



Legislation Text

File #: 0504-2012, **Version:** 1

BACKGROUND: This legislation authorizes the Director of Public Utilities to enter into a reimbursement agreement with Del-Co Water Company, Inc to establish terms for Del-Co Water Company, Inc.'s reimbursement to the City of costs related to the construction of the Upground Reservoir Project. Del-Co Water Company, Inc. has elected to participate in the construction of the Upground Reservoir project and receive an allocation of the water supply from the project pursuant to the terms of a settlement agreement entered into between the City and Del-Co Water Company, Inc. on July 6, 1992.

As part of the settlement agreement, the City agreed to consider Del-Co Water Company, Inc.'s long term raw water supply requirements in planning its own long term raw water supply and to offer Del-Co Water Company, Inc. the opportunity to participate in the development of such a facility. Upon notification of the City's plans for the Upground Reservoir project, Del-Co Water Company, Inc. elected to participate and to receive an allocation from the total capacity of the facility, as provided for in the settlement agreement. Del-Co Water Company, Inc.'s cost will be a pro rata share of the total costs based on its proportionate allocation of the total capacity and will include construction costs as well as operation and maintenance costs.

FISCAL IMPACT: The City will receive reimbursement payments for costs related to the construction, operation and maintenance of the Upground Reservoir project. No funds are being expended. This is a revenue generating agreement.

To authorize the Director of Public Utilities to enter into a reimbursement agreement with Del-Co Water Company, Inc. to establish terms for Del-Co Water Company, Inc.'s reimbursement to the City of costs related to the construction of the Upground Reservoir Project.

WHEREAS, The City and Del-Co Water Company, Inc. entered into a Settlement Agreement on July 6, 1992, which agreement included provisions related to the planning, development, and construction of a new water supply facility or facilities by the City; and

WHEREAS, The City agreed in the Settlement Agreement to take into consideration Del-Co Water Company, Inc.'s long-term raw water supply requirements in planning and developing its own long-term raw water supply requirements and to offer Del-Co Water Company, Inc. the opportunity to participate with the City in the development of such a facility subject to specified provisions and to receive an allocation of ten million gallons per day (mgd) from the total capacity of the facility; and

WHEREAS, The City notified Del-Co Water Company, Inc. of its final selection of the site for its long-term raw water supply facility and Del-Co Water Company, Inc. notified the City of its election to participate in the development of the facility pursuant to the conditions specified in the Settlement Agreement; and

WHEREAS, Del-Co Water Company, Inc.'s daily allocation from the aforementioned facility was modified to eight mgd pursuant to an assignment to Del-Co Water Company, Inc. of two mgd of the City's allocation from the Alum Creek Reservoir; and

WHEREAS, The City has completed the design of the facility, which includes an allocation of eight million gallons per

day (mgd) to Del-Co Water Company, Inc., and has begun construction of the facility; and

WHEREAS, The City and Del-Co Water Company, Inc. wish to formalize their agreement as to the reimbursement by Del-Co Water Company, Inc. to the City for costs incurred by the City related to the design, construction, operation and maintenance of the aforementioned facility; now therefore

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

Section 1. That the Director of Public Utilities is authorized to enter into a reimbursement agreement with Del-Co Water Company, Inc. to establish terms for Del-Co Water Company, Inc.'s reimbursement to the City of costs related to the construction of the Upground Reservoir Project.

Section 2. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.