

RESOLUTION No. 99- 38

A RESOLUTION EXPRESSING THE INTENT OF THE CITY OF CONWAY, ARKANSAS TO REIMBURSE EXPENDITURES PERTAINING TO THE PLANNING, DESIGNING, FINANCING, ACQUIRING, CONSTRUCTING AND EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS TO THE CITY'S WATER SYSTEM WITH THE PROCEEDS OF AN ISSUE OF TAX-EXEMPT BONDS TO BE ISSUED BY THE CITY; AND STATING OTHER MATTERS PERTAINING THERETO

WHEREAS, the City of Conway, Arkansas (the "City") presently owns a water storage, treatment and distribution system (the "System") serving the residents of the City, which System is operated and maintained by Conway Corporation, an Arkansas nonprofit corporation (the "Corporation"), pursuant to an exclusive franchise granted to the Corporation by the City; and

WHEREAS, the City is authorized under the provisions of the Constitution and laws of the State of Arkansas and Arkansas Code Annotated Sections 14-164-401 *et seq.* (1998 Repl.) to issue and sell its water revenue bonds for the purpose of financing the cost of improvements to the System; and

WHEREAS, to secure funds necessary to finance the acquisition, construction and equipping of various capital improvements to the System, including intake equipment, an emergency generator and engineering costs (the "Project"), the Corporation has requested that the City consider issuing its water revenue bonds during the first quarter of 2000; and

WHEREAS, certain costs of the Project may be paid by the Corporation prior to the issuance of the City's water revenue bonds; and

WHEREAS, in order to utilize the proceeds of tax-exempt bonds to reimburse original expenditures made by the Corporation with respect to the Project, it is necessary under the Internal Revenue Code of 1986, as amended (the "Code"), and U.S. Treasury Regulation Section 1.150-2 that the City make a present declaration of its official intent to make such reimbursement;

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

Section 1. That the City intends to issue its Water Revenue Improvement Bonds in aggregate principal amount not to exceed \$1,500,000 under the Constitution and laws of the State of Arkansas to finance all or a portion of the costs of planning, designing, financing, acquiring, constructing and equipping of the Project.

Section 2. That the City intends that a portion of the proceeds of the Bonds will be utilized to reimburse the Corporation for certain expenditures made by the Corporation prior to the issuance of the Bonds with respect to the planning, designing, financing, acquiring, constructing and equipping of the Project.

Section 3. That the City intends this resolution to be its declaration of "official intent" under the Code and U.S. Treasury Regulation Section 1.150-2 to reimburse certain original expenditures with respect to the Project.

ADOPTED AND APPROVED THIS 28th day of September, 1999.



Mayor

ATTEST:



City Clerk

[S E A L]