



**City of Conway, Arkansas
Resolution No. R-09-31**

A RESOLUTION OF INTENT REGARDING THE REIMBURSEMENT OF CERTAIN COSTS AND EXPENSES INCURRED IN CONNECTION WITH THE ACQUISITION AND INSTALLATION OF CERTAIN IMPROVEMENTS TO THE ELECTRIC SYSTEM OF THE CITY

WHEREAS, the City of Conway, Arkansas (the "City") owns an electric generation and distribution system (the "System") serving the residents of the City, which System is operated and maintained by the Conway Corporation, a nonprofit corporation organized and existing under the laws of the State of Arkansas (the "Corporation"), pursuant to a lease from the City and an exclusive franchise to operate the System granted to the Corporation by the City; and

WHEREAS, the City, Arkansas Electric Cooperative Corporation, City Water & Light Plant of the City of Jonesboro, Arkansas, the City of West Memphis, Arkansas, and Entergy Arkansas, Inc. are the joint owners of the White Bluff Steam Electric Station, a coal-fired electric generation facility located in Jefferson County, Arkansas ("the White Bluff Plant"); and

WHEREAS, Arkansas Regulation 19 requires the installation of certain pollution control systems at the White Bluff Plant no later than September 2013 in order to improve visibility in Federal Class 1 areas as directed by the Environmental Protection Agency's ("EPA") Clean Air Visibility Rule; and

WHEREAS, technical studies, specifications and cost estimates have been provided to the Corporation regarding the installation of a Flue Gas Desulfurization System (the "FGD System") at the White Bluff Plant which will bring the White Bluff Plant into compliance with the applicable provisions of Arkansas Rule 19 and EPA's Clean Air Visibility Rule; and

WHEREAS, the Corporation has requested that the City assist in obtaining financing for its share of the costs of the FGD System (the "Project"); and

WHEREAS, the total costs of the Project, including expenses associated with the financing thereof, are presently estimated to be approximately \$22,000,000; and

WHEREAS, the Corporation and the City do not have adequate funds on hand to pay the estimated costs of the Project and related expenses; and

WHEREAS, the City proposes to obtain the necessary funds to accomplish the Project and to pay related expenses through the issuance of tax-exempt or taxable revenue bonds issued by the City and sold through an underwriter (the "Bonds"); and

WHEREAS, the principal amount of the Bonds is not presently expected to exceed \$22,000,000; and

WHEREAS, the purpose of this Resolution is for the City to declare its "official intent" to reimburse itself or the Corporation for certain preliminary costs (incurred by or on behalf of the City and related to the Project) pursuant to Section 1.150-2 of the Regulations of the U.S. Department of Treasury promulgated pursuant to the provisions of the Internal Revenue Code of 1986, as amended;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS:

Section 1. That the adoption of this Resolution is intended as the City's "official intent" to reimburse itself or the Corporation from the proceeds of Bonds for preliminary costs of the Project and related expenses advanced by the City or the Corporation.

Section 2. That a copy of this resolution shall be furnished by the Mayor to any entity requesting such a copy in connection with the financing of the Project.

PASSED AND APPROVED this 14th day of July, 2009.

APPROVED:

By: 
Tab Townsell, Mayor

ATTEST:

By: 
Michael Garrett, City Clerk

[S E A L]