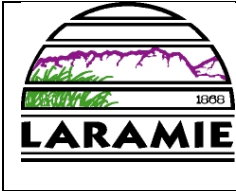


**CITY OF LARAMIE COUNCIL REGULAR MEETING      May 5, 2020**



**Agenda Item: Agreement**

**Title:** State Revolving Fund Loan Agreement for the Wastewater Treatment Plant Upgrade Project

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**Recommended Council MOTION:**

I move that Council approve the State Revolving Fund Loan (SRF) documents for the Wastewater Treatment Plant Upgrade Project and a budget amendment of \$47,500 to be transferred from the FY2021 WWTP Upgrade Project Design to pay for the loan origination fee and authorize the Mayor and City Clerk to sign.

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**Administrative or Policy Goal:**

Maintain and Improve City Service to Residents as adopted in Resolution 2019 – 23B A RESOLUTION ADOPTING POLICY GOALS AND OBJECTIVES FOR THE CITY OF LARAMIE, WYOMING FOR 2019

Maintain City-wide Infrastructure Improvement Program and Long-Range Financial Plans for Wastewater System Improvements.

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**Background:**

At the October 15, 2019 City Council meeting, Council authorized the submittal of an SRF application to the Office of State Lands and Investments (OSLI) for the Wastewater Treatment Plant Upgrade Project. Staff subsequently completed all necessary loan application documents and submitted them to OSLI. At their February 6, 2020 meeting, the State Loan and Investment Board (SLIB) approved the City’s CWSRF loan application in the amount of \$9,500,000 with no principal forgiveness.

The loan is a 30-year term and requires an origination fee of \$47,500. \$1,900,000 qualified as Green Funding with a 0% interest rate and the remaining \$7,600,000 has a 2.5% interest rate.

Honeywell Corporation has evaluated this project for future energy savings and their analysis was submitted to SLIB which was used to determine the Green Funding allocation. This project will allow for approximately thirty more years of oxidation and aeration blower operations with substantial energy savings.

Prior to final completion of the loan process, the City is required to pay an origination fee and sign several documents. These documents are:

- Loan Agreement
- Promissory Note
- Assignment and Pledge of Revenues

All documents have been reviewed and are consistent with the loan application previously approved by City Council.

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**Legal/Statutory Authority:**

This is a qualifying SRF project approved by SLIB and drafted by OSLI.

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**BUDGET/FISCAL INFORMATION:**

As a loan, this includes a 0.5% origination fee and has an interest rate of 2.5% for \$7,600,000 and 0% for \$1,900,000 with a term up to 30 years. User fees would be used to repay the loan.

**REVENUE**

Source	Amount	Type
Fees/Charges for Service	\$500,000.00	WWTP Upgrades Design FY 21
Grants for Projects		
Loans on Project		
Loans on Project	\$9,500,000	SRF Loan
Total	\$10,000,000	

**EXPENSE**

Proposed Project Cost.

Project Budget	Amount	Funds
Project Cost	\$ 10,000,000	Estimated design and construction costs
Loans on Project	\$ 9,500,000	SRF Loan
Loans on Project		
Grants for Project		
City's Amount	\$ 500,000	WWTP Upgrades Design FY 21
Contingency 0%		
Total Amount	\$ 10,000,000	

Proposed Cost (Approval of this item authorizes preparation of a budget revision for the proposed amount)

Expenditures	Amount	Fund
Proposed Expenditure/Transfer	\$47,500.00	Origination fee CWSRF183
Current Budget	\$500,000.00	WWTP Upgrades Design FY 21
Additional Amount Requested		
Total Proposed Budget	\$500,000.00	

**Responsible Staff:**

Brooks Webb, Public Works Director  
 Cal Van Zee, Utility Division Manager  
 Mark Hazelett, Entry Level Engineer

Attachments:

- SLIB Cover Letter
- Loan Agreement
- Promissory Note
- Assignment and Pledge of Revenues