



HOUSE BILL 415: Fontana Dam/Establish Electric Power Board

2015-2016 General Assembly

Committee:	Senate State and Local Government	Date:	June 9, 2015
Introduced by:	Rep. West	Prepared by:	Brad Krehely
Analysis of:	PCS to First Edition H415-CSLM-4		Committee Counsel

SUMMARY: *House Bill 415 would amend the Town of Fontana Dam's charter to authorize the Town Council to establish an Electric Power Board to manage and control the Town's electric public enterprise service. The Proposed Committee Substitute (PCS) provides that three of the five members of the Board may reside outside the Town, but must be residents of the State.*

CURRENT LAW: The Town of Fontana Dam was incorporated in 2011 and its charter was enacted by S.L. 2011-110. The governing body of the Town consists of a Mayor and four Town Council members who are elected at large for two-year terms.

BILL ANALYSIS: The PCS for House Bill 415 would establish the Town of Fontana Dam Electric Power Board, consisting of five members appointed by the Town Council. Members of the Power Board would serve four-year staggered terms. The Power Board would have full control and complete jurisdiction over the management, operation, maintenance, and improvement of the electric utility system. The Power Board's powers and duties would include the following:

- Keeping the funds, books, and accounts of the electric utility system separate and apart from all other funds, books, and accounts of the Town or any departments of the Town.
- Making and filing financial statements with the Town Council twice per year.
- Exercising fiscal control related to all matters, including establishing and maintaining an accounting system and designating an official depository.
- Making and enforcing all necessary and desirable rules and regulations for the efficient use, operation, and management of the system.
- Extending its electrical system and selling electricity in any area permitted for public enterprises by general law.
- Fixing rates to be charged for services rendered by the system.
- Issuing revenue bonds for the acquisition, construction, improvement, or expansion of the electric system.
- Entering into contracts, leases, and agreements in conducting the operations of the system.
- Exercising the right of eminent domain for the purpose of acquiring any property necessary or useful in exercising its power and authority.

The Power Board would be established only if the Fontana Village Resort approves the transfer of the electric power grid under its ownership and control to the Town of Fontana Dam and the Town Council approves the operation of an electric utility system.

EFFECTIVE DATE: This act is effective when it becomes law.

Kelly Tornow, Counsel to House Local Government, contributed substantially to this summary.

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