



Legislation Text

File #: 1386-2017, Version: 1

1. BACKGROUND: The Ohio EPA requires this legislation which authorizes the Director of Public Utilities to apply for and execute a Water Supply Revolving Loan Account (WSRLA) and a Water Pollution Control Loan Fund (WPCLF) loan agreements totaling approximately \$16 million dollars for the construction of the Acton Road Area Water Line Improvements Project and the Blueprint Clintonville GI Part 1, Blenheim/Glencoe Project as identified in Section 1., under the direction of the Division of Water (DOW) and the Division of Sewerage and Drainage (DOSD). These loan programs are jointly administered by the Ohio EPA's Division of Environmental and Financial Assistance, and the Ohio Water Development Authority (OWDA). Both the WSRLA and the WPCLF programs provide below-market interest rate loans for municipal water and sewer system improvements.

Ordinance 1128-2016 was passed May 6, 2016 authorizing the Director to enter into a WSRLA Loan Agreement for the Acton Road Project and Ordinance 2229-2016 was passed September 26, 2016 for the Blueprint Clintonville GI Part 1 Blenheim/Glencoe Project, however, the bids for the now combined project, which were opened on May 17, 2017, came in above the combined "not to exceed" amount originally calculated at \$11.8 million. For this reason Council's Authority is needed in order to proceed with the financing of the two projects at an amount not to exceed \$16 million dollars.

2. EMERGENCY DESIGNATION: Bids have been opened and evaluated for this project. This authorizing legislation is a requirement for loan approval and must be submitted to the Ohio EPA as a part of the loan process prior to consideration by the Ohio Water Development Authority (OWDA) board for loan award. For the purpose of keeping this combined project on schedule, therefore, **Emergency Designation is requested.**

3. FISCAL IMPACT: These loans will be paid off over a 20-year period from water and sewer system rates (dedicated source of repayment). Water and sewer system rate increases have been projected and planned in anticipation of this combined project and financing 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 Acton Road Area Water Line Improvements Project for the Division of Water (DOW); to apply for, accept, and enter into a Water Pollution Control Loan Fund (WPCLF) Loan Agreement with the Ohio Environmental Protection Agency for the financing of the Blueprint Clintonville GI Part 1, Blenheim/Glencoe Project for the Division of Sewerage and Drainage (DOSD); to designate a dedicated source of repayment for the loans; and to declare an emergency.

WHEREAS, in 2017 the Department of Public Utilities is scheduled to prepare a loan application for up to \$16 million dollars in financing, for submittal to the Ohio EPA under the Water Supply Revolving Loan Account (WSRLA) and Water Pollution Control Loan Fund (WPCLF) programs to finance, through below-market interest rate loans, the construction of the Acton Road Area Water Line Improvements Project under the direction of the Division of Water and the Blueprint Clintonville GI Part 1 Blenheim/Glencoe 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 water and sewer customers; and

WHEREAS, prior to WSRLA and WPCLF loan agreement approvals by the Ohio Water Development Authority, the WSRLA and WPCLF loan applications 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 and WPCLF agreements, and to authorize a dedicated source of loan repayment for the loans; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Public Utilities in that it is immediately necessary to authorize the Director to apply for, accept and enter into these loan agreements and submit a certified copy of this legislation to the Ohio EPA prior to the OWDA board's consideration for approval as part of the application and agreement approval process for the loans, all 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 is hereby authorized to apply for, accept, and enter into a Water Supply Revolving Loan Account Loan Agreement and 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 combined Division of Water and Division of Sewerage and Drainage project as described below with the "not to exceed" combined construction projects' costs in parenthesis:

Acton Road Area Water Line Improvements Project, CIP No. 690236-100061, WSRLA Project No. FS390274-0206; and Blueprint Clintonville GI Part 1 Blenheim/Glencoe Project, CIP No. 650870-100001, WPCLF Project No. CS390274-0217, (\$16,000,000.00)

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

SECTION 3. That the Sewer System Service Charges are hereby authorized to be the dedicated source of repayment for the Water Pollution Control Loan Fund Loan.

SECTION 4. That the City Auditor is authorized to establish proper project accounting numbers as appropriate.

SECTION 5. 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 6. 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.