



Legislation Text

File #: 3344-2016, **Version:** 1

1. BACKGROUND: The Ohio EPA requires this legislation which authorizes the Director of Public Utilities to apply for and execute two Water Supply Revolving Loan Account (WSRLA) loan agreements totaling approximately \$30 Million, for the construction of the Hap Cremean Water Plant Standby Power Project and the Dublin Road Water Plant Standby Power Project as identified in Section 1., under the direction of the Division of Water (DOW). 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 WSRLA program provides below-market interest rate loans for municipal water system improvements.

Ordinance 1128-2016 which passed May 16, 2016 authorized the Director of Public Utilities to enter into WSRLA Loan Agreements for these projects, however, the project's costs have since been revised and the combined "not to exceed" amount originally designated at approximately \$22.7 Million is now \$30 Million. For this reason Council's authorization is needed in order to proceed with the financing at an amount not to exceed \$30 Million.

2. FISCAL IMPACT: These loans will be paid off over a 20-year period from water system rates (dedicated source of repayment). Water system rate increases have been projected and planned in anticipation of these projects and loans.

To authorize the Director of Public Utilities to apply for, accept, and enter into a Water Supply Revolving Loan Account (WSRLA) Loan Agreement with the Ohio Water Development Authority and the Ohio Environmental Protection Agency for the financing of the Hap Cremean Water Plant Standby Power and the Dublin Road Water Plant Standby Power Projects for the Division of Water (DOW); and to designate a dedicated source of repayment for the loan.

WHEREAS, in 2016 the Department of Public Utilities has prepared loan applications for up to \$30 Million in financing, for submittal to the Ohio EPA under the Water Supply Revolving Loan Account (WSRLA) program to finance, through below-market interest rate loans, the construction of the Hap Cremean Water Plant Standby Power and the Dublin Rd Water Plant Standby Power Projects under the direction of the Division of Water, which said financial assistance may be of help in reducing total project costs to the City's Water customers; and

WHEREAS, prior to WSRLA loan agreement approval by the Ohio Water Development Authority, the WSRLA 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 WSRLA Agreements, and to authorize a dedicated source of loan repayment for the loans; **now, therefore**

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

SECTION 1. That the Director of Public Utilities is hereby authorized to apply for, accept, and enter into two Water Supply Revolving Loan Account Loan Agreements with the Ohio Water Development Authority and the Ohio Environmental Protection Agency, for the financing of the Division of Water projects as described below with the "not to exceed" construction project costs in parenthesis:

Hap Cremean Water Plant Standby Power Project, CIP No. 690519-100000, WPCLF Loan No. FS390274-0238; (\$16,000,000.00)

Dublin Road Water Plant Standby Power Project, CIP No. 690520-100000, WPCLF Loan No. FS390274-0241; (\$14,000,000.00)

SECTION 2. That Water System Service Charges are hereby authorized to be the dedicated source of repayment for the Water Supply Revolving Loan Account loans.

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.