

December 3, 2025

To: Mayor and Members of City Council

202502096

From: Sheryl M. M. Long, City Manager

Subject: Emergency Ordinance – GCWW: FY 2026 Fund Transfers

Attached is an Emergency Ordinance captioned:

AUTHORIZING the transfer and appropriation of \$85,000,000 from the unappropriated surplus of Water Works Fund 101 to Water Works Capital Improvement Fund 756 to continue funding for the current Capital Improvement Program, which includes new water mains, water main replacements, treatment plant improvements, system development, tanks, pumping stations, private development, equipment, and other water system improvements; **AUTHORIZING** the use and expenditure of \$85,000,000 for Greater Cincinnati Water Works (“GCWW”) capital improvements; **AUTHORIZING** the transfer and appropriation of \$8,500,000 from the unappropriated surplus of Water Works Fund 101 to Private Lead Service Line Replacement Fund 312 to continue funding private lead service line replacement activities; **AUTHORIZING** the use and expenditure of \$8,500,000 for GCWW private lead service line replacement activities; **AUTHORIZING** the Director of Finance to increase the fund advance limit of Water Works Stores - Materials Fund 204 from \$6,000,000 to \$7,500,000; and **AUTHORIZING** the transfer and appropriation of \$1,500,000 from the unappropriated surplus of Water Works Fund 101 to Water Works Stores - Materials Fund 204 to provide GCWW with sufficient funds to purchase parts necessary for the operation and maintenance of the City’s water system.

This Emergency Ordinance authorizes the transfer of funds for capital projects supporting urgent private lead line replacement activities, and capital projects to address urgent water main replacements, as well as funding to replenish the inventory of crucial parts and equipment necessary to continue work on the aforementioned capital projects.

On June 18, 2025, the City Council passed several ordinances authorizing various sources of funding for the Greater Cincinnati Water Works capital program:

- Ordinance No. 0233-2025, which authorized the issuance, sale and delivery of water system revenue bonds, in a principal amount not to exceed \$80,000,000 for the purpose of financing certain improvements;
- Ordinance No. 0206-2025, which authorized the City Manager to apply for, accept, and appropriate Water Supply Revolving Loan Account (WSRLA) loan funding of up to \$41,000,000 from the Ohio Environmental Protection Agency (OEPA) and the Ohio Water Development Authority (OWDA) to reimburse

costs incurred by the Greater Cincinnati Water Works to replace aging water mains and service lines; and

- Ordinance No. 0207-2025, which authorized the City Manager to apply for, accept, and appropriate Water Supply Revolving Loan Account loan funding of up to \$13,000,000, comprised of \$6,890,000 in principal forgiveness and \$6,110,000 in zero-interest loan funding, from the Ohio Environmental Protection Agency and the Ohio Water Development Authority to assist with the cost of replacing public and private lead service lines within the Greater Cincinnati Water Works service area.

Consequently, for the purposes specified in this Emergency Ordinance, GCWW has determined that Water Works Fund 101 has the capacity to support a transfer in the amount of \$85,000,000 to Water Works Capital Improvement Fund 756 and \$8,500,000 to Private Lead Service Line Replacement Fund 312 in order to cash finance portions the Capital Improvement Program (CIP), Private Lead Service Line Replacement costs, and take advantage of lower-cost Water Supply Revolving Loan Account funding. The proposed cash transfers provide GCWW the opportunity to forego the issuance of water system revenue bonds resulting in a financial advantage to the utility and ultimately rate payers.

Finally, this Emergency Ordinance authorizes the Director of Finance to increase the fund advance limit of Water Works Stores - Materials Fund 204 from \$6,000,000 to \$7,500,000, in conjunction with a cash transfer of \$1,500,000 from Water Works Fund 101, to purchase parts necessary for the operation and maintenance of the City's water system.

Transferring these funds to allow GCWW to properly maintain the water treatment and supply system is in accordance with the "Sustain" goal to "[b]ecome a healthier Cincinnati" and strategy to "[c]reate a healthy environment and reduce energy consumption," and to "[m]anage our financial resources" and strategy to "[s]pend public funds more strategically" as described on pages 181-186 and 199-205 of Plan Cincinnati (2012).

The reason for the emergency is the immediate need to fund urgent water main replacement and other GCWW capital projects, private lead service line replacement activities, and critical parts prior to the end of fiscal year 2026.

The Administration recommends passage of this Emergency Ordinance.

cc: Andrew Dudas, Budget Director
Steve Webb, Finance Director

Attachment