

Tom Bundros

From: Tom Bundros
Sent: Friday, February 16, 2018 8:20 PM
To: 'Annalee Harlan'; 'Denise Wood'; 'Denise Wood (denise_wood@mohawkind.com)'; 'Dennis Mock (dmock@cityofdalton-ga.gov)'; 'Gary Crews'; 'Jason Parker (jparker@cityofdalton-ga.gov)'; 'Tyree Goodlett (tgoodlett@cityofdalton-ga.gov)'
Cc: 'Bill Jourdain'; 'Bryan Hair'; 'Cathy Holmes'; 'Hal Long (halhlong72@gmail.com)'; 'Joe Yarbrough'; 'Tom Pendley'; 'Tommy Boggs'
Subject: Power Co. Bonds
Attachments: Power Co Revenue Bond General Bill.pdf; Power Co Revenue Bond Local Bill.pdf

To the Mayor, Council and City Manager,

As a start, I would like to apologize for the confusion that I have created by attempting to change existing GA Revenue Bond Law. I am sending y'all this information as a pre-read and will be following up with each of you individually for further explanation and to answer any of your questions. Just so you know, each Board member of Dalton Utilities is aware of my actions and supports this proposed change as it is critical to the long term success of the Utility and ultimately the City of Dalton.

In summary, Dalton Utilities is proposing the above legislation to amend existing GA Revenue Bond Law so that Dalton Utilities will not need a voter referendum to issue a Revenue Bond that is used to acquire electric generating, transmission and distribution assets.

1. A Revenue Bond differs from a General Obligation Bond in that a Revenue Bond does NOT require a taxing pledge. Today's paper mentioning the new property tax line item to pay off the new School bonds is an example of a General Obligation Bond.
2. Current law allows Dalton Utilities to issue Revenue Bonds to acquire natural gas, water, and wastewater projects WITHOUT a voter referendum. All we are trying to do is extend that to electric assets.

Dalton Utilities may very well need to issue additional debt to fulfill its obligation for remaining construction of the Vogtle Project. Given the emotion behind those who favor vs those who don't favor nuclear energy, I do not want to "politicize" the Vogtle Project issue by having to hold a voter referendum, which is required under current Revenue Bond law. Consequently, I have gotten the support of the CEO of Georgia Power, the Chief of Staff in the Governor's Office and the Governor himself in support of this proposed change.

Nothing else will change as a result of this change. Dalton Utilities will still be required to get the approval of its Board AND then the Mayor and Council (like we did this past fall) in order to issue new bonds.

My interest in this change is to maintain options for Dalton Utilities and to do worse case scenario planning. My worse fear is that this legislation is not changed, the required voter referendum is held and the bonds are voted down. I do not want to be an alarmist BUT per the recent Bond Ordinance, our contractual payments to Georgia Power for the Vogtle nuclear plant take precedence over our transfer payment to the City. SO, in a worst case scenario, the City's transfer payment could be cut in order to free up cash to pay for Vogtle if debt financing is not available. Again, my interest in getting this legislation changed.

I need your support as Mayor and Council so we can represent to our local Dalton-Whitfield Delegation, whose support is required in sponsoring this local legislation, that the City of Dalton supports this change.

FOR THOSE OF YOU INTERESTED IN DETAIL, PLEASE REFER TO THE ABOVE ATTACMENTS AND THE BELOW EXPLANATION:

1. The first attachment (Power Co Revenue Bond General Bill.pdf 40 KB) is a general bill . The general bill then allows the General Assembly by local act to exempt any entity from the requirement of a voter referendum.
2. The second attachment (Power Co Revenue Bond Local Bill.pdf 132KB) is then the local legislation which specifically limits the general bill to City of Dalton (Dalton Utilities). The two bills are to act in tandem

Best regards,

Tom Bundros

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A BILL TO BE ENTITLED
AN ACT

1 To amend Article 3 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated,
2 relating to revenue bonds, so as to revise the definition of the term "undertaking"; to provide
3 for elections regarding revenue certificates related to electric generating, transmission, and
4 distribution systems; to provide for exceptions to such elections by local act; to provide for
5 related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 SECTION 1.

