

RESOLUTION # 08-09-01-02
as amended by
RESOLUTION # 11-09-2006-01

**RESOLUTION OF THE COLLIER TOWNSHIP MUNICIPAL AUTHORITY
CREATING A CAPITAL RESERVE EMERGENCY REPAIR ACCOUNT AND
ALLOCATING SPECIFIC ASSETS TO THE SET ACCOUNT.**

WHEREAS, the Collier Township Municipal Authority previously had, as part of a bond indenture agreement a Capital Reserve Account to which it allocated reserves funds which were dedicated to the protection of the rate base and to provide emergency funding for unanticipated capital repairs and expenditures; and

WHEREAS, the Capital Reserve Account was created and held as part of a bond indenture agreement with the Pittsburgh National Bank; and

WHEREAS, the Authority has satisfied the bond obligation and the specific account no longer exists; and

WHEREAS, and presently, the funds are identified as current assets and are held as part of a separate Capital Reserve Account of the Authority as designed, restricted investments; and

WHEREAS, the previous accounting procedure and audit report may have created an unrealistic indication of currently available assets; and

WHEREAS, the Authority Board desires to re-institute and re-establish the said emergency reserve account and designate and restrict certain investments.

WHEREAS, the proper officers and employees of the Collier Township Municipal

Authority have by Resolution 08-09-2001 established and have maintained a Capital Reserve Account which is to be restricted for emergency repairs and rate stabilization and protection of the customer rates of the Municipal Authority in the event of unanticipated expenditures, repairs or losses.

The said combined amount remains at interest, with the interest accumulated in the said account, and is identified and carried on the Collier Township Municipal Authority financial statements and records as restricted assets and dedicated to the above purposes and uses.

NOW THEREFORE, In order to allow for inflation and cost increases, the Collier Township Municipal Authority directs that each November, beginning in November of 2006, that there be transferred from the general operating account of the Authority an amount equal to five (5%) of the then current balance in the Restricted Investment account (Capital Repair Reserve Account) so that the Capital Repair Reserve Account balance of restricted investments can be increased to allow for inflation and cost increases.

That, prior to utilization of the restricted assets in the Capital Repair Reserve Account, the Collier Township Municipal Authority will hold a public meeting with public notice on the proposed use of said reserve account.

A copy of the amended Resolution is to be provided to the independent auditor for implementation in the independent auditor's report of the Collier Township Municipal Authority for years 2006 and forward.

