHAD FRANKLIN
Its: PRESIDENT | TENANT

GUARANTOR AFFIRMATION

The undersigned hereby agrees to this Amendment as set forth herein and agrees that the Guaranty attached to the Lease shall remain in full force and effect.


Chad Franklin


Karyn Franklin

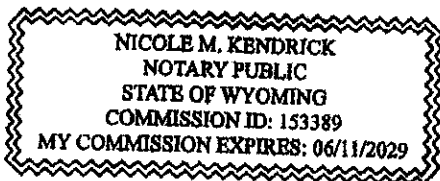
ACKNOWLEDGMENT OF INDIVIDUAL GUARANTOR(S)

STATE OF Wyoming)
COUNTY OF Sheridan) ss:

On this 22nd day of September, 2023, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came **Chad Franklin**, who is/are personally known to me to be the same person(s) who executed the foregoing Guarantor Affirmation and he/she/they acknowledged the execution of the same as his/her/their free and voluntary act(s) and deed(s).

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year above written.


Notary Public



My Commission expires:

06/11/2029

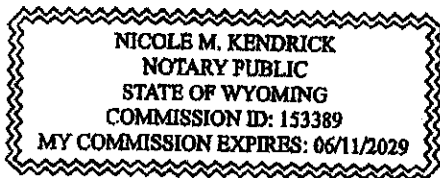
ACKNOWLEDGMENT OF INDIVIDUAL GUARANTOR(S)

STATE OF Wyoming
COUNTY OF Sheridan ss:

On this 22nd day of September, 2023, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came **Karyn Franklin**, who is/are personally known to me to be the same person(s) who executed the foregoing Guarantor Affirmation and he/she/they acknowledged the execution of the same as his/her/their free and voluntary act(s) and deed(s).

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year above written.


Notary Public



My Commission expires:

10/11/2029

LEASE AGREEMENT

This Lease is entered into this 20th day of November, 2001, between SUGARLAND DEVELOPMENT COMPANY ("Landlord"), and D & B Liquors LLC, dba Rendezvous Liquor and Lounge ("Tenant" whether one or more.)

1. PREMISES

In consideration of the rents, covenants and agreements contained herein, Landlord leases to Tenant, and Tenant leases from Landlord certain commercial space comprising a part of a building located in the City of Sheridan, County of Sheridan, State of Wyoming, known as Sugarland Village, and described on Exhibit "A" attached hereto.

2. TERM

2.1 Length of Term. The term of this Lease shall be for a period of 36 consecutive full months beginning on the Commencement Date as set forth below.

2.2 Commencement Date and Obligation to Pay Rent. The Commencement Date for this Lease Agreement and Tenant's obligation to pay rent hereunder shall commence on November 20, 2001.

3. SECURITY DEPOSIT

Concurrently with Tenant's execution of this Lease, Tenant shall deposit with Landlord the sum of ONE THOUSAND EIGHT HUNDRED THREE AND NO/100 DOLLARS (\$1803.00). Said sum shall be held by Landlord as a Security Deposit for the faithful performance by Tenant of all of the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the term hereof. If Tenant defaults with respect to any provisions of this Lease, including but not limited to the provisions relating to the payment of rent and any of the monetary sums due herewith, landlord may (but shall not be required to) use, apply or retain all or any part of this Security Deposit for the payment of any other amount which Landlord may spend or become obligated to spend by reason of Tenant's default or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said Deposit is so used or applied, Tenant shall, within ten (10) days after written demand therefor, deposit cash with Landlord in an amount required to keep this Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on such Deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the Security Deposit or any balance thereof shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interests hereunder) at the expiration of the Lease term and after Tenant has vacated the Premises. In the event of

termination of Landlord's interest in this Lease, Landlord shall transfer said Deposit to Landlord's successor in interest, whereupon Tenant agrees to release Landlord from all liability for the return of such Deposit or the accounting therefor.

4. MONTHLY GUARANTEED RENT

4.1 Minimum Rent

Tenant agrees to pay to Landlord at such place as Landlord may designate, without prior demand therefor and without any deduction or setoff whatsoever, and as fixed minimum rent, the sum of ONE THOUSAND EIGHT HUNDRED THREE AND NO/100 (\$1,803.00) Dollars in advance on the first day of each calendar month during the first year of the term of the Lease. The rent for the 2nd year of the lease term shall be ONE THOUSAND EIGHT HUNDRED FIFTY-SEVEN AND NO/100 DOLLARS (\$1857.00). The rent for the 3rd year of the lease term shall be ONE THOUSAND NINE HUNDRED TEN AND NO/100 DOLLARS (\$1,910.00). Simultaneously with the execution hereof, Tenant has paid to Landlord the first month's rent, receipt whereof is hereby acknowledged, subject to collection, however, if made by check. In the event the Commencement Date occurs on a day other than the first day of the month, then rent shall be paid on the Commencement Date for the initial fractional month prorated on a per-diem basis.

Tenant also agrees to pay a monthly CAM fee in addition to the minimum rent. This is estimated to be THREE HUNDRED NINETY-FIVE AND NO/100 DOLLARS (\$395.00) per month for the year of 2001. This amount might vary as the actual CAM charges vary per the yearly itemized statement. This CAM amount shall be paid on the same schedule as the rent as listed above.

4.2 CPI Adjustment

NOT APPLICABLE

5. PERCENTAGE RENT

NOT APPLICABLE

6. ADJUSTMENTS TO RENT

It is the intent of both parties that the minimum rental herein specified shall be absolutely net to Landlord throughout the term of this Lease, that all costs, expenses, and obligations of every kind relating to the Premises which may arise or become due during the term hereof shall be paid by Tenant as additional rent and that Landlord shall be indemnified by Tenant against such costs, expenses, and obligations. In furtherance thereof, Tenant shall pay as an additional rent, without demand therefor and without setoff or deduction, its proportionate share of expenses and charges as set forth in Section 6.1 - 6.3 below. The "Proportionate Share" of Tenant shall be

obtained by multiplying the expenses in question by a fraction, the numerator of which shall be the square-foot area of the Premises and the denominator of which shall be the square-foot area of all space being used for commercial purposes in the Shopping Center (except that for the purpose of Section 6.1 hereof, the denominator shall be the amount of commercial space footage actually covered by a tax bill, should that amount be less than the square foot area of all space being used for commercial purposes in the Shopping Center).

6.1 Taxes

(a) Tenant shall pay its Proportionate Share of all "Real Estate Taxes" levied or assessed by lawful taxing authorities against the land, buildings, or improvements comprising the Shopping Center.

(b) "Real Estate Taxes" shall mean all taxes, assessments, levies and charges, whether special, extraordinary, or otherwise, whether foreseen or unforeseen, which may be levied, assessed, or imposed upon, on account of or with respect to: (i) the ownership of and/or all other taxable interests in all land situated in the Shopping Center; (ii) all buildings, structures, and other improvements situated thereon; (iii) rents or rental income, whether such tax be levied on the Landlord or the Tenant.

(c) Tenant shall pay one-twelfth of its Proportionate Share of Real Estate Taxes each month in advance on the first day of each month with its payment of minimum monthly rental. The amount of Real Estate Taxes upon which such payment is based shall be the most current notice(s) or assessment or tax bill(s) concerning the entire Shopping Center, or, if there are none, such amount as Landlord may reasonably estimate. Should the taxing authorities include in such Real Estate Taxes, the value of any improvements made by Tenant, or include machinery, equipment, fixtures, inventory, or other personal property of Tenant, then Tenant shall also pay the entire Real Estate Taxes for such items. If the amount paid by Tenant is less than said actual amount due, Tenant shall pay to Landlord the deficiency within ten (10) days after notice from Landlord. A tax bill submitted by Landlord to Tenant shall be conclusive evidence of the amount of Taxes assessed or levied, as well as the items taxed. Tenant at all times shall be responsible for and shall pay, before delinquency, all municipal, county, state, or federal taxes assessed against any leasehold interest or any personal property of any kind owned, installed, or used by Tenant.

(d) Tenant shall also be solely responsible for and shall pay before delinquency all municipal, county, state, or federal taxes assessed during the term of this Lease against any personal property of any kind, owned by or placed in, upon, or around the Premises by Tenant.

6.2 Common Area Expenses

(a) Tenant shall pay to Landlord its Proportionate Share of the Shopping Center's operating cost. The "Shopping Center's operating cost" means the total cost and expense incurred in operating and maintaining the common areas, hereinafter defined, actually used or available for use by Tenant and the employees, agents, servants, customers, and other invitees of Tenant, excluding only items of expense commonly known and designated as carrying charges, but specifically including, without limitation, utility expenses for lighting and operation of air conditioning and heating equipment, personal property taxes and assessments on the common area improvements and equipment; premiums on fire and extended insurance coverage, vandalism insurance, boiler insurance, and plate glass insurance for the common area; maintenance repair and replacement of common area pavement and mechanical equipment; repair, maintenance, and cleaning of the common area structure including floors, ceiling, roofs, skylights, and windows; gardening and landscaping, repairs, line painting, lighting, sanitary control, removal of snow, trash, rubbish, garbage, and other refuse, depreciation on machinery and equipment used in such maintenance, the cost of personnel to implement such services, to direct parking, and to police the common areas, and fifteen (15%) percent of all the foregoing costs to cover administrative and overhead costs. "Common Areas" mean all areas, space, equipment, and special services provided for the common or joint use and benefit of the Lessees or occupants of the Shopping Center, or portions thereof, their employees, agents, servants, customers, and other invitees, including without limitation, parking areas, access roads, driveways, retaining walls, landscaped areas, truck serviceways or tunnels, loading docks, pedestrian malls, courts, stairs, ramps and sidewalks, comfort and first-aid stations, washrooms and parcel pickup stations.

(b) Tenant's Proportionate Share of the Shopping Center's operating cost shall be computed on the basis of periods of twelve consecutive calendar months as designated by Landlord and estimated payments toward the same shall be made by Tenant in equal installments in advance on the first day of each calendar month in an amount to be established by the Landlord. Within sixty (60) days after the end of each twelve (12) month period, Landlord shall furnish to Tenant a statement showing the Shopping Center's operating cost for the preceding period and any adjustments to be made as a result thereof. In the case of a deficiency, Tenant shall promptly remit the amount of such deficiency to Landlord. In the case of a surplus, Landlord shall apply said surplus to payments next falling due from Tenant under this subsection (b).

6.3 Insurance

Tenant shall pay its Proportionate Share of the cost of all insurance procured by Landlord pursuant to Section 24 hereof. Tenant shall pay said Proportionate Share monthly, in advance, at the same time and in the same manner as it pays minimum guaranteed rent. Landlord shall annually provide

a statement of the amount of Tenant's Proportionate Share of such cost, which statement shall set forth the basis for such charge.

7. LANDLORD'S AND TENANT'S WORK

Landlord and Tenant shall perform the work, if any, described in Exhibit "B". All work to be performed by Tenant pursuant to Exhibit "B" shall be constructed by Tenant in a good and workmanlike manner and free of any liens for labor and materials. Tenant agrees to indemnify Landlord and hold Landlord harmless against any loss, liability or damage resulting from such work. Tenant shall have the right to enter the premises and to obtain keys thereto to perform Tenant's work prior to the Commencement Date.

8. MAINTENANCE

8.1 Maintenance and Repairs

(a) Repairs by Landlord. Landlord shall keep in good order, condition and repair the foundations, exterior walls (excluding the interior surface of exterior walls and excluding all windows, doors, plate glass and showcases), canopy, downspouts, gutters and roof of the Premises, and as necessary, or when required by governmental authority, make modifications or replacements thereof, except that Tenant shall make all such repairs, modifications or replacements which become necessary or desirable by reason of Tenant's use of the property or the negligence of Tenant, its customers, invitees or employees, unless and to the extent the damage or loss resulting is covered under the policy of insurance of the Landlord and such loss or damage is paid to or on behalf of Landlord, pursuant to such insurance policy. Landlord shall have no obligation to repair until a reasonable time after the receipt by Landlord of written notice of the need for repairs. Tenant waives the provisions of any law permitting Tenant to make repairs at Landlord's expense. Tenant expressly agrees that the use of roof areas shall be limited to ingress for maintenance purposes only, and that said roof areas shall not be used for storage, inventory and other similar uses.

