



CITY COUNCIL AGENDA REQUEST

Meeting Type: Mayor & Council Meeting

Meeting Date: 08-19-19

Agenda Item: DU Resolution 19-10

Department: Dalton Utilities

Requested By: Tom Bundros

**Reviewed/Approved
by City Attorney?** Yes/No

Cost:

**Funding Source if Not
in Budget**

**Please Provide A Summary of Your Request, Including Background Information to
Explain the Request:**

The Resolution is in anticipation of DU being able to amend GA Revenue Bond Law to allow for DU, through the auspices of the City, to issue debt to acquire electric generation, transmission, and distribution assets.

The Resolution allows DU to reimburse itself for the monies we are currently spending in our electric sector. The period starts with a 60-day look back period from date of signing to whenever we actually issue the debt.

DU is contractually required to spend \$86.4M by the end of 2019 and another \$48.2m for new assets in our electric sector. It would be in the best financial interest of DU and its customers to amend GA Revenue Bond Law and issue debt to finance these assets.

The Resolution has an amount of \$100M as the maximum of debt that would be issued. The actual amount will probably be less than that and dependent on a multitude of factors, DU's pro-forma debt service coverages, DU's cash projections, market forces, etc.

I will be at both the work session and the regular meeting should there be additional questions.