

	<p>Agenda Item: Agreement</p> <p>Title: Drinking Water State Revolving Fund Loan Agreement Between the Wyoming State Loan and Investment Board and the City of Laramie (DW298 – Zone 1 Tank)</p>
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Recommended Council Motion:

I move that the Laramie City Council approve the Drinking Water State Revolving Fund Loan Agreement between the Wyoming State Loan and Investment Board and City of Laramie for the Zone 1 Tank Project and authorize the Mayor and City Clerk to sign the provided documents.

Administrative or Policy Goal:

City Council Goals: Maintain and Improve Municipal Infrastructure

Maintain City-wide Infrastructure Improvement Program as adopted in the 2015 Water Master Plan and long-range financial plans for water, sewer, and storm drainage improvements.

Background:

On August 25, 2025, City Council authorized submittal of a Drinking Water State Revolving Fund loan application to the State Loan and Investment Board for the Zone 1 Tank project.

On February 5, 2026, the State Loan and Investment Board approved the City’s application for \$10,100,000 with a 0% interest rate over a 20-year term.

The Zone 1 Tank Project involves constructing new treated water storage within Pressure Zone 1 to address critical system needs and enhance infrastructure resilience. The existing Zone 1 tank (a.k.a. low-level reservoir) has a design capacity of 8-million-gallons (MG), is a key component of the City’s water distribution system and requires significant maintenance to preserve its integrity and functionality.

The low-level reservoir originally constructed in the early 1950’s was uncovered and had a capacity of about 4 MG. In 1964 it was enlarged to its present design capacity of 8 MG and was covered. The last time the tank was taken completely offline and drained for repairs was in 1993. That process caused numerous water main breaks throughout Pressure Zone 1 and eliminated pressures needed for emergency fire flow. Numerous inspections, evaluations and repairs have occurred since then.

The City of Laramie water system depends on storage in Pressure Zone 1 to enable the water treatment plant to operate at a constant rate and supply multiple pump stations pumping to Zones 2, 3 and 4. Without this storage, the system would not be able to operate. A supplemental storage solution is essential to maintain service continuity during repairs/replacement to this aging reservoir.

The City has been planning this project for many years. The 2015 Water Master Plan identified the need for repairs and in 2019 our Multi-Asset System Assessment with the U.S. Department of Homeland Security identified the low-level reservoir as a critical asset.

The Zone 1 Tank Project is currently under design. City Council awarded the Professional Engineering Services Agreement to DOWL for the design of the project on January 21, 2025.

Legal/Statutory Authority:

Drinking Water State Revolving Fund Loans are authorized under Chapter 16 of the State Loan and Investment Board's Rules and Regulations.

Budget Information:

Total project cost is estimated is at \$10,583,833. Enterprise fund = \$483,883. DW298 Loan = \$10,100,000.

Responsible Staff:

Brooks Webb, Public Works Director, Email: bwebb@cityoflarame.org

Attachments:

Zone 1 Tank Loan Documents

Attachment includes:

- Loan Agreement
- Promissory Note
- Loan Amortization Report
- Requirements for Applicants for DWSRF Loans with Federal Equivalency Funds
- Loan Document Checklist