

## **ARTICLE XII. DEPARTMENT OF PUBLIC UTILITIES.**

### **Sec. 1200. Created; management and control.**

There shall be a Department of Public Utilities, which shall be under the management and control of the City Manager subject, however, to the powers and duties of the Board of Public Utilities as hereafter set forth in this Article. Said department shall be responsible for electric and water supplies, services and conservation and any other utility as determined by ordinance of the City Council, and shall include all works owned, controlled, operated, leased or contracted for by the City for supplying the City and its inhabitants with such utilities.

(Effective 12/27/1995)

### **Sec. 1201. Board of Public Utilities—Composition; applicability of Article VIII of Charter.**

There shall be a Board of Public Utilities. All of the provisions of Article VIII of this Charter relating to boards and commissions generally, to the organization, meetings, conduct of proceedings, and expenses thereof, and to the appointment, qualifications, term of office, removal, compensation and powers of members thereof, where not inconsistent with the provisions of this Article, shall apply to the Board of Public Utilities.

(Effective 12/27/1995)

### **Sec. 1202. Same—Powers and duties.**

The Board of Public Utilities shall have the power and duty to:

- (a) Consider the annual budget for the Department of Public Utilities during the process of its preparation and make recommendations with respect thereto to the City Council and the City Manager.
- (b) Authorize, and let public works contracts in compliance with Section 1109, within the limits of the budget of the Department of Public Utilities, any purchase of equipment, materials, supplies, goods or services, or any acquisition, construction, improvement, extension, enlargement, diminution, or curtailment of all or any part of any public utility system when the amount exceeds \$50,000, and authorize the City Manager, or his designee, to execute contracts or issue purchase orders for the same. This amount may be increased in \$1,000 increments by ordinance to account for inflation whenever the cumulative increase in the consumer price index exceeds \$2,000 from the last increase. No such purchase, or acquisition, construction, improvement, extension, enlargement, diminution or curtailment shall be made without such prior authorization.

Notwithstanding the above, such a purchase, or acquisition, construction, extension, enlargement, diminution or curtailment may be made without prior approval (1) for work done at the request of and at the expense of a customer, pursuant to rules established by the Board of Public Utilities and approved by the City Council, or (2) if there is an urgent necessity to preserve life, health or property (i) as determined by the Director of Public Utilities or, (ii) if the amount exceeds \$100,000 by the Director of Public Utilities and the City Manager. As soon as practicable thereafter, the Director of Public Utilities shall take the matter under Section 1202(b)(2) to the Board of Public Utilities for ratification.

- (c) Within the limits of the budget of the Department of Public Utilities, make appropriations from the contingency reserve fund for capital expenditures directly related to the appropriate utility function.

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- (d) Require of the City Manager monthly reports of receipts and expenditures of the Department of Public Utilities, segregated as to each separate utility, and monthly statements of the general condition of the department and its facilities.
  - (e) Establish rates for all utility operations as provided under Section 1200 including but not limited to water and electrical revenue producing utilities owned, controlled or operated by the City, but subject to the approval of the City Council.
  - (f) Authorize the Director of Public Utilities to negotiate and execute contracts with individual retail customers for water, electric and any other utility service as provided under Section 1200, consistent with rates for such individualized service established pursuant to Section 1202(e).
  - (g) Approve or disapprove the appointment of the Director of Public Utilities, who shall be the department head.
  - (h) Designate its own secretary.
  - (i) Make such reports and recommendations in writing to the City Council regarding the Department of Public Utilities as the City Council shall deem advisable.
  - (j) Exercise such other powers and perform such other duties as may be prescribed by ordinance not inconsistent with any of the provisions of this Charter.

(Effective 1/18/2005 and 1/6/2003)

### **Sec. 1203. Purchases and expenditures generally; exemption from centralized purchasing system.**

The purchase of equipment, materials and supplies peculiar to the needs of the Department of Public Utilities need not be made through the centralized purchasing system. The expenditure and disbursement of funds of the Department of Public Utilities shall be made and approved as elsewhere in this Charter provided.

### **Sec. 1204. Use of revenue.**

The revenue of each public utility for each fiscal year shall be kept separate and apart from all other moneys of the City by deposit in the appropriate revenue fund and shall be used for the purposes and in the order as follows:

- (a) For the payment of the operating and maintenance expenses of such utility, including any necessary contribution to retirement of its employees.
- (b) For the payment of interest on the revenue bonded debt of such utility. As used in this section "revenue bonded debt of such utility" means the debt evidenced by revenue bonds, revenue notes or other evidences of indebtedness payable only out of the revenues pertaining to the utility involved, whether the same are issued under the provisions of this Charter or under the provisions of any general law of the State of California.
- (c) For the payment, or provision for the payment of the principal of said debt as it may become due, and of premiums, if any, due upon the redemption of any thereof prior to maturity.
- (d) For the establishment and maintenance of any reserves for B and C above.
- (e) For capital expenditures of such utility.
- (f) For the annual payment by each utility into the general fund in twelve equal monthly installments during each fiscal year, an amount not to exceed 11.5 percent of the gross operating revenues,

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exclusive of surcharges, of each specific utility for the last fiscal year ended and reported upon by independent public auditors.

**Sec. 1204.1. Water utility revenue.**

The revenue of the water public utility for each fiscal year shall be kept separate and apart from all other moneys of the City by deposit in the appropriate revenue fund and shall be used for the purposes and in the order set forth in Section 1204 and for the annual payment by the water utility into the general fund in twelve equal monthly installments during each fiscal year, an amount not to exceed 11.5 percent of the gross operating revenues, exclusive of surcharges, of the water utility for the last fiscal year ended and reported upon by independent public auditors. The proceeds shall be used to maintain local general purposes as the City Council may by budget or other appropriation direct such as 9-1-1 response, police patrols/fire protection, children's after-school and senior/disabled services, and protect supplies of clean drinking water from contamination.

(Effective 8/7/2013)

**Sec. 1204.2. Electric Utility Revenue.**

The revenue of the electric public utility for each fiscal year shall be kept separate and apart from all other moneys of the City by deposit in the appropriate revenue fund and shall be used for the purposes and in the order set forth in Section 1204 and for the annual payment by the electric utility into the general fund in twelve equal monthly installments during each fiscal year, an amount not to exceed 11.5 percent of the gross operating revenues, exclusive of surcharges, of the electric utility for the last fiscal year ended and reported upon by independent public auditors. The proceeds shall be used to maintain local general purposes as the City Council may by budget or other appropriation direct such as 9-1-1 response, fire, paramedic, police, street repairs, parks, senior services, homelessness and other general services.

(Res. 23739 § 1(Att. A), 2021)

**Sec. 1205. Sale of public utility.**

No public utility now or hereafter owned or controlled by the City shall be sold, leased or otherwise transferred unless authorized by the affirmative votes of at least two-thirds of the voters on such proposition at a general or special municipal election at which such proposition is submitted.