

**RESOLUTION TO AUTHORIZE THE TRANSFER OF FUNDS  
FROM THE REVENUE FUND TO THE GENERAL FUND**

**WHEREAS**, the Pequannock River Basin Regional Sewerage Authority (hereinafter, the “Authority”) maintains certain funds within the Revenue Fund established in accordance with Section 502 of the General Bond Resolution of July 15, 1986; and

**WHEREAS**, the Authority has designated certain unrestricted net assets known generally as discretionary reserves for specific purposes which funds are currently held in said Revenue Fund which amounts may be modified periodically; and

**WHEREAS**, the Authority adopted Resolution No. R-12-1-7 confirming and approving reserves within the Revenue Fund as set forth therein; and

**WHEREAS**, the Authority adopted Resolution No. R-12-1-8 establishing a TBSA User Charge Reserve and allocating to the Participants and the Borough of Riverdale portions of the TBSA FY 2011 credit to subaccounts in the Reserve Fund as set forth therein; and

**WHEREAS**, the Authority, on advice from its Bond Counsel, has determined that it is in the interest of the Authority to transfer the funds enumerated in the aforesaid Resolution Nos. R-12-1-7 and R-12-1-8 to the General Fund which funds are in excess of the amounts required by Section 507 of the General Bond Resolution; and

**WHEREAS**, in accordance with Resolution Nos. R-12-1-7 and R-12-1-8, the Authority maintains the following discretionary reserves (designated/unrestricted net assets) within the Revenue Fund; and

	<u>Balance</u> <u>@ 1/31/12</u>
<b><u>Unrestricted Net Assets</u></b>	
<b><u>Designated</u></b>	
Operating Reserve (Discretionary)	\$ 550,245.00
Debt Service Reserve (110% Coverage)	\$ 211,000.00
Insurance Reserve	\$ 20,000.00
2002 Series M Arbitrage Reserve	\$ 15,000.00
Capital Reserve Fund	\$ 1,775,000.00
Bond Service Requirement (Series L)	\$ 30,000.00
TBSA User Charge Reserve	\$ 97,708.00
<b>Total Unrestricted/Designated Net Assets:</b>	<b><u>\$ 2,698,953.00</u></b>

WHEREAS, the Authority desires to transfer said monies from the Revenue Fund (Account No. 2576006500) into the General Fund (Account No. 2576006485) in accordance with the provisions of Section 507 of aforesaid General Bond Resolution.

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 15<sup>th</sup> day of February 2012 as follows:

1. The Consulting Engineer is hereby authorized and directed to notify the Authority's Trustee, US Bank, to transfer the amounts hereinabove set forth in the aggregate amount of \$2,698,953.00 from the Revenue Fund (Account No.2576006500) into the General Fund (Account No. 2576006485).

**Resolution No. R-12-2-10 (Cont.)**

2. The Consulting Engineer is further authorized and directed to maintain the discretionary funds hereinabove set forth within the General Fund pending further instructions by the Authority unless there is a call by the Trustee to return a portion of said monies from the General Fund to the Revenue Fund in which case the Consulting Engineer is hereby authorized and directed to abide by such Trustee request.
3. The Consulting Engineer is directed to forward a copy of this resolution to the Authority's Trustee.
4. This resolution shall take effect immediately as provided by law.

Certified to be a true copy of a Resolution enacted at a duly convened public meeting of the Pequannock River Basin Regional Sewerage Authority held on February 15, 2012.

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, Secretary