(b) Repairs by Tenant. Tenant shall decorate, maintain and keep in good order, condition and repair the interior of the Premises, including all heating and electrical equipment, air conditioning equipment, plumbing and sprinkler systems, if any, installed therein, and the improvements and equipment installed by Tenant in the Premises, and shall replace all broken glass, including exterior show windows, with glass of the same or similar quality. Tenant shall make all other repairs, whether of a like or different nature, except those which Landlord is specifically obligated to make under the provisions of Section 8.1 (a) above, and except that Tenant shall not be obligated to make structural repairs to the Premises.

(c) Tenant's Failure to Maintain. In the event Tenant fails to maintain the Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the

Premises. In the event Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at ten percent (10%) per annum from the date of such work. Landlord shall have no liability to Tenant for any damage, inconvenience or interference with the use of the Premises by Tenant as a result of performing any such work.

(d) Condition Upon Expiration of Term. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises in the same condition as received, ordinary wear and tear and damage by fire, earthquake, act of God or the elements alone excepted, and shall promptly remove or cause to be removed at Tenant's expense from the Premises and the building any signs, notices and displays placed by Tenant. Tenant agrees to repair any damage to the Premises or the Shopping Center caused by or in connection with the removal of any articles of personal property, business or trade fixtures, machinery, equipment, cabinetwork, signs, furniture, movable partitions or permanent improvements or additions, including without limitation thereto, repairing the floor and patching and painting the walls where required by Landlord to Landlord's reasonable satisfaction, all at Tenant's sole cost and expense. Tenant shall indemnify the Landlord against any loss or liability resulting from delay by Tenant in so surrendering the Premises, including without limitation any claims made by any succeeding tenant founded on such delay.

8.2 Alterations

(a) Tenant shall not make any alterations or additions to the Premises nor make any contract therefor without first procuring Landlord's written consent. All alterations, additions, and improvements made by tenant to or upon the Premises, except light fixtures, signs, electrical equipment, cases, counters or other removable trade fixtures, shall at once when made or installed be deemed to have attached to the freehold and to have become property of Landlord; provided, however, if prior to termination of this Lease, or within fifteen (15) days thereafter, Landlord so directs by written notice to Tenant, Tenant shall promptly removed the additions, improvements, fixtures, trade fixtures and installations which were placed in the Premises by Tenant and which are designated in said notice and shall repair any damage occasioned by such removal and in default thereof Landlord may effect said removal and repairs at Tenant's expense.

(b) All work with respect to any alterations, additions, and changes must be done in a good workmanlike manner and diligently prosecuted to completion to the end that the Premises shall at all times be a complete unit except during the period of work.

(c) Any such changes, alterations and improvements shall be performed and done strictly in accordance with the laws and ordinances relating thereto. In performing the work of any such alterations, additions or changes, Tenant shall have the work performed in such a manner as not to obstruct the access to the premises of any other tenant in the Shopping Center.

(d) Before commencing any such work or construction in or about the Premises, Tenant shall notify Landlord in writing of the expected date of commencement thereof. Landlord shall have the right at any time and from time to time to post and maintain on the Premises such notices as Landlord deems necessary to protect the Premises and Landlord from mechanics' liens, materialmen's liens, or any other liens.

8.3 Installation of Fixtures

It is mutually agreed that in order to expedite the commencement of Tenant's business in the Premises, Tenant may enter upon the Premises for the purpose of installing trade fixtures and furnishings during the construction period; provided, however, that such activity on the part of Tenant shall be done only in such manner as not to interfere with construction and that Landlord shall not be liable to Tenant for damage to or loss of such fixtures, equipment or furnishings, Tenant accepting the full risk for such damage or loss, if any. Tenant shall pay for all utilities consumed by Tenant or its contractors in preparing the Premises for opening of Tenant's business.

9. MECHANIC'S LIEN

Should any mechanic's or other lien be filed against the Premises or any part thereof by reason of Tenant's acts or omissions or because of a claim against Tenant, Tenant shall cause the same to be cancelled and discharged of record by bond or otherwise within ten (10) days after notice of Landlord.

10. UTILITIES

Tenant shall be solely responsible for and shall promptly pay all charges for use or consumption for heat, sewer, water, gas, electricity or any other utility services.

11. INDEMNITY

Tenant hereby agrees to defend, pay, indemnify and save free and harmless Landlord, from and against any and all claims, demands, fines, suits, actions, proceedings, orders, decrees, and judgments of any kind or nature by or in favor of anyone whomsoever and from and against any and all costs and expenses, including reasonable attorney's fees, resulting from or in connection with loss of life, bodily or personal injury or property damage arising, directly or indirectly, out of or from or on account of any occurrence in, upon, at or from the Premises or occasioned wholly or in part

through the use and occupancy of the Premises or any improvements therein or appurtenances thereto, or by any act of omission or negligence of Tenant or any subtenant, concessionaire or licensee of Tenant, or their respective employees, agents, or contractors in, upon, at or from its or their negligence. Landlord shall not be responsible or liable for damages at any time for any defects, latent or otherwise, in any buildings or improvements, in the building, nor shall Landlord be responsible or liable for damages at any time for loss of life, or injury or damage to any person or to any property or business of Tenant, or those claiming by, through, or under Tenant, caused by or resulting from the bursting, breaking, leaking, running, seeping, overflowing, or backing up of water, steam, gas, sewage, snow, or ice in any part of the Premises or caused by or resulting from acts of God or the elements, or resulting from any defect or negligence in the occupancy, construction, operation, or use of any buildings or improvements in the building, including the Premises.

12. INSURANCE

12.1 Subrogation

Each party hereto waives its right of subrogation against the other for any reason whatsoever, and any insurance policies herein required to be procured by either shall contain an express waiver of any right of subrogation by the insurer against the other.

12.2 Lenders

Any mortgage lender interested in any part of the Premises may, at Landlord's option, be afforded coverage under any policy required to be secured by Landlord or Tenant hereunder, by use of a mortgagee's endorsement to the policy concerned.

13. CONDEMNATION

13.1 Total Condemnation

If the whole of the Premises shall be acquired or taken by condemnation proceeding, then this Lease shall cease and terminate as of the date of title vesting in such proceeding.

13.2 Landlord's Option to Terminate

If more than fifty percent (50%) of the floor area of the building in which the Premises are located shall be taken as aforesaid, Landlord may, by written notice to Tenant, terminate this Lease. If this Lease is terminated as provided in this subsection, rent shall be paid up to the day that possession is so taken by public authority and Landlord shall make an equitable refund of any rent paid by Tenant in advance.

13.3 Award

Tenant shall not be entitled to and expressly waives all claim to any condemnation award for any taking, whether whole or partial and whether for diminution in value of the leasehold or to the fee, although Tenant shall have the right, to the extent that the same shall not reduce Landlord's award, to claim from the condemnor, but not from the Landlord, such compensation as may be recoverable by Tenant, in its own right, for damages to Tenant's business and fixtures.

14. EVENTS OF DEFAULT, REMEDIES

14.1 Default by Tenant

Upon the occurrence of any of the following events, Landlord shall have the remedies set forth in Section 14.2 of this Lease.

(a) Tenant fails to pay any rental or any other sum due hereunder within ten (10) days after the same shall be due.

(b) Tenant fails to perform any other term, condition, or covenant to be performed by it pursuant to this Lease within ten (10) days after written notice of such default shall have been given to Tenant by Landlord.

(c) Tenant or its agent shall falsify any report required to be furnished to Landlord hereunder.

(d) Tenant or any guarantor of this Lease shall become bankrupt or insolvent or file any debtor proceedings or have taken against such party in any court pursuant to state or federal statute, a petition in bankruptcy or insolvency, reorganization, or appointment of a receiver or trustee; or Tenant petitions for or enters into an arrangement; or suffers this Lease to be taken under a writ of execution.

14.2 Remedies

Upon the occurrence of the events set forth in Section 14.1 Landlord shall have the option to take any or all of the following action, without further notice of demand of any kind to Tenant or any other person:

(a) Immediately re-enter and remove all persons and property from the Premises, storing said property in a public place, warehouse, or elsewhere at the cost of, and for the account of, Tenant, all without service of notice or resort to legal process and without being deemed guilty of or liable in trespass. No such re-entry or taking possession of the Premises by Landlord shall be construed as an election on its part to terminate this Lease unless

a written notice of such intention is given by Landlord to Tenant. No such action by Landlord shall be considered or construed to be a forcible entry.

(b) Collect by suit or otherwise each installment of rent or other sum as it becomes due hereunder, or enforce, by suit or otherwise, any other term or provision hereof on the part of Tenant required to be kept or performed.

(c) Terminate this Lease by written notice to Tenant. In the event of such termination, Tenant agrees to immediately surrender possession of the Premises. Should Landlord terminate this Lease, it may recover from Tenant all damages it may incur by reason of Tenant's breach, including the cost of recovering the Premises, reasonable attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of the rent and charges equivalent to rent reserved in this Lease for the remainder of the stated term over the then reasonable rental value of the Premises for the remainder of the stated term, all of which amounts shall be immediately due and payable by Tenant hereunder subsequent to default, the rent for each year of the unexpired term shall be equal to the average minimum, percentage, and additional rents paid by Tenant from Commencement Date to the time of default, or during the preceding three (3) full calendar years, whichever period is shorter.

(d) Should Landlord re-enter, as provided above, or should it take possession pursuant to legal proceedings, or pursuant to any notice provided for by law, whether or not it terminates this Lease, it may be necessary in order to relet the Premises to relet the same or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable. Upon each such reletting all rentals received by the Landlord from such reletting shall be applied, first, to the payment of any indebtedness other than rent due hereunder from Tenant to Landlord; second, to the payment of any costs and expenses of such reletting, including brokerage fees and attorney's fees and costs of any alterations and repairs; third, to the payment of rent due and unpaid hereunder, and the residue if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder. If such rentals received from such reletting during any month be less than that to be paid during such month by Tenant hereunder, Tenant shall pay any such deficiency to Landlord. Such deficiency shall be calculated and paid monthly. No such re-entry and reletting of the Premises by landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to Tenant pursuant to subsection (c) above, or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach.

The remedies given to Landlord in this Section shall be in addition and supplemental to all other rights or remedies which Landlord may have under laws then in force.

15. ACCESS TO PREMISES

Landlord shall have the right to place, maintain, and repair all utility equipment of any kind in, upon and under the Premises as may be necessary for the servicing of the Premises and other portions of the Building. Landlord shall also have the right to enter the Premises at all times to inspect the same or to exhibit the same to prospective purchasers, mortgagees, tenants, and lessees, and to make such repairs, additions, alterations, or improvements as Landlord may deem desirable.

16. QUIET ENJOYMENT

Tenant, upon paying the rents and observing and performing all of the terms, covenants, and conditions of its part to be performed hereunder, shall peaceably and quietly enjoy the Premises for the term hereof.

17. SURRENDER OF PREMISES

At the expiration of this Lease, Tenant shall surrender the Premises in the same condition as they were in upon delivery of possession thereto under this Lease, reasonable wear and tear excepted, and shall deliver all keys to Landlord. Before surrendering the Premises, Tenant shall remove all of its personal property and trade fixtures and such alterations or additions to the Premises made by Tenant as may be specified for removal by Landlord, and shall repair any damage caused by such property or the removal thereof. If Tenant fails to remove its personal property and fixtures upon the expiration of this Lease, the same shall be deemed abandoned and shall become the property of the Landlord.

18. SIGNS

Tenant shall not, without Landlord's prior written consent, (a) make any changes to the store front as existing, or (b) install any exterior signs, lighting or awnings, or any exterior decorations, windows and doors, etc.

19. HOLDING OVER

Any holding over after the expiration of the term hereof or of any renewal term shall be construed to be a tenancy from month to month at the rents herein specified (prorated on a monthly basis) and shall otherwise be on the terms herein specified as far as possible.

20. ATTORNEY'S FEES

In the event that at any time during the term of this Lease, either Landlord or the Tenant institutes any action or proceeding against the other relating to the provisions of this Lease or any default hereunder, then the unsuccessful party in such action or proceedings agrees to reimburse the successful party for the reasonable expenses of such action including reasonable attorney's fees, incurred therein by the successful party, such fees not to exceed \$2,500.00.

