

RESOLUTION NO. 177

HEART OF THE VALLEY METROPOLITAN SEWERAGE DISTRICT

Minimum Fund Balance – Unrestricted Net Position

WHEREAS, the Commission of the Heart of the Valley Metropolitan Sewerage District acknowledges that adequate monies held in funds defined as Unrestricted net position can mitigate the financial risk that can occur due to unforeseen revenue fluctuations, equipment failure, and unanticipated expenditures; and

WHEREAS, the Heart of the Valley desires the establishment of a policy for a minimum fund balance on its Unrestricted net position; and

WHEREAS, the comparison of the annual O&M costs to the Unrestricted net position is the methodology selected based upon the recommendation of the district's auditor; and

WHEREAS, both the O&M costs value and Unrestricted net position amounts are both reported values and are obtained from the most recent year-end audit; and

NOW THEREFORE, Be It Resolved by the Commission of the Heart of the Valley Metropolitan Sewerage District (the "District") as follows:

1. That the desired annual minimum Unrestricted net position is defined as 50% of the total O&M costs for the year. Funds in excess of the calculated value are available for use as the current conditions dictate solely with the approval of the Commission. A balance below the desired annual minimum will result in increased sewer rates and/or fees to return the Unrestricted Net Position to its desired annual minimum by year end.

Adopted this 10th day of October, 2017.

HEART OF THE VALLEY METROPOLITAN SEWERAGE DISTRICT

By: _____
David J. Casper, President

ATTEST:

Kevin P. Coffey, Secretary