



**Combined Committee of the Whole
& Bentonville City Council
Meeting Agenda
December 22, 2025
6:00 PM
Bentonville City Hall**

Note – The public, members of the City Council, and City staff, may have the option to attend this meeting by remote means. For public health reasons, those who attend in person should keep in mind hygiene, the use of facial coverings, and social distancing.

Bentonville residents can make public comments in the following ways:

- Public comments can be made in person at the City Council Meetings, which are held on the second and fourth Tuesdays of the month.
- There is no public comment period at the City Council Informational and Committee of the Whole Meetings.
- Public comments can be made virtually by registering for the City Council meeting at the Zoom link listed below. This requires you to register with your name, address, phone number and email address. The pre-existing limitations (3 minutes) and procedures concerning oral public comments will still apply.

*If you would like to attend virtually, please register at the following link by 4:00 p.m. on December 22, 2025: [Registration Link](#).

Council Questions/Discussion Concerning the Business Meeting

Call to Order

Pledge of Allegiance

Moment of Silence

Roll Call

Approval of Minutes: December 9, 2025

I. Committee of the Whole

**1. Ozark Regional Transit - Discussion of
Agreement for City of Bentonville
Transit Services**

Informational

Discussion of the 2026 Agreement for City of Bentonville Transit Services with Ozark Regional Transit.

2. **Consent Agenda Discussion** **Informational**
- II. New Business - Public Comment to be Heard with Agenda Item**
1. **Recognition of Outgoing Board, Commission and Committee Members** **Informational**
Recognize those outgoing members who have notably served on the City of Bentonville's Boards, Commissions and Committees.
2. **Reappointment of Michele Stamps Pritchett to the Library Advisory Board** **Appointment**
Reappointment of Michele Stamps Pritchett, based upon staff recommendation to the Mayor, to the Library Advisory Board. This is Mrs. Pritchett's second term that will begin January 1, 2026 and expire December 31, 2030.
3. **Appointment of Roland Smith to the Library Advisory Board** **Appointment**
Appointment of Roland Smith, based upon staff recommendation to the Mayor, to the Library Advisory Board. This is Mr. Smith's first term that will begin January 1, 2026 and expire December 31, 2030.
4. **Appointment of Jennifer Doherty to the Library Advisory Board** **Appointment**
Appointment of Jennifer Doherty, based upon staff recommendation to the Mayor, to the Library Advisory Board. This is Mrs. Doherty's first term that will begin January 1, 2026 and expire December 31, 2030.
5. **Resolution to Purchase Parks Vehicles for 2026** **Resolution**
Resolution authorizing the Mayor and Clerk to enter into an agreement to purchase five (5) vehicles from the State Contract Vehicle FY 2026 Vendor List in the amount of \$228,594.00. No budget adjustment is needed.
6. **Ordinance to Waive Competitive Bidding for 2026 Downtown Bentonville Incorporated Agreement** **Ordinance***
Ordinance approving a bid waiver to Downtown Bentonville, Inc., and authorizing the Mayor and City Clerk enter into an agreement for services for 2026. No budget adjustment is needed.
7. **Resolution to Enter an Agreement with Crafton, Tull & Associates, Inc. for C Street Sidepath Project** **Resolution**
Resolution authorizing the Mayor and Clerk to enter into an agreement with Crafton Tull, in the amount of \$222,150.00, for design services for the C Street Sidepath. No budget adjustment is needed.
8. **Resolution Accepting a Grant from Walton Family Foundation for Little Sugar Creek Restoration** **Resolution**
Resolution authoring the Mayor and Clerk to accept a grant from the Walton Family Foundation, valued at \$2,125,922.00, for removal of the dam at Bella Vista Lake and the restoration of Little Sugar Creek. A budget adjustment is needed to accept and allocate funds.

9. **Resolution Awarding Bid IFB-25-43 to Streamline Environmental for Little Sugar Creek** **Resolution**

Resolution authorizing the Mayor and City Clerk to enter into an agreement with Streamline Environmental, in the amount of \$4,459,704.00 (including a 10% contingency), for the removal of the dam at Bella Vista Lake and the restoration of the Little Sugar Creek. No budget adjustment is needed.

10. **Construction Administration with WCRC for Little Sugar Creek Stream Restoration** **Resolution**

Resolution authorizing the Mayor and Clerk to enter into an amended agreement with WCRC, in the amount of \$446,000.00, for construction administration for the Bella Vista Lake dam removal and the Little Sugar stream restoration project. No budget adjustment is needed.

11. **Public Hearing to Authorize the Issuance of a Wastewater Development Fee Revenue Bond** **Public Hearing**

Public hearing authorizing the issuance of a bond in the amount of \$239,000,000.00 for the purpose of financing capital improvements to the City's wastewater system and the sale of the bond to the Alice Walton Foundation.

12. **Ordinance Approving a Wastewater Development Fee** **Ordinance***

Requesting City Council approval of an Ordinance to adopt a Wastewater Development Fee, as recommended by Utility Financial Solutions. No budget adjustment is needed.

13. **Ordinance Approving a Wastewater Development Fee Revenue Bond** **Ordinance***

Requesting City Council approval of an ordinance to issue a Wastewater Development Fee Revenue bond in the amount of \$239,000,000.00 funded by the Alice Walton Foundation. No budget adjustment is needed.

14. **Resolution for a Development Agreement with ADAF Bentonville, LLC for Bright Road Extension** **Resolution**

A Resolution authorizing the City to enter into a Master Development Agreement with ADAF Bentonville, LLC for the Bright Road Extension Project. A budget adjustment is needed.

III. Other Business/Announcements/Comments

Adjournment

Public Comments Concerning Matters of City Related Business



City of Bentonville, Arkansas Agenda Item Form

Item Details

Council Meeting Date:		Submitted By:	
Phone:		For Department(s):	
Email:			

Item Type (Check all that apply)

Informational	Bid Award	Enter into an Agreement	Change Order
Recognizing Funds	Budget Adjustment	Waiver of Bid	Emergency Clause
Ordinance	Resolution		Informational

Title, Recommendation & Justification

Title:	
Action Recommendation & Justification:	
Additional Comments for Consideration (Optional):	

Amount for Approval:	\$
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Budget Impact

Is this Item Budgeted? YES NO ITEM HAS NO COST OTHER: _____

Budget Adjustment (to be completed by Finance when applicable)

Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue

Fund(s) Impacted

(check all that apply)

General Fund

Utility Fund

Street Fund

Other(s): _____

Budget Impact Notes for Consideration (Optional):

City of Bentonville, Arkansas

City Hall

305 SW A Street Bentonville, AR 72712

AGREEMENT FOR CITY OF BENTONVILLE TRANSIT SERVICES

WHEREAS, Ozark Regional Transit (ORT), is a public transit authority organized and exists pursuant to A.C.A 14-334-101 et. seq;

WHEREAS, the City of Bentonville, Arkansas (City) is a member of said authority;

WHEREAS, ORT provides public transportation to the citizens of the City;

WHEREAS, the City agrees to provide continued funding for transit services from its General Fund; and

WHEREAS, the funding sources for services are as follows:

Total Service Cost	\$1,897,736.00
Federal Share	\$579,409.00
City Share	\$700,327.00
ADA Para Transit Set-Aside	\$5,000.00
WFF Grant Request	\$618,000.00

WHEREAS, the City is agreeable to such.

NOW, THEREFORE, IT IS AGREED:

1. ORT will continue to provide services to the citizens of the City as has been traditionally provided in the past.
2. For the sum of \$700,327.00 from the City in conjunction with additional funding provided by the FTA, the State of Arkansas, private grants, and other ORT revenue sources, ORT will provide services as follows:
 - a. ORT will continue to provide the same level of services as it has done in 2025 beginning in the first quarter of 2026.
 - b. During the first quarter of 2026, ORT, in conjunction with the City staff, will convert the weekday ODT service to a fixed route that will serve the downtown area and areas to the north of The Bentonville Square.
 - c. Before the end of the first quarter, ORT will have 5 (five) vehicles providing Fixed Route transit services and the appropriate assignment of vehicles providing the ADA Para-Transit services during the regular weekdays, within the boundaries of the attached map identified as Exhibit "A" from on/or about January 1, 2026 through December 31, 2026.
 - d. Throughout the calendar year, ORT will have 2 vehicles providing On-Demand transit services on Saturdays.
3. If the City's share of the state sales tax enacted pursuant to Amendment 91 tax generates more than the amount necessary to cover the funding agreed to, any such overage will be retained by the City. If the anticipated revenue is less than \$700,327.00 then the City shall pay the difference from other funding sources.
4. The revenue of \$700,327.00 referred to herein as the City's share shall be remitted in quarterly installments. The quarterly installments of \$175,081.75 shall be billed by ORT prior to the beginning of each quarter.

5. ORT, with input and coordination from City staff, will manage the installation and removal of bus stop locations, bus stop signage, shelter placement, and bench placement when necessary, at mutually agreed upon locations. Designs for bus stop signage, shelter placement, and bus stop benches will be presented to City staff for approval. ORT will provide and install bus shelters and benches on concrete pads provided by the City.
6. The funding line identified as the ADA Para Transit Set-Aside, will only be utilized for ADA para-transit services that fall within the new 1.75 mile barrier surrounding the fixed routes as identified in Exhibit "A" when the conversion from ODT to the new downtown fixed route is established.
7. ORT will bill the City monthly for any services required to be paid from the ADA Para Transit Set-Aside line item in arrears. The billing rate for these services will be \$57.15 per trip. Only trips performed in the area identified in Exhibit "A" as the ADA Expanded Zone(s) are subject to this additional billing.
8. ORT staff will regularly monitor this funding line and will notify the City if this funding line item diminishes or is being consumed at a rate that does not allow it to be solvent through the entirety of the 2026 calendar year.
9. The term of this Agreement shall be from January 1, 2026, through December 31, 2026; however, said Agreement may be terminated by either party upon sixty (60) days written notice.
10. ORT agrees to provide professionally qualified staff to carry out the terms of this Agreement, understanding and acknowledging that the financial support offered by the City provides for the implementation of this Agreement.
11. ORT shall make monthly reports to the City and furnish all information requested by the City.
12. ORT will continue to develop a City specific marketing plan throughout the year, allowing input from City staff and coordination on the implementation of marketing materials or programs. The marketing plan will be designed to promote outreach and increase awareness of ORT's routes and services to Bentonville residents and will include ridership growth benchmarks and measures to increase ridership. ORT agrees to devote substantial time, interests, and energies to promote ridership on the City's routes.
13. ORT shall make, in person, quarterly reports to the Bentonville City Council Finance Committee which include, but are not limited to, marketing and technology updates.

14. During the first quarter, ORT will work with City staff to develop and implement a new fixed route in lieu of the On Demand Transit service during the weekdays. This new fixed route will connect to the existing routes and serve areas north of 8th Street, The Bentonville Square, and Crystal Bridges. At this time, ORT will extend the ADA Para Transit zone from $\frac{3}{4}$ mile to 1 and $\frac{3}{4}$ mile. The goal of this redevelopment will be completed and implemented no later than March 15, 2026. All modifications to the existing model of transit options will be net-zero to the budget.
15. Throughout the duration of this Agreement, ORT pledges to continuously work towards ease of public use for its technology.
16. In the event of a performance failure, where the service performed is not in accordance with the specifications set forth by the City, or otherwise not in accordance with this Agreement, the City may withhold sums otherwise due to ORT that are specifically for the service that was not performed in accordance with the Agreement, until the correction of the performance failure is confirmed to the satisfaction of the City. In the event ORT fails to correct the performance failure within forty-eight (48) hours of being notified, or if ORT fails to correct the performance failure in a manner which bring the service into specification as approved by the City's contact, the City reserves the right to cancel the Agreement immediately.
17. ORT represents that is shall, at its sole cost and expense, comply with all applicable municipal, county, state, and federal requirements now in force pertaining to any and all activities contemplated under this Agreement.
18. The parties agree that this Agreement shall be construed under Arkansas law with proper jurisdiction and venue for any cause of action arising from this Agreement vesting in the Circuit Court of Benton County, Arkansas.
19. ORT acknowledges that the expenditure of government funds for governmental purpose is a matter of public interest and subject to the disclosure under the Arkansas Freedom of Information Act (FOIA) Ark. Code Ann. §25-19-101, et seq. City contracts and documents prepared while performing City contractual work are subject to the FOIA. If a FOIA request is presented to the City, ORT will do everything possible to provide the documents in a prompt and timely manner. Only legally authorized photocopying costs pursuant to the FOIA may be assessed for this compliance.
20. Without the City's prior consent, ORT's duties under this Agreement are not assignable by ORT, either in whole or in part.
21. The provisions of this Agreement are severable. The invalidity or unenforceability of any one provision of this agreement shall not affect the other provisions.

22. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties hereto, any rights or remedies under or by reason of this Agreement.

23. Changes, modifications, or amendments in scope, price, or other deliverables pursuant to this Agreement shall not be allowed without a prior formal contractual amendment approved by the City in advance of the change in scope, price, or deliverable. No modification of this Agreement shall be binding unless made in writing and executed by both parties. No waiver by either party or any breach of obligation of the other party, under this Agreement, shall constitute a waiver of any other prior or subsequent breach or obligation.

24. This Agreement sets forth the entire agreement and understanding between the parties on the subject matter of this Agreement. Neither party shall be bound by any conditions, definitions, representation, or warranties with respect to the subject matter of this Agreement other than those expressly provided herein.

