

to maintain a minimum balance in said fund of Eighty-Seven Thousand Dollars (\$87,000.00). Such further deposits, if any, shall be made at the rate of Seven Hundred Twenty-Five Dollars (\$725.00) per month until said minimum balance shall have again been attained. The moneys in said Depreciation Fund may be expended in making good depreciation in the works, or to meet unforeseen contingencies in the repair and maintenance of the works, but no part thereof shall be expended for additions or extensions to the works unless and until the amount in the Sewage Works Sinking Fund shall equal the principal of all outstanding bonds of this issue and the interest payable thereon to maturity. The Clerk-Treasurer shall, if needed to prevent a default in the payment of the interest on or principal of the bonds, transfer to the Sewage Works Sinking Fund a sufficient amount of the moneys then in said Depreciation Fund to prevent such default. Any accumulations in the Depreciation Fund not required for immediate use may be invested in obligations of the United States Government to the extent permitted by law, and any income from such investment shall accrue to the Depreciation Fund.

If all other conditions precedent have been met and the monthly deposits have been made in the Sewage Works Depreciation Fund to date, then any excess revenues of the works available may be placed in a fund to be designated as "Sewage Works Improvement Fund" and be used to pay the cost of additions and extensions to the works. No revenues of the works shall be deposited in or credited to the Sewage Works Depreciation Fund or Sewage Works Improvement Fund which will interfere with the requirements of the Sewage Works Sinking Fund or with the requirements as to reserving funds for the operation, maintenance and repair of the works.

Sec. 11. All revenues received on account of the sewage works shall be segregated and kept in a special fund separate and apart from all other funds of the City. Out of this fund the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid and the requirements of the Sewage Works Sinking Fund shall be met. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said works and deposited in said fund, and all disbursements made therefrom on account of the operation of the works, or to meet the requirements of the Sewage Works Sinking Fund and Sewage Works Depreciation Fund, also all transactions relating to said works. There shall be prepared and furnished to the original purchasers of the bonds, and, upon written request, to any subsequent holder of the bonds, not more than ninety (90) days after the close of each fiscal year, complete financial statements of the works, covering the preceding fiscal year, which annual statements shall be certified by the Clerk-Treasurer, or independent auditors. Copies of all such statements and reports shall be kept on file in the office of the Clerk-Treasurer. Any holder or holders of the bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

Sec. 12. The City shall, by ordinance of the Common Council, establish just and equitable rates or charges for the use of and the services rendered by said works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said sewage works by or through any part of the sewerage system of the City, or that in any way uses or is served by such works. Such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the works, the payment of the sums required to be paid into the Sewage Works Sinking Fund by said governing Act, and for the payment of the sums required to be paid into the Sewage Works Depreciation Fund by this ordinance. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance, the requirements of the Sewage Works Sinking Fund, and the requirements of the Sewage Works Depreciation Fund. The rates or charges so established shall apply to any and all use of such works by and service rendered to the City and all departments thereof, and shall be paid by the City of the various departments thereof as the charges accrue.

Sec. 13. The City reserves the right to authorize and issue additional bonds, payable out of the revenues of its sewage works, ranking on a parity with the bonds authorized by this ordinance, for the purpose of financing the cost of future additions, extensions and improvements to the sewage works, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the revenues of the sewage works shall have been paid to date in accordance with the terms thereof.

(b) As of the date of issuance of such additional bonds, there shall have been accumulated and set aside funds in an amount sufficient for operation, repair and maintenance of the works for the then next succeeding twelve (12) calendar months, and the balance in the Sewage Works Sinking Fund shall equal not less than the principal and interest requirements of the then outstanding bonds payable during the then next succeeding twelve (12) months.

(c) The net operating revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the bonds authorized by this ordinance shall be not less than one hundred twenty-five per cent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of said parity bonds, the sewage rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations would have produced net operating revenues for said year equal to not less than one hundred twenty-five (125%) of the maximum annual interest and principal requirements of all bonds payable from the revenues of the sewage works, including the additional parity bonds proposed to be issued. For purposes of this subsection, the records of the sewage works shall be analyzed and all showings shall be prepared by a duly licensed consulting engineer, independent utility accountant, or certified public accountant employed by the City for