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

1. The **CITY OF CAMDEN** (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. **0255-S4** (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 **ONE HINDRED THIRTY-FIVE THOUSAND DOLLARS AND SEVENTY-SEVEN CENTS ($135,000.00).**

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. COUNTY 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 Camden, Arkansas
Attn: The Honorable Charlotte Young, Mayor
P. O. Box 278
Camden, Arkansas 71711

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 JUDGE 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 Date
Division of Environment Quality, Director

MUNICIPALITY

Charlotte Young 10-10-2024
Charlotte Young Date
Mayor

Attest:

Donna Stewart
[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 No [redacted]

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMDEN, ARKANSAS AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT WITH THE ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT, A DIVISION OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ), FOR CARE OF THE CLASS IV LANDFILL PURSUANT TO ARKANSAS CODE ANNOTATED 8-6-1603.

WHEREAS, the City of Camden, Arkansas, deems it necessary and proper to enter into a Contract of Obligation with the Department of Energy and Environmental, a division of the Department of Environmental Quality (DEQ), as authorized by Arkansas Code Annotated 8-6-1603.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CAMDEN, ARKANSAS, THAT:

SECTION 1. As the Signatory Agent of the City of Camden, Arkansas, Mayor Charlotte Young is hereby authorized to enter into the Contract of Obligation affixed hereto and to sign the Contract of Obligation on behalf of the City of Camden.

PASSED AND APPROVED THIS 8th DAY OF OCTOBER, 2024.

Charlotte Young
Mayor

Donna Stewart
Clerk

City Clerk
City
of
Camden
Ouachita County
Arkansas

Farmers Letter Head

FARMERS

IRREVOCABLE STANDBY LETTER OF CREDIT

Bailey Taylor

Chief Administrator

Arkansas Department of Energy and Environment, DEQ

Dear Chief Administrator:

We hereby establish our Irrevocable Standby Letter of Credit No. [redacted] in your favor, at the request and for the account of the City of Camden P.O. Box 278, Camden, Arkansas 71711, up to the aggregate amount of One Hundred Eighty-One Thousand One Hundred Sixty-Two and 45/100 U.S. U.S. Dollars **$181,162.45**, available upon presentation of

(1) Your sight draft, bearing reference to this letter of credit No. [redacted] and

(2) Your signed statement reads as follows: "I certify that the amount of the draft is payable pursuant to Rules issued under the authority of the Arkansas Solid Waste Management Act (Act 237 of 1971 as amended)."

This letter of credit is effective as of 2/21/25 and shall expire on 2/21/26, but such expiration date shall be automatically extended for a period of at least one year on 2/21/26 and on each successive expiration date unless at least 120 days before the current expiration date, we notify both you and The City of Camden by certified mail that we have decided not to extend this letter of credit beyond the current expiration date. In the event, you are so notified, any unused portion of the credit shall be available upon presentation of your sight draft for 120 days after the date of receipt by both you and the City of Camden, as shown on the signed return receipts.

Whenever this letter of credit is drawn on under and in compliance with the terms of this credit, we shall duly honor such draft upon presentation to us, and we shall forfeit the amount of the draft to the Arkansas Department of Energy and Environment, Division of Environmental Quality in accordance with your instructions.

FARMERS
BANK & TRUST

For any and all disputes arising out of, in connection with, or relating to this Letter of Credit, the Owner or Operator and Issuing Bank or Institution expressly agree and consent that the exclusive jurisdiction and venue for any proceeding shall be in Pulaski County Circuit Court for the State of Arkansas in Little Rock, Arkansas, and the Owner or Operator and Issuing Bank or Institution waive any argument that the venue in such a forum is not convenient and any rights under any Federal or State law establishing jurisdiction or venue in another forum.

Issuing Bank or Institution: Farmer's Bank & Trust

116 Jefferson Ave

Camden, Arkansas 71701

Effective Date: 2/21/25

Name of Officer: Blake Fain

Title: President of Camden Division

Signature:

FIRST-CLASS

US POSTAGE (M) PITNEY BOWES

ZIP 71701
02 7H
0006107485

$ 001.25⁰

FEB 24 2025

CITY OF CAMDEN

206 Van Buren Street, N.E.
Post Office Box 278
Camden, Arkansas 71711

TO: Arkansas Energy + Environment
C/o Diana Taylor/Administrative Analyst
5301 Northshore Drive
North Little Rock, AR 72118