



Legislation Text

File #: 0012-2016, **Version:** 1

1. BACKGROUND: The Ohio EPA requires this legislation which authorizes the Director of Public Utilities to execute a Water Pollution Control Loan Fund (WPCLF) loan agreement totaling approximately \$4 million, for construction of the BWARI Biofilter Project as identified in Section 1., under the direction of the Division Sewerage and Drainage (DOSD). This loan program is jointly administered by the Ohio EPA's Division of Environmental and Financial Assistance, and the Ohio Water Development Authority (OWDA). The WSRLA program provides below-market interest rate loans for municipal sewer system improvements.

Ordinance 2516-2013 was passed December 2, 2013 authorizing the Director to enter into a WPCLF Loan Agreement for this project. As required by OEPA and OWDA that authorizing legislation set a "not to exceed" amount (of \$3.5 million) for the loan for this project. The bids for the project, however, have been opened and they exceed the original "not to exceed" amount that was authorized in Ordinance 2516-2013. For this reason Council's Authority is needed to increase the authorization in order to proceed with the financing at an amount not to exceed \$4 million.

3. FISCAL IMPACT: This loan will be paid off over a 20-year period from sewer system rates (the dedicated source of repayment for the loan). Sewer system rate increases have been projected and planned in anticipation of this project and loan.

To authorize the Director of Public Utilities to apply for, accept, and enter into a Water Pollution Control Loan Fund (WPCLF) Loan Agreement with the Ohio Water Development Authority and the Ohio Environmental Protection Agency for the financing of the BWARI Biofilter Project for the Division of Sewerage and Drainage (DOSD); and to designate a dedicated source of repayment for the loan.

WHEREAS, in 2016 the Department of Public Utilities is scheduled to execute a loan agreement for up to \$4 million in financing, for submittal to the Ohio EPA under the Water Pollution Control Loan Fund (WPCLF) program to finance, through a below-market interest rate loan, the construction of the BWARI Biofilter Project under the direction of the Division of Sewerage and Drainage, which said financial assistance may be of help in reducing total project costs to the City's sewer system customers; and

WHEREAS, prior to WPCLF loan agreement approval by the Ohio Water Development Authority, the WPCLF loan agreement documents require the City to submit to the Ohio EPA a certified copy of approved City Council legislation authorizing the Director of the Public Utilities Department to apply for and subsequently execute said WPCLF agreement, set a "not to exceed" limit on the amount of the loan, and to authorize a dedicated source of repayment for the loan; and

WHEREAS, it has become necessary in the usual daily operation of the Department of Public Utilities to authorize the Director to apply for, accept and enter into a WPCLF loan agreement with Ohio WDA and submit a copy of this legislation to the Ohio EPA prior to the OWDA board's consideration for approval as part of the loan agreement approval process; **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 enter into a Water Pollution Control Loan Fund Loan Agreement with the Ohio Water Development Authority and the Ohio Environmental Protection Agency,

for the financing of the Division of Sewerage and Drainage project as described below with the "not to exceed" construction project costs in parenthesis:

BWARI Biofilter Project, CIP No. 650490-100002, WSRLA Project No. CS390274-0185; (\$4,000,000.00).

SECTION 2. That Sewer System Service Charges are hereby authorized to be the dedicated source of repayment for the Water Pollution Control Loan Fund Loan.

SECTION 3. That the City Auditor is authorized to establish proper project accounting numbers as appropriate.

SECTION 4. 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 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.