



Legislation Text

File #: 2242-2019, **Version:** 1

This ordinance authorizes the Department of Public Utilities (DPU) to pay M/I Homes of Central Ohio, LLC (M/I) \$156,838.50 for costs associated with construction within the Jefferson Water and Sewer District (the District) of sewer facilities to serve The Farms at Jefferson development. The District and M/I have asserted that M/I incurred costs in the amount of \$313,677.00 for “oversizing” the sewer facilities in accordance with the sewer service agreement between the city and the District (the Agreement). DPU disputes the characterization of these costs as “oversizing” costs compensable under the Agreement but has agreed to pay \$156,838.50, which represents half of the requested amount, in the interest of resolving the matter and avoiding the uncertainties of litigation.

EMERGENCY DESIGNATION: This ordinance is being submitted as an emergency to allow for the prompt resolution of this matter and to avoid the uncertainties of litigation.

FISCAL IMPACT: The City will make payment to M/I Homes of Central Ohio, LLC in the amount of \$156,838.50. There is sufficient budget authority available in the 2019 Sanitary Sewer Operating Fund budget to fund this transfer and expenditure.

To authorize the Department of Public Utilities to pay M/I Homes of Central Ohio, LLC \$156,838.50 to resolve a dispute related to the sewer service agreement between the city and Jefferson Water and Sewer District and sewer facilities constructed by M/I Homes of Central Ohio, LLC; to authorize the transfer within and expenditure of \$156,838.50 from the Sanitary Sewer Operating Fund; and to declare an emergency. (\$156,838.50)

WHEREAS, the Department of Public Utilities (DPU), in accordance with a sewer service agreement (the Agreement) with Jefferson Water and Sewer District (the District), may be responsible for payment of “oversizing” sewer facilities built within the District; and

WHEREAS, the District and M/I Homes of Central Ohio, LLC (M/I) have asserted that M/I incurred costs in the amount of \$313,677.00 for “oversizing” the sewer facilities in accordance with the Agreement; and

WHEREAS, DPU disputes the characterization of these costs as “oversizing” costs compensable under the Agreement but has agreed to pay \$156,838.50, which represents half of the requested amount, in the interest of resolving the matter and avoiding the uncertainties of litigation; and

WHEREAS, the Department of Public Utilities, Division of Sewerage and Drainage has a need to transfer \$156,838.50 between object classes within the 2019 Sanitary Sewer Operating Fund budget in order to fund this payment. Funds for the transfer have been identified and are available in object class 03 (Services).

WHEREAS, it is necessary to authorize the expenditure of \$156,838.50 from the Sanitary Sewer Operating Fund for this purpose; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Public Utilities, Division of Sewerage and Drainage, in that it is immediately necessary to authorize this transfer and payment to M/I Homes of Central Ohio, LLC in order to ensure a prompt resolution to this matter and avoid the uncertainties of litigation, thereby preserving 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 pay M/I Homes of Central Ohio, LLC \$156,838.50 to resolve a dispute related to the sewer service agreement between the city and Jefferson Water and Sewer District.

SECTION 2. That the transfer of \$156,838.50 or so much thereof as may be needed, is hereby authorized between object classes within Fund 6100 Sanitary Sewer Operating Fund per the accounting codes in the attachment to this ordinance.

SECTION 3. That the expenditure of \$156,838.50 or so much thereof as may be needed, is hereby authorized in Fund 6100 Sanitary Sewer Operating Fund, in object class 05 Other per the accounting codes in the attachment to this ordinance

SECTION 4. That funds are hereby deemed appropriated and expenditures and transfers authorized to carry out the purposes of this ordinance and the City Auditor shall establish such accounting codes as necessary.

SECTION 5. That for the reasons set forth in the preamble, which are incorporated by reference herein, this ordinance is hereby deemed to be an emergency measure and shall take effect and be in force from and immediately after its passage and approval by the Mayor, or 10 days after if the Mayor neither approves nor vetoes the same.