MUNICIPALITY SOLID WASTE FACILITY FINANCIAL ASSURANCE AGREEMENT --
§8-6-1603(d)(4) (CONTRACT OF OBLIGATION)

1. The **CITY OF EL DORADO** (MUNICIPALITY), a Municipality government of the State of Arkansas, is owner or operator of a solid waste management facility permitted by Arkansas Department of Energy and Environment, Division of Environmental Quality (DEQ) Permit No. **0005-SCYW** (Permit). Pursuant to Ark. Code Ann. § 8-6-1603, MUNICIPALITY is required to provide financial assurance to ensure that sufficient funds are available to meet the costs of corrective action, closure and post-closure care of the permitted solid waste facility.

2. The current required amount of financial assurance for corrective action, closure and post-closure care as provided by Ark. Code Ann. § 8-6-1603(a), (b), and (c) for the MUNICIPALITY's permitted solid waste management facility is **EIGHTY THOUSAND FIVE HUNDRED FIFTY DOLLARS ($80,550.00).**

3. To satisfy its statutory obligations, MUNICIPALITY hereby elects to execute this binding agreement (AGREEMENT) described in Ark. Code Ann. § 8-6-1603(d)(4) as a "Contract of Obligation" in accord with the provisions of that statute and with Arkansas Pollution Control and Ecology Commission (APC&EC) Rule 22.1405(n) as codified in the Code of Arkansas Rules, 8 CAR §60-1405(o).

4. By this AGREEMENT, pursuant to the provisions of Ark. Code Ann. § 8-6-1603(d)(4) and Rule 22.1405(n) as codified in 8 CAR §60-1405(o), MUNICIPALITY pledges general revenues equal to the amount of the required financial assurance in Paragraph 2 of this AGREEMENT, and authorizes the Director of DEQ to collect any general revenues being disbursed or to be disbursed from the State to MUNICIPALITY pursuant to Rule 22.1406(b) as codified in 8 CAR §60-1406(b)

should MUNICIPALITY fail to properly perform corrective action, closure or post-closure of the permitted solid waste management facility as required by state law, agency rule, or the Permit.

5. This AGREEMENT is for one fiscal year of MUNICIPALITY and shall automatically renew for each subsequent fiscal year. MUNICIPALITY agrees that the amount of financial assurance required at the time of each annual renewal shall be based upon the latest available annual reporting mechanisms submitted for the permitted facility and reviewed and approved by DEQ. This amount may be increased or decreased upon each annual renewal as required to reflect estimated costs for corrective action, closure, and post-closure care.

6. MUNICIPALITY acknowledges that this AGREEMENT is legally valid, binding, and enforceable and is irrevocable unless terminated upon written approval from the DEQ Director that:

a. The solid waste management facility has closed in compliance with the law; and

b. MUNICIPALITY has completed post-closure care in compliance with the law; or

c. MUNICIPALITY provides an alternate financial assurance mechanism acceptable to DEQ and in compliance with applicable law.

7. MUNICIPALITY shall file a copy of this AGREEMENT with the Commissioner of Revenues, Department of Finance and Administration and the Local Government Services Division, Arkansas State Treasury, no later than the tenth (10th) calendar day following the effective date of this AGREEMENT. MUNICIPALITY shall provide the DEQ Director with file-marked copies of this AGREEMENT no later than the fifteenth (15th) calendar day following the effective date of this AGREEMENT.

8. MUNICIPALITY represents and affirms that it has sufficient funds on-hand, appropriated by the annual budget, and available to comply with the terms and conditions of this AGREEMENT.

9. All notices required by this AGREEMENT shall be made by certified mail, return receipt requested, and addressed as follows:

Arkansas Department of Energy and Environment, DEQ
Attn: Bailey Taylor, Division of Environment Quality, Director
5301 Northshore Drive
North Little Rock, Arkansas 72118-5317

City of El Dorado, Arkansas
Attn: The Honorable Paul Choate, Mayor
P. O. Box 2170
El Dorado, Arkansas 71731

Arkansas Department of Finance and Administration
Attn: Commissioner of Revenues
P.O. Box 1272
Little Rock, Arkansas 72203

Arkansas State Treasury
Attn: Local Government Services Division
220 State Capitol
Little Rock, Arkansas 72201

10. Funds collected through this AGREEMENT will be used for closure and post-closure activities in accordance with Rule 22. In the event that there are funds remaining after DEQ certifies the necessary closure and post-closure activities are completed then DEQ will return those funds to the MUNICIPALITY.

11. Nothing herein shall prevent DEQ from initiating any enforcement proceeding against MUNICIPALITY. Nothing herein is construed to relieve MUNICIPALITY from any closure or post-closure action resulting from the solid waste management facility that is the subject of the Permit.