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the _____ day of _____, 20____

Ozark Regional Transit

City of Bentonville, Arkansas

By: _____

By: _____

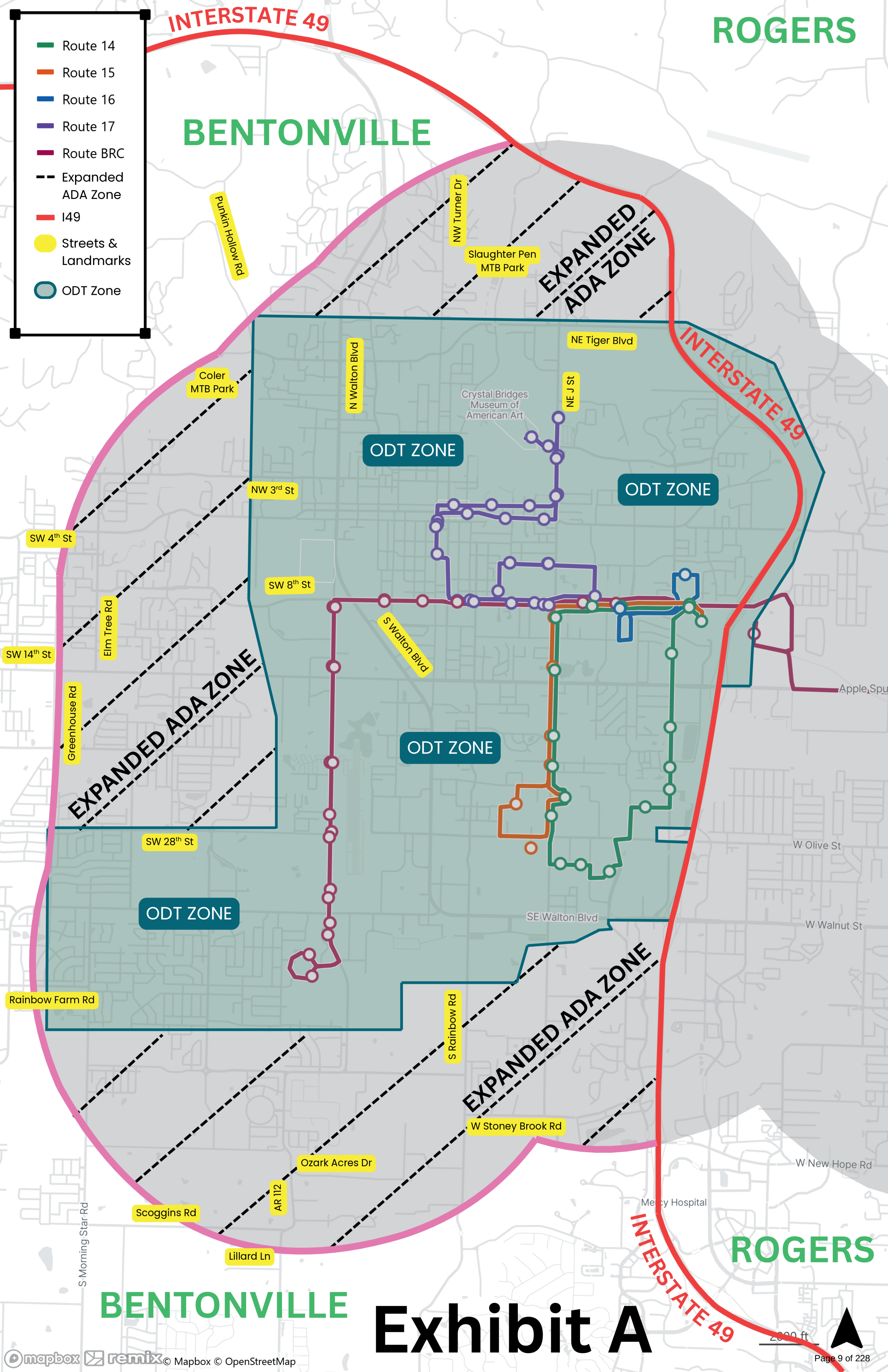
Joel Gardner

Stephanie Orman

Executive Director

Mayor, City of Bentonville, Arkansas

Ozark Regional Transit





City of Bentonville, Arkansas Agenda Item Form

Item Details

Council Meeting Date:		Submitted By:	
Phone:		For Department(s):	
Email:			

Item Type (Check all that apply)

Informational	Bid Award	Enter into an Agreement	Change Order
Recognizing Funds	Budget Adjustment	Waiver of Bid	Emergency Clause
Ordinance	Resolution		Informational

Title, Recommendation & Justification

Title:	
Action Recommendation & Justification:	
Additional Comments for Consideration (Optional):	

Amount for Approval:	\$
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Budget Impact

Is this Item Budgeted? YES NO ITEM HAS NO COST OTHER: _____

Budget Adjustment (to be completed by Finance when applicable)

Account Number (ORG-OBJECT)	Account Description	Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$

Fund(s) Impacted

(check all that apply)

General Fund

Utility Fund

Street Fund

Other(s): _____

Budget Impact Notes for Consideration (Optional):



City of Bentonville, Arkansas Agenda Item Form

Item Details

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Phone:		For Department(s):	
Email:			

Item Type (Check all that apply)

Informational	Bid Award	Enter into an Agreement	Change Order
Recognizing Funds	Budget Adjustment	Waiver of Bid	Emergency Clause
Ordinance	Resolution	Informational	Appointment

Title, Recommendation & Justification

Title:	
Action Recommendation & Justification:	
Additional Comments for Consideration (Optional):	

Amount for Approval:	\$
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Budget Impact

Is this Item Budgeted? **YES** **NO** **ITEM HAS NO COST** **OTHER:** _____

Budget Adjustment (to be completed by Finance when applicable)

Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue

Fund(s) Impacted

(check all that apply)

General Fund **Utility Fund** **Street Fund** **Other(s):** _____

Budget Impact Notes for Consideration (Optional):



December 11, 2025

To: City Council Members & City Clerk

From: Mayor Stephanie Orman

Subject: Reappointment of Michele Stamps Pritchett to the Bentonville Public Library Advisory Board.

Based on staff recommendation, I recommend Michele Stamps Pritchett for reappointment to the Bentonville Public Library's Advisory Board.

Mrs. Stamps Pritchett's second term is January 1, 2026 – December 31, 2030.



Stephanie Orman
Mayor of Bentonville

Boards and Commissions Application Form

Applicant Information

First Name	Michele
Last Name	Stamps Pritchett
Address	
City	Bentonville
State	AR
Zip Code	72712
Home / Cell Phone	
Email Address	
Length of Bentonville Residency	17 years
Employer	self-employed
Occupation	entrepreneur
Business Phone	

(Section Break)

References

Please provide 2 references

Name	Mike Vass
Email Address	
Address	
City	Rogers
State	AR
Zip Code	72756
Phone Number	
Name	Stephanie Broadus

Email Address	[REDACTED]
Address	[REDACTED]
City	Vidalia
State	LA
Zip Code	71373
Phone Number	[REDACTED]
Fax Number	<i>Field not completed.</i>

(Section Break)

Board Selection and Qualifications

Select all commissions and boards for which you would like to be considered:

Library Advisory Board

1. What are your qualifications for serving on this commission or board, including education and subject matter expertise?

I am currently serving on this board. My education includes a BA in Mass Communications and a Juris Doctorate.

2. Why would you like to be considered for appointment to this commission or board?

I'm a strong supporter of public libraries. Public libraries were a lifeline for me as a child and continue to play a vital role in my family.

3. What do you hope to be able to contribute?

Through this position, I hope to continue lending a helping hand and voice to the community about the value and support programs available at our local library while supporting the library staff with advice to meet our community's needs.

4. Meeting Times

AGREED

(Section Break)

Qualifications for Serving

Please read the Qualifications for Serving provided below. These are the general qualifications to serve on any board or commission of the City of Bentonville.

I have read the above qualifications to serve on a city commission or board.

Yes

(Section Break)

Restrictions on Appointees

Please read the Restrictions on Appointees provided below. Then type in your name and date to confirm that you are aware of and, if appointed, agree to the following rules.

Agreement to Abide by
Restrictions on
Appointees

Michele Stamps Pritchett

Date

11/5/2025



City of Bentonville, Arkansas Agenda Item Form

Item Details

Council Meeting Date:		Submitted By:	
Phone:		For Department(s):	
Email:			

Item Type (Check all that apply)

Informational	Bid Award	Enter into an Agreement	Change Order
Recognizing Funds	Budget Adjustment	Waiver of Bid	Emergency Clause
Ordinance	Resolution	Informational	Appointment

Title, Recommendation & Justification

Title:	
Action Recommendation & Justification:	
Additional Comments for Consideration (Optional):	

Amount for Approval:	\$
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Budget Impact

Is this Item Budgeted? YES NO ITEM HAS NO COST OTHER: _____

Budget Adjustment (to be completed by Finance when applicable)

Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue

Fund(s) Impacted

(check all that apply)

General Fund Utility Fund Street Fund Other(s): _____

Budget Impact Notes for Consideration (Optional):



December 11, 2025

To: City Council Members & City Clerk
From: Mayor Stephanie Orman
Subject: Appointment of Roland Smith to the Bentonville Public Library
Advisory Board.

Based on staff recommendation, I recommend Roland Smith for appointment to the Bentonville Public Library's Advisory Board.

Mr. Smith's first term is January 1, 2026 – December 31, 2030.

A handwritten signature in dark ink, appearing to be 'Stephanie Orman'.

Stephanie Orman
Mayor of Bentonville



Boards and Commissions Application Form

Applicant Information

First Name Roland

Last Name Smith

Address

City Bentonville

State AR

Zip Code 72712

Home / Cell Phone

Email Address

Length of Bentonville
Residency 4 years

Employer Self

Occupation Writer

Business Phone

(Section Break)

References

Please provide 2 references

Name Bethany Culpepper

Email Address

Address

City Bentonville

State AR

Zip Code 72712

Phone Number	[REDACTED]
Name	Lee Culpepper
Email Address	[REDACTED]
Address	[REDACTED]
City	Bentonville
State	AR
Zip Code	72712
Phone Number	[REDACTED]
Fax Number	<i>Field not completed.</i>

(Section Break)

Board Selection and Qualifications

Select all commissions and boards for which you would like to be considered:

Library Advisory Board

1. What are your qualifications for serving on this commission or board, including education and subject matter expertise?

I have been involved with literacy for over 30 years. I have published over fifty books, both fiction and nonfiction.

2. Why would you like to be considered for appointment to this commission or board?

I have visited and spoken at hundreds of libraries over the past 30 years.

3. What do you hope to be able to contribute?

I think my experience as a writer and enthusiastic supporter of school and public libraries, especially BPL, would be a useful addition to the advisory committee.

4. Meeting Times

AGREED

(Section Break)

Qualifications for Serving

Please read the Qualifications for Serving provided below. These are the general qualifications to serve on any board or commission of the City of Bentonville.

I have read the above qualifications to serve on a city commission or board.

Yes

(Section Break)

Restrictions on Appointees

Please read the Restrictions on Appointees provided below. Then type in your name and date to confirm that you are aware of and, if appointed, agree to the following rules.

Agreement to Abide by Restrictions on Appointees

Roland Smith

Date

10/8/2025



City of Bentonville, Arkansas Agenda Item Form

Item Details

Council Meeting Date:		Submitted By:	
Phone:		For Department(s):	
Email:			

Item Type (Check all that apply)

Informational	Bid Award	Enter into an Agreement	Change Order
Recognizing Funds	Budget Adjustment	Waiver of Bid	Emergency Clause
Ordinance	Resolution	Informational	Appointment

Title, Recommendation & Justification

Title:	
Action Recommendation & Justification:	
Additional Comments for Consideration (Optional):	

Amount for Approval:	\$
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Budget Impact

Is this Item Budgeted? YES NO ITEM HAS NO COST OTHER: _____

Budget Adjustment (to be completed by Finance when applicable)

Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue

Fund(s) Impacted

(check all that apply)

General Fund Utility Fund Street Fund Other(s): _____

Budget Impact Notes for Consideration (Optional):

City of Bentonville, Arkansas

City Hall

305 SW A Street Bentonville, AR 72712



December 11, 2025

To: City Council Members & City Clerk

From: Mayor Stephanie Orman

Subject: Appointment of Jennifer Doherty to the Bentonville Public Library Advisory Board.

Based on staff recommendation, I recommend Jennifer Doherty for appointment to the Bentonville Public Library's Advisory Board.

Mrs. Doherty's first term is January 1, 2026 – December 31, 2030.

So

Stephanie Orman
Mayor of Bentonville



Boards and Commissions Application Form

Applicant Information

First Name Jennifer

Last Name Doherty

Address

City Bentonville

State AR

Zip Code 72713

Home / Cell Phone

Email Address

Length of Bentonville
Residency 3 years

Employer 3M

Occupation Risk Intelligence Manager

Business Phone

(Section Break)

References

Please provide 2 references

Name Nikki

Email Address Taylor

Address

City Bentonville

State AR

Zip Code 72712

Phone Number

Name	Rosario
Email Address	Javier
Address	
City	Rogers
State	AR
Zip Code	72756
Phone Number	
Fax Number	Field not completed.

(Section Break)

Board Selection and Qualifications

Select all commissions and boards for which you would like to be considered:

Library Advisory Board

1. What are your qualifications for serving on this commission or board, including education and subject matter expertise?

I bring a well-rounded perspective - from working as a Library Assistant while in graduate school to being a member of the Bentonville Friends of the Library to being a library patron wherever I've lived, and now raising a young daughter who loves the library as much as I do. When my family moved to Bentonville in 2022, one of the first things I did was to sign up for a library card - before we had even moved out of temporary housing. Professionally, I have experience in analysis, donor relations, event planning, and government affairs, which directly supports the Board's advisory and community engagement roles. I spent almost 10 years as a political analyst at the CIA and currently work as Risk Intelligence Manager at 3M, during which I've developed expertise in research, strategic planning, and briefing senior leaders on complex issues. As a Congressional Fellow, I successfully managed the Community Project Funding process from solicitation through appropriations, securing full funding for all projects. I also volunteer as the classroom reader for my daughter's preschool, helping foster a love of books one story at a time. I care deeply about promoting literacy, community engagement, and lifelong learning and would be honored to

bring that perspective and energy to the Library Advisory Board.

2. Why would you like to be considered for appointment to this commission or board?

I am committed to public service and passionate about supporting the library, the community it serves, and the learning opportunities and events that it promotes. One thing that I love about the Bentonville Public Library is how it meets the town where it is and isn't afraid to grow and change with the community. There is truly something to engage every individual, from lending out American Girl Dolls to the seed library to hosting the Bike and Book Fest (all of which we have participated in!). I have been a weekly volunteer at Feed Rogers for several years, which has shown me how accessible, welcoming institutions strengthen our area, and I see BPL fulfilling that same mission every day. I want to help ensure that the library continues to evolve with our community while remaining a welcoming hub for learning, connection, and discovery.

