



1       **WHEREAS**, the City is authorized under Amendment No. 65 to the Arkansas Constitution  
2 and Title 14, Chapter 164, Subchapter 4, and Title 14, Chapter 235, Subchapter 2 of the Arkansas  
3 Code of 1987 Annotated (the “Authorizing Legislation”), to issue and sell the bond; and

4       **WHEREAS**, the City has outstanding the following bonds secured by revenues of the System:  
5 (a) its Sewer Revenue Bond, Series 2007B (the "Series 2007B Bond"), authorized by Ordinance  
6 No. 19,769, adopted June 19, 2007, as amended by Ordinance No. 21,906, adopted October 20,  
7 2020 (collectively, the "2007B Ordinance"); (b) its Sewer Revenue Bond, Series 2009A (the  
8 "Series 2009A Bond"), authorized by Ordinance No. 20,074, adopted March 10, 2009, as amended  
9 by Ordinance No. 21,907, adopted October 20, 2020 (collectively, the "2009A Ordinance"); (c) its  
10 Sewer Refunding Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), authorized by  
11 Ordinance No. 20,937, adopted September 16, 2014 (the "2014 Ordinance"); (d) its Sewer  
12 Refunding Revenue Bonds, Series 2015 (the "Series 2015 Bonds"), authorized by Ordinance No.  
13 20,994, adopted February 24, 2015 (the "2015 Ordinance"); (e) its Sewer Refunding Revenue  
14 Bonds, Series 2016B (the "Series 2016B Bonds"), authorized by Ordinance No. 21,317, adopted  
15 October 18, 2016 (the "2016B Ordinance"), (f) its Water Reclamation System Revenue Bonds,  
16 Series 2017 (the "Series 2017 Bonds"), authorized by Ordinance No. 21,479, adopted September  
17 19, 2017 (the "2017 Ordinance"); (g) its Water Reclamation System Revenue Bond, Series 2020  
18 (the "Series 2020A Bond") authorized by Ordinance No. 21,845, adopted February 18, 2020 (the  
19 "2020A Ordinance"); (h) its Water Reclamation System Refunding Bonds, Series 2020B (the  
20 "Series 2020B Bonds") authorized by Ordinance No. 21,905, adopted October 20, 2020 (the  
21 "2020B Ordinance"); (i) its Water Reclamation System Revenue Bond, Series 2020C (the "Series  
22 2020C Bond") authorized by Ordinance No. 21,912, adopted October 20, 2020 (the "2020C  
23 Ordinance"), (j) its Water Reclamation System Refunding Revenue Bonds, Taxable Series 2021  
24 (the "Series 2021 Bonds") authorized by Ordinance No. 22,021, adopted August 3, 2021 (the "2021  
25 Ordinance"), (k) its Water Reclamation System Revenue Bond, Series 2023 (the "Series 2023  
26 Bond") authorized by Ordinance No. 22,240, adopted March 21, 2023 (the "2023 Ordinance") and  
27 (l) its Water Reclamation System Revenue Bond, Series 2024 (the “Series 2024A Bond”) and  
28 authorized by Ordinance No. 22,449, adopted May 14, 2024 (the “2024A Ordinance”); and

29       **WHEREAS**, the Bondholder proposes to pledge the bond as collateral for the payment of its  
30 revolving loan fund revenue bonds (the “ADFA Bonds”) pursuant to its general bond resolution,  
31 as amended or supplemented from time to time, to the bank or trust company to be named as trustee  
32 thereunder (the “ADFA Trustee”); and

1       **WHEREAS**, the City is required to pay to the Arkansas Development Finance Authority, as  
2       servicer (the “Authority”), a servicing fee equal to 1% per annum of the outstanding principal  
3       amount of the bond (the “Servicing Fee”).

4       **NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE**  
5       **CITY OF LITTLE ROCK, ARKANSAS:**

6       **Section 1.** The Improvements shall be accomplished. The accomplishment of the  
7       Improvements shall be under the control and supervision of, and all details in connection therewith  
8       shall be handled by, the Commission, and the Commission shall make all contracts and agreements  
9       necessary or incidental to the performance of its duties and the execution of its powers. The  
10      Commission shall let all construction contracts pursuant to and in accordance with existing laws  
11      and shall require such performance bonds and insurance from the contractors as, in the judgment  
12      of the Commission, will fully insure the completion of the Improvements in accordance with the  
13      plans and specifications therefor.

