

RESOLUTION

WHEREAS, the Pequannock River Basin Regional Sewerage Authority (hereinafter the "Authority") maintains certain funds in reserve in accordance with the General Bond Resolution of July 15, 1986; and

WHEREAS, the Authority previously established the Capital Reserve Fund to minimize future rate impacts anticipated on implementation of the Two Bridges Sewerage Authority capital improvement program, sludge treatment system modifications, and Authority capital projects; and


WHEREAS, the Authority's auditor has confirmed that FY 2012 operations resulted in an operational surplus of \$487,601 increasing undesignated unrestricted net assets to \$1,251,963; and

WHEREAS, the Authority desires to increase the reserve amount within the Capital Reserve Fund to stabilize rates and charges to the municipalities.

NOW, THEREFORE, BE IT RESOLVED by the Pequannock River Basin Regional Sewerage Authority in the Counties of Morris and Passaic in the State of New Jersey on this 20th day of February, 2013 as follows:

1. An amount of \$500,000.00 of unrestricted/undesignated net assets currently within the Revenue Fund (Account No. 2576006500) shall be designated as a reserve within the Capital Reserve Fund.
2. Said designation shall increase the unrestricted/designated net assets within the Capital Reserve Fund from \$1,775,000.00 to \$2,275,000.00
3. The funds so designated shall be transferred to and retained in a subaccount within the General Fund (Account No. 2576006485).
4. The Consulting Engineer is directed to forward a copy of this resolution to the Authority's Trustee and auditor.
5. This Resolution shall take effect immediately.

Certified to be a true copy of the Resolution enacted at a duly convened public meeting of the Pequannock River Basin Regional Sewerage Authority held on February 20, 2013.


James P. Kaufmann Secretary