

The Public Works Commission of the City of Fayetteville, North Carolina (the "PWC") held a regular meeting at 955 Old Wilmington Road in Fayetteville, North Carolina, the regular place of meeting, at 8:30 a.m. on November 14, 2007.

Present: Chairman Michael G. Lallier, presiding, and Commissioners Wilson A. Lacy, Luis Olivera and Terri Union

Absent: _____

Also Present: _____

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J. Dwight Miller, CFO introduced the following resolution the title of which was read and copies of which had been previously distributed to each Commissioner:

Resolution No. PWC2007.09

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION, REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A PRIVATE SALE AND APPROVING THE FINANCING TEAM ALL IN CONNECTION WITH THE ISSUANCE OF REVENUE BONDS BY THE CITY

BE IT RESOLVED by the PWC:

Section 1. The PWC does hereby find and determine as follows:

(a) The PWC, created pursuant to Chapter VI of the City Charter of the City of Fayetteville, North Carolina (the "City") as an independently operated utility for the purpose of supervising and managing the electric, water and sanitary sewer systems of the City, currently operates an electric system, water system and sanitary sewer system for and on behalf of the City, all of which provide services to the residents of the City and its environs.

(b) Pursuant to a bond order adopted by the City Council of the City on November 5, 1990, as supplemented and amended (the "Bond Order"), the City and the PWC created a combined enterprise system comprised of the electric system, water system and sanitary sewer system (collectively, the "System"). The Bond Order provides for the issuance of revenue bonds thereunder, to be secured by the Net Revenues (as defined in the Bond Order) of the System as set forth therein, to finance improvements to the System and to refund bonds issued the Bond Order.

(c) In order to better serve and provide for the future needs of the residents of the City and its environs, the City will acquire, construct and equip various improvements to its water and sanitary sewer system, including, without limitation, (i) extension of sewer mains and lines to various annexed areas of the City, (ii) extension, rehabilitation and replacement of water and sewer mains and lines and (iii) sanitary sewer manhole rehabilitation (collectively, the "Series 2008 Project").

(d) The Series 2008 Project is necessary to secure adequate and reliable water and sewer service and to promote the present and future welfare of the residents of the City and its environs.

(e) The PWC desires to commence procedures at this time for having the City issue revenue bonds for the purpose of providing funds, together with any other available funds, to (i) pay the costs of the Series 2008 Project, including any capitalized interest with respect thereto, (ii) fund any necessary debt service reserve fund for such revenue bonds and (iii) pay certain other costs associated with the issuance and sale of such revenue bonds.

(f) The PWC desires for the City to file an application with the Local Government Commission for approval of the issuance of such revenue bonds and to authorize certain actions in connection therewith.

(g) The amount of the proposed revenue bonds will be sufficient, but not excessive, for the purpose of paying the costs described in paragraph (e) above.

(h) The proposed Series 2008 Project is feasible.

(i) The annual audits of the PWC and the City show the PWC and the City to be in strict compliance with debt management policies, and the budgetary and fiscal management policies of the PWC and the City are in compliance with law.

(j) The proposed revenue bonds can be marketed at a reasonable interest cost to the City.

(k) Any projected rate increases for water and sewer service in connection with the issuance of the proposed revenue bonds will be reasonable.

Section 2. The officers and employees of the PWC are hereby authorized and directed to assist the City in filing an application with the Local Government Commission for approval of the issuance of revenue bonds in an aggregate principal amount not to exceed \$18,000,000.00 for the purpose of providing funds, together with any other available funds, to (a) pay the costs of the Series 2008 Project, including any capitalized interest with respect thereto, (b) fund any necessary debt service reserve fund for such revenue bonds and (c) pay certain other costs associated with the issuance and sale of such revenue bonds. Any such action heretofore taken by the officers and employees of the PWC in connection with the filing of such application is hereby ratified and approved.

Section 3. The Local Government Commission is hereby requested to sell the proposed revenue bonds at a private sale without advertisement.

Section 4. The following financing team members are hereby recommended for approval by the City in connection with the proposed revenue bond issue, and the PWC requests that the Local Government Commission approve the same:

Bond Counsel:	Womble Carlyle Sandridge & Rice, PLLC Rand & Gregory, P.A.
Underwriter:	Citigroup Global Markets Inc.
Underwriter's Counsel:	Hunton & Williams LLP The Charleston Group
Financial Advisor	First Southwest Company
Engineering Consultant	Raftelis Financial Consultants, Inc.
Trustee/Bond Registrar:	The Bank of New York Trust Company, N.A.

Section 5. This resolution shall take effect immediately upon its passage.

Upon motion of Commissioner Union, seconded by Commissioner Olivera, the foregoing resolution entitled "RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION, REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A PRIVATE SALE AND APPROVING THE FINANCING TEAM ALL IN CONNECTION WITH THE ISSUANCE OF REVENUE BONDS BY THE CITY" was passed by the following vote:

Ayes: Commissioners Lallier, Union, Olivera and Lacy.

Noes: None.

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I, Terri Union, Secretary of the Public Works Commission of the City of Fayetteville, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and accurate copy of so much of the proceedings of said Public Works Commission at a regular meeting held on November 14, 2007, as relates in any way to the adoption of the foregoing resolution and that said proceedings are recorded in minute books of said Public Works Commission.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand this 14th day of November, 2007.


Secretary