

# Water Bond Sinking Fund

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**Managing Bureau:** Portland Water Bureau

**Statement of Purpose:** The Water Bond Sinking Fund manages the principal and interest payments on Water revenue bonds issued to finance water system improvements. The bond reserve accounts are maintained in the Water Bond Sinking Fund.

**Sources of Revenue:** The source of revenue for this fund is water sales revenue and interest earnings. The bond reserve accounts are maintained in the Water Bond Sinking Fund.

**Contingency Requirements:** Oregon Administrative Rule 150-294.388(7) does not permit contingencies in a debt service fund.

**Reserve Requirements:** There is a cash reserve for each bond sale starting with the 2008A bond issuance that is required per the bond covenants. The reserves vary in size and are specific to the size of each bond issuance. Surety bonds can be an alternative to meeting the bond reserves requirement.

**Disposition of Funds:** In the event the fund is closed, all remaining resources shall revert to the Water Fund.