



Legislation Text

File #: 1564-2009, Version: 1

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 construction of the Lazelle Road Water tank project as identified in Section 1. under the direction of the Division of Power and Water. This Capital Improvement Project is being financed through the OWDA Local Government Agency Loan Program and is administered by the Ohio Water Development Authority (OWDA). The loan program provides low interest rate loans for municipal water utility capital improvements.

2. EMERGENCY DESIGNATION: The loan application is currently being prepared for this project and bids are scheduled to be opened November 18, 2009. This authorizing legislation is a requirement for loan approval and must be submitted to the OWDA as a part of the loan application. This loan agreement is scheduled for approval at the OWDA board meeting on December 10, 2009 therefore emergency designation is needed.

FISCAL IMPACT

Budgeted Amount: There is sufficient budget authority in the 2009 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 Lazelle Road Water Tank construction project; to designate a dedicated repayment source for the loan; and to declare an emergency.

WHEREAS, the Department of Public Utilities is scheduled to prepare a loan application for approximately \$4,950,000.00 million in financing, 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 Lazelle Road Water Tank project under the Division of Power and Water, which financial assistance will be of help in reducing total project costs to the City's water rate paying 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 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 OWDA prior to the board meeting on December 10, 2009 as part of the loan application and loan agreement approval process, therefore 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 apply for, accept, and enter into to the OWDA Loan Agreement 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 an Ohio Water Development Authority (OWDA) Local Government Agency Loan Program loan agreement, for the financing of the Lazelle Road Water Tank project for the Division of Power and Water, as described below with the "not to exceed" construction project costs in

parenthesis, as follows:

1. Lazelle Road Water Tank project, CIP No. 690424; (\$4,950,000.00).

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 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.