14      **Section 2.** The sale to the Bondholder of up to \$5,400,000 in principal amount of a bond from  
15      the City at a price of par for a bond bearing interest at the rate of 0.25% per annum and otherwise  
16      subject to the terms and provisions hereafter in this Ordinance set forth in detail be, and is hereby  
17      approved and the bond is hereby sold to the Bondholder. The Mayor is hereby authorized and  
18      directed to execute and deliver the Agreement on behalf of the City and to take all action required  
19      on the part of the City to fulfill its obligations under the Agreement. The Agreement is hereby  
20      approved in substantially the form submitted to this meeting with such changes as may be approved  
21      by the Mayor, his execution to constitute complete evidence of such approval.

22      **Section 3.** The Board of Directors hereby finds and declares that the period of usefulness of  
23      the Improvements will be more than 35 years, which is longer than the term of the bond.

24      **Section 4.** Under the authority of the Constitution and laws of the State of Arkansas (the  
25      “State”), including particularly the Authorizing Legislation, City of Little Rock, Arkansas Water  
26      Reclamation System Revenue Bond, Series 2024B (the “bond”) is hereby authorized and ordered  
27      issued in the principal amount of \$5,400,000, the proceeds of the sale of which are necessary to  
28      provide sufficient funds for accomplishing the Improvements and paying expenses incidental  
29      thereto and expenses of issuing the bond, and funding interest during construction.

30      The bond shall bear interest at the rate of 0.25% per annum based upon a 360-day year of  
31      twelve consecutive 30-day months. The bond shall be dated the date of delivery to the Bondholder.  
32      Interest shall be payable on the first April 15 or October 15 after the bond is issued and on each

1 April 15 and October 15 thereafter. Principal shall be payable in installments on April 15, 2028,  
 2 and each October 15 and April 15 thereafter until the unpaid principal is paid in full as follows:

3

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
04/15/28	\$74,455	04/15/43	\$89,757
10/15/28	74,920	10/15/43	90,319
04/15/29	75,389	04/15/44	90,883
10/15/29	75,860	10/15/44	91,451
04/15/30	76,334	04/15/45	92,023
10/15/30	76,811	10/15/45	92,598
04/15/31	77,291	04/15/46	93,176
10/15/31	77,774	10/15/46	93,759
04/15/32	78,260	04/15/47	94,345
10/15/32	78,749	10/15/47	94,935
04/15/33	79,241	04/15/48	95,528
10/15/33	79,736	10/15/48	96,125
04/15/34	80,235	04/15/49	96,725
10/15/34	80,736	10/15/49	97,330
04/15/35	81,241	04/15/50	97,939
10/15/35	81,749	10/15/50	98,550
04/15/36	82,260	04/15/51	99,166
10/15/36	82,774	10/15/51	99,786
04/15/37	83,291	04/15/52	100,410
10/15/37	83,812	10/15/52	101,038
04/15/38	84,336	04/15/53	101,669
10/15/38	84,863	10/15/53	102,305
04/15/39	85,394	04/15/54	102,944
10/15/39	85,927	10/15/54	103,587
04/15/40	86,464	04/15/55	104,235
10/15/40	87,005	10/15/55	104,886
04/15/41	87,549	04/15/56	105,541
10/15/41	88,095	10/15/56	106,201
04/15/42	88,646	04/15/57	106,865
10/15/42	89,200	10/15/57	107,527

4

5 The bond will be registered as to both principal and interest, payable to the Bondholder, or  
 6 registered assigns, as set forth hereinafter in the bond form, and shall be numbered R-1.

7 Payment of principal and interest shall be by check or draft mailed to the Bondholder at its  
 8 address shown on the bond registration books of the City which shall be maintained by the City  
 9 Clerk as Bond Registrar, without presentation or surrender of the bond (except upon final payment)  
 10 and such payments shall discharge the obligation of the City to the extent thereof. The City Clerk  
 11 shall keep a payment record and make proper notations thereon of all payments of principal and  
 12 interest.

1 Payment of principal and interest shall be in any coin or currency of the United States of  
2 America which, as at the time of payment, shall be legal tender for the payment of debts due the  
3 United States of America. When the principal of and interest on the bond have been fully paid, it  
4 shall be canceled and delivered to the City Clerk.

5 **Section 5.** The bond shall be executed on behalf of the City by the Mayor and City Clerk and  
6 shall have impressed thereon the seal of the City. The bond is not a general obligation of the City  
7 but is a special obligation, the principal of and interest on which, and Servicing Fee in connection  
8 therewith, are secured by a pledge of and are payable from revenues derived from the System  
9 (“Revenues”). The pledge of Revenues is subordinate to the pledge in favor of the Series 2007B  
10 Bond, the Series 2009A Bond, the Series 2014 Bonds, the Series 2015 Bonds, the Series 2016B  
11 Bonds, the Series 2017 Bonds, the Series 2020A Bond, the Series 2020B Bonds, the Series 2020C  
12 Bond, the Series 2021 Bonds, the Series 2023 Bond and the Series 2024A Bond (collectively, the  
13 “Prior Bonds”). The bond and interest thereon shall not constitute an indebtedness of the City  
14 within any constitutional or statutory limitation.

