**Sample Capital Reserve Fund Resolution**

WHEREAS, there is a need in the Town of \_\_\_\_\_\_ 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, 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:**

**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 2020 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 2018-2019 appropriation from the budget ordinance to the CRF of SDF proceeds for this purpose is $100,000.*

**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 2024-25. 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 2018-2019 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.*

**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.The estimated cost is $900,000. The town anticipates funding 100 percent of the cost with SDF proceeds.

*The 2018-2019 appropriation from the budget ordinance to the CRF is $156,000 in SDF proceeds.*

**Expansion of the Town of \_\_\_\_\_\_ Wastewater Treatment Plant**: Capacity expansion by 1.4 MGD is estimated to cost $30 million. The project will occur in phases, with an expected completion date of 2030. Within the town’s 10-year CIP planning period (FY 2018-19 through FY 2028-29), approximately $20 million or 67% of the total cost, is anticipated to be expended. The town expects to issue revenue bonds to fund this project, to be repaid from both SDF proceeds and general wastewater user fees.

*The 2018-2019 appropriation from the budget ordinance to the CRF is $75,000 in SDF proceeds.*

**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 [day] of [month year].**

**Signature(s)**