



Legislation Text

File #: 0997-2023, Version: 1

1. BACKGROUND

This ordinance authorizes the Director of the Department of Public Utilities to apply for loans directly through the Ohio Water Development Authority (OWDA) to finance Department of Public Utilities capital improvement projects, to accept the loan funding if offered under terms agreeable to the City of Columbus, and to execute the documents needed to accept the loans. This ordinance also requests that new Fund Numbers be established by the Auditor’s Office and the Director of the Department of Finance and Management for the financial tracking of these loans.

The OWDA’s mission is to provide financial assistance for environmental infrastructure from the sale of municipal revenue bonds through loans to local governments in Ohio. These loans are available at interest rates below what the City can obtain through a bond sale. Not all Department of Public Utilities projects meet the OWDA requirements to be eligible for loans. The Department of Public Utilities has been in discussions with OWDA concerning projects expected to need funding through 3/31/24 and determined the following projects appear to qualify to be funded through the OWDA Direct loan program:

P r o j e c t N u m b e r	<u>Project Name</u>	<u>Project Phase</u>	<u>Estimated Cost</u>
6109100002	Franklinton Area Storm Sewer Rehabilitation	Construction Administration & Inspection	\$650,000.00

6 1 1 0 3 1 - 1 0 0 0 0 0	ST-21, ST-22, ST-23 Improvements	Engineering Contract Modification	\$650,000.00
6 1 1 0 3 7 - 1 0 0 0 0 0	Krieger Court Stormwater Improvements	Construction Administration & Inspection	\$558,000.00
6 1 1 0 4 0 - 1 0 0 0 0 0	Barnett Road Stormwater Improvements Project	Construction Administration & Inspection	\$570,000.00

6 5 0 0 3 3 - 1 0 0 0 0 2	Big Walnut Sanitary Trunk Extension, Phase 2	Construction Administration & Inspection	\$3,800,000.00
6 5 0 0 3 3 - 1 0 0 0 0 2	Big Walnut Sanitary Trunk Extension, Phase 2	Engineering Contract Modification	\$1,500,000.00
6 5 0 2 2 3 4 - 1 0 0 2 0 0	DOSD Roof Replacements, No. 3	Construction	\$3,000,000.00

6 5 0 2 4 0 - 1 0 0 0 0 0	JPWWTP Digester Improvements	Engineering/Design	\$3,311,000.00
6 5 0 3 5 3 - 1 0 0 0 0 7	SWWTP Organics Receiving and Bioengery Utilization Facility	Engineering/Design	\$14,472,000.00
6 5 0 3 7 8 - 1 0 0 0 0 1	SWWTP Plant Wide Control System Improvements	Engineering Contract Modification	\$1,424,280.00

6 5 0 4 9 1 - 1 0 0 0 0 7	Intermodal Sanitary Subtrunk Extension	Construction Administration & Inspection	\$2,000,000.00
6 5 0 7 2 5 - 1 0 0 0 1 8	Near North & East Area Large Diameter Assessment - Phase 3	Construction Administration & Inspection	\$1,500,000.00
6 5 0 7 2 5 - 1 0 0 0 2 8	West Side Trunk Rehab-Phase 2	Construction Administration & Inspection	\$1,200,000.00

6 5 0 7 9 0 - 1 2 2 1 8 1	Inflow Redirection - Markison	Construction Administration & Inspection	\$3,760,000.00
6 5 0 8 7 0 - 1 5 3 0 0 2	Blueprint Hilltop 1 Eureka / Fremont Permeable Pavers	Construction Administration & Inspection	\$1,500,000.00
6 9 0 2 3 6 - 1 0 0 1 1 2	Transite Pipe Replacement	Construction	\$4,900,000.00

6 9 0 4 7 3 - 1 0 0 0 1 7	East Broad Tanks Valve Replacement	Construction	\$900,000.00
6 9 0 4 7 7 - 1 0 0 0 0 0	Water Storage Tank Painting	Construction	\$2,250,000.00
6 9 0 5 6 7 - 1 0 0 0 0	DRWP Automation Upgrade	Construction	\$2,600,000.00

6 9 0 5 7 6 - 1 0 0 0 0 0	DOW Safety Improvements	Construction	\$1,800,000.00
6 9 0 5 8 9 - 1 0 0 0 0 2	Large Diameter Valve Replacement Part 3	Construction	\$4,686,561.65
6 9 0 6 0 0 - 1 0 0 0 1	Fourth Water Plant-Field Office Improvements	Construction	\$1,500,000.00
T o t a l :			\$58,531,841.65

The Department of Public Utilities anticipates applying for loan funding for the above listed projects. However, it may become necessary to add or subtract from this list of projects depending upon project schedule adjustments, departmental need, or OWDA deciding the project is not eligible for funding. These loans do not have an annual application period. Loans are applied for on an as-needed basis after bids are opened or after professional service contract pricing has been negotiated.

