



**RESOLUTION TO ESTABLISH
TOWN OF NAGS HEAD
WATER CAPITAL RESERVE FUND**

WHEREAS, There is a need in the Town of Nags Head, North Carolina to set aside funds for future capital projects related to its water system, and to make debt service payments on existing and future debt related to past and future capital projects for its water system; AND

WHEREAS, NCGS 159-18 authorizes the creation of a capital reserve fund; AND

WHEREAS, NCGS 162A, Article 8 requires that all system development fee proceeds be accounted for in a capital reserve fund; AND

WHEREAS, Within the Town of Nags Head, various fees and funds are generated and used as follows:

- System development fees are generated by construction occurring within the Town and are transferred from the Water Fund and designated by the Board to be spent for future capital projects related to its water system and for debt service payments and existing and future debt relating to past and future capital needs; AND

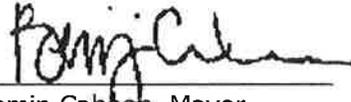
WHEREAS, These fees and funds generated are to be set aside / accumulated in a Water Capital Reserve Fund.

NOW THEREFORE BE IT RESOLVED that pursuant to NCGS 159-18 the Town of Nags Head Board of Commissioners hereby establishes a Water Capital Reserve Fund for the purpose of accumulating approximately \$50,000 each fiscal year in revenues as listed above by direct appropriation from the Water Fund, which revenues shall then be spent for future capital projects related to the Town of Nags Head's water system and for debt service payments and existing and future debt relating to past and future capital needs of said water system.

The Water Capital Reserve Fund is to remain operational for a period not to exceed ten years (beginning August 1, 2018 and ending June 30, 2028), and unless terminated sooner, shall automatically renew for each succeeding year following June 30, 2028 until terminated by the Nags Head Board of Commissioners.

This resolution shall become effective and binding upon its adoption.

Adopted this 1st day of August 2018.



Benjamin Cahoon, Mayor
Town of Nags Head

ATTEST:


Carolyn F. Morris, Town Clerk