

05/24/2005

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE TO AMEND CHAPTER 102, UTILITIES, OF THE CODE OF ORDINANCES OF THE CITY OF ROCHESTER HILLS, OAKLAND COUNTY, MICHIGAN, TO REVISE THE DEPOSITORY FUND AND SURPLUS FUND STRUCTURE FOR WATER AND SEWAGE DISPOSAL SYSTEM REVENUES, AND TO REPEAL CONFLICTING ORDINANCES.

THE CITY OF ROCHESTER HILLS ORDAINS:

Section 1. Division 2, Sections 102-61 through 102-64 of Chapter 102 of the Code of Ordinances of the City of Rochester Hills shall be amended as follows:

DIVISION 2. RATES, CHARGES AND BILLING PROCEDURES

*SUBDIVISION I. IN GENERAL*

**Sec. 102-61. Free service.**

No free service shall be furnished by the water and sewage disposal system to any person or to any public agency or instrumentality.

**Sec. 102-62. Rate revision authorized.**

The rates fixed in this division shall be reviewed annually and are estimated to be sufficient to provide for the payment of the expenses of administration and operation, such expenses for maintenance of the water and sewage disposal system as are necessary to preserve the system in good repair and working order and to provide for such other expenditures and funds for the system as this article may require. Such rates may be revised by the city council when such action becomes necessary to provide sufficient funds.

**Sec. 102-63. Operating year.**

The water and sewage disposal system shall be operated on the basis of an operating year commencing on January 1 and ending on December 31 next following.

**Sec. 102-64. ~~Receiving f~~unds.**

~~(a) *Deposit of funds.* The revenues of the water and sewage disposal system shall be set aside, as collected, and deposited in a separate depository account in a bank duly qualified to do business in this state, to be selected by the city council, in an account to be designated "water and sewage disposal system receiving fund," referred to as the "receiving fund," and the revenues so deposited shall be transferred from the receiving fund periodically in the manner and at the time specified in this section.~~

~~(b) *Operation and maintenance of fund.* The revenues of the water and sewer disposal system shall be collected and deposited in a fund to be designated as the~~

“operation and maintenance fund.” Out of the revenues in the receiving operation and maintenance fund there shall be first set aside ~~semiannually into a depository account designated as the “operating and maintenance fund”~~ a sum sufficient to provide for the ~~payment of the next quarter’s current expenses of~~ administration and operation of the system and such current expenses for the maintenance thereof as may be necessary to preserve the system in good repair and working order.

(eb) *Replacement fund.* There shall next be established and maintained a depository account-fund designated “replacement fund,” which shall be used solely for the purpose of reserving for replacement of equipment and items of unusual expense and making contingent repairs and replacements to the system if needed. There shall be set aside into the fund, after provision has been made for ~~the~~ operation and maintenance funds, such sums as the city council shall deem necessary for this purpose.

(ec) *Bond interest and redemption funds.* Out of the remaining revenues in the receiving operation and maintenance fund ~~from debt service charges~~, there shall be next set aside quarterly a sum sufficient to provide for the payment of principal and interest on any bonds that may have been issued for the system and which bonds are payable out of revenues.

(ed) *Improvement fund.* There shall next be established and maintained an improvement fund for the purpose of making improvements, extensions and enlargements to the system. There shall be deposited into the fund, after providing for the funds in subsection (a) through (ec) of this section, such sums as the city council shall determine.

(ee) *Surplus ~~fund~~ funds.* Moneys remaining in the receiving operation and maintenance fund at the end of any operating year, after full satisfaction of the requirements of the funds in this section, may, at the option of the city council, be kept in the operation and maintenance fund, transferred to the improvement fund, replacement fund or used for any other purpose of the water and sewer system, consistent with federal regulations.

(ef) *Single account allocation to funds.* All moneys belonging to any of the funds or accounts in this section may be kept in one bank account, in which event the moneys shall be allocated on the books and records of the city within this single bank account in the manner set forth in this section.

(eg) *Investment of moneys.* Moneys in any fund or account established by this article may be invested in obligations of the United States of America in the manner and subject to the limitations provided in Public Act No. 94 of 1933 (MCL 141.101 et seq., MSA 5.2731 et seq.). If such investments are made, the securities representing the investments shall be kept on deposit with the bank or trust company having on deposit the fund from which such purchase was made. Income received from such investments shall be credited to the fund from which the investments were made.

(eh) *Insufficient funds.* If the moneys in the receiving operation and maintenance fund are insufficient to provide for the current requirements of ~~the operating operation~~

and maintenance ~~fund~~, any moneys and/or securities in other funds of the system shall be transferred to the operation and maintenance fund, to the extent of any deficit therein.

Section 2. Severability. This ordinance and each article, section, subsection, paragraph, subparagraph, part, provision, sentence, word and portion thereof are hereby declared to be severable, and if they or any of them are declared to be invalid or unenforceable for any reason by a court of competent jurisdiction, it is hereby provided that the remainder of this ordinance shall not be affected thereby.

Section 3. Penalty. Any person who shall be convicted of violating this ordinance shall be deemed guilty of a misdemeanor and shall be punished by a fine not to exceed \$500.00, or by imprisonment not to exceed 90 days, or both, in the discretion of the Court.

Section 4. Repeal, Effective Date, Adoption.

(1) Repeal. All regulatory provisions contained in other City ordinances, which are inconsistent with the provisions of this ordinance, are hereby repealed.

(2) Effective Date. This ordinance shall become effective on \_\_\_\_\_, following its publication in the *Rochester Eccentric* on \_\_\_\_\_.

(3) Adoption. This ordinance was adopted by the City Council of the City of Rochester Hills at a meeting thereof held on Wednesday, \_\_\_\_\_.

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Pat Somerville, Mayor  
City of Rochester Hills

CERTIFICATE

I HEREBY CERTIFY THAT THE FOREGOING ORDINANCE WAS ADOPTED BY THE CITY COUNCIL OF THE CITY OF ROCHESTER HILLS AT A MEETING THEREOF ON WEDNESDAY, \_\_\_\_\_.

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Jane Leslie, Clerk  
City of Rochester Hills