3. What do you hope to be able to contribute?

I hope to contribute my perspective as both a lifelong library patron and the parent of a preschooler, along with my professional background in analysis, communications, and project management. My career—spanning roles at the CIA and now at 3M as Risk Intelligence Manager—has focused on synthesizing diverse information to inform strategic decision-making. I regularly brief senior leaders, manage cross-functional teams, and develop policies and programs from concept through implementation—skills that would help the Board assess community needs, evaluate program effectiveness, and advise on strategic priorities. I thrive in collaborative, discussion-driven settings and value the diverse perspectives that make public institutions strong. Literacy has been the backbone of my career and one of the biggest joys of my life and I am excited at the opportunity to be able to use my background on behalf of the BPL.

4. Meeting Times

AGREED

(Section Break)

Qualifications for Serving

Please read the Qualifications for Serving provided below. These are the general qualifications to serve on any board or commission of the City of Bentonville.

I have read the above qualifications to serve

Yes

on a city commission or
board.

(Section Break)

Restrictions on Appointees

Please read the Restrictions on Appointees provided below. Then type in your name and date to confirm that you are aware of and, if appointed, agree to the following rules.

Agreement to Abide by	Jennifer Doherty
Restrictions on	
Appointees	

Date	10/14/2025
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City of Bentonville, Arkansas Agenda Item Form

Item Details

Council Meeting Date:		Submitted By:	
Phone:		For Department(s):	
Email:			

Item Type (Check all that apply)

Informational	Bid Award	Enter into an Agreement	Change Order
Recognizing Funds	Budget Adjustment	Waiver of Bid	Emergency Clause
Ordinance	Resolution		Informational

Title, Recommendation & Justification

Title:	
Action Recommendation & Justification:	
Additional Comments for Consideration (Optional):	

Amount for Approval:	\$
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Budget Impact

Is this Item Budgeted? YES NO ITEM HAS NO COST OTHER: _____

Budget Adjustment (to be completed by Finance when applicable)

Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue

Fund(s) Impacted

(check all that apply)

General Fund Utility Fund Street Fund Other(s): _____

Budget Impact Notes for Consideration (Optional):

Memo



To: City Council, Mayor Orman
Thru: David Wright, Parks and Recreation Director
From: Creek Wenger, Parks and Recreation Maintenance Manager
Date: December 8, 2025
Re: Resolution to purchase five vehicles for Parks and Recreation.

Parks and Recreation staff request City Council's approval of a resolution authorizing Mayor Orman to enter into an agreement to purchase five (5) new vehicles from the State Procurement and Bid List. Purchase is being made from Red River Dodge Chrysler Jeep Ram Fiat, from Heber Springs. These vehicles include:

Ram 1500 4WD Crew Cab
Ram 2500 4WD Crew Cab
Ram 3500 4WD Crew Cab
2 - Ram 3500 4WD Regular Cab Dually

The budgeted figure for these five (5) vehicles was \$336,000. Final purchase price is \$228,594 from Red River Dodge. These vehicles are for use by the Parks Maintenance team and are necessary for staffing the new Gateway Park.

For any questions, please contact Creek Wenger at cwenger@bentonvillear.com.

Attachments:

Quote Worksheets

QUOTE



Red River Dodge Chrysler Jeep Ram Fiat

#1 Ram Dealer in Arkansas

DATE: 12/04/2025

1060 Heber Springs Rd South, Heber Springs, Ar. 72543
Office 501-362-5831 Cell 501-206-9958 Fax 501-632-5522
Email

mike@redriverdodge.com

christina@redriverdodge.com

Item 11

SALESPERSON	JOB	MODEL	COLOR
Mike Haley	Fleet Manager	2026 Ram 1500 Crew Cab 4x4	White

	DESCRIPTION	UNIT PRICE	LINE TOTAL
1	DT6L98- 2025 Ram 1500 Crew Cab 4x4	\$ 39,831.00	\$ 38,831.00
	3.0L Twin Turbo Hurricane 420 HP Engine	\$ 1,695.00	\$ 1,695.00
	8 Speed Auto Transmission	STD	STD
	Vinyl Seat/Vinyl Floors	STD	STD
	Uconnect 5 with 8.4" Screen Handsfree Bluetooth Radio/4G LTE WiFi Hot Spot /Apple Car play/ Android Auto	STD	STD
	Power Windows & Locks	STD	STD
	Keyless Entry/Remote Start	STD	STD
	Daytime Running Lights	STD	STD
	12V Power Outlet	STD	STD
	Backup Camera	STD	STD
	Tow Hitch	STD	STD
	Active Lane Management	STD	STD
	Blind Spot Cross Path Detection	STD	STD
	Class IV Hitch	STD	STD
	Anti-Spin Differential Rear Axle	\$ 495.00	\$ 495.00
	LT275/65R18C OWL On/Off Road Tires	\$ 245.00	\$ 245.00

	Trailer Brake Control	\$ 295.00	\$ 295.00	
	5yr/100K Mile Powertrain Warranty			
TOTAL				\$ 41,561.00

THANK

Quote By Mike Haley/Christina Dewberry Fleet Managers

This is a quotation on the goods named, subject to the conditions noted below: Describe any conditions pertaining to these prices and any additional terms of the agreement. You may want to include contingencies that will affect the quotation.

TO ACCEPT THIS PURCHASE AGREEMENT PLEASE SIGN X

QUOTE



Red River Dodge Chrysler Jeep Ram Fiat

DATE: 12/04/2025

#1 Ram Dealer in Arkansas

1060 Heber Springs Rd South,
Heber Springs, Ar.72543
Office 501-362-5831
Cell 501-206-9958
Fax 501632-5522
Email
mike@redriverdodge.com
christina@redriverdodge.com

SALESPERSON	JOB	MODEL	COLOR
Mike Haley	Fleet Manager	2026 Ram 2500 Crew Cab 4x4 6.4ft Bed	White

	DESCRIPTION	UNIT PRICE	LINE TOTAL
	DJ7L91 2500 Tradesman Crew Cab 4x4 6.4ft Bed		\$ 43,003.00
	6.L V8 Hemi HD Engine		STD
	8 Speed Automatic Transmission		STD
	40/20/40 Vinyl Split Bench Seat		STD
	Uconnect 5 w 8.4" Display		STD
	Power Windows & Door Locks		STD
	Remote Keyless Entry		STD
	Class V Hitch		STD
	Full Size Spare Tire		STD
	Trailer Brake Controller		STD
	Anti-Spin Differential Rear Axle		\$ 495.00
	A/T Tires LT 275/70R 18E OWI On/Off Road Tires		\$ 295.00
Must add to get A/T Tires	18X8.0 Steel Black Painted Wheels		\$ 295.00
	10yr/100K Mile Powertrain Warranty		STD

TOTAL

\$44,088.00

THANK YOU FOR YOUR BUSINESS!

Quote By Mike Haley Fleet Manager

This is a quotation on the goods named, subject to the conditions noted below: Describe any conditions pertaining to these prices and any additional terms of the agreement. You may want to include contingencies that will affect the quotation.

TO ACCEPT THIS PURCHASE AGREEMENT PLEASE SIGN X

QUOTE



Red River Dodge Chrysler Jeep Ram Fiat

#1 Ram Dealer in Arkansas

DATE: 12/04/2025

1060 Heber Springs Rd South, Heber Springs, Ar. 72543
Office 501-362-5831 Cell 501-206-9958 Fax 501-632-5522
Email
mike@redriverdodge.com

SALESPERSON	JOB	MODEL	COLOR
Mike Haley	Fleet Manager	2026 Ram 3500 Reg Cab Chassis 4x4 60 CA	White

	DESCRIPTION	UNIT PRICE	LINE TOTAL
	DD8L63 3500 Reg Cab Chassis 4x4 60 CA		\$ 42,234.00
	6.4L V8 HEMI HD Engine		STD
	4x4 Drive System		\$ 4,235.00
	Dual Rear Wheel		STD
	8-Spd TorqueFlite HD Auto Trans		STD
	HD Vinyl 40/20/40 Split Bench Seat		STD
	Uconnect with 5 with 8.4-inch Screen/ Hands free blue tooth		STD
	Voltage Monitoring Idle Up system		STD
	6000# Front Axle w/Hub Ext.		STD
	11.50" Dial Wheels Rear Axle		STD
	220 Amp Alternator		STD
	Tow Hooks		STD
	HD Cooling system		STD
	Anti-Spin Rear Axle		STD
	LT235/80R17E Off Road Tires		\$ 995.00
	Full Size Spare		\$ 395.00
	Trailer Brake Control		\$ 465.00
	Back Up Camera		\$ 495.00
	Dual Alternator Rated 440 AMP		\$ 495.00
	5yr/100K mile Powertrain Warranty		STD

QUOTE



Red River Dodge Chrysler Jeep Ram Fiat

#1 Ram Dealer in Arkansas

DATE: 12/04/2025

1060 Heber Springs Rd South, Heber Springs, Ar. 72543
Office 501-362-5831 Cell 501-206-9958 Fax 501-632-5522
Email
mike@redriverdodge.com

SALESPERSON	JOB	MODEL	COLOR
Mike Haley	Fleet Manager	2026 Ram 3500 Reg Cab Chassis 4x4 60 CA	White

	DESCRIPTION	UNIT PRICE	LINE TOTAL
	DD8L63 3500 Reg Cab Chassis 4x4 60 CA		\$ 42,234.00
	6.4L V8 HEMI HD Engine		STD
	4x4 Drive System		\$ 4,235.00
	Dual Rear Wheel		STD
	8-Spd TorqueFlite HD Auto Trans		STD
	HD Vinyl 40/20/40 Split Bench Seat		STD
	Uconnect with 5 with 8.4-inch Screen/ Hands free blue tooth		STD
	Voltage Monitoring Idle Up system		STD
	6000# Front Axle w/Hub Ext.		STD
	11.50" Dial Wheels Rear Axle		STD
	220 Amp Alternator		STD
	Tow Hooks		STD
	HD Cooling system		STD
	Anti-Spin Rear Axle		STD
	LT235/80R17E Off Road Tires		\$ 995.00
	Full Size Spare		\$ 395.00
	Trailer Brake Control		\$ 465.00
	Back Up Camera		\$ 495.00
	5yr/100K mile Powertrain Warranty		STD

QUOTE



Red River Dodge Chrysler Jeep Ram Fiat

DATE: 12/03/2025

#1 Ram Dealer in Arkansas

1060 Heber Springs Rd South,
 Heber Springs, Ar. 72543
 Office 501-362-5831
 Cell 501-206-9958
 Fax 501-632-5522
 Email
mike@redriverdodge.com
christina@redriverdodge.com

Item 23

SALESPERSON	JOB	MODEL	COLOR
Mike Haley	Fleet Manager	2026 Ram 3500 Crew Cab 4x4 56 CA	White

	DESCRIPTION	UNIT PRICE	LINE TOTAL
	D23L92 3500 Tradesman Crew Cab 4x4		\$ 41,562.00
	6.4L V8 Hemi HD Eng		STD
	Single Rear Wheel		STD
	4x4 Drive System		\$ 2,800.00
	8 Speed Automatic Transmission		STD
	HD Vinyl Seat 40/20/40 Split Bench Seat		STD
	Uconnect 5 w 8.4" Display		STD
	Back Up Camera		STD
	Power Windows & Door Locks		STD
	Remote Keyless Entry		STD
	Full Size Spare Tire		STD
	Anti-Spin Rear Axle		STD
	Vinyl Floors		STD
	Trailer Brake Controller		STD
	A/T Tires		\$ 450.00

	5yr/100K Mile Powertrain Warranty		STD	
TOTAL			\$ 44,812.00	

THANK YOU FOR YOUR BUSINESS!

Quote By Mike Haley Fleet Manager

This is a quotation on the goods named, Subject to the conditions noted below: Describe any conditions pertaining to these prices and any additional terms of the agreement. You may want to include contingencies that will affect the quotation.

TO ACCEPT THIS PURCHASE AGREEMENT PLEASE SIGN X _____

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO AN AGREEMENT WITH RED RIVER DODGE CHRYSLER JEEP RAM FIAT, IN THE AMOUNT OF TWO HUNDRED TWENTY-EIGHT THOUSAND FIVE HUNDRED NINETY-FOUR DOLLARS (\$228,594.00), TO PURCHASE FIVE (5) PARKS VEHICLES FROM STATE CONTRACT; AND FOR OTHER PURPOSES.

WHEREAS, Red River Dodge Chrysler Jeep Ram Fiat is on State Contract, Contract No. S000000439, for vehicles needed by the Parks and Recreation Department for 2026;

WHEREAS, utilizing State Contracts complies with the City's Purchasing Policy and satisfies the competitive bid requirement; and

WHEREAS, this is a 2026 budgeted item.

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

Section 1: The Mayor and City Clerk are authorized to enter into an agreement with Red River Dodge Chrysler Jeep Ram Fiat, in the amount of two hundred twenty-eight thousand five hundred ninety-four dollars (\$228,594.00), for the purchase of five (5) vehicles for the Parks and Recreation Department;

Section 2 - Severability Provision: If any part of this Resolution is held invalid, the remainder of this Resolution shall continue in effect as if such invalid portion never existed; and

Section 3 - Repeal of Conflicting Resolutions: All Ordinances, Resolutions, or Orders of the City Council, or parts of the same, in conflict with this Resolution are repealed to the extent of such conflict.

PASSED AND APPROVED this _____ day of _____, 2025.

