

MEMORANDUM OF AGREEMENT

Between

**The Arkansas Natural Resources Commission and
the City of Flippin**

**Agreement No. 01252-CWRLF-L/01253-CWRLF-PF
Project No. WRD-004-172**

The Memorandum of Agreement, hereinafter referred to as the MOA, will establish the project funding, and the planning and design schedule for the wastewater improvements funded by the State Revolving Loan Fund programs, hereinafter referred to as the RLF. Where noted some applications are specific for the Clean Water Revolving Loan Fund program, CWRLF, or the Drinking Water State Revolving Loan Fund Program, DWSRF.

I. INTRODUCTION AND PURPOSE:

- A. The City of Flippin, hereinafter referred to as the "BORROWER," is applying for funding assistance from the Clean Water Revolving Loan Fund Program (CWRLF) administered by the Arkansas Natural Resources Commission, hereinafter referred to as the ANRC.
- B. Project funding, along with planning and design requirements of the program, must be fulfilled and the RLF application must be certified complete in accordance with the program requirements of the ANRC.
- C. The purpose of this MOA is to establish project funding and define the conditions and terms under which planning, design and application documents will be submitted by the BORROWER and reviewed by the ANRC.

II. GENERAL PROVISIONS:

- A. Funds have been approved from the RLF program. Funding shall consist of a loan in an amount not to exceed \$ 1,780,000.00 with a maximum twenty (20) year repayment and a loan with principal forgiveness in an amount not to exceed \$ 1,524,560.00 of which the total amount will be in the form of principal forgiveness. The interest rate will be determined at the time the bond term sheet is provided. At loan closing, ANRC will forgive the principal forgiveness amount. If, for any reason, the Borrower does not utilize the entire Funding Amount, then in such event the Principal Forgiveness Amount will be reduced proportionally to equal the amount of actual funds disbursed.

- B. Approval is contingent upon the Borrower establishing and maintaining a depreciation reserve fund in an amount equal to ten percent (10%) of the combined principal amount of the bonds (\$330,456.00). The depreciation reserve fund is to be accumulated at a rate equal to six percent (6%) of the gross monthly revenue of the system. This fund is for the replacement or repairs to the system and may not be used without prior written consent from ANRC. Once the Fund reaches the specified amount, the Borrower may suspend deposits into the Fund. When funds are withdrawn from the Fund, the monthly deposits will resume until the Fund again reaches the specified amount.
- C. Any change in project cost, source of funds, scope of services, or any other significant change in the project or application must be reported by the BORROWER or its designated representative to and approved by the ANRC by written amendment to this agreement. Any change not approved by ANRC shall be cause for discontinuing the project.
- D. The applicable federal and state statutes, and the Environmental Protection Agency, hereinafter referred to as the EPA, and ANRC rules and regulations will be complied with through all phases of this project. These requirements include, but are not limited to, Davis Bacon Wage Act (DBA), State Environmental Review Process (SERP), Disadvantaged Business Enterprise (DBE), American Iron and Steel (AIS) and Signage.
- E. No document submittal date contained herein shall take precedence over document submittal dates contained in any EPA, ANRC, or the Arkansas Department of Health, hereinafter referred to as the ADH, compliance schedule.
- F. The refusal of ANRC to accept and review project documents submitted in violation of this MOA schedule does not discharge the BORROWER from meeting any requirements of its compliance schedule.
- G. If the BORROWER fails to meet a date contained in the submittal schedule and has not requested a change to that date in accordance with Section IV.B of this MOA, then the ANRC may add up to one percent (1.0%) to the combined rate of any loan agreement that the BORROWER may enter into based on this MOA.
- H. The BORROWER must sign, attest, and return this MOA to certify the BORROWER's intent to meet these conditions by February 28th, 2020, if the BORROWER desires further consideration be given to its project.

III. PROCEDURES:

- A. The detailed project funding requirements for this RLF project will be in accordance with the official bond documents, including system revenues and loan security.
- B. The BORROWER will develop all planning and design documents in accordance with the requirements of EPA, ADH, ADEQ and ANRC rules and regulations.
- C. All agreements for planning and design engineering services shall contain a damages paragraph addressing the nonperformance or negligence of the consulting engineering firm as required by the ANRC. This paragraph shall incorporate the submittal schedule from this MOA as a part of the agreement and provide protection to the BORROWER for failure of performance by the consulting engineering firm. The executed agreement shall be submitted to ANRC for review and approval of this paragraph when this MOA is signed by the BORROWER.
- D. The BORROWER will submit all planning, design and application documents under the schedule presented on the following page.

SUBMITTAL SCHEDULE	Receipt Date
A. Procurement Certification	January 21, 2020
B. Professional Services Agreements	January 21, 2020
C. Draft Environmental Information Document (EID)	February 14, 2020
D. I & I Analysis (CWRLF only)	February 28, 2020
E. Draft Facility Plan	February 28, 2020
F. Proposed User Rate Ordinance or Resolution	January 30, 2020
G. Final EID with Public Participation	June 26, 2020
H. Final Facility Plan	May 29, 2020
I. First Submittal of Plans and Specifications (P&S)	June 19, 2020
J. Enacted User Rate Ordinance or Resolution	April 21, 2020
K. Final Plans and Specifications (P&S)	August 21, 2020

* NOTE: At this time, review public participation requirements:

- Public meetings and public hearings require a thirty (30) day notice.

If project receives a categorical exclusion, the above note does not apply and may be removed.

TARGET DATES	Receipt Date
A. Loan Certification	September 1, 2020
B. Loan Closing	December 16, 2020
C. Bid Award	December 1, 2020
D. Start Construction	January 4, 2021
E. Certified Completion (Final Inspection)	October 1, 2021
F. Disbursement Cut-off Date	October 15, 2021

IV. REVISIONS:

Revision(s) of dates contained in the Submittal Schedule above can be made, if requested fifteen (15) days prior to the scheduled date, and upon the determination by ANRC that adequate justification for those revisions has been supplied.

The Commission may remind the applicant, through written notification, of each document due date at least 30 days prior to its scheduled submittal.

V. EFFECTIVE DATE:

This agreement will be in effect on the date executed by ANRC.

For the Arkansas Natural
Resources Commission

For the Mayor of
Flippin, Marion County, Arkansas

A. Mark Bennett, III
Chief, WRDD

Jerald Marberry
Jerald Marberry, Mayor

Date

1/24/2020
Date