



## Legislation Text

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**File #:** 0494-2020, **Version:** 1

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**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 \$90 million for the System and Installation of the Enhanced Meter 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 with a designated "not to exceed" loan amount of \$30 million. That dollar figure was estimated based on the possibility of funding the project incrementally over the course of five years. After further evaluation and consultation with our funding partners (OEPA and OWDA) it was determined in the best interest of the City's ratepayers to fund the project in its entirety from the onset. 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 \$90 million.

**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.

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 Enhanced Meter Project for the Division of Water (DOW); to designate a dedicated source of repayment for the loan.

**WHEREAS**, Ordinance #0687-2019, which passed April 8, 2019, authorized the Director of Public Utilities to enter into a WSRLA Loan agreement for the Enhanced Meter Project with the "not to exceed" amount of \$30 million and that amount has now increased to a "not to exceed" amount of \$90 million; and

**WHEREAS**, in 2020 the Department of Public Utilities is scheduled to prepare a loan application for up to \$90 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 Enhanced Meter 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; 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:

Enhanced Meter Project, CIP No. 690358-100002, WSRLA Loan No. FS390274-0313; (\$90,000,000.00).

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