APPROVED:

Stephanie Orman, MAYOR

ATTEST:

Malorie Marrs, CITY CLERK



City of Bentonville, Arkansas Agenda Item Form

Item Details

Council Meeting Date:		Submitted By:	
Phone:		For Department(s):	
Email:			

Item Type (Check all that apply)

Informational	Bid Award	Enter into an Agreement	Change Order
Recognizing Funds	Budget Adjustment	Waiver of Bid	Emergency Clause
Ordinance	Resolution		Informational

Title, Recommendation & Justification

Title:	
Action Recommendation & Justification:	
Additional Comments for Consideration (Optional):	
Amount for Approval:	\$

Budget Impact

Is this Item Budgeted? YES NO ITEM HAS NO COST OTHER: _____

Budget Adjustment (to be completed by Finance when applicable)

Account Number (ORG-OBJECT)	Account Description	Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$

Fund(s) Impacted

(check all that apply)

General Fund Utility Fund Street Fund Other(s): _____

Budget Impact Notes for Consideration (Optional):

Memo



To: City Council, Mayor Orman
From: David Wright, Parks and Recreation Director
Date: December 12, 2025
Re: City Council approval of an ordinance waiving competitive bidding and authorizing the Mayor and City Clerk to enter into an agreement for services with Downtown Bentonville, Inc.

City Staff is seeking City Council's approval of an ordinance, waiving competitive bidding for services and authorizing the Mayor and City Clerk to enter into an agreement with Downtown Bentonville Inc (DBI). Duration of the agreement is from January 1, 2026, through December 31, 2026. This fee represents a \$50,000 annual fee, the budgeted amount for 2026.

This agreement authorizes DBI to produce and charge fees for family friendly, community-based events on / around the Downtown Bentonville Square and the A Street Promenade. These events include Farmers Markets and First Fridays, Lighting of the Square, Christmas Parade and more.

In addition to these major events, DBI is responsible for creating and maintaining a public calendar of events held in these public spaces. Finally, DBI staff is required to attend regular meetings with the city to allow for coordination of public events.

This year's contract valued is a total of \$50,000 for services. This is the same value of the contract in 2025. Now that the Promenade is complete and as we move to complete construction of the Dave Peel Park area, they will move into producing events in these spaces as well. One of the events already underway in a new family-friendly movie series occurring in this space. Small musical performances are occurring in these spaces to help create the desired unique atmosphere.

In addition to funds, City of Bentonville Staff provides labor and support for DBI's community events. For example, Police and Fire are present and attend to emergencies during large events. Parks and Recreation Staff provides set up and tear down support, as well as trash control during each event. This contribution is significant to our operating budget, so these services are outlined in the agreement.

If you have any questions regarding this item, please email me at dwright@bentonvillear.com.

Attachments:

Agreement for Services with Downtown Bentonville, Inc.

PROFESSIONAL SERVICES AGREEMENT

DOWNTOWN BENTONVILLE, INC.

CITY OF BENTONVILLE, AR

WHEREAS, the City of Bentonville (City), a municipal corporation, and Downtown Bentonville, Inc. (DBI), a not-for-profit entity, are desirous of fostering community growth and prosperity through event programming within the City;

WHEREAS, DBI has specific knowledge of the City's programming goals and its work and reputation make it uniquely qualified to perform this service;

WHEREAS, this Agreement outlines the services provided to the City by DBI in exchange for the consideration provided herein; and

WHEREAS, general services include the development and implementation of strategies and plans for downtown Bentonville and enhancements that include, but are not limited to, infrastructure, events, marketing, communications, downtown business support, programming, third party event liaising, and other economic development activities.

NOW, THEREFORE, BE IT AGREED by and between the aforementioned parties that:

Section 1: Event Production, Coordination, and Administration

- A. DBI shall have use of the A Street Promenade the complete footprint of which is shown in the attached Exhibit "A", during all DBI programmed hours. To facilitate such, the City agrees to enter into a lease agreement with DBI for the exclusive use of the A Street Promenade during events provided subject to this Agreement.
- B. DBI is responsible for creating rules and guidelines (Rules) governing the use, management, and operation of the A Street Promenade during DBI's use under this Agreement. The Rules shall be approved by DBI's Board of Directors with input from City staff as needed, and are subject to all Federal, State, and Local laws. Any modifications to previously approved Rules will also be approved by DBI's Board of Directors.
- C. DBI shall serve as a liaison and representative for any third-party events submitted to take place on the A Street Promenade or otherwise around the Bentonville Square. DBI will assist third-parties with obtaining permits, street closures, or any other necessary document needed to execute the event. DBI's role includes ensuring that approved events provide value for downtown, do not overlap with City or other previously approved events, are supported and communicated to downtown stakeholders, do not impede business activities, and comply with existing laws and regulations.
- D. DBI will provide a central point of contact (via a designated employee) for downtown event coordination. Said employee shall attend all City Traffic, Safety and Signage Committee meetings. DBI's point of contact will coordinate with City departments, including Police, Fire, Parks & Recreation, Street, Legal, and any other affected departments.

- E. Pursuant to this Agreement, DBI shall produce public events for the City that include, but are not limited to the following:
- a. **Farmers Market**: DBI will manage, secure suppliers, promote, advertise, and continue to grow the City's farmers market for the sale of various goods and food items. Except for instances where advance permission is given by the City, Saturday Farmers Markets will be held each Saturday from April through October and Wednesday Farmers Markets will be held each Wednesday from May through September.
 - b. **First Friday**: DBI will manage, secure suppliers, promote, and advertise seven (7) Bentonville First Friday events to occur on the first Friday of the Month from April through October.
 - c. **Small Business Saturday**: DBI will organize, produce, promote, manage, secure suppliers, and advertise three (3) events in support of small businesses in the City.
 - d. **Lighting of the Square**: DBI will manage, secure suppliers, promote, and advertise the City's lighting of the square event. This event is branded the "City of Bentonville Lighting of the Square". DBI leads the event team which includes members of the City's Parks & Recreation and Police departments along with other City staff as needed. This event team works together to produce the event highlighting the City's holiday lights as an attraction while promoting local downtown retail and restaurant businesses. This event occurs in November.
 - e. **Christmas Parade**: DBI will manage, promote, advertise, and solicit and coordinate entries for the City's Christmas parade. DBI will coordinate with City staff to determine the parade route. This event occurs in December.
 - f. **Bentonville Together**: This event will only occur with prior City authorization. DBI will organize, produce, manage, secure suppliers, promote, and advertise one (1) Bentonville together event.
 - g. **Festival**: DBI will organize, produce, manage, promote, advertise, and secure suppliers for up to three (3) festival style events. These events will be pre-approved by the City.
 - h. **Music Series**: DBI will organize, produce, manage, promote, advertise, and secure suppliers for a series of music events on the landing.
 - i. **Fine Art Market**: DBI will organize, produce, manage, promote, advertise, and secure suppliers for a fine art market which will be held at least twenty (20) times per year.
 - j. **Movie Nights**: DBI will organize, produce, manage, promote, advertise, and secure suppliers for City approved movie nights. This is a family friendly event showing G or PG rated movies.
 - k. **Community Engagement**: DBI will organize, produce, manage, promote, advertise, and secure suppliers, if needed, for weekly community engagement events.

Section 2: DBI Obligations

- A. In addition to the enumerated events above, DBI will continue to look for avenues to attract people into the downtown area of the City.
- B. DBI will market the City as a partner in all events performed under this Agreement.
- C. DBI will market and promote the A Street Promenade to ensure maximum activation of the space for the benefit of the City.
- D. DBI may cancel or reschedule any scheduled event at its sole discretion, outside of “Signature Events” – First Fridays, Saturday Bentonville Farmers Market, Lighting of the Square, and the Bentonville Christmas Parade. Cancellation of Signature Events will require sign off from the Mayor or an appointee. DBI will make reasonable efforts to provide the City with at least thirty (30) days advance notice of any cancellation or date change of other events.
- E. DBI will submit quarterly reports to the City accurately reflecting all performance under this Agreement.
- F. DBI will provide a professionally qualified staff to carry out the terms of this Agreement. Said staff will give such technical advice to the City, as may be necessary to effectuate the purposes, goals, and requirements of this Agreement.
- G. DBI agrees to devote substantial time, interests, and energies to the performance of duties undertaken by it in this Agreement and to faithfully, diligently, and according to its best abilities in all respects, foster and promote community growth, prosperity, and public interest within the downtown area of the City.
- H. DBI will maintain an Emergency Operations Plan approved by the City’s fire and police chiefs and the parks and recreation director.
- I. DBI will execute additional programming as directed by the City of Bentonville Parks and Recreation Department, in alignment with all applicable City codes, policies, and procedures.

Section 3: Event Assurances

- A. DBI is required to bring the public site back to its normal operating conditions at the conclusion of the event. All staging equipment, barricades, supplies, tents, portable restrooms, etc. must be removed immediately following the event. When an event concludes late in the evening, it may be permitted to have items removed first thing the following morning.
- B. Any equipment required to be staked, cannot be staked into the ground or other permanent structures in the City’s downtown area or the A Street Promenade. Specifically, but not limited to, the grass on the square and any softscape areas (such as landscape beds) in the A Street Promenade. Equipment shall be anchored with sandbags, water barrels, buckets, or other items. Damage occurring from failure to comply with this stipulation will be repaired by the appropriate City department and billed to DBI. Such cost will include supplies and labor and will be due thirty (30) days from receipt of the invoice.

- C. DBI and event vendors must comply with State of Arkansas Health Department regulations. This prohibits food and drink vendors from utilizing non-domestic water on the Downtown Square. All water faucets in the Downtown Square are non-domestic.
- D. DBI and event vendors shall also comply with all applicable laws, regulations, and public safety codes, including but not limited to the Arkansas Fire Prevention Code, the National Electrical Code, and Arkansas Beverage Control rules and regulations.
- E. If DBI or event vendors require additional electric service beyond the existing installed outlets, they must provide their own power source via generator. This service shall comply with the National Electric Code.
- F. City code prohibits alcoholic beverages in any City park.

Section 4: City Obligations

- A. City support staff, when needed, will remain on site a maximum of one (1) hour after the scheduled end time (two [2] hours for First Friday events). After said time, DBI is responsible for returning the public site to normal operating conditions: free of trash, debris, compost, and other like materials.
- B. In consideration for this Agreement, the City shall pay DBI a total amount of fifty thousand dollars (\$50,000.00) which will be payable as follows:
 - a. The first payment of fifteen thousand dollars (\$15,000.00) is due March, 2026.
 - b. The second payment of twenty thousand dollars (\$20,000.00) is due August, 2026.
 - c. The third and final payment of fifteen thousand dollars (\$15,000.00) is due November, 2026.

DBI is responsible for sending an invoice to the City's Parks & Recreation department for payment pursuant to these terms.

- C. The City agrees that DBI shall be permitted to charge and keep the following fees from vendors for events under this Agreement. DBI will charge the following vendor fees:
 - a. Large festival events: Maximum cost for vendors is two hundred dollars (\$200.00) per space per day.
 - b. Small events: Maximum cost for vendors is fifty dollars (\$50.00) per day per space.
 - c. A commission rate of five to ten percent (5-10%) may be charged on vendor sales.
 - d. A fifty dollar (\$50.00) late fee may be charged to vendors who do not timely pay.
 - e. An event marketing and management fee will be charged to third-parties seeking to utilize the A Street Promenade. These fees will be determined by the size and scope of the proposed event; however, the minimum charge shall be twenty-five dollars (\$25.00) per request and the maximum charge will be five thousand dollars (\$5,000.00) per day. The maximum charge is applicable to large festival events requiring an abundance of logistical help from DBI.
- D. The City is responsible for the general maintenance and upkeep of the City's property utilized by DBI under this Agreement.

Section 5: Additional Assurances

- A. DBI shall not discriminate against any employee or person served under this Agreement on account of race, color, sex, age, religion, ancestry, national origin, handicap, marital status, or as otherwise prohibited by applicable law.
- B. The parties hereto agree that this Agreement shall be construed under Arkansas law. The parties further agree that the proper jurisdiction and venue for any cause of action arising from this Agreement shall be vested in the Circuit Court of Benton County, Arkansas.
- C. DBI acknowledges that the City enjoys certain rights and immunities under A.C.A. §21-9-301 and that nothing in this Agreement shall be interpreted to reduce, limit, negate, or waive any of those protections or rights. Specifically, DBI acknowledges that its use of the City's property, shall be at DBI's own risk and DBI hereby agrees to indemnify and hold the City harmless along with any and all of its employees, officers, or agents against any and all claims related to DBI's use of the City's property.
- D. DBI represents that it shall, at its sole cost and expense, comply with all applicable municipal, county, state, and federal requirements now in force pertaining to any and all activities contemplated under this Agreement including any legal limitations placed upon DBI as a result of the source of funds received by DBI under this Agreement.
- E. The parties acknowledge that the expenditure of government funds for a governmental purpose is a matter of public interest and subject to disclosure under the Arkansas Freedom of Information Act Ark. Code Ann §25-19-101. Contracts and documents prepared while performing the City's contractual work are subject to the Arkansas Freedom of Information Act. If a Freedom of Information Act request is presented to the City, DBI will do everything possible to provide the documents in a prompt and timely manner as prescribed in the Arkansas Freedom of Information Act. Only legally authorized photocopying costs pursuant to the FOIA may be assessed for this compliance.
- F. Without the CITY's prior written consent, DBI's duties under this Agreement are not assignable by DBI, either in whole or in part.
- G. The provisions of this Agreement are severable. The invalidity or unenforceability of any one provision in this Agreement shall not affect the other provisions.
- H. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Agreement and, in particular, no employee, vendor, supplier, or other person contracting with DBI shall have any right by virtue of this Agreement or otherwise to seek payment or compensation from the CITY for goods delivered or services rendered to DBI.
- I. Changes, modifications, or amendments in scope, price, or fees to this Agreement shall not be allowed without a prior formal contractual amendment approved by the CITY in advance of the change in scope, cost, or fees. No modification of this Agreement shall be binding unless made in writing and executed by both parties. No waiver by either party or any breach of obligation of the other party under this Agreement shall constitute a waiver of any other prior or subsequent breach or obligation.
- J. This Agreement sets forth the entire agreement and understanding between the parties on the subject matter of this Agreement. Neither party shall be bound by any conditions,

definitions, representations, or warranties with respect to the subject matter of this Agreement other than those expressly provided herein.

- K. The City may terminate this agreement if it deems necessary and prudent, and, if such termination occurs, the City shall pay a proportional share of the contract based on the date of termination.

