



## Legislation Text

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**File #:** 0261-2015, **Version:** 1

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### 1. BACKGROUND

**Need:** The Ohio EPA requires this legislation which authorizes the Director of Public Utilities to apply for and execute an Ohio Water Pollution Control Loan Fund (WPCLF) loan agreement totaling approximately \$125 million, for construction of the Blacklick Creek Sanitary Interceptor Sewer Project as identified in Section 1., under the direction of the Division of 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 WPCLF Loan Fund program provides below-market interest rate loans for municipal wastewater treatment improvements.

Ordinance 2516-2013 was passed December 2, 2013 authorizing the Director to enter into a WPCLF Loan Agreement for this project, however, the project cost has since been revised and the "not to exceed" amount originally designated at \$94 million is now \$125 million. For this reason we need Council's Authority to proceed with the financing at an amount not to exceed \$125 million.

2. EMERGENCY DESIGNATION: WPCLF loan application is now being processed for this project. 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. For the purpose of keeping this project on schedule, therefore, emergency designation is requested.

### 3. FISCAL IMPACT

**Budgeted Amount:** There is sufficient budget authority in the 2015 Sewer Systems Operating Funds for the loan application fee expenditure. This loan will be paid off over a 20-year period from sewerage system fees (dedicated source of repayment). Sewerage system fee 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 Pollution Control Loan Fund Agreement with the Ohio Water Development Authority and the Ohio Environmental Protection Agency, for the financing of the Blacklick Creek Sanitary Interceptor Sewer for the Division of Sewerage and Drainage Division (DOSD); to designate a dedicated source of repayment for the loan; and to declare an emergency.

**WHEREAS,** in 2015 the Department of Public Utilities is scheduled to prepare a loan application for up to \$125 million in financing, for submittal to the Ohio EPA under the Ohio Water Pollution Control Loan Fund (WPCLF) program to finance, through below-market interest rate loans, the construction of the Blacklick Creek Sanitary Interceptor Sewer Project under the Division of Sewerage and Drainage, which said financial assistance may be of help in reducing total project costs to the City's sewerage customers; and

**WHEREAS,** prior to WPLCF loan agreement approval by the Ohio Water Development Authority, the WPCLF loan application and 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, and to authorize a dedicated source of loan repayment for the loan; and

**WHEREAS,** this legislation must be approved and a certified copy must be submitted to the Ohio EPA prior to the

OWDA board's consideration for approval as part of the loan application and loan agreement approval process, therefore an emergency exists in the usual daily operation of the Division of Sewerage and Drainage, Department of Public Utilities, in that it is immediately necessary to authorize the Director of Public Utilities to apply for, accept, and enter into to a WPCLF Loan Agreement with the State of Ohio for the immediate preservation of the public peace, health, 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 apply for, accept, and 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 with the "not to exceed" construction project costs in parenthesis, below:

1. Blacklick Creek Sanitary Interceptor Sewer Project, CIP No. 650034-100006, WPCLF Loan No. CS390274-0183; (\$125,000,000.00).

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

**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.