

RESOLUTION R-2024-39

**A RESOLUTION ACCEPTING FINANCIAL ASSISTANCE FROM THE ARKANSAS NATURAL RESOURCES COMMISSION AND AUTHORIZING THE MAYOR AND/OR CITY CLERK TO SIGN THE APPROPRIATE DOCUMENTS NEEDED TO FINALIZE THE LOAN**

**WHEREAS, IN MARCH 2024, THE GOVERNING BODY OF THE CITY OF WARD,** authorized the Mayor to apply to the Arkansas Natural Resources Commission (ANRC) for \$791,516 in financial assistance; and,

**WHEREAS,** the amount requested from ANRC would be coupled with a \$500,000 grant from the Arkansas Economic Development Commission (AEDC) to remove the remaining homes off the antiquated sewer vacuum system; and,

**WHEREAS ON JULY 17, 2024, THE ANRC** approved the amount requested in the form of a 20-year loan at 4% interest per annum.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WARD, ARKANSAS, HEREBY DECLARES;**

**SECTION 1 – ACCEPTANCE:** That the Mayor and/or City Clerk is hereby authorized to sign the Acceptance of Loan Terms form (attached) to accept the loan from ANRC.

**SECTION 2 – ADMINISTRATION:** That the Mayor and/or City Clerk is hereby authorized to execute or cause to be executed any and all documents needed to formally close on the loan and formally accept the funds from ANRC.

SAID RESOLUTION WAS ADOPTED ON 8-20-2024.


Brooke No, Chapman Yes, Hall Yes, Hefner No, McMinn Yes, Ruble Yes


YEAS: 4      NAYS: 2

Mayor (if needed) \_\_\_\_\_

APPROVED:

ATTEST:

  
\_\_\_\_\_  
Charles Gastineau, Mayor

  
\_\_\_\_\_  
Krystal Rummel, City Clerk





Sarah Huckabee Sanders  
Governor

# ARKANSAS DEPARTMENT OF AGRICULTURE

1 Natural Resources Drive, Little Rock, AR 72205  
agriculture.arkansas.gov  
(501) 225-1598



Wes Ward  
Secretary of Agriculture

**Acceptance of Loan Terms with Arkansas Natural Resources Division  
Rehabilitation Existing Wastewater Collection System  
Project Number 24-038  
Loan Number 02541-CW-L**

By signing and returning this form the City of Ward is accepting the offer of financial assistance in the form of a loan in the amount of \$791,516.00, approved by the Arkansas Natural Resources Commission on July 17, 2024, and acknowledges the following:

1. To close on this financial assistance the borrower will raise revenue as needed to fully fund debt service, O & M, and depreciation reserve at 110% coverage and it is initially estimated that increases in average sewer rates will be necessary. The final revenue increases will be determined at loan closing, but please anticipate a 15% increase. Should it be determined, at any point, during the term of this loan that the rates are insufficient in covering the required debt service, operation and maintenances costs, and the required maintenance of the depreciation reserve fund, the City will be required to increase the sewer rates.
2. The Director will set the combined annual borrower rate and loan terms at the time of loan closing. The anticipated term for the funding is 20 years with a combined rate of 4% per annum. The loan terms are contingent on full loan closing including first disbursement of funds on or before August 31, 2025. In the event this does not occur, the combined rate will be determined based on current available program lending rates. Determining if a loan has met all program requirements and is ready to close will be the sole discretion of the Director.
3. Prior to loan closing and acceptance of funds the Borrower may reject the financial assistance and the funds will be de-obligated.
4. The borrower understands that upon completion of the project any awarded financial assistance that is not utilized to complete the project approved in the application will be de-obligated and that any grant or principal forgiveness funds will be disbursed in a proportionate percentage to the approved loans.
5. The borrower understands that to receive this financial assistance they must comply with all State and Federal laws and program requirements.
6. The borrower must provide documentation that it is organized as a sub-division of The State of Arkansas and may issue tax (State of Arkansas and Federal Income Tax) exempt bonds. This documentation must be presented prior to loan closing and subject to ANRC's bond council review and approval. If the entity is organized as a not-for-profit entity, or a private entity it must convert to a Public Water Authority as described in Arkansas Code 4-35-101.

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Acceptance of Loan Terms with Arkansas Natural Resources Division  
Rehabilitation Existing Wastewater Collection System  
Project Number 24-038  
Loan Number 02541-CW-L

Name of Borrower	Name and Title of Duly Authorized Representative
Signature	Date

This acceptance must be received by August 31, 2024. Please return it to:  
Bob Hunt, Finance Program Coordinator  
Arkansas Natural Resources Division  
10421 West Markham Street  
Little Rock, Arkansas 72205-2190  
[bob.h.hunt@agriculture.arkansas.gov](mailto:bob.h.hunt@agriculture.arkansas.gov)