§ 509. Reserve fund. 1. The corporation shall create and establish a special fund (herein referred to as the capital reserve fund), and shall pay into such capital reserve fund:

a. Any moneys appropriated and made available by participating counties for the purpose of such capital reserve fund;

b. Any proceeds of sale of bonds or notes to the extent provided in the resolution or resolutions of the corporation authorizing the issuance thereof; and

c. Any other moneys that may be made available to the corporation for the purpose of such capital reserve fund from any other source or sources. All moneys held in the capital reserve fund, except as hereinafter provided, shall be used solely for the payment of the principal of bonds of the corporation, the payment of interest on such bonds, or the payment of any redemption premium required to be paid when such bonds are redeemed prior to maturity; provided, however, that moneys in such capital reserve fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of such fund to less than the maximum amount of principal and interest maturing and becoming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 fiscal year of the corporation on all bonds of the corporation then outstanding, except for the purpose of paying principal of and interest on such bonds of the corporation maturing and becoming due and for the payment of which other moneys of the corporation are not available. Any income or interest earned by, or increment to, the capital reserve fund due to the investment thereof may be transferred to other funds or accounts to the extent it does not reduce the amount of the capital reserve fund below the maximum amount of principal and interest maturing and becoming due in any such succeeding fiscal year on all bonds of the corporation then outstanding.

2. The corporation shall not issue bonds at any time if the maximum amount of principal and interest maturing and becoming due in a succeeding fiscal year of the corporation on such bonds then to be issued and on all other bonds of the corporation then outstanding will exceed the amount of the capital reserve fund at the time of issuance of

such bonds, unless the corporation, at the time of issuance of such bonds, shall deposit in the capital reserve fund from the proceeds of the bonds so to be issued, or otherwise, an amount which, together with the amount then in such fund, will not be less than the maximum amount of principal and interest maturing and becoming due in any such succeeding fiscal year on such bonds then to be issued and on all other bonds of the corporation then outstanding.

3. For the purposes of computing the amount of the capital reserve fund, any securities in which any portion of such fund is invested shall be valued at the par value thereof or at the cost thereof to the corporation if such cost was less than said par value.