

and for one year thereafter, and the expense of preparing plans and specifications and of superintendence of construction shall be paid from the proceeds of the sale of the bonds hereby authorized.

SEC. 5. That water shall be furnished in said town for domestic and other uses, at rates to be agreed upon; that the net proceeds from the water service herein provided for shall be applied, first, to the payment of the interest on the bonds hereby authorized to be issued and sold; that in case the proceeds from said water service shall at any time be estimated by the Mayor and Council to be insufficient for the payment of the interest on bonds as aforesaid for the ensuing year, the estimated deficiency in said interest shall be assessed pro rata against all taxable property within the limits of the town, according to its assessed valuation, including all improvements, and shall be levied and collected as other taxes against such property; that as soon as there shall be a surplus in the funds received from water service, after the payment of interests on bonds as herein provided, said surplus shall be held in reserve as a sinking fund, and shall be applied to the redemption of the bonds herein authorized to be issued and sold; that in case no such surplus shall have been created at the end of a period of four years from the issue of bonds as herein provided, or in case such surplus shall be less than four (4) per cent. of the principal of bonds then outstanding, the Mayor and Council shall cause to be assessed against all property within the corporate limits of the town, according to its assessed valuation, exclusive of all improvements, a pro rata amount which, with the estimated amount of receipts from water service, will be sufficient to pay the interest on the bonds then outstanding and four (4) per cent. of the principal thereof; and the amount thus assessed shall be levied and collected as other taxes against such property, and with any surplus from water service, shall be held in reserve as a sinking fund, or applied to the redemption of the funds hereby authorized.

SEC. 6. That in any case the income or revenue from water service in said town shall at any time exceed the amount required to pay the interest on the bonds which may for the time be outstanding, and four (4) per cent. of the principal thereof annually as a sinking or redemption fund, the said surplus may be applied, at the discretion of the Mayor and Council, to the extension or improvements of the water service.

Water rates.
How proceeds
applied.

Redemption of
bonds.

Extension of
water service.