



## Legislation Text

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**File #: 2279-2015, Version: 1**

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**1. BACKGROUND:** The Ohio EPA requires this legislation which authorizes the Director of Public Utilities to apply for and execute a Water Supply Revolving Loan Account (WSRLA) loan agreement totaling approximately \$6 million, for construction of the Hap Cremean Water Plant Bulk Chemical Building Improvements Project as identified in Section 1., under the direction of the Division Water (DOW). 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 WSRLA program provides below-market interest rate loans for municipal water system improvements.

Ordinance 1703-2015 was passed July 27, 2015 authorizing the Director to enter into a WSRLA Loan Agreement for this project, however, the project cost has since been revised and the "not to exceed" amount originally designated at \$4.5 million is now \$6 million. For this reason Council's Authority is needed in order to proceed with the financing at an amount not to exceed \$6 million.

**2. EMERGENCY DESIGNATION:** The WSRLA loan application process has started for this project. This authorizing legislation is a requirement for loan approval and must be submitted to the Ohio EPA as a part of the loan application process prior to consideration by the Ohio Water Development Authority (OWDA) board for loan award. For the purpose of keeping this project on schedule, therefore, emergency designation is requested.

**3. FISCAL IMPACT:** This loan will be paid off over a 20-year period from water system rates (dedicated source of repayment). Water 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 a Water Supply Revolving Loan Account (WSRLA) Loan Agreement with the Ohio Water Development Authority and the Ohio Environmental Protection Agency for the financing of the Hap Cremean Water Plant Bulk Chemical Building Improvements Project for the Division of Water (DOW); to designate a dedicated source of repayment for the loan; and to declare an emergency.

**WHEREAS,** in 2015 the Department of Public Utilities is scheduled to prepare a loan application for up to \$6 million in financing, for submittal to the Ohio EPA under the Water Supply Revolving Loan Account (WSRLA) program to finance, through a below-market interest rate loan, the construction of the Hap Cremean Water Plant Bulk Chemical Building Improvements Project under the direction of the Division of Water, which said financial assistance may be of help in reducing total project costs to the City's water customers; and

**WHEREAS,** prior to WSRLA loan agreement approval by the Ohio Water Development Authority, the WSRLA loan application and loan agreement documents require the City to submit to the Ohio EPA a certified copy of approved City Council legislation authorizing the Director of the Public Utilities Department to apply for and subsequently execute said WSRLA agreement, and to authorize a dedicated source of loan repayment for the loan; and

**WHEREAS,** this legislation must be approved and a certified copy must be submitted to the Ohio EPA prior to the OWDA board's consideration for approval as part of the loan application and loan agreement approval process; and

**WHEREAS,** an emergency exists in the usual daily operation of the Division of Water, 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 a WSRLA Loan Agreement with the State of Ohio for the immediate preservation of the 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 a Water Supply Revolving Loan Account Loan Agreement with the Ohio Water Development Authority and the Ohio Environmental Protection Agency, for the financing of the Division of Water project as described below with the "not to exceed" construction project costs in parenthesis:

Hap Cremean Water Plant Bulk Chemical Building Improvements Project, CIP No. 690532-100000, WSRLA Project No. FS390274-0208; (\$6,000,000.00).

**SECTION 2.** That Water System Service Charges are hereby authorized to be the dedicated source of repayment for the Water Supply Revolving Loan Account Loan.

**SECTION 3.** That the City Auditor is authorized to establish proper project accounting numbers as appropriate.

**SECTION 4.** That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this Ordinance.

**SECTION 5.** 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.