§ 6-q. Intermunicipal agreement for a joint capital reserve fund in the county of Tompkins. 1. As used in this section:

a. "Capital improvement" shall have the same meaning as such term is defined in section six-c of this article.

b. "Commission" shall mean the Southern Cayuga Lake intermunicipal water commission, as established by an intermunicipal agreement among the member municipalities, pursuant to section one hundred nineteen-o of this chapter, for the purposes of constructing and operating a water filtration plant, storage facilities and transmission facilities in the county of Tompkins, among other purposes.

c. "Equipment" shall have the same meaning as such term is defined in section six-c of this article.

d. "Member municipalities" shall mean the villages of Cayuga Heights and Lansing, the towns of Dryden, Ithaca and Lansing, and any other village or town electing to enter into the intermunicipal agreement establishing the Southern Cayuga Lake intermunicipal water commission.

2. Notwithstanding any other provision of law to the contrary, the member municipalities may, by intermunicipal agreement, establish a joint capital reserve fund, for the Southern Cayuga Lake intermunicipal water district, to provide for the financing of all or part of the cost of:

a. the construction, reconstruction or acquisition of a specific capital improvement or the acquisition of a specific item or specific items of equipment;

b. the construction, reconstruction or acquisition of a type of capital improvement or the acquisition of a type of equipment; or

c. a combination of specific and types of capital improvements and equipment.

3. Any agreement establishing such capital reserve fund shall be approved by all of the member municipalities.

4. The member municipalities shall determine by agreement:

a. the maximum amount to be deposited in such capital reserve fund;

b. the manner in which such capital reserve fund shall be funded which may include contributions from each member municipality or retention and dedication to such fund of surplus revenues generated by the operation of the jointly owned water, storage and transmission facilities; and

c. the manner in which, and the capital improvements and/or equipment for which the provisions of the local finance law, the moneys in such capital reserve fund may be expended.

5. Any funds deposited in such capital reserve fund shall be properly deposited in a separate fund or funds in depositories and properly secured in accordance with the provisions of the local finance law governing the deposits and investments of municipal funds. If the agreement establishing such fund so authorizes, the funds deposited may be held in one or more separate accounts in the name of the commission provided that the person or persons authorized to withdraw funds are chief fiscal officers of one or more of the member municipalities and are fully bonded. Otherwise such funds shall be held in a separate account jointly in the name of all member municipalities or, if the member municipalities agree, in the name of one of the member municipalities for the benefit of all of the member municipalities.

6. Except as otherwise expressly provided in this section, the deposit, investment, accrual of interest, expenditure, maintenance of records and other matters relating to the capital reserve shall be governed by the provisions of section six-c of this article.