15 **Section 6.** The bond shall be in substantially the following form and the Mayor and City Clerk  
16 are hereby authorized and directed to make all the recitals contained therein:

17  
18 **(form of bond)**

19  
20 **UNITED STATES OF AMERICA**

21 **STATE OF ARKANSAS**

22 **COUNTY OF PULASKI**

23 **CITY OF LITTLE ROCK**

24 **0.25% WATER RECLAMATION SYSTEM REVENUE BOND, SERIES 2024B**

25  
26 **No. R-1**

**\$5,400,000**

27  
28 **KNOW ALL MEN BY THESE PRESENTS:**

29  
30 That the City of Little Rock, Pulaski County, Arkansas (the “City”), for value received, hereby  
31 acknowledges itself to owe and promises to pay to the Arkansas Development Finance Authority,  
32 or registered assigns, solely from the special fund provided as hereinafter set forth, the principal  
33 sum of

1 FIVE MILLION FOUR HUNDRED THOUSAND DOLLARS

2 (or the total principal amount outstanding as reflected

3 by the Record of Payment of Advances attached hereto)

4 with interest on the unpaid balance of the total principal amount at the rate of 0.25% per annum  
5 from the date of each advance. The principal and interest shall be payable in such coin or currency  
6 of the United States of America as at the time of payment shall be legal tender for the payment of  
7 debts due the United States of America.

8 Interest on the unpaid balance of the total principal amount shall be payable on April 15, 2025  
9 and on each April 15 and October 15 thereafter. Principal shall be payable in installments on April  
10 15, 2028, and on each April 15 and October 15 thereafter until the unpaid principal is paid as  
11 follows:

12 Date Amount

13  
14 (There will be inserted the schedule set forth in Section 4 of this Ordinance.)

15 Payments of the principal and interest installments due hereon shall be made, except for  
16 final payment, without presentation and surrender of this bond, directly to the registered owner at  
17 his address shown on the bond registration book of the City maintained by the City Clerk as Bond  
18 Registrar, and such payments shall fully discharge the obligation of the City to the extent of the  
19 payments so made.

20 This bond is issued for the purpose of providing financing of the costs of constructing  
21 betterments and improvements to the City's sewer system which is now identified as a water  
22 reclamation system (the "System"), interest during construction and costs of authorizing and  
23 issuing this bond, and is issued pursuant to and in full compliance with the Constitution and laws  
24 of the State of Arkansas (the "State"), including particularly Title 14, Chapter 164, Subchapter 4  
25 and Title 14, Chapter 235, Subchapter 2 of the Arkansas Code of 1987 Annotated, and pursuant to  
26 Ordinance No. \_\_\_\_\_ of the City, duly adopted and approved on the \_\_\_\_ day of September  
27 2024 (the "Authorizing Ordinance"). Reference is hereby made to the Authorizing Ordinance for  
28 the details of the nature and extent of the security and of the rights and obligations of the City and  
29 the registered owner of this bond.

30 This bond may be assigned with the written approval of the Arkansas Natural Resources  
31 Commission ("ANRC"), and in order to effect such assignment the assignor shall promptly notify  
32 the City Clerk by registered mail, and the assignee shall surrender this bond along with a written  
33 approval of ANRC to the City Clerk for transfer on the registration records. Every assignee shall

1 take this bond subject to all payments and prepayments of principal and interest (as reflected by  
2 the Payment Record maintained by the City Clerk), prior to such surrender for transfer.

3 This bond may be prepaid at the option of the City from funds from any source, in whole but  
4 not in part, at any time on and after October 15, 2034, at a prepayment price equal to the principal  
5 amount outstanding, plus accrued interest to the prepayment date. Notice shall be given of such  
6 prepayment to the owner of this bond or registered assigns at least 90 days prior to the prepayment  
7 date. Such notice shall be in writing mailed to the address of the owner of this bond or registered  
8 assigns at the address as reflected on the bond registration books of the City Clerk.

