

**RESOLUTION**

**WHEREAS**, The Authority is a public body organized and existing pursuant to the provisions of the Sewerage Authorities Law (N.J.S.A.40:14A-1 et seq.) constituting Chapter 138 of the Pamphlet Laws of 1946 of the State of New Jersey (the "Act") and acts amendatory and supplementary thereto; and

**WHEREAS**, the Authority entered into a service contract (the "1990 Amendment to the 1985 Service Contract") with the Boroughs of Bloomingdale, Butler and Kinnelon (the "Participants") dated December 31, 1990 as amended; and

**WHEREAS**, the Authority annually assesses service charges to the Boroughs of Bloomingdale, Butler and Kinnelon pursuant to said service contract in accordance with Section 406 "Payment of Annual Charges by Participants"; and

**WHEREAS**, the Authority entered into a customer service contract (the "Service Contract Between the Pequannock River Basin Regional Sewerage Authority and the Borough of Riverdale") with the Borough of Riverdale ("Customer") dated January 2, 1987 as amended; and

**WHEREAS**, the Authority annually assesses service charges to the Borough of Riverdale pursuant to said service contract Riverdale in accordance with Section 403 "Payment of Annual Charges by Riverdale"; and

**WHEREAS**, the Authority issued annual service charge assessments to the Participants and the Borough of Riverdale for its fiscal year 2016 on November 24, 2016; and,

**WHEREAS**, the Authority has engaged its auditor to review the FY 2016 service charge assessments and to annually file a Report of Compliance thereon; and

**WHEREAS**, the auditor, on review of the FY 2016 service charge assessments to the Participants and Customer, has determined that the allocations of costs assessed to the towns must be amended in accordance with the service contracts; and

**WHEREAS**, the Authority is desirous of amending the FY 2016 service charge assessments to the Participants and Customer in accordance with the auditor's findings; and

**NOW, THEREFORE, BE IT RESOLVED**, by the Pequannock River Basin Regional Sewerage Authority in the Counties of Morris and Passaic and the State of New Jersey on this 16<sup>th</sup> day of March, 2016 as follows:

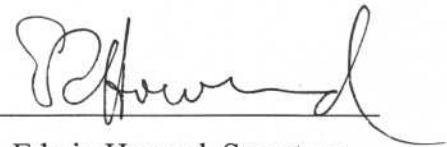
1. The Consulting Engineer is authorized and directed to amend the FY 2016 Annual Charge assessments as issued to the municipalities on November 24, 2015 in accordance with the findings of the auditor.
2. The reassessment shall reallocate \$279,000 from the Debt Service Charge to the Operating Charge.
3. As a result of the above referenced amended Annual Charge assessment (and accounting for the mid-term debt service adjustments pre and post transfer of capacity to Riverdale), the following amounts are due to or owing from the municipalities as follows:
  - a. **Due to** the Borough of Bloomingdale: **\$ 1,436**
  - b. **Owing from** the Borough of Butler: **(\$21,195)**
  - c. **Due to** the Borough of Kinnelon: **\$ 9,132**
  - d. **Due to** the Borough of Riverdale: **\$10,637**
4. To offset the increased assessment to the Borough of Butler, the Authority hereby directs the application of \$55,615 of Unrestricted Undesignated Net Assets for fiscal year 2016.

5. Application of Unrestricted Undesignated Net Assets of \$55,615 results in the following credits due to the municipalities for the period:
- a. **Due to** the Borough of Bloomingdale: \$19,511
  - b. **Due to** the Borough of Butler: \$21,195
  - c. **Due to** the Borough of Kinnelon: \$ 4,539
  - d. **Due to** the Borough of Riverdale: \$10,370
6. Upon reduction of the Debt Service Charge by \$279,000 and increase of the Operating Charge in like amount and upon application of Unrestricted Undesignated Net Assets as hereinabove provided, the following net Annual Charge credits will be assessed to the Participant and the Customer municipalities for FY 2016:
- a. **Due to** the Borough of Bloomingdale: \$20,947
  - b. **Due to** the Borough of Butler: \$ 0
  - c. **Due to** the Borough of Kinnelon: \$13,661
  - d. **Due to** the Borough of Riverdale: \$21,007
7. The Consulting Engineer is authorized and directed to issue the FY 2016 reassessments as set forth herein as a prior period adjustment with the FY 2017 Annual Charge assessments simultaneously with the Revised Annual Charge Certifications issued annually for flow-related adjustments.
8. The Consulting Engineer is hereby authorized and directed to file a copy of this Resolution with the auditor.
9. This Resolution shall take effect as provided by law.

### **CERTIFICATION**

I hereby certify that the foregoing Resolution was adopted by the Pequannock River Basin Regional Sewerage Authority at a duly convened public meeting held on March 16, 2016.

By:

  
Edwin Howard, Secretary