

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

July 23, 1993

To: Board of Directors (Finance and Insurance Committee--Action)

From: General Manager

Subject: Amendment to MWD Administrative Code to Incorporate Reference to Water Revenue Refunding Bonds, 1993 Series B and Waterworks General Obligation Refunding Bonds, Series B

Report

At the January 12, 1993 meeting, your Board adopted Resolutions 8387 and 8386 (Resolutions), authorizing the sale and issuance of Revenue Refunding Bonds and Waterworks General Obligation Refunding Bonds, respectively. \$89,595,000 in Revenue Refunding Bonds, 1993 Series B and \$78,290,000 in Waterworks General Obligation Refunding Bonds, 1993 Series B bonds were issued on July 22, 1993. Seven new funds are required to account for these bond issues. These funds are the Water Revenue Refunding Bonds, 1993 Series B Refunding Fund (No. 72), the Water Revenue Refunding Bonds, 1993 Series B Interest and Principal Fund (No. 73); the Water Revenue Refunding Bonds, 1993 Series B Reserve Fund (No.74); the Water Revenue Refunding Bonds, 1993 Series B Excess Earnings Fund (No. 75); the Waterworks General Obligation Refunding Bonds, 1993 Series B Refunding Fund (No.76); the Waterworks General Obligation Refunding Bonds, 1993 Series B, Interest and Principal Fund (No. 77); and the Waterworks General Obligation Refunding Bonds, 1993 Series, Excess Earnings Fund (No. 78). These funds should be added to the MWD Administrative Code, Section 5200, Funds Established, and, except for the Refunding Funds No. 72 and 76, to Section 5201, Restricted Funds.

Modifications to the Administrative Code are shown by underscoring and strikeovers in Attachment B. Any other funds, such as an optional redemption fund, may be added in the future, as required.

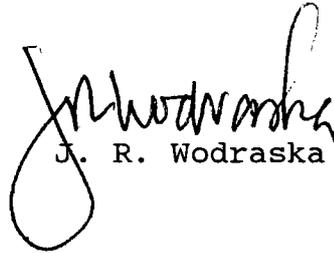
Board Committee Assignment

This letter was referred for action to the Finance and Insurance Committee because the committee shall study, advise, and make recommendations with regard to form and contents of accounts, financial reports, and financial statements, pursuant to Administrative Code Section 2441(k).

Recommendation

FINANCE AND INSURANCE COMMITTEE FOR ACTION

That the Board amend MWD Administrative Code Sections 5200 and 5201 to read as set forth in Attachment A hereto, to provide reference to the new funds established by the Board in connection with the sale and issuance of the Water Revenue Refunding Bonds, 1993 Series B and the Waterworks General Obligation Refunding Bonds, 1993 Series B.



J. R. Wodraska

DIF

Attachments

ATTACHMENT A

§ 5200. Funds Established.

To provide for accountability of public moneys in accordance with applicable federal and state law and regulations, bond covenants, tax and non-arbitrage certificates, bond counsel letters of instruction and Board policies, the following active or prospectively active funds have been established in the Treasury of the District:

(a) General Fund (Fund No. 01, established 1929). Moneys not specifically allocated or appropriated may be placed in this fund and used for general purposes of the District. Expenditures for reimbursable work and water conservation capital and indirect costs under the contract with Imperial Irrigation District are paid from this fund.

(b) Pay-As-You-Go Fund (Fund No. 02, established 1988). Used to finance certain capital program expenditures from current revenues in accordance with Section 5109, subject to the conditions contained in Section 5202.

(c) 1931 General Obligation Bond Interest and Redemption Fund (Fund No. 04, established 1932). Used to pay debt service on 1931 authorization general obligation bonds of the District from ad valorem property taxes subject to the conditions contained in Section 5201.

(d) State Contract Fund (Fund No. 05, established 1960). Used for the payment of capital charges under the State Water Contract, including the capital charges for off-aqueduct power facilities, subject to the conditions contained in Section 5201.

(e) Special Tax Fund (Fund No. 06, established 1951). Annexation fees (cash payments and special tax collections) are deposited in this fund and transferred to the State Contract Fund to pay a portion of State Water Contract capital charges.

(f) Replacement Reserve Fund (Fund No. 40, established 1960, inactive as of 1967). May be used to set aside funds for the purchase of replacements.

(g) 1966 General Obligation Bond Construction Fund (Fund No. 08, established 1967). Proceeds from the sale of District general obligation bonds are deposited in this fund and are applied exclusively to the purposes for which the bonds were authorized.

(h) 1966 General Obligation Bond Interest and Principal Fund (Fund No. 11, established 1967). Used to pay debt service on District 1966 authorization general obligation bonds from ad valorem property taxes subject to the conditions contained in Section 5201.

(i) Optional Redemption Fund (Fund No. 15, established 1980). Used for the purpose of redeeming the untendered refunded Series C general obligation bonds which were called in 1980.

