



Legislation Details (With Text)

File #: 0920-2007 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 6/1/2007 **In control:** Utilities Committee

On agenda: 7/9/2007 **Final action:** 7/11/2007

Title: To authorize the Director of Public Utilities to modify an existing contract with American Municipal Power - Ohio, Inc. for operations and maintenance and purchase of peaking power from diesel flood wall generators for the Division of Power and Water, to increase the appropriation within the Electricity Operating Fund, to authorize payment of \$562,607.55 to American Municipal Power - Ohio; and to declare an emergency. (\$562,607.55)

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
7/11/2007	1	CITY CLERK	Attest	
7/10/2007	1	MAYOR	Signed	
7/9/2007	1	Columbus City Council	Approved	Pass
7/9/2007	1	COUNCIL PRESIDENT	Signed	
6/22/2007	1	Utilities Reviewer	Reviewed and Approved	
6/22/2007	1	Utilities Drafter	Sent to Clerk's Office for Council	
6/20/2007	1	City Clerk's Office	Sent back for Clarification/Correction	
6/20/2007	1	Utilities Drafter	Sent for Approval	
6/19/2007	1	CITY AUDITOR	Reviewed and Approved	
6/19/2007	1	Utilities Drafter	Sent for Approval	
6/19/2007	1	CITY ATTORNEY	Reviewed and Approved	
6/19/2007	1	Utilities Drafter	Sent to Clerk's Office for Council	
6/14/2007	1	Auditor Reviewer	Reviewed and Approved	
6/13/2007	1	Utilities Drafter	Sent for Approval	
6/13/2007	1	Auditor Reviewer	Reviewed and Approved	
6/12/2007	1	FINANCE DIRECTOR	Reviewed and Approved	
6/11/2007	1	Finance Reviewer	Reviewed and Approved	
6/8/2007	1	ODI DIRECTOR	Reviewed and Approved	
6/8/2007	1	Utilities Drafter	Sent for Approval	
6/6/2007	1	EBOCO Reviewer	Sent for Approval	
6/5/2007	1	Utilities Drafter	Sent for Approval	

6/4/2007	1	Utilities Reviewer	Sent for Approval
6/4/2007	1	UTILITIES DIRECTOR	Reviewed and Approved
6/4/2007	1	Utilities Drafter	Sent for Approval
6/4/2007	1	EBOCO Reviewer	Reviewed and Disapproved
6/1/2007	1	Utilities Drafter	Sent for Approval

Background

This ordinance authorizes the Director of Public Utilities to modify an existing contract with American Municipal Power - Ohio, Inc. (AMP-Ohio) for operations and maintenance and purchase of peaking power from the diesel flood wall generators for the Division of Power and Water, and to increase the appropriation within the Electricity Operating Fund.

The contract requires payment by the Division of Electricity (now the Division of Power and Water) of monthly capacity fees to AMP-Ohio for 120 months beginning March 1, 2003. These fees have not been invoiced or paid to date due to construction and commissioning delays. These issues have been resolved. The majority of the capacity payments due relate to principal and interest on a Bond Anticipation Note (BAN) sold by AMP-Ohio. This note was originally sold to provide funding for an upgrade of the flood wall generators and to provide funds for maintenance during the start up phase of the project. This legislation will allow the department to utilize funds from a sale of assets described below and from operating cash in the electricity enterprise fund to pay off the balance of the BAN. This will save a considerable amount of interest that would be paid if the fees were paid monthly for 120 months. The Division of Power and Water requests authority in this legislation to pay to AMP - Ohio, \$1,065,886.11, to allow them to pay off the balance of the BAN. The legislation also includes approximately \$16,758.34 to allow payment of other miscellaneous fees due to AMP-Ohio under the terms of the contract.

The Division of Power and Water participated in the Reserve Power Supply Pool (PGET) through Amp-Ohio as stated on OR # 1329-00 passed June 5, 2000. As a member of the "pool" the city's prorated share of the gas turbine peaking units was established at approximately 45 MW. These assets have been sold by AMP-Ohio and the electricity enterprise fund is due to receive \$503,278.56 from the sale. The Director of Public Utilities proposes to apply these funds to the payments owed to AMP-Ohio and to pay all remaining fees owed from the Electricity Operating Fund cash balance. This additional payment will be \$562,607.55.

