§ 1820. Pollution control funds. 1. The following shall constitute pollution control funds of the authority and shall be kept separate and apart from all other funds of the authority: (a) the proceeds of sale of pollution control bonds and notes (b) any moneys appropriated and made available by the state for the purposes of this subtitle only, (c) any moneys made available to the authority for the purposes of this subtitle only from any other source or sources, (d) any moneys received by the authority as payments on account of loans made by the authority pursuant to this subtitle, (e) any fees, charges or other moneys received by the authority in respect of projects assisted by the authority pursuant to this subtitle or on account of applications therefor, and (f) any income or interest earned by, or any increment added to, any pollution control funds due to the investment thereof.

2. The authority shall further create and establish a separate fund to be known as the "pollution control capital reserve fund" and shall pay into such capital reserve fund (1) any moneys apportioned and paid by the state for the purposes of such fund pursuant to subdivision two of section eighteen hundred twenty-eight of this title, (2) any proceeds of sale of pollution control bonds or notes to the extent provided in the resolution of the authority authorizing the issuance thereof, (3) any pollution control funds directed to be transferred by the authority to such capital reserve fund, and (4) any other moneys which may be made available to the authority for the purposes of such fund from any other source or sources.

The moneys credited to such pollution control capital reserve fund shall be used, except as hereinafter provided, solely for the payment of the principal of pollution control bonds of the authority, as the same mature, the purchase of pollution control bonds, the payment of interest on pollution control bonds, and the payment of principal and any redemption premium required to be paid upon a redemption of such bonds prior to maturity; provided, however, that moneys in such fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of such fund to less than the maximum amount of principal and interest maturing and becoming due in any succeeding calendar year on all pollution control bonds of the authority then outstanding, except

for the purpose of paying the principal of and interest on the pollution control bonds of the authority maturing and becoming due for the payment of which other moneys of the authority are not available.

Moneys in the pollution control capital reserve fund not required for immediate use or disbursement may be invested in accordance with all the otherwise consistent provisions of section ninety-eight-a of the state finance law. In computing the amount of the pollution control capital reserve fund for the purposes of this section, securities in which all or a portion of such fund are invested shall be valued at par or, if purchased at less than par, at their cost to the authority. The authority shall not issue pollution control bonds at any time secured by the pollution control capital reserve fund if the maximum amount of principal and interest maturing and becoming due in any succeeding calendar year on the pollution control bonds then to be issued and on all other pollution control bonds of the authority then outstanding will exceed the amount of the pollution control capital reserve fund at the time of issuance unless the authority, at the time of issuance of such pollution control bonds, shall deposit in such fund from the proceeds of the pollution control bonds to be issued, or otherwise, an amount which, together with the amount then in such fund, will be not less than the maximum amount of principal and interest maturing and becoming due in any succeeding calendar year on the pollution control bonds then to be issued and on all other pollution control bonds of the authority then outstanding.

Any excess in the pollution control capital reserve fund at the close of any fiscal year of the authority over the maximum amount of the principal and interest maturing and becoming due in any succeeding calendar year on all pollution control bonds of the authority then outstanding shall be withdrawn by the authority from said capital reserve fund and, subject to the provisions of subdivision four of section eighteen hundred twenty-eight of this title, used as pollution control funds.

3. Subject to the terms of any agreement with pollution control bondholders and noteholders, pollution control funds may be used by the

authority (a) to make loans to local development corporations for costs of projects specified in section eighteen hundred seventeen in any area of the state, (b) to pay the expenses of the authority referred to in any of the clauses of subdivision one of section eighteen hundred twenty-eight of this title, (c) to make payments to the pollution control capital reserve fund, (d) to repay advances from the state for use as pollution control funds in accordance with any provision of law or repayment agreement between the authority and the director of the budget, (e) to pay the principal and redemption price of or interest on pollution control bonds or notes, (f) to purchase pollution control bonds or notes, or (g) in connection with projects financed with pollution control funds to exercise any of the powers conferred in this title. Investment proceeds and repayments from borrowers credited to the pollution control fund may, to the extent that they are not required pursuant to the preceding sentence of this subdivision, be used for other purposes of the authority.