

BUILDING/PLANNING:

The Planning Board will be holding a public hearing at next week's regularly scheduled meeting. This hearing is for a rezoning at Waste Management. They are in the planning stage of constructing a compressed natural gas fuel station. The rezoning is only for the area around the WM office where this development will be located. This does not apply to the landfill expansion in any way. Also, on the agenda for the board is a large-scale development for M&H Backhoe Service. This will be a shop and office building located just west of Venesian Inn. Last of all, there may be a final plat approval for South Pointe Subdivision. If they can complete all items necessary and get a final inspection.

WATER & SEWER:

As you know, we have opened and accepted bids for the water tower project. As you are also aware, the bids came in higher than the original estimate. This was the reason we had to have a special meeting last week. We had to re-apply to USDA for the extra funds. We should find out next month if we are going to be approved for the additional money. Something we have not discussed is the water transmission line funding. The low bid for the construction of the transmission line was eight million dollars. The cost of engineering, purchasing easements, geo-technical work, condemnation, and other fees will amount to approximately \$700,000. This project is to be paid for with a sales tax bond that was approved last year. The amount of the bond, based on the engineer's estimate was \$7,800,000. Once all of the associated fees are subtracted, the actual bond was set at \$7,352,932. Therefore, we are also short of funding on this project by approximately \$1,347,000. According to Kevin Faught with Stephens Inc., we are going to be responsible for the overage. In order to come up with this amount of money, we have a couple of options. The first option is to spend our reserves in the water and sewer funds. We have the money to do this, but it would completely deplete our accounts. Remember, at this point we are not assured that we are going to receive the additional funds from USDA needed to construct the water tower. The other option is to borrow the funds needed to make up the difference. The question is, will we qualify for another loan at this time? I have contacted the Arkansas Natural Resources Commission which provides funding for municipalities for water and sewer projects. As a matter of fact, we currently have a water revenue bond with ANRC that was issued in 2002. My conversation with them was encouraging and they requested that I submit an application to them by September 15th. If they receive the application and documents by that date, we could have an answer the first week of October. On a positive note, we will not have to come up with the extra funds until near the end of the construction. The contractor will begin construction on October 1, this year and continue for twelve months. That means that we have nine or ten months in order to formulate a plan. Hopefully, we will have it figured out long before then.