

RESOLUTION RE: AUTHORIZING THE ESTABLISHMENT OF A NEW AND SEPARATE BANK ACCOUNT FOR THE PURPOSE OF DEPOSITING FUNDS FOR THE RESERVE FOR FUTURE DEBT SERVICE

WHEREAS, the Wanaque Valley Regional Sewerage Authority (WVRSA) Board of Commissioners has authorized a major capital investment in improvements to the Authority's plant infrastructure; and

WHEREAS, the estimated cost of said investment in plant infrastructure is \$16.5M; and

WHEREAS, the WVRSA has secured project financing through the State of New Jersey's Environmental Infrastructure Bank (NJ EIB); and

WHEREAS, debt service on NJ EIB financing is expected to commence in the Authority's Fiscal Year 2027/Fiscal Year 2028 budget cycle; and

WHEREAS, an analysis of the Authority's debt service has indicated that the service of the NJ EIB's project related debt will cause a spike in the Authority's overall debt service of approximately \$1.5M over the course of a two-year period; and

WHEREAS, to avoid the disruption to the Authority's budget caused by the spike in debt service, the WVRSA's Board of Commissioners has authorized, and has provided funding for a reserve for future debt service to soften the impact of the anticipated spike in debt service costs; and

WHEREAS, in order to better track the amounts available within the reserve for future debt service, the Board of Commissioners desires to segregate the reserve funds from other general operating funds.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners that it hereby authorizes the Interim Executive Director, in consultation with the Director of Finance & Administration, the Authority's auditor and, if necessary, Bond Counsel to the Authority, to establish a new bank account, within one of the previously approved financial institutions, for the purpose of segregating funds budgeted for the reserve for future debt service; and

BE IT FURTHER RESOLVED, that the funds for said reserve for future debt service shall be drawn from the Authority's four operating bank accounts (revenue fund, depository fund, payroll fund and O&M revolving fund) in an amount not to exceed the total amount budgeted for the reserve in the current and prior budget years.

Adopted this 25th day of June 2025
and certified to be a true copy of the original

Sharon Hoeland

Sharon Hoeland, Recording Secretary
Director of Finance & Administration

| Commission | Motion | Second | Ayes | Nays | Abstain | Absent |
|------------|--------|--------|------|------|---------|--------|
| Allen | | | | | | X |
| Conlon | X | | X | | | |
| Farinella | | | X | | | |
| Gerst | | X | X | | | |
| Taukus | | | X | | | |
| Covelli | | | X | | | |