



## Legislation Text

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**File #:** 1282-2010, **Version:** 1

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### 1. BACKGROUND

Need: The Ohio Water Development Authority (OWDA) requires this legislation which authorizes the Director of Public Utilities to apply for and execute an OWDA Local Government Agency Loan Program loan agreement for the construction of the Safford/Union Area Water Line Improvements Project, CIP No. 690236-100007 under the direction of the Division of Power and Water. This capital improvement project is planned to be 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. The loan application is now being prepared for this project. This authorizing legislation is a requirement for loan approval and must be submitted to the OWDA as a part of the loan application.

### FISCAL IMPACT

Budgeted Amount: There is sufficient budget authority in the 2010 Water System Operating Fund for application fee expenditures. This loan 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 this project and loan.

To authorize the Director of Public Utilities to apply for, accept, and enter into an Ohio Water Development Authority Local Government Agency Loan Program loan agreement, for the financing of the Division of Power and Water's Safford/Union Area Water Line Improvements Project; and to designate a dedicated repayment source for the loans. (\$1,725,000.00)

**WHEREAS**, the Department of Public Utilities is scheduled to prepare a loan application 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 the Safford/Union Area Water Line Improvements Project by the Division of Power and Water, through financial assistance that will 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 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; 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 an Ohio Water Development Authority (OWDA) Local Government Agency Loan Program loan agreements, for the financing of the Division of Power and Water capital improvements project, as described below with the "not to exceed" construction project costs in parenthesis, as follows:

1. Safford/Union Area Water Line Improvements Project, CIP No. 690236-100007; (\$ 1,725,000.00).

**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 this ordinance shall take effect and be in force from and after the earliest period allowed by law.

