



Legislation Text

File #: 0363-2024, **Version:** 1

BACKGROUND: Ohio EPA requires this legislation which authorizes the Director of the Department of Public Utilities to apply for, accept, and enter into a Water Supply Revolving Loan Account (WSRLA) Supplemental Loan Agreement adding approximately \$1,700,000.00 to the current loan (WSRLA project number FS390274-0466; OWDA Loan Number 10128). This funding is for an unplanned Agreement Modification (Mod. 2) for additional survey work necessary to complete the preliminary design for the Division of Water Distribution project identified in Section 1, under the direction of the Division of Water.

This preliminary design project (identified in Section 1) was originally authorized for WSRLA loan financing via Ordinance 3235-2022 which passed December 12, 2022. The loan was awarded February 23, 2023.

The Water Supply Revolving Loan Account (WSRLA) loan program is jointly administered by the Ohio EPA Division of Environmental and Financial Assistance and the Ohio Water Development Authority (OWDA). The WSRLA program provides below-market interest rate loans for municipal drinking water system improvements.

FISCAL IMPACT: The proceeds of this Supplemental Loan will be incorporated into the current loan for this preliminary design work (WSRLA No. FS390274-0466; OWDA No. 10128). The applicable Loan Administration Fees will be rolled into the loan upon execution of the Loan Agreement. The WSRLA loan will be paid off over a 20-year period from water service fees (the dedicated source of repayment for the loan). Water service rate increases have been projected and planned in anticipation of this project and loan.

CONTRACT COMPLIANCE: ms consultants, Inc.: 34-6546916, expires 12/28/2023, Majority, DAX No. 006988

EMERGENCY DESIGNATION: Emergency action is requested to complete this added component of the project in a timely manner. This additional funding is for a multi-year design project which is on an aggressive completion schedule to meet future anticipated drinking water demands for the City. This request will enable the design consultant to initiate required survey work immediately and allow the preliminary design work to continue uninterrupted. Additionally, the WSRLA loan funding source requires that we have this authorizing legislation passed and a certified copy submitted to them by the first of the month of the requested loan award (in this case, March 1, 2024). Failing to meet the March submission deadline will result in the loan approval being delayed a month, which will delay required funding, resulting in project delays that could cause a safe drinking water shortage or higher project costs as we will be required to pay additional money for the tasks to be performed in a shorter time frame to make up for the delay.

To authorize the Director of the Department of Public Utilities to apply for, accept, and enter into an Ohio Water Supply Revolving Loan Account Supplemental Loan Agreement with the Ohio Environmental Protection Agency and the Ohio Water Development Authority in order to perform additional survey work necessary to complete the preliminary design of the Fourth Water Plant Transmission Main; to designate a dedicated source of repayment for the loan; and to declare an emergency. (\$0.00)

WHEREAS, the Department of Public Utilities must submit a Supplemental Loan Application to the Ohio EPA under the Water Supply Revolving Loan Account (WSRLA) program for additional funds to finance additional survey work necessary to complete the preliminary design of the Fourth Water Plant Transmission Main, under the direction of the Division of Water, which financial assistance will be of help in reducing total project costs to the City's water customers; and

WHEREAS, the WSRLA program requirements stipulate that the City must submit a certified copy of approved City Council legislation authorizing the Director of the Department of Public Utilities to apply for and subsequently execute the WSRLA Agreement; and

WHEREAS, this legislation must be approved by City Council and a certified copy provided to Ohio EPA by March 1, 2024 as part of the Loan Application and Loan Agreement approval process, in order to provide additional funds to complete the design project on time to prevent project delays that could cause a safe drinking water shortage or higher project costs as we will be required to pay additional money for the tasks to be performed in a shorter time frame to make up for the delay, therefore an emergency exists in the usual daily operation of the Department of Public Utilities, in that it is immediately necessary to authorize the Director to execute the WSRLA Supplemental Loan Agreement with the Ohio EPA and OWDA, all for the immediate preservation of the public health, peace, property, and safety; **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, accept, and enter into a Water Supply Revolving Loan Account Supplemental Loan Agreement, with Ohio Environmental Protection Agency and the Ohio Water Development Authority for the additional financing necessary to complete the preliminary design of the Division of Water project, as described below:

1. Fourth Water Plant Transmission Main Preliminary Design, Mod 2, CIP No. 690501-100001, WSRLA No. CS390274-0466; OWDA No. 10128

SECTION 2. That Water Service Fees are hereby authorized to be the dedicated source of repayment for the Water Supply Revolving Loan Account Supplemental Loan Agreement.

SECTION 3. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this Ordinance is 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.