

ORDINANCE NO. 2015-04

AN ORDINANCE AUTHORIZING THE CONSTRUCTION OF BETTERMENTS AND IMPROVEMENTS TO THE WATER FACILITIES OF THE CITY OF TUCKERMAN, ARKANSAS; AUTHORIZING THE ISSUANCE OF A WATER AND SEWER REVENUE BOND FOR THE PURPOSE OF FINANCING A PORTION OF THE COST OF THE CONSTRUCTION; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BOND; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Tuckerman, Arkansas (the "City") owns and operates water and sewer facilities, which water and sewer facilities are operated as one interrelated municipal undertaking (the "System"); and

WHEREAS, the City Council has determined that betterments and improvements to the water facilities of the System (the "construction") should be made in order that the City and its inhabitants may have adequate and proper water facilities; and

WHEREAS, the City Council has had prepared by a duly qualified consulting engineer a preliminary report and estimates of costs of the proposed construction, which have been examined and approved by the City Council and a copy filed in the office of the City Clerk where they may be inspected by any interested person; and

WHEREAS, the total estimated cost of the construction and authorizing and issuing bonds and paying interest during construction (the "Estimated Cost") is \$3,642,000; and

WHEREAS, the City does not have available funds to undertake the construction but can obtain the necessary funds for paying the Estimated Cost by the issuance of a Water and Sewer Revenue Bond in the principal amount of \$2,047,000 (the "bond") and from a grant from an agency of the United States of America; and

WHEREAS, the City has entered into a Loan Agreement with the United States Department of Agriculture (the "Government"), whereby the Government has committed to purchase the bond; and

WHEREAS, the Loan Agreement provides that the bond will bear interest at the lower of the prevailing Rural Development ("RD") interest rate at the time of loan approval (3.25%) or the prevailing RD interest rate at the time the bond is issued; and

WHEREAS, the City is authorized, under the provisions of Title 14, Chapter 234, Subchapter 2 of the Arkansas Code of 1987 Annotated, Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated, and Title 14, Chapter 235, Subchapter 2 of the Arkansas Code of 1987 Annotated (collectively, the "Authorizing Legislation"), to accept the offer of the Government; and

Section 26. Any references in this Ordinance to "holder," "owner" or "bondholder" shall, when appropriate, be deemed to include the registered owner of the bond.

Section 27. All ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: February 11, 2015.

APPROVED:

ATTEST:

Pamela J. Cawthon  
City Clerk

Larry R. Bowen  
Mayor

(SEAL)