

**RESOLUTION OF THE PUBLIC WORKS COMMISSION OF  
THE CITY OF FAYETTEVILLE, NORTH CAROLINA  
ESTABLISHING A WATER AND SEWER UTILITIES  
ANNEXATION RESERVE FUND**

**WHEREAS**, the Public Works Commission (the "Commission") has provided funding for annexation water and sewer utility infrastructure costs for three of the four phases of the four-phase annexation program adopted by the City of Fayetteville (the "City") in May 1993, as amended in September 1997, through appropriations of the Commission's Electric Fund and the issuance of tax-exempt bonds; and

**WHEREAS**, the Commission and the City, in its desire to improve the management of delivering municipal services to annexed citizens, has and is continuing to defer portions of the annexation plan to future periods; and

**WHEREAS**, the Commission has determined the need to annually reserve funds to provide a means to finance annexation related utility extension cost through the establishment of a reserve fund; and

**WHEREAS**, the fund would be funded by the Water and Sewer General Fund of the Commission; and

**WHEREAS**, the creation and use of such a fund would decrease the need for future annexation related bond issues for small annexation projects and lessen the impact of annexation related utility extension cost on the Commission's operating capital budget; and

**NOW, THEREFORE**, be it resolved by the Commission that:

**Section 1.** The Commission hereby creates a Water and Sewer Annexation Reserve Fund (the "Reserve Fund") for the purpose providing water and sewer utilities to areas annexed by the City.

**Section 2.** The Reserve Fund will remain operational until the Commission determines that the need for such fund no longer exists. Any remaining funds may be transferred to a capital project fund to finance other water and/or sewer capital projects.

**Section 3.** The Commission will appropriate from the Water and Sewer General Fund each year to the Fund an amount to be determined through its annual operating budget, provided the current year appropriation does not exceed 5% of current year annual gross water and sewer sales and the accumulated balance does not exceed \$10,000,000.


**Section 4.** The Commission authorizes the General Manager and Chief Financial Officer of the Public Works Commission, collectively, to transfer funds from the Reserve Fund to a capital project fund authorized by the Commission through a capital project fund ordinance.

**Section 5.** The City Council of the City is hereby requested to adopt this resolution in the form presented above.


**Section 6.** This Resolution shall become effective upon its adoption.

**ADOPTED**, this the 10th day of Jan, 2001.

PUBLIC WORKS COMMISSION,

  
Chairman

Attest:

  
Secretary