21. PAST DUE SUMS

If Tenant fails to pay, when the same is due and payable, any rent, additional rent, or other sum required to be paid by it hereunder, such unpaid amounts shall bear interest from the due date thereof to the date of payment at the rate of twenty (20%) percent per annum. In addition thereto, Landlord may charge a sum of ten (10%) percent of such unpaid amounts as a service fee. Notwithstanding the foregoing, however, Landlord's right concerning such interest and service fee shall be limited by the maximum amount which may properly be charged by Landlord for such purposes under applicable law.

22. COMMON AREAS

All common areas in the Shopping Center which Tenant may be permitted to use and occupy are to be used and occupied under a revocable license, and if any such license be revoked or if the amount of such areas be changed or diminished, Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent nor shall revocation or diminution of such areas be deemed constructive or actual eviction. All common areas and other facilities in or about the Shopping Center shall be subject to the exclusive control and management of Landlord. Landlord shall have the right to construct, maintain, and operate lighting and other facilities on all said areas and improvements; to police the same; to change the area, level, location, and arrangement of parking areas and other facilities; to restrict parking by Tenants, their officers, agents, and employees; to close all or any portion of said areas or facilities to such extent as may be legally sufficient to prevent a dedication thereof or the accrual of any right to any person or the public therein; and to close temporarily all or any portion of the parking areas or facilities to discourage non-customer parking. Landlord shall operate and maintain the common areas in such manner as Landlord in its discretion shall determine, shall have full right and authority to employ and discharge all personnel with respect thereto, and shall have the right, through reasonable rules, regulations, and/or restrictive covenants promulgated by it from time to time to control use and operation of the common areas in order that the same may occur in a proper and orderly fashion.

23. ASSIGNMENT

23.1 Assignment Prohibited

Tenant shall not transfer, assign, mortgage, or hypothecate this Lease, in whole or in part, or permit the use of the Premises by any person or persons other than Tenant, or sublet the Premises, or any part thereof, without the prior written consent of Landlord in each instance which shall be in the sole and absolute discretion of Landlord. Such prohibition against assigning or subletting shall include any assignment or subletting by operation of law. Any transfer of this Lease from the Tenant by merger, consolidation, transfer of assets, or liquidation shall constitute an assignment for purposes of this Lease. In the event that Tenant hereunder is a corporation, an unincorporated association, or a partnership, the transfer, assignment, or hypothecation of any stock or interest in such corporation, association, or partnership in the aggregate in excess of forty-nine (49%) percent shall be deemed an assignment within the meaning of this section.

23.2 Consent Required

An assignment or subletting without Landlord's consent shall be void, and shall constitute a default hereunder which, at the option of Landlord, shall result in the termination of this Lease or exercise of Landlord's other remedies hereunder. Consent to any assignment or subletting shall not operate as a waiver of the necessity for consent to any subsequent assignment or subletting, and the terms of such consent shall be binding upon any person holding by, under, or through Tenant.

24. INSURANCE

24.1 Common Area Fire, Casualty, and General Liability Insurance

Landlord shall procure and Tenant shall pay its Proportionate Share of the cost of insurance procured by Landlord insuring the Landlord against loss or damage to the Premises and property by reason of fire and other casualties with a qualified insurance company or companies qualified in an amount and of such coverage as are satisfactory to and approved by Landlord, against: (a) a loss or damage by fire; (b) all peril customarily covered under extended coverage endorsements; (c) vandalism and malicious mischief; (d) all risk coverage for physical damage to Premises.

Landlord shall procure and Tenant shall pay its proportionate share of the cost of insurance for all Common Areas insuring the Landlord against General Liability. The limits of liability to be carried will not be less than One Million (\$1,000,000.00) Dollars for injury or death to any one person and One Million (\$1,000,000.00) Dollars for injury or death for all persons arising

out of a single accident, and not less than One Million (\$1,000,000.00) Dollars to the property of any one person or persons.

The cost of such insurance coverage as required hereunder shall be paid by Tenant in monthly installments in such amounts as are estimated and billed by Landlord at the beginning of a twelve-month period commencing and ending on dates designated by Landlord, each such installment being due on the first day of each month.

24.2 Liability Insurance on Tenant's Premises

Tenant agrees to secure and keep in force from and after the date Landlord shall deliver possession of the Premises to Tenant and throughout the Lease Term at Tenant's own cost and expense, a Comprehensive General Liability Insurance on an occurrence basis with a minimum limit of liability in an amount not less than One Million (\$1,000,000.00) Dollars. This insurance coverage shall include water damage and sprinkler leakage legal liability as well as contractual liability endorsement covering the matters set forth in Section 24.1 hereof. Landlord shall be named as an additional insured under the Tenant's general liability policy. Proof of Insurance shall be submitted to Landlord and shall be current.

This insurance coverage shall also include Plate Glass Insurance covering all plate glass in the Premises, but Tenant shall have the option to self-insure this risk.

25. DAMAGE OR DESTRUCTION

25.1 Insured or Minor Damage

Subject to the provisions of subsection 25.3, if at any time during the term hereof the Premises are destroyed or damaged and either (a) such damage is not "substantial" as that term is hereinafter defined, or (b) such damage was caused by casualty required to be insured against, then Landlord shall promptly repair such damage at Landlord's expense and this Lease shall continue in full force and effect.

25.2 Major Damage

Subject to the provisions of subsection 25.3, if at any time during the term hereof the Premises are destroyed or damaged and if such damage is "substantial" as that term is hereinafter defined, and if such damage was caused by a casualty not required to be insured against, then Landlord may at its option either (a) repair such damage as soon as reasonably possible at Landlord's expense, in which event this Lease shall continue in full force and effect, or (b) cancel and terminate this Lease as of the date of the occurrence of such damage, by giving Tenant written notice of its election to do so within ninety (90) days after the date of occurrence of such damage.

25.3 Damage Near End of Term

If the premises are destroyed or damaged during the last twenty-four (24) months of the term of this Lease and the estimated cost of repair exceeds ten percent (10%) of the Minimum Monthly Rent then remaining to be paid by Tenant for the balance of the term, Landlord may at its option cancel and terminate this Lease as of the date of occurrence of such damage by giving written notice to Tenant of its election to do so within thirty (30) days after the date of occurrence of such damage. If Landlord shall not so elect to terminate this Lease, the repair of such damage shall be governed by subsection 25.1 or 25.2 as the case may be.

25.4 Partial Destruction of the Shopping Center

If fifty percent (50%) or more of the Shopping Center shall be damaged or destroyed by fire or any other cause, notwithstanding that the Premises may be unaffected thereby, Landlord may at its option cancel and terminate this Lease by giving written notice of its election to do so within ninety (90) days from the date of occurrence of such damage or destruction, in which event the term of this Lease shall expire at the end of the calendar month in which such notice is given, and Tenant shall thereupon surrender the Premises to Landlord.

25.5 Abatement of Rent

(a) If the Premises are destroyed or damaged and Landlord repairs or restores them pursuant to the provisions of this Section, Tenant shall continue the operation of its business in the Premises to the extent reasonably practicable from the standpoint of prudent business management; and the Minimum Monthly Rent payable hereunder for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which the Premises are rendered untenable. There shall be no abatement of the Percentage Rent or any item of additional rent or other monetary charge payable hereunder, and Tenant shall have no claim against Landlord for any damage suffered by Tenant by reason of any such damage, destruction, repair or restoration.

(b) If Landlord shall be obligated to repair or restore the Premises under the provisions of this Section and shall not commence such repair or restoration within ninety (90) days after such obligation shall accrue, Tenant may at its option cancel and terminate this Lease as of the date of occurrence of such damage by giving Landlord written notice of its election to do so at any time prior to the commencement of such repair or restoration.

25.6 Definitions

(a) For the purpose of this Section, "substantial" damage to the Premises shall be deemed to be damage, the estimated cost of repair of which exceeds one-fifth (1/5) of the then estimated replacement cost of the Premises.

(b) The determination in good faith by Landlord of the estimated cost of repair of any damage and/or the estimated replacement cost of any building shall be conclusive for the purpose of this Section.

26. MISCELLANEOUS PROVISIONS

26.1 No Waiver

Failure of Landlord to insist upon the strict performance of any provision or to exercise any option hereunder shall not be deemed a waiver of such breach.

No provision of this Lease shall be deemed to have been waived unless such waiver be in writing signed by Landlord.

26.2 Notices

Any notice, demand, request, or other instrument which may be or is required to be given under this Lease shall be delivered in person or sent by United States certified or registered mail, postage prepaid, and shall be addressed (a) if to Landlord, at the place specified for payment of rent, and (b) if to Tenant, either at the Premises or at any other current address for Tenant which is known to Landlord. Either party may designate such other address as shall be given by written notice. Such notice, demand, request, or other instrument shall be deemed delivered effective as of the third day after the day on which it was mailed pursuant hereto.

To Landlord:

Sugarland Development Company

P.O. Box 7279

Sheridan, Wyoming 82801

To Tenant:

D&B Liquors LLC

DbA Rendezvous Liquor & Lounge

1842 Sugarland Drive, #105

Sheridan, WY 82801

26.3 Recourse by Tenant

Anything in this Lease to the contrary notwithstanding, Tenant agrees that it shall look solely to the estate and property of Landlord in the land and buildings of Premises, and subject to prior rights of any mortgagee of any part thereof, for the collection of any judgement (or other judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms, covenants, and conditions of this Lease to be observed and/or performed by Landlord, and no other assets of Landlord shall be subject to levy, execution, or other procedures for the satisfaction of Tenant's remedies.

26.4 Use of Premises

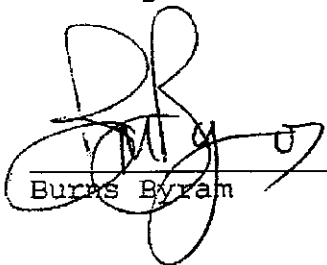
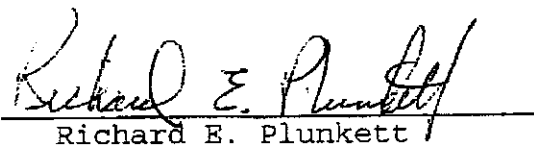
These Premises shall be used for the sale of alcoholic or malt beverages. Sugarland Development has no objections to this use so long as it does not in any way conflict with any law, statute, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted or promulgated.