9 This bond does not constitute an indebtedness of the City within any constitutional or statutory  
10 limitation or provision, and the taxing power of the City is not pledged to the payment of the  
11 principal of or interest on this bond. This bond is a special obligation payable solely from the net  
12 revenues derived from the operation of the System. In this regard, the pledge of net System  
13 revenues is subordinate to the pledge of System revenues to Sewer Revenue Bonds, Series 2007B  
14 and 2009A, Sewer Refunding Revenue Bonds, Series 2014, 2015, and 2016B, Water Reclamation  
15 System Revenue Bonds, Series 2017, 2020, 2020C, 2023, and 2024A and Water Reclamation  
16 System Refunding Revenue Bonds, Series 2020B and Taxable Series 2021, so long as any of such  
17 bonds are outstanding. A sufficient amount of System revenues to pay principal and interest has  
18 been duly set aside and pledged as a special fund for that purpose, identified as the “2024B ADFA  
19 Bond Fund,” in the Authorizing Ordinance. The City has fixed and has covenanted and agreed to  
20 maintain rates for use of the System which shall be sufficient at all times to at least provide for  
21 the payment of the reasonable expenses of operation and maintenance of the System, provide for  
22 the payment of the principal of and interest on all the outstanding bonds to which System revenues  
23 are pledged as the same become due, to establish and maintain debt service reserves and to provide  
24 a depreciation fund, all as set forth in the Authorizing Ordinance. This bond is issued with the  
25 intent that the laws of the State shall govern its construction.

26 IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and  
27 things required by the Constitution and statutes of the State to exist, happen and be performed  
28 precedent to and in the issuance of this bond do exist, have happened and have been performed in  
29 regular and due time, form and manner as required by law; that this bond does not exceed any  
30 constitutional or statutory limitation of indebtedness; and that provision has been made for the  
31 payment of the principal of and interest on this bond, as provided in the Authorizing Ordinance.

1 IN WITNESS WHEREOF, the City of Little Rock, Arkansas has caused this bond to be  
2 executed in its name by its Mayor and City Clerk, thereunto duly authorized, and its corporate seal  
3 to be affixed, all as of the \_\_\_\_\_ day of \_\_\_\_\_, 2024.

4 ATTEST: CITY OF LITTLE ROCK, ARKANSAS:

5  
6 \_\_\_\_\_  
7 Allison Segars, Acting City Clerk

\_\_\_\_\_

Frank Scott, Jr., Mayor

8  
9 (SEAL)

10 [A Registration Certificate and Record of Payment  
11 of Advances shall be attached to the bond.]  
12

13 **Section 7.** The City has heretofore fixed sewer rates by Ordinance No. 21,080, adopted on  
14 August 4, 2015. Reference is hereby made to such Ordinance for the details thereof and other  
15 provisions pertaining thereto, which sewer rates are hereby confirmed and continued as provided  
16 therein.

17 The City covenants and agrees that the rates established will produce gross Revenues at least  
18 sufficient to pay monthly operation, maintenance and funded depreciation expenses of the System,  
19 pay the principal of and interest on all outstanding bonds and notes to which Revenues are pledged  
20 (collectively, "System Bonds"), as the same become due, pay the financing, servicing and  
21 administrative fees in connection therewith as the same become due, and create and maintain any  
22 required debt service reserves ("Required Payments"). The City covenants always to maintain  
23 rates (including increases as necessary) which will provide for the Required Payments. The rates  
24 in effect for sewer service at this time shall not be reduced without the prior written consent of  
25 ANRC and the Bondholder.

26 None of the facilities or services afforded by the System shall be furnished without a charge  
27 being made therefor. In the event that the City or any department, agency or instrumentality  
28 thereof shall avail itself of the facilities and services afforded by the System, the reasonable value  
29 of the service or facilities so afforded shall be charged against the City or such department, agency  
30 or instrumentality and shall be paid for as the charges accrue. The revenues so received shall be  
31 deemed to be revenues derived from the operation of the System and shall be used and accounted  
32 for in the same manner as the other revenues derived from the operation of the System.



1       **Section 8.** All of the provisions of the 2007B Ordinance, the 2009A Ordinance, 2014  
2 Ordinance, the 2015 Ordinance, the 2016B Ordinance, the 2017 Ordinance, the 2020A Ordinance,  
3 the 2020B Ordinance, the 2020C Ordinance, the 2021 Ordinance, the 2023 Ordinance and the  
4 2024A Ordinance (the “Prior Bond Ordinances”) (including those incorporated therein by  
5 reference), as now in effect, and except those provisions clearly inapplicable hereto, including,  
6 without limitation, the provisions pertaining to the collection, the investment and the handling of  
7 Revenues and funds, and to the operation, maintenance and care of the System, are hereby made  
8 applicable hereto and are incorporated herein by reference as though fully set forth at this point.  
9 The effect of the above covenant shall be to continue the applicable provisions in full force and  
10 effect even after the payment of the Prior Bonds and until the bond is paid, or provision made  
11 therefor.

