

RESOLUTION 15-3

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF ANNETTA DECLARING ITS INTENT THAT THE REPAYMENT OF THE \$1,000,000 COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2015, IF ISSUED, WILL COME FROM REVENUES DERIVED BY THE USERS OF THE DEER CREEK WATER AND WASTE WATER SYSTEMS.

WHEREAS, the Town of Annetta (“Town”) is a Type A General Law City which operates with public funds and whose primary purpose is to facilitate the business of the Town for the benefit of the Town’s citizens; and

WHEREAS, the expenditure of public funds is necessary to carry out the duties and responsibilities of the Town in accordance with good government and to expedite good business practices; and

WHEREAS, the Town’s primary responsibilities are to protect the public health and provide for the safety and general welfare of its citizens; and

WHEREAS, more than 500 residences within the Town are served by and dependent upon the Deer Creek Wastewater Plant for removal and treatment of raw sewage; and

WHEREAS, a thorough and complete analysis of the design and equipment needs of the Deer Creek Wastewater plant was performed and a determination was made to improve service to existing customers and plan for increased future flows; and

WHEREAS, there is no alternative service available for the treatment of wastewater to existing customers therefore it is unwise to attempt to incrementally improve capacity or service as it is impossible to remove the existing plant from use for such needed repairs or increases in capacity; and

WHEREAS, it was determined that the most cost effective long term solution would be replacement of the existing plant and cash reserves do not exist in an amount needed to cover the expense; and

WHEREAS, a rate study was performed in order to address other ongoing cost increases and the potential obligation of acquiring new debt service to fund the new wastewater treatment plant; and customer rates were then increased to cover these anticipated costs; and

WHEREAS, the issuance of Certificates of Obligation is necessary to fund certain Public Works projects, including the new wastewater treatment plant; and

WHEREAS, the ability to repay the Certificate of Obligation in a manner that is advantageous to the citizens of the Town requires the use of language stating that repayment will come in some part from ad valorem taxes;

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF ANNETTA:

That repayment of the \$1,000,000 Combination Tax and Revenue Certificates of Obligation, Series 2015, if issued, will come from revenues derived by the users of the Deer Creek Water and Waste Water Systems, and it is the intention of the Town Council to avoid the use of any ad-valorem taxes as a method of repayment of said indebtedness.

AND IT IS SO RESOLVED.

PASSED AND ADOPTED by the Town of Annetta, Texas, on the 19th day of March, 2015.

TOWN OF ANNETTA

By: _____

Bruce Pinckard, Mayor

ATTEST: _____

Rico Remigio, Town Secretary