Dated this _____ of _____, 20____

Kirk Gober, Board President Downtown Bentonville, Inc.

Stephanie Orman, Mayor City of Bentonville

Dana Schlagenhaft, Executive Director Downtown Bentonville, Inc.

Malorie Marrs, City Clerk City of Bentonville

ORDINANCE NO. _____

**AN ORDINANCE AUTHORIZING THE MAYOR AND CITY
CLERK TO ENTER INTO AN AGREEMENT WITH
DOWNTOWN BENTONVILLE INC. FOR EVENT
PRODUCTION AND RELATED SERVICES; WAIVING THE
REQUIREMENT OF COMPETITIVE BIDDING; AND FOR
OTHER PURPOSES.**

WHEREAS, consistent with previous years, this agreement allows Downtown Bentonville, Inc, (DBI) to produce family friendly, community-based events on or around the Downtown Bentonville Square;

WHEREAS, the cost of this agreement will not exceed fifty thousand dollars (\$50,000.00);
and

WHEREAS, this is a budgeted item.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE
CITY OF BENTONVILLE, ARKANSAS.**

Section 1: That the Mayor and City Clerk are hereby authorized to enter into an agreement with Downtown Bentonville Inc., for event production and related services, in an amount not to exceed fifty thousand dollars (\$50,000.00);

Section 2: Because Downtown Bentonville Inc. is uniquely qualified to produce these events due to its mission, its relationship with downtown stakeholders, and its working knowledge of producing downtown events, it would be neither practical nor feasible to advertise for competitive bidding, that requirement is herein waived;

Section 3 – Severability Provision: If any part of this Ordinance is held invalid, the remainder of this Ordinance shall continue in effect as if such invalid portion never existed; and

Section 4 – Repeal of Conflicting Provisions: All Ordinances, Resolutions, or Orders of the City Council, or parts of the same, in conflict with this Ordinance are repealed to the extent of such conflict.

PASSED and APPROVED this _____ day of _____, 2025.

APPROVED:

ATTEST:

MAYOR

CITY CLERK



City of Bentonville, Arkansas Agenda Item Form

Item Details

Council Meeting Date:		Submitted By:	
Phone:		For Department(s):	
Email:			

Item Type (Check all that apply)

Informational Recognizing Funds	Bid Award Budget Adjustment	Enter into an Agreement Waiver of Bid	Change Order Emergency Clause
Ordinance	Resolution	Informational	Appointment

Title, Recommendation & Justification

Title:	
Action Recommendation & Justification:	
Additional Comments for Consideration (Optional):	
Amount for Approval:	\$

Budget Impact

Is this Item Budgeted? YES NO ITEM HAS NO COST OTHER: _____

Budget Adjustment (to be completed by Finance when applicable)

Account Number (ORG-OBJECT)	Account Description	Expense	Revenue
		\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$

Fund(s) Impacted

(check all that apply)

General Fund

Utility Fund

Street Fund

Other(s): _____

Budget Impact Notes for Consideration (Optional):

Memo



To: City Council, Mayor Orman
From: David Wright, Parks and Recreation Director
Date: December 8, 2025
Re: Resolution authorizing Mayor and Clerk enter into an agreement with Crafton Tull for the C Street Sidepath Project.

Parks and Recreation requests City Council's approval of a resolution authorizing the Mayor and City Clerk enter into an agreement with Crafton Tull for the design and bidding of a sidepath bike / pedestrian trail on SE C Street. The value of this agreement is \$222,150.

Parks and Recreation recently completed a section of trail running from SE 18th Street to SE 14th Street. This new section will continue the trail from SE 14th to SE 10th. This will essentially connect residents in this part of the community to the following:

- Barker Middle School
- Mary May Elementary
- Bentonville High School
- Thaden School
- 8th Street Sidepath leading to Walmart Campus and Gateway Park
- Razorback Greenway

Eventually, as the trail continues south on SE C Street, it will connect to the Walton Crossing Apartments, Phillips Park and onto S Walton Boulevard.

This design project is funded via Community Development Block Grant funds. And we anticipate when design is done, some of the construction could potentially be CDBG funds as well. However, we must complete a design and understand construction costs before we are able to make those types of recommendations.

If you have any questions regarding this item, please email dwright@bentonvillear.com, or call 479.271.6813.

Attachments:
Design Contract



PROFESSIONAL SERVICES AGREEMENT

PROJECT NAME: SE C ST SIDE PATH / TRAIL EXTENSION, SE 14TH ST TO SE 10TH ST ("PROJECT")

THIS AGREEMENT ("AGREEMENT") is made in Benton County, Arkansas, by and between the City of Bentonville, Arkansas, hereinafter referred to as "CITY", and CRAFTON, TULL & ASSOCIATES, INC., hereinafter referred to as "ENGINEER" (collectively, the "PARTIES").

The PARTIES have caused this AGREEMENT to be effective this ____ day of _____, 20____ ("EFFECTIVE DATE").

RECITALS:

- A. WHEREAS, the CITY has a need to perform capital improvement projects for the City of Bentonville, Arkansas; and
- B. WHEREAS, The CITY has selected the ENGINEER and negotiated this AGREEMENT using the procedures as set forth in Ark. Code Ann. § 19-11-800; and
- C. WHEREAS, the CITY wishes to contract for Professional Services; and
- D. WHEREAS, The ENGINEER has the skill, experience, ability, background, certifications and knowledge to provide these services; and
- E. WHEREAS, The ENGINEER wishes to perform such professional services under this AGREEMENT with the CITY.

NOW, THEREFORE, in consideration of the terms in this AGREEMENT, the CITY and ENGINEER agree to the following:

ARTICLE I - PROJECT DESCRIPTION

The PROJECT shall be as described in APPENDIX A, "Project Description", attached hereto and incorporated herein by reference.

ARTICLE II - SCOPE OF SERVICE

Upon issuance of a written Notice to Proceed by the CITY, ENGINEER agrees to provide the CITY the necessary professional services related to the PROJECT, as set forth in APPENDIX B, "Scope of Services" ("SCOPE"), attached hereto and incorporated herein by reference.

ARTICLE III - STANDARD OF CARE

ENGINEER shall at all times material hereto adhere to the generally accepted standard of care typically exhibited by similarly situated professionals performing similar scope(s) of service on projects of like size, scope, nature, cost, schedule, and complexity, at the same time and in the same general regional locale ("Standard of Care").

ARTICLE IV - ADDITIONAL SERVICES

- A. Any service outside of the work described herein or included by reference hereto must be pre-approved by the CITY and executed as an AMENDMENT to this AGREEMENT by the Parties prior to any such work being completed; any such AMENDMENT shall be in accordance with the CITY'S purchasing laws and guidelines and may require approval from the Bentonville City Council.
- B. ENGINEER shall make no claims for additional services or changes in the services until an AMENDMENT has been fully executed by the Parties.

ARTICLE V - SCHEDULE OF FEES, SERVICES AND PAYMENT

- A. The term of this AGREEMENT shall commence on the EFFECTIVE DATE and shall proceed in accordance with APPENDIX C, "Schedule of Fees and Services, Key Milestones, and Durations for Major Tasks", attached hereto and incorporated herein by reference.
- B. The cost of this AGREEMENT shall be in accordance with APPENDIX C.
- C. CITY agrees to pay ENGINEER for all services authorized by inclusion in this AGREEMENT which have been properly performed by ENGINEER in accordance with this AGREEMENT.
- D. All fees paid to ENGINEER shall be based on invoices submitted by ENGINEER for work performed under this AGREEMENT, less any previous payments. ENGINEER shall submit invoices for services related to this AGREEMENT on a monthly basis.
- E. CITY reserves the right to delay, without penalty, any partial payment when, in the opinion of the CITY, ENGINEER has not made satisfactory progress on the Project based on the SCOPE. If CITY objects to any portion of an invoice, the CITY shall notify ENGINEER and shall pay all other portions of the invoice which are not in dispute. In the event of dispute, CITY and ENGINEER shall immediately make every effort to settle the disputed portion of the invoice.
- F. In the event that the CITY becomes credibly informed that any representations of ENGINEER provided in its invoicing are wholly or partially inaccurate, CITY may withhold payment of sums then, or in the future, otherwise due to ENGINEER until the inaccuracy and the cause thereof is corrected to the CITY's reasonable satisfaction.

- G. If the CITY fails to make any payment, not in dispute, due to ENGINEER within thirty (30) days after receipt of an invoice, then the amount due to the ENGINEER will increase at the lesser of one percent (1 %) per month or the maximum amount allowed by law after the 30th day. In addition, ENGINEER may, after giving seven (7) days' written notice to CITY, suspend its services and any deliverables until ENGINEER has been paid in full for all amounts outstanding more than thirty (30) days.

ARTICLE VI - INSURANCE

- A. ENGINEER shall during the term hereof maintain in full force and effect the following insurance:
1. A comprehensive general liability policy of insurance for bodily injury, death and property damage insuring against all claims, demands or actions relating to the ENGINEER's performance of services pursuant to this AGREEMENT with a combined single limit of not less than \$1,000,000.00 per occurrence and \$2,000,000 in the aggregate for injury to persons (including death), and for property damage;
 2. A policy of automobile liability insurance covering any vehicles owned and/or operated by ENGINEER, its officers, agents, and employees, and used in the performance of this AGREEMENT with policy limits of not less than \$1,000,000.00 combined single limit and aggregate for bodily injury and property damage;
 3. Statutory Worker's Compensation Insurance at the statutory limits and Employers Liability covering all of ENGINEER's employees involved in the provision of services under this AGREEMENT with policy limit of not less than \$1,000,000.00; and
 4. Professional Liability/Errors and Omissions coverage covering negligent acts, errors and omissions in the performance of professional services with policy limit of not less than \$1,000,000.00.
- B. All insurance and certificate(s) of insurance shall contain the following provisions:
1. Include CITY as additional insured as to all applicable coverage with the exception of Workers Compensation Insurance and Professional Liability/Errors and Omissions coverage; and
 2. provide for at least thirty (30) days prior written notice to CITY for cancellation or non-renewal of the insurance;
 3. provide for a waiver of subrogation against CITY for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance, except for Professional Liability/Errors and Omissions coverage.
- C. ENGINEER shall provide 30 day written notice to CITY of any material change of or to the insurance required herein.
- D. All insurance companies providing the required insurance shall be authorized to transact business in Arkansas and rated at least "A" by AM Best or other equivalent rating service. A certificate of insurance evidencing the required insurance and all endorsements required by this Agreement shall be submitted prior to commencement of services.
- E. In the event that additional or greater insurance requirements are warranted, these requirements shall be included as an Appendix, which will be attached hereto and incorporated by reference.

ARTICLE VII - RIGHT OF ACCESS

- A. CITY will obtain and/or furnish right-of-access for ENGINEER to perform any required studies, surveys, tests or other necessary investigations in relation to the PROJECT.
- B. ENGINEER will take reasonable precautions to minimize damage to the personal or real property in the performance of such surveys, tests, studies and investigations.
- C. CITY recognizes that ENGINEER's operations and use of equipment may unavoidably alter existing conditions or affect the environment at the PROJECT site. The cost of repairing such damage shall be the responsibility of ENGINEER, at no additional cost to the CITY. In the event that ENGINEER fails to correct such damages, CITY is entitled to utilize CITY forces or other labor to repair the damage; any costs incurred by CITY for such work shall be deducted from the monies due to ENGINEER.

ARTICLE VIII - RECORDS AND RETENTION

- A. All surveys, studies, proposals, applications, drawings, plans, specifications and other documents, including those in electronic form, prepared by ENGINEER and its ENGINEERS, subcontractors, agents, representatives, and/or employees in connection with this AGREEMENT ("PROJECT DOCUMENTS") are intended for the use and benefit of CITY. ENGINEER and its ENGINEERS, subcontractors, agents, representatives, and/or employees shall be deemed the authors of their respective part of the PROJECT DOCUMENTS. Notwithstanding anything to the contrary, CITY shall own, have, and retain all rights, title and interest in and to all PROJECT DOCUMENTS, whether in draft form or final form, which are produced at CITY's request or otherwise produced from ENGINEER's performance of the work described herein for CITY. The CITY's ownership of PROJECT DOCUMENTS shall not apply to ENGINEER's proprietary standard details that were developed by the ENGINEER prior to the commencement of this PROJECT.
- B. CITY shall have full authority to reuse, reproduce, publish, disclose and distribute PROJECT DOCUMENTS, as needed, according to Arkansas State Law.
- C. ENGINEER shall, upon completion of the services and full payment for the ENGINEER'S services by the CITY, or earlier termination and appropriate compensation as provided by this AGREEMENT, provide the CITY with all PROJECT DOCUMENTS prepared by ENGINEER pursuant to this AGREEMENT in formats requested by the CITY.
- D. All instruments of service (including plans, specifications, drawings, reports, designs, computations, computer programs, estimates, surveys, other data or work items, etc.) prepared under this AGREEMENT shall be submitted for approval to the CITY. All instruments of service shall be professionally sealed in accordance to applicable laws or at CITY's request.
- E. Acceptance and approval of the PROJECT DOCUMENTS by the CITY shall not constitute nor be deemed a release of the responsibility and liability of ENGINEER, its employees, associates, agents and ENGINEERS for the accuracy or competency of their designs, working drawings and specifications, or other documents and work; nor shall such approval be deemed to be an assumption of such responsibility by the CITY for any defect in the designs, working drawings and specifications, or other documents prepared by ENGINEER, its employees, contractor, agents and ENGINEERS.
- F. ENGINEER will retain the PROJECT DOCUMENTS for a period of five years following project completion. During this five year period, any requests for document recovery and reproduction will be assessed a fee in accordance with ENGINEER's FEES.

ARTICLE IX - SAFETY

- A. CITY agrees to inform ENGINEER of any applicable site safety procedures and regulations known to CITY as well as any special safety concerns or dangerous conditions at the site of which the CITY is aware, which ENGINEER shall communicate to its employees. ENGINEER and its employees shall adhere to such procedures and regulations once notice has been given by the CITY.
- B. Unless specifically provided in the SCOPE, ENGINEER shall not have any responsibility for overall job safety at the site. If in the ENGINEER's opinion, its field personnel are unable to access required locations or perform required services in conformance with applicable safety standards, ENGINEER may immediately suspend performance until such safety standards can be attained.
- C. ENGINEER agrees to indemnify and hold harmless the CITY for any safety conditions that may arise out of ENGINEER's performance of this AGREEMENT.

