



Legislation Details (With Text)

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File created: 3/9/2011 **In control:** Public Utilities Committee

On agenda: 4/11/2011 **Final action:** 4/13/2011

Title: To authorize the Director of Public Utilities to apply for, accept, and enter into an Ohio Water Pollution Control Loan Fund Loan Agreement with the Ohio Water Development Authority and the Ohio Environmental Protection Agency to assist in the financing of the OARS Phase 2 project, for the Division of Sewerage and Drainage; and to designate a dedicated repayment source for the loan. (\$109,000,000.00)

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
4/13/2011	1	CITY CLERK	Attest	
4/12/2011	1	MAYOR	Signed	
4/11/2011	1	Columbus City Council	Approved	Pass
4/11/2011	1	COUNCIL PRESIDENT	Signed	
4/4/2011	1	Columbus City Council	Read for the First Time	
3/22/2011	1	CITY ATTORNEY	Reviewed and Approved	
3/22/2011	1	Utilities Drafter	Sent to Clerk's Office for Council	
3/21/2011	1	Auditor Reviewer	Reviewed and Approved	
3/21/2011	1	CITY AUDITOR	Reviewed and Approved	
3/21/2011	1	Utilities Drafter	Sent for Approval	
3/18/2011	1	Finance Reviewer	Reviewed and Approved	
3/18/2011	1	Finance Reviewer	Reviewed and Approved	
3/18/2011	1	FINANCE DIRECTOR	Reviewed and Approved	
3/18/2011	1	Utilities Drafter	Sent for Approval	
3/16/2011	1	Utilities Reviewer	Sent for Approval	
3/16/2011	1	UTILITIES DIRECTOR	Reviewed and Approved	
3/16/2011	1	Utilities Drafter	Sent for Approval	
3/15/2011	1	Utilities Drafter	Sent for Approval	
3/14/2011	1	Utilities Reviewer	Reviewed and Approved	
3/11/2011	1	Utilities Reviewer	Reviewed and Approved	
3/10/2011	1	Utilities Drafter	Sent for Approval	

3/10/2011	1	Utilities Reviewer	Reviewed and Approved
3/10/2011	1	Utilities Drafter	Sent for Approval

1. BACKGROUND

Need: The Ohio Environmental Protection Agency (Ohio EPA), as part of the Water Pollution Control Loan Fund (WPCLF) requires this legislation authorizing the Director of Public Utilities to enter into a WPCLF loan agreement, for construction of the Olentangy Scioto Interceptor Sewer Augmentation Relief Sewer (OARS), Phase 2 project (CIP No. 650704-100002) as described in Section 1 of this Ordinance, under the direction of the Division of Sewerage and Drainage.

It is anticipated that 100% of the construction costs for this project will be financed through the Ohio Water Pollution Control Loan Fund program in 2011, with the engineering services costs being paid through City bond money. This loan program is jointly administered by the Ohio EPA's Division of Environmental and Financial Assistance (DEFA), and the Ohio Water Development Authority (OWDA). The WPCLF program provides below market interest rate loans for municipal wastewater treatment improvements.

FISCAL IMPACT

Budgeted Amount: There is sufficient budget authority in the 2011 Water & Sewer Systems Operating Funds for application fee expenditures. This loan, in the amount of approximately \$109 million, will be paid off over a 20-year period from sewerage system user rate fees (as dedicated source of repayment). Sewerage system rate increases have been projected and planned in anticipation of this project and loan.

To authorize the Director of Public Utilities to apply for, accept, and enter into an Ohio Water Pollution Control Loan Fund Loan Agreement with the Ohio Water Development Authority and the Ohio Environmental Protection Agency to assist in the financing of the OARS Phase 2 project, for the Division of Sewerage and Drainage; and to designate a dedicated repayment source for the loan. (\$109,000,000.00)

WHEREAS, in 2011 the Department of Public Utilities is scheduled to submit a loan application to the Ohio EPA under the Ohio Water Pollution Control Loan Fund (WPCLF) program to finance, through below market interest rate loans, the construction costs of the OARS Phase 2 project (CIP 650704-100002) for the Division of Sewerage and Drainage, which financial assistance will be of help in reducing total project costs to the City's sewerage customers; 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 loan agreement, and authorizes a dedicated source of repayment for the WPCLF loan; and

WHEREAS, the WPCLF loan agreement authorized by this legislation will finance an estimated \$109 million in construction costs, and will be paid for by equal semi-annual payments to the Ohio Water Development Authority according to the terms of these 20-year loan agreements; 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 to a Water Pollution Control Loan Fund Loan Agreement with the Ohio Water Development Authority and the Ohio Environmental Protection Agency to assist in the financing for the Division of Sewerage and Drainage the project as described below with the "not to exceed" construction project costs in parenthesis, as follows:

1. CIP No. 650704-100002; Olentangy Scioto Interceptor Sewer Augmentation Relief Sewer - OARS Phase 2, (\$109,000,000.00)

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

Section 3. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.