



Legislation Text

File #: RES-20:040, **Version:** 1

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 executed a Contract of Obligation with the Arkansas Department of Pollution Control and Ecology (ADPCE) related to the closure and post-closure costs of the Jonesboro Municipal Landfill, and said contract binds the City 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agency to ADPCE), has advised City that pursuant to Regulation 22.1403(c) the above Contract of Obligation may be rescinded upon receipt of a letter of credit in the amount equal to 20% of estimated post-closure maintenance costs; and,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 7TH DAY OF APRIL, 2020.