

**DIVISION 2. RATES, CHARGES AND BILLING PROCEDURE****Subdivision I. In General\***

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**\*Editor's note:** Ord. No. 498, § 1, adopted June 15, 2005, amended subdivision I in its entirety to read as herein set out. Former subdivision 1, §§ 102-61--102-64, pertained to similar subject matter, and derived from Code 1976, § 6-09.09.01--6-09.09.03, and 6-09.10.

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**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.

(Ord. No. 498, § 1, 6-15-2005)

**Sec. 102-62. Rate revisions 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.

(Ord. No. 498, § 1, 6-15-2005)

**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.

(Ord. No. 498, § 1, 6-15-2005)

**Sec. 102-64. Funds.**

(a) *Operation and maintenance 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 operation and maintenance fund there shall be first set aside a sum sufficient to provide for the 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.

(b) *Replacement fund.* There shall next be established and maintained a 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 operation and maintenance funds, such sums as the city council shall deem necessary for this purpose.

(c) *Bond interest and redemption funds.* Out of the remaining revenues in the operation and maintenance fund, 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.

(d) *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 subsections (a) through (c) of this section, such sums as the city council shall determine.

(e) *Surplus funds.* Moneys remaining in the 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.

(f) *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.

(g) *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.). 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.

(h) *Insufficient funds.* If the moneys in the operation and maintenance fund are insufficient to provide for the current requirements of operation and maintenance, 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.

(Ord. No. 498, § 1, 6-15-2005)

Secs. 102-65--102-90. Reserved.

## **Subdivision II. Billing and Collection Procedure**

### **Sec. 102-91. Due date; late payment charge.**

(a) All charges billed monthly to customers of the water and sewage disposal system shall be paid and received by 5:00 p.m. on the due date of payment, which due date shall be stated on the bill. Failure to receive a bill shall not excuse payment.

(b) A late payment charge equal to 1 1/2 percent of any balance remaining unpaid on the second city working day following the due date for the preceding monthly bill shall be added to the unpaid balance and charged to the customer.

(Code 1976, § 6-09.08.01)