(j) Waterworks Revenue Bond Construction Fund (Fund No. 20, established 1975). Proceeds from the sale of revenue bonds issued prior to 1987 (the Prior Lien Waterworks Revenue Bonds) were deposited in this fund and are applied exclusively to the purposes for which the bonds were authorized.

(k) Water Revenue Fund (Fund No. 21, established 1975). All revenues received by the District from charges for the sale or availability of water are deposited in this fund and are transferred to various other funds in accordance with revenue bond covenants and Board resolutions to pay in order of priority:

- (1) Operation and maintenance expenditures;
- (2) Principal of, premium, if any, and interest on outstanding revenue bonds the Prior Lien Waterworks Revenue Bonds and any required deposits into any reserve funds or accounts therefore;
- (3) The interest on and bond obligation of Subordinate Lien Water Revenue Bonds and Parity Obligations issued pursuant to Master Resolution 8329 (the Master Resolution) adopted by the Board on July 9, 1991 and any Supplemental Resolutions thereto;
- (4) Deposits into the Water Revenue Bond Reserve Fund; and all other payments required for compliance with the Master Resolution, and any Supplemental Resolutions;
- (5) Principal of and interest on the Commercial Paper Notes and other amounts due a provider of a liquidity facility;
- (6) Deposits into the Water Standby Charge Fund in accordance with resolutions imposing such charges; and
- (7) Any other obligations which are charges, liens, or encumbrances upon or payable from net operating revenues.

Moneys remaining at the end of the each month, after the foregoing transfers, are transferred to the Revenue Remainder Fund.

(l) Operation and Maintenance Fund (Fund No. 22, established 1975). Used to pay all operation and maintenance expenditures, including State Water Contract operation, maintenance, power and replacement charges, subject to the conditions contained in Section 5201.

(m) Waterworks Revenue Bond Interest and Principal Fund (Fund No. 23, established 1975). Used to pay the debt service on revenue bonds Prior Lien Waterworks Revenue Bonds of the District, subject to the conditions contained in Section 5201.

(n) Waterworks Revenue Bond Reserve Fund (Fund No. 24, established 1975). Used to maintain debt service reserves for Prior Lien Waterworks Revenue Bonds, subject to the conditions contained in requirements under Section 5201.

(o) Revenue Remainder Fund (Fund No. 25, established 1975). Used to maintain working capital and certain designated funds in accordance with Section 5200(k), and may be used for any lawful purpose by the District, subject to the conditions contained in Section 5202.

(p) Note Interest and Principal Fund (Fund No. 28, established 1981). Used to pay debt service on District revenue bond anticipation notes, in accordance with covenants for such notes.

(q) Optional Revenue Bond Redemption Fund 1975 (Fund No. 30, established 1985). Used for the purpose of redeeming the untendered refunded 1975 revenue bonds which were called in 1985.

(r) Optional Revenue Bond Redemption Fund 1976 (Fund No. 31, established 1986). Used for the purpose of redeeming the untendered refunded 1976 revenue bonds which were called in 1986.

(s) Water Rate Stabilization Fund (Fund No. 33, established 1987). Used to reduce future water revenue requirements or, as directed by the Board, for other lawful purposes, in accordance with Section 5202.

(t) Water Treatment Surcharge Stabilization Fund (Fund No. 34, established 1988). Used to mitigate required increases in the surcharge for water treatment or, as directed by the Board, for other lawful purposes, in accordance with Section 5202.

(u) Revolving Construction Fund (Fund No. 35, established 1988). Capital expenditures made from this fund are to be reimbursed from proceeds of security sales to the extent such expenditures are authorized uses of debt proceeds under the Act, subject to the conditions and restrictions contained in Section 5201.

(v) Series G 1966 General Obligation Bond Construction Fund (Fund No. 36, established 1989). Proceeds from the sale of the District's Series G 1966 General Obligation bonds are deposited in this fund and applied exclusively to the purposes for which the bonds were authorized.

(w) Series G 1966 General Obligation Bond Interest and Principal Fund (Fund No. 37, established 1989). Used to pay debt service on the District's Series G 1966 General Obligation bonds from ad valorem taxes subject to the conditions contained in Section 5201.

(x) Series G 1966 General Obligation Bond Excess Earnings Fund (Fund No. 38, established 1990). Used to separately hold rebatable arbitrage interest earnings transferred from the Series G 1966 General Obligation Bond Construction Fund, computed on an annual basis in accordance with federal regulations.

(y) Series G 1966 General Obligation Bond Reserve for Interest and Principal Fund (Fund No. 39, established 1990). Used to satisfy debt service requirements if there are insufficient funds available in the Series G 1966 General Obligation Bond Interest and Principal Fund.

(z) Employee Deferred Compensation Fund (Fund No. 50, established 1976). Compensation deferred by employees under Section 457 of the Internal Revenue Code of 1986, as amended, is deposited in this fund and is withdrawn in accordance with Articles 2 and 3 of Chapter 7 of Division VI.

(aa) San Joaquin Reservoir Fund (Fund No. 51, established 1980). Used for the purposes contained in the San Joaquin Reservoir Trust Agreement between the District and the other entities who share joint ownership of the facility.

