



Legislation Text

File #: 1528-2008, Version: 1

1. BACKGROUND: This legislation authorizes the Director of Public Utilities to enter into a construction contract with Burch Hydro, Inc. for the Hap Cremean Water Plant Lagoon 3 Sludge Removal; in the amount of \$307,847.69; to transfer \$298,789.35 from the Water System Reserve Fund to the Water Works Enlargement Voted Bonds Fund; and to amend the 2008 Capital Improvements Budget.

2. CONSTRUCTION CONTRACT AWARD: The Director of Public Utilities publicly opened two bids on September 10, 2008. Bids were received from: Burch Hydro, Inc. - \$307,847.69 and Synagro Central, LLC - \$822,108.54.

The lowest and best bid was from Burch Hydro, Inc. in the amount of \$307,847.69. Their Contract Compliance Number is 31-0978934 (expires 6/24/10, Majority). Additional information regarding both bidders, description of work, contract time frame and detailed amounts can be found on the attached Legislation Information Form.

3. FISCAL IMPACT: This legislation includes a transfer of funds within the Water Works Enlargement Voted Bonds Fund and 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. An amendment to the 2008 CIB is also necessary.

Emergency Designation: It is requested that this Ordinance be handled in an emergency manner to allow removal of sludge from Lagoon #3 as soon as possible because all process residuals (sludge) from the HCWP are either pumped to McKinley Quarry via a pipeline or go to one of the three lagoons on the plant site. Two of the three lagoons are currently inoperable and are slated for construction improvements to begin later this year. Lagoon #3 is currently the only functioning sludge lagoon on-site. Lagoon #3 was filled to capacity during the recent sludge pipeline break. The lagoon is needed in the event there are other maintenance issues or problems with the sludge pipeline. Without the ability to store process residuals the HCWP will be unable to continue to treat water.

To authorize the Director of Public Utilities to execute a construction contract with Burch Hydro, Inc. for construction of the Hap Cremean Water Plant Lagoon 3 Sludge Removal; to authorize the transfer of \$9,058.34 within the Water Works Enlargement Voted Bonds Fund; to authorize the appropriation, transfer, an expenditure of \$298,789.35 from the Water System Reserve Fund to the Water Works Enlargement Voted Bonds Fund; to authorize the expenditure of \$307,847.69 from the Water Works Enlargement Voted Bonds Fund; to authorize an amendment to the 2008 Capital Improvements Budget; for the Division of Power and Water, and to declare an emergency. (\$307,847.69)

WHEREAS, two bidders for the Hap Cremean Water Plant Lagoon 3 Sludge Removal were received and publicly opened in the offices of the Director of Public Utilities on September 10, 2008; and

WHEREAS, the lowest and best bid was from Burch Hydro, Inc. in the amount of \$307,847.69; and

WHEREAS, it is necessary to authorize an amendment to the 2008 Capital Improvements Budget for purposes of providing sufficient funding and expenditure authority for the aforementioned project expenditure; 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").

WHEREAS, 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 enter into a construction contract for the Hap Cremean Water Plant Lagoon 3 Sludge Removal, to authorize the appropriation and transfer of funds from the Water System Reserve Fund to the Water Works Enlargement Voted Bonds Fund, in an emergency manner to allow removal of sludge from Lagoon #3 as two of the three lagoons are currently inoperable and the lagoon is needed in the event there are other maintenance issues or problems with the sludge pipeline, 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 City Auditor is hereby authorized to transfer \$9,058.34 within the Division of Power and Water, Dept/Div. No. 60-09, Water Works Enlargement Voted Bonds Fund, Fund No. 606, Object Level One 06, Object Level Three 6623, as follows:

Project No. | Project Name | OCA Code | change

690431 | Morse/R-New Albany Rd-Water Line | 642900 | -\$9,058.34
690331 | HCWP Lagoons #1 & #3 Sludge Removal | 606331 | +\$9,058.34

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, 2008, the sum of \$298,789.35, 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 \$298,789.35, 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 \$307,847.69 is hereby authorized for the Hap Cremean Water Plant Lagoon 3 Sludge Removal 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 the 2008 Capital Improvements Budget is hereby amended as follows:

Project No. | Project Name | Current Authority | Revised Authority | (change)

690431 | Morse/R-New Albany Rd-Water Line | \$9,058 | \$1 | -\$9,059 (to cover change)
690431 | Morse/R-New Albany Rd-Water Line | \$9,059 | \$0 | -\$9,059
690331 | HCWP Lagoons #1 & #3 Sludge Removal | \$7,000,000 | \$7,009,059 | +\$9,059

SECTION 6. 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 7. That the Director of Public Utilities be and hereby is authorized to award and execute a construction contract for the Hap Cremean Water Plant Lagoon 3 Sludge Removal with the lowest and best bidder, Burch Hydro, Inc.; 17860 Ankneytown Rd., Fredericktown, Ohio 43019; in the amount of \$307,847.69; in accordance with the terms and conditions of the contract on file in the Office of the Division of Power and Water.

SECTION 8. 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 9. That said construction company shall conduct the work to the satisfaction of the Director of Public and the Administrator of the Division of Power and Water.

SECTION 10. 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 \$3,231,964.66 (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 11. That for 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.