ARTICLE X - TERMINATION

- A. CITY may suspend or terminate this AGREEMENT for cause or without cause at any time by giving written notice to ENGINEER. In the event suspension or termination is without cause, payment to ENGINEER, in accordance with the terms of this AGREEMENT, will be made on the basis of services reasonably determined by the CITY to be satisfactorily performed to the date of suspension or termination. Such payment will be due upon delivery of all instruments of service to CITY.
- B. Should the CITY require a modification of this AGREEMENT with the ENGINEER, and in the event the CITY and ENGINEER fail to agree upon a modification to this AGREEMENT, the CITY shall have the option of terminating this AGREEMENT and the ENGINEER's services hereunder at no additional cost other than the payment to ENGINEER, in accordance with the terms of this AGREEMENT, for the services reasonably determined by the CITY to be properly performed by ENGINEER prior to such termination date.
- C. If, for whatever adequate funding is not made available by CITY to support or justify continuation of the level of services to be provided by ENGINEER under this AGREEMENT, CITY may terminate or reduce the amount of services to be provided by ENGINEER under this AGREEMENT. In such event, CITY will notify ENGINEER in writing at least thirty (30) days in advance of such termination or reduction of services for lack of funds.
- D. In no event shall the CITY pay to ENGINEER fees for termination outside of payment for services reasonably determined by the City to be properly performed prior to termination.

ARTICLE XI - INDEMNIFICATION

- A. For purposes of this AGREEMENT, ENGINEER agrees to indemnify, hold harmless the CITY, its officers and employees from any loss, damage, liability or expense, of any nature whatsoever to the extent caused by the negligence, willful misconduct, or other actionable fault of ENGINEER, its affiliates, subsidiaries, employees, agents, assignees, and subcontractors and their respective employees and agents. ENGINEER is not required hereunder to defend the CITY, its officers, appointees, employees, or agents from assertions that they were negligent, nor to indemnify and hold them harmless from liability based on the CITY's negligence.
- B. Nothing contained herein shall waive any governmental immunity CITY may be entitled to by law.
- C. This provision shall survive the termination of this AGREEMENT.

ARTICLE XII - CONTINGENCY CLAUSE

- A. The CITY may add a contingency amount to the contract to cover additional services as described in APPENDIX B. Any use of such contingency funds for additional services shall be executed as an AMENDMENT to this AGREEMENT.
- B. The Contingency shall in no manner substitute for an official AMENDMENT.

ARTICLE XIII - RELATIONSHIP OF THE PARTIES

It is understood and agreed by and between the parties that the ENGINEER, in satisfying the conditions of this AGREEMENT, is acting independently, and that the CITY assumes no responsibility or liabilities to any third party in connection with ENGINEER's actions. All services to be performed by the ENGINEER pursuant to this AGREEMENT shall be in the capacity of an Independent Contractor, and not as an agent or employee of CITY. The ENGINEER shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this AGREEMENT. There is no intended third party beneficiary to the AGREEMENT and nothing contained herein shall create a contractual relationship with, or any rights in favor of, any third party.

ARTICLE XIV - DISPUTE RESOLUTION

- A. CITY and ENGINEER agree that disputes relative to the services will first be addressed by negotiations between the Parties. If direct negotiations fail to resolve the dispute, the Party initiating the claim that is the basis for dispute may take such steps as it deems necessary to protect its interests; provided, however, that notwithstanding any such dispute, ENGINEER will proceed with the services as per this AGREEMENT as if no dispute existed, and CITY will continue to make payment for ENGINEER's completed services; and provided further that no dispute will be submitted to arbitration without both Parties' express written consent.

ARTICLE XV - OPINIONS OF PROBABLE COST

- A. Since the ENGINEER has no control over the cost of labor, materials, equipment or services furnished by others, or over methods of determining prices, or over competitive bidding or market conditions, the ENGINEER's estimates of PROJECT costs and construction costs provided for herein are to be made on the basis of the ENGINEER's experience and qualifications and represent the ENGINEER's judgement in accordance with the "Standard of Care". The ENGINEER cannot and does not guarantee that proposals, bids or actual PROJECT or construction costs will not vary from estimates prepared by the ENGINEER.
- B. The CITY understands that the construction cost estimates developed by the ENGINEER do not establish a limit for construction contract amount. If the actual amount of the low construction bid exceeds the construction budget established by the CITY, the ENGINEER will not be required to re-design the PROJECT or any part thereof without additional compensation.

ARTICLE XVI - APPLICABLE LAWS

ENGINEER shall comply with all Federal, State, Local laws, ordinances, resolutions, specifications, regulations and all other laws or regulations relating or applicable to service to be performed under this AGREEMENT. Interpretation of this AGREEMENT and disputes arising out of or related to this AGREEMENT will be subject to and governed by the laws of the State of Arkansas. Jurisdiction and venue for any suit arising out of or related to this AGREEMENT will be in the District Court of Benton County, Arkansas,

ARTICLE XVII - PRECEDENCE

This AGREEMENT shall take precedence over any inconsistent or contradictory provisions contained in any proposal, contract, purchase order, requisition, notice to proceed, or any other like document regarding the PROJECT or ENGINEER's services.

ARTICLE XVIII - SEVERABILITY

- A. In the event that one or more provisions contained herein shall, for any reason, be deemed invalid, illegal, void or unenforceable, in whole or in part, the remaining provisions hereof shall remain in full force and effect.
- B. In the event that any provision hereof is in conflict with any statutory provision of the State of Arkansas, said provision, which may be in conflict therewith, shall be deemed inoperative, null and void insofar as it may be in conflict therewith, and shall be deemed modified to conform to such statutory provisions; provided, however, that the remaining provisions of this AGREEMENT will be unaffected and will continue to be valid and enforceable.

ARTICLE XIX - SURVIVAL OF OBLIGATIONS

The obligations of the Parties contained in this AGREEMENT, which by their nature survive after the term of the AGREEMENT, shall survive the termination or expiration of this AGREEMENT and continue indefinitely or as otherwise provided by this AGREEMENT.

ARTICLE XIX – ENTIRE AGREEMENT

This AGREEMENT, including all documents and Appendices included by reference herein, constitutes the entire agreement between the PARTIES and supersedes all prior agreements, whether oral or written, covering the same subject matter. This AGREEMENT may not be modified or amended except in writing, mutually agreed upon and accepted by both PARTIES to this AGREEMENT.

The cost of this AGREEMENT including all reimbursable expenses as described in the FEES AND SCHEDULE, **shall not exceed** Two Hundred Twenty-Two Thousand, One Hundred Fifty Dollars, and Zero Cents (\$222,150.00), unless otherwise approved by the CITY through an official AMENDMENT agreed and executed by CITY and ENGINEER.

IN WITNESS THEREOF, the CITY and ENGINEER have executed this AGREEMENT, the EFFECTIVE DATE of which is indicated on page 1 of this AGREEMENT.

CITY OF BENTONVILLE
CITY

CRAFTON, TULL & ASSOC., INC.
ENGINEER

BY

BY

MAYOR
TITLE

VICE PRESIDENT
TITLE

DATE SIGNED

DATE SIGNED

APPENDIX A PROJECT DESCRIPTION

BASIC PROJECT INFORMATION:

Design of an approximately 1,750 linear foot extension of side path / bike trail along with other adjacent street and drainage improvements required to facilitate operation of said trail. Design to be completed per Community Development Block Grant (CDBG) funding requirements and all City of Bentonville requirements, including the Bicycle and Pedestrian Master Plan.

The project is intended to complete a missing segment of bike trail along the SE C St corridor and infill between portions previously constructed at SE 10th St to the north and SE 14th St (Hwy 102) to the south. Funding for the construction of this new segment is not yet available and will be determined at a later time.

See attached Exhibits C-1 for a map of the proposed improvements.

APPENDIX B

SCOPE OF SERVICES

SERVICES BY THE CITY

- Furnish required information and approvals and perform responsibilities and activities in a timely manner to facilitate orderly progress of the work.
- Provide criteria and information as to the requirements for the PROJECT, including design objectives and constraints, right-of-way, capacity and performance requirements, and any budgetary limitations.
- Furnish copies of design and construction standards that the CITY will require to be included in the drawings and specifications.
- Assist the ENGINEER by placing at their disposal all available information pertinent to the PROJECT, including previous reports and other data relative to design or construction of the PROJECT.
- Arrange for access to public and private property as required for the PROJECT.
- Obtain the necessary lands, easements and rights-of-way for the PROJECT.
- Reimburse all plan review, advertising costs, permits and approvals in connection with the PROJECT.
- Pay the ENGINEER in accordance with the terms of the AGREEMENT.

If the CITY observes or otherwise becomes aware of any fault or defect in the PROJECT, the CITY shall give prompt written notice thereof to the ENGINEER.

SERVICES BY THE ENGINEER

- Meet all requirements of the AGREEMENT including any AMENDMENTS.
- Produce all documents and services needed for the PROJECT, including but not limited to:
Topographical surveys, Utility Surveys and Coordination, Geotechnical Investigations, Environmental Studies & Permitting, Major Drainage Study, Bridge Design, Conceptual Design, Final Design, and Bidding Services.
- All Design and Construction shall conform to Federal, State and Local regulations.
- Coordinate PROJECT with Franchise Utility Companies to assure adequate space for all facilities and timely relocations.
- Coordinate and Furnish approvals and permits from all Regulatory Agencies having jurisdiction over the PROJECT.
- Provide all services relevant to City of Bentonville Plan Review procedures.
- Coordinate and facilitate meetings with CITY and Agencies for plan review and project coordination.
- Subcontracting of services by the ENGINEER shall have prior approval of the CITY.
- See attached Exhibits A1 thru A3 for additional detailed information regarding project scope.

APPENDIX C

SCHEDULE OF FEES AND SERVICES, KEY MILESTONES, AND DURATIONS FOR MAJOR TASKS

Tasks performed shall be paid for at an amount equal to the cumulative hours charged to the Project by each class of Engineer's employees times standard hourly rates for each applicable billing class. See attached Exhibit B for detailed hourly rate information. Major tasks with estimated fees are shown below. Overruns and underruns associated with each task may offset one another as long as the overall fee is not exceeded.

<u>TASK</u>	<u>DURATION</u>	<u>FEE</u>
Topographic & Land Surveying	1 month	\$30,500
Environmental Studies & Permitting	6 months (concurrent w/ design)	\$23,065
Active Transportation (Laneshift)	3 months	\$14,760
Trail, Street, Drainage Design	9 months	\$144,300
Reimbursables		\$9,525
NOT-TO-EXCEED FEE TOTAL		\$222,150

Items Excluded from above fee schedule that can be added by contract amendment:

- Bidding Services
- Construction Observation & Administration
- Geotechnical engineering investigation & report
- FEMA CLOMR/LOMR
- Traffic study
- ROW procurement
- Retaining wall design
- Landscaping design
- Offsite utility or street extensions

Exhibit “A1” Scope of Surveying Services For:

Project:	Topographic Design Survey and Right-Of-Way Survey.	
Client:	City of Bentonville	
Location of Project:	Lat: 36° 21' 33"N Long: 94° 12' 21" W, Bentonville, AR.	
Discipline:	<i>Surveying</i>	
Discipline Manager:	James Montgomery	
Project Manager:	Bill Burnett, P.E.	
Proposal Date:	November 11, 2025	
Billing Type:	Hourly + reimbursables	
Fee:	Surveying for Design and R/W:	\$30,500 (Hourly NTE) + reimbursables (est: \$7,500)
Description of the Construction Project:	- We will provide a 100-foot wide strip Topographic Design Survey in accordance with the Standards of Practice No. 1 - Arkansas Standards of Practice for Property Boundary Surveys and Plats Standards of Practice Division of Land Surveys (arkansas.gov) along with 14 Easement Documents (Descriptions and Exhibits) for the parcels, as shown on the west side of SE C Street of Exhibit “C1” in support of engineering design services. - We will provide limited boundary survey of each parcel, as shown on Exhibit “C1” to establish lot lines along the Right-Of-Way of SE C Street.	

The Service to be Provided by the Surveyor are Outlined Below:

Topographic Design Survey:

- A title company will be employed to provide a title search of the property to be surveyed. The title search will include record plats (including adjoining plats), deeds (including adjoining deeds) and easement documents. The title company fee will be a reimbursable expense to the client.
- A representative from our survey department will mark the site, and we will submit a request to the local utility 1-Call System to mark all underground utilities within the proposed project site.
- We will locate all visible utility lines and those as marked by the utility 1-Call System. All flow lines of drainage inlets and pipes will be measured, and the invert elevation of sanitary sewer manholes will be recorded. All pipe sizes will be measured and shown on the topographic survey.
- Our survey crew will set at least two survey control monuments adjacent to the site that will be tied to the city state plane coordinates and elevation datum to which all survey data for this project will be referenced.
- We will provide a topographic survey of the project survey site as shown on attached Exhibit “C2”. Sufficient ground elevation shots will be taken for the creation of 1'-contours across the survey site, which will include some areas beyond the boundary lines, where accessible.
- Our field crew will locate tree canopy limits.
- We will locate fences, driveways and buildings.
- We will locate any property corners that are available for the property.
- We will locate fences, driveways, parking areas and buildings.
- We will prepare easement documents with exhibits for the 14 parcels as shown on the west side of SE C Street on Exhibit “C1” in support of engineering design services.
- We will prepare an AutoCAD base survey drawing of the topographic design survey of the site, which will be used for engineering design purposes. This base survey drawing will include property boundary lines and any easement lines discovered by the examination of the title search for the property or any other provided document.

Right-Of-Way (R/W) Survey:

- We will conduct a limited boundary survey of each parcel, as shown on Exhibit "C1", to establish lot lines along the Right-Of-Way of SE C. Street.