(bb) Iron Mountain Landfill Closure/Postclosure Maintenance Fund (Fund No. 52, established 1990). Used as a trust fund to maintain monies sufficient to cover the costs of closure and postclosure maintenance of the District's solid waste landfill facility at Iron Mountain, in accordance with regulations of the California Integrated Waste Management Board, and subject to the conditions contained in Section 5201 (1).

(cc) Commercial Paper Note Construction Fund (Fund No. 53, established 1991). Proceeds from the sale of commercial paper are deposited in this fund and are applied exclusively to the purposes for which the notes were authorized.

(dd) Commercial Paper Note Payment Fund (Fund No. 54, established 1991). Used to pay debt service on commercial paper of the District, subject to the conditions contained in Section 5201.

(ee) Commercial Paper Note Excess Earnings Fund (Fund No. 55, established 1991). Used to separately hold rebatable arbitrage interest earnings transferred from the Commercial Paper Note Construction Fund, computed on an annual basis in accordance with federal regulations.

(ff) Water Revenue Bonds, Issue of 1991 Construction Fund (Fund No. 56, established 1991). Net proceeds from the sale of these subordinate revenue bonds were deposited in this fund and are used exclusively for the purposes for which the bonds were authorized.

(gg) Water Revenue Bond Service Fund (Fund No. 57, established 1991). Used to pay debt service on subordinate water revenue bonds after payment of Prior Lien Waterworks Revenue Bonds, including reimbursement of any payments made by providers of credit as liquidity enhancement for the bonds.

(hh) Water Revenue Bonds, Issue of 1991 Reserve Fund (Fund No. 58, established 1991). Proceeds from the sale of these subordinate bonds, in an amount equal to the 1991 Bond Reserve Requirement, were deposited into this fund. Used to satisfy debt service requirements if there are insufficient funds available in the Water Revenue Bond Service Fund.

(ii) Water Revenue Bonds, Issue of 1991 Excess Earnings Fund (Fund 59, established 1991). Used to separately hold in trust for payment to the Federal Government amounts deposited in accordance with the provisions of the Tax and Nonarbitrage Certificate and the First Supplemental Resolution for these subordinate bonds.

(jj) Water Standby Charge Fund (Fund 60, established 1992). Used to separately hold revenues attributable to water standby charges; amounts deposited in this fund are used exclusively for the purpose for which the water standby charge was authorized.

(kk) Water Revenue Bonds, Issue of 1992 Construction Fund (Fund No. 61, established 1992). Net proceeds from the sale of these subordinate revenue bonds were deposited in this fund and are used exclusively for the purposes for which the bonds were authorized.

(ll) Water Revenue Bonds, Issue of 1992 Reserve Fund (Fund No. 62, established 1992). Proceeds from the sale of these subordinate bonds, in an amount equal to the 1992 Bond Reserve Requirement, were deposited into this fund. Used to satisfy debt service requirements if there are insufficient funds available in the Water Revenue Bond Service Fund.

(mm) Water Revenue Bonds, Issue of 1992 Excess Earnings Fund (Fund 63, established 1992). Used to separately hold in trust for payment to the Federal Government amounts deposited in accordance with the provisions of the Tax and Nonarbitrage Certificate and the Second Supplemental Resolution for these subordinate bonds.

(nn) Water Revenue Refunding Bonds, 1993 Series A Interest and Principal Fund (Fund No. 64, established 1993). Used to pay debt service on the subordinate water revenue refunding bonds after payment of prior lien revenue bonds.

(oo) Water Revenue Refunding Bonds, 1993 Series A Excess Earnings Fund (Fund No. 65, established 1993). Used to separately hold in trust for payment to the Federal government amounts deposited in accordance with the provisions of the Tax and Nonarbitrage Certificate and the Fourth Supplemental Resolution for these refunding bonds.

(pp) Water Revenue Refunding Bonds, 1993 Series A Construction Fund (Fund No. 66, established 1993). Funds released from the Water Revenue Bond Reserve Fund due to the reduction in reserve requirements are deposited to this fund and used exclusively for construction purposes.

(qq) Waterworks General Obligation Refunding Bonds, 1993 Series, Interest and Principal Fund (Fund No. 67, established 1993). Used to pay debt service on the District's 1993 Series A3, general obligation refunding bonds.

(rr) Waterworks General Obligation Refunding Bonds, 1993 Series, Excess Earnings Fund (Fund No. 68, established 1993). Used to separately hold in trust for payment to the Federal government, amounts deposited in accordance with the provisions of the Tax and Nonarbitrage Certificate and the Resolution for these refunding bonds.

(ss) Waterworks General Obligation Refunding Bonds, 1993 Series A1 and A2, Escrow Account Fund (Fund No. 69, established 1993). Proceeds from the sale of the 1993 Series A1 and A2, general obligation refunding bonds are deposited in this fund and used to pay debt service on the 1993 Series A1 and A2, general obligation refunding bonds through March 1, 1999 and March 1, 1996, respectively. At these dates the funds available will be used to effect partial refunding of certain bonds for which the bonds were issued.