An increase in appropriation is requested in the Electricity Operating Fund budget by \$562,607.55 in order to provide funding for the payment to AMP-Ohio.

This ordinance is requested to be an emergency measure so payment may be made to AMP-Ohio at the earliest date possible.

Amp-Ohio is a non-profit organization and their Contract Compliance Number is 310943223.

Fiscal Impact

The 2007 Electricity Operating Fund budget will be increased by \$562,607.55. Funding for this increase will come from existing operating fund cash available. Revenues have been higher than anticipated so the increased appropriation should not negatively effect the enterprise fund.

To authorize the Director of Public Utilities to modify an existing contract with American Municipal Power - Ohio, Inc. for operations and maintenance and purchase of peaking power from diesel flood wall generators for the Division of Power and Water, to increase the appropriation within the Electricity Operating Fund, to authorize payment of \$562,607.55 to American Municipal Power - Ohio; and to declare an emergency. (\$562,607.55)

WHEREAS, Ordinance Number 0212-02, passed February 11, 2002, authorized the Director of Public Utilities to enter into contract with AMP-Ohio for operations and maintenance and purchase of peaking power from diesel flood wall generators ; and

WHEREAS, the contract required capacity payments to be made for 120 months beginning March 1, 2003; and

WHEREAS, fees have not been invoiced or paid to date due to construction and commissioning delays; and

WHEREAS, these issues have been resolved and the Division of Power and Water requests authority to pay all the capacity fees due to AMPO - Ohio; and

WHEREAS, The majority of the capacity payments due relate to principal and interest on a Bond Anticipation Note (BAN) sold by AMP-Ohio to provide funding for an upgrade of the flood wall generators and to provide funds for maintenance during the start up phase of the project, and

WHEREAS, the Division of Power and Water participated in the Reserve Power Supply Pool (PGET). These assets have been sold by AMP-Ohio and the electricity enterprise fund is due to receive \$503,278.56 from the sale and the Director of Public Utilities proposes to apply these funds to the payments owed to AMP-Ohio and to pay all remaining capacity fees owed from the Electricity Operating Fund cash balance; and

WHEREAS, this legislation will allow the department to utilize funds from the sale of assets and from operating cash in the electricity enterprise fund to pay off the balance of the BAN and thus save a considerable amount of interest that would be paid if the fees were paid monthly for 120 months.

WHEREAS, an increase of \$562,607.55 in the appropriation of the Electricity Operating Fund budget is required to allow funding for the payment to AMP-Ohio; and

WHEREAS, an emergency exists in the usual daily operation of the Division of Power and Water, of the Department of Public Utilities, in that it is immediately necessary to modify the existing contract with American Municipal Power - Ohio, Inc. to allow payment of fees due under the terms of the contract and to increase the appropriation within the Electricity Operating Fund budget for the preservation of the public health, peace, property, safety and welfare; now, therefore,

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

SECTION 1. That the Director of Public Utilities be and is hereby authorized to modify the existing contract with American Municipal Power-Ohio, Inc. to allow for payment of fees contained in the terms of the contract for operations and maintenance and purchase of peaking power from diesel flood wall generators and for principal and interest related to a Bond Anticipation Note (BAN) sold by AMP-Ohio as part of the project, for the Division of Power and Water.

SECTION 2. To authorize the increase of \$562,607.55 in appropriation within the Electricity Operating Fund 550, Division 60-07, OCA 606800, OL1 03, OL3 3336 in order to allow funding to pay American Municipal Power - Ohio, Inc.

SECTION 3. To authorize the expenditure of \$562,607.55, or so much thereof as may be necessary, to American Municipal Power - Ohio, Inc. for capacity fees from Fund 550, Division 60-07, OCA 606800, OL1 03, OL3 3336.

SECTION 4. That for the reasons stated in the preamble hereto, which is hereby 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.