

RESOLUTION NO. R91-27-A

A RESOLUTION OF INTENT REGARDING THE  
SEWER SYSTEM IMPROVEMENT PROJECT

WHEREAS, the City of Conway, Arkansas (the "City"), proposes to acquire, construct and equip improvements to the City's sewer system (the "Project"), described as follows: planning, design, and construction efforts to provide necessary sewerage improvements to meet the City's NPDES permit effluent limitations. Specific project elements anticipated include sewer system rehabilitation, pump station revisions, sewage treatment plant revisions, and possibly, construction of a new sewage treatment plant; and

WHEREAS, the City proposes to obtain funds to accomplish the Project from the proceeds of a sewer revenue bond (the "City Bond") to be issued by the City and purchased in multiple advances by the Arkansas Development Finance Authority ("ADFA") as a part of the Revolving Loan Program administered by the Arkansas Department of Pollution Control and Ecology (the "Program"); and

WHEREAS, a portion of the purchase price for the City Bond will be provided by bonds to be issued by ADFA (the "ADFA Bonds"); and

WHEREAS, the balance of the purchase price for the City Bond will be paid from federal and state funds made available by the Program ("Program Funds"); and

WHEREAS, the estimated cost of the Project and expenses of issuing the City Bond is \$12,000,000; and

WHEREAS, the City has issued and outstanding its \$662,500 Sewer Revenue Bond, dated May 21, 1991 (the "Temporary Bond") for the purpose of providing temporary financing of the planning and design costs of the Project; and

WHEREAS, the proceeds of the City Bond will be used to retire the Temporary Bond; and

WHEREAS, the purpose of this Resolution is for the City to declare its "official intent" for the issuance of the ADFA Bonds within the meaning of the applicable income tax regulations promulgated by the United States Treasury Department;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Conway, Arkansas:

Section 1. That the City hereby expresses its intent to advance its own funds to pay costs of the Project and bond

issuance costs and to reimburse itself from ADFA Bond proceeds and Program Funds for all expenditures for costs paid by the City prior to the issuance of the ADFA Bonds. Debt service on the ADFA Bonds will be paid from Program revenues, including payments made by the City with respect to the City Bond with revenues of the City's sewer system (the "System"). The interest on the ADFA Bonds shall be exempt from federal income taxation.

Section 2. That the City expects that the sources of funds to be advanced for Project and bond issuance costs prior to issuance of the ADFA Bonds will be as follows: revenues of the System; proceeds of the City Bond purchased with advances of Program Funds; and/or the proceeds of the Temporary Bond.

Section 3. That a copy of this Resolution shall be filed in the official records of the City in the office of the City Clerk within ten (10) days from the adoption hereof. It shall be continuously available for public inspection during regular business hours on every business day until the date of issuance of the ADFA Bonds or the City Bond, whichever is later.

PASSED: 9-10-, 1991.

APPROVED:

By:

David A. Kinley  
Mayor

ATTEST:

Martha Hartman  
City Clerk

(SEAL)

CERTIFICATE

The undersigned, City Clerk of the City of Conway, Arkansas (the "City"), hereby certifies that the foregoing is a true and compared copy of a resolution passed at a regular session of the City Council of the City, held at the regular meeting place of the Council at 6:30 o'clock p.m. on the 10<sup>th</sup> day of September 1991.

  
City Clerk

(SEAL)