(tt) Waterworks General Obligation Refunding Bonds, 1993 Series A3, Refunding Fund (Fund No. 70, established 1993). Proceeds from the sale of the 1993 Series A3 bonds are deposited into this fund and used to defease certain maturities of outstanding prior general obligation bonds and to pay for certain costs.

(uu) Water Revenue Refunding Bonds, 1993 Series A, Refunding Fund (Fund No. 71, established 1993). Proceeds from the sale of the 1993 Series A bonds, along with certain other available moneys of the District, are deposited into this fund and used to defease certain maturities of outstanding prior revenue bonds and to pay for certain costs.

(vv) Water Revenue Refunding Bonds, 1993 Series B Refunding Fund (Fund No. 72, established 1993). Proceeds from the sale of the 1993 Series B bonds, along with certain other available moneys of the District, are deposited into this fund and used to defease certain maturities of outstanding prior revenue bonds and to pay for certain costs.

(ww) Water Revenue Refunding Bonds, 1993 Series B Interest and Principal Fund (Fund No. 73, established 1993). Used to pay debt service on these subordinate water revenue refunding bonds after payment of prior lien revenue bonds.

(xx) Water Revenue Refunding Bonds, 1993 Series B Reserve Fund (Fund No. 74, established 1993). Proceeds from the sale of these subordinate bonds, in an amount necessary to maintain the Bond Reserve Requirement, were deposited into this fund. Used to satisfy debt service requirements if there are insufficient funds available in the Water Revenue Refunding Bonds, 1993 Series B Interest and Principal Fund.

(yy) Water Revenue Refunding Bonds, 1993 Series B Excess Earnings Fund (Fund No. 75, established 1993). Used to separately hold in trust for payment to the Federal Government amounts deposited in accordance with the provisions of the Tax and Nonarbitrage Certificate and the Fourth Supplemental Resolution for these refunding bonds.

(zz) Waterworks General Obligation Refunding Bonds, 1993 Series B Refunding Fund (Fund No. 76, established 1993). Proceeds from the sale of the 1993 Series B Bonds are deposited into this fund and used to defease certain maturities of outstanding prior general obligation bonds and to pay for certain costs.

(aaa) Waterworks General Obligation Refunding Bonds, 1993 Series B Interest and Principal Fund (Fund No. 77, established 1993). Used to pay debt service on the District's 1993 Series B general obligation refunding bonds.

(bbb) Waterworks General Obligation Refunding Bonds, 1993 Series B Excess Earnings Fund (Fund No. 78, established 1993). Used to separately hold in trust for payment to the Federal Government amounts deposited in accordance with the provisions of the Tax and Nonarbitrage Certificate and the Resolution for these refunding bonds.

§ 5201. Restricted Funds.

Cash and securities to be held in the various ledger funds shall be as follows:

(a) For the 1931 General Obligation Bond Interest and Redemption Fund, the 1966 General Obligation Bond Interest and Principal Fund, the Series G 1966 General Obligation Bond Interest and Principal Fund, and the Waterworks General Obligation Refunding Bonds, 1993 Series A and Series B, Interest and Principal Funds, the cash and securities in each as of June 30, shall be at least equal to the debt service for the ensuing 18 months, less revenues anticipated to be derived from the next succeeding tax levy specifically for such debt service.

(b) For the Waterworks Revenue Bond Interest and Principal Fund, the Water Revenue Bond Service Fund, the Waterworks Revenue Bond Reserve Fund, the Water Revenue Bonds, Issue of 1991 Reserve Fund, the Water Revenue Bonds, Issue of 1992 Reserve Fund, and the Water Revenue Refunding Bonds, 1993 Series A and Series B Interest and Principal Funds, and the Water Revenue Refunding Bonds, 1993 Series B Reserve Fund, cash and securities in each shall be at least equal to the minimums required by the resolutions of issuance for such bonds.

(c) For the 1966 General Obligation Bond Construction Fund, the Series G 1966 General Obligation Bond Construction Fund, the Waterworks Revenue Bond Construction Fund, the Commercial Paper Note Construction Fund, the Water Revenue Bonds, Issue of 1991 Construction Fund, and the Water Revenue Bonds, Issue of 1992 Construction Fund, and the Water Revenue Refunding Bonds, 1993 Series A Construction Fund, there shall be no minimum requirements; provided that any cash and securities in such funds shall be restricted to use for the purposes such finances were required.

(d) For the State Contract Fund, cash and securities on hand June 30 and December 31 shall equal the capital payments to the State Department of Water Resources that are due on July 1 of the same year and January 1 of the following year, respectively.

(e) For the Special Tax Fund, there shall be no minimum requirement.

(f) For the Operation and Maintenance Fund, cash and securities shall be at least equal to the minimum required by the resolutions of issuance for revenue bonds.

(g) For the Revolving Construction Fund, there shall be no minimum requirement. Cash and securities in this fund, unless restricted as to use by resolution of the Board, shall be available for transfer to the Water Rate Stabilization Fund and the Water Treatment Surcharge Stabilization Fund at the discretion of the Board.

