



Legislation Details (With Text)

File #: 0523-2009 **Version:** 1
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File created: 3/27/2009 **In control:** Utilities Committee
On agenda: 7/13/2009 **Final action:** 7/14/2009

Title: To authorize the Director of Public Utilities to apply for, accept, and enter into up to nine (9) Ohio Water Pollution Control Loan Fund Agreements with the Ohio Water Development Authority and the Ohio Environmental Protection Agency, including up to \$10 million in funding subsidies in the form of principal forgiveness loans from the American Recovery and Reinvestment Act (ARRA) of 2009 for Stimulus Projects, for the financing of eight Division of Sewerage and Drainage Division construction projects and one Division of Power and Water construction project; to designate a dedicated repayment source for the loans; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
7/14/2009	1	MAYOR	Signed	
7/14/2009	1	CITY CLERK	Attest	
7/13/2009	1	Columbus City Council	Approved	Pass
7/13/2009	1	COUNCIL PRESIDENT	Signed	
7/2/2009	1	CITY ATTORNEY	Reviewed and Approved	
7/2/2009	1	Utilities Drafter	Sent for Approval	
7/1/2009	1	Utilities Drafter	Sent for Approval	
7/1/2009	1	CITY AUDITOR	Reviewed and Approved	
7/1/2009	1	CITY AUDITOR	Reviewed and Approved	
7/1/2009	1	Utilities Drafter	Sent for Approval	
6/30/2009	1	Utilities Drafter	Sent for Approval	
6/30/2009	1	Finance Reviewer	Reviewed and Approved	
6/30/2009	1	Finance Reviewer	Sent for Approval	
6/30/2009	1	FINANCE DIRECTOR	Reviewed and Approved	
6/29/2009	1	Utilities Drafter	Sent for Approval	
6/29/2009	1	Utilities Reviewer	Reviewed and Approved	
6/29/2009	1	Utilities Reviewer	Reviewed and Approved	
6/29/2009	1	UTILITIES DIRECTOR	Reviewed and Approved	
6/24/2009	1	Utilities Reviewer	Reviewed and Approved	
6/11/2009	1	Utilities Drafter	Sent for Approval	

1. BACKGROUND

Need: The Ohio EPA requires this legislation which authorizes the Director of Public Utilities to apply for and execute up to nine (9) Ohio Water Pollution Control Loan Fund (WPCLF) loan agreements totaling approximately \$55 million, for construction of eight Sanitary projects and one Water project as identified in Section 1., under the direction of the Division of Sewerage and Drainage and the Division of Power and Water respectively. These Capital Improvements Projects are being financed through the Ohio Water Pollution Control Loan Fund program, and will include up to \$10 million in subsidies from the American Recovery and Reinvestment Act of 2009 (ARRA). This loan program is jointly administered by the Ohio EPA's Division of Environmental and Financial Assistance, and the Ohio Water Development Authority (OWDA). The WPCLF provides below-market interest rate loans for municipal wastewater treatment improvements.

2. EMERGENCY DESIGNATION: WPCLF/ARRA loan applications are now being processed for these projects. This authorizing legislation is a requirement for loan approval and must be submitted to the Ohio EPA as a part of each loan application , and one of these loan agreements is scheduled for approval at the OWDA board meeting on July 30, 2009, therefore emergency designation is needed. .

FISCAL IMPACT

Budgeted Amount: There is sufficient budget authority in the 2009 Water & Sewer Systems Operating Funds for application fee expenditures. These loans will be paid off over a 20-year period from water and sewerage system fees (dedicated source of repayment). Water and Sewerage fee increases have been projected and planned in anticipation of these projects and loans. Approximately \$10 million will be awarded for these projects as subsidies to reduce the principal amount of loan for qualifying projects. This subsidy will be applied to the project's eligible costs.

To authorize the Director of Public Utilities to apply for, accept, and enter into up to nine (9) Ohio Water Pollution Control Loan Fund Agreements with the Ohio Water Development Authority and the Ohio Environmental Protection Agency, including up to \$10 million in funding subsidies in the form of principal forgiveness loans from the American Recovery and Reinvestment Act (ARRA) of 2009 for Stimulus Projects, for the financing of eight Division of Sewerage and Drainage Division construction projects and one Division of Power and Water construction project; to designate a dedicated repayment source for the loans; and to declare an emergency.

