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Georgetown Settles on Ratio for Repaying Revenue Bonds for Utility Projects.

City of Georgetown electric customers will likely see a small increase in their utility bills starting next year now that the city has settled on how to split the savings from its peak-shaving program in order to repay revenue bonds.

The increase should amount to a few dollars more a month for the average residential customer, according to city officials.

Customers have been seeing lower bills for the past couple of years as a result of the electric department's initiative to reduce the amount of power the city buys from Santee Cooper.

In 2015, the city began leasing two large, diesel generators to produce energy during times of peak usage as part of an agreement with Santee Cooper — the city saved money by producing its own electricity. The city has been passing on 100 percent of those savings to customers in the form of cheaper utility bills. The average monthly savings for residential customers has been around \$6.50 while total annual savings average around \$700,000.

Now, after years of delay and cost increases, the city is finally in the process of building a facility at the wastewater plant to house its own generators. City Council this fall approved \$6 million in revenue bonds to finance the facility, the purchase of generators and improvements to the electrical infrastructure along Front Street.

The plan is to use most of the savings from peak shaving over the next 10 years to repay the bonds. Council agreed Nov. 30 to have 75 percent of the savings go toward annual debt payments — the first payment of \$670,000 is due next June. The other 25 percent will continue to be passed on to customers. Money from the electric department's reserves — \$126,000 a year — will cover the remaining balance of the debt service.

Debra Bivens, the city's finance director, said the cost increase for the average residential customer (1,200 kWh) will be about \$4 a month. The 75/25 ratio will start with the new fiscal year in July.

City staff planned to use savings from the peak shaving in the current fiscal year, which ends June 30, toward the first debt payment, but since half the year went by before a final decision was made on how to split the savings, no money was being allocated toward the payment. As a consequence, Bivens asked council to allow the city to put 100 percent of the savings for the rest of the fiscal year (starting with December) toward the first debt payment.

"We're halfway through the fiscal year and we have no portion of the (purchase-power cost adjustment) that we've allocated toward the debt-service payment," Bivens told council, "What we should have done was come to (council) earlier and ask for the allocation ... and we haven't so now we are at this point and we still have been passing all of that allocation on to the customers."

Council did not formally vote on the issue, but a consensus was reached.

Alan Loveless, head of the electric department, said several thousand feet of conduit has been installed at the site where the generators — scheduled for delivery in January — will be housed. Once the generators are installed, the building will be constructed, Loveless said.

“We’re pretty much on schedule,” he said.

Once complete, the facility will also serve as a backup-power source for the wastewater plant.

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