12       **Section 9.** The City covenants that it will continuously operate the System as a  
13 revenue-producing undertaking and will not sell or lease the same, or any substantial portion  
14 thereof, without the prior written approval of the Bondholder and ANRC; provided, however, that  
15 nothing herein shall be construed to prohibit the City from making such dispositions of properties  
16 of the System and such replacements and substitutions for properties of the System as shall be  
17 necessary or incidental to the efficient operation of the System as a revenue-producing  
18 undertaking.

19       **Section 10.** (a) After making the required payments into the special fund heretofore created  
20 and designated “Sewer Operation and Maintenance Fund” and into the bond funds for the Prior  
21 Bonds and any additional bonds having a priority on the pledge of Revenues over the pledge in  
22 favor of the bond and after paying the financing, servicing and administrative fees in connection  
23 with the Prior Bonds, there shall be paid from the special fund heretofore created and designated  
24 “Sewer Fund” into an account of the City in a special fund to be created by the Bondholder (the  
25 “2024B ADFA Bond Fund”) for the purpose of paying the principal of and interest on the bond  
26 the amounts specified in (b) below.

27               (b) There shall be deposited from proceeds of the bond or, at the direction of the  
28 Commission, from moneys in the Sewer Fund, into the 2024B ADFA Bond Fund on the first  
29 April 15 or October 15 after the bond is issued and on each April 15 and October 15 thereafter  
30 until October 15, 2027, the interest due on the bond on such dates. Commencing on the first  
31 business day of each month thereafter, there shall be deposited from moneys in the Sewer Fund  
32 into the 2024B ADFA Bond Fund an amount equal to 1/6 of the amount of interest on and  
33 principal of the bond next due.

1 (c) If Revenues are insufficient to make the required payment on or before the first business  
2 day of the following month into the 2024B ADFA Bond Fund, then the amount of any such  
3 deficiency in the payment made shall be added to the amount otherwise required to be paid  
4 into the 2024B ADFA Bond Fund on the first business day of the next month.

5 (d) When the moneys held in the 2024B ADFA Bond Fund which represent payments by  
6 the City and interest earnings thereon or proceeds of investments therefrom (collectively, “City  
7 Funds”) shall be and remain sufficient to pay in full the principal of and interest on the bond,  
8 the City shall not be obligated to make any further payments into the 2024B ADFA Bond Fund.

9 (e) All moneys in the 2024B ADFA Bond Fund representing City Funds shall be used  
10 solely for the purpose of paying the principal of and interest on the bond and the City shall  
11 automatically receive a credit for the amount of such City Funds on hand in the 2024B ADFA  
12 Bond Fund and available for the payment of any principal and interest currently due on an  
13 interest or principal payment date irrespective of whether the Bondholder has applied or caused  
14 to be applied such funds on that date for such purpose. The City shall receive a credit for all  
15 earnings and income derived from the investment of the City Funds each April 15 and October  
16 15 and such earnings and income shall be credited against the next six monthly payments.

17 (f) The bond shall be specifically secured by a pledge of all Revenues required to be placed  
18 into the 2024B ADFA Bond Fund. This pledge in favor of the bond is hereby irrevocably  
19 made according to the terms of this Ordinance, and the City and its officers and employees  
20 shall execute, perform and carry out the terms thereof in strict conformity with the provisions  
21 of this Ordinance.

22 **Section 11.** After making the payments into the 2024B ADFA Bond Fund required by Section  
23 10 hereof, there shall be paid from the Sewer Fund the Servicing Fee to the Authority. The  
24 Servicing Fee shall be payable on each date interest on the bond is due and shall be calculated on  
25 the same basis as interest on the bond. The payment of the Servicing Fee is expressly made  
26 subordinate to the payment of the principal of and interest on the bond.

27 **Section 12.** After making the required payments in accordance with Sections 10 and 11 hereof,  
28 there shall be paid from the Sewer Fund into a special fund heretofore created and designated the  
29 “Sewer Depreciation Fund” on or before the 15th day of each month while the bond is outstanding,  
30 three percent (3%) of the Revenues which remain after the required payment into the Sewer  
31 Operation and Maintenance Fund has been made. Once the Sewer Depreciation Fund reaches an  
32 amount equal to the greater of (a) the amount required by the Prior Bond Ordinances or (b)  
33 \$540,000 (the “Required Level”), the City shall not be required to make further deposits into the

1 Sewer Depreciation Fund; provided, however, that monthly deposits must resume, if the Sewer  
2 Depreciation Fund drops below the Required Level, until such time as the Required Level is again  
3 reached. The moneys in the Sewer Depreciation Fund shall be used solely for the purpose of  
4 paying the cost of replacements made necessary by the depreciation of the System. If in any fiscal  
5 year a surplus shall be accumulated in the Sewer Depreciation Fund over and above the Required  
6 Level and over and above the amount necessary to defray the cost of the probable replacements  
7 during the then current fiscal year and the next ensuing fiscal year, such surplus may be transferred  
8 and paid into the Sewer Fund.

