

**RESOLUTION NO. 16 - 01  
OF THE BOARD OF DIRECTORS OF  
THE ALTO SANITARY DISTRICT**

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

WHEREAS, the Alto Sanitary District has identified the following purposes for the reserve fund:

1. Balance revenue and expenses in any given year;
2. Provide an emergency source of funds for operations;
3. Provide a source of funds for major repair and replacement;
4. Provide a source of funds for major capital improvement;
5. Provide a risk management reserve.

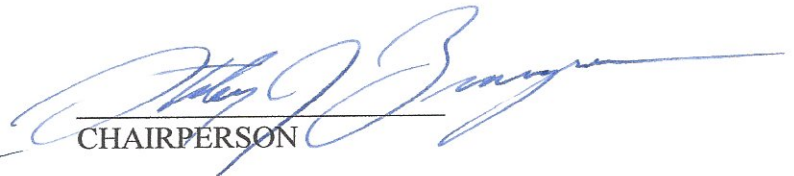
The Alto Sanitary District hereby establishes a target level of between \$ 500 and \$ 800 for Fund No. 34120 to be used for the above purposes as well as those purposes that may be necessary for the proper operation of the District. These fund levels will be adjusted annually to reflect inflation as 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 May 25, 2016.

AYES: 5

NOES: 0

ABSENT: 0

  
CHAIRPERSON

  
SECRETARY-TREASURER

