

# Request for Commission Action City of Springfield, Ohio

## Item Number:

**Agenda Date:** 08/27/2024

**Today's Date:** 08/20/2024

**Subject:** Authorize the City Manager to apply for, accept and enter into a Water Supply Revolving Loan Account Loan Agreement with the Ohio Environmental Protection Agency and Ohio Water Development Authority to borrow funds to finance the City's 2024 Selma Road Water Service Replacement Project

**Submitted By:** Adam Lipp

**Department:** Finance

**Contact:** Katie Eviston

**Item Type:** Ordinance

**Contract:** Yes

## Summary:

The Ohio Environmental Protection Agency (Ohio EPA) has made available low interest and forgivable loans through its Water Supply Revolving Loan Accounts (WSRLA) for Drinking Water and Lead Service Line Replacement projects. Substantial savings can be achieved by the City by borrowing from the Ohio EPA's Water Supply Revolving Loan Accounts (WSRLA) instead of issuing bonds to finance a portion of the costs associated with 2024 Selma Road Water Service Replacement project. The Ohio Environmental Protection Agency has been assisting the City in its preparation for application and obtaining a loan from the WSRLA and it is expected that a loan award will be issued in October 2024, subject to the City bidding the project, how quickly the EPA can review the City's bid information, the loan application, and how quickly the EPA can meet certain public notice requirements.

I respectfully request legislation authorize the City Manager to apply for the WSRLA loan in an amount now estimated at \$1,011,100.00, and, if awarded, to execute the loan agreement with the Ohio EPA and the Ohio Water Development Authority, and authorizing the City Manager, Law Director, and Finance Director to do all things necessary to accomplish the application and execution of the loan agreement. In that number, it's estimated that we would receive \$318,914.25 of Principal Forgiveness and 692,185.75 at 0% interest.

## Justification for Emergency Action:

The bids opened on August 16, 2024. Emergency action is needed in order to meet the application deadline of September 1, 2024. If that deadline is missed, the next opportunity for loan award will be December 2024, resulting in further delays with the

project schedule.