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A RESOLUTION ADOPTING A REVISED POLICY REGARDING TOWN PARTICIPATION IN THE COSTS OF FUTURE SEWER PROJECTS (95-3-27/R-11)

BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council hereby adopts the following policy regarding future participation in future sewer projects:

1. That the Town's obligation to participate in sewer costs from sales taxes and Community Development funds be limited to the amount of funds now available and undesignated through the Council's actions (\$78,000 in 1994-95 sales taxes and \$100,000 of 1995-96 sales taxes; \$50,000 of Community Development grant funds).
2. That the availability of Community Development funds for sewer purposes shall be subject to change due to reallocations which the Council may make in the plan for using these funds and/or due to federal requirements regarding use and availability of these funds.
3. That the Town's participation in future sewer projects with sales tax funds shall continue at 16% of estimated construction costs of neighborhood sewer projects and that funds be applied at this rate until they are no longer available, subject to the following:
 - a. That of the 16% funding for a given project area, up to half shall be available for assisting low-income families with costs of assessments under the terms of the Council's Sewer Loan Policy as in effect at the time of the allocation. The remaining half of the 10% contribution, and any of the funds available for but not used for loans to low-income homeowners in the project area shall become allocated to sewer construction costs at a time determined by the Town Manager or Town Council.
 - b. That the Council allocate funds from sales taxes for individual projects in specific amounts based on estimated construction costs at the time of the Council's allocation decision. If estimated or actual construction costs subsequently change, the Council may but shall not be obligated to adjust the amount of the 16% funding for a sewer project.
 - c. That if the remaining amount of sales tax funds available for a sewer project would equal less than 16% of estimated costs of a project, then the Council may but shall not be obligated to allocate other funds to increase the allocation to a total of 16%.
 - d. That the Council's decisions to allocate funds for individual sewer projects take into account the public health need to undertake a project, the order in which valid sewer petitions are received by OWASA and other factors which the Council considers relevant. The Council may in its discretion but shall not

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be required to allocate funds for an anticipated sewer project before a petition is received by OWASA.

- e. That the Town shall have no obligation to contribute funds to a sewer project if the Orange Water and Sewer Authority undertakes a project without assessments.
 - f. That if the Town is required under State law to extend sewer outfall lines into an annexation area, the Town's allocation of sales taxes for outfall purpose shall be for the full cost of such outfall, less any costs to be covered by other parties.
- 4. That the above policy would not alter the Council's decisions before adoption of this policy regarding assistance to neighborhoods which are or have been in the process of having sewers built with assessments.
 - 5. That the policy shall not apply to any annexation areas for which the Town's previous policy regarding financial participation in sewer projects must apply under requirements in current State law.

This the 27th day of March, 1995.