

RESOLUTION NO. CIV

A RESOLUTION PROVIDING FOR A SPECIAL CITY CHARTER AMENDMENT ELECTION TO AUTHORIZE ISSUANCE AND SALE OF WATER BONDS; TO AUTHORIZE CONSTRUCTION OF ADDITIONS TO AND REHABILITATION OF EXISTING SEWERAGE SYSTEM AND TO PAY THE COSTS THEREOF BY ISSUING AND SELLING GENERAL OBLIGATION BONDS IN THE SUM OF \$400,000; AND TO CREATE A WATER AND ELECTRIC UTILITY DEPARTMENT AND BOARD.

BE IT RESOLVED that a special election be and the same is hereby called to be held in the City of Canby, Clackamas County, Oregon, on Tuesday, November 3, 1970, between the hours of 8:00 o'clock a.m. and 8:00 o'clock p.m., Pacific Standard Time, for the purpose of submitting to the qualified legal voters of said City, pursuant to the City's Charter and Ordinance No. 380 (Initiative and Referendum Ordinance), the question of amending the Canby City Charter in three particulars, i.e., (1) to authorize the issuance and sale of bonds of the City in the sum of \$440,000 for the purpose of providing funds with which to construct, reconstruct and improve the City's water utility system; (2) to authorize the construction of additions to and rehabilitation of the City's sanitary sewer facilities and to pay the costs thereof by issuing and selling bonds of the City in the sum of \$400,000; and (3) create a Water and Electric Utility Department to be responsible for the production and distribution of municipal water and electricity, and to create a Utility Board with power and authority to manage and control the Utility Department and all of its operations and facilities in and for the City of Canby.

BE IT FURTHER RESOLVED that the first proposed measure for the issuance and sale of water bonds shall entail an amendment of Section 8 entitled "Construction of Facilities" of Charter Chapter XI entitled "PUBLIC IMPROVEMENTS", and the proposed Amendment is as follows:

CHAPTER XI

PUBLIC IMPROVEMENTS

Section 8. Construction of Facilities: The City Council may construct any part of the foregoing facilities as an entire unit or as separate units in order to provide the City of Canby with an adequate water supply and distribution facilities. To pay the costs thereof, the

City Council is hereby authorized to issue and sell general obligation bonds of the City of Canby in the sum of \$440,000 for the purpose of the construction, reconstruction and installation of additional water supply lines, improvements to the water distribution system, additional storage facilities, to improve, reconstruct and repair existing water lines, to obtain additional sources of water supply and to acquire necessary equipment and other property appurtenant thereto, to acquire rights-of-way and to pay engineering and legal services in connection therewith. Payment of the bonds and interest thereon shall be made first from that part of the net revenue derived from the operation of the City's water utility system as may be provided by Resolution of the City Council. If the net revenue of the City's Water Department is insufficient at any time to fully and punctually pay the bond obligations when due, the City shall levy a direct ad valorem tax upon all of the taxable property within the City in sufficient amounts, after taking into consideration delinquencies in the payment of said taxes, to fully pay the said bonds and bond interest obligations promptly and as they respectively mature. The said bonds may bear such date or dates, may mature at such time or times, may bear interest at such rate or rates as provided by law, may be of such denomination or denominations, may be in such form, may carry such registration privileges, may be made subject to such terms of redemption with or without premium, and may contain such other terms and covenants not inconsistent with this Chapter of the Charter as may be provided by Resolution of the Canby City Council. Such bonds shall be sold at such time or times and in such manner and upon such terms as may be determined by the Council to be for the best interests of said City. There may be included in any such Resolution authorizing the issuance of said bonds such covenants, stipulations and conditions as the Council may deem necessary or advisable with respect to the expenditure of the bond proceeds, the operation and maintenance of the water utility system and the custody and application of the revenues derived from such operation.

Notwithstanding the fact that the said bonds hereby authorized are the general obligation of the City of Canby, the City shall, so long as any of said bonds remain outstanding, operate and maintain the municipal water utility system as a revenue-producing and self-sustaining undertaking, and shall charge, collect and account for rates which will produce revenues sufficient to pay the costs of operating and maintaining the water utility system and the interest on said bonds as the same become due, and to create and maintain a sinking fund to pay and retire the principal at or before maturity.