27. AUTHORITY OF SIGNATORIES

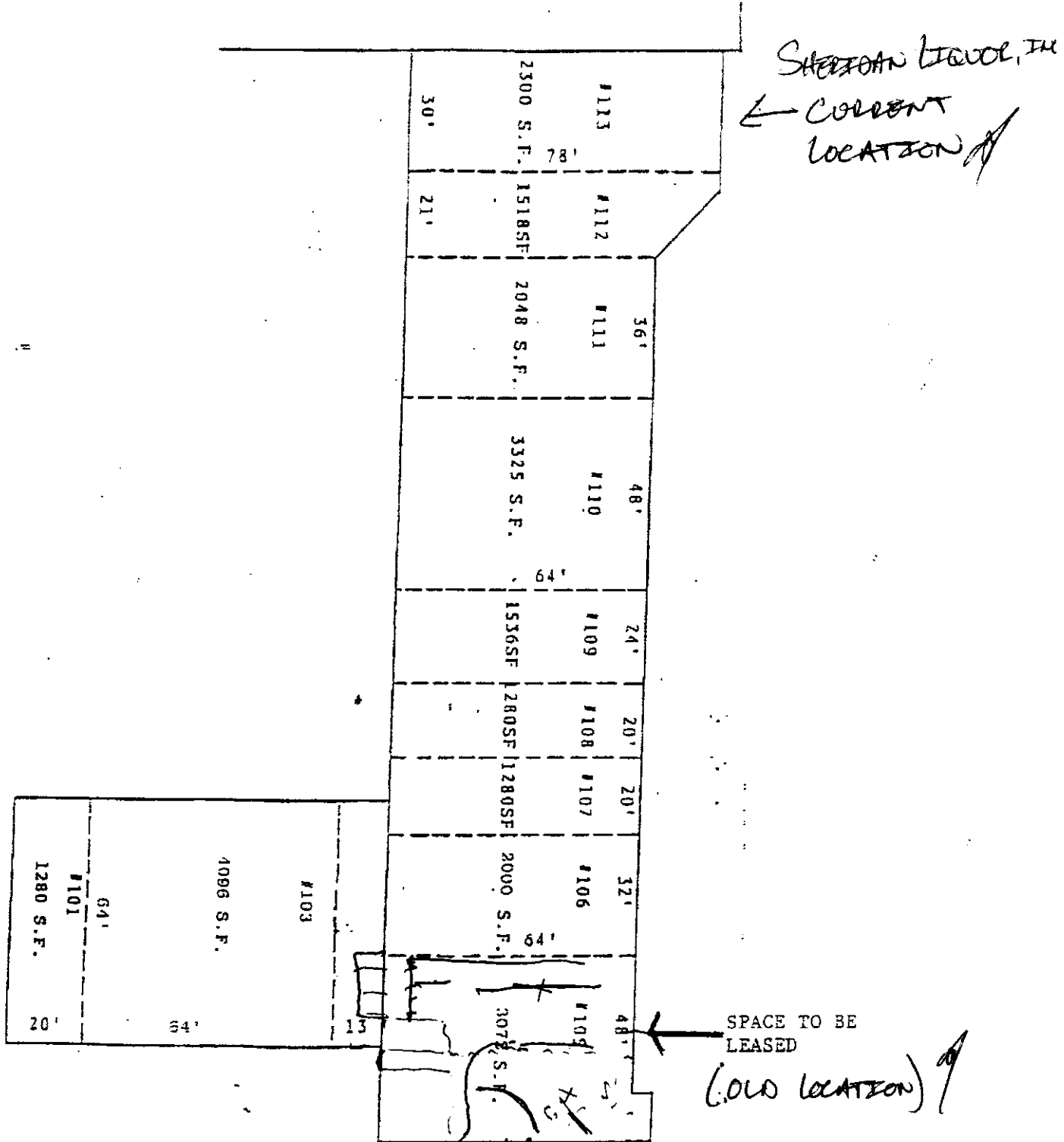
Each person executing this Lease individually and personally represents and warrants that he is duly authorized to execute and deliver the same on behalf of the entity for which he is signing (whether it be a corporation, general, or limited partnership, or otherwise) and that this Lease is binding upon said entity in accordance with its terms.

GUARANTEE:

FOR VALUE RECEIVED, the undersigned hereby unconditionally guarantees the prompt and faithful performance by the Tenant of all of the obligations of the Tenant set forth in the aforesaid Lease Agreement, and modifications of said Agreement.


Buras Byram
Richard E. Plunkett

BUTTREY'S



SUGARLAND VILLAGE

EXHIBIT "A"



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 Discussion of SAWS Consolidation Agreement - City Attorney Brendon Kerns, Utilities Director
Name: Dan Roberts
From: Brendon Kerns, City Attorney
To: Mayor and Council
CC:
Date:

Discussion:

See attached documents

Attachments

Memo
Dissolution Agreement highlights
DRAFT agreement
Technical Memo
Customer Estimate

TARVER, KERNS & BUNTING, LLP

200 WEST LOUCKS STREET
SHERIDAN, WY 82801

TIMOTHY S. TARVER, LLC

P.O. Box 6284
Sheridan, WY 82801
(307) 672-8905 | (307) 674-5000 fax

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: October 19, 2023
To: City Governing Body
RE: SAWS Consolidation

Mayor and Council,

The County has presented the City with an option of consolidating the SAWS system and termination of the SAWS Joint Powers Board. An analysis of a consolidation was performed by SCS Engineers. The analysis is included within your packet.

The SCS Engineers analysis found:

- (1) SAWS and City should consider having the City acquire the SAWS system, assets and customers.
- (2) The City's existing customers would not be negatively impacted by the acquisition of SAWS.
- (3) Rural Water customers with a ¾" meter would save approximately 45.7% on their water bill.
- (4) A consolidation will not result in a rate increase to City customers.

The proposed Sheridan Area Water Supply Joint Powers Board Dissolution Agreement will set forth the road map to consolidation. The significant terms of the agreement are as follows:

- (1) The SAWSJPB will dissolve April 1, 2024.
- (2) The City will pay its loans owed to SAWS totaling approximately \$680,000.00.
- (3) SAWS will use its \$4.2 million of reserves to pay off all SAWS debt totaling \$2.00 million. The remaining balance will be placed in a separate City enterprise fund to be used exclusive for the benefit of Sheridan County rural water users.
- (4) All SAWS assets and property will be set over to the City.
- (5) A joint County and City committee will be established. The committee will approve

rural water user rates and develop a rural water master plan. Once water rates are approved by the committee, the rates will be submitted to the City Governing Body for approval.

- (6) The initial water rate shall be in accordance with a rate study. If the committee and the City cannot agree on the rate, the rate shall be defaulted to 125% of the City rate. This is the maximum amount allowed by Wyoming Statute.
- (7) Any rural water user will have a statutory right to contest a rural water system decision or rate change by petitioning the Wyoming Public Service Commission. See W.S. 15-7-602(c) for reference.

When this agreement is approved by the County, it will be submitted to the City for approval. It is estimated that approval will occur in November.

TARVER, KERNS & BUNTING, LLP

Brendon E. Kerns

SHERIDAN AREA WATER SUPPLY JOINT POWERS BOARD DISSOLUTION AGREEMENT

WHEREAS, by agreement dated June 3, 1988, the City of Sheridan, Wyoming and Sheridan County, Wyoming, as Participating Agencies, pursuant to W.S. 16-1-102 through W.S. 16-1-109, established the Sheridan Area Water Supply Joint Powers Board (SAWSJPB); and

WHEREAS, the Participating Agencies have determined that it is now in the best interest of the public that the SAWSJPB be dissolved, subject to the terms and conditions of this Dissolution Agreement;

NOW THEREFORE, the Participating Agencies enter into this Dissolution Agreement to effectuate the transition of ownership of assets and operation of the water utility system from SAWSJPB to the City of Sheridan in accordance with the following:

Section 1. The SAWSJPB shall be dissolved effective April 1, 2024.

Section 2. Prior to the effective date of dissolution, the City of Sheridan shall pay to SAWSJPB the outstanding balance of its two loans:

- Loan per City Resolution No. 24-12 (dated September 4, 2012), with current balance of \$300,475.88.
- Loan for 20" Pipeline (dated December 12, 2008), with a current balance of \$381,823.11.

Section 3. Per Article XI, Section 2, of the June 3, 1988, Agreement, prior to the date of dissolution, SAWSJPB shall pay off all of its outstanding debts and obligations.

Section 4. Prior to the effective date of dissolution, all remaining funds held by SAWSJPB after paying off all its debts and obligations, shall be paid over to the City of Sheridan.

Section 5. The City of Sheridan shall hold the funds transferred from SAWSJPB is a separate account within the City's water utility fund for the exclusive purpose and support of service for the Sheridan County rural water users.. The term, "rural water users," when used in this Agreement, means those water users located within the Service Area but outside of the City's municipal boundary.

Section 6. Prior to the effective date of dissolution, all physical assets, water rights, and any other non-cash assets held SAWSJPB shall be transferred by appropriately executed and recorded instruments of conveyance to the City of Sheridan.

Section 7. Upon the effective date of dissolution, the City of Sheridan shall be responsible for all administration, operation, and maintenance of the water utility service previously provided by SAWSJPB.

Section 8. Upon the effective date of dissolution, the “Rural Water Committee” (Committee), shall be created as allowed by W.S. 16-1-101 et. seq. which shall have the sole purposes of evaluating and approving proposed rate changes for Sheridan County rural water users as provided in Section 9 and to develop a master plan as provided in Section 10. The Committee shall consist of 5 member with 3 members from the Board of County Commissioners and 2 members from the City Governing Body. Meetings shall be open to the public and comply with all Wyoming open meeting laws.

Section 9. Rate adjustments are subject to. W.S. 15-7-602. The initial rate shall be based on financial analysis by a third-party consultant mutually selected by the City and County. If the Committee cannot agree on the initial rate, or the third-party analysis is not complete, the default initial rate shall be 125% of the city water rate. The County or the City may request a periodic financial analysis be performed. Upon action having been taken by the Committee, the decision will be sent to the City of Sheridan Governing Body for adoption.

Section 10. The Committee shall, in consultation with the County and City staff, periodically meet to develop and adopt a water master plan for the purposes for rural growth, capital project needs and the proposed financing thereof. This authority shall not extend to capital projects of the City’s water utility system that happen to traverse areas outside of its municipal boundary but are constructed to serve only City water users. The rural master plan adopted by the Committee shall be submitted to the City of Sheridan Governing Body and Sheridan Board of County Commissioners for adoption.

Section 11. As of the effective date of dissolution, all ancillary agreements between or among Sheridan County, the City of Sheridan, and SAWSJPB regarding ownership, administration, operation, maintenance shall become null and void.

Section 12. At all times, the Sheridan County Board of County Commissioners shall have the authority to hear complaints or concerns regarding water utility service from the users within the Service Area but outside of the City of Sheridan municipal boundary and to convey such to the City of Sheridan Utilities Department. All rural water users shall have the right to contest a City decision to the Wyoming Public Service Commission in accordance with W.S. 15-7-602(c).

Section 13. The City indemnifies and shall defend Sheridan County, being a SAWSJPB participating agency, from any and all claims and liabilities, known or unknown, against the SAWSJPB which were the result or cause of any action or inaction of the SAWSJPB and its administration. The City does not indemnify or provide any liability protection for any action or inaction which was committed solely by Sheridan County.

Section 14. The City and County mutually agree to approve or execute any document, contract, assignment, or deed to effectuate the purpose of this Agreement.

Dated this _____ day of _____, 2023

SHERIDAN COUNTY

Sheridan County Board of County Commissioners
Christi Haswell, Chairwoman

Attest: Sheridan County Clerk,
Eda Schunk Thompson

Dated this _____ day of _____, 2023

CITY OF SHERIDAN

City of Sheridan Mayor, Richard Bridger

Attest: City of Sheridan Clerk,
Cecilia Good

SHERIDAN AREA WATER SUPPLY JOINT POWERS BOARD DISSOLUTION AGREEMENT

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Section 9. Rate adjustments are subject to. W.S. 15-7-602. The initial rate shall be based on financial analysis by a third-party consultant mutually selected by the City and County. If the Committee cannot agree on the initial rate, or the third-party analysis is not complete, the default initial rate shall be 125% of the city water rate. The County or the City may request a periodic financial analysis be performed. Rural water rate changes shall be approved by the Committee. Upon the Committee making a decision the rate change will be sent to the City of Sheridan Governing Body for ratification.

Section 10. The Committee shall, in consultation with the County and City staff, periodically meet to develop and adopt a water master plan for the purposes of rural growth, capital project needs and the proposed financing thereof. This authority shall not extend to capital projects of the City’s water utility system that happen to traverse areas outside of its municipal boundary but are constructed to serve only City water users. The rural master plan adopted by the Committee shall be submitted to the City of Sheridan Governing Body and Sheridan Board of County Commissioners for adoption.

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Section 13. The City indemnifies and shall defend Sheridan County, being a SAWSJPB participating agency, from any and all claims and liabilities, known or unknown, against the SAWSJPB which were the result or cause of any action or inaction of the SAWSJPB and its administration. The City does not indemnify or provide any liability protection for any action or inaction which was committed solely by Sheridan County.

Section 14. The City and County mutually agree to approve or execute any document, contract, assignment, or deed to effectuate the purpose of this Agreement.

Dated this _____ day of _____, 2023

SHERIDAN COUNTY

Sheridan County Board of County Commissioners
Christi Haswell, Chairwoman

Attest: Sheridan County Clerk,
Eda Schunk Thompson

Dated this _____ day of _____, 2023

CITY OF SHERIDAN

City of Sheridan Mayor, Richard Bridger

Attest: City of Sheridan Clerk,
Cecilia Good

July 26, 2023

TECHNICAL MEMORANDUM

TO: Dan Roberts, Public Works Director, City of Sheridan
Dan Coughlin, Administrator, SAWSJPB

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

SUBJECT: SAWS Water Rate Study and City Scenario Analysis Study

This memorandum highlights the results of an updated projection of revenue sufficiency that was conducted for the City of Sheridan, Wyoming (City) and the Sheridan Area Water Supply Joint Powers Board (SAWS) by SCS Engineers' Management Services team (SCS).