WHEREAS, in 2009 the Department of Public Utilities is scheduled to prepare loan applications for up to \$55 million in financing, for submittal to the Ohio EPA under the Ohio Water Pollution Control Loan Fund (WPCLF) program to finance, through below-market interest rate loans, the construction of up to nine Capital Improvements Projects under the Division of Sewerage and Drainage and the Division of Power and Water, which financial assistance will be of help in reducing total project costs to the City's sewerage customers; and

WHEREAS, several of these projects will be financed with up to \$10 million in funds from the American Recovery and Reinvestment Act (ARRA) of 2009 for stimulus projects, which will be awarded as subsidies to reduce the principal amount of a loan for a qualifying project; and

WHEREAS, prior to WPLCF loan agreement approval by the OWDA, the WPCLF loan application and loan agreement documents require the City to submit to the Ohio EPA a certified copy of the approved City Council legislation which authorizes the Director of the Public Utilities Department to apply for and subsequently execute the WPCLF agreements, and to authorize a dedicated source of loan repayment for the WPCLF agreement; and

WHEREAS, this legislation must be approved and a certified copy must be submitted to the Ohio EPA prior to the OWDA board meeting on July, 2009 as part of the loan application and loan agreement approval process, therefore an emergency exists in the usual daily operation of the Division of Sewerage and Drainage, Department of Public Utilities, in that it is immediately necessary to authorize the Director of Public Utilities to apply for, accept, and enter into to up to nine (9) WPCLF Loan Agreements with the State of Ohio for the immediate preservation of he public peace, health, property, and safety; Now Therefore:

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. That the Director of Public Utilities be, and hereby is, authorized to apply for, accept, and enter into up to nine (9) Water Pollution Control Loan Fund Agreements with the Ohio Water Development Authority and the Ohio Environmental Protection Agency, including up to \$10 million in funding subsidies in the form of principal forgiveness from the American Recovery and

Reinvestment Act (ARRA) of 2009 for Stimulus Projects, for the financing of up to eight Division of Sewerage and Drainage projects and one Division of Power and Water project, as described below with the estimated construction project costs, WPCLF loan amount, and ARRA subsidies in parenthesis, as follows:

1. Jackson Pike Wastewater Treatment Plant Incinerator Hydraulic Scrubber Conversion and Incinerator Startup and Training, CIP No. 650350.1, WPCLF Loan No. CS392775-02 (ARRA=\$300,780).
2. Watershed Impervious Surface Pollution Reduction, CIP No. 690506 WPCLF Loan No. CS393000-02 (ARRA=\$4,500,000) (WPCLF Loan=\$200,000).
3. Naghten Street Sewer Rehabilitation, CIP No. 650618, WPCLF Loan No. CS392684-02 (ARRA=\$2,400,000) (WPCLF Loan=\$2,400,000)
4. River South, Phase 2, CIP No. 650404.39, WPCLF Loan No. CS392984-01 (ARRA=\$1,171,678) (WPCLF Loan=\$2,400,00).
5. Olentangy Main Trunk Rehabilitation, CIP No. 650725, WPCLF Loan No. CS393030-01, (ARRA=\$1,428,622) (WPCLF Loan=\$3,500,000).
6. Idlewild Drive Stormwater Improvements, CIP No. 610973, WPCLF Loan No. CS393032-01, (WPCLF Loan=\$5,500,000).
7. Jackson Pike Wastewater Treatment Plant Digester Cover Rehabilitation, CIP No. 650250.3, WPCLF Loan No. CS392982-01, (WPCLF Loan=\$4,380,000).
8. Jackson Pike Wastewater Treatment Plant New Headworks, Contract J208, CIP No. 650252, WPCLF Loan No. CS392980-01, (WPCLF Loan=\$14,501,000).
9. Southerly Wastewater Treatment Plant Support Facilities, CIP No. 650344, WPCLF Loan No. CS392981-01, (WPCLF Loan=\$10,708,000)

Section 2. That Water and Sewerage System Service Charges is hereby authorized to be the dedicated source of repayment for the Water Pollution Control Loan Fund Agreement.

Section 3. That for the reasons stated in the preamble hereto, which is made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.