



## Legislation Details (With Text)

**File #:** 0652-2024      **Version:** 1

**Type:** Ordinance      **Status:** Passed

**File created:** 2/27/2024      **In control:** Public Utilities & Sustainability Committee

**On agenda:** 3/25/2024      **Final action:** 3/27/2024

**Title:** To authorize the Director of the Department of Public Utilities to apply for, accept, and enter into loan agreements with the Ohio Water Development Authority for capital improvement projects; and to designate a dedicated source of repayment for the loans. (\$0.00)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. ORD 0652-2024 Anticipated OWDA Direct Loan Funded Projects

Date	Ver.	Action By	Action	Result
3/27/2024	1	CITY CLERK	Attest	
3/26/2024	1	MAYOR	Signed	
3/25/2024	1	COUNCIL PRESIDENT	Signed	
3/25/2024	1	Columbus City Council	Approved	Pass
3/18/2024	1	Columbus City Council	Read for the First Time	

### 1. BACKGROUND

This ordinance authorizes the Director of the Department of Public Utilities to apply for loans through the Ohio Water Development Authority (OWDA) Direct Loan program to finance Department of Public Utilities capital improvement projects through 3/31/25, to accept the loan funding if offered under terms agreeable to the City of Columbus, and to execute the documents needed to accept the loans.

The Department of Public Utilities has been using a loan program administered jointly by the Ohio EPA's Division of Environmental and Financial Assistance and the OWDA to finance part of the department's capital improvement program. In 2023, City Council approved via Ordinance 0997-2023 the Department of Public Utilities to also apply for loans through the OWDA Direct Loan program. The projects to be financed by the OWDA Direct Loan program are projects that typically do not meet the eligibility or timeline requirements of the Ohio EPA/OWDA loan program, which has more stringent requirements for loans funded through that program.

The OWDA's mission is to provide financial assistance for environmental infrastructure from the sale of municipal revenue bonds through loans to local governments in Ohio. These loans are available at favorable interest rates, frequently below what the City can obtain through a bond sale, and at favorable repayment terms. The projects anticipated to be financed through the OWDA Direct program are shown in the attachment to this ordinance named "ORD 0652-2024 Anticipated OWDA Direct Loan Funded Projects".

The Department of Public Utilities anticipates applying for loan funding for the projects listed in the attachment. However, it may become necessary to add or subtract from this list of projects depending upon project schedule adjustments, departmental need, or OWDA deciding the project is not eligible for funding. These loans do not have an annual application period. Loans are applied for on an as-needed basis after bids are opened or after professional service contract pricing has been negotiated.

## 2. FISCAL IMPACT

Approval to expend funds is not being requested at this time. Separate ordinances will be submitted for City Council approval to award or modify any contracts to be funded with these loan awards.

There is sufficient budget authority in the 2024 Sewer Systems, Stormwater, and Water Operating funds budgets for any loan application fee expenditures. These loans are anticipated to be repaid over a 20-year period from Sewerage System, Stormwater, and Water rates (dedicated source of repayment), although a longer repayment period may be used if agreeable to the Department of Public Utilities, the Department of Finance and Management, and the City Auditor's Office. Sewerage System, Stormwater, and Water rate increases have been projected and planned in anticipation of these projects and loans.

To authorize the Director of the Department of Public Utilities to apply for, accept, and enter into loan agreements with the Ohio Water Development Authority for capital improvement projects; and to designate a dedicated source of repayment for the loans. (\$0.00)

**WHEREAS**, the Department of Public Utilities anticipates preparing loan applications to submit to the OWDA Direct Loan program for the projects and project phases listed in the ORD 0652-2024 Anticipated OWDA Direct Loan Funded Projects attachment of this ordinance to finance, through favorable interest rate loans, capital improvement projects under the Division of Sewerage and Drainage and the Division of Water, which said financial assistance may be of help in reducing total project costs to the City's Sewerage, Stormwater, and Water customers; and

**WHEREAS**, it may become necessary to add or subtract to the list of projects anticipated to apply for OWDA Direct loan financing due to schedule adjustments or departmental need; and

**WHEREAS**, it will be necessary to repay any loans obtained; and

**WHEREAS**, it has become necessary in the usual daily operation of the Department of Public Utilities to authorize the Director to apply for, accept and enter into loans with the Ohio Water Development Authority to finance Department of Public Utilities capital improvement projects; **NOW, THEREFORE**,

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

**SECTION 1.** That the Director of the Department of Public Utilities is hereby authorized to apply for loans through the Ohio Water Development Authority's Direct Loan program to finance Department of Public Utilities capital improvement projects through 3/31/25, to accept the loan funding if offered under terms favorable to the City of Columbus, and to execute the documents needed to accept the loans.

**SECTION 2.** City Council understands and agrees that the list of projects, phases, and costs in the ORD 0652-2024 Anticipated OWDA Direct Loan Funded Projects attachment to this ordinance are the anticipated projects, phases, and costs; that projects and phases may be added to or subtracted from the list due to schedule changes or department need; that the prices are estimates that will change based upon bid results and/or contract negotiations; and City Council authorizes the Director of Public Utilities to make changes to the list through 3/31/25 as the Director of Public Utilities deems necessary without seeking City Council approval for the changes and without amending this ordinance.

**SECTION 3.** That Sewerage System Service Charges are hereby authorized to be the dedicated source of repayment for the Sanitary and Treatment Engineering projects submitted for OWDA Direct loan funding under this ordinance.

**SECTION 4.** That Stormwater Fees are hereby authorized to be the dedicated source of repayment for the Stormwater projects submitted for OWDA Direct loan funding under this ordinance.

**SECTION 5.** That city water rate revenues are hereby authorized to be the dedicated source of repayment for the Division of Water projects submitted for OWDA Direct loan funding under this ordinance.

**SECTION 6.** Funds are hereby deemed appropriated and expenditures and transfers authorized to carry out the purposes of this ordinance and the City Auditor shall establish such accounting codes as necessary.

**SECTION 7.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.