Nothing herein is construed to limit the liability of MUNICIPALITY for any closure or post-closure resulting from the subject solid waste management facility to the amount established by this AGREEMENT.

12. This AGREEMENT shall be effective upon the DEQ Director's signature.

13. This AGREEMENT has been reviewed and approved by the governing body of the MUNICIPALITY in a duly called and convened meeting with a quorum present.

14. The governing body of the MUNICIPALITY has authorized the MUNICIPALITY MAYOR to sign this AGREEMENT on the behalf of MUNICIPALITY as evidenced by the attached resolution.

IN WITNESS WHEREOF the parties hereto have set their hands and seals.

Arkansas Department of Energy and Environment,
Division of Environmental Quality

_____ _____

Bailey Taylor
Division of Environment Quality, Director

Date

MUNICIPALITY

_____ 8/15/25

Paul Choate
Mayor

Date

Attest:

_____

[RECORDER/CLERK/DIRECTOR]

WHAT IS REQUIRED AT A MINIMUM:

- ✓ The financial assurance mechanism must ensure that the amount of funds assured is sufficient to cover the costs of closure, post-closure care, and corrective action when needed.

- ✓ The maximum amount pledged under the contract cannot exceed the total amount of general revenue disbursed to the County or Municipality in the last fiscal year, or, if approved by the DEQ Chief Administrator, the amount currently projected by the State to be disbursed during the current fiscal year.

- ✓ The contract of obligation must be irrevocable and issued for a period of at least one year.

- ✓ The owner or operator shall submit the contract of obligation on forms developed by DEQ and provided to the DEQ Director for approval.

RESOLUTION TO EXECUTE AGREEMENT TO PROVIDE FINANCIAL ASSURANCE PER §8-6-1603(d)(4) (CONTRACT OF OBLIGATION)

WHEREAS El Dorado, Arkansas, as owner or operator of a solid waste management facility permitted by Arkansas Department of Energy and Environment, Division of Environmental Quality (DEQ), is required by Ark. Code Ann. § 8-6-1603 to provide financial assurance to ensure that sufficient funds are available to meet the costs of corrective action, closure and post-closure care of its permitted solid waste facility; and

WHEREAS Ark. Code Ann. § 8-6-1603(d)(4) provides that an allowable mechanism for a municipality or county that owns or operates a solid waste management facility to demonstrate financial assurance and ensure that funds necessary to meet the costs of closure, post-closure care, and corrective action is for the county to execute a statutory contract of obligation as described therein;

NOW, THEREFORE, BE IT RESOLVED by the above named municipality that

_____, as the Signatory Agent of
Mayor

El Dorado, AR, is hereby authorized to execute a
Municipality

statutory contract of obligation as set out in the Agreement affixed hereto.

PASSED, APPROVED, AND ADOPTED this 14th day of August, 2025.

Mayor
Signature and Title of Governing Body Official

Attest: _____
Signature of Municipal Clerk

CITY OF ELDORADO ★ CITY CLERK ★ ARKANSAS

RESOLUTION NO. _____

A RESOLUTION
AUTHORIZING THE AGREEMENT WITH THE
ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT

WHEREAS the City of El Dorado, as owner or operator of a solid waste management facility permitted by Arkansas Department of Energy and Environment, Division of Environmental Quality (DEQ), is required by Ark. Code Ann. § 8-6-1603 to provide financial assurance to ensure that sufficient funds are available to meet the costs of corrective action, closure and post-closure care of its permitted solid waste facility; and

WHEREAS Ark. Code Ann. § 8-6-1603(d)(4) provides that an allowable mechanism for a municipality that owns or operates a solid waste management facility to demonstrate financial assurance and ensure that funds necessary to meet the costs of closure, post-closure care, and corrective action is for the municipality to execute a statutory contract of obligation.

NOW, THEREFORE, BE IT RESOLVED by City Council of the City of El Dorado that the Mayor, Paul Choate, is hereby authorized to enter into and execute the attached contract obligation titled Municipality Solid Waste Facility Financial Assurance Agreement.

PASSED AND APPROVED this 14th **day of** August **2025.**

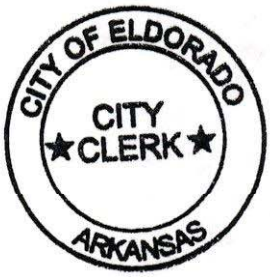
Approved by:

_____
Paul Choate, Mayor

ATTEST:

Heather McVay

Heather McVay, City Clerk



City Clerks Office
PO Box 2170
Eldorado, AR.
71730

c/c

Diana Taylor
Dept. of Energy + Environment
Office of Land Resources
Solid Waste Division
5301 Northshore Dr.
N. Little Rock, AR.
72118