(h) For the Commercial Paper Note Payment Fund, the District shall deposit amounts sufficient to pay principal of, and interest on, the Commercial Paper Notes in an amount at least equal to one-half of the projected interest payments due on such notes in the subsequent fiscal year.

(i) For the Water Standby Charge Fund, there shall be no minimum requirement; provided that any cash and securities in such fund shall be restricted to use for the purposes such monies were authorized.

(j) For the Water Revenue Refunding Bonds, 1993 Series A and Series B Excess Earnings Funds and the Waterworks General Obligation Refunding Bonds, 1993 Series A and Series B Excess Earning Funds, the minimum requirement shall be the amounts deposited into this fund in accordance with the provisions of the Tax and Nonarbitrage Certificates and Resolutions for the Bonds.

(k) For the Waterworks General Obligation Refunding Bonds, 1993 Series A1 and A2, Escrow Account Fund, the minimum requirement shall be the amounts necessary to pay the principal, if any, and the interest on the Series A1 and A2 Bonds to the crossover date, and to defease certain maturities of outstanding prior general obligation bonds.

(l) For the Iron Mountain Landfill Closure/Postclosure Maintenance Fund, cash and securities as of June 30, shall be at least equal to the General Manager's latest estimate of closure and postclosure maintenance costs.

ATTACHMENT B

§ 5200. Funds Established.

To provide for accountability of public moneys in accordance with applicable federal and state law and regulations, bond covenants, tax and non-arbitrage certificates, bond counsel letters of instruction and Board policies, the following active or prospectively active funds have been established in the Treasury of the District:

(a) General Fund (Fund No. 01, established 1929). Moneys not specifically allocated or appropriated may be placed in this fund and used for general purposes of the District. Expenditures for reimbursable work and water conservation capital and indirect costs under the contract with Imperial Irrigation District are paid from this fund.

(b) Pay-As-You-Go Fund (Fund No. 02, established 1988). Used to finance certain capital program expenditures from current revenues in accordance with Section 5109, subject to the conditions contained in Section 5202.

(c) 1931 General Obligation Bond Interest and Redemption Fund (Fund No. 04, established 1932). Used to pay debt service on 1931 authorization general obligation bonds of the District from ad valorem property taxes subject to the conditions contained in Section 5201.

(d) State Contract Fund (Fund No. 05, established 1960). Used for the payment of capital charges under the State Water Contract, including the capital charges for off-aqueduct power facilities, subject to the conditions contained in Section 5201.

(e) Special Tax Fund (Fund No. 06, established 1951). Annexation fees (cash payments and special tax collections) are deposited in this fund and transferred to the State Contract Fund to pay a portion of State Water Contract capital charges.

(f) Replacement Reserve Fund (Fund No. 40, established 1960, inactive as of 1967). May be used to set aside funds for the purchase of replacements.

(g) 1966 General Obligation Bond Construction Fund (Fund No. 08, established 1967). Proceeds from the sale of District general obligation bonds are deposited in this fund and are applied exclusively to the purposes for which the bonds were authorized.

(h) 1966 General Obligation Bond Interest and Principal Fund (Fund No. 11, established 1967). Used to pay debt service on District 1966 authorization general obligation bonds from ad valorem property taxes subject to the conditions contained in Section 5201.

(i) Optional Redemption Fund (Fund No. 15, established 1980). Used for the purpose of redeeming the untendered refunded Series C general obligation bonds which were called in 1980.

(j) Waterworks Revenue Bond Construction Fund (Fund No. 20, established 1975). Proceeds from the sale of revenue bonds issued prior to 1987 (the Prior Lien Waterworks Revenue Bonds) were are deposited in this fund and are applied exclusively to the purposes for which the bonds were authorized.

(k) Water Revenue Fund (Fund No. 21, established 1975). All revenues received by the District from charges for the sale or availability of water are deposited in this fund and are transferred to various other funds in accordance with revenue bond covenants and Board resolutions to pay in order of priority:

- (1) Operation and maintenance expenditures;
- (2) Principal of, premium, if any, and interest on outstanding revenue bonds the Prior Lien Waterworks Revenue Bonds and any required deposits into any reserve funds or accounts therefore;
- (3) The interest on and bond obligation of Subordinate Lien Water Revenue Bonds and Parity Obligations issued pursuant to Master Resolution 8329 (the Master Resolution) adopted by the Board on July 9, 1991 and any Supplemental Resolutions thereto;
- (4) Deposits into the Water Revenue Bond Reserve Fund; and all other payments required for compliance with the Master Resolution, and any Supplemental Resolutions;
- (5) Principal of and interest on the Commercial Paper Notes and other amounts due a provider of a liquidity facility;
- (6) Deposits into the Water Standby Charge Fund in accordance with resolutions imposing such charges; and
- (7) Any other obligations which are charges, liens, or encumbrances upon or payable from net operating revenues.