BACKGROUND

The City of Sheridan, operates and maintains its own water system, serving about 8,300 customers. The City also operates and maintains the SAWS water system, which serves about 2,000 customers. SAWS and the City operate the system through an Operating Agreement and own certain assets together, documented in an Ownership Agreement.

SAWS and the City are interested in determining whether making the SAWS system and assets part of the City's system and treating SAWS customers as City or outside City customers would be beneficial for the SAWS ratepayers without adding any burden onto the City's ratepayers. SCS was engaged to review the current financial health of SAWS and compare the City's financial health and projected SAWS customer rates if the City takes over the SAWS water system.

PROJECT OBJECTIVE

The objectives of the study were as follows:

- Perform a 20-year revenue sufficiency analysis for SAWS 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, for the existing SAWS system. This plan should satisfy operating and capital requirements, maintain adequate operating reserves, and minimize rate increases to customers.
- Test a scenario where the City takes over the ownership of the SAWS system and the impacts on both City and SAWS ratepayers.
- Assist in reviewing the Ownership and Operating Agreements for updates by the City/SAWS and their attorneys.

ANALYSIS

Description

In order to initialize the Study, we obtained SAWS' fund balances, historical and budgeted financial information, customers served, and documented any current financial and debt policies affecting SAWS. We also spoke with SAWS staff regarding other assumptions and policies that would affect financial performance, such as trends in demands, planned developments/customer growth, capital funding sources, escalation rates for operating costs, impacts of potential regulatory and legislative initiatives, etc.

We then input this information into our revenue sufficiency model. The model creates a multi-year projection of the current water rates and other miscellaneous revenues to assess whether or not SAWS can meet its projected financial requirements throughout the projection period through FY 2042.

The model then calculates the level of revenue adjustments required for SAWS to meet its revenue requirements, if any. It replicates SAWS' cash flows in each year of the projection period, based upon projected expenses, City policies, and available fund balances. In each year, the model uses unrestricted fund balances and revenues available to pay for expenditures in that year.

Source Data

The following sections present the key source data used for the Study:

Beginning Fund Balances

Trial balance schedules for the fiscal year ended 6/30/2021 provided by SAWS staff were used to establish fund balances for the utility.

Rate Revenues

Water rate revenues for FY 2022 and FY 2023 were based upon the FY 2022 Actuals and FY 2023 Budget, respectively. Beginning in FY 2024, rate revenues were calculated based upon prior year rate revenues, projected growth in accounts, and assumed rate revenue adjustments.

Other Revenues

All other revenues (with the exception of interest earnings, discussed in Assumptions below) for FY 2022 and FY 2023 were based upon FY 2022 Actuals, FY 2023 Budget, and discussions with SAWS staff. In each subsequent year, these revenues were based upon the FY 2023 projection.

Operating Expenses

Expenses in FY 2022 and FY 2023 were based upon an evaluation of multiple years of historical results, the FY 2022 Actuals, FY 2023 Budget, and conversations with SAWS staff. In each year thereafter, expenses were based on the FY 2023 projection, conversations with SAWS staff, and assumed cost escalation factors that were reviewed with SAWS staff.

Existing Debt Service

SAWS provided the debt service amortization schedules for all outstanding loans.

Capital Improvement Program (CIP) and Borrowing

At this time, SAWS does not anticipate additional borrowing, as there are no large projects planned. All other routine capital is funded through reimbursements to the City, who executes the capital program for SAWS. These costs are included in the City's capital program and in City reimbursements in the SAWS budgets.

Agreements

SAWS provided the Ownership Agreement and Operating Agreement between SAWS and the City of Sheridan.

Assumptions

Growth

Growth in accounts and volume was based on an analysis of customer and usage data. Accounts were assumed to increase 2.02% each year through FY 2026 and 1.01% per year thereafter. Usage was assumed to increase 1.47% each year through FY 2026 and 0.73% per year thereafter.

Cost Escalation

Beginning in FY 2023, escalation factors were applied to each line item in the operating budget based upon historical trends, relevant indices, our industry experience, and discussions with City staff.

Interest Earnings

The Study assumes interest rate earnings of 0.60% in each year of the projection period, based upon Staff input and recent interest earnings.

Reserve Policies

Working capital reserve policies are developed by many cities, counties, and utilities to have funds available for short-term cash flow requirements and to minimize risk from unexpected occurrences such as lower than expected revenues, unanticipated operating expenses, or capital projects brought on by emergencies such as natural disasters. In our experience, many utilities have policies to maintain approximately 3 to 6 months of O&M expenses as a working capital reserve. This is also consistent with evaluation criteria from various ratings agencies for a healthy utility.

This analysis assumes that the City has a working capital reserve target of 3 months of O&M expenses.

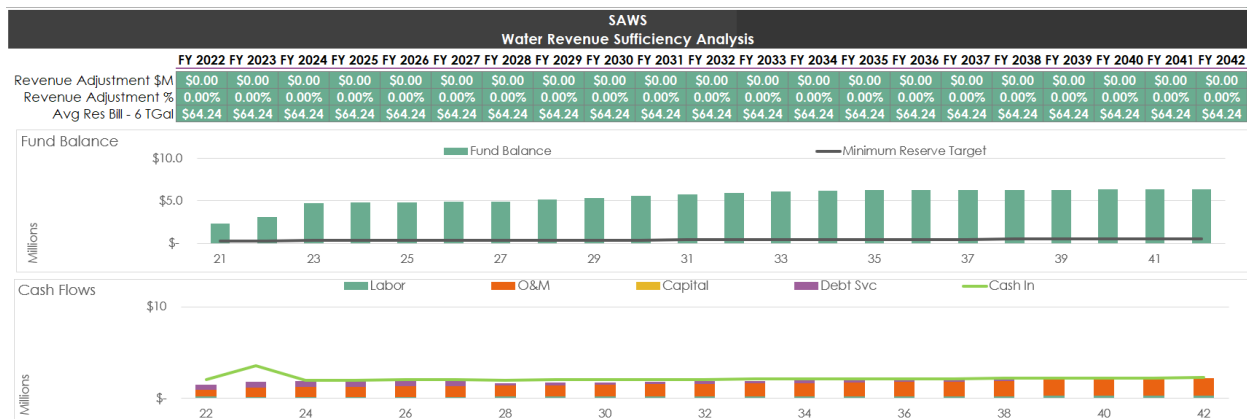
Revenue Sufficiency Analysis

After loading the revenue sufficiency model and calibrating it to SAWS' financial dynamics, we conducted an interactive meeting with staff to review the data provided. During the meeting, we projected our model onto a viewing screen, walked staff through the data, and discussed any questions that arose during our analysis. We also discussed the assumptions used in the preliminary analysis and any policies or regulatory requirements that may affect operational requirements during the projection period.

Once we reviewed the model, we began to test the sensitivity of the financial outcomes to changes in variables, such as account growth, additional capital spending, fleet additions, projected hiring needs, or changes in funding sources for capital projects. For each scenario tested, we developed a corresponding financial management plan and series of annual revenue adjustments that would allow SAWS to meet its cost requirements while attaining its strategic goals and financial performance objectives.

Results

Based on the source data and input provided by the City, and the assumptions and policies described herein, SAWS current revenues are sufficient to fund its ongoing operating, capital, and working capital reserve targets in every year of the 20-year projection period, as reflected in the screenshot below.



The detailed schedules in **Appendix A** of this report reflect the revenues, expenses, source data, assumptions, and cash flows described herein and reflected in the screenshot above.

City Scenario Analysis

Once we established the baseline financial plan and impact on the average SAWS customer, we began to test the impact to City customers if the City acquired SAWS. We did this by analyzing which of SAWS' funds, operating costs, and debt service would transfer to the City.

SAWS Cost and Fund Transfer

We first reviewed the SAWS line-item budget to determine which costs, if any, would transfer to the City if the City acquired SAWS. For example, SAWS' salary and benefits costs would not transfer to the City, as the City already has adequate staffing, but some of the costs of insurance and financial services would likely be incurred by the City. In total, it is anticipated that City costs would increase by approximately \$19,000 per year.

SAWS currently has annual debt service payments on several SRF loans, some of which costs are shared by the City. However, if SAWS is acquired, those loans would need to be paid in full. It is assumed that SAWS fund balance would be used to pay off the approximately \$4.2 million remaining on these loans. The remainder of the available SAWS funds, approximately \$2.0 million, would transfer to the City.

SAWS Customer Impacts

If the City began to bill SAWS customers, they could be treated as Outside City customers. A detailed billing analysis was performed to compare the potential customer impacts. Based on average SAWS customer usage of approximately 6,000 gallons for a 3/4" meter, the average customer would have their bill decrease by approximately \$30.00, or 45.7%, as shown in the table below.

SAWS Billing Analysis

Fiscal Year	FY 2023
SAWS Average Monthly Water Usage by Meter Size	
0.625 x 0.75"	5,981
Revenue Under Current Rates	
SAWS Average Bill - 0.625 x 0.75"	
Fixed Charge	\$ 53.42
Tier 1 Charge	\$ 12.23
Total Bill	\$ 65.65
Revenue Under Outside City Rates	
SAWS Average Bill - 0.625 x 0.75"	
Fixed Charge	\$ 24.86
Tier 1 Charge	\$ 10.75
Total Bill	\$ 35.62
% Change	-45.7%

City Customer Impacts

This information was brought into the City's financial projections to determine whether there would be a negative impact on the City's existing customers. As the City is already operating and maintaining the SAWS system, the City's costs would increase only slightly, as discussed above.

These changes in costs are offset by the addition to fund balance from the SAWS fund balance transfer. The City still anticipates no rate increases for the next 5 years.

Agreement Review

As part of the potential asset transfer, the City and SAWS wanted to review their Operating and Ownership Agreements. SCS created a list of system assets and understanding of the allocated ownership of those assets between the City and SAWS. We also brought the agreements into Microsoft Word documents and have provided these to the City and SAWS for review with their attorneys.

Should the City not acquire SAWS, the Operating Agreement will still need to be updated to reflect current understanding of operations. The Ownership Agreement may need to be updated as well, to reflect any system changes or additional assets that may not currently be reflected in the agreement.

CONCLUSIONS & RECOMMENDATIONS

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

- The City's existing customers would not be negatively impacted by the acquisition of SAWS.
- SAWS customers would experience significant decreases to their bills if billed under the City's Outside City rates.
- SAWS and the City should consider having the City acquire the SAWS system assets and customers.