9 **Section 13.** The City shall assure that (1) not in excess of 10% of the proceeds of the bond is  
10 used for Private Business Use if, in addition, the payment of more than 10% of the principal or  
11 10% of the interest due on the bond during the term thereof is, under the terms of the bond or any  
12 underlying arrangement, directly or indirectly secured by any interest in property used or to be  
13 used for a Private Business Use or in payments in respect of property used or to be used for a  
14 Private Business Use or is to be derived from payments, whether or not to the City, in respect of  
15 property or borrowed moneys used or to be used for a Private Business Use; and (2) that, in the  
16 event that both (A) in excess of 5% of the proceeds of the bond are used for a Private Business  
17 Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the bond  
18 during the term thereof is, under the terms of the bond or any underlying arrangement, directly or  
19 indirectly, secured by any interest in property used or to be used for said Private Business Use or  
20 in payments in respect of property used or to be used for said Private Business Use or is to be  
21 derived from payments, whether or not to the City, in respect of property or borrowed money used  
22 or to be used for said Private Business Use, then said excess over said 5% of proceeds of the bond  
23 used for a Private Business Use shall be used for a Private Business Use related to the  
24 governmental use of the Improvements.

25 The City shall assure that not in excess of 5% of the proceeds of the bond are used, directly or  
26 indirectly, to make or finance a loan to persons other than state or local governmental units.

27 As used in this Section, "Private Business Use" means use directly or indirectly in a trade or  
28 business carried on by a natural person or in any activity carried on by a person other than a natural  
29 person, excluding, however, use by a state or local governmental unit and use as a member of the  
30 general public.

31 **Section 14.** The principal and interest installments shall be prepayable prior to maturity as  
32 provided in the bond form in Section 6 hereof.

1       **Section 15.** As long as the bond is outstanding, the City shall not issue or attempt to issue any  
2 bonds having or claimed to be entitled to a priority of lien on Revenues over the lien securing the  
3 bond, including any and all future extensions, betterments and improvements to the System except  
4 as provided in this Section.

5       The City may issue additional revenue bonds having a priority on or on a parity with the lien  
6 on Revenues in favor of the bond to finance or pay the cost of constructing betterments and  
7 improvements to the System or to refund outstanding System Bonds, if there shall have been  
8 procured and filed with the City Clerk and the Bondholder a statement by a certified public  
9 accountant not in the regular employ of the City (the “Accountant”) reciting the opinion that (i) in  
10 the case of parity bonds either (A) the Net Revenues (Net Revenues being gross Revenues less  
11 operation and maintenance expenses, but not including depreciation) for the fiscal year preceding  
12 the year in which such additional bonds are to be issued were not less than 110% of Total Annual  
13 Debt Service Requirements (Total Annual Debt Service Requirements being the average annual  
14 debt service requirements (including principal, interest and financing, servicing and administrative  
15 fees) on all outstanding System Bonds and the bonds then proposed to be issued) or (B) the Net  
16 Revenues for the fiscal year succeeding the year in which such additional bonds are to be issued  
17 are projected to be sufficient in amount, taking in consideration any enacted increase in Revenues,  
18 to be not less than 110% of the Total Annual Debt Service Requirements, or (ii) in the case of the  
19 senior lien bonds, either (A) the Net Revenues for the fiscal year preceding the year in which such  
20 additional bonds are to be issued were not less than 120% of the Total Annual Debt Service  
21 Requirements or (B) the Net Revenues for the fiscal year succeeding the year in which such  
22 additional bonds are to be issued are projected to be sufficient in amount, taking into consideration  
23 any enacted increase in Revenues, to be not less than 120% of the Total Annual Debt Service  
24 Requirements.

25       The additional bonds, the issuance of which is restricted and conditioned by this Section, shall  
26 not be deemed to mean bonds the security and source of payment of which are subordinate and  
27 subject to the priority of the bond and such additional bonds may be issued without complying  
28 with the terms and conditions of this Section.