Scope of Basic Services does NOT Include the Following:

- Preparation of a final subdivision plat, easement dedication plat, tract or lot split/combination plats, or similar type plats as may be required by the governing agency for approval of this project.
- Surveys and plats of the property for financing, sales, or other purposes such as an ALTA or as-built survey.
- Surveys of offsite utility, street or drainage improvements not within the survey site.
- Surveys for environmental studies, including wetland delineation.
- Surveys for flood data or studies for Corps of Engineer, FEMA or other special government agency permitting.
- Surveys for location of geotechnical soil borings or pits.
- Surveying related to construction services or construction staking.
- Phase 1 Environmental Site Assessment
- Cultural Resources Survey
- Threatened & Endangered Species Habitat Assessment
- A separate tree location or landscape plat.

Note: Services listed above can be provided for an additional fee.

Client Shall Provide:

- A copy of the current deed for the properties.
- Any existing boundary and topographic survey plats of the property that are in their possession.
- Disclosure of known boundary disputes, possible encroachments, and gaps or overlaps with adjoining properties.
- Disclosure of known buried tanks or environmental concerns within the proposed improvement site area that will be required to be shown on the survey.
- Access for our survey crew personnel to enter the property to conduct the surveys.

This is the scope of services for the Project. Should there be additions to this scope of services, those services shall be compensated for additional fee.

Exhibit “A2”

Scope of Environmental Services For:

Project:	SE C Bike Trail
Client:	City of Bentonville
Location of Project:	SE C, from Hwy. 102 (14 th St.) to 10 th Street, Bentonville, AR
Discipline:	Environmental
Discipline Manager:	David Rupe
Project Manager:	Bill Burnett, PE
Proposal Date:	October 30, 2025
Billing Type:	Hourly + Reimbursables
Estimate:	\$13,825 (Hourly NTE) \$ 9,240 (Cultural Resources Subconsultant) \$ 25 (Estimated Reimbursables) \$23,090 Total
Description of the Construction Project:	Categorical Exclusion, including waters of the U.S. Delineation and cultural resource survey for approximately 0.34-mile trail along SE C Street.

The services to be provided by the Engineer:

- Preparation and submittal to Arkansas Department of Transportation (ARDOT) and Federal Highway Administration (FHWA) National Environmental Policy Act (NEPA) documentation (assuming documentation will be at the Categorical Exclusion level) that meets ARDOT/FHWA standards
- Organize a Public Involvement meeting for the proposed project, if required
- Subcontract the completion of a Phase I Cultural Resources Survey to a qualified sub-consultant
- Waters of the U.S. Delineation and Report
- U.S. Army Corps of Engineers (USACE) Nationwide Permit Application and Coordination (if required)
- Threatened and Endangered Species Field Assessment and Desktop Review

Scope of Basic Services does NOT Include the Following:

- USACE Jurisdictional Determination Request and Coordination
- USACE Standard Permit Application and/or Coordination
- Tree Survey, Tree Inventory Report, and/or Tree Preservation Plan
- Phase 1 Environmental Site Assessment
- Biological and/or Habitat Assessments/Field Surveys
- Geotechnical Investigation
- Construction oversight and due diligence
- Wetland and/or Stream Compensatory Mitigation Fees or Services
- ADEQ Short-Term Activity Authorization (STAA) Permit Application and Coordination

Note: Services listed can be provided for additional fee.

Items to be provided by Owner:

- Site access

This is the scope of services for the Project. Should there be additions to this scope of services, those services shall be compensated for additional fee.

Exhibit “A3”

Scope of Active Transportation Services For:

Project:	SE C Bike Trail
Client:	City of Bentonville
Location of Project:	SE C, from Hwy. 102 (SE 14 th St.) to 10 th Street, Bentonville, AR
Discipline:	Active Transportation
Discipline Manager:	Ryan Hale
Project Manager:	Bill Burnett, PE
Proposal Date:	November 11, 2025
Billing Type:	Hourly + Reimbursables
Estimate:	\$14,760 (Hourly NTE)
Description of the Construction Project:	Active Transportation design support and resident/public engagement

The services to be provided by the Engineer:

- Consultation with the City, stakeholders and design team in the development of context-sensitive and cost-effective design solutions for bicycle and pedestrian facilities along C Street. Designs will adhere to current AASHTO and NACTO standards related to bicycle and pedestrian facilities.
 - The Following factors will be considered in the recommended design solutions:
 - Right of Way access
 - Drainage
 - All ages and ability user access
 - Average Annual Daily Traffic (AADT) along the corridor to help make the case that a redesign can be accommodated. Existing and or historic traffic counts will be utilized and no new counts will be conducted.
 - Resident and stakeholder input
- Consultation with the City, stakeholders and design team in the development of context-sensitive and cost-effective bicycle and pedestrian intersection crossings of the following streets:
 - SE 10th Street
 - SE 11th Street
 - SE 12th Street
 - SE 13th Street
 - SE 14th Street/HW 102 (In Coordination with ARDOT)
- 3D Visualization of up to two preferred alternatives.
 - 3D visualization will include the following:
 - Two PDFs including 3D visualization depicting each alternative from two different vantage points or scenes.
- Organization and facilitation of resident, public, and stakeholder input for proposed project, if required and/or requested:
 - Public involvement can include the following:
 - Door-to-door engagement with residents, businesses and schools located along the corridor seeking input on goals for connectivity, safety challenges and design solutions.
 - Development of a streamlined survey which can be deployed online, print or in person via mobile device. The survey will be designed to gain feedback on safety and include visual preferences from which respondents can select types of interventions and treatments that they prefer.

- Coordination with ARDOT on the facility tie in and bicycle/pedestrian crossing of SE 14th Street/HWY 102.
- Ongoing coordination with City staff either directly or through Crafton Tull Project Manager.

Scope of Basic Services does NOT Include the Following:

- Additional meetings with city, committees, and the public beyond list above.
- Circulating online public survey within the community.
- Sourcing and/or providing geodatabases for all existing bikeways, trails, sidewalks, and streets.
- Surveying or engineering design.
- Environmental studies or services.
- Construction documents.
- Construction phase services, including construction administration, construction observation or construction staking.
- Permitting for construction.
- Preparation of as-build drawings.

Note: Services listed can be provided for additional fee.

Items to be provided by Owner:

- Site access

This is the scope of services for the Project. Should there be additions to this scope of services, those services shall be compensated for additional fee.



Exhibit “A4”
Scope of Services for
Bike Trail, Roadway, and Drainage Design

Project:	SE C Bike Trail
Client:	City of Bentonville
Location of Project:	SE C, from Hwy. 102 (SE 14 th St.) to 10 th St, Bentonville, AR
Discipline:	Civil Engineering
Discipline Manager:	Bill Burnett, P.E.
Project Manager:	Bill Burnett, P.E.
Proposal Date:	November 11, 2025
Billing Type:	Hourly + reimbursables
Fee/Estimate:	\$144,300 Design \$ 2,000 Reimbursables \$146,300 Total
Description of the Construction Project:	Design of parallel multi-use side path trail to fill-in the missing segment along the SE C St corridor, as depicted in Exhibit C-1.

The services to be provided by the Engineer:

Conceptual Design Phase:

- Coordination with survey team to begin topographic survey
- Coordination with active transportation team for alternatives analysis
- Meet with Client to discuss findings and determine the final design parameters
- Coordination with environmental team for NEPA documentation

Final Design Phase:

- Trail & west ½ street plan and profile sheets
- Drainage plan and profile sheets
- SWPPP and grading plan sheets
- Cover and notes sheets
- Detail sheets
- Drainage report
- Stormwater permitting with City and applicable state agency
- Coordination with survey team for ROW / easement acquisition documents
- Coordination with franchise utilities
- Project management
- Quantity takeoff and Engineer's estimate



Items Provided by Owner:

- Access to project site
- Easement procurement

Additional Items that can be Provided by CTA under amendment or separate contract

- Design services for east ½ of roadway
- Bidding services
- Construction administration & observation
- Geotechnical engineering investigation & report
- FEMA CLOMR/LOMR
- Traffic study
- ROW procurement
- Retaining wall design
- Landscaping design
- Offsite utility or street extensions

This is the scope of services for the Project. Should there be additions to this scope of services, those services shall be compensated for additional fee.



Exhibit "B"
Standard Hourly Rate Schedule
Effective January 1, 2025

Category	Hourly Rate	Category	Hourly Rate
CIVIL ENGINEERING		PLANNING	
ENGINEERING PRINCIPAL	\$ 260	SR. PLANNING MANAGER	\$ 220
SR. ENGINEERING MANAGER	\$ 230	PLANNING MANAGER	\$ 210
ENGINEERING MANAGER	\$ 195	SR. PLANNER	\$ 190
SR. PROJECT ENGINEER	\$ 170	PROJECT PLANNER	\$ 130
PROJECT ENGINEER	\$ 155	PLANNER III	\$ 120
ENGINEER INTERN III	\$ 140	PLANNER II	\$ 110
ENGINEER INTERN II	\$ 130	PLANNER I	\$ 100
ENGINEER INTERN I	\$ 120	SURVEYING	
SR. ENGINEERING DESIGNER	\$ 165	SURVEYING PRINCIPAL	\$ 240
ENGINEERING DESIGNER III	\$ 130	SR. SURVEYING MANAGER	\$ 205
ENGINEERING DESIGNER II	\$ 110	SURVEYING MANAGER	\$ 180
ENGINEERING DESIGNER I	\$ 100	SR. PROJECT SURVEYOR	\$ 160
ENGINEERING CAD TECHNICIAN III	\$ 90	PROJECT SURVEYOR	\$ 140
ENGINEERING CAD TECHNICIAN II	\$ 80	SURVEYOR INTERN II	\$ 125
ENGINEERING CAD TECHNICIAN I	\$ 70	SURVEYOR INTERN I	\$ 110
ENVIRONMENTAL		SURVEY COORDINATOR	\$ 120
ENVIRONMENTAL MANAGER	\$ 210	CREW CHIEF II	\$ 110
SR. ENVIRONMENTAL SCIENTIST	\$ 150	CREW CHIEF I	\$ 95
PROJECT ENVIRONMENTAL SCIENTIST	\$ 120	FIELD SURVEYOR III	\$ 85
ENVIRONMENTAL SCIENTIST II	\$ 100	FIELD SURVEYOR II	\$ 75
ENVIRONMENTAL SCIENTIST I	\$ 80	FIELD SURVEYOR I	\$ 65
ENVIRONMENTAL FIELD TECHNICIAN	\$ 65	SURVEY CAD TECHNICIAN III	\$ 105
INSPECTION		SURVEY CAD TECHNICIAN II	\$ 85
SR. INSPECTOR	\$ 115	SURVEY CAD TECHNICIAN I	\$ 75
INSPECTOR II	\$ 100	UAV SERVICES	
INSPECTOR I	\$ 80	UAV TEAM LEAD	\$ 125
LANDSCAPE ARCHITECTURE		UAV PILOT	\$ 85
LANDSCAPE ARCHITECTURE MANAGER	\$ 190	GEOGRAPHIC INFORMATION SYSTEMS	
SR. LANDSCAPE ARCHITECT	\$ 170	SR. GIS MANAGER	\$ 175
PROJECT LANDSCAPE ARCHITECT	\$ 130	GIS MANAGER	\$ 140
LANDSCAPE DESIGNER II	\$ 110	GIS ANALYST	\$ 105
LANDSCAPE DESIGNER I	\$ 95	GIS TECHNICIAN II	\$ 80
LANDSCAPE DESIGN INTERN	\$ 85	GIS TECHNICIAN I	\$ 55
ADMINISTRATIVE		REIMBURSABLE EXPENSES	
ADMINISTRATIVE PRINCIPAL	\$ 225	GPS Equipment.....	\$35/Hour
ADMINISTRATIVE MANAGER	\$ 170	Robotic Survey Equipment.....	\$20/Hour
ADMINISTRATIVE IV	\$ 115	LiDAR Scanning Equipment	\$35/Hour
ADMINISTRATIVE III	\$ 90	UAV	\$1000/Unit
ADMINISTRATIVE II	\$ 70	Job Related Mileage.....	\$0.70/Mile
ADMINISTRATIVE I	\$ 55	Per Diem for Out of Town Crews.....	Per GSA Allowable
		Airfare and other travel related expenses.....	At Cost
		Black and white 8.5"x11" Copies	\$0.15/sheet
		Color 8.5"x11" Copies	\$1.50/sheet
		Photo Paper Color Plan Sheet Copies	\$0.75/sq. ft.
		Reproducible Plan Copies (Vellum)	\$1.50/sq. ft.
		Reproducible Plan Copies (Bond)	\$0.35/sq. ft.
		All rates are subject to change without notice.	

EXHIBIT "C1"

Parcels



Parcels
(14 Total Included - West side of SE C St only)



HHW

SE C Side Path / Bike Trail

EXHIBIT C2

Project Area

End Side Path along
west side of SE C Street

Begin Side Path along
west side of SE C Street

Thaden
School

Thaden
School

SE 10th Street

SE C Street

SE 10th Street Drainage - CTA # 12104101

Trib 2 Drainage Channel - CTA # 05118701

SE 10th Drainage Channel - CTA # 12104101

SE C Street

SE 14th Street / Hwy 102

SE C Street

Google Earth

New BHS Trail currently under
construction - CTA # 22110400



400 ft

APPENDIX D

CDBG FEDERAL REQUIREMENTS ADDENDUM

CDBG FEDERAL REQUIREMENTS ADDENDUM

To the Professional Services Agreement Between the City of Bentonville and Crafton Tull & Associates, Inc.

This Federal Requirements Addendum (“Addendum”) is attached to and made a part of the Professional Services Agreement (“Agreement”) between the City of Bentonville (“CITY”) and Crafton Tull & Associates, Inc. (“ENGINEER”). This Addendum supersedes any conflicting provisions in the Agreement. The project is funded in whole or in part with Community Development Block Grant (CDBG) funds and is therefore subject to all applicable federal regulations, statutes, and executive orders.

