

ORDINANCE NO. 531

AN ORDINANCE INCREASING ELECTRIC RATES FOR SHORT TERM; CREATING A LIGHT DEPARTMENT "DEBT FUND" FOR LIMITED PURPOSES AND AUTHORIZING EXPENDITURES; AND DECLARING AN EMERGENCY.

WHEREAS, recent growth in the City of Canby has made it impossible for the City's Light Department to continue to operate on a cash basis, and necessary construction has depleted available cash and forced curtailment of other necessary expenditures; and

WHEREAS, additional funds must be obtained to finance urgently needed plant additions and pay the costs of engineering studies for the rehabilitation generally of the City's electric utility system; and

WHEREAS, the Council has made a careful and comprehensive study of the fiscal affairs of the Light Department and alternative methods of raising funds for the aforesaid purposes, and has determined that a surcharge on electric resale rates for a limited period is necessary and would be in the best interests of the City and the inhabitants thereof; and Bonneville Power Administration, with whom the City has a contract for purchase of electrical energy for resale purposes, has approved of the proposed rate increase with certain limitations; now, therefore,

THE CITY OF CANBY ORDAINS AS FOLLOWS:

Section 1: Commencing at the time and on the date and continuing for the period specified in the following Section 2, the Canby Light Department's resale rate of all electricity under the RESIDENTIAL RATE SCHEDULE 1, the COMMERCIAL LIGHTING AND POWER RATE SCHEDULE 2 and the COMMERCIAL WATER AND SPACE HEATING RATE SCHEDULE 3 shall be increased ten percent (10%).

Section 2: The increased rate charge shall take effect at 12:00 o'clock a.m. Pacific Standard Time on Tuesday, December 15, 1970, and shall remain continuously in effect thereafter for a period of six (6) months, or until \$25,000.00 has been raised for the special fund which is provided for in the following Section 3.

Section 3: All income of the City's Light Department from the increased rate charges shall be deposited by the City Recorder in a special account which is hereby created and to be known as the "LIGHT DEPARTMENT PLANNING STUDY AND DEBT RETIREMENT FUND", (hereinafter referred to as the "DEBT FUND"), and moneys held for the credit of the Debt Fund shall be invested by the City Recorder pursuant to this Section 3 in investment securities and Certificates of Deposit which mature in such amounts and at such times as shall be necessary to provide moneys as needed for the payments to be made from such Fund. Moneys in the Debt Fund may, if then permitted by law, be invested in negotiable or non-negotiable Certificates of Deposit issued by any bank, trust company or national banking association which is a member of the Federal Reserve System and which has capital stock and surplus of at least \$1,000,000.

Section 4: Moneys in the Debt Fund shall be paid on direction of the Canby City Council for the following purposes:

A. Paying or reimbursing the City's costs of preliminary surveys, investigations, studies, engineering, legal and other fees heretofore incurred or advanced and hereafter incurred in connection with the City's Light Department and the City's Electric Utility System generally, together with interest on all such costs.

B. Payment of the Light Department's current budget indebtedness and any debts of the Light Department carried over from previous years, together with interest thereon.

C. Any Fund balance after payment of A and B above shall be transferred to the Light Department's General Account.

Section 5: Charges for electric service as prescribed by Rule 16 of Ordinance No. 314 adopted January 6, 1939, and amended by Ordinance No. 327 adopted April 7, 1941, is further amended to the extent provided for herein, and any other rules or regulations of the Light Department and other Ordinances or parts of Ordinances in conflict herewith, are also hereby amended to the extent necessary to give full force and effect to the true intent and meaning hereof.

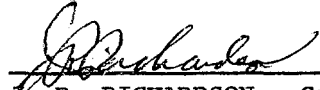
Section 6: It being deemed by the Canby City Council that

an emergency exists, this Ordinance shall take effect immediately upon its final passage and approval by the Mayor.

Passed on first reading at a regular meeting of the Canby City Council this 16th day of November, 1970; ordered posted as provided by the Canby City Charter and to come up for final reading and passage of the Canby City Council at a regular meeting thereof on Monday, December 7, 1970, at the hour of 8:00 o'clock p.m., Pacific Standard Time, at the Canby City Hall.

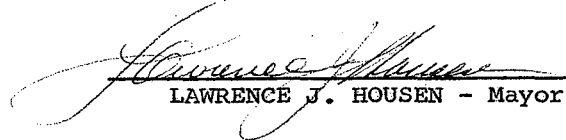

LAWRENCE J. HOUSEN - Mayor

ATTEST:

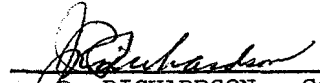

J. R. RICHARDSON - City Recorder

Passed on final reading of the Canby City Council at a regular meeting thereof on December 7, 1970, by the following vote:
Yeas 6. Nays 0.

Approved and signed by the Mayor this 7th day of December, 1970.


LAWRENCE J. HOUSEN - Mayor

ATTEST:


J. R. RICHARDSON - City Recorder