



Legislation Text

File #: 1703-2015, **Version:** 1

1. BACKGROUND

Need: Ohio EPA requires this legislation which authorizes the Director of Public Utilities to execute up to six (6) Water Supply Revolving Loan Account (WSRLA) loan agreements totaling approximately \$22 million, for construction of up to six (6) water system projects as identified in Section 1, under the direction of the Division of Water (DOW). These Capital Improvements Projects are eligible for financing through the Water Supply Revolving Loan Account (WSRLA) program in Program Year 2016 which runs from July 1, 2015 through June 30, 2016. This loan program is jointly administered by the Ohio EPA's Division of Environmental and Financial Assistance (DEFA) and the Ohio Water Development Authority (OWDA). The WSRLA program provides below-market interest rate loans for municipal water system improvements.

2. **EMERGENCY DESIGNATION:** A WSRLA loan application is currently being drafted for processing for one of the designated projects. This authorizing legislation is a requirement for loan approval and must be submitted to the Ohio EPA as a part of the loan application prior to consideration by the Ohio Water Development Authority (OWDA) board for loan award. Therefore, for the purpose of keeping this project on schedule, emergency designation is requested.

3. FISCAL IMPACT

These loans will be paid off over a 20-year period from water service rate fees (dedicated source of repayment). Water service rate fee increases have been projected and planned in anticipation of these projects and loans.

To authorize the Director of Public Utilities to apply for, accept, and enter into up to six (6) Water Supply Revolving Loan Account Agreements with the Ohio Environmental Protection Agency and the Ohio Water Development Authority, during Program Year 2016, for the construction of water distribution and supply system improvements; to designate a repayment source for the loans; and to declare an emergency.

WHEREAS, in Program Year 2016 the Department of Public Utilities is scheduled to prepare loan applications for submittal to the Ohio EPA under the Water Supply Revolving Loan Account (WSRLA) program to finance the construction of up to six Capital Improvement Projects under the direction of the Division of Water, the financial assistance for which may be of help in reducing total project costs to the City's water rate payers; and

WHEREAS, the low-interest loans will be applied for based upon the availability of funds through the Ohio EPA's WSRLA program and executed upon approval of the loan applications by Ohio EPA; and

WHEREAS, the WSRLA loan application and loan agreement documents require the City to submit to the Ohio EPA a certified copy of the approved City Council legislation which authorizes the Director of the Public Utilities Department to apply for and subsequently execute the WSRLA agreement(s);

WHEREAS, an emergency exists in the usual operation of the Department of Public Utilities in that it is immediately necessary to prepare the loan applications for submittal to the Ohio EPA in order to preserve the public health, peace, property, safety, and welfare; 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 up to six (6) Water Supply Revolving Loan Account Agreements with the Ohio Environmental Protection Agency and administered by the Ohio Water Development Authority for the financing of up to six (6) Division of Water projects, based upon the availability of funds through the Ohio EPA's Water Supply Revolving Loan Account (WSRLA) program and the agency's approval, as described, with the "not to exceed" construction costs in parenthesis, as follows:

1. CIP# 690236-100061 - Acton Rd. Area Water Line Imps; (\$3,500,000)
2. CIP# 690236-100062 - Simpson Dr. Area Water Line Imps; (\$3,500,000)
3. CIP# 690236-100067 - Lamont Ave. Area Water Line Imps; (\$3,500,000)
4. CIP# 690236-100068 - Silver Dr. Area Water Line Imps; (\$3,500,000)
5. CIP# 690236-100069 - Arcadia Ave. Area Water Line Imps; (\$3,500,000)
6. CIP# 690532-100000 - HCWP Bulk Chemical Building Imps; (\$4,500,000)

SECTION 2. That water rates are hereby authorized to be the source of repayment for the Water Supply Revolving Loan Account loan(s).

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