



Legislation Text

File #: 1273-2019, **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 \$40 Million for construction of the Compost Facilities Odor Control Improvements Project as identified in Section 1., under the direction of the Division of Sewerage and Drainage (DOSD). The WPCLF 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 2551-2018 was passed October 8, 2018 authorizing the Director to enter into a WPCLF Loan Agreement for this project, however, the project cost estimate has since been revised and the "not to exceed" amount originally designated at \$28.9 Million based on 60% plans is now \$40 Million. For this reason Council's authorization is needed in order to proceed with the financing at an amount not to exceed \$40,000,000.00.

2. FISCAL IMPACT: This loan will be paid off over a 20-year period from Sanitary System rates (dedicated source of repayment). Sanitary 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 (WPCLF) Loan Agreement with the Ohio Water Development Authority and the Ohio Environmental Protection Agency for the financing of the Compost Facilities Odor Control Improvements Project for the Division of Sewerage and Drainage (DOSD); and to designate a dedicated source of repayment for the loan.

WHEREAS, Ordinance 2551-2018, which passed October 8, 2018, authorized the Director of Public Utilities to enter into a WPCLF Loan agreement for the Compost Facilities Odor Control Improvements Project in the "not to exceed" amount of \$28.9 million and that amount has now increased to a "not to exceed" amount of \$40 million; and

WHEREAS, in 2019 the Department of Public Utilities is scheduled to prepare a loan application for up to \$40,000,000.00 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 Compost Facilities Odor Control Improvements 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 Sanitary 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; and

WHEREAS, this legislation must be approved and a certified copy must be submitted to the Ohio EPA prior to the OWDA Board's consideration for approval as part of the loan application and loan agreement approval process; 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 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 modified "not to exceed" construction project costs in parenthesis:

Compost Facilities Odor Control Improvements Project, CIP No. 650375-100002, WPCLF Loan No. CS390274-0134; (\$40,000,000.00).

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 funds necessary to carry out the purpose of this Ordinance are hereby deemed appropriated and the City Auditor shall establish such accounting codes as necessary.

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