

him in the presence of the Mayor and Councilmen, and if said bids be satisfactory to the Mayor and Councilmen, it shall sell said bonds, or any part thereof, to the highest bidder or bidders, of whose ability to comply with the terms of sale said Mayor and Councilmen in its discretion is satisfied.

SEC. 4. *And be it further enacted*, That upon the sale of said bonds the proceeds thereof shall be placed in a separate fund and used by the Mayor and Councilmen for the purpose of increasing, improving, repairing, extending, establishing, altering, maintaining and operating the water system and supply of said city and for all other necessary purposes now or hereafter affecting the water supply of the City of Frostburg, and for no other purpose or purposes.

SEC. 5. *And be it further enacted*, That the Mayor and Councilmen of Frostburg shall charge and collect for the water supplied to the residents of the City of Frostburg and vicinity a sum sufficient to pay the expenses heretofore and hereafter necessary for the operation of the water system of Frostburg, Maryland, and to pay for the redemption of the bonds now outstanding against the City of Frostburg for water improvements, and this bond issue and the interest on all the bonded indebtedness of the City of Frostburg pertaining to the water system of said city, and the money so charged and collected shall be kept and maintained in a separate fund, it being the intention of this Act to enable the Mayor and Councilmen of Frostburg to operate the water supply of said city, that the revenue therefrom shall be used to defray the heretofore or hereafter expenses connected therewith, provided if the receipts from the Water Department shall be less than the expenses in any year or years, the Mayor and Councilmen of Frostburg shall levy from time to time such amount upon the assessable property of the city as may be necessary to pay the bonds issued hereunder and the interest thereon, or are empowered to borrow an amount not exceeding twenty thousand dollars (\$20,000.00) in any one year, and to pledge the credit of the city for the security of the same; provided, however, that the water rate shall be increased for the succeeding year sufficient to pay off such deficit.

SEC. 6. *And be it further enacted*, That the bonds hereunder authorized shall be issued in addition to and exclusive of the seven per cent. bonded indebtedness permitted on the assessed