8 Article 3 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated, relating to
9 revenue bonds, is amended by revising division (4)(C)(iv) of Code Section 36-82-61, relating
10 to definitions relative to revenue bonds, as follows:

11 "(iv) Used or useful in connection with buying, constructing, extending, operating,
12 and maintaining gas or electric generating, transmission, and distribution systems
13 together with all necessary appurtenances thereof; ~~provided, further, any revenue~~
14 ~~certificates issued to buy, construct, extend, operate, and maintain electric generating~~
15 ~~and distribution systems shall, before being undertaken, be authorized by a majority~~
16 ~~of those voting at an election held for the purpose in the county, municipal~~
17 ~~corporation, or political subdivision affected, the election for such to be held in the~~
18 ~~same manner as is used in issuing bonds of such county, municipal corporation, or~~
19 ~~political subdivision and the said elections shall be called and provided for by officers~~
20 ~~in charge of the fiscal affairs of said county, municipal corporation, or political~~
21 ~~subdivision affected;"~~

22 SECTION 2.

23 Said article is further amended by adding a new Code section to read as follows:

24 *36-82-61.1.
25 (a) Except as otherwise provided in subsection (b) of this Code section, any revenue
26 certificates issued to buy, construct, extend, operate, and maintain electric generating,
27 transmission, and distribution systems shall, before being undertaken, be authorized by a
28 majority of those voting at an election held for such purpose in the county, municipal
29 corporation, or political subdivision affected, the election for such to be held in the same
30 manner as is used in issuing bonds of such county, municipal corporation, or political
31 subdivision, and such elections shall be called and provided for by officers in charge of the
32 fiscal affairs of such county, municipal corporation, or political subdivision affected.
33 (b) The General Assembly by local act may exempt any county, municipal corporation,
34 or political subdivision from the election requirement of subsection (a) of this Code
35 section."

36 **SECTION 3.**

37 All laws and parts of laws in conflict with this Act are repealed.

**NOTE TO LEGISLATOR: NOTICE REQUIREMENTS FOR LOCAL BILLS
(THIS SECTION NOT FOR PUBLICATION)**

- (1) The notice below must be published one time in the county legal organ.
- (2) If the bill amends the charter of a municipality or the enabling Act of the governing authority of a county or consolidated government, then a copy of the notice must be provided to the local governing authority during the same calendar week in which the notice was published in the legal organ or during the seven days immediately after the date of publication. For purposes of this requirement, the copy of the notice provided to such governing authority may consist of an actual or photostatic copy of the published notice or a typed restatement of the contents of such notice.
- (3) The notice may be published during the session of the General Assembly or during the 60-day period immediately prior to the convening date of the session at which the bill is introduced.
- (4) If the notice is published during the session of the General Assembly, then the bill cannot be introduced before Monday of the calendar week following the week in which the notice was published.
- (5) A copy of the notice as it was advertised and an affidavit swearing that the notice has been published as provided by O.C.G.A. § 28-1-14 (see paragraph (1) above) and that the notice requirements of that Code section have been met (see paragraph (2) above) shall be attached to the bill and shall become a part of the bill. Such affidavit shall be made by the author of the bill (on the form provided by the Office of Legislative Counsel).
- (6) See O.C.G.A. § 28-1-14 for the complete text of the notice requirements.

NOTE TO PUBLISHER OF LEGAL ORGAN: PUBLISH ONLY THE NOTICE BELOW

NOTICE OF INTENTION TO INTRODUCE LOCAL LEGISLATION

Notice is given that there will be introduced at the regular 2018 session of the General Assembly of Georgia a bill to exempt the City of Dalton from the election requirement of subsection (a) of Code Section 36-82-61.1 of the O.C.G.A. pursuant to subsection (b) of said Code section; and for other purposes.

A BILL TO BE ENTITLED
AN ACT

1 To exempt the City of Dalton from the election requirement of subsection (a) of Code
2 Section 36-82-61.1 of the O.C.G.A. pursuant to subsection (b) of said Code section; to
3 provide for related matters; to provide for a contingent effective date; to repeal conflicting
4 laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 SECTION 1.

7 Pursuant to the authority of subsection (b) of Code Section 36-82-61.1 of the O.C.G.A., the
8 General Assembly exempts the City of Dalton from the election requirement of subsection
9 (a) of said Code section.

10 SECTION 2.

11 This Act shall become effective only if there is adopted at the regular 2018 session of the
12 General Assembly a bill which becomes law so as to add a new Code Section 36-82-61.1 of
13 the O.C.G.A. so as to authorize the provisions of this Act. If such a general bill does so
14 become law, this Act shall become effective on the date such bill becomes effective. If such
15 a general bill does not so become law, this Act shall not become effective.

16 SECTION 3.

17 All laws and parts of laws in conflict with this Act are repealed.