

RESOLUTION NO. 2000-07
A RESOLUTION OF INTENT REGRADING THE
SEWER SYSTEM IMPROVEMENT

WHEREAS, the City of Cotter, Arkansas (the "City"), proposes to acquire, construct and equip improvements to the City's sewer system (the "Project"), describe as follows:

WHEREAS, the City proposes to obtain funds to accomplish the Project from the proceeds of a Sewer use tax revenue bond (the "City Bond") to be issued by the City and purchased in multiple Advances by the Arkansas Development Finance Authority ("ADFA") as a part of the Revolving Loan Program administered by the Arkansas Department of Environmental Quality ("the Program"); and

WHEREAS, a portion of the purchase price for the City Bond will be provided by bonds to be issued By the ADFA (the "ADFA Bonds"); and

WHEREAS, the balance of the purchase price for the City Bond will be paid from federal and state Funds made available by the Program ("Program Fund"); and

WHEREAS, the estimated cost of the project and expenses of issuing the City Bond is \$1,073,792.00; and

WHEREAS, the purpose of this Resolution is for the City to declare its "official intent" for the issuance of the ADFA Bonds 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 Cotter, Arkansas:

SECTION 1. That the City hereby expresses its intent to advance its own funds to pay costs of the Project and bond issuance costs and to reimburse itself from ADFA Bond proceeds and Program Funds for all expenditures for costs paid by the City prior to the issuance of the ADFA Bonds. Debt service on the ADFA Bonds will be paid from Program revenues, including payments made by the City with respect to the City Bond with revenues of the City's water and sewer system (the "system"). The interest on the ADFA Bonds shall be exempt from federal income taxation.

SECTION 2. That the City expects that the source of funds to be advanced for Project and bond issuance costs prior to the issuance of the ADFA Bonds will be as follows: revenues of the system.

SECTION 3. That a copy of this Resolution shall be filed in the official records of the City in the office the City 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 ADFA Bonds or the City Bond, whichever is later.

SECTION 4. That this resolution is passed at the request of the RLF for the purpose of updating The Previous resolution, Resolution 98-03 in regards to the expected costs of the project.

PASSED: (SEAL)

APPROVED:
J. D. Pratt, Mayor

ATTEST:
Betty Anglin, Rec./ Treas.