

**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 has previously established the Capital Reserve Fund to minimize future rate impacts anticipated on implementation of the Two Bridges Sewerage Authority capital improvement program and Authority capital projects; and

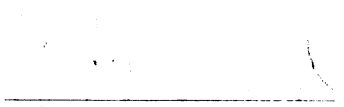
**WHEREAS**, the Authority's auditor has confirmed that FY 2011 operations resulted in an operational surplus of \$361,527; and

**WHEREAS**, the Authority desires to increase the reserve amount within the Capital Reserve Fund.

**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 18<sup>th</sup> day of January, 2012 as follows:

1. An amount of \$350,000.00 of unrestricted/undesignated net assets currently within the Revenue Fund 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 \$1,425,0000.00 to \$1,775,000.00.
3. The Capital Reserve Fund shall be retained as a subaccount with the Revenue Fund (Account No. 2576006500).
4. The Consulting Engineer is directed to forward a copy of this resolution to the Authority's 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 January 18, 2012.

  
Edwin Howard, Secretary