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



Kira Bieber
Financial Analyst
SCS Engineers

SAWS
Water Revenue Sufficiency Analysis

Results as of July 26, 2023

Appendix A



**Sheridan Area
Water Supply**
JOINT POWERS BOARD

Schedule 1 - Model Results

Schedule 2 - Model Assumptions & Inputs

Schedule 3 - Trial Balances as of Jun 30, 2021

Schedule 4 - Cash In

Schedule 5 - Cash Out

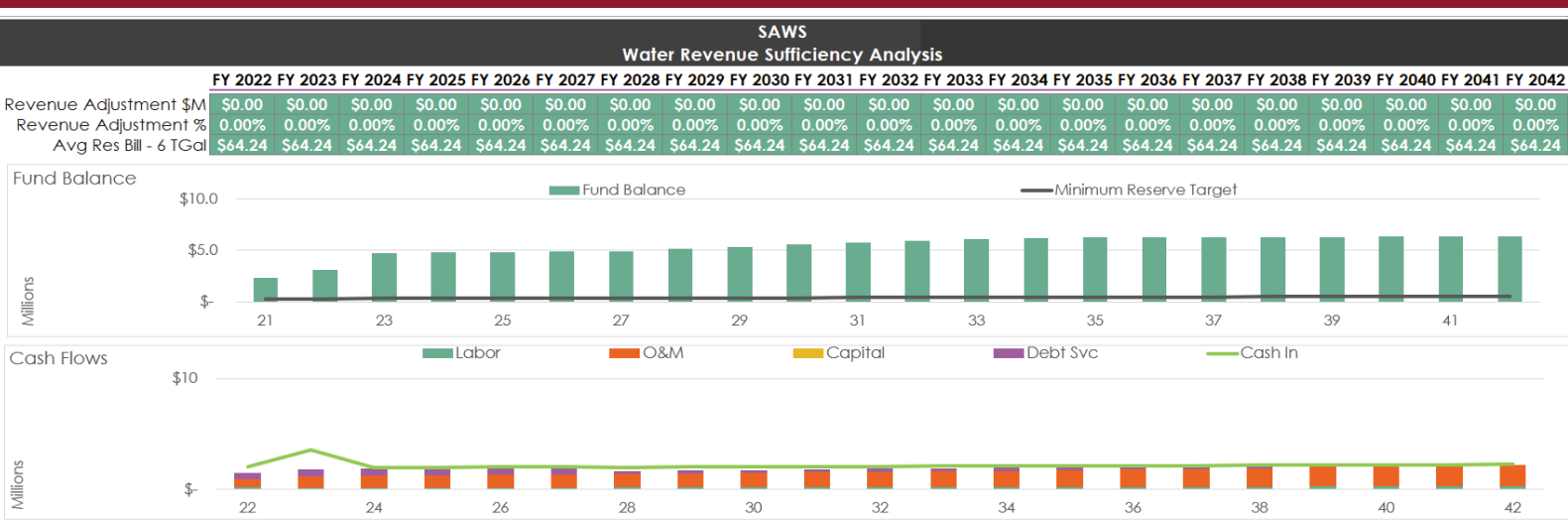
Schedule 6 - Pro Forma

Schedule 7 - Summary of Funds

SCS ENGINEERS

Management Services

Schedule 1 - Model Results



Schedule 2 - Model Assumptions & Inputs

[illegible]

Schedule 3 - Trial Balances as of Jun 30, 2021

	SAWS	Capital Projects Fund	Debt Service Reserve
Assets			
Cash and Cash Equivalents	\$ 2,378,826	6,455,436	537,583
Accounts Receivable	254,411	-	-
Due from Other Governments	135,154	-	-
Other	7,221	-	-
Total Assets	\$ 2,775,612	6,455,436	537,583
Liabilities			
Accounts Payable	\$ (237,852)	-	-
Due to City of Sheridan	(227,272)	-	-
Accrued Interest Payable	(60,488)	-	-
Total Liabilities	\$ (525,612)	-	-
Total Available Fund Balance	\$ 2,250,000	6,455,436	537,583

Schedule 4 - Cash In

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042
Rate Revenue Assumptions																					
Account Growth	N/A	2.02%	2.02%	2.02%	2.02%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%
Usage Growth	N/A	1.47%	1.47%	1.47%	1.47%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%
Rate Revenues																					
SAWS																					
SAWS Rate Revenue	\$ 1,366,986	1,422,656	1,451,335	1,480,592	1,510,440	1,525,664	1,541,042	1,556,575	1,572,264	1,588,112	1,604,119	1,620,288	1,636,620	1,653,116	1,669,778	1,686,609	1,703,609	1,720,780	1,738,125	1,755,644	1,773,340
SAWS Usage Charge Rate Revenue	314,009	323,298	328,044	332,861	337,748	340,227	342,725	345,241	347,775	350,328	352,900	355,491	358,101	360,730	363,378	366,045	368,732	371,439	374,166	376,913	379,680
Total Rate Revenues	\$ 1,680,995	1,745,953	1,779,379	1,813,453	1,848,187	1,865,891	1,883,767	1,901,816	1,920,040	1,938,440	1,957,019	1,975,779	1,994,720	2,013,845	2,033,156	2,052,654	2,072,341	2,092,220	2,112,291	2,132,557	2,153,020
Other Operating Revenues																					
Tap/Meter Install/Radio Read	\$ 26,920	19,188	19,680	20,172	20,664	20,664	21,156	21,648	22,140	22,632	23,124	23,616	24,108	24,600	25,092	25,584	26,076	26,568	27,060	27,552	28,044
Corp Stop Installation	3,338	8,424	8,640	8,856	9,072	9,072	9,288	9,504	9,720	9,936	10,152	10,368	10,584	10,800	11,016	11,232	11,448	11,664	11,880	12,096	12,312
Powder Horn Reimburse Pump Stat	1,115	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Operating Revenues	\$ 31,373	27,612	28,320	29,028	29,736	29,736	30,444	31,152	31,860	32,568	33,276	33,984	34,692	35,400	36,108	36,816	37,524	38,232	38,940	39,648	40,356
Non-Operating Revenues																					
Plant Investment Fees	\$ 300,270	209,820	215,200	220,580	225,960	225,960	188,198	188,198	188,198	188,198	188,198	188,198	188,198	188,198	188,198	159,467	49,970	-	-	-	-
City 20" Loan Contribution	69,320	69,320	69,320	69,320	69,320	69,320	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimburse EWP	75,569	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimb Coffeen W.L. Relocation	131,139	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	5,996	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
SLWA Royalty	344	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420
Sheridan Supp Water Supply-WWDC	-	1,688,400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City PMTF Loan Contribution	25,771	25,771	25,771	25,771	25,771	25,771	25,771	25,771	25,771	25,771	25,771	25,771	25,771	25,771	25,771	-	-	-	-	-	-
Total Non-Operating Revenues	\$ 608,410	1,999,131	316,111	321,491	326,871	326,871	219,789	219,789	219,789	219,789	219,789	219,789	219,789	219,789	219,789	165,287	55,790	5,820	5,820	5,820	5,820
Interest Earnings																					
Interest Earnings	\$ 14,952	21,591	26,907	27,156	27,386	27,584	28,457	29,959	31,323	32,540	33,603	34,504	35,234	35,785	36,147	36,320	36,625	37,193	37,689	37,953	37,973
Total Interest Earnings	\$ 14,952	21,591	26,907	27,156	27,386	27,584	28,457	29,959	31,323	32,540	33,603	34,504	35,234	35,785	36,147	36,320	36,625	37,193	37,689	37,953	37,973
Total Cash In	\$ 2,335,730	3,794,287	2,150,717	2,191,128	2,232,181	2,250,083	2,162,457	2,182,716	2,203,011	2,223,337	2,243,688	2,264,056	2,284,435	2,304,819	2,325,200	2,291,077	2,202,280	2,173,465	2,194,741	2,215,978	2,237,169

Schedule 5 - Cash Out

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042
Personal Services																					
Admin	\$ 245,727	172,722	177,903	183,240	188,738	194,400	200,232	206,239	212,426	218,799	225,362	232,123	239,087	246,260	253,647	261,257	269,095	277,167	285,482	294,047	302,868
Total Executed Personal Services	\$ 245,727	172,722	177,903	183,240	188,738	194,400	200,232	206,239	212,426	218,799	225,362	232,123	239,087	246,260	253,647	261,257	269,095	277,167	285,482	294,047	302,868
Fixed Operations & Maintenance																					
City - Big Goose WTP	\$ 72,470	111,351	114,692	118,132	121,676	125,327	129,086	132,959	136,948	141,056	145,288	149,646	154,136	158,760	163,523	168,428	173,481	178,686	184,046	189,568	195,255
City - Admin and Engineering	95,906	99,295	102,274	105,342	108,503	111,758	115,110	118,564	122,121	125,784	129,558	133,444	137,448	141,571	145,818	150,193	154,699	159,340	164,120	169,043	174,115
City - Billing and Collection	66,432	126,376	130,167	134,072	138,094	142,237	146,504	150,899	155,426	160,089	164,892	169,838	174,934	180,182	185,587	191,155	196,889	202,796	208,880	215,146	221,601
City - Supply and Purification	115,587	179,026	184,397	189,929	195,627	201,495	207,540	213,766	220,179	226,785	233,588	240,596	247,814	255,248	262,906	270,793	278,917	287,284	295,903	304,780	313,923
City - Transmission	82,826	139,554	143,741	148,053	152,494	157,069	161,781	166,635	171,634	176,783	182,086	187,549	193,175	198,971	204,940	211,088	217,421	223,943	230,661	237,581	244,709
City - Dist and Meter Reading	193,979	317,800	327,334	337,154	347,269	357,687	368,417	379,470	390,854	402,580	414,657	427,097	439,910	453,107	466,700	480,701	495,122	509,976	525,275	541,033	557,264
Office Supplies	120	500	515	530	546	563	580	597	615	633	652	672	692	713	734	756	779	802	826	851	877
Postage	-	150	155	159	164	169	174	179	184	190	196	202	208	214	220	227	234	241	248	255	263
Advertising	1,153	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262	3,360	3,461	3,564	3,671	3,781	3,895	4,012	4,132	4,256	4,384
Watershed Management Program	-	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	1,513	1,558	1,605	1,653	1,702	1,754
Financial Services	23,999	23,999	24,719	25,461	26,224	27,011	27,821	28,656	29,516	30,401	31,313	32,253	33,220	34,217	35,243	36,301	37,390	38,511	39,667	40,857	42,082
Dues and Membership Fees	950	600	618	637	656	675	696	716	738	760	783	806	831	855	881	908	935	963	992	1,021	1,052
Legal Fees	6,197	7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867	9,133	9,407	9,690	9,980	10,280	10,588	10,906	11,233	11,570	11,917	12,275
Professional Services-Misc.	10,925	29,090	29,963	30,862	31,788	32,741	33,724	34,735	35,777	36,851	37,956	39,095	40,268	41,476	42,720	44,002	45,322	46,681	48,082	49,524	51,010
Airport Booster Lease	2,626	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153	4,277	4,406	4,538	4,674	4,814	4,959	5,107	5,261
Repairs and Maintenance	-	7,042	7,254	7,471	7,695	7,926	8,164	8,409	8,661	8,921	9,189	9,464	9,748	10,041	10,342	10,652	10,972	11,301	11,640	11,989	12,349
Travel and Training	-	438	451	464	478	493	508	523	538	555	571	588	606	624	643	662	682	703	724	745	768
Insurance and Bonds	2,609	2,883	2,969	3,058	3,150	3,244	3,342	3,442	3,545	3,652	3,761	3,874	3,990	4,110	4,233	4,360	4,491	4,626	4,765	4,908	5,055
Reservoir Assessments	2,687	3,456	3,560	3,666	3,776	3,890	4,006	4,127	4,250	4,378	4,509	4,645	4,784	4,927	5,075	5,228	5,384	5,546	5,712	5,884	6,060
Computer & Software	313	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	1,513	1,558	1,605	1,653	1,702	1,754
Total Executed Fixed Operations & Maintenance	\$ 678,778	1,056,060	1,087,742	1,120,374	1,153,985	1,188,605	1,224,263	1,260,991	1,298,821	1,337,785	1,377,919	1,419,256	1,461,834	1,505,689	1,550,860	1,597,386	1,645,307	1,694,666	1,745,506	1,797,872	1,851,808
Debt Service																					
Existing Subordinate Debt Service																					
PMTF - City	\$ 25,771	25,771	25,771	25,771	25,771	25,771	25,771	25,771	25,771	25,771	25,771	25,771	25,771	25,771	25,771	-	-	-	-	-	-
DWSRF#126 Loan Booster Station Replacement	41,720	41,720	41,720	41,720	41,720	41,720	41,720	41,720	41,720	41,720	41,720	41,720	41,720	41,720	41,720	41,720	41,720	-	-	-	-
DWSRF #126GR - Booster Station Replacement	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	-	-	-
DWSRF #209 - Control Valve Project	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	-	-	-	-
DWSRF #047 - Big Goose Treated Water Pipeline - City	69,320	69,320	69,320	69,320	69,320	69,320	69,320	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DWSRF #047 - Big Goose Treated Water Pipeline - SAWS	269,335	269,335	269,335	269,335	269,335	254,202	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DWSRF#125 Loan Big Goose Water Treatment Plant	35,979	35,979	35,979	35,979	35,979	35,979	35,979	35,979	35,979	35,979	35,979	35,979	35,979	35,979	35,979	33,018	-	-	-	-	-
Total Debt Service	\$ 526,853	526,853	526,853	526,853	526,853	511,721	188,198	188,198	188,198	188,198	188,198	188,198	188,198	188,198	188,198	159,467	49,970	-	-	-	-
Transfers Out																					
TO from Operating to Capital Depr	\$ 100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Transfers Out	\$ 100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Cash Out	\$ 1,551,358	1,855,635	1,892,498	1,930,467	1,969,576	1,994,725	1,712,693	1,755,428	1,799,445	1,844,782	1,891,480	1,939,578	1,989,119	2,040,147	2,092,705	2,118,109	2,064,372	2,071,834	2,130,989	2,191,918	2,254,676