The provisions of this Chapter of the Charter shall be construed as conferring separate and additional powers as herein set forth and shall be deemed full authority for the acquisition, ownership, improvement, extension, maintenance and operation of the water utility system and for the issuance and sale of the bonds hereby authorized, any other provisions of this Charter to the contrary notwithstanding.

The debt limitation contained in the Charter of the City of Canby, Oregon, shall not apply to the bonds hereby authorized.

BE IT FURTHER RESOLVED that the second measure, i.e., the proposed Charter Amendment to authorize the construction of additions to and rehabilitation of the existing sewer facilities and to pay the costs thereof by issuing and selling sewer bonds shall consist of two (2) new Sections to be numbered 9 and 10 respectively which shall be added to Charter Chapter XI entitled "PUBLIC IMPROVEMENTS", and said new Sections shall provide as follows:

CHAPTER XI

PUBLIC IMPROVEMENTS

Section 9. Authorization for Rehabilitation of Sewer Facilities: In addition to the other methods provided by Charter, the Council may, when in its discretion it is deemed advisable, provide by Resolution for the construction or reconstruction, either by contract or City construction method, or the combination of both, and for the maintenance, improvement, extension, operation or enlargement of all or any part of the City's sanitary sewer facilities, including, though not exclusively, additions to the sewage treatment plant, construction of interceptor and main sewer lines, construction of pump stations and pressure mains, and rehabilitation generally of the existing sewer facilities and together with all appurtenances thereto which are necessary, useful or convenient for the collection, treatment and disposal of sewage; and for such purpose may acquire by gift, purchase, grant or condemnation the necessary lands and rights-of-way therefor, either within or without the corporate limits of the City of Canby, all or any of the foregoing being hereinafter referred to as the "sewer facilities."

Section 10. Construction of Facilities and Sewer Bond Issue: The City Council may construct and equip that part of the foregoing facilities consisting of additions to the sewage treatment plant, construction of additional interceptor and main sewer lines, pumping stations and pressure mains and rehabilitation generally of the existing sewerage system as an entire unit or as separate units in order to provide the City of Canby with an improved and adequate sanitary sewer system. To pay the costs thereof, including engineering and legal services in connection therewith, the City Council is hereby authorized to issue and sell, not to exceed \$400,000 in bonds of the City. Payment of the bonds and interest thereon shall be made first from that part of the net revenue derived from the operation of the City's sewer system as may be provided by Resolution of the City Council. If the net revenue of the City's Sewer Department is insufficient at any time to fully and punctually pay the bond obligations when due, the City shall levy a direct ad valorem tax upon all of the taxable property within the City in sufficient amounts, after taking into consideration delinquencies in the payment of said taxes, to fully pay the said bonds and bond interest obligations promptly and as they respectively mature. Said bonds may bear such date or dates, may mature at such time or times, may bear interest at such rate or rates as provided by law, may be of such denomination or denominations, may be in such form, may

carry such registration privileges, may be made subject to such terms of redemption with or without premium, and may contain such other terms and covenants not inconsistent with this Chapter of the Charter as may be provided by Resolution of the Canby City Council. Such bonds shall be sold at such time or times and in such manner and upon such terms as may be determined by the Council to be for the best interests of said City. There may be included in any such Resolution authorizing the issuance of said bonds such covenants, stipulations and conditions as the Council may deem necessary or advisable with respect to the expenditure of the bond proceeds, the operation and maintenance of the sanitary sewer system and the custody and application of the revenues derived from such operation.

Notwithstanding the fact that the said bonds hereby authorized are the general obligation of the City of Canby, the City shall, so long as any of said bonds remain outstanding, operate and maintain the municipal sewer system as a revenue-producing and self-sustaining undertaking, and shall charge, collect and account for rates which will produce revenues sufficient to pay the costs of operating and maintaining the sewer system and the interest on said bonds as the same become due, and to create and maintain a sinking fund to pay and retire the principal at or before maturity.

The provisions of this Chapter of the Charter shall be construed as conferring separate and additional powers as herein set forth and shall be deemed full authority for the acquisition, ownership, improvement, extension, maintenance and operation of the sewer system and for the issuance and sale of the bonds hereby authorized, any other provisions of this Charter to the contrary notwithstanding.

The debt limitation contained in the Charter of the City of Canby, Oregon, shall not apply to the bonds hereby authorized.

BE IT FURTHER RESOLVED that the third measure which is a proposed Charter Amendment for the creation of a Utility Department and Board shall consist of a new Charter Chapter to be numbered XIII and entitled "UTILITIES", and a copy of the proposed new Chapter is attached hereto entitled "PROPOSED NEW CHARTER CHAPTER XIII" and by this reference thereto and its annexation hereto is hereby expressly made a part hereof as though it were set forth fully herein.

BE IT FURTHER RESOLVED that the ballot titles under which the proposed Charter Amendments shall appear on the ballot are as follows:

FIRST MEASURE:

CHARTER AMENDMENT SUBMITTED TO THE VOTERS
BY THE COMMON COUNCIL

PURPOSE: To amend Section 8 entitled "Construction of Facilities" of Charter Chapter XI entitled "PUBLIC IMPROVEMENTS" to authorize the issuance and sale of general obligation bonds of the City of Canby in the sum of \$440,000 for the construction, reconstruction and improvement of the City's water utility system, said bonds to be paid by revenue of the Water Department or partly by revenue and partly by ad valorem taxes.

Mark a (✓) or an (X) in the box between the number and the answer voted for. Vote YES or NO.

- 100 Charter Amendment for Water Bonds YES
101 Charter Amendment for Water Bonds NO

SECOND MEASURE:

CHARTER AMENDMENT SUBMITTED TO THE VOTERS
BY THE COMMON COUNCIL

PURPOSE: To amend Charter Chapter XI entitled "PUBLIC IMPROVEMENTS" by adding thereto two new Sections to grant the City Council power to authorize the construction of additions to the City's sewage treatment plant, construct interceptor and main sewer lines, construct pump stations and pressure mains and generally rehabilitate the existing sewer system and also granting power to the City Council to pay the costs thereof by issuing and selling \$400,000 of general obligation bonds of the City which are to be paid by revenue of the Sewer Department or partly by revenue and partly by ad valorem taxes.

Mark a (✓) or an (X) in the box between the number and the answer voted for. Vote YES or NO.

- 102 Charter Amendment for Sewer Bonds YES
103 Charter Amendment for Sewer Bonds NO

THIRD MEASURE:

CHARTER AMENDMENT SUBMITTED TO THE VOTERS
BY THE COMMON COUNCIL

PURPOSE: To amend the Canby City Charter by adding thereto a new Chapter which creates a Water and Electric Utility Department to be responsible for production and distribution of municipal water and electricity; and to create a Utility Board with power and authority to manage and control the Utility Department and all of its operations and facilities in and for the City of Canby. The new Charter Chapter shall be numbered XIII and entitled "UTILITIES".

Mark a (✓) or an (X) in the box between the number and the answer voted for. Vote YES or NO.

- 104 Water and Electric Utility Board YES
105 Water and Electric Utility Board NO

necessary paraphernalia and supplies to receive and deposit in the City's own ballot boxes the ballots cast on the first two measures, and that the receiving boards in each of the election precincts shall receive and deposit in the County's ballot boxes the ballots cast on the third measure.

BE IT FURTHER RESOLVED that the City Recorder be and he is hereby ordered and directed to prepare and publish a Notice of this election by posting a Notice in six (6) public and conspicuous places within the City of Canby at least ten (10) days prior to the date of said election and which said Notice shall set forth the time, place and purpose of said election but need not contain the full proposed measures; and in addition the City Recorder shall publish the three (3) proposed Charter Amendments with the ballot titles and numbers in full in the Canby Herald, a newspaper published and of general circulation in the City of Canby, once each week for two (2) successive weeks, the first publication to be not less than fifteen (15) days prior to said election when said measures are to be voted on. The Election Notice to be posted and published shall be in substantially the following form:

NOTICE OF SPECIAL CITY ELECTION

On Tuesday, November 3, 1970, in the City of Canby, Clackamas County, State of Oregon, between the hours of 8:00 o'clock a.m. and 8:00 o'clock p.m., Pacific Standard Time, a Special City Election will be held for the purpose of submitting to the qualified legal voters of the City of Canby the question of amending the Canby City Charter in three particulars, i.e., (1) to authorize the issuance and sale of general obligation water bonds of the City in the sum of \$440,000 for the purpose of providing funds with which to construct, reconstruct and improve the City's water utility system; (2) to authorize the construction of additions to and rehabilitation of the City's sanitary sewer facilities and pay the costs thereof by issuing and selling general obligation sewer bonds of the City in the sum of \$400,000; and (3) to create a Water and Electric Utility Department and Board to be responsible for the production and distribution of municipal water and electricity in and for the City of Canby. The proposed measures and ballot titles shall be submitted as follows:

FIRST MEASURE:

CHARTER AMENDMENT SUBMITTED TO THE VOTERS
BY THE COMMON COUNCIL

PURPOSE: To amend Section 8 entitled "Construction of Facilities" of Charter Chapter XI entitled "PUBLIC

BE IT FURTHER RESOLVED that the Special City Election hereby called to be held Tuesday, November 3, 1970, shall be held concurrently with the Statewide General Election to be held on the same date, and that the Special City Election shall be handled by the same election board or boards that handle the Statewide General Election in the election precincts in which the City of Canby is located at the said Statewide General Election to be held Tuesday, November 3, 1970. Such election board or boards are hereby designated as the election board or boards for the Special City Election and shall hold their respective offices as designated for the Statewide General Election. Inasmuch as Ballot Measure No. 3 for the WATER AND ELECTRIC UTILITY BOARD is being programmed on request of the Council by Clackamas County Elections Department for inclusion in the General Ballot, the ballot number of this measure may be changed to conform to the County's measure numbering system. Furthermore, the City Recorder is authorized and directed to prepare a sufficient number of separate paper ballots for the other two measures, and the City Recorder is also authorized and directed to appoint a counting board of three (3) individuals to count the votes cast at said election on the first and second measures, and said board shall qualify in the manner provided by law.

BE IT FURTHER RESOLVED that the polls for the Special City Election shall be opened in each of the voting precincts at the same hour and shall be kept open until the same hour as the polls are opened and closed for the Statewide General Election that will be held on the same day; and that the election boards handling the election shall permit only those electors to vote on the questions of amending the Canby City Charter who are otherwise qualified to vote at the Statewide General Election and who reside within the boundaries of the City of Canby.

BE IT FURTHER RESOLVED that the City Recorder be and he is hereby authorized and directed to furnish the County's receiving boards in each of the election precincts with ballot boxes and other

IMPROVEMENTS" to authorize the issuance and sale of general obligation bonds of the City of Canby in the sum of \$440,000 for the construction, reconstruction and improvement of the City's water utility system, said bonds to be paid by revenue of the Water Department or partly by revenue and partly by ad valorem taxes.

Mark a (✓) or an (X) in the box between the number and the answer voted for. Vote YES or NO.

100 Charter Amendment for Water Bonds YES

101 Charter Amendment for Water Bonds NO

SECOND MEASURE:

CHARTER AMENDMENT SUBMITTED TO THE VOTERS
BY THE COMMON COUNCIL

PURPOSE: To amend Charter Chapter XI entitled "PUBLIC IMPROVEMENTS" by adding thereto two new Sections to grant the City Council power to authorize the construction of additions to the City's sewage treatment plant, construct interceptor and main sewer lines, construct pump stations and pressure mains and generally rehabilitate the existing sewer system and also granting power to the City Council to pay the costs thereof by issuing and selling \$400,000 of general obligation bonds of the City which are to be paid by revenue of the Sewer Department or partly by revenue and partly by ad valorem taxes.

Mark a (✓) or an (X) in the box between the number and the answer voted for. Vote YES or NO.

102 Charter Amendment for Sewer Bonds YES

103 Charter Amendment for Sewer Bonds NO

THIRD MEASURE:

CHARTER AMENDMENT SUBMITTED TO THE VOTERS
BY THE COMMON COUNCIL

PURPOSE: To amend the Canby City Charter by adding thereto a new Chapter which creates a Water and Electric Utility Department to be responsible for production and distribution of municipal water and electricity; and to create a Utility Board with power and authority to manage and control the Utility Department and all of its operations and facilities in and for the City of Canby. The new Charter Chapter shall be numbered XIII and entitled "UTILITIES".

Mark a (✓) or an (X) in the box between the number and the answer voted for. Vote YES or NO.

104 Water and Electric Utility Board YES

105 Water and Electric Utility Board NO

All three (3) measures for the proposed Charter amendments are set forth in their entirety in the City Council's

Resolution No. CIV adopted at a regular Council meeting October 5, 1970, and a copy of that Resolution is attached hereto and made a part of this Notice.

The polling places in the City of Canby for the Special City Charter Amendment Election will be held at the same places as provided by Clackamas County for the Statewide General Election to be held on the same day, i.e., November 3, 1970, and to such places as the election boards may legally adjourn.

The Canby City Council by Resolution has appointed the identical officers appointed by the County Court of Clackamas County, Oregon, for the Statewide General Election as the election officers of the Special City Election to serve in each of the polling places in the respective precincts to which they are appointed by the County Court of Clackamas County.

WITNESS my hand and seal in the City of Canby this
_____ day of October, 1970.

City Recorder

BE IT FURTHER RESOLVED that the City Recorder shall prepare and furnish to the Clackamas County Clerk, Elections Department, the ballot title for the THIRD BALLOT MEASURE for its preparation and inclusion in the City's ballot of City offices and this one ballot measure; and that the City Recorder shall prepare and furnish to the County election boards handling the City's general and this special election prior to 8:00 o'clock a.m. on Tuesday, November 3, 1970, ballots and ballot boxes and such other paraphernalia and election supplies as may be required by the election boards for the FIRST and SECOND ballot measures, and the ballots cast on those two (2) measures shall be deposited in the City's separate ballot boxes; and after the polls are closed, the City's counting board which is authorized herein and to be appointed by the Recorder, shall count the ballots cast on the FIRST and SECOND ballot measures and make a Certificate and Report to the Canby City Council. Each person who serves as a member of the special counting board for the Special Election on November 3, 1970, shall be paid by the City of Canby the sum of \$2.00 per hour for such services.

Adopted by the Canby City Council this 5th day of October,
1970, and filed with the Canby City Recorder this 5th day of
October, 1970.

ATTEST:

Lowell Madsen
Acting City Recorder

Lawrence J. House
LAWRENCE J. HOUSEN - Mayor

PROPOSED NEW CHARTER CHAPTER XIII

CHAPTER XIII

UTILITIES

Section 1. Utility Department: There is hereby created the Utility Department of Water and Electric Services of the City of Canby, which shall be responsible for the development, production, purchase and distribution of all water and electric revenue producing utility services of the City.

Section 2. Utility Board: There is hereby created the Utility Board of the City, which shall have exclusive jurisdiction, control and management of the Department and all its operations and facilities. The Board shall have all the powers and duties possessed by the City to construct, acquire, expand and operate the water and electric systems, and to do any and all acts or things that are necessary, convenient or desirable in order to operate, maintain, enlarge, extend, preserve and promote an orderly, economical and businesslike administration of the utility systems. The Board shall operate as a separate unit of City government; and except as provided in this Charter, both the Board and the Department shall be free from the jurisdiction, direction and control of other City Officers and of the City Council. The Board may sue and be sued in its own name. All damage claims arising from the operation of the Board and the Department shall be the responsibility of and be liquidated by the Board from the appropriated funds of the respective utility systems of the Department.

Section 3. Organization of the Board:

(a) Number of Board Members (or Membership and Qualifications).

There shall be three members of the Utility Board appointed by the Mayor and confirmed by the majority of the Council. The first Board members shall be appointed to serve terms of one, two and three years, respectively, from the first Monday of the month following the taking effect of this Charter Amendment and the term of each to be designated by the Mayor (subject to approval by the Council). Their successors shall be appointed for terms of three years and

until their successors are appointed and have qualified, unless they shall be removed from office as provided in subsection C of this section. The Mayor may, at his option, appoint members of the City Council as members of the Utility Board.

(b) Vacancies. Vacancies shall be filled by the Mayor, with the approval of the majority of the Council, for an unexpired term. No vacancy in the Board shall impair the right of remaining Board members to exercise all the powers of the Board.

(c) Qualifications. No person shall be appointed to the Utility Board, or retain such office, who does not fulfill the following requirements: He must be a citizen and resident of the City of Canby for at least one year, and a legal voter and taxpayer upon real property therein located, and shall not be interested adversely to the interests of the City of Canby in any matters over which the Utility Board has jurisdiction. A Board member ceasing to possess any of these qualifications shall be removed from his office forthwith by the Mayor. Removal for any other cause shall be as provided by Section 9, Chapter III.

