

**RESOLUTION NO. 2009- 92**

**A RESOLUTION AUTHORIZING SUBMISSION OF AN APPLICATION TO THE UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) FOR GRANT AND LOAN FUNDS THROUGH ITS WATER/WASTEWATER PROGRAM TO SUPPORT THE SOUTH OF LARAMIE WATER SUPPLY PIPELINE CONSTRUCTION PROJECT**

**WHEREAS**, the Wyoming Water Development Commission has funded the Level II Study called the Laramie Water Management Study and subsequently awarded grant and loan funds for the installation of a water pipeline to serve areas south of Laramie city limits; and

**WHEREAS**, funding from the USDA will be used to fully fund this project; and

**WHEREAS**, no USDA funds will be used for project activities occurring within Laramie city limits; and

**WHEREAS**, the governing body of the City of Laramie desires to build the water pipeline; and

**WHEREAS**, the project will provide for a redundant connection to the South of Laramie Water and Sewer District; and

**WHEREAS**, the project will provide benefits to existing and future users of the City of Laramie water supply; and

**WHEREAS**, the governing body of the City of Laramie desires to fund the project with Wyoming Water Development Commission grant and loan funds;

**NOW THEREFORE THE CITY COUNCIL OF LARAMIE WYOMING, RESOLVES:**

Section 1. That the foregoing recitals are incorporated in and made a part of this resolution by this reference.

Section 2. That City Council supports the filing of a grant application by the City with Wyoming United States Department of Agriculture for a grant/loan in an amount not to exceed \$1,060,310 to extend a secondary water supply line to areas south of Laramie.

**PASSED, APPROVED AND ADOPTED THIS 22nd DAY of December 2009**

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ATTEST  
*Ave Morris Jones*  
CITY CLERK

*Jodi Austin*  
MAYOR  
City Attorney's Office  
approval as to form:  
*[Signature]*  
Date: 12/17/09

CC app'd 12/22/09

CITY OF LARAMIE COUNCIL MEETING

12/22/2009



Agenda Type: Resolution    Agenda Item: Grant

**Title:** Resolution 2009-92 in support of an application to the United States Department of Agriculture (USDA) for a combination of grant and loan funds, provided in part by the American Recovery and Reinvestment Act (ARRA), to support the construction of a water supply pipeline to rural areas south of Laramie City limits.

**Recommended Council MOTION:** That council pass Resolution 2009-92 in support of an application to the USDA for a combination of grant and loan funds in the amount of \$1,060,310 provided in part by the ARRA, to support the construction of a water supply pipeline to rural areas south of Laramie City limits and authorize the Mayor and City Clerk to sign.

**Administrative or Policy Goal:** This project addresses infrastructure needs for underserved areas and allows provisions for future development, so thereby meets *Council Goal 1AC*. In addition, this project was identified in the approved Fiscal Year 2010 and 2011 Budgets and is listed on the Red Oak Water Capital Plan. It is consistent with the 10-year Capital Plan.

**Background:** The proposed funding will serve to construct a pipeline that will extend beyond the present water system. There are several benefits that will be realized by this pipeline. Currently, development to the south of the existing city limits has been constrained by the lack of water provision to the area. The costs are significant to provide a pipeline to extend and encompass the entire area that may be served; developer interests are either reluctant or cannot afford to provide this utility extension in a way that is effective. However, it is reasonable to project that if service were to be provided by a city-constructed pipeline, developers would seek connection to city water and would then be required to contribute system development charges. These charges would have the effect of offsetting city costs for the construction of the pipeline. It is reasonable to expect and require annexation to the city if water service is provided through this pipeline.

During its August 4, 2009 meeting, Council passed Resolution 2009-67 in support a submitting an application for grant and loan funds to the Wyoming Water Development Commission (WWDC) in an amount not to exceed \$3,488,554 to support this project. This request was subsequently awarded in a lesser amount than the \$3,488,554 request. WWDC and the Select Water Committee recommended an award of \$3,100,000, of which 67% (\$2,077,000) is a grant, and 33% (1,023,000) is a loan. Staff is in possession of the 2010 Recommended Construction Project Report. Once a contract is received, staff will forward the contract to council for review and approval.

Through this application to the USDA for ARRA funds, staff proposes to seek an amount not to exceed \$1,060,310 which is the amount of the total project cost that is eligible for USDA funding. The grant to loan ratio, loan terms and interest rates are determined by USDA staff. Consideration for grant to loan ratio, loan terms and interest rates include, but are not limited to the median income of the area being

served, the overall capacity of the application to repay the loan, and water rates. If this grant is awarded, staff will forward the contract to council for review and approval.

Staff has met with USDA representatives a number of times about this potential application and has been preparing the application for the past couple of months. While this grant/loan program does not have a deadline, USDA representatives recently informed staff that it had received ARRA funds for this program and would thereby recommend the city submitting this application as quickly as possible. In response, staff submitted the application on December 17, 2009. This application can be withdrawn, however, if council does not pass the resolution.

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**Legal/Statutory Authority:** The City of Laramie is legally eligible to apply for these funds. Because of populations requirements associated with this program, no funding can be used for improvements within city limits. If awarded, staff will design and administer this program to ensure that any USDA funds will only be used to fund project activities that occur outside of city limits.

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**BUDGET/FISCAL INFORMATION:**

**REVENUE**

Source	Amount	Type
Fees/Charges for Service		
Grant	\$2,077,000.00	WWDC
Loan	\$1,023,000.00	WWDC
Other		
Total	\$3,100,000.00	Total from WWDC only, USDA not included

**EXPENSE**

Budgeted Expenditure (approved and adopted by Council)

Budget	Amount	Funds
Total Budget Allocation	\$432,975.00	Projected additional \$3,055,579 in FY11
Less Amount Spent to Date		
Remainder of Budget	\$432,975.00	

**Responsible Staff:**

Sarah Reese, Grants Writer  
 Rich Elliott, Public Works Director

Future dates are subject to change

Work Session	
Advertised	
Public Hearing (PH) Held	
PH Advertised	
Introduction/1 <sup>st</sup> Reading	
2 <sup>nd</sup> Reading	
3 <sup>rd</sup> Reading	

BMF City Manager Σ 12/17 City Attorney \_\_\_\_\_ **Public Works**