



Agenda Item: Amendment

Title: Amendment to the State Revolving Fund Loan for the North Tank Project (DWSRF#193)

Recommended Council MOTION:

I move to approve the first Amendment to the State Revolving Fund Loan for the North Tank Project and authorize the Mayor and City Clerk to sign the first Amendment to the Loan Agreement and the second Promissory Note.

Administrative or Policy Goal:

RESOLUTION 2022-15

D. Maintain and Improve Municipal Infrastructure

Milestone #4: Continue Multi-Year Major Water & Sewer Improvements to Facilitate Community Growth, Including New North Side Tank

Background:

In April 2016, City Council approved a Professional Services Agreement with DOWL for the design of the Laramie North Side Tank Project.

On July 17, 2017, the City of Laramie and the State of Wyoming, acting by and through the Wyoming State Loan and Investment Board, executed a Drinking Water State Revolving Fund Loan Agreement in the amount of \$4,356,000.00 with an interest rate of 2.5% per annum for a term of thirty (30) years. (Loan # DW-193)

On April 26, 2022, bids for the project were received and opened. The low bid was approximately \$6,000,000 over budget.

On June 7, 2022, City Council approved Resolution 2022-30 Authorizing Submission of an Application to the State Loan and Investment Board (SLIB) for a loan through the State Revolving Fund requesting an additional \$6,000,000.00 for a total loan amount of \$10,356,000.00 to support construction of the North Side Tank Project.

On June 21, 2022, City Council awarded the bid for the North Side Tank and Transmission Lines project to Simon Contractors, Laramie, WY, in the amount of \$18,148,590.84 along with contingency of \$1,814,859.08 for a total amount not to exceed \$19,963,449.92.

On December 1, 2022, SLIB authorized increased funding for the loan in the amount of \$6,000,000.00 together with an interest rate of 1.25% per annum for a term of thirty (30) years. The first Amendment to the Loan Agreement and the second Promissory Note are attached and are required to be signed by the Mayor and City Clerk.

Project Info:

The North Side Tank Project has been identified as a missing critical element of the City's water system for a number of years. The 2015 Water Master Plan (WMP) confirmed this assumption, ultimately identifying the project as the number one priority within the City's water capital plan.

The project is vital to the City's ability to provide adequate water service to future residents and businesses, as well as to provide enhancements to the existing water distribution system in north Laramie. The installation of this new water main will help address water pressure and supply issues associated with the

north part of Laramie and will encourage development. Currently, northern Laramie is the only zone within the water distribution system without a storage tank.

The North Side Tank Project includes a 1MG water storage tank in the City's pressure zone 3 to the northeast of the community along with approximately 22,000 lineal feet of water transmission mains of various sizes (12" to 24" diameter) along the northern extent of the community.

Legal/Statutory Authority:

This is a qualifying SRF project.

BUDGET/FISCAL INFORMATION:

The purpose of this Amendment (DW193ADD) is to increase the principal loan amount to ten million three hundred fifty-six thousand dollars (\$10,356,000.00) together with interest thereon at a rate of two and one-half percent (2.5%) per annum on the principal of four million three hundred fifty-six thousand dollars (\$4,356,000.00) and interest at a rate of one and twenty-five hundredths percent (1.25%) per annum on the principal of six million dollars (\$6,000,000.00). The term of repayment for the full principal amount shall be thirty (30) years commencing on the date of project completion. This loan will offset Water Fund Revenue below.

CURRENT REVENUE PRIOR TO THIS AMENDMENT

Source	Amount	Type
Grants for Projects	\$804,000.00	WWDC - Design
Loans for Projects	\$396,000.00	WWDC @ 4%, 30 Years - Design
Grants for Projects	\$7,303,000.00	WWDC - Construction
Loans for Projects	\$4,356,000.00	DWSRF Loan
Other	\$1,173,401.00	SPT Revenue
Other	\$7,517,827.00	Water Fund Revenue
Total	\$21,550,228.00	

Responsible Staff:

Brooks Webb, Public Works Director

Attachments:

Original DW193 Agreement
Amendment DW193ADD
Second Promissory Note
DW193ADD Amortization Schedule