



Legislation Text

File #: 1434-2013, **Version:** 1

1. BACKGROUND

Need: The Ohio EPA requires this legislation which authorizes the Director of Public Utilities to execute up to seven (7) Water Supply Revolving Loan Account (WSRLA) loan agreements totaling approximately \$21 million, for construction of up to seven (7) water system projects as identified in Section 1, under the direction of the Division of Water (DOW). These Capital Improvements Projects are eligible for financing through the Water Supply Revolving Loan Account (WSRLA) program in Program Year 2014 which runs from July 1, 2013 through June 30, 2014. 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 WSRLA program provides below-market interest rate loans for municipal water system improvements.

FISCAL IMPACT

These loans will be paid off over a 20-year period from water service rate fees (dedicated source of repayment). Water service rate fee increases have been projected and planned in anticipation of these projects and loans.

To authorize the Director of Public Utilities to apply for, accept, and enter into up to seven (7) Water Supply Revolving Loan Account Agreements with the Ohio Environmental Protection Agency and the Ohio Water Development Authority, during Program Year 2014, for the construction of water distribution system improvements; and to designate a repayment source for the loans.

WHEREAS, in Program Year 2014 the Department of Public Utilities is scheduled to prepare loan applications for submittal to the Ohio EPA under the Water Supply Revolving Loan Account (WSRLA) program to finance the construction of up to seven Capital Improvement Projects under the direction of the Division of Water the financial assistance for which will be of help in reducing total project costs to the City's water rate payers; and

WHEREAS, the low-interest loans will be applied for based upon the availability of funds through the Ohio EPA's WSRLA program and executed upon approval of the loan applications by Ohio EPA; and

WHEREAS, the WSRLA 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 WSRLA agreement(s); 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 seven (7) Water Supply Revolving Loan Account Agreements with the Ohio Environmental Protection Agency and administered by the Ohio Water Development Authority for the financing of up to seven (7) Division of Water projects, based upon the availability of funds through the Ohio EPA's Water Supply Revolving Loan Account (WSRLA) program and the agency's approval, as described, with the "not to exceed" construction costs in parenthesis, as follows:

1. Johnstown Road Area Waterline Improvements; CIP No. 690236-100045; (\$2,750,000.00)
2. Sexton Drive Area Waterline Improvements; CIP No. 690236-100047; (\$2,970,000.00)

3. Cooke Road Area Waterline Improvements; CIP No. 690236-100043; (\$3,300,000.00)
4. Regina Avenue Area Waterline Improvements; CIP No. 690236-100052; (\$2,970,000.00)
5. Ferris Road Area Waterline Improvements; CIP No. 690236-100054; (\$3,300,000.00)
6. Eastfield Drive Area Waterline Improvements; CIP No. 690236-100051; (\$3,300,000.00)
7. Chase Road Area Waterline Improvements; CIP No. 690236-100053; (\$2,750,000.00)

Section 2. That water rates are hereby authorized to be the source of repayment for the Water Supply Revolving Loan Account Agreement(s).

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