

528 accounts shall be deposited, secured, held or invested as provided by the laws relating to the depositing, securing, holding or investing of public funds, including particularly Chapter 9 of the Acts of 1945, as amended. In the event of such investment the income therefrom shall become a part of the Construction Account. The funds in such special account or accounts shall be expended only for the purpose of paying the cost of the extensions and additions to said waterworks as herein authorized, the incidental expenses incurred in connection therewith and with the issuance of bonds, and for the payment of interest accruing on the bonds during the period of construction, if required for that purpose. Any balance or balances remaining unexpended in such special account or accounts after the completion of the work, which are not required to meet unpaid obligations incurred in connection with the construction of the work, shall, within sixty (60) days after completion of construction of the project, be deposited in the Bond and Interest Redemption Account.

Sec. 10. The City shall keep proper books and records of account, separate from all of its other books and records of account, in which complete and correct entries shall be made showing all revenues collected from said waterworks and deposited in the special accounts hereinbefore established and all disbursements made therefrom and all transactions relating to said waterworks. There shall be prepared and furnished to the original purchaser of the bonds, and, upon written request, to any holder of the bonds, not more than ninety (90) days after the close of each annual fiscal period, operating and income statements and balance sheets of the waterworks, in reasonable detail, covering such annual fiscal period, which statements shall be certified by the Clerk-Treasurer or the Auditor of the waterworks, or shall be prepared by an independent certified public accountant. Copies of all such statements and reports shall at all times be kept on file in the office of the Clerk-Treasurer. Any holder of the bonds, or his duly authorized representative, shall have the right at all reasonable times to inspect the waterworks and the records, accounts and data of the City relating thereto.

Sec. 11. The City shall, to the fullest extent permitted by law, establish, maintain and collect reasonable and just rates and charges for the services and facilities afforded by said waterworks which will provide revenues at least sufficient to pay the reasonable and proper cost of the maintenance and operation of the waterworks, to provide a proper and reasonable depreciation account, and to pay the principal of and interest on all bonds which by their terms are payable from the revenues of the waterworks, as the same become due, and provided, each year, a surplus or margin of not less than ten percent (10%) of the principal and interest due in such year. So long as any of the bonds herein authorized are outstanding, none of the facilities and services afforded by said waterworks shall be furnished without a reasonable and just charge being made therefor. The reasonable value of any facility or service rendered to the City, or to any department, agency or instrumentality thereof, including the use of water for hydrants for fire protection or for any other purpose, shall be charged against the City and shall be paid for as the charges accrue, and the revenue so received shall be deemed to be revenue derived from the operation of the waterworks and shall be used and accounted for in the same manner as other revenues derived from the operation of the waterworks.

Sec. 12. The City reserves the right to authorize and issue additional bonds, payable out of the revenues of the waterworks, ranking on a parity with the bonds authorized by this ordinance, for the purpose of refunding outstanding bonds or of financing the cost of future additions, extensions and improvements to the waterworks, or the refunding of bonds payable from the revenues of the waterworks, subject to the following conditions:

(a) The interest coupons and all bonds payable to date from the revenues of the waterworks and presented for payment shall have been paid in accordance with the terms thereof, and the proportion of revenues to be set apart and paid into the Bond and Interest Redemption Account have been so set aside and paid in accordance with the provisions of this ordinance.

(b.) (1) The amount of gross revenues of the waterworks allocated by Sec. 3(c) of this ordinance to and set aside and paid into the Bond and Interest Redemption Account in the calendar year immediately preceding the issuance of any such additional parity bonds shall be not less than one hundred twenty-five (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued, during the life of said outstanding bonds; or

(2) prior to the issuance of said additional parity bonds, the proportion of the gross revenues allocated to said Bond and Interest Redemption Account shall be increased sufficiently so that said increased proportion applied to the previous calendar year's gross revenues would have produced revenues in said Bond and Interest Redemption Account for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued, during the life of said outstanding bonds; or

(3) prior to the issuance of said additional parity bonds, the water rates and charges shall be increased sufficiently and the proportion of gross revenues allocated to said Bond and Interest Redemption Account increased sufficiently so that said increased water rates and charges applied to the previous calendar year's operations would have produced gross revenues in such an amount that such increased proportion allocated to said Bond and Interest Redemption Account for said year would have produced revenues in said account equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued, during the life of said outstanding bonds.

If the bonds being issued are to refund outstanding bonds, the parity test in this subsection shall be applied to the maximum annual interest and principal requirements of the refunding bonds and not to the requirements of the bonds to be refunded.

For purposes of this subsection, the records of the waterworks shall be analyzed and all showings shall be prepared by an independent certified public accountant retained by the City for that purpose, who shall express in writing his opinion that the City has complied with the provisions of paragraphs (a) and (b).

(c) The principal of said additional parity bonds shall be payable annually on July 1 and the interest thereon shall be payable semi-annually on January 1 and July 1 in the years