

WARREN TOWNSHIP SEWERAGE AUTHORITY

RESOLUTION NO. 11-148

**RESOLUTION RESERVING \$1.0 MILLION OF AUTHORITY SURPLUS
FOR POSSIBLE CONTINENT LIABILITY**

WHEREAS, the Warren Township Sewerage Authority (“the Authority”) having been advised by its attorneys that a developer has been in communication with the Authority and with the Authority’s attorneys regarding a possible claim that the developer is or may be entitled to refunds for all or a portion of connections fees paid to the Authority; and

WHEREAS, there is pending before the New Jersey Supreme Court a case which may impact the validity of the developer’s potential claims; and

WHEREAS, the developer’s attorneys have advised that the developer will await the outcome of the case before determining how and whether to proceed on its claim; and

WHEREAS, the developer has paid and will have paid connection fees totaling approximately \$1.5 million; and

WHEREAS, any claim eventually asserted by the developer would not likely be for a refund of the entire amount of the connection fees, but might be for a substantial portion of such fees; and

WHEREAS, although the Authority’s attorneys have advised that there are a number of defenses to any claim asserted by the developer, even if the Supreme Court were to decide the pending case in a manner adverse to the Authority’s interests, the Authority’s attorneys have recommended that a portion of the Authority’s current surplus be reserved against any potential claim; and

WHEREAS, the Authority’s attorneys recommend that \$1.0 million of the Authority’s surplus be reserved, subject to future recommended adjustments after the Supreme Court hears argument on and renders a decision in the pending case, and depending on further communications with the developer and its attorneys.

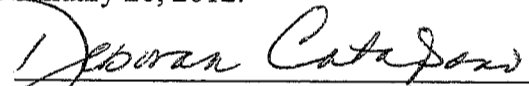
NOW, THEREFORE, BE IT RESOLVED by the members of the Warren Township Sewerage Authority, in the County of Somerset, State of New Jersey that the Authority hereby determine that it is in the best interests of the Authority to reserve \$1.0 million of its current surplus against the potential claim as described above, and the Authority hereby directs that such amount be designated as reserved, effective as of December 31, 2011.

Moved by Mr. Checchio
Seconded By Mrs. Garafola

Roll Call Vote	Yes	No
Chairman Reeder	x _____	_____
Mr. Truglio	_____	_____
Ms. Garafola	x _____	_____
Mr. Kaufman	_____	_____
Mr. Vetter	_____	_____
Mr. Checchio (Alternate #1)	x _____	_____
Mr. Paoella (Alternate #2)	_____	_____

CERTIFICATION

I, Deborah Catapano, Secretary of the Warren Township Sewerage Authority in the County of Somerset, New Jersey, do hereby certify that the above resolution is a true and correct copy of a resolution adopted at a meeting of the Warren Township Sewerage Authority on January 20, 2012.



Deborah Catapano, Authority Secretary