

RESOLUTION NO. 89 _____

A RESOLUTION OF INTENT REGARDING
THE Musteen Road Water PROJECT

WHEREAS, the City of Tontitown, Arkansas, (the "City"), proposes to acquire, construct, and equip improvements to the City's Water system (the "Project"), described as follows:

A water main extension along Musteen Road, to serve residents in the Tontitown water service area who are not currently connected to a public water supply system

WHEREAS, the City proposes to obtain funds to accomplish the Project from the proceeds of a water and sewer revenue bond (the "City Bond") to be issued by the City and purchased by the Arkansas Soil and Water Conservation Commission (the "Commission") as a part of the Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Program (the "Program"); and

WHEREAS, the purchase price for the Project will be paid from Commission funds made available by the Program ("Program funds"); and

WHEREAS, the estimated cost of the Project is two hundred seventy thousand one hundred (\$ 270,100.00);

AND WHEREAS, the purpose of this Resolution is for the City to declare its "official intent" for the issuance of the City Bond 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 Tontitown, Arkansas:

Section 1. The City hereby expresses its intent to advance its own funds to pay costs of the Project, including but not limited to legal, engineering, and right-of-way costs and with Commission approval, to reimburse itself from Program Funds for all expenditures for costs paid by the City prior to the issuance of the City Bond. Debt service on the City Bond will be paid from water and sewer revenues. The interest on the City Bond shall be exempt from federal income taxation.

Section 2. The City expects that, but does not limit the sources of funds to be advanced for the Project prior to issuance of the City Bond will be water and sewer revenues.

Section 3. A copy of this Resolution shall be filed in the official records of the City in the office of the City Clerk/Recorder 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 City Bond.

PASSED: September 4, _____, 2001.

APPROVED:

BY: Daniel R. Wata
Mayor

ATTEST:

BY: Frances Franco
Clerk/Recorder

Revised 1/07/2000