

The following is an excerpt from Resolution 2011-63A, Exhibit A, Find Balance Policy

**WATER ENTERPRISE FUND OPERATING RESERVE POLICY**

This reserve is intended to be used in the event of a catastrophe that prevents the utility from operating in its normal course of business. The reserve is based on working capital (current assets minus current liabilities) and minimum number of days the operation could continue in the event of a major disruption to the Water Fund revenues. Minimum reserve is the amount equal to 90 days of operating costs, excluding depreciation.

**WASTEWATER (SEWER) ENTERPRISE FUND OPERATING RESERVE POLICY**

This reserve is intended to be used in the event of a catastrophe that prevents the utility from operating in its normal course of business. The reserve is based on working capital (current assets minus current liabilities) and minimum number of days the operation could continue in the event of a major disruption to the Wastewater Fund revenues. Minimum reserve is the amount equal to 90 days of operating costs, excluding depreciation.