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3 **Resolution Relating to**
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6 **AUTHORIZATION FOR BURLINGTON ELECTRIC**
7 **DEPARTMENT TO PURCHASE THE WINOOSKI**
8 **ONE HYDROELECTRIC GENERATING**
9 **FACILITY AND TO PLACE REFERENDUM FOR**
10 **ISSUANCE OF REVENUE BONDS ON THE BALLOT**
11 **OF THE 2014 ANNUAL MEETING**
12

RESOLUTION _____
Sponsor(s): Councilors Shannon,
Bushor, Knodell: Bd. of Finance
Introduced: 1/13/2014
Referred to: _____
Action: _____
Date: _____
Signed by Mayor: _____

13 **CITY OF BURLINGTON**
14

15 In the year Two Thousand Fourteen.....
16 Resolved by the City Council of the City of Burlington, as follows:

17 That WHEREAS, in September 2012, the City Council passed a Resolution by which
18
19 it authorized Burlington Electric Department ("BED") to issue written notice to Winooski One
20 Partnership ("WOP") of its intent to exercise its option to purchase the hydroelectric generating
21 facility spanning the Winooski River between the Cities of Winooski and Burlington ("Facility")
22 at "fair market value" pursuant to the terms of an Amended and Restated Agreement between the
23 parties dated December 12, 1991 ("Agreement"), and to make a deposit of one hundred thousand
24 dollars (\$100,000) pursuant to the terms of the Agreement; and

25 WHEREAS, pursuant to the City Council Resolution, BED timely sent WOP written
26 notice of its intent to exercise its option to purchase the Facility, and deposited one hundred
27 thousand dollars (\$100,000) in an interest-bearing account; and

28 WHEREAS, when the parties were unable to agree on the Facility's fair market value,
29 WOP and BED submitted the question to a panel of three arbitrators for determination pursuant
30 to the Agreement; and

31 WHEREAS, on December 10, 2013, the Final Award of Arbitrators was issued
32 establishing a fair market value for the Facility of Sixteen Million Dollars (\$16,000,000); and
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15 WHEREAS, BED staff has determined that purchase of the Facility for \$16,000,000, plus
16 the cost of bond issuance and the establishment of a debt service reserve fund, estimated at Two
17 Million Dollars (\$2,000,000), would be beneficial to City of Burlington ratepayers; and

18 WHEREAS, BED staff has further determined that its cash reserves are such that it can
19 accomplish the purchase by limiting the issuance of bonds to Twelve Million Dollars
20 (\$12,000,000); and

21 WHEREAS, at its regular meeting on December 11, 2013, the Board of Electric
22 Commissioners voted to approve BED's purchase of the Facility for \$16,000,000, and to proceed
23 before the Board of Finance and the City Council for approval of the purchase;

24 NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Burlington
25 that BED is hereby authorized to take all actions necessary to purchase the Facility pursuant to
26 the terms of the Agreement; and

27 BE IT FURTHER RESOLVED by the City Council that the following referendum
28 question be placed upon the ballot of the Annual City Meeting to be held March 4, 2014:

29 **REFERENDUM – ISSUANCE OF REVENUE BONDS FOR THE PURCHASE**
30 **OF THE WINOOSKI ONE HYDROELECTRIC FACILITY**
31

32 "Shall the City Council be authorized to issue revenue bonds or notes in one or
33 more series pursuant to the City Charter on behalf of the Electric Light
34 Department in an amount not to exceed \$12,000,000, payable from the revenues
35 derived from the electric system, for the acquisition of the Winooski One
36 Hydroelectric Facility, including the cost of bond issuance and the establishment
37 of any debt service reserve fund?"
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