



Legislation Details (With Text)

File #: RES-22:041 **Version:** 1 **Name:** PROVIDE FOR THE EXECUTION AND MAINTENANCE OF A LETTER OF CREDIT TO BE ISSUED TO THE ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT, DIVISION OF ENVIRONMENTAL QUALITY (DEQ)

Type: Resolution **Status:** Passed

File created: 2/16/2022 **In control:** Finance & Administration Council Committee

On agenda: **Final action:** 3/1/2022

Title: RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO PROVIDE FOR THE EXECUTION AND MAINTENANCE OF A LETTER OF CREDIT TO BE ISSUED TO THE ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT, DIVISION OF ENVIRONMENTAL QUALITY (DEQ)

Sponsors: Finance, Engineering

Indexes: Letter of Credit

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
3/1/2022	1	City Council	Passed	Pass
2/22/2022	1	Finance & Administration Council Committee	Recommended to Council	Pass

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO PROVIDE FOR THE EXECUTION AND MAINTENANCE OF A LETTER OF CREDIT TO BE ISSUED TO THE ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT, DIVISION OF ENVIRONMENTAL QUALITY (DEQ)

WHEREAS, on May 11, 1998 the City of Jonesboro did execute a Contract of Obligation between the City of Jonesboro and the Arkansas Department of Pollution Control and Ecology (ADPCE) related to the closure and post-closure costs of the Jonesboro Municipal Landfill, said Contract binding the City of payment in the amount of \$500,000.00 in the event of default; and,

WHEREAS, the Arkansas Department of Energy and Environment, Division of Environmental Quality (DEQ) (as successor agency to ADPCE), has advised City that pursuant to Regulation 22.1403(c) the above Contract of Obligation may be rescinded upon receipt of a letter of credit in the amount equal to 20% of estimated post-closure maintenance costs; and,

WHEREAS, this letter of credit must be renewed annually, and the amount adjusted based on an annual inflation factor provided by DEQ; and,

WHEREAS, Centennial Bank, as primary depository for the City, has tentatively agreed to provide an irrevocable standby letter of credit in favor of the Arkansas Department of Energy and Environment, Division of Environmental Quality (DEQ) for this purpose and to renew said letter of credit annually, as needed.

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

Section 1: The Mayor and City Clerk are hereby authorized to execute any and all instruments necessary for the issuance of the mentioned letter of credit.

PASSED AND APPROVED THIS 1ST DAY OF MARCH 2022.