The Department of Public Utilities has been using a loan program administered jointly by the Ohio EPA's Division of

Environmental and Financial Assistance and the OWDA to finance part of the department's capital improvement program. The projects to be financed by this OWDA Direct loan program are projects that do not meet the eligibility requirements of the Ohio EPA/OWDA loan program, which has more stringent requirements as to the type of projects and project phases that can be covered.

The implementation of this OWDA Direct loan funded program will require the establishment of new Fund Numbers to differentiate the two loan programs in the City's financial system.

2. FISCAL IMPACT

Approval to expend funds is not being requested at this time. Separate ordinances will be submitted for City Council approval to award or modify any contracts to be funded with these loan awards.

There is sufficient budget authority in the 2023 Sewer Systems, Stormwater, and Water Operating Funds budgets for any loan application fee expenditures. These loans will be paid off over a 20-year period from Sewerage System, Stormwater, and Water rates (dedicated source of repayment). Sewerage System, Stormwater, and Water rate increases have been projected and planned in anticipation of these projects and loans.

It is necessary to establish new Fund Numbers to differentiate the existing loan program (Ohio EPA) from the new loan program (OWDA Direct) and to allow tracking of the new loan program in the City's financial system. The Fund Numbers for the existing loan program are 6011 for Water, 6111 for Sanitary, and 6211 for Storm. Three new Fund Numbers are requested for the new OWDA Direct loan program. These Fund Numbers need to be named as follows: OWDA Direct Loan - Water; OWDA Direct Loan - Sanitary; and OWDA Direct Loan - Storm.

To authorize the Director of the Department of Public Utilities to apply for, accept, and enter into loan agreements with the Ohio Water Development Authority for capital improvement projects; to designate a dedicated source of repayment for the loans; and to authorize the establishment of new Fund Numbers for these loans. (\$0.00)

WHEREAS, the Department of Public Utilities anticipates preparing loan applications to submit to the OWDA Direct loan program for the projects and project phases listed in the Background Section of this ordinance to finance, through below-market interest rate loans, capital improvement projects under the Division of Sewerage and Drainage and the Division of Water, which said financial assistance may be of help in reducing total project costs to the City's Sewerage, Stormwater, and Water customers; and

WHEREAS, it may become necessary to add or subtract to the list of projects anticipated to apply for OWDA Direct loan financing due to schedule adjustments or departmental need; and

WHEREAS, new Fund Numbers are required to be established so financial tracking of this new category of loans from OWDA Direct can be tracked in the City's financial system separately from the current source of loan funding provided jointly by the Ohio EPA/OWDA; and

WHEREAS, it will be necessary to repay any loans obtained; 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 loans with the Ohio Water Development Authority to finance Department of Public Utilities capital improvement projects; **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of the Department of Public Utilities is hereby authorized to apply for, accept, and enter into loan agreements with the Ohio Water Development Authority for the financing of capital improvement projects.

SECTION 2. City Council understands and agrees that the list of projects, phases, and costs in the Background Section

of this ordinance are the anticipated projects, phases, and costs; that projects and phases may be added to or subtracted from the list due to schedule changes or department need; that the prices are estimates that will change based upon bid results and/or contract negotiations; and City Council authorizes the Director of Public Utilities to make changes to the list through 3/31/24 as the Director of Public Utilities deems necessary without seeking City Council approval for the changes and without amending this ordinance.

SECTION 3. That Sewerage System Service Charges are hereby authorized to be the dedicated source of repayment for the Sanitary and Treatment Engineering projects submitted for OWDA Direct loan funding under this ordinance.

SECTION 4. That Stormwater Fees are hereby authorized to be the dedicated source of repayment for the Stormwater projects submitted for OWDA Direct loan funding under this ordinance.

SECTION 5. That city water rate revenues are hereby authorized to be the dedicated source of repayment for the Division of Water projects submitted for OWDA Direct loan funding under this ordinance.

SECTION 6. That the City Auditor and the Director of Finance and Management are authorized to establish new fund numbers as requested and needed for the OWDA Direct Loan Program.

SECTION 7. Funds are hereby deemed appropriated and expenditures and transfers authorized to carry out the purposes of this ordinance and the City Auditor shall establish such accounting codes as necessary.

SECTION 8. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.