29       **Section 16.** It is covenanted and agreed by the City with the Bondholder, the Authority and  
30 ANRC that it will faithfully and punctually perform all duties with reference to the System required  
31 by the Constitution and laws of the State and by this Ordinance, including, without limitation, the  
32 making and collecting of reasonable and sufficient rates lawfully established for services rendered

1 by the System, segregating Revenues and applying them to the respective funds maintained  
2 pursuant to the Prior Bond Ordinances and this Ordinance.

3 The City covenants and agrees that the Bondholder shall have the protection of all the  
4 provisions of the Authorizing Legislation, and that the City will diligently proceed to enforce those  
5 provisions to the end of the Bondholder realizing fully upon its security. And, if the City shall fail  
6 to proceed within 30 days after written request shall have been filed by the Bondholder, the  
7 Bondholder may proceed to enforce all such provisions.

8 If there be any default in the payment of the principal of or interest on the bond, or if the City  
9 defaults in any 2024B ADFA Bond Fund requirement or in the performance of any of the other  
10 covenants contained in this Ordinance, the Bondholder may, by proper suit, compel the  
11 performance of the duties of the officials of the City under the laws of the State. In the case of a  
12 default in the payment of the principal of and interest on the bond, the Bondholder may apply in a  
13 proper action to a court of competent jurisdiction for the appointment of a receiver to administer  
14 the System on behalf of the City and the Bondholder with power to charge and collect (or by  
15 mandatory injunction or otherwise to cause to be charged and collected) rates sufficient to provide  
16 for the payment of the expenses of operation, repair and maintenance and to pay the bond and  
17 interest outstanding and to apply Revenues in conformity with this Ordinance. When all defaults  
18 in principal and interest payments have been cured, the custody and operation of the System shall  
19 revert to the City. No remedy herein conferred upon or reserved to the Bondholder is intended to  
20 be exclusive of any other remedy or remedies herein provided or provided by law, and every such  
21 remedy shall be cumulative and shall be in addition to every other remedy given hereunder or  
22 given by law. No delay or omission of the Bondholder to exercise any right or power accrued  
23 upon any default shall impair any such right or power or shall be construed to be a waiver of any  
24 default or an acquiescence therein; and every power and remedy given by this Ordinance to the  
25 Bondholder may be exercised from time to time and as often as may be deemed expedient.

26 No waiver of any default shall extend to or affect any other existing or any subsequent default  
27 or defaults or impair any rights or remedies consequent thereon. Any costs of enforcement of the  
28 bond or of any provision of this Ordinance, including reasonable attorney's fees, shall be paid by  
29 the City. The Authority may enforce all rights and exercise all remedies available to the  
30 Bondholder in the event the Servicing Fee is not paid when due.

31 **Section 17.** When the bond has been executed and sealed as herein provided, it shall be  
32 delivered to the Bondholder upon payment of all or a portion of the purchase price in accordance  
33 with the Agreement. Sale proceeds in the amount necessary to make all or a portion of the

1 semiannual interest and Servicing Fee payments due on each April 15 and October 15 to and  
2 including October 15, 2027, shall be applied, unless otherwise directed by the Commission, to the  
3 payment of the Servicing Fees and interest on the bond on such dates. The balance of the sale  
4 proceeds shall be deposited, as and when received, in an account of the City heretofore created  
5 and now designated as the “Little Rock Water Reclamation Authority Construction Fund” (the  
6 “Construction Fund”). The proceeds of the bond in the Construction Fund shall be used for directly  
7 paying, or reimbursing the City for, the costs paid in accomplishing the Improvements, expenses  
8 incidental thereto and the expenses of issuing the bond approved in accordance with the  
9 Agreement. Payments from the Construction Fund shall be by check or voucher signed by either  
10 the CEO or such other person or persons designated by the Commission, and drawn on the  
11 depository. Each such check or voucher shall briefly specify the purpose of the expenditure.

12 **Section 18.** The terms of this Ordinance shall constitute a contract among the City, the  
13 Bondholder and ANRC and no variation or change in the undertaking herein set forth shall be  
14 made while the bond is outstanding unless consented to in writing by the Bondholder and ANRC.

15 **Section 19.** The Commission will keep proper records, books and accounts relating to the  
16 operation of the System, which shall be kept separate from all other records and accounts of the  
17 City, in which complete and correct entries shall be made of all transactions relating to the  
18 operation of the System in accordance with generally accepted government accounting standards.  
19 Such books shall be available for inspection by the Bondholder and ANRC, or the agent or the  
20 representative of either, at reasonable times and under reasonable circumstances. The City agrees  
21 to have these records audited by an Accountant selected by the Commission at least once each  
22 year.

23 In the event the Commission fails or refuses to furnish or cause such reports to be furnished,  
24 the Bondholder may have the reports made, and the cost thereof shall be charged against the Sewer  
25 Operation and Maintenance Fund.

