

Tom Bundros

From: Tom Bundros
Sent: Wednesday, February 28, 2018 11:26 AM
To: Jim Fuller (MEAG Power) (jfuller@meagpower.org); Price, Mike (mike.price@opc.com); Cummiskey, Christopher (CCUMMISK@SOUTHERNCO.COM)
Subject: **URGENT** Dalton Utilities Proposed Change to GA Revenue Bond Law
Attachments: Power Co Revenue Bond Local Bill.pdf; Power Co Revenue Bond General Bill AMENDED 02 28 18.pdf

Gentlemen,

I understand y'all are getting inquiries from Kristi Swartz with E&E news regarding Dalton's proposed change to Revenue Bond Law. Both the General Bill and the Local Bill are attached. This bill is encountering a lot of resistance, primarily from Rep Jason Ridley, who lives outside of DU's electric service territory, but nonetheless is part of the Dalton-Whitfield Local Delegation that is needed to support the Local Bill. Our Senator Chuck Payne dropped the bill this morning and is in support of it.

I would appreciate your support and if you were to be called by Kristi, pls state that the purpose of the bill(s) is to give the City of Dalton/Dalton Utilities optionality to operate its utility systems in the best interest of its customers, who are primarily industry.

1. DO NOT mention its for Vogtle, as that seems to be a lightning rod for negative sentiment against the proposed changes.
2. Another criticism of the bill is that it takes away the rights of the people to vote. However, these are Revenue Bonds that have no tax pledge from the voters. DU issued a \$75M Revenue Bond this past November for acquisition of water, wastewater, and natural gas assets that did not require a voter referendum. We are simply seeking to have electric asset acquisition on parity with our other utility sectors.

BETWEEN THE FOUR OF US, my motivation for getting this bill done is to do worse case contingency planning. DU is overly dependent on the floor covering industry, its 70% of our load. If another recession was to hit, our top line revenues could put me in a real cash crunch that could lead me, under current legislation, to call for a voter referendum to issue a bond to meet Vogtle Capex. You can only imagine the PR of that campaign.

I know this is all hurried, but again I ask for your support. PLS DO NOT hesitate to call me with any questions you may have.

Best regards,

Tom Bundros

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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(THIS SECTION NOT FOR PUBLICATION)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.

House Bill 924

By: Representatives Rhodes of the 120th, Rogers of the 10th, and Efrstration of the 104th

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.

provided the net book value of the electric utility assets of such county, municipal corporation or political subdivision is over \$200 million