Moneys remaining at the end of the each month, after the foregoing transfers, are transferred to the Revenue Remainder Fund.

(l) Operation and Maintenance Fund (Fund No. 22, established 1975). Used to pay all operation and maintenance expenditures, including State Water Contract operation, maintenance, power and replacement charges, subject to the conditions contained in Section 5201.

(m) Waterworks Revenue Bond Interest and Principal Fund (Fund No. 23, established 1975). Used to pay the debt service on revenue bonds Prior Lien Waterworks Revenue Bonds of the District, subject to the conditions contained in Section 5201.

(n) Waterworks Revenue Bond Reserve Fund (Fund No. 24, established 1975). Used to maintain debt service reserves for Prior Lien Waterworks Revenue Bonds, subject to the conditions contained in requirements under Section 5201.

(o) Revenue Remainder Fund (Fund No. 25, established 1975). Used to maintain working capital and certain designated funds in accordance with Section 5200(k), and may be used for any lawful purpose by the District, subject to the conditions contained in Section 5202.

(p) Note Interest and Principal Fund (Fund No. 28, established 1981). Used to pay debt service on District revenue bond anticipation notes, in accordance with covenants for such notes.

(q) Optional Revenue Bond Redemption Fund 1975 (Fund No. 30, established 1985). Used for the purpose of redeeming the untendered refunded 1975 revenue bonds which were called in 1985.

(r) Optional Revenue Bond Redemption Fund 1976 (Fund No. 31, established 1986). Used for the purpose of redeeming the untendered refunded 1976 revenue bonds which were called in 1986.

(s) Water Rate Stabilization Fund (Fund No. 33, established 1987). Used to reduce future water revenue requirements or, as directed by the Board, for other lawful purposes, in accordance with Section 5202.

(t) Water Treatment Surcharge Stabilization Fund (Fund No. 34, established 1988). Used to mitigate required increases in the surcharge for water treatment or, as directed by the Board, for other lawful purposes, in accordance with Section 5202.

(u) Revolving Construction Fund (Fund No. 35, established 1988). Capital expenditures made from this fund are to be reimbursed from proceeds of security sales to the extent such expenditures are authorized uses of debt proceeds under the Act, subject to the conditions and restrictions contained in Section 5201.

(v) Series G 1966 General Obligation Bond Construction Fund (Fund No. 36, established 1989). Proceeds from the sale of the District's Series G 1966 General Obligation bonds are deposited in this fund and applied exclusively to the purposes for which the bonds were authorized.

(w) Series G 1966 General Obligation Bond Interest and Principal Fund (Fund No. 37, established 1989). Used to pay debt service on the District's Series G 1966 General Obligation bonds from ad valorem taxes subject to the conditions contained in Section 5201.

(x) Series G 1966 General Obligation Bond Excess Earnings Fund (Fund No. 38, established 1990). Used to separately hold rebatable arbitrage interest earnings transferred from the Series G 1966 General Obligation Bond Construction Fund, computed on an annual basis in accordance with federal regulations.

(y) Series G 1966 General Obligation Bond Reserve for Interest and Principal Fund (Fund No. 39, established 1990). Used to satisfy debt service requirements if there are insufficient funds available in the Series G 1966 General Obligation Bond Interest and Principal Fund.

(z) Employee Deferred Compensation Fund (Fund No. 50, established 1976). Compensation deferred by employees under Section 457 of the Internal Revenue Code of 1986, as amended, is deposited in this fund and is withdrawn in accordance with Articles 2 and 3 of Chapter 7 of Division VI.

(aa) San Joaquin Reservoir Fund (Fund No. 51, established 1980). Used for the purposes contained in the San Joaquin Reservoir Trust Agreement between the District and the other entities who share joint ownership of the facility.

(bb) Iron Mountain Landfill Closure/Postclosure Maintenance Fund (Fund No. 52, established 1990). Used as a trust fund to maintain monies sufficient to cover the costs of closure and postclosure maintenance of the District's solid waste landfill facility at Iron Mountain, in accordance with regulations of the California Integrated Waste Management Board, and subject to the conditions contained in Section 5201 (1).

(cc) Commercial Paper Note Construction Fund (Fund No. 53, established 1991). Proceeds from the sale of commercial paper are deposited in this fund and are applied exclusively to the purposes for which the notes were authorized.

(dd) Commercial Paper Note Payment Fund (Fund No. 54, established 1991). Used to pay debt service on commercial paper of the District, subject to the conditions contained in Section 5201.

(ee) Commercial Paper Note Excess Earnings Fund (Fund No. 55, established 1991). Used to separately hold rebatable arbitrage interest earnings transferred from the Commercial Paper Note Construction Fund, computed on an annual basis in accordance with federal regulations.

(ff) Water Revenue Bonds, Issue of 1991 Construction Fund (Fund No. 56, established 1991). Net proceeds from the sale of these subordinate revenue bonds were deposited in this fund and are used exclusively for the purposes for which the bonds were authorized.

