



City of Columbus

Office of City Clerk
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Legislation Text

File #: 0543-2009, Version: 1

Background: The Department of Public Utilities, Division of Power and Water will be constructing improvements to the sludge lagoons at the Hap Cremean Water Plant. A portion of this work includes construction of new exterior embankments for the lagoon in which the Ohio Department of Natural Resources (ODNR) has classified as a Class II dam. ODNR requires the City of Columbus to apply for a construction permit. Before a permit can be issued, a surety bond must be submitted and accepted by the state. The bond amount shall meet or exceed one-half the estimated cost of construction including construction inspection of the dam or levee in addition to a statutory filing fee.

The Division of Power and Water will deposit their surety funds into the State of Ohio's State Treasury Asset Reserve of Ohio (Star Ohio) program. Star Ohio allows all Ohio governmental subdivisions to deposit their funds for investment purposes into a highly rated public investment pool offering safety, liquidity, and generally higher yields.

Formal bids for the Hap Cremean Water Plant Lagoon No. 2 Embankment Modifications Project, Project No. 690331, were opened on March 25, 2009. The amount to be deposited into the Star Ohio fund is \$762,768.75, which is fifty percent (50%) of the cost of construction and construction inspection fees for the Class II dam, and statutory filing fee.

FISCAL IMPACT: This legislation includes a transfer of funds from the Water System Reserve Fund to the Water Works Enlargement Voted Bonds Fund as a temporary measure until such time as the proceeds from a bond sale can be made available.

To authorize the Director of the Department of Public Utilities to authorize and direct the City Auditor to deposit funds in the amount of \$762,768.75 into the State Treasury Asset Reserve of Ohio (Star Ohio) program for surety funds required for a construction permit to be issued for the Hap Cremean Water Plant Lagoon No. 2 Embankment Modifications Project; to authorize the appropriation and transfer of \$762,768.75 from the Water System Reserve Fund to the Water Works Enlargement Voted Bonds Fund; and to authorize the expenditure of \$762,768.75 from the Water Works Enlargement Voted Bonds Fund; for the Division of Power and Water. (\$762,768.75) **(AMENDED BY ORD. 0611-2010 PASSED 05/10/2010)**

WHEREAS, the Department of Public Utilities, Division of Power and Water needs to deposit funds into the State of Ohio's State Treasury Asset Reserve of Ohio (Star Ohio) program to receive a construction permit from the Ohio Department of Natural Resources for the Hap Cremean Water Plant Lagoon No. 2 Embankment Modifications Project; and

WHEREAS, the amount of deposit includes fifty percent (50%) of the cost of construction and construction inspection for the Class II dam and statutory filing fee; and

WHEREAS, the Director of the Department of Public Utilities authorizes and directs the City Auditor to deposit funds into the Star Ohio program; and

WHEREAS, it is necessary for this Council to authorize the City Auditor to transfer funds from the Water System Reserve Fund to the Water Works Enlargement Voted Bonds Fund; and

WHEREAS, the City anticipates incurring certain Original Expenditures (as defined in Section 1.150-2(c) of the Treasury Regulations (the "Treasury Regulations") promulgated pursuant to the Internal Revenue Code of 1986, as amended) with respect to the construction of the Project described in this Ordinance (collectively, the "Project"); and

WHEREAS, it has become necessary in the usual daily operation of the Department of Public Utilities, Division of Power and Water; to authorize and direct the City Auditor to deposit funds into the Star Ohio program for a construction permit for the Hap Cremean

Water Plant Lagoon No. 2 Embankment Modifications Project; an emergency manner in order to meet the construction timeline beginning June 2009, to authorize the appropriation and transfer of funds from the Water System Reserve Fund to the Water Works Enlargement Voted Bonds Fund, for the 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 Public Utilities be and hereby is authorized to direct the City Auditor to deposit funds into the State Treasury Asset Reserve of Ohio (Star Ohio) program in a surety account designated by the Ohio Department of Natural Resources and to execute such other agreements as may be related to the surety account pursuant to the State's requirements to obtain construction permit for the Hap Cremean Water Plant Lagoon No. 2 Embankment Modifications Project; in the amount of \$762,768.75.

SECTION 2. That from the unappropriated monies in the Water System Reserve Fund, and from all monies estimated to come into said fund from any and all sources, and unappropriated for any other purpose during the fiscal year ending December 31, 2009, the sum of \$762,768.75, is hereby appropriated to the Division of Power and Water, Division 60-09, Object level One 10, Object level Three 5502, OCA 695056.

SECTION 3. That the City Auditor is hereby authorized and directed to transfer \$762,768.75, from the Water System Reserve Fund to the Water Works Enlargement Voted Bonds Fund, Fund No. 606, into the appropriate project account as specified within Section 4 herein, at such time as deemed necessary by him, and to expend said funds, or so much thereof as may be necessary.

SECTION 4. That the appropriation and expenditure of \$762,768.75 is hereby authorized for the Hap Cremean Water Plant Lagoon No. 2 Embankment Modifications Project within the Water Works Enlargement Voted Bonds Fund, Fund No. 606, Division 60-09, Project No. 690331, Object Level Three 6623, OCA Code 606331.

SECTION 5. That upon obtaining other funds for the purpose of funding water system capital improvement work, the City Auditor is hereby authorized to repay the Water System Reserve Fund the amount transferred under Section 3 above, and said funds are hereby deemed appropriated for such purpose.

SECTION 6. 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 7. That the City intends that this Ordinance constitute an "official intent" for purposes of Section 1.150-2(e) of the Treasury Regulations, and that the City reasonably expects to reimburse itself for certain Original Expenditures incurred with respect to the Project from the proceeds of obligations to be issued by the City in a principal amount currently estimated to be \$762,768.75 (the "Obligations").

The City intends to make a reimbursement allocation on its books for the Original Expenditures not later than eighteen months following the later to occur of the date of the Original Expenditure to be reimbursed or the date the Project for which such Original Expenditures were made is "placed in service" within the meaning of Treasury Regulations Section 1.150-2(c). Upon the issuance of the Obligations, the proceeds of such Obligations shall be used to reimburse the Water System Reserve Fund 603, which is the fund from which the advance for costs of the Project will be made.

SECTION 8. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.