

VILLAGE OF COVINGTON, OHIO

RESOLUTION R08-23

A RESOLUTION AUTHORIZING THE VILLAGE ADMINISTRATOR TO ENTER INTO AN AGREEMENT WITH THE OHIO ENVIRONMENTAL PROTECTION AGENCY (OEPA) WATER POLLUTION CONTROL LOAN FUND (WPCLF) AND WATER RESOURCE RESTORATION SPONSOR PROGRAM (WRRSP) RELATED TO THE CONSTRUCTION OF A NEW WASTEWATER TREATMENT FACILITY IN THE VILLAGE OF COVINGTON, OHIO

- WHEREAS,** The Village of Covington Council approved Resolution R07-22 in January, 2022 which authorized the Village Administrator to enter an agreement with the Ohio Environmental Protection Agency (OEPA) Water Pollution Control Loan Fund (WPCLF) for the Wastewater Treatment Plant for the design and construction of a new wastewater treatment facility within the Village; and
- WHEREAS,** The Village of Covington seeks to construct a new Wastewater Treatment Facility within the Village and has accepted a bid to complete the construction project under Resolution R07-23 with a bid amount of \$18,791,716 for the construction of the facility; and
- WHEREAS,** the WPCLF construction loan will include the rolled over design loan, authorized under Resolution R07-22 in the amount of \$643,125, the bid construction amount of \$18,791,716 authorized under Resolution R07-23, and additional costs, required contingencies, and fees in the amount of \$1,600,00 making the do not exceed amount for the project at \$21,000,000; and
- WHEREAS,** the Village of Covington applied for a thirty (30) year WPCLF construction loan through the 2022 WPCLF competitive process in the State of Ohio and was granted \$4,000,000 in loan forgiveness from the OEPA and their Division of Environmental and Financial Assistance (DEFA) which will serve as loan forgiveness on the requested loan amount; and
- WHEREAS,** the WPCLF and DEFA have granted the Village of Covington, Ohio status as a hardship community which provides the Village a standard rate of one percent (1%) for the thirty-year loan; and
- WHEREAS,** the WPCLF and DEFA have further determined that the Village is utilizing nutrient reduction for a large portion of the project, which grants the Village a rate of 0% for the portions of the project which qualify for this discount; and
- WHEREAS,** the Village, in consultation with OEPA, and DEFA also agrees to enter into the Water Resource Restoration Sponsor Program (WRRSP) which authorizes a further rate reduction on the wastewater treatment project. This support would be for a project called the Middle Branch Acquisition Project in southeast Ohio being completed by The Nature Conservancy and will support their acquisition and preservation of property in the amount not to exceed \$420,500. This program allows the Village of Covington to sponsor the project with the loan interest proceeds that would have gone to OEPA for the WPCLF loan, at no additional cost to the Village of Covington. This sponsorship will reduce the interest rate on the

standard hardship rate portion of the loan for the 30-year period based on a formula determined by WRRSP.

NOW THEREFORE, BE IT RESOLVED by the Legislative Authority of the Village of Covington, State of Ohio, that:

Section 1: That the Village Administrator be and is hereby authorized to enter into an agreement with the Ohio Environmental Protection Agency (OEPA) Water Pollution Control Loan Fund (WPCLF) for a construction loan in a do not exceed amount of \$21,000,000; and

Section 2: That the dedicated source of repayment for the WPCLF construction loan will be from utility fees charged within FUND 52 – Sewer.

Section 3: The Village of Covington Council intends to participate in the Water Resource Restoration Sponsor Program (WRRSP) in association with the WPCLF to assist The Nature Conservancy in the acquisition and protection of the Middle Branch Project in southeast Ohio up to the aforementioned sponsorship amount and hereby authorizes the Village Administrator to enter into all agreements for the Village of Covington related to the WRRSP; and

Section 4: The Village of Covington Council hereby finds and determines that all formal actions relative to the passage of this resolution were taken in an open meeting of this Council and that all deliberations of this Council and of its committees, if any, which resulted in formal action, were taken in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22 of the Revised Code.

Section 5: That this resolution shall take effect and be in force from and after the earliest period allowed by law.

APPROVED: March 13, 2023:



Edward L. McCord, Mayor



Jesse Reynolds, President of Council



Rhonda Gill, Fiscal Officer