26 **Section 20.** The City covenants and agrees that it will maintain the System in good condition  
27 and operate it in an efficient manner and at reasonable cost. While the bond is outstanding, the  
28 City agrees that it will insure, and at all times keep insured, in the amount of the actual value  
29 thereof, in a responsible insurance company or companies selected by the Commission and  
30 authorized and qualified under the laws of the State to assume the risk thereof, all above-ground  
31 structures of the System against loss or damage thereto from fire, lightning, tornado, winds, riot,  
32 strike, civil commotion, malicious damage, explosion, and against loss or damage from any other  
33 causes customarily insured against in connection with similar facilities and undertakings as the

1 System. In the event of loss, the proceeds of such insurance shall be applied solely toward the  
2 reconstruction, replacement or repair of the System, and in such event the City will, with  
3 reasonable promptness, cause to be commenced and completed the reconstruction, replacement  
4 and repair work. If such proceeds are more than sufficient for such purposes, the balance  
5 remaining shall be deposited to the credit of the Sewer Fund, and if such proceeds shall be  
6 insufficient for such purposes, the deficiency shall be supplied, first, from moneys in the Sewer  
7 Depreciation Fund, second, from moneys in the Sewer Operation and Maintenance Fund, and third,  
8 from available moneys in the Sewer Fund. Nothing herein shall be construed as requiring the City  
9 to expend any funds for reconstruction, replacement or repair of the System or for operation and  
10 maintenance of the System or for premiums on its insurance which are derived from sources other  
11 than insurance proceeds or Revenues, but nothing herein shall be construed as preventing the City  
12 from doing so.

13 **Section 21.** The City agrees that the Bondholder may pledge the bond as security for the  
14 ADFA Bonds, and the ADFA Trustee and/or the municipal bond insurer for the ADFA Bonds may  
15 exercise any rights and remedies available to the Bondholder under this Ordinance or the  
16 Agreement while the bond is pledged and/or the ADFA Bonds are insured. In addition, the City  
17 agrees that while the bond is pledged and/or the ADFA Bonds are insured, copies of all financial  
18 information shall be furnished to the ADFA Trustee and/or the municipal bond insurer.

19 **Section 22.** In the event the offices of Mayor, City Clerk, CEO, Board of Directors, or  
20 Commission shall be abolished, or any two or more of such offices shall be merged or consolidated,  
21 or in the event the duties of a particular office shall be transferred to another office or officer, or  
22 in the event of a vacancy in any such office by reason of death, resignation, removal from office,  
23 or otherwise, or in the event any such officer shall become incapable of performing the duties of  
24 his office by reason of sickness, absence from the City, or otherwise, all powers conferred and all  
25 obligations and duties imposed upon such office or officer shall be performed by the office or  
26 officer succeeding to the principal function thereof, or by the office or officer upon whom such  
27 powers, obligations, and duties shall be imposed by law.

28 **Section 23.** It is understood and agreed that the Commission, acting for and on behalf of the  
29 City, has custody of and control over the System, operates, maintains and repairs the System and  
30 collects and handles Revenues. Therefore, it is understood and agreed that even though there are  
31 some express references to the Commission, all references herein to the City shall, when  
32 appropriate in view of the authority and responsibility of the Commission, be construed to mean  
33 and include the Commission. So long as the Commission operates the System for the City,

1 performance by the Commission of any right or obligation of the City hereunder shall be deemed  
2 performance by the City. The Commission presently consists of Chris Marsh, Ganelle Blake,  
3 Schawnee Hightower, Daryl Brown, Prentice O'Guinn and Jonathan Semans. There is one  
4 vacancy.

5 **Section 24.** The requirements of Ordinance No. 15,249, as they may relate to the authorization  
6 and sale of the bond, are hereby waived.

7 **Section 25.** The provisions of this Ordinance are hereby declared to be separable, and if any  
8 provision shall for any reason be held illegal or invalid, it shall not affect the validity of the  
9 remainder of this Ordinance.

10 **Section 26.** Reference in this Ordinance to “Bondholder” shall include the original  
11 Bondholder or any registered assign thereof.

12 **Section 27.** All ordinances and resolutions and parts thereof in conflict herewith are hereby  
13 repealed to the extent of such conflict.

14 **ADOPTED: September 3, 2024**

15 **ATTEST:**

**APPROVED:**

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**Allison Segars, Acting City Clerk**

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**Frank Scott, Jr., Mayor**

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20 **APPROVED AS TO LEGAL FORM:**

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**Thomas M. Carpenter, City Attorney**

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