

**Special Municipal Election**

**City of San Diego**

**November 2, 1954**

11/2/54

## **PROPOSED CHARTER AMENDMENT**

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The following proposed amendment to the Charter of the City of San Diego, California will be submitted to the voters of the City of San Diego on Tuesday, Nov. 2, 1954.

FRED W. SICK, City Clerk

00512

11/2/54

**PROPOSITION B**

Amend Article VII of the Charter of The City of San Diego by adding a new section thereto to be numbered Section 90.1, which said section shall read as follows:

"Section 90.1. Notwithstanding any of the provisions of this Charter to the contrary the Council of The City of San Diego shall have power, with the consent of a majority vote of the electors of said City, to provide for the expansion, extension, replacement or betterment of the water impounding, treating and distribution system of the City and to provide for the payment of the cost of such public improvements by the issuance and sale of bonds or other securities payable in whole or in part from the revenues derived from the maintenance and operation of said public improvements as hereinafter provided in sub-paragraph (2) hereof. The Council shall exercise such power only by ordinance after recommendation by the City Manager and a finding by such legislative body that there exists a need therefor, and no such ordinance shall become effective until approved by a majority vote of the electors of said City voting at either a general or special election.

Any ordinance adopted under this section shall provide, in addition to other matters:

(1) A maturity date for the bonds or securities not to exceed thirty (30) years from the date of the issuance shall be fixed.

(2) Each bond or security shall provide that the principal of such bond or security, together with the interest thereon shall be payable only from a special fund which shall consist of such revenues of the Water Department as are in excess of the amount needed to operate and maintain the Water Department.

The Council may, however, if deemed advisable, use premiums or accrued interest payments on such bonds or securities to reduce the interest obligation on such bonds or securities. The Council may also use the proceeds of the sale of any refunding bonds which may be authorized to pay off the principal and interest obligation of said bonds or securities.

(3) Each bond or security authorized hereunder shall contain a clause to the effect that neither the principal nor interest thereon shall under any circumstances ever become an obligation chargeable or enforceable against any of the tax revenues of the City, or any other revenues of said City, except such revenues as are expressly specified in the bond or security for the payment of such bond or security, or the interest thereon.

The Council may authorize the insertion of a covenant or agreement in each bond or security herein authorized to the effect that during the life of said bond or security and until the principal thereof, together with the interest thereon, is fully paid, the Council will fix such charges or fees for the use of such public improvements or the services furnished the people by the operation of such public improvements, or both, as will produce moneys sufficient in amount to insure the payment in full of the principal and interest of such

bond or security when due, and the cost in full of the maintenance and operation of said public improvements during the life of said bond or security.

The Council shall also have power to insert in each bond or security such other covenants as will tend to insure the safety of said bond or security for investment purposes.

The Council may also provide in each issue of revenue bonds herein authorized a reservation on behalf of the City that said City shall have the right at any time to redeem and pay the principal and interest of said revenue bonds out of the proceeds derived from the issuance and sale of such refunding bonds as may be authorized.

All bonds or securities issued pursuant to the provisions of this section of the Charter shall be so worded as to make the same negotiable.

After the revenue bonds herein authorized are fully redeemed, and all the interest thereon paid to the bond-holders, the Council shall have power to fix only such charges or fees for the use of such public improvements or for the services furnished the people, by the operation of such public improvements as shall pay the cost of operating and maintaining the same, together with such repairs, replacements and additions as may be needed to keep such improvements in good operating condition.

No bond or security, or any interest payable thereon, issued under this section of the Charter shall ever under any circumstances create or impose any obligation upon the City itself, or the tax revenues of said City, or any revenue of the City other than the revenues which are herein authorized to be pledged to secure the payment of the principal and interest of the bonds or securities issued pursuant to this section of the Charter, and in no event shall the City, during such time as any bonds issued pursuant to this section are outstanding, appropriate its tax revenues for Water Department purposes except to the extent that such may be needed to supplement revenues of the Water Department for any fiscal year during which the anticipated Water Department revenues are insufficient to meet the estimated costs of normal operation and maintenance of the Water Department for such year."

