§ 1230-j. Imposition and disposition of fees, rates or charges. 1. The water board shall establish, fix and revise, from time to time, fees, rates or other charges for the use of, or services furnished, rendered or made available by, all projects, the facilities and system owned, leased or utilized by the water board pursuant to this title in an 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, (a) 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 bonds of the authority as the same shall become due and payable and maintaining or funding a capital or debt service reserve fund therefor, if any, or any other fund determined necessary by the authority, and, to the extent requested by the city or any municipality in, or annually pursuant to, any agreement, to pay to the city or any municipality, in accordance with any agreement, an amount sufficient for the purpose of paying the principal of and interest on general obligation bonds of the city or any municipality issued for or allocable to the facilities of the system, as the same shall become due and payable, and to maintain or fund reserves therefor, (b) to pay to the city or any municipality, in accordance with any 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 system, (c) to pay to the city or any municipality in accordance with any agreement entered into pursuant to section twelve hundred thirty-h of this title an amount sufficient for the purpose of paying liabilities issued for or allocable to the system, as the same shall become due and payable, (d) to pay to the city or any municipality, in accordance with this title or any agreement entered into pursuant to this title, an amount sufficient for the purpose of paying any payment in lieu of taxes as the same shall become due and payable, (e) to raise an amount sufficient for the purpose of paying the costs of administering, managing, maintaining, repairing and operating any system facility, (f) to meet any requirements of any agreement, including requirements relating to the establishment of reserves for renewal and replacement and for uncollected rates, fees or other charges and covenants respecting rates, (g) to pay all other reasonable and necessary expenses of the authority

and the water board in relation thereto, and (h) to pay or provide for such other purposes or projects as the water board considers appropriate and in the public interest.

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. Subject to any agreements made by the water board in connection with the issuance of any bonds of the authority, 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.

3. 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 agreements.

4. No fee, rate 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 system, the owners of property served or to be served and other interested persons have had an opportunity to be heard concerning the same. Notice of such public hearing shall be published by the water board not less than ten nor more than twenty days before the date set therefor in a newspaper or newspapers having general circulation in the service area, as shall be designated by the water board. 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 secretary of the water board and shall be available for inspection by the public. At all such hearings, any users of the 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 secretary of the water board for public inspection. Such decision shall be published in a newspaper or newspapers having a general circulation in the service area as shall be designated by the water board not later than thirty days after such decision is made. The fees, rates 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.

5. The fees, rates 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.

6. Such fees, rates or other charges, if not paid when due, shall constitute a lien upon the premises served and a charge against the owners or users 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 or municipality in the service area shall be subject to the same fees, rates, rents or other charges under the same conditions as other users of the system. All rights, powers, duties, obligations and functions provided by law with respect to the fixing of charges or rates for the supply of water, wastewater or storm water services to users outside the city, shall be deemed to apply, as appropriate, to the water board established pursuant to this title.

7. 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, the city, and any municipality 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 system facility.

8. If there be any default by the water board, in the making of the payments to the authority required under this title, as a result of the failure by the water board to impose sufficient fees, rates 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 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 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.

9. The water board shall prepare and transmit to the city or municipality in the service area of the water board, on or before the first day of December in each year, a list of those persons or property owners within the city or such municipality who are in arrears in the payment of fees, rates, 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 applicable penalties

and interest. The city or such municipality shall levy or cause to be levied such sums against the properties liable and shall state the amount thereof in a separate column in the annual tax rolls of such municipality under the name of "delinquent water or wastewater or storm water charges, if any". Such amounts, as and when collected by the city or such municipality, 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 an applicable municipality shall apply to the collection of such unpaid fees, rates or other charges. In the event that the enforcement of unpaid taxes, including unpaid delinquent water board charges, does not yield moneys sufficient to pay in full all unpaid taxes including unpaid delinquent water board charges, the amount of unpaid water board charges to be paid to the water board shall be prorated.

10. The public service commission shall have no jurisdiction over the water board or the authority with respect to the regulation of the fees, rates or other charges established, fixed or revised by the water board except as provided by law with respect to the supply of water to users outside the city or the service area.