

RESOLUTION

R-00-12

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. (1998Repl.)** 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 water treatment plant expansion construction and engineering costs (the "**Project**"), **the Corporation has** requested **that the** City consider issuing its water revenue bonds **during the first quarter of 2001; 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 **\$25,000,000** 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 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 11 DAY OF April, 2000

John J. [Signature]
MAYOR

ATTEST:

Michael D. Garrett
CITY CLERK

(SEAL)

