*The following is a sample Capital Reserve Fund Resolution (CRF) associated with the “Town of Bluesky’s” water/sewer enterprise fund. It includes three projects. The original CRF was adopted by the board in FY 2021-2022. It was amended in FY 2022-2023 to add appropriations to each project. See amendment resolution listed below original resolution. (Note that the CRF must be amended by the governing board any time new appropriations are added or monies are transferred to the annual budget ordinance or a project ordinance for expenditure on the identified project.)*

**TOWN OF BLUESKY WATER AND WASTEWATER CAPITAL RESERVE FUND RESOLUTION**

**WHEREAS,** there is a need in the Town of Bluesky to provide funds for future capital projects related to its combined water and wastewater system, and to make debt service payments on existing debt related to past capital projects for its water and wastewater system, and

**WHEREAS,** North Carolina General Statute (NCGS) 159-18 authorizes the creation of a capital reserve fund, and

**WHEREAS,** NCGS 162A, Art. 8 requires that all system development fee proceeds be accounted for in a capital reserve fund,

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD THAT**

**Section 1. The Governing Board hereby creates a Capital Reserve Fund for the purpose of funding the following capital projects related to the town’s water and wastewater system:**

**Project 1: Water Treatment Plant Upgrade**. The existing plant on Fuller Avenue is designed to serve a population equivalent (PE) of 10,000, but is currently operating above its capacity at 11,200 PE, calling for an upgrade to meet current and projected future requirements. The estimated cost of the project is $1.2 million The town expects to complete the project in FY 2025-2026, and intends to appropriate approximately $300,000 of system development fee revenues to the CRF for this purpose. The town anticipates receiving a zero-interest loan from the state to fund the remainder of the cost. It will use future system development fee collections to make debt service payments on the loan. The governing board hereby appropriates $100,000 in system development fee revenues from the FY 2021-2022 annual budget ordinance.

|  |  |
| --- | --- |
| FY 2021-2022 Appropriation | $100,000 |
|  |  |
|  |  |
| Project Total: | $100,000 |

**Project 2: Construction of new elevated water storage tanks**. Estimated to be 0.650 million gallons, this new tank is planned for the distribution system near North Ponds Park, at a cost of $2.2 million. Construction of the tank is expected in FY 2026-2027. The town anticipates funding approximately 40 percent of the cost of the tank with system development fee proceeds. The remaining cost will be funded through existing fund balance in the water fund. The 2022-2023 appropriation from the budget ordinance to the CRF is $550,000, comprised of $150,000 in SDF proceeds from the water and sewer enterprise fund, and $400,000 in water and sewer enterprise fund balance.

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| --- | --- |
| FY 2021-2022 Appropriation | $550,000 |
|  |  |
|  |  |
| Project Total Appropriations To Date: | $550,000 |

**Project 3: Regional Pump Station and Force Main**: One regional pump station project and one force main replacement project are already under design, to be complete by FY 2022-2023.The estimated cost is $900,000. The town anticipates funding 100 percent of the cost with SDF proceeds. The governing board hereby appropriates $500,000 in system development fee proceeds from the FY 2021-2022 annual budget ordinance.

|  |  |
| --- | --- |
| FY 2021-2022 Appropriation | $500,000 |
|  |  |
|  |  |
| Project Total: | $0 |

**Section 2.** This CRF shall remain effective until all the above-listed projects, and any projects added in the future, are completed. The CRF may be amended by the governing board as needed to add additional appropriations, modify or eliminate existing capital projects, and/or add new capital projects.

**Section 3.** This Resolution shall become effective and binding upon its adoption.

**Adopted this 15th day of July 2021.**

**John Smith**

John Smith, Mayor, Town of Bluesky

**CAPITAL RESERVE FUND RESOLUTION AMENDMENT**

**August 10, 2022**

**WHEREAS,** the governing board of the Town of Bluesky established a Water and Wastewater Capital Reserve Fund (CRF) in FY 2021-2022, and

**WHEREAS,** the CRF identified three capital project associated with the town’s water and sewer fund, and

**WHEREAS,** North Carolina General Statute (NCGS) 159-\_\_ authorizes the board to amend the CRF at any time to add appropriations to existing projects, add new projects, move money between projects, and/or transfer funds to the enterprise fund for expenditure**,**

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD THAT**

**Section 1.** The following amendments are made to the Town of Bluesky’s Water and Wasterwater Capital Reserve Fund Resolution:

Amendment 1: Transfer $100,000 to Project 1: Water Treatment Plant Upgrade, from an appropriation in the FY2022-2023 annual budget ordinance.

Amendment 2: Transfer $200,000 to Project 2: Construction of new elevated water storage tanks, as per the appropriation in the FY 2022-2023 annual budget ordinance.

Amendment 3: Transfer $500,00 from Project 3: Regional Pump Station and Force Main to the Water and Wastewater Enterprise Fund in the FY 2022-2023 annual budget ordinance.

**Section 2.** This amendment to the CRF shall become effective and binding upon its adoption.

**Adopted this 10th day of August 2022**

**John Smith**

John Smith, Mayor, Town of Bluesky

**TOWN OF BLUESKY WATER AND WASTEWATER CAPITAL RESERVE FUND**

**As Amended on August 10, 2022**

**Project 1: Water Treatment Plant Upgrade**. The existing plant on Fuller Avenue is designed to serve a population equivalent (PE) of 10,000, but is currently operating above its capacity at 11,200 PE, calling for an upgrade to meet current and projected future requirements. The estimated cost of the project is $1.2 million The town expects to complete the project in FY 2025-2026, and intends to appropriate approximately $300,000 of system development fee revenues to the CRF for this purpose. The town anticipates receiving a zero-interest loan from the state to fund the remainder of the cost. It will use future system development fee collections to make debt service payments on the loan. The governing board hereby appropriates $100,000 in system development fee revenues from the FY 2021-2022 annual budget ordinance.

|  |  |
| --- | --- |
| FY 2021-2022 Appropriation | $100,000 |
| FY 2022-2023 Appropriation (as amended on August 10, 2022) | $100,000 |
|  |  |
| Project Total Appropriations To Date: | $200,000 |

**Project 2: Construction of new elevated water storage tanks**. Estimated to be 0.650 million gallons, this new tank is planned for the distribution system near North Ponds Park, at a cost of $2.2 million. Construction of the tank is expected in FY 2026-2027. The town anticipates funding approximately 40 percent of the cost of the tank with system development fee proceeds. The remaining cost will be funded through existing fund balance in the water fund. The 2022-2023 appropriation from the budget ordinance to the CRF is $550,000, comprised of $150,000 in SDF proceeds from the water and sewer enterprise fund, and $400,000 in water and sewer enterprise fund balance.

|  |  |
| --- | --- |
| FY 2021-2022 Appropriation | $550,000 |
| FY 2022-2023 Appropriation (as amended on August 10, 2022) | $200,000 |
|  |  |
| Project Total Appropriations To Date: | $750,000 |

**Project 3: Regional Pump Station and Force Main**: One regional pump station project and one force main replacement project are already under design, to be complete by FY 2022-2023.The estimated cost is $900,000. The town anticipates funding 100 percent of the cost with SDF proceeds. The governing board hereby appropriates $500,000 in system development fee proceeds from the FY 2021-2022 annual budget ordinance.

|  |  |
| --- | --- |
| FY 2021-2022 Appropriation | $500,000 |
| FY 2022-2023 Transfer to Enterprise Fund for expenditure on project | ($500,000) |
|  |  |
| Project Total: | $0 |