



Legislation Text

File #: 2239-2016, Version: 1

1. BACKGROUND: The Ohio EPA requires this legislation which authorizes the Director of Public Utilities to apply for and execute a Water Pollution Control Loan Fund (WPCLF) loan agreement totaling approximately \$18 Million, for construction of the Facilities and Equipment Upgrades at the Whittier Street Storm Tanks 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 program provides below-market interest rate loans for municipal water and wastewater system improvements.

Ordinance 2241-2015 which passed October 19, 2015 authorized the Director of Public Utilities 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 approximately \$13 Million is now \$18 million. For this reason Council's authorization is needed in order to proceed with the financing at an amount not to exceed \$18 million.

2. FISCAL IMPACT: This loan will be paid off over a 20-year period from sewer system rates (dedicated source of repayment). Sewer system 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 a Water Pollution Control Loan Fund Agreement with the Ohio Water Development Authority and the Ohio Environmental Protection Agency for the financing of the Facilities and Equipment Upgrades at the Whittier Street Storm Tanks Project for the Division of Sewerage and Drainage; and to designate a dedicated source of repayment for the loan.

WHEREAS, in 2016 the Department of Public Utilities has prepared a loan application for up to \$18 million in financing, for submittal to the Ohio EPA under the Water Pollution Control Loan Fund (WPCLF) program to finance, through a below-market interest rate loan, the construction of the Facilities and Equipment Upgrades at the Whittier Street Storm Tanks Project under the direction of the Division of Sewerage and Drainage, which said financial assistance may be of help in reducing total project costs to the City's sewer customers; and

WHEREAS, prior to WPCLF 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; 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 below with the "not to exceed" construction project costs in parenthesis:

Facilities and Equipment Upgrades at the Whittier Street Storm Tanks Project, CIP No. 650258-100001, WPCLF Loan No. CS390274-0198; (\$18,000,000.00).

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

SECTION 3. That the City Auditor is authorized to establish proper project accounting numbers as appropriate.

SECTION 4. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this Ordinance.

SECTION 5. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.