PREAMBLE

We the people of the City of San Marcos declare our intent to restore to our community the historic principles of self governance inherent in the doctrine of home-rule. Sincerely committed to the belief that local government has the closest affinity to the people governed, and firm in the conviction that the economic and fiscal independence of our local government will better serve and promote the health, safety and welfare of all the citizens of this City, we do hereby exercise the express right granted by the Constitution of the State of California to enact and adopt this Charter for the City of San Marcos.

CHARTER

ARTICLE I. - MUNICIPAL AFFAIRS; GENERALLY

Section 100. - Municipal Affairs.

Each of the responsibilities of governance set forth and described in this Charter, and as established by the Constitutional, statutory and judicially defined law of the State of California, is hereby declared to be a municipal affair or concern, the performance of which is unique to the benefit of the citizens of the City of San Marcos.

ARTICLE II. - REVENUE, SAVINGS AND GENERATION

Section 200. - Public Works Contracts.

The City shall have the power to establish standards, procedures, rules or regulations to regulate all aspects of the bidding, award and performance of any public works contract, including, but not limited to, the compensation rates to be paid for the performance of such work.

Section 201. - Public Financing.

The City shall have the power to establish standards, procedures, rules or regulations related to any public financing.

Section 202. - Utility Franchises.

202.1. The City shall have the power to adopt any ordinance providing for the acquisition, development, or operation by the City of any public utility, or any ordinance providing for the granting of

a franchise to any public utility not owned by the City which proposes to use or is using City streets, highways or other rights-of-way.

202.2 Notwithstanding the terms of §202.1, after the effective date of this amendment, the City, a utility established by the City, or any commission, agency or unit of the City government (individually or collectively hereinafter "City") shall not, prior to November 2, 2014, itself or through a third party, provide Distribution Services within the boundaries of the City unless each of the following conditions shall have first been met:

202.2.1 The City shall charge the same or a lower cumulative rate (taking into account all cost factors) for Distribution Services for each consumer classification as that which is charged by the City's incumbent franchisee.

202.2.2 The City shall have the financial ability and provide the Distribution Services without incurring debt or encumbering the general fund of the City.

202.2.3 Prior to any election required by the terms hereof, a qualified, independent auditor shall certify that the Distribution Services proposed will satisfy subsections 202.2.1 and 202.2.2 above.

202.2.4 At an election to be scheduled by the City, the voters of San Marcos shall approve proposed Distribution Services.

202.2.5 Distribution Services shall mean ownership and/or operation of any pipes, wires, and electric and gas utility plant and related services for the delivery of electricity or natural gas to consumers but only within the boundaries of the City of San Marcos.

Section 203. - Enterprises.

The City shall have the power to engage in any enterprise deemed necessary to produce revenues for the general fund or any other fund established by the City Council to promote a public purpose.

ARTICLE III. - REVENUE RETENTION

Section 300. - Reductions Prohibited.

Any revenues raised and collected by the City shall not be subject to subtraction, retention, attachment, withdrawal or any other form of involuntary reduction by any other level of government.

Section 301. - Mandates Limited.

No person, whether elected or appointed, acting on behalf of the City, shall be required to perform

any function which is mandated by any other level of government, unless and until funds sufficient for the performance of such function are provided by said mandating authority.

ARTICLE IV. - RENT STABILIZATION

Section 400. - Mobile Home Rent Stabilization.

The City shall have the power to establish the specific terms and conditions pursuant to which residential mobile home rental rates shall be regulated and the means by which such regulations shall be enforced.

ARTICLE V. - GENERAL LAWS

Section 500. - General Law Powers.

In addition to the power and authority granted by the terms of this Charter and the Constitution of the State of California, the City shall have the power and authority to adopt, make, exercise and enforce all legislation, laws and regulations and to take all actions and to exercise any and all rights, powers, and privileges heretofore or hereafter established, granted or prescribed by any law of the State of California or by any other lawful authority. In the event of any conflict between the provisions of this Charter and the provisions of the general laws of the State of California, the provisions of this Charter shall control.

Section 501. - Land Use, Planning & Zoning Matters.

Notwithstanding its Charter city status, the City shall be governed by State law as it applies to general law cities with respect to the application, interpretation and enforcement of land use, planning and zoning matters, including, but not limited to, the requirement of consistency between the General Plan of the City and the terms of its zoning ordinances.

ARTICLE VI. - INTERPRETATION

Section 600. - Construction & Interpretation.

The language contained in this Charter is intended to be permissive rather than exclusive or limiting and shall be liberally and broadly construed in favor of the exercise by the City of its power to govern with respect to any matter which is a municipal affair.

Section 601. - Severability.

If any provision of this Charter should be held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by law.