

Section 102. Rates and Finances.

The city council shall from time to time fix, establish, maintain and provide for the collection of such rates, fees or charges for water and electricity and water and electric service furnished by or through the water and electric light works of the city as will produce revenues sufficient to pay the cost of operation and the maintenance of said works in good repair and working order; to pay the principal of and interest on all revenue bonds of the city payable from the revenues of said works; to provide and maintain an adequate depreciation fund for the purpose of making renewals and replacements; to provide a fund for the extension, improvement, enlargement and betterment of said works; to pay the interest on and principal of any general obligation bonds issued by the city to extend or improve said works; and to pay into the general revenue fund of the city annually an amount substantially equivalent to that sum which would be paid in taxes if the water and electric light works were privately owned. Such revenues so produced shall be devoted to the purposes so enumerated. The provisions hereof shall be subject at all times to the performance by the city of all covenants and agreements made by it in connection with the issuance, sale or delivery of any revenue bonds of the city payable out of the revenues derived by the city from the operation of its water and electric light works, whether such revenue bonds be heretofore or hereafter issued.

In the fixing of such rates and charges it shall be the policy of the council, so far as feasible and consistent with the above requirements, to fix and maintain the same at a level not to exceed charges made for the same services by privately owned utilities similarly situated.

Payments from the revenues of said water and electric light works shall be made into the depreciation fund monthly in such amounts as may be required by standard engineering and accounting practices applicable to the operation of utilities by municipalities. Said depreciation fund shall be expended only for making renewals and replacements of said water and electric light works or making unusual and extraordinary repairs thereto.

Payments into the fund established for the making of extensions, improvements, enlargements and betterments of said works shall be made monthly in such sums as may be determined by the council, subject to the provisions of the next succeeding paragraph relating to surplus, and such fund shall be expended only for the purposes specified. Said depreciation fund and the fund established for the making of extensions, improvements, enlargements and betterments shall be kept invested as provided by law, or, in the discretion of the council, in bonds, certificates or other obligations of the United States of America.

If any surplus revenue be produced from the operation of said water and electric light works after meeting all of the requirements set forth above, there shall be paid into the fund established for the making of extensions, improvements, enlargements and betterments of said works not less than twenty (20) percent of such surplus, or an amount which, together with payments made into such fund under the above requirements, shall equal twenty (20) percent of said surplus. Provided, however, that such fund may be used for the redemption of any outstanding bonds issued by the city for the same purposes, and for the meeting of any extraordinary emergencies that may arise in the operation of said water and electric light works; and, provided further, that said payment from surplus shall not be required to be made cumulative on and in addition to the requirement in Section 7 of the Revenue Bond Ordinance of April 19, 1948, for the retention of twenty-five (25) percent of the surplus for extension, improvement and bond redemption purposes, so long as any of the revenue bonds of the city dated May 1, 1948, remain outstanding. The remainder of any surplus shall be paid into the general revenue fund of the city and budgeted like other revenues of the city for any proper municipal purpose, and expended through the regular appropriation process; or such surplus may, in the discretion of the council, be made the basis for reduction of rates in the future.