Schedule 6 - Pro Forma

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042
Account Growth	N/A	2.02%	2.02%	2.02%	2.02%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	
Usage Growth	N/A	1.47%	1.47%	1.47%	1.47%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	
SAWS																					
SAWS Rate Revenue	\$ 1,366,986	1,394,543	1,422,656	1,451,335	1,480,592	1,510,440	1,525,664	1,541,042	1,556,575	1,572,264	1,588,112	1,604,119	1,620,288	1,636,620	1,653,116	1,669,778	1,686,609	1,703,609	1,720,780	1,738,125	1,755,644
Revenue from Growth	-	28,113	28,679	29,257	29,847	15,224	15,378	15,533	15,689	15,848	16,007	16,169	16,332	16,496	16,663	16,830	17,000	17,171	17,345	17,519	17,696
Revenue Before Rate Increase	\$ 1,366,986	1,422,656	1,451,335	1,480,592	1,510,440	1,525,664	1,541,042	1,556,575	1,572,264	1,588,112	1,604,119	1,620,288	1,636,620	1,653,116	1,669,778	1,686,609	1,703,609	1,720,780	1,738,125	1,755,644	1,773,340
Total SAWS Rate Revenue	\$ 1,366,986	1,422,656	1,451,335	1,480,592	1,510,440	1,525,664	1,541,042	1,556,575	1,572,264	1,588,112	1,604,119	1,620,288	1,636,620	1,653,116	1,669,778	1,686,609	1,703,609	1,720,780	1,738,125	1,755,644	1,773,340
SAWS Usage Charge Rate Revenue	\$ 314,009	318,619	323,298	328,044	332,861	337,748	340,227	342,725	345,241	347,775	350,328	352,900	355,491	358,101	360,730	363,378	366,045	368,732	371,439	374,166	376,913
Revenue from Change in Usage	-	4,678	4,747	4,816	4,887	2,479	2,498	2,516	2,534	2,553	2,572	2,591	2,610	2,629	2,648	2,668	2,687	2,707	2,727	2,747	2,767
Total SAWS Usage Charge Rate Revenue	\$ 314,009	323,298	328,044	332,861	337,748	340,227	342,725	345,241	347,775	350,328	352,900	355,491	358,101	360,730	363,378	366,045	368,732	371,439	374,166	376,913	379,680
Total SAWS Rate Revenue	\$ 1,680,995	1,745,953	1,779,379	1,813,453	1,848,187	1,865,891	1,883,767	1,901,816	1,920,040	1,938,440	1,957,019	1,975,779	1,994,720	2,013,845	2,033,156	2,052,654	2,072,341	2,092,220	2,112,291	2,132,557	2,153,020
Total Rate Revenues	\$ 1,680,995	1,745,953	1,779,379	1,813,453	1,848,187	1,865,891	1,883,767	1,901,816	1,920,040	1,938,440	1,957,019	1,975,779	1,994,720	2,013,845	2,033,156	2,052,654	2,072,341	2,092,220	2,112,291	2,132,557	2,153,020
Plus: Other Operating Revenues	\$ 31,373	27,612	28,320	29,028	29,736	29,736	30,444	31,152	31,860	32,568	33,276	33,984	34,692	35,400	36,108	36,816	37,524	38,232	38,940	39,648	40,356
Operating Income	\$ 1,712,368	1,773,565	1,807,699	1,842,481	1,877,923	1,895,627	1,914,211	1,932,968	1,951,900	1,971,008	1,990,295	2,009,763	2,029,412	2,049,245	2,069,264	2,089,470	2,109,865	2,130,452	2,151,231	2,172,205	2,193,376
Less: Operating Expenses																					
Personal Services	\$ (245,727)	(172,722)	(177,903)	(183,240)	(188,738)	(194,400)	(200,232)	(206,239)	(212,426)	(218,799)	(225,362)	(232,123)	(239,087)	(246,260)	(253,647)	(261,257)	(269,095)	(277,167)	(285,482)	(294,047)	(302,868)
Fixed Operations & Maintenance	(678,778)	(1,056,060)	(1,087,742)	(1,120,374)	(1,153,985)	(1,188,605)	(1,224,263)	(1,260,991)	(1,298,821)	(1,337,785)	(1,377,919)	(1,419,256)	(1,461,834)	(1,505,689)	(1,550,860)	(1,597,386)	(1,645,307)	(1,694,666)	(1,745,506)	(1,797,872)	(1,851,808)
Total Operating Expenses	\$ (924,505)	(1,228,782)	(1,265,645)	(1,303,614)	(1,342,723)	(1,383,005)	(1,424,495)	(1,467,230)	(1,511,246)	(1,556,584)	(1,603,281)	(1,651,380)	(1,700,921)	(1,751,949)	(1,804,507)	(1,858,642)	(1,914,402)	(1,971,834)	(2,030,989)	(2,091,918)	(2,154,676)
Net Operating Income	\$ 787,863	544,784	542,054	538,867	535,201	512,623	489,716	465,738	440,653	414,425	387,014	358,383	328,491	297,297	264,757	230,828	195,464	158,618	120,242	80,287	38,700
Plus (Less): Non-Operating Income in Debt Service Coverage Test																					
Non-Operating Revenue	\$ 308,140	1,789,311	100,911	100,911	100,911	100,911	31,591	31,591	31,591	31,591	31,591	31,591	31,591	31,591	31,591	5,820	5,820	5,820	5,820	5,820	
Payment of Debt Service with Plant Investment	300,270	209,820	215,200	220,580	225,960	225,960	188,198	188,198	188,198	188,198	188,198	188,198	188,198	188,198	188,198	159,467	49,970	-	-	-	
Interest Earnings	14,952	21,591	26,907	27,156	27,386	27,584	28,457	29,959	31,323	32,540	33,603	34,504	35,234	35,785	36,147	36,320	36,625	37,193	37,689	37,953	
Transfers Out	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	
Total Non-Operating	\$ 523,362	1,920,722	243,018	248,647	254,257	254,455	148,246	149,748	151,112	152,329	153,392	154,293	155,023	155,574	155,936	101,607	(7,585)	(56,987)	(56,491)	(56,227)	
Net Income Before Debt Service	\$ 1,311,225	2,465,506	785,072	787,514	789,458	767,078	637,963	615,487	591,765	566,754	540,406	512,676	483,514	452,870	420,693	332,435	187,879	101,631	63,752	24,060	(17,507)
Debt Service & Coverage																					
Existing Subordinate Debt Service	\$ 526,853	526,853	526,853	526,853	526,853	511,721	188,198	188,198	188,198	188,198	188,198	188,198	188,198	188,198	188,198	159,467	49,970	-	-	-	
Total Subordinate Debt Service	\$ 526,853	526,853	526,853	526,853	526,853	511,721	188,198	188,198	188,198	188,198	188,198	188,198	188,198	188,198	188,198	159,467	49,970	-	-	-	
Subordinate Debt Service Coverage	2.49	4.68	1.49	1.49	1.50	1.50	3.39	3.27	3.14	3.01	2.87	2.72	2.57	2.41	2.24	2.08	3.76	0.00	0.00	0.00	
Total Debt Service	\$ 526,853	526,853	526,853	526,853	526,853	511,721	188,198	188,198	188,198	188,198	188,198	188,198	188,198	188,198	188,198	159,467	49,970	-	-	-	
Net Cash Flow	\$ 784,372	1,938,653	258,219	260,661	262,605	255,357	449,764	427,288	403,567	378,555	352,208	324,478	295,316	264,672	232,495	172,968	137,908	101,631	63,752	24,060	(17,507)
Fund Balance																					
Balance at Beginning of Fiscal Year	\$ 2,250,000	2,734,102	4,462,935	4,505,954	4,546,035	4,582,680	4,612,077	4,873,643	5,112,733	5,328,102	5,518,459	5,682,469	5,818,748	5,925,866	6,002,340	6,046,636	6,060,137	6,148,075	6,249,707	6,313,459	6,337,518
Net Cash Flow	784,372	1,938,653	258,219	260,661	262,605	255,357	449,764	427,288	403,567	378,555	352,208	324,478	295,316	264,672	232,495	172,968	137,908	101,631	63,752	24,060	(17,507)
Balance of Working Capital	\$ 3,034,372	4,672,755	4,721,154	4,766,615	4,808,640	4,838,037	5,061,841	5,300,932	5,516,300	5,706,657	5,870,667	6,006,946	6,114,064	6,190,538	6,234,834	6,219,604	6,198,046	6,249,707	6,313,459	6,337,518	6,320,011
Less: Working Capital Reserve Target	\$ (231,126)	(307,195)	(316,411)	(325,904)	(335,681)	(345,751)	(356,124)	(366,807)	(377,812)	(389,146)	(400,820)	(412,845)	(425,230)	(437,987)	(451,127)	(464,661)	(478,600)	(492,958)	(507,747)	(522,980)	(538,669)
Surplus/Deficit of Working Capital	\$ 2,803,246	4,365,560	4,404,743	4,440,711	4,472,959	4,492,286	4,705,718	4,934,124	5,138,489	5,317,511	5,469,847	5,594,101	5,688,834	5,752,551	5,783,708	5,754,944	5,719,445	5,756,748	5,805,711	5,814,539	5,781,342
Add Back: Working Capital Reserve	\$ 231,126	307,195	316,411	325,904	335,681	345,751	356,124	366,807	377,812	389,146	400,820	412,845	425,230	437,987	451,127	464,661	478,600	492,958	507,747	522,980	538,669
Balance at End of Fiscal Year	\$ 3,034,372	4,672,755	4,721,154	4,766,615	4,808,640	4,838,037	5,061,841	5,300,932	5,516,300	5,706,657	5,870,667	6,006,946	6,114,064	6,190,538	6,234,834	6,219,604	6,198,046	6,249,707	6,313,459	6,337,518	6,320,011