(gg) Water Revenue Bond Service Fund (Fund No. 57, established 1991). Used to pay debt service on subordinate water revenue bonds after payment of Prior Lien Waterworks Revenue Bonds, including reimbursement of any payments made by providers of credit as liquidity enhancement for the bonds.

(hh) Water Revenue Bonds, Issue of 1991 Reserve Fund (Fund No. 58, established 1991). Proceeds from the sale of these subordinate bonds, in an amount equal to the 1991 Bond Reserve Requirement, were deposited into this fund. Used to satisfy debt service requirements if there are insufficient funds available in the Water Revenue Bond Service Fund.

(ii) Water Revenue Bonds, Issue of 1991 Excess Earnings Fund (Fund 59, established 1991). Used to separately hold in trust for payment to the Federal Government amounts deposited in accordance with the provisions of the Tax and Nonarbitrage Certificate and the First Supplemental Resolution for these subordinate bonds.

(jj) Water Standby Charge Fund (Fund 60, established 1992). Used to separately hold revenues attributable to water standby charges; amounts deposited in this fund are used exclusively for the purpose for which the water standby charge was authorized.

(kk) Water Revenue Bonds, Issue of 1992 Construction Fund (Fund No. 61, established 1992). Net proceeds from the sale of these subordinate revenue bonds were deposited in this fund and are used exclusively for the purposes for which the bonds were authorized.

(ll) Water Revenue Bonds, Issue of 1992 Reserve Fund (Fund No. 62, established 1992). Proceeds from the sale of these subordinate bonds, in an amount equal to the 1992 Bond Reserve Requirement, were deposited into this fund. Used to satisfy debt service requirements if there are insufficient funds available in the Water Revenue Bond Service Fund.

(mm) Water Revenue Bonds, Issue of 1992 Excess Earnings Fund (Fund 63, established 1992). Used to separately hold in trust for payment to the Federal Government amounts deposited in accordance with the provisions of the Tax and Nonarbitrage Certificate and the Second Supplemental Resolution for these subordinate bonds.

(nn) Water Revenue Refunding Bonds, 1993 Series A Interest and Principal Fund (Fund No. 64, established 1993). Used to pay debt service on the subordinate water revenue refunding bonds after payment of prior lien revenue bonds.

(oo) Water Revenue Refunding Bonds, 1993 Series A Excess Earnings Fund (Fund No. 65, established 1993). Used to separately hold in trust for payment to the Federal government amounts deposited in accordance with the provisions of the Tax and Nonarbitrage Certificate and the Fourth Supplemental Resolution for these refunding bonds.

(pp) Water Revenue Refunding Bonds, 1993 Series A Construction Fund (Fund No. 66, established 1993). Funds released from the Water Revenue Bond Reserve Fund due to the reduction in reserve requirements are deposited to this fund and used exclusively for construction purposes.

(qq) Waterworks General Obligation Refunding Bonds, 1993 Series, Interest and Principal Fund (Fund No. 67, established 1993). Used to pay debt service on the District's 1993 Series A3, general obligation refunding bonds.

(rr) Waterworks General Obligation Refunding Bonds, 1993 Series, Excess Earnings Fund (Fund No. 68, established 1993). Used to separately hold in trust for payment to the Federal government, amounts deposited in accordance with the provisions of the Tax and Nonarbitrage Certificate and the Resolution for these refunding bonds.

(ss) Waterworks General Obligation Refunding Bonds, 1993 Series A1 and A2, Escrow Account Fund (Fund No. 69, established 1993). Proceeds from the sale of the 1993 Series A1 and A2, general obligation refunding bonds are deposited in this fund and used to pay debt service on the 1993 Series A1 and A2, general obligation refunding bonds through March 1, 1999 and March 1, 1996, respectively. At these dates the funds available will be used to effect partial refunding of certain bonds for which the bonds were issued.

(tt) Waterworks General Obligation Refunding Bonds, 1993 Series A3, Refunding Fund (Fund No. 70, established 1993). Proceeds from the sale of the 1993 Series A3 bonds are deposited into this fund and used to defease certain maturities of outstanding prior general obligation bonds and to pay for certain costs.

(uu) Water Revenue Refunding Bonds, 1993 Series A, Refunding Fund (Fund No. 71, established 1993). Proceeds from the sale of the 1993 Series A bonds, along with certain other available moneys of the District, are deposited into this fund and used to defease certain maturities of outstanding prior revenue bonds and to pay for certain costs.

(vv) Water Revenue Refunding Bonds, 1993 Series B Refunding Fund (Fund No. 72, established 1993). Proceeds from the sale of the 1993 Series B bonds, along with certain other available moneys of the District, are deposited into this fund and used to defease certain maturities of outstanding prior revenue bonds and to pay for certain costs.

(ww) Water Revenue Refunding Bonds, 1993 Series B Interest and Principal Fund (Fund No. 73, established 1993). Used to pay debt service on these subordinate water revenue refunding bonds after payment of prior lien revenue bonds.

(xx) Water Revenue Refunding Bonds, 1993 Series B Reserve Fund (Fund No. 74, established 1993). Proceeds from the sale of these subordinate bonds, in an amount necessary to maintain the Bond Reserve Requirement, were deposited into this fund. Used to satisfy debt service requirements if there are insufficient funds available in the Water Revenue Refunding Bonds, 1993 Series B Interest and Principal Fund.

(yy) Water Revenue Refunding Bonds, 1993 Series B Excess Earnings Fund (Fund No. 75, established 1993). Used to separately hold in trust for payment to the Federal Government amounts deposited in accordance with the provisions of the Tax and Nonarbitrage Certificate and the Fourth Supplemental Resolution for these refunding bonds.

(zz) Waterworks General Obligation Refunding Bonds, 1993 Series B Refunding Fund (Fund No. 76, established 1993). Proceeds from the sale of the 1993 Series B Bonds are deposited into this fund and used to defease certain maturities of outstanding prior general obligation bonds and to pay for certain costs.

(aaa) Waterworks General Obligation Refunding Bonds, 1993 Series B Interest and Principal Fund (Fund No. 77, established 1993). Used to pay debt service on the District's 1993 Series B general obligation refunding bonds.

(bbb) Waterworks General Obligation Refunding Bonds, 1993 Series B Excess Earnings Fund (Fund No. 78, established 1993). Used to separately hold in trust for payment to the Federal Government amounts deposited in accordance with the provisions of the Tax and Nonarbitrage Certificate and the Resolution for these refunding bonds.

§ 5201. Restricted Funds.

Cash and securities to be held in the various ledger funds shall be as follows:

(a) For the 1931 General Obligation Bond Interest and Redemption Fund, the 1966 General Obligation Bond Interest and Principal Fund, the Series G 1966 General Obligation Bond Interest and Principal Fund, and the Waterworks General Obligation Refunding Bonds, 1993 Series A and Series B, Interest and Principal Funds, the cash and securities in each as of June 30, shall be at least equal to the debt service for the ensuing 18 months, less revenues anticipated to be derived from the next succeeding tax levy specifically for such debt service.

(b) For the Waterworks Revenue Bond Interest and Principal Fund, the Water Revenue Bond Service Fund, the Waterworks Revenue Bond Reserve Fund, the Water Revenue Bonds, Issue of 1991 Reserve Fund, the Water Revenue Bonds, Issue of 1992 Reserve Fund, and the Water Revenue Refunding Bonds, 1993 Series A and Series B Interest and Principal Funds, and the Water Revenue Refunding Bonds, 1993 Series B Reserve Fund, cash and securities in each shall be at least equal to the minimums required by the resolutions of issuance for such bonds.

(c) For the 1966 General Obligation Bond Construction Fund, the Series G 1966 General Obligation Bond Construction Fund, the Waterworks Revenue Bond Construction Fund, the Commercial Paper Note Construction Fund, the Water Revenue Bonds, Issue of 1991 Construction Fund, the Water Revenue Bonds, Issue of 1992 Construction Fund, and the Water Revenue Refunding Bonds, 1993 Series A Construction Fund, there shall be no minimum requirements; provided that any cash and securities in such funds shall be restricted to use for the purposes such finances were required.

(d) For the State Contract Fund, cash and securities on hand June 30 and December 31 shall equal the capital payments to the State Department of Water Resources that are due on July 1 of the same year and January 1 of the following year, respectively.

(e) For the Special Tax Fund, there shall be no minimum requirement.

(f) For the Operation and Maintenance Fund, cash and securities shall be at least equal to the minimum required by the resolutions of issuance for revenue bonds.

(g) For the Revolving Construction Fund, there shall be no minimum requirement. Cash and securities in this fund, unless restricted as to use by resolution of the Board, shall be available for transfer to the Water Rate Stabilization Fund and the Water Treatment Surcharge Stabilization Fund at the discretion of the Board.

(h) For the Commercial Paper Note Payment Fund, the District shall deposit amounts sufficient to pay principal of, and interest on, the Commercial Paper Notes in an amount at least equal to one-half of the projected interest payments due on such notes in the subsequent fiscal year.

(i) For the Water Standby Charge Fund, there shall be no minimum requirement; provided that any cash and securities in such fund shall be restricted to use for the purposes such monies were authorized.

(j) For the Water Revenue Refunding Bonds, 1993 Series A and Series B Excess Earnings Funds and the Waterworks General Obligation Refunding Bonds, 1993 Series A and Series B Excess Earning Funds, the minimum requirement shall be the amounts deposited into this fund in accordance with the provisions of the Tax and Nonarbitrage Certificates and Resolutions for the Bonds.

(k) For the Waterworks General Obligation Refunding Bonds, 1993 Series A1 and A2, Escrow Account Fund, the minimum requirement shall be the amounts necessary to pay the principal, if any, and the interest on the Series A1 and A2 Bonds to the crossover date, and to defease certain maturities of outstanding prior general obligation bonds.

(l) For the Iron Mountain Landfill Closure/Postclosure Maintenance Fund, cash and securities as of June 30, shall be at least equal to the General Manager's latest estimate of closure and postclosure maintenance costs.