

**RESOLUTION OF THE PUBLIC WORKS COMMISSION OF  
THE CITY OF FAYETTEVILLE, NORTH CAROLINA  
ESTABLISHING AN ANNEXATION PHASE V – PROJECT 1  
CAPITAL PROJECT FUND**

**WHEREAS**, the City of Fayetteville (the “City”) extended the City’s corporate limits effective September 30, 2005 through an involuntary annexation of an area commonly referred to as the Phase V Annexation. For utility installation scheduling, the Phase V area is further divided into approximately 16 sections, two of which are areas 1-A and 2-C. The combination of these 2 areas are commonly referred to as Phase V - Project 1; and

**WHEREAS**, the City adopted a Preliminary Assessment Resolution for Areas 1-A and 2-C of the Phase V Annexation on March 27, 2006 and a Resolution Directing the Phase V Annexation Areas 1-A and 2-C Utility Improvement Projects be Undertaken on April 24, 2006; and

**WHEREAS**, the Public Works Commission of the City of Fayetteville, NC (the “Commission”) and the City adopted a policy on June 21, 2006 and June 26, 2006, respectively, concerning the funding of water and sewer installation ordered by the City for areas within the City of Fayetteville that were annexed through the involuntary annexation process and designated as Phase V – Project 1 (“the Project”); and

**WHEREAS**, the Commission desires to establish a capital project fund to account for the Project’s construction capital costs associated with the water and sewer utility infrastructure installation; and

**WHEREAS**, the capital project fund will be funded in accordance with the Policy; and

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

**Section 1.** The Commission hereby creates an Annexation Phase V- Project 1 Capital Project Fund (the “CPF”) for the purpose of accounting for the installation of water and sewer utilities in Phase V – Project 1.

**Section 2.** The CPF will remain operational until the project areas are complete and all accounting transactions are finalized. Any remaining funds may be transferred to another appropriate fund to finance other water and wastewater projects.

**Section 3.** The Commission will manage the CPF to include the accounting and reporting, disbursements, and investment of funds. The Commission will also establish and

maintain a budget for the CPF of the estimated construction costs and funding sources that are anticipated to be available to complete the Project (Exhibit A).

**Section 4.** The City Council of the City is hereby requested to adopt this resolution in the form presented above.

**Section 5.** This Resolution shall become effective upon its adoption.

**ADOPTED**, this the 25th day of October 2006.

PUBLIC WORKS COMMISSION,

  
Chairman

Attest:

  
Secretary

**CITY OF FAYETTEVILLE PUBLIC WORKS COMMISSION**  
**Annexation Phase V - Project 1 Capital Project Fund**  
**For Fiscal Years 2007 - 2009**

**Initial Budget**

	<b>Prior Years</b>	<b>Proposed Initial Budget</b>	<b>Recommended Inception to Date Budget</b>
<b>Estimated Revenues and Other Funding Sources (1) (2)</b>			
City of Fayetteville	\$ -	\$ 2,934,185	\$ 2,934,185
Public Works Commission	\$ -	\$ 8,434,185	\$ 8,434,185
<b>Total Revenues and Other Funding Sources</b>	<b>\$ -</b>	<b>\$ 11,368,370</b>	<b>\$ 11,368,370</b>
<b>Estimated Expenditures and Other Uses</b>			
Utility installation cost - See attached for detail (3)	\$ -	\$ 10,790,370	\$ 10,790,370
Financing costs	\$ -	\$ 578,000	\$ 578,000
<b>Total Expenditures and Other Uses</b>	<b>\$ -</b>	<b>\$ 11,368,370</b>	<b>\$ 11,368,370</b>

- (1) Intended to reflect the prevailing Annexation Phase V - Project 1 Funding Agreement  
(2) Assumes 1,100 annexed parcels at \$5,000/per parcel  
(3) Based on estimate provided by PWC Engineering using permanent patch - no contingency added

ADOPTED BY COMMISSION  
ADOPTED BY CITY COUNCIL
