

Exhibit I

Assessment Stabilization Reserve Fund

Resolution No. 110-1998 adopted Local Law No. 35-1999, establishing a "Common Sense Tax Stabilization Plan for Sewers, Environmental Protection, and County Taxpayers." The program provides long-term sewer district tax rate stabilization for both debt service and operation and maintenance costs. Resolution No. 650-2000 re-imposed an additional one-quarter percent sales tax for the period beginning December 1, 2000, through December 31, 2013. An extension of this program was adopted in 2007 and allocated 25% of the additional sales tax to an Assessment Stabilization Reserve Fund (ASRF) for sewers through 2030.

Two funds exist, the ASRF for the smaller districts (Fund 404) and the Southwest Sewer District (Sewer District 3) (Fund 405). The intent of the ASRF is to stabilize sewer district tax rates beyond 2030 and to protect taxpayers in sewer districts from significant rate increases in a single budget year. Increases above 3% allow the ASRF to be utilized. **The use of the Assessment Stabilization Reserve Fund therefore, limits the impact of any capacity project to 3%.**

Newly created sewer districts must have their actual costs established over at least a three year prior period to being eligible for the current 3% cap afforded through the ASRF.