



Legislation Text

File #: 0936-2009, Version: 1

1. BACKGROUND

Need: The Ohio Water Development Authority (OWDA) requires this legislation which authorizes the Director of Public Utilities to apply for and execute up to eleven (11) OWDA Local Government Agency Loan Program loan agreements totaling approximately \$29.5 million, for construction of eleven Water projects as identified in Section 1. under the direction of the Division of Power and Water. These Capital Improvements Projects are being financed through the OWDA Local Government Agency Loan Program. This loan program is administered by the OWDA. The loan program provides low interest rate loans for municipal water utility capital improvements.

2. EMERGENCY DESIGNATION: The loan applications are now being prepared for these projects. This authorizing legislation is a requirement for loan approval and must be submitted to the OWDA as a part of each loan application. One of these loan agreements is scheduled for approval at the OWDA board meeting on July 30, 2009, therefore emergency designation is needed.

FISCAL IMPACT

Budgeted Amount: There is sufficient budget authority in the 2009 Water System Operating Fund for application fee expenditures. These loans will be paid off over a 20-year period from water system fees (dedicated source of repayment). Water rate 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 eleven (11) Ohio Water Development Authority Local Government Agency Loan Program loan agreements, for the financing of eleven Division of Power and Water construction projects; to designate a dedicated repayment source for the loans; and to declare an emergency.

WHEREAS, in 2009 the Department of Public Utilities is scheduled to prepare loan applications for approximately \$29.5 million in financing, for submittal to the Ohio Water Development Authority (OWDA) under the Local Government Agency Loan Program to finance, through below-market interest rate loans, the construction of up to eleven (11) Capital Improvements Projects under the Division of Power and Water, which financial assistance will be of help in reducing total project costs to the City's water customers; and

WHEREAS, prior to loan agreement approval by the OWDA, the loan application and loan agreement documents require the City to submit to the OWDA 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 loan agreements, and to authorize a dedicated source of loan repayment for the loans; and

WHEREAS, this legislation must be approved and a certified copy must be submitted to the OWDA prior to the board meeting on July 30, 2009 as part of the loan application and loan agreement approval process, therefore an emergency exists in the usual daily operation of the Division of Power and 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 up to eleven (11) OWDA Loan Agreements for the immediate preservation of he 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 up to eleven (11) Ohio Water Development Authority (OWDA) Local Government Agency Loan Program loan agreements, for the financing of up to eleven Division of Power and Water Capital Improvements Projects, as described below with the "not to exceed" construction project costs in parenthesis, as follows:

1. Mt. Vernon/King Lincoln (Whitney) Project, CIP No. 690236 [Contract No. 1139]; (\$1,265,000.00).
2. Doherty Road Water Line, CIP No. 690263; (\$1,265,000.00)
3. Markison Avenue Area Water Line Improvements, CIP No. 690236 [Contract No. 1109]; (\$2,310,000.00).
4. Gibbard Avenue Area Water Line Improvements 690236 [Contract No. 1108]; (\$1,320,000.00).
5. Main Street Water Main Cleaning, CIP No. 690402; (\$2,530,000.00).
6. Group Three Water Line Improvements, CIP No. 690236 [Contract No. 939]; (\$3,630,000.00).
7. Brown Road Water Line Improvements, CIP No. 690236 [Contract No. 991]; (\$6,710,000.00).
8. Parsons Avenue Water Plant Sludge Disposal Project, CIP No. 690414, (\$4,070,000.00).
9. Idlewild Water Main, CIP No. 690236 [Contract No. 981]; (\$1,100,000.00).
10. South Wellfield Expansion Project, CIP No. 690359; (\$2,420,000.00).
11. Upground Reservoir Electrical Service, CIP No. 690370; (\$2,904,000.00).

Section 2. That water rates are hereby authorized to be the dedicated source of repayment for the Ohio Water Development Authority Loan Agreements.

Section 3. 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.