

RESOLUTION OF THE PUBLIC WORKS COMMISSION
OF THE CITY OF FAYETTEVILLE MAKING CERTAIN FINDINGS
AND AUTHORIZING AND DIRECTING THE
OFFICERS AND EMPLOYEES OF SAID COMMISSION TO TAKE ACTION
IN CONNECTION WITH THE FILING OF AN APPLICATION FOR
APPROVAL OF THE ISSUANCE OF PUBLIC WORKS COMMISSION
REVENUE BONDS, SERIES 1995 FOR THE PURPOSE OF FINANCING
THE CONSTRUCTION OF ADDITIONAL FACILITIES FOR SAID
COMMISSION AND THE WATER AND SEWER SYSTEM
OF THE CITY OF FAYETTEVILLE

WHEREAS, the City of Fayetteville, North Carolina (the "City"), acting by and through its City Council, is authorized by The State and Local Government Revenue Bond Act of North Carolina, Article 5 of Chapter 159 of the North Carolina General Statutes, as amended (the "Act"), and particularly Sections 159-83(a)(5) and 159-81(3)a, b and c thereof, to issue revenue bonds for the purpose of financing the cost of acquisition, construction, reconstruction, enlargement, equipping, extension, betterment or improvement of facilities for obtaining, conserving, treating and distributing water for domestic or industrial use, irrigation, sanitation, fire protection, or any other public or private use, the collection, treatment, purification or disposal of sewage and the generation, production, transmission or distribution of electric energy for heating, lighting or power for public and private uses and to refund revenue bonds issued for such purposes; and

WHEREAS, the Public Works Commission (the "Commission") of the City was created pursuant to Chapter VI of the City Charter of the City as an independently operated utility for the purpose of supervising and managing all facilities or projects owned or used by the City for the generation, transmission and distribution of electric power and energy for lighting, heating and power, and all additions, extensions and improvements which may at any time be constructed or acquired (the "Electric System"), of the City, and for the purpose of supervising and managing all facilities or projects owned or used by the City for the production, collection, treatment, transmission and distribution of water and the collection, transmission, treatment and disposal of sewage, and all additions, extensions and improvements which may at any time be constructed or acquired (the "Water and Sewer System," and, together with the Electric System, the "System"), of the City; and

WHEREAS, the Commission is the designated agent of the City to operate the System for the purposes of providing electric, water and sewer service to the general public within the City and in surrounding geographic areas; and

ITEM NO

6.A

WHEREAS, pursuant to a bond order adopted by the City Council of the City on November 5, 1990 (the "Bond Order"), the City has heretofore issued its \$63,008,898.20 Public Works Commission Revenue Bonds, Series 1990 (the "Series 1990 Bonds") for the purpose of refunding the Series 1987 Bonds (as defined in the Bond Order) and financing the construction of the 1990 Project (as defined in the Bond Order), and the Bond Order permits the issuance of additional bonds for, among other things, the purpose of financing the construction of additional facilities and for refunding outstanding revenue bonds; and

WHEREAS, pursuant to bond orders adopted by the City Council of the City on December 7, 1992, the City has heretofore issued its Public Works Commission Revenue Bonds, Series 1992A, in the aggregate principal amount of \$15,560,000, and its Public Works Commission Revenue Bonds, Series 1992B, in the aggregate principal amount of \$12,630,000, for the purpose of providing funds, together with other available funds, to pay the cost of certain capital improvements to the System and related costs; and

WHEREAS, pursuant to a bond order adopted by the City Council of the City on October 25, 1993, the City has heretofore issued its Public Works Commission Revenue Refunding Bonds, Series 1993, in the aggregate principal amount of \$73,955,000, for the purpose of providing funds, together with other available funds, for refunding the Series 1990 Bonds; and

WHEREAS, the City has, by resolution adopted by the City Council of the City on March 6, 1995, authorized the filing of an application with the Local Government Commission of North Carolina (the "Local Government Commission") for approval of the issuance of the City's Public Works Commission Revenue Bonds, Series 1995 (the "Series 1995 Bonds"), in an aggregate principal amount not exceeding \$52,000,000, for the purpose of providing funds, together with other available funds, to (i) pay the cost of (a) constructing and equipping certain buildings for use by the Commission and (b) constructing and installing certain capital additions to the Water and Sewer System (collectively, the "Project"), (ii) fund a portion of the interest accruing on the Series 1995 Bonds prior to completion of the Project, (iii) provide a reserve in an amount equal to the Reserve Fund Requirement (as defined in the Bond Order) for the Series 1995 Bonds by either funding such reserve or purchasing a municipal bond debt service reserve fund policy, (iv) pay the premium for the issuance of a municipal bond new issue insurance policy with respect to the Series 1995 Bonds, and (v) pay the expenses of issuing the Series 1995 Bonds; and

WHEREAS, the Commission is desirous of having the City file said application with the Local Government Commission and wishes

to make certain findings and to authorize certain action in connection therewith;

NOW, THEREFORE, THE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA DOES HEREBY DETERMINE AND RESOLVE, as follows:

1. The Commission hereby finds and determines in connection with the issuance of the Series 1995 Bonds that (i) the issuance of the Series 1995 Bonds is necessary or expedient, (ii) the proposed principal amount of the Series 1995 Bonds is adequate and not excessive for the proposed purpose of such issue, (iii) the proposed Project is feasible, (iv) the Commission's debt management procedures and policies are good and are managed in strict compliance with law and (v) under current economic conditions the Series 1995 Bonds can be marketed at a reasonable interest cost to the City.

2. The Commission hereby authorizes and directs the officers and employees of the Commission to take such action as they may deem necessary or appropriate to assist the City in filing an application with the Local Government Commission for approval of the issuance of the Series 1995 Bonds pursuant to Section 159-86 of the Act.

3. This resolution shall take effect immediately upon its passage.

PASSED and ADOPTED this 8th day of March, 1995.

PUBLIC WORKS COMMISSION OF THE
CITY OF FAYETTEVILLE

_____, Chairman

_____, Vice Chairman

_____, Secretary

_____, Treasurer

