

**RESOLUTION NO. 2014 - 01  
OF THE BOARD OF DIRECTORS OF  
THE HOMESTEAD VALLEY SANITARY DISTRICT**

**A RESOLUTION ESTABLISHING TARGET RESERVE FUND LEVELS**

WHEREAS, the Homestead Valley Sanitary District recognizes that an adequate level of reserves is necessary and prudent for the effective operation of the District;

WHEREAS, the Homestead Valley Sanitary District has identified the following purposes and target funding levels for the reserve fund:

1. Balance revenue and expenses in any given year and provide an emergency source of funds for operations: Target level – approximately one-year’s operating expenses;
2. Provide a source of funds for major repair and replacement Target level – Annual Repair or Replacement of 2% of District Assets - \$250,000
3. Provide a source of funds for large, unanticipated emergency expenses including non-insured catastrophic events and/or non-insured civil or legal liabilities: Target level - \$200,000.

The Homestead Valley Sanitary District hereby establishes a current target level of between \$850,000 and \$1,050,000 for Fund No. 73000 to be used for the above purposes as well as those purposes that may be necessary for the proper operation of the District. These fund levels will be adjusted biannually to reflect inflation as determined by increases or decreases in the Construction Cost Index or as deemed prudent by the Board of Directors.

PASSED AND ADOPTED by the Board of Directors at their regular meeting of June 24, 2014.

AYES: 4

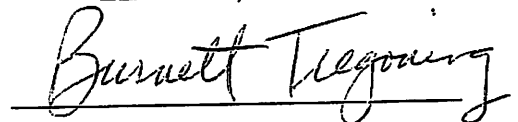
NOES: 0

ABSENT: 1

ABSTAINING: 0



Einar Asbo, President



Burnett Tregoning, Secretary