

**RESOLUTION OF THE PUBLIC WORKS COMMISSION OF THE  
CITY OF FAYETTEVILLE ESTABLISHING THE FORT BRAGG  
INTERIM WATER SERVICE PROJECT FUND**

**WHEREAS**, on September 22, 2006 the City of Fayetteville, North Carolina, acting by and through its Public Works Commission (the "Commission") and the County of Harnett ("Harnett") entered into a Water Service Contract (the "Contract") with the United States of America to provide water service to Fort Bragg Army Installation and Pope Air Force Base ("Customer"), and

**WHEREAS**, the Commission and Harnett entered into an Interlocal Agreement ("Agreement") dated September 26, 2006 to set out the respective responsibilities of the Commission and Harnett with regard to supplying water service to Customer under the Contract, and

**WHEREAS**, the Commission was designated, as recognized in the Contract and the Agreement, the lead contractor and point of contact for Customer, and

**WHEREAS**, the Commission desires to establish a project fund to account for and report the financial transactions of the Contract from the initiation of the Contract beginning October 1, 2006 until the sale of water from both Commission and Harnett begins, however, excluding actual reimbursable construction and financing costs of the connecting facilities. More specifically and as referenced in the Contract (page 15), this fund will account for CLINs 0002 - Design, Budget and Schedule; 0003AA - Initial Capital Payment; 0004 - Transition Costs; 0005 - Interim Plant Operations; and 0006 - Estimated Interim Operations Major.

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

Section 1. The Commission establishes the Fort Bragg Interim Water Service Project Fund to account for and report the receipts to and disbursements from the Commission under the Contract as described above.

Section 2. The Commission will manage this fund to include the accounting and reporting, disbursements, and investment of funds. The Commission will also establish and maintain a budget of the expected sources and uses of this fund (Exhibit A).

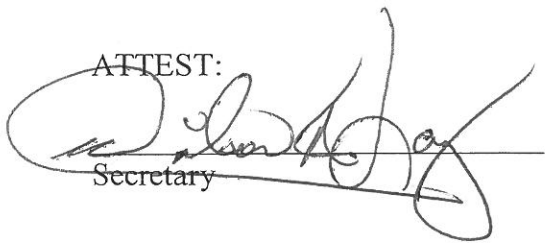
Section 3. The City Council of the City of Fayetteville, NC is hereby requested to adopt a resolution in the form presented above.

**ADOPTED**, this the 8th day of November, 2006.

PUBLIC WORKS COMMISSION,

  
Chairman

ATTEST:

  
Secretary

**CITY OF FAYETTEVILLE PUBLIC WORKS COMMISSION**  
**Ft. Bragg Interim Water Service Project Fund**  
**For Fiscal Years 2007 - 2010**

**Initial Budget**

	<b>Prior Years</b>	<b>Proposed Initial Budget</b>	<b>Recommended Inception to Date Budget</b>
<b>Estimated Funding Sources</b>			
United States of America (DOD)	\$ -	\$ 6,728,945	\$ 6,728,945
<b>Total Funding Sources</b>	<b>\$ -</b>	<b>\$ 6,728,945</b>	<b>\$ 6,728,945</b>
<b>Estimated Expenditures</b>			
CLIN 0002 - Design, Budget and Schedule	\$ -	\$ 2,343,025	\$ 2,343,025
CLIN 0003AA - Initial Capital Payment	\$ -	\$ 628,524	\$ 628,524
CLIN 0004 - Transition Costs	\$ -	\$ 274,112	\$ 274,112
CLIN 0005 - Interim Plant Operations (1)	\$ -	\$ 3,253,284	\$ 3,253,284
CLIN 0006 - Interim Operations Major	\$ -	\$ 230,000	\$ 230,000
<b>Total Expenditures (2)</b>	<b>\$ -</b>	<b>\$ 6,728,945</b>	<b>\$ 6,728,945</b>

(1) Assumes 1st year price constant for 36 months; amendments may be necessary upon renegotiation of annual prices.

(2) Expenditures payable to either PWC's General Fund or Harnett County in accordance with the Water Contract.

ADOPTED BY COMMISSION  
ADOPTED BY CITY COUNCIL