SECTION 1 – INCORPORATION OF FEDERAL REQUIREMENTS

ENGINEER shall comply with all federal laws, regulations, and requirements applicable to CDBG-funded activities, including:

- 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements)
- 24 CFR Part 570 (CDBG Program Regulations)
- 24 CFR Part 58 (Environmental Review Procedures)
- 24 CFR Part 75 (Section 3 Requirements)
- 24 CFR Part 1, 8, 146 (Civil Rights)
- Title VI, Section 504, ADA, Fair Housing Act
- Executive Orders 11246, 11625, 12138, 13166
- Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)
- Contract Work Hours and Safety Standards Act
- Clean Air Act and Federal Water Pollution Control Act

- 2 CFR 200.216 (Prohibited Telecommunications Equipment)
- 2 CFR 180 and 200.214 (Debarment and Suspension)

Federal requirements take precedence over state or local requirements where conflicts exist.

SECTION 2 – ENVIRONMENTAL REVIEW REQUIREMENTS (24 CFR PART 58)

2.1 Choice-Limiting Actions

ENGINEER shall not undertake, recommend, commit, or authorize any choice-limiting actions before the CITY receives HUD's

Authority to Use Grant Funds (AUGF). Prohibited actions include:

- Acquisition of real property
- Demolition or physical alteration of structures
- Site grading or earthwork
- Contracting for construction
- Issuing construction permits
- Any action that predetermines project alternatives

ENGINEER must notify the CITY if requested work might constitute a choice-limiting action.

2.2 Role of the Responsible Entity

The CITY, as the Responsible Entity (RE), retains full legal responsibility for the Environmental Review Record (ERR). ENGINEER:

- May prepare technical studies and documentation
- May not sign HEROS forms reserved for the RE
- May not issue environmental findings or determinations
- Must defer all final environmental decisions to the CITY

2.3 HEROS Requirements

ENGINEER shall provide:

- All maps, studies, analyses, and supporting documents in formats compatible with HUD HEROS
- Digital versions of all materials for upload by the CITY
- Any revisions required during HUD review

ENGINEER may draft notices (NOI/RROF, FONSI), but CITY will publish and certify them.

2.4 Required Technical Materials

ENGINEER shall prepare or obtain all technical information necessary to support the ERR, including:

- Wetland and Waters of the U.S. delineations
- FEMA floodplain and drainage analyses
- Noise assessment per 24 CFR Part 51 Subpart B
- Supporting documentation for Historic Preservation (Section 106)
- Threatened and Endangered Species analysis
- Air quality, EJ, contamination, and toxic site screening documentation
- All materials needed for NEPA classification (Exempt, CENST, CEST, EA)

2.5 Regulatory Coordination

ENGINEER may coordinate with:

- U.S. Army Corps of Engineers
- Arkansas SHPO
- THPOs (support only; CITY issues all official findings)
- ADEQ
- USFWS

- ARDOT / FHWA (as needed)

ENGINEER may not issue final determinations or execute federal consultation letters.

SECTION 3 – SECTION 3 REQUIREMENTS (24 CFR PART 75)

ENGINEER shall comply with Section 3 employment and contracting requirements. The following clause is mandatory:

“ENGINEER shall, to the greatest extent feasible, provide employment, training, and contracting opportunities generated by this

contract to Section 3 Workers and Section 3 Business Concerns in accordance with 24 CFR Part 75.”

ENGINEER shall:

- Maintain Section 3 worker labor hour records
- Track outreach to Section 3 businesses
- Submit documentation needed for HUD reporting
- Cooperate with CITY monitoring

Failure to comply constitutes a material breach of contract.

SECTION 4 – CIVIL RIGHTS AND NONDISCRIMINATION

ENGINEER shall comply with:

- Title VI of the Civil Rights Act
- Section 504 of the Rehabilitation Act
- Americans with Disabilities Act
- Age Discrimination Act

- Title VIII (Fair Housing Act), as applicable
- Executive Order 11246 (Equal Employment Opportunity)

No person shall be excluded, denied benefits, or discriminated against based on race, color, national origin, religion, sex, age, familial status, or disability.

SECTION 5 – DEBARMENT & SUSPENSION (2 CFR 180 & 200.214)

ENGINEER certifies that neither it nor its subcontractors are debarred or suspended from federal programs. ENGINEER shall:

- Check SAM.gov for all subcontractors
- Provide certification upon request
- Notify CITY immediately if status changes

CITY may terminate immediately upon violation.

SECTION 6 – BYRD ANTI-LOBBYING AMENDMENT

ENGINEER shall:

- Submit the required Certification Regarding Lobbying (Appendix A to 31 U.S.C. 1352)
 - Disclose lobbying activities on Standard Form-LLL if any non-federal funds are used for lobbying
 - Ensure subcontractors certify and disclose as required
-

SECTION 7 – CLEAN AIR ACT & FEDERAL WATER POLLUTION CONTROL ACT

ENGINEER shall comply with:

- 42 U.S.C. 7401–7671 (Clean Air Act)
- 33 U.S.C. 1251–1387 (FWPCA)

Violations are grounds for termination.

SECTION 8 – PROHIBITED TELECOMMUNICATIONS EQUIPMENT (2 CFR 200.216)

ENGINEER shall not use equipment or services produced by:

- Huawei Technologies
- ZTE Corporation
- Hikvision
- Dahua
- Hytera Communications
- Any subsidiary or affiliate of these entities

Certification may be requested at any time.

SECTION 9 – ACCESS TO RECORDS (2 CFR 200.337)

ENGINEER shall provide full access to:

- CITY

- HUD
- Inspector General
- Comptroller General
- Any authorized federal representative

Records must be retained for at least five (5) years after project closeout.

SECTION 10 – COST PRINCIPLES (2 CFR 200 SUBPART E)

All expenditures must be:

- Allowable
- Allocable
- Reasonable
- Necessary
- Consistent with CITY cost policies

Unallowable costs include (not limited to):

- Alcohol
- Entertainment
- Bonuses or gifts
- Late fees, interest, and penalties
- Anything prohibited by Subpart E

SECTION 11 – CONFLICT OF INTEREST (24 CFR 570.611; 2 CFR 200.318)

ENGINEER shall comply with federal and CITY conflict-of-interest rules. Prohibitions include:

- Contracting with officers, employees, agents, or immediate family members
- Accepting gifts or favors from interested persons
- Failing to disclose potential conflicts

Violations may result in termination.

SECTION 12 – TERMINATION FOR FEDERAL CAUSE

CITY may terminate this Agreement if:

- Federal funds are withdrawn
- HUD issues findings requiring termination
- ENGINEER violates any federal requirement

SECTION 13 – FLOW-DOWN OF FEDERAL REQUIREMENTS

ENGINEER shall include all requirements of this Addendum in all subcontracts, subconsultant agreements, purchase orders,

service contracts, and lower-tier agreements.

Failure to include these requirements in subcontract agreements constitutes a breach of contract.

SECTION 14 – BUILD AMERICA, BUY AMERICA (BABA)

14.1 Applicability of BABA

This project is funded in whole or in part with federal financial assistance provided through HUD. Pursuant to the Build America, Buy America Act (BABA), all infrastructure projects funded after May 14, 2022 must comply with domestic content requirements for iron and steel products, manufactured products, and construction materials unless a waiver is issued by HUD.

14.2 Professional Services Not Directly Subject to Domestic Sourcing Requirements

Professional services—such as engineering, design, surveying, environmental review, and planning—are not themselves subject to BABA sourcing requirements. However, ENGINEER must incorporate BABA requirements into all project design, specifications, and construction documents that will be used for federally-funded construction activities.

14.3 Incorporation of BABA Into Project Design

ENGINEER shall ensure that:

- All construction plans, specifications, and bid packages include BABA-compliant language.
- All materials, products, or components expected to be used in construction are evaluated for BABA applicability.
- All BABA-covered materials are identified within project documents.
- CITY is informed of any items that may require a waiver.

14.4 Support for BABA Compliance Documentation

ENGINEER shall assist CITY in preparing BABA compliance documentation, including:

- Technical evaluation of materials.
- Written certification that design and specifications comply with BABA to the maximum extent feasible.
- Cost estimates that separate BABA-covered materials.
- Documentation required for HUD monitoring or audit.

14.5 Waivers

If ENGINEER identifies materials that may not meet BABA requirements, ENGINEER shall immediately notify CITY. ENGINEER shall support preparation of HUD waiver requests by providing:

- Analysis of domestic availability.
- Cost comparison data if unreasonable cost is cited.
- Public-interest justification if applicable.

ENGINEER must not assume that a waiver will be approved.

14.6 Construction Oversight Responsibilities (If Applicable)

If ENGINEER is later contracted to provide construction-phase services, ENGINEER shall:

- Review contractor submittals for BABA compliance.
- Identify non-compliant materials.

- Notify CITY in writing of any compliance issues.
- Assist CITY in obtaining additional documentation or contractor certifications.

14.7 Flow-Down Requirements

ENGINEER shall ensure that all subcontractors, subconsultants, suppliers, and technical specialists comply with all BABA requirements included in this Addendum. ENGINEER shall incorporate these requirements into all lower-tier agreements.

SECTION 15 – DAVIS–BACON AND RELATED ACT REQUIREMENTS (DBRA)

15.1 Applicability

The ENGINEER acknowledges that the construction activities resulting from this design contract will be subject to the Davis–Bacon and Related Acts (DBRA), including but not limited to 40 U.S.C. § 3141–3148, 29 CFR Parts 1, 3, and 5, HUD Handbook 1344.1, and CDBG labor standards requirements at 24 CFR 570.603. Although professional services are not themselves subject to Davis–Bacon, ENGINEER shall ensure that the construction documents, specifications, and bid packages fully incorporate all required DBRA standards.

15.2 Responsibilities of ENGINEER

ENGINEER shall:

- Insert all required DBRA clauses into all construction bid documents and specifications, including HUD-4010 Federal Labor Standards Provisions and applicable Department of Labor (DOL) wage decisions.
- Verify the correct wage decision(s) for the construction scope, including identifying Highway/Heavy vs. Building classifications and special wage categories relevant to concrete, drainage, excavation, paving, utilities, and trail/sidepath construction.
- Support CITY in preparing or responding to additional classification requests (SF-1444), wage decision clarification questions, or other labor standards inquiries from HUD or DOL.
- Ensure that the design, bid items, quantities, and specifications are consistent with labor categories covered by the applicable wage decision.
- Notify CITY immediately if any design or technical decision could impact labor classifications or DBRA applicability.

15.3 Wage Decision Updates

ENGINEER shall assist CITY in monitoring wage decision timing in accordance with HUD and DOL guidance, and shall support the CITY in updating wage decisions prior to bid opening when required. ENGINEER shall ensure that all bid and contract documents contain the correct, most current wage decision issued no more than 10 days before bid opening unless otherwise directed by HUD.

15.4 Flow-Down Requirements

ENGINEER shall ensure that all subconsultants, subcontractors, and specialists contributing to specifications or construction documentation incorporate DBRA requirements into their work

products. ENGINEER shall be responsible for ensuring that all lower-tier documentation complies with DBRA requirements.

This Addendum is executed as of the Effective Date of the Agreement.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO AN AGREEMENT WITH CRAFTON, TULL & ASSOCIATES, IN THE AMOUNT OF TWO HUNDRED TWENTY-TWO THOUSAND ONE HUNDRED FIFTY DOLLARS (\$222,150.00), FOR DESIGN SERVICES FOR THE C STREET SIDEPATH; AND FOR OTHER PURPOSES.

WHEREAS, Crafton, Tull & Associates was selected via a professional selection committee under SOQ-25-75;

WHEREAS, this complies with the City's Purchasing Policy; and

WHEREAS, this is a 2026 budgeted item utilizing CDBG funds.

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

Section 1: The Mayor and City Clerk are authorized to enter into an agreement with Crafton, Tull & Associates, in the amount of two hundred twenty-two thousand one hundred fifty dollars (\$222,150.00), for design services for the C Street Sidepath;

Section 2 - Severability Provision: If any part of this Resolution is held invalid, the remainder of this Resolution shall continue in effect as if such invalid portion never existed; and

Section 3 - Repeal of Conflicting Resolutions: All Ordinances, Resolutions, or Orders of the City Council, or parts of the same, in conflict with this Resolution are repealed to the extent of such conflict.

PASSED AND APPROVED this _____ day of _____, 2025.

APPROVED:

Stephanie Orman, MAYOR

ATTEST:

Malorie Marrs, CITY CLERK



City of Bentonville, Arkansas Agenda Item Form

Item Details

Council Meeting Date:		Submitted By:	
Phone:		For Department(s):	
Email:			

Item Type (Check all that apply)

Informational	Bid Award	Enter into an Agreement	Change Order
Recognizing Funds	Budget Adjustment	Waiver of Bid	Emergency Clause
Ordinance	Resolution	Informational	Appointment

Title, Recommendation & Justification

Title:	
Action Recommendation & Justification:	
Additional Comments for Consideration (Optional):	

Amount for Approval:	\$
-----------------------------	----

Budget Impact

Is this Item Budgeted? **YES** **NO** **ITEM HAS NO COST** **OTHER:** _____

Budget Adjustment (to be completed by Finance when applicable)

Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue

Fund(s) Impacted

(check all that apply)

General Fund

Utility Fund

Street Fund

Other(s): _____

Budget Impact Notes for Consideration (Optional):

Memo



To: City Council, Mayor Orman

From: David Wright, Parks and Recreation Director

Date: December 8, 2025

Re: Resolution authorizing Mayor and Clerk to accept a grant agreement from the Walton Family Foundation, in the amount of \$2,125,922, for the Bella Vista Lake Dam Removal and the restoration of the Little Sugar Creek.

Parks and Recreation requests city council accept a grant valued at \$2,125,922 from the Walton Family Foundation for dam removal and stream restoration at Bella Vista Lake. This grant, when combined with funds received from FEMA, allows the City to proceed with the entire project at no impact to the City of Bentonville budget.

If you have any questions regarding this item, please email dwright@bentonvillear.com, or call 479.271.6813.

Attachments:

Grant Agreement

WALTON FAMILY
FOUNDATION

December XX, 2026

Stephanie Orman
Mayor
City of Bentonville
305 SW A St
Bentonville, AR 72712

RE: Grant 00113986

Dear Mayