



## Legislation Text

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**File #:** 1521-2019, **Version:** 1

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**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) loan agreement totaling approximately \$14 million for construction of the Hap Cremean Water Plant Basin Concrete Rehabilitation Project as identified in Section 1., under the direction of the Division of Water (DOW). The WSRLA 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 and wastewater system improvements.

As required by the WSRLA Program, Ordinance 0687-2019 was passed April 8, 2019 authorizing the Director to enter into a WSRLA Loan Agreement for this project based on a cost estimate designating a "not to exceed" loan amount of \$10.9 million. The Division of Water has since received bids for the project providing actual numbers that are higher than the original "not to exceed" estimate. For this reason Council's authorization is needed in order to increase the authorization to proceed with financing at an amount now not to exceed \$14 million.

**2. FISCAL IMPACT:** This loan will be paid off over a 20-year period from Water service rates (dedicated source of repayment). Water service rate increases have been projected and planned in anticipation of this project and loan.

**3. EMERGENCY DESIGNATION:** The City is required to provide a copy of Council's authorization, including a designated "not to exceed" amount for the project being financed, to Ohio EPA upon submission of Bid Package documents for final preparation of the Loan Agreement to finance the project work. Bid Package documents are currently being prepared for this project with the intent of submitting in time to obtain a July loan award so that construction can begin on this necessary project at the earliest possible time. It is for this reason an emergency designation is requested.

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 Basin Concrete Rehabilitation Project for the Division of Water (DOW); to designate a dedicated source of repayment for the loan; and to declare an emergency.

**WHEREAS,** Ordinance #0687-2019, which passed April 8, 2019, authorized the Director of Public Utilities to enter into a WSRLA Loan agreement for the Hap Cremean Water Plant Basin Concrete Rehabilitation Project with the "not to exceed" amount of \$10.9 million and that amount has now increased to a "not to exceed" amount of \$14 million; and

**WHEREAS,** in 2019 the Department of Public Utilities is scheduled to prepare a loan application for up to \$14 million in financing, for submittal to the Ohio EPA under the Water Supply Revolving Loan Account (WSRLA) program to finance, through a below-market interest rate loan, the construction of the Hap Cremean Water Plant Basin Concrete Rehabilitation Project 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 Agreement, to establish a "not to exceed" amount for the loan, and to authorize a dedicated source of loan repayment; 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; and

**WHEREAS**, an emergency exists in the usual daily operation of the Division of Water, Department of Public Utilities, in that it is immediately necessary to authorize the Director of Public Utilities to execute a Water Supply Revolving Loan Fund Loan Agreement in an amount not to exceed \$14 million in order to secure financing to begin construction on the Hap Cremean Water Plant Basin Concrete Rehabilitation Project at the earliest practicable date, and for the immediate preservation of the public health, peace, 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 with the Ohio Water Development Authority and the Ohio Environmental Protection Agency, for the financing of the Division of Water project as described below with the modified "not to exceed" construction project costs in parenthesis:

Hap Cremean Water Plant Basin Concrete Rehabilitation Project, CIP No. 690389-100000, WSRLA Loan No. FS390274-0314; (\$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 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 for the reasons stated in the preamble hereto, which is hereby made a part hereof, this Ordinance is 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.