Schedule 7 - Summary of Funds

SAWS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042
Balance at Start of FY	\$ 2,250,000	2,734,102	4,462,935	4,505,954	4,546,035	4,582,680	4,612,077	4,873,643	5,112,733	5,328,102	5,518,459	5,682,469	5,818,748	5,925,866	6,002,340	6,046,636	6,060,137	6,148,075	6,249,707	6,313,459	6,337,518
Cash In	2,020,508	3,562,876	1,908,610	1,943,392	1,978,834	1,996,538	1,945,802	1,964,559	1,983,491	2,002,599	2,021,886	2,041,354	2,061,003	2,080,836	2,100,855	2,095,290	2,115,685	2,136,272	2,157,051	2,178,025	2,199,196
Interest	14,952	21,591	26,907	27,156	27,386	27,584	28,457	29,959	31,323	32,540	33,603	34,504	35,234	35,785	36,147	36,320	36,625	37,193	37,689	37,953	37,973
Cash Out	(1,551,358)	(1,855,635)	(1,892,498)	(1,930,467)	(1,969,576)	(1,994,725)	(1,712,693)	(1,755,428)	(1,799,445)	(1,844,782)	(1,891,480)	(1,939,578)	(1,989,119)	(2,040,147)	(2,092,705)	(2,118,109)	(2,064,372)	(2,071,834)	(2,130,989)	(2,191,918)	(2,254,676)
Subtotal	\$ 2,734,102	4,462,935	4,505,954	4,546,035	4,582,680	4,612,077	4,873,643	5,112,733	5,328,102	5,518,459	5,682,469	5,818,748	5,925,866	6,002,340	6,046,636	6,060,137	6,148,075	6,249,707	6,313,459	6,337,518	6,320,011
Less: Restricted Funds	\$ (231,126)	(307,195)	(316,411)	(325,904)	(335,681)	(345,751)	(356,124)	(366,807)	(377,812)	(389,146)	(400,820)	(412,845)	(425,230)	(437,987)	(451,127)	(464,661)	(478,600)	(492,958)	(507,747)	(522,980)	(538,669)
Amount Available After Projects	\$ 2,502,976	4,155,740	4,189,543	4,220,131	4,246,999	4,266,326	4,517,519	4,745,926	4,950,290	5,129,313	5,281,648	5,405,903	5,500,635	5,564,353	5,595,509	5,595,477	5,669,475	5,756,748	5,805,711	5,814,539	5,781,342
Plus: Restricted Funds	\$ 231,126	307,195	316,411	325,904	335,681	345,751	356,124	366,807	377,812	389,146	400,820	412,845	425,230	437,987	451,127	464,661	478,600	492,958	507,747	522,980	538,669
Available at End of FY	\$ 2,734,102	4,462,935	4,505,954	4,546,035	4,582,680	4,612,077	4,873,643	5,112,733	5,328,102	5,518,459	5,682,469	5,818,748	5,925,866	6,002,340	6,046,636	6,060,137	6,148,075	6,249,707	6,313,459	6,337,518	6,320,011
Capital Projects Fund	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042
Balance at Start of FY	\$ 6,455,436	6,291,424	6,266,604	6,314,952	6,361,594	6,406,473	6,449,531	6,490,707	6,529,940	6,567,166	6,602,317	6,635,326	6,666,122	6,694,632	6,720,780	6,744,487	6,765,675	6,784,258	6,800,152	6,813,267	6,823,511
Cash In	61,759	62,326	62,255	61,970	61,696	61,432	61,179	60,938	60,709	60,492	60,287	60,096	59,918	59,754	59,604	59,470	59,350	59,247	59,160	59,090	59,037
Interest	38,241	37,674	37,745	38,030	38,304	38,568	38,821	39,062	39,291	39,508	39,713	39,904	40,082	40,246	40,396	40,530	40,650	40,753	40,840	40,910	40,963
Cash Out	(264,012)	(124,820)	(51,652)	(53,358)	(55,121)	(56,942)	(58,824)	(60,767)	(62,774)	(64,848)	(66,991)	(69,204)	(71,490)	(73,852)	(76,292)	(78,813)	(81,417)	(84,106)	(86,885)	(89,756)	(92,721)
Available at End of FY	\$6,291,424	6,266,604	6,314,952	6,361,594	6,406,473	6,449,531	6,490,707	6,529,940	6,567,166	6,602,317	6,635,326	6,666,122	6,694,632	6,720,780	6,744,487	6,765,675	6,784,258	6,800,152	6,813,267	6,823,511	6,830,790
Debt Service Reserve	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042
Balance at Start of FY	\$ 537,583	540,818	544,073	547,347	550,641	553,955	557,289	560,642	564,016	567,411	570,825	574,261	577,717	581,193	584,691	588,210	591,750	595,311	598,893	602,498	606,123
Interest	3,235	3,255	3,274	3,294	3,314	3,334	3,354	3,374	3,394	3,415	3,435	3,456	3,477	3,498	3,519	3,540	3,561	3,583	3,604	3,626	3,648
Available at End of FY	\$ 540,818	544,073	547,347	550,641	553,955	557,289	560,642	564,016	567,411	570,825	574,261	577,717	581,193	584,691	588,210	591,750	595,311	598,893	602,498	606,123	609,771

FY 2024 SAWS Customer Bill Estimate

SAWS Customers	0.625 x 0.75"	1"	1.5"	2"
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Accounts	2,007	16	3	7
Average Monthly Water Usage	6,000	8,700	12,900	130,200

Average Bills Under SAWS Rates

Usage Included in Base Facility Charge	0	0	0	0
Tier 1 Usage	6,000	8,000	8,000	8,000
Tier 2 Usage	0	700	4,900	122,200

Average Bill

Base Facility Charge	\$ 53.42	\$ 81.90	\$ 97.86	\$ 102.17
Tier 1 Charge	\$ 12.27	\$ 16.36	\$ 16.36	\$ 16.36
Tier 2 Charge	\$ -	\$ 3.01	\$ 21.09	\$ 526.04

Total Average Bill	\$ 65.69	\$ 101.28	\$ 135.32	\$ 644.57
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Annual Total

Base Facility Charge	\$ 1,286,567	\$ 15,725	\$ 3,523	\$ 8,221
Tiered Charges	\$ 295,511	\$ 3,141	\$ 589	\$ 1,374

Total Annual Billed Charges	\$ 1,582,078	\$ 18,866	\$ 4,112	\$ 9,595
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Average Bills Under SAWS Rates with 15% reduction

Usage Included in Base Facility Charge	0	0	0	0
Tier 1 Usage	6,000	8,000	8,000	8,000
Tier 2 Usage	0	700	4,900	122,200

Average Bill

Base Facility Charge	\$ 45.41	\$ 69.62	\$ 83.18	\$ 86.84
Tier 1 Charge	\$ 10.43	\$ 13.91	\$ 13.91	\$ 13.91
Tier 2 Charge	\$ -	\$ 2.56	\$ 17.93	\$ 447.13

Total Average Bill	\$ 55.84	\$ 86.08	\$ 115.02	\$ 547.88
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% Change	-15.0%	-15.0%	-15.0%	-15.0%
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Annual Total

Base Facility Charge	\$ 1,093,582	\$ 13,366	\$ 2,995	\$ 6,987
Tiered Charges	\$ 251,184	\$ 2,670	\$ 501	\$ 1,168

Total Annual Billed Charges	\$ 1,344,766	\$ 16,036	\$ 3,495	\$ 8,156
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Average Bills Under Outside City Rates

Usage Included in Base Facility Charge	1,500	3,000	6,000	9,000
Tier 1 Usage	4,500	5,700	6,900	34,000
Tier 2 Usage	0	0	0	87,200

Average Bill

Base Facility Charge	\$ 24.86	\$ 29.31	\$ 36.43	\$ 43.51
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Tier 1 Charge	\$ 10.80	\$ 13.68	\$ 16.56	\$ 81.60
Tier 2 Charge	\$ -	\$ -	\$ -	\$ 286.67
Total Bill	\$ 35.66	\$ 42.99	\$ 52.99	\$ 411.78
% Change	-45.7%	-57.5%	-60.8%	-36.1%
Annual Total				
Base Facility Charge	\$ 598,788	\$ 5,628	\$ 1,311	\$ 3,060
Tiered Charges	\$ 260,107	\$ 2,627	\$ 596	\$ 30,935
Total Annual Bill	\$ 858,896	\$ 8,255	\$ 1,907	\$ 33,994
% Change - Fixed	-53.5%	-64.2%	-62.8%	-62.8%
% Change - Tiered	-12.0%	-16.4%	1.2%	2151.0%
% Change - Total	-45.7%	-56.2%	-53.6%	254.3%

* Based on billing data analysis for FY 2018 - FY 2021



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 of General Purpose Excise Tax Annual Application Policy - City Attorney Brendon Kerns
From: Brendon Kerns, City Attorney
To: Mayor and Council
CC:
Date:

Discussion:

Please see attached memo and Policy.

Attachments

Memo
General Policy
02.03 General Purpose Excise Tax Application Policy

TARVER, KERNS & BUNTING, LLP

200 WEST LOUCKS STREET
SHERIDAN, WY 82801

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KERNS & BUNTING, LLC

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

MEMORANDUM

Date: October 18, 2023
To: City of Sheridan Governing Body
RE: General Purpose Excise Tax (1%)

Mayor and Council,

In October 2020, the City Governing Body adopted two policies regarding the General Purpose Excise Tax often referred to as one cent funds or GPET.

In your packet are the two adopted policies. The Mayor has requested that the Annual Application Policy which sets certain deadlines for approval of the next fiscal year 1% contracts be amended. Specifically, the policy requires approval of contracts at the 2nd meeting in January. The consequence is that newly elected officials are being tasked with approving 1% contracts immediately upon taking their seats.

The Mayor is requesting that the Governing Body determine a more appropriate date for 1% contract approval.

TARVER, KERNS & BUNTING, LLP



Brendon E. Kerns

City of Sheridan
General Purpose Excise Tax (GPET) Policy

The purpose of this policy is to establish procedures for the efficient and consistent management of the General Purpose Excise Tax. This policy also establishes points of contact for inclusive communications within and without the City.

1. The General Purpose Excise Tax is authorized under W.S. § 39-15-203 and is a general purpose excise tax to be used for general revenue purposes. W.S. § 39-15-204(a)(i) The City refers to the General Purpose Excise Tax as the One % Sales and Use Tax.
2. The proposition "for the county sales and use tax" or "against the county sales and use tax" shall be decided by the vote of the qualified electors of Sheridan County. Any informational campaigns or examples of potential expenditures shall not be deemed as a budgeted appropriation or guarantee to fund. Recipients are not entitled to any specific allocation of funds.
3. The General Purpose Excise Tax may be imposed in one-half (.5%) increments not to exceed two percent (2%). W.S. § 39-15-204(a)(i)
4. The City Clerk and the City Treasurer shall be the designated contacts for all communications regarding the GPET. Any staff member or outside person must direct all questions, comments, or requests for funds/applications to either contact.
5. The annual budgeting of GPET funds is completely at the City's discretion and not tied to or obligated by any informational campaigns or perceived assurances. A portion of the budgeted funds may be set aside for allocation to outside groups, but such funds are not guaranteed.
6. Budgeted funds shall only be used for the purpose requested. Unspent funds shall not be used for other expenditures.
7. Unspent funds at the end of the fiscal year shall revert to the contingency account for future re-allocation.
8. Revenue received in excess of the budgeted revenue shall be placed in the contingency account for future re-allocation.
9. The annual application for GPET funds by outside groups shall be governed by the General Purpose Excise Tax Annual Application Policy. City departments can request funds through the annual budget process.
10. Requests by outside groups for one-time "out-of-cycle requests" will be considered by Council after completion of a General Purpose Excise Tax Out-of-Cycle Request. Out-of-cycle requests are requests that arise after the application period has ended.

PASSED, ADOPTED AND APPROVED OCTOBER 19TH, 2020.

CITY OF SHERIDAN, WYOMING



Roger Miller, Mayor

ATTESTED:



Cecilia Good, City Clerk

City of Sheridan
General Purpose Excise Tax (GPET) Annual Application Policy

The purpose of this policy is to establish procedures and guidelines for outside entities applying for General Purpose Excise Tax (GPET) funds.

1. GPET funds for outside groups shall be governed by the General Purpose Excise Tax Policy.
2. Only non-profit and governmental entities are eligible to apply for GPET funds.
3. Applications for GPET Funds must be completed annually.
4. The Governing Body will determine the amount of GPET funds to be distributed to outside groups.
5. Staff will review applications for completeness.
6. Staff will provide completed applications to the Governing Body.
7. The Governing Body will determine which applicants will receive funding based on the intended use of funds and the Governing Body priorities and needs of the City.
8. Recipients will be required to enter into General Purpose Excise Tax Agreement with the City.
9. Payments to recipients will be disbursed quarterly.
10. Recipients must submit a Semi-Annual Performance and Financial Report by January 15.
11. Recipients must submit an Annual Performance and Financial Report by July 15.
12. Semi-annual and annual reports not submitted on time may result in the withholding of future disbursements.
13. Unspent funds at the end of the fiscal year shall revert to the contingency account for future re-allocation.
14. The following timeline shall apply to the application process:
 - a. September 1 – September 20 – Advertise availability of GPET applications
 - b. September 1 – September 30 – Distribute applications and accept questions from applicants
 - c. October 1 – October 7 – Prepare answers for dissemination to applicants
 - d. October 1 – October 31 – Complete and submit applications by applicants
 - e. November 1 – November 30 – Review applications for completeness
 - f. December 1 - January 15 – Governing Body evaluates applications
 - g. 2nd January Meeting – Governing Body determines recipients and amounts
 - h. February 15 – Staff distributes agreements to recipients
 - i. February 28 – Recipients return signed agreements to City
 - j. March – Agreements executed by the Mayor

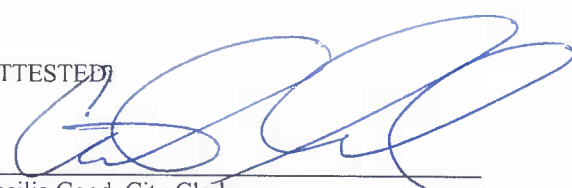
PASSED, ADOPTED AND APPROVED OCTOBER 19TH, 2020.

CITY OF SHERIDAN, WYOMING



Roger Miller, Mayor

ATTESTED



Cecilia Good, City Clerk