

**RESOLUTION**

**WHEREAS**, the Pequannock River Basin Regional Sewerage Authority (hereinafter the "Authority") has received from the Pequannock, Lincoln Park and Fairfield Sewerage Authority (hereinafter "Two Bridges" or "TBSA") a credit refund for Fiscal Year 2011 in the amount of \$247,708 for prior year flow adjustments and application of surplus; and

**WHEREAS**, the Authority has determined to credit \$150,000 of said amount to the Participants and to the Borough of Riverdale as a credit against the Annual Charges due in FY 2012 and to establish a reserve for the \$97,708 remainder; and

**WHEREAS**, this Authority has or will consent to a reduction of the current 2.08 mgd TESA budgeted flow to 2.03 mgd [but not less than 32.90% of the total TBSA budgeted flow]; and

**WHEREAS**, said flow reduction will to some degree increase the risk of a year-end TESA User Charge increase to the Authority; and

**WHEREAS**, to hedge against said risk the Authority desires to establish a new reserve termed the "TBSA User Charge Reserve" in the amount set forth above, namely, \$97,708; and

**WHEREAS**, that Authority also desires to dedicate the TBSA User Charge Reserve to each Participant and to the Borough of Riverdale based upon the FY 2011 pro-rata flows as contributed by each municipality to the Authority's System in Fiscal Year 2011.


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

1. A reserve termed the "TBSA User Charge Reserve" shall be created in the initial amount of \$97,708 retained as a sub-account of the Authority's Revenue Fund (Account No. 2576006500).
2. Within said TBSA User Charge Reserve account, the following sub-accounts shall be credited to each of the Participants and the Borough of Riverdale:

<u>Municipality</u>	<u>TBSA User Charge Reserve Sub-account</u>
Borough of Bloomingdale	\$33,318
Borough of Butler	\$43,930
Borough of Kinnelon	\$ 3,830
Borough of Riverdale	\$16,630
<b>Total</b>	<b>\$97,708</b>

3. The Authority, at its sole discretion, may periodically allocate, by means of a credit refund against Annual Charge payments due, all or a portion of the TBSA User Charge Reserve to each Participant and to the Borough of Riverdale in direct proportion to the amount set aside for each of the municipalities as set forth hereinabove.
4. The Authority may consider future credits to the TBSA User Charge Reserve upon receipt from Two Bridges of TBSA surplus distributions. Future year-end TBSA User Charge adjustments will not be credited to the municipalities.
5. The Consulting Engineer is directed to forward a copy of this resolution to the Authority's auditor.
6. 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.

  
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Edwin Howard, Secretary