(THIS PROPOSITION WILL APPEAR ON THE BALLOT IN THE FOLLOWING FORM)

PROPOSITION B. CITY OF SAN DIEGO CHARTER AMENDMENT PROPOSITION: Amend Article VII of the Charter of The City of San Diego by adding a new section thereto to be numbered Section 90.1, which authorizes the City to issue revenue bonds for the purpose of financing replace- ments and improvements to the water system of said City, upon a majority vote of the people; and pro- viding a procedure for the issuance and sale of such bonds.	YES	X
	NO	

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Amend Article VII of the Charter of The City of San Diego by adding a new section thereto to be numbered Section 90.1, which said section shall read as follows:

"Section 90.1. Notwithstanding any of the provisions of this Charter to the contrary the Council of The City of San Diego shall have power, with the consent of a majority vote of the electors of said City, to provide for the expansion, extension, replacement or betterment of the water impounding, treating and distribution system of the City and to provide for the payment of the cost of such public improvements by the issuance and sale of bonds or other securities payable in whole or in part from the revenues derived from the maintenance and operation of said public improvements as hereinafter provided in sub-paragraph (2) hereof. The Council shall exercise such power only by ordinance after recommendation by the City Manager and a finding by such legislative body that there exists a need therefor, and no such ordinance shall become effective until approved by a majority vote of the electors of said City voting at either a general or special election.

Any ordinance adopted under this section shall provide, in addition to other matters:

(1) A maturity date for the bonds or securities not to exceed thirty (30) years from the date of the issuance shall be fixed.

(2) Each bond or security shall provide that the principal of such bond or security, together with the interest thereon shall be payable only from a special fund which shall consist of such revenues of the Water Department as are in excess of the amount needed to operate and maintain the Water Department.

The Council may, however, if deemed advisable, use premiums or accrued interest payments on such bonds or securities to reduce the interest obligation on such bonds or securities. The Council may also use the proceeds of the sale of any refunding bonds which may be authorized to pay off the principal and interest obligation of said bonds or securities.

(3) Each bond or security authorized hereunder shall contain a clause to the effect that neither the principal nor interest thereon shall under any circumstances ever become an obligation chargeable or enforceable against any of the tax revenues of the City, or any other revenues of said City, except such revenues as are expressly specified in the bond or security for the payment of such bond or security, or the interest thereon.

The Council may authorize the insertion of a covenant or agreement in each bond or security herein authorized to the effect that during the life of said bond or security and until the principal thereof, together with the interest thereon, is fully paid, the Council will fix such charges or fees for the use of such public improvements or the services furnished the people by the operation of such public improvements, or both, as will produce moneys sufficient in amount to insure the payment in full of the principal and interest of such

bond or security when due, and the cost in full of the maintenance and operation of said public improvements during the life of said bond or security.

The Council shall also have power to insert in each bond or security such other covenants as will tend to insure the safety of said bond or security for investment purposes.

The Council may also provide in each issue of revenue bonds herein authorized a reservation on behalf of the City that said City shall have the right at any time to redeem and pay the principal and interest of said revenue bonds out of the proceeds derived from the issuance and sale of such refunding bonds as may be authorized.

All bonds or securities issued pursuant to the provisions of this section of the Charter shall be so worded as to make the same negotiable.

After the revenue bonds herein authorized are fully redeemed, and all the interest thereon paid to the bond-holders, the Council shall have power to fix only such charges or fees for the use of such public improvements or for the services furnished the people, by the operation of such public improvements as shall pay the cost of operating and maintaining the same, together with such repairs, replacements and additions as may be needed to keep such improvements in good operating condition.

No bond or security, or any interest payable thereon, issued under this section of the Charter shall ever under any circumstances create or impose any obligation upon the City itself, or the tax revenues of said City, or any revenue of the City other than the revenues which are herein authorized to be pledged to secure the payment of the principal and interest of the bonds or securities issued pursuant to this section of the Charter, and in no event shall the City, during such time as any bonds issued pursuant to this section are outstanding, appropriate its tax revenues for Water Department purposes except to the extent that such may be needed to supplement revenues of the Water Department for any fiscal year during which the anticipated Water Department revenues are insufficient to meet the estimated costs of normal operation and maintenance of the Water Department for such year."

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	NO	