

Sec. 118. ~~Water~~ Utility rates and charges.

For the purpose of paying the expense of conducting, managing and operating the city utilities, including, by way of example and not by way of limitation, water, sanitary sewer, storm sewer, and electricity service, water works, the city shall, as a condition of supply, charge against and collect from all consumers both public and private, including the various and several city departments and institutions, a charge for ~~water~~ utility service rendered. Such rates of charge shall be fixed by ordinance of council. It shall be made in an equitable manner and in such amount as will fully cover the cost of service, including utility debt obligations and interest thereon.

Sec. 119. [Determining water utility rate.]

In determining the cost of ~~water~~ utility service to be so charged and collected, council shall be governed by the following general rule:

All ~~water~~ utility consumers, as stated in the preceding section, shall be charged with and shall pay the current cost of maintenance, operation and supply, interest and principal on outstanding ~~water~~ utility debt obligations, and losses sustained by depreciation.

Sec. 120. ~~Interest on water bonds~~ Outstanding debt obligations, interest.

The city shall, out of the revenues of the city utilities ~~water department~~, cause to be paid and transferred to ~~the trustees of the sinking fund~~ a utility debt obligation bond retirement fund of the city a sufficient amount of money to pay the interest and principal on outstanding ~~water~~ utility debt obligations ~~bonds as it they~~ matures.¹

Sec. 121. [Depreciation fund.]

~~Council shall by ordinance cause to be established, out of the revenues of the water department, a depreciation fund which shall as nearly as practicable, equal the annual loss by depreciation sustained by the water plant. This fund shall be applied as follows:~~

~~(a) A sufficient amount shall be transferred to the trustees of the sinking fund at the beginning of each year to provide a sinking fund for the redemption of outstanding water bonds at maturity.~~

~~(b) The residue after making such transfer shall be applied in the making of repairs, extensions or replacements.~~

Sec. 122. [Exemption from ~~water~~ utility bills.]

¹ The City Attorneys' office, Finance Department, and Auditor continue to work on the specific language in this section to adequately reference the funds from which debt obligations may be paid.

Council may by ordinance ~~or resolution~~ relieve from the payment of bills, or any portion thereof, for water utility service, any ~~hospital, asylum or other charitable institution devoted the relief of the poor, the aged, the infirm or destitute persons or orphan children, but such relief shall only be granted to not-~~for-profit institutions that support disadvantaged persons, which institutions are within the city's limits, and which are not maintained by general taxation. ~~and on the further condition that the~~ The bills from which said parties are relieved are shall be promptly paid to the water department out of the general revenue fund of the city to the department providing the utility.

Sec. 123. ~~Cash deposits on water~~ Utility rules and regulations.

In conducting, managing and operating the city utilities, ~~the administration of the affairs of the water department~~ the city shall prescribe such rules and regulations as the just interests of the city and water utility consumers may demand.² ~~The city may also require from a consumer a cash deposit or other form of security deemed necessary to protect the city against loss by reason of non-payment of bills or other breach of contract. Cash deposit so received by the city shall be deemed as money held in trust to be returned to the depositors with interest at the rate of four per centum per annum at the termination of the contract and after there has been full compliance with its terms Council shall by ordinance or resolution transfer said deposits to the trustees of the sinking fund to be held in trust for the water department, but subject at all times to draft of the city to meet adjustments with the depositors. The trustees of the sinking fund shall invest the money so transferred as other funds under their control are invested, and the net gains resulting from the investment shall annually be placed to the credit of the said trust account.~~

Sec. 124. Rates and charges for service furnished by municipally owned utilities.

The general rules prescribed in ~~sections 120, 121, 122, 123 and 124~~, governing the sale and disposition of utilities of water, shall apply as far as practicable in the sale and disposition of the service of all other public utility plants owned and operated by the city, except that as to any such service furnished in competition with a privately owned plant, the rate shall be such as in the opinion of council tends best to develop and increase the business, to increase the load factor and to promote in other ways the general success of such utilities.

Sec. 194. ~~Reports to city by grantee~~ Franchise terms, reports.

No ordinance making such grant, renewal or extension shall be valid unless it shall expressly provide therein, that the grantee shall make to the city at prescribed semi-annual periods, a statement of the assets, liabilities, receipts and disbursements of the public utility operating such grant, renewal or extension. Said statement shall be in detail adequate for determining the cost of the service rendered, and shall be signed and sworn to by the grantee or its proper officer or officers. Said ordinance shall also

² This recommendation may change based on the draft language for sinking fund.

reserve to the city the right of verifying such statements by examination of the books and records of the grantee. No ordinance making such grant, renewal or extension shall be valid if such ordinance does not reserve to the city the right to prevent unjust discrimination in service or rates.³

³ This is a common condition in franchise sections. See, for example, Akron City Charter Sec. 49.