(d) Compensation. Each Board member may be paid from the revenues of the Department a sum as determined by the Council for each meeting of the Board actually attended by him. Board members may be reimbursed for expenses incurred in carrying out their duties, other than those which may be incurred in attending meetings of the Board within the City.

(e) Organization of the Board. The Board members shall at its first meeting in January each year elect from among the three appointed members thereof, a Chairman. If the Chairman is absent, a chairman pro tem shall be appointed by the members present. The Clerk of the Board shall sign all minutes of all meetings, together with the officer who presided at the meeting. No action shall be taken by the Board except by the affirmative vote of the majority of the members.

(f) Quorum. Two Board members shall constitute a Quorum.

(g) Clerk. The Board shall appoint a Clerk who shall serve at the pleasure of the Board and be subject to removal at any time and for any reasons.

Before entering upon the duties of the office of Clerk of the Board, the Clerk shall take and file with the Recorder of the City of Canby an oath of office and shall also execute with a surety, satisfactory to the Utility Board, an undertaking running for the benefit of the City of Canby, for the faithful discharge of the duties of his office, and accounting for and paying over all money and property coming into his possession, which official undertaking shall be in such amount and upon such form as shall be required by the Utility Board, and shall be signed by a surety company authorized to do surety business in the State of Oregon, and shall be filed with the Mayor.

(h) Meeting. The Utility Board shall hold a regular meeting at least once each month, at a time and place to be fixed by the Board of which no notice need be given. Special meetings may be convened at any time upon such call and notice as may be ordered by the Chairman of the Board.

Section 4. Organization of the Department:

(a) Division of the Department. Within the Department there shall be separate divisions for Water and Electricity. Separate funds and accounts shall be kept for each division. Each division shall operate independently of the other, except insofar as the Board determines joint operations to be advisable and economical. Expenses incurred in joint operations shall be equitably prorated among the divisions.

(b) Employees. Said Board shall have the authority to employ a General Manager and such supervisors, bookkeepers, attorneys, laborers, mechanics and other employees, as may be determined, and fix compensation thereof, and discharge the same at pleasure, and for any reason.

(c) Compensation. The Utility Board shall have the authority to fix compensation of the Clerk and other employees of the Utility Board and change the same from time to time.

Section 5. Powers and Duties of the Board Members:

(a) Real Estate and Contracts. The Board, in the efficient and economical operation of the Department, both inside and outside the City limits may:

- (1) sell its products and services to public and private corporations and to other consumers;
- (2) construct plants, transmission lines and other facilities;
- (3) purchase real estate and franchises in the name of the City with the approval of the Council; and
- (4) enter into all contracts, leases and agreements in furtherance thereof.

(b) Extension of Services. The Board may adopt regulations governing extension of services of the Department both inside and outside the City limits. The regulations shall provide the conditions under which the extensions shall be made to render them compensatory and shall provide that each extension project shall, when completed, become the property of the City whether on public or private property. The Board may provide for the form of refunds where advances by the persons benefited are necessary to make extensions compensatory.

(c) Joint operations with Others. The Board may contract with any public or private corporation or any individual, both inside and outside the City limits:

- (1) for the joint use of poles and other property belonging either to the Department or to the other contracting party or jointly to both parties; and
- (2) with the approval of the Council, for the joint acquisition of real property and franchises and the joint financing, construction and operation of plants, transmission lines and other facilities, whereby any property acquired may become the property of both the City and the other contracting party.

(d) Eminent Domain. The Board may enter upon any land or water for the purpose of making surveys and may exercise the right of eminent domain on behalf of the City whenever public necessity or convenience requires.

(e) Use of Thoroughfares for Utility Installations. The Board may use the ground over, under or along any road, railroad, highway, street, sidewalk, thoroughfare or alley in the operation of the Department, but shall in all cases and subject to the applicable general regulations of the City, cause the surface of the public way to be restored to its usual condition.

(f) Rates. The Board shall fix rates to be charged for water, electricity and other utilities sold and services rendered by the Department,

except that electric rates shall conform with rate schedule of the current BPA power sales contract. Rates shall be fair, reasonable and compensatory and shall be uniform for all consumers within the same class; but different rate schedules may be applied to different classes of consumers as determined by the Board. Rates shall be sufficient to pay all operating and maintenance costs of each respective utility operation and all bond interest and redemption costs of the respective utility operations. The Board may require reasonable deposits as security for payment of charges for utility services and may provide for the return of deposits when satisfactory consumer credit has been established.

(g) Authority for Expenditures. No money shall be drawn from the funds of the Department nor shall any obligation for the expenditure of money be incurred except as authorized by the Board. No claim against the Department shall be paid unless evidenced by a voucher approved by the General Manager or by some other employee designated by him.

(h) Bond Issues. The Board may authorize the issuance and sales of revenue bonds necessary to finance the acquisition, construction, improvements and extensions of the City utilities and operations of each Utility Department. The debt limitation contained in the Charter of the City of Canby, Oregon, shall not apply to the bonds hereby authorized.

(i) Short Term Loans. The Board may borrow money for periods not to exceed five (5) years and may issue negotiable notes, payable from the revenues of the Department or a division thereof, as evidence of the loans. Total loans outstanding at any one time shall not exceed fifty percent (50%) of the net revenue of the Utility Department, or division thereof for which the loan is made for the previous fiscal year, or twenty-five percent (25%) of the plant value of the Utility Department, or division thereof for which the loan is made, whichever amount is greater. The debt limitation contained in the Charter of the City of Canby, Oregon, shall not apply to the loans hereby authorized.

(j) Interest Rate on Bonds and Short Term Loans. Notwithstanding any other Charter provision to the contrary, all revenue bonds and short term

loans issued or made by the Board shall bear interest at not to exceed a net effective rate as authorized by the laws of Oregon.

(k) Promotion Expenditures. The Board may authorize reasonable expenditures to advertise and otherwise promote the use and services of the Department and to acquaint the public with its operations, programs and planned expansions of the Department.

(l) Investment of Surplus Funds. The Board may invest surplus funds of the Department only in Federal securities and in securities which are legal for investment by savings banks and sinking funds in the State of Oregon.

(m) Accounting and Budget Reports. The Board, in addition to the reports and accountings it may otherwise be required by law to make, shall not later than the first day of January in each year, furnish the Council through the Mayor its annual report which shall include the following statements as of the end of the preceding fiscal year:

- (1) a balance sheet showing the financial condition of the Department and each separate division, prepared according to generally accepted public utility accounting principles;
- (2) a statement of operations for each division of the Department; and
- (3) any additional supporting statements and schedules deemed necessary and desirable by the Council to make a clear and informative presentation of the financial position of the Department.

The reports shall be kept on file in the Recorder's Office and shall be open to public inspection. The funds and accounts of the Department shall be audited annually by a certified public accountant. The Board shall also annually prepare a budget forecast for the ensuing year and furnish a copy to the Mayor and the Council for information only; but if the budget requires payments from the general fund of the City, it shall be submitted to the Mayor and the Council in a manner prescribed by the Charter or the Local Budget Law for the use of such funds.

(n) Delegation of Powers. The Board may delegate in writing any of its powers to officers or employees responsible to it.

Section 6. General Provisions:

(a) Disposition of Public Utilities. The City shall have no authority to cease to operate, sell, lease, abandon or in any other way dispose of any

public utility owned by it without the approval of a three-fourths majority of the votes cast by the registered voters of the City at a general or special election held for that purpose.

(b) Existing Obligations. Contracts, obligations and bond issues relating to the utility systems of the City incurred, approved or authorized prior to the taking effect of this Charter provision shall not be impaired and shall be binding upon the Board insofar as they apply to the Department.

(c) Repeal of Prior Statute. All Charters and parts of Charters inconsistent with any provision of these Charter provisions are hereby repealed.

(d) Separability of Provisions. The sections and subsections of these Charter provisions are declared to be separable, and in the event any one or more sections, subsections or parts thereof be declared unconstitutional, it shall not affect the validity of other provisions of the Charter.

(e) For the purpose of the creation, appointment, qualification and organization of the Utility Board, this Charter Chapter shall take effect from and after its passage and for all other purposes this Charter Chapter shall take effect ninety (90) days from and after its passage.