§ 1048-j. Imposition and disposition of water fees, rates, rents or charges. 1. The water board shall establish, fix and revise, from time to time, fees, rates, rents or other charges for the use of, or services furnished, rendered or made available by, the water system owned by the water board pursuant to this title in such amount at least sufficient at all times so as to provide funds in an amount sufficient together with other revenues available to the board, if any, (i) to pay to the authority, in accordance with any agreement with the authority, an amount sufficient for the purpose of paying the principal of and the interest on the outstanding notes or bonds of the authority as the same shall become due and payable and maintaining or funding a capital or debt service reserve fund therefor and, to the extent requested by the city in, or annually pursuant to the agreement, to pay to the city, in accordance with the agreement, an amount sufficient for the purpose of paying the principal of and interest on general obligation bonds of the city issued for or allocable to the water system as the same shall become due and payable, and to maintain or fund reserves therefor, (ii) to pay to the city, in accordance with the agreement, an amount sufficient for the purpose of paying the costs of administering, maintaining, repairing and operating and the cost of constructing capital improvements to the water system, (iii) to pay to the city in accordance with the agreements entered into pursuant to sections one thousand forty-eight-h and one thousand forty-eight-i of this title an amount sufficient for the purpose of paying liabilities issued for or allocable to the water system as the same shall become due and payable, (iv) to meet any requirements of any agreement including requirements relating to the establishment of reserves for renewal and replacement and for uncollected charges and covenants respecting rates, (v) to pay all other reasonable and necessary expenses of the authority and the water board in relation thereto, and (vi) to the extent requested by the city in or pursuant to the agreement, to pay or provide for such other purposes or projects as such city considers appropriate and in the public interest. Any surplus of funds remaining after such payments have been made shall be returned to the city for deposit in the general fund.

2. There is hereby established in the custody of the water board a special fund to be known as the local water fund. Such fund shall

consist of the revenues derived from the fees, rates, rents and service charges established, charged and collected pursuant to this title and any other income earned or moneys received by the water board. Revenues in the local water fund shall be kept separate and shall not be commingled with any other moneys in the custody of the water board. All moneys, properties and assets acquired by the water board, whether as revenues or otherwise, shall be held by it in trust for the purposes of carrying out its powers and duties, and shall be used and reused in accordance with the purposes and provisions of this article.

The water board shall deposit promptly, to the credit of the local water fund, revenues collected under this article in a bank, banking house or trust company as may be designated in or pursuant to the agreement.

3. No such fee, rate, rent or other charge shall be established, fixed or revised unless and until the water board has held a public hearing at which the users of the water system, the owners of property served or to be served and others interested, have had an opportunity to be heard concerning the same. Notice of such public hearing shall be published by the water board at least twenty days before the date set therefor, in at least one newspaper of general circulation in the areas served by the water system. Such notice shall set forth the date, time and place of such hearing and shall include a brief description of the matters to be considered at such hearing. A copy of the notice shall be filed in the office of the clerk of the city and shall be available for inspection by the public. At all such hearings, any users of the water system, owners of property served or to be served and any other interested persons shall have an opportunity to be heard concerning the matters under consideration. Any decision of the water board on matters considered at such public hearing shall be in writing and be made available in the office of the water board for public inspection during regular office hours. Such decision shall be published in at least one newspaper of general circulation in the areas served by the water system within thirty days after such decision is made. The fees, rates, rents or other charges so established for any class of users of property served shall be extended to cover any additional premises thereafter served which are

within the same class, without the necessity of a hearing thereon.

4. The fees, rates, rents or other charges established, fixed and revised from time to time by the water board shall be collected by the water board at such times and in such manner as may be determined by the rules and regulations adopted by the water board consistent with the provisions of this title.

5. Such fees, rates, rents or other charges, if not paid when due, shall constitute a lien upon the premises served and a charge against the owners thereof, which lien and charge shall bear interest at the same rate as would unpaid taxes of the city. Such lien shall take precedence over all other liens or encumbrances, except taxes, and may be foreclosed against the lot or building served in the same manner as a lien for such taxes. The amount which remains due and unpaid for sixty days may, with interest thereon at the same rate as unpaid city taxes and with reasonable attorneys' fees, be recovered by the water board in a civil action in the name of the water board against such owners. The city, and any state agency shall be subject to the same fees, rates, rents or other charges under the same conditions as other users of such water system. Any agreement for the supply of water services between the city or an agency thereof and any other municipality or water supply system, or any administrative determination by a state agency, or any other arrangement in this regard, in effect at the time the water board shall be established, shall remain in full force and effect and be binding upon the water board as if it were a party to such agreement, determination or other arrangement. All rights, powers, duties, obligations and functions provided by law with respect to the fixing of charges or rates for the supply of water services to users outside the city, including but not limited to those set forth in article eight of the environmental conservation law, shall be deemed to apply, as appropriate, to the water board established pursuant to this title. In addition to any other lawful enforcement methods and pursuant to rules and regulations of the water board promulgated pursuant to this title, the payment of fees, rates, rents or other charges for water service to any premises may be enforced by discontinuing the water service to such premises provided that such discontinuance or disconnection of any

supply of water shall not be carried out except in the manner and upon the notice as is required of a water-works corporation pursuant to subdivisions three-a, three-b and three-c of section eighty-nine-b and section one hundred sixteen of the public service law.

6. The water board shall pay to the authority such amounts at such times and in such manner as may be provided in the agreement by and among the authority, the water board and the city consistent with the priorities set forth in such agreement. There is hereby created a lien, by this title made a statutory lien within the meaning of the uniform commercial code and any other state or federal law, upon the gross revenues of the water board, in favor of the payment of all amounts due pursuant to such agreement and in the order and priority set forth therein and which lien shall be a first lien upon such gross revenues. The gross revenues so subject to such statutory lien shall be and remain subject to such statutory lien until the payment in full of each such item in accordance with such priority. Said statutory lien shall not be construed to give any holder or owner of any bond of the authority power to compel the sale of any water system.

7. If there be any default by the water board in the making of the payments to the authority required under this section, as a result of the failure by the water board to impose sufficient fees, rates, rents or other charges, the authority may petition for the appointment by any court having jurisdiction in any proper action of a receiver to administer on behalf of the water board, under the direction of said court, the affairs of the water board in order to achieve system revenues at least sufficient to make such payments; and by and with the approval of said court, to establish, fix and revise, from time to time, fees, rates, rents or other charges at least sufficient therefor in conformity with this title, and the resolution or trust indenture of the authority providing for the issuance of its bonds and in accordance with such orders as the court shall make.

8. The water board shall prepare and transmit to the city on or before the first day of December in each year a list of those persons or property owners within such city who are in arrears in the payment of

fees, rates, rents or other charges for a period of sixty days or more after the last day fixed for payment thereof without penalty. The list shall contain a brief description of the properties for which the services were provided, the names of the persons liable to pay for the same and the amounts chargeable to each, including penalties and interest computed to the next succeeding December thirty-first. The city shall levy such sums against the properties liable and shall state the amount thereof in a separate column in the annual tax rolls of such city under the name of "delinquent water charges" as may be appropriate and as may be directed by the water board. Such amounts, as and when collected by the commissioner of administration and finance of the city, shall be paid over to the water board. All of the provisions of the tax laws of the state covering the enforcement and collection of unpaid taxes of the city shall apply to the collection of such unpaid fees, rates, rents or other charges.

9. Neither the public service commission, nor any city or state agency, shall have any jurisdiction over the water board or authority or any power over the regulation of the fees, rates, rents or other charges established, fixed or revised by the water board except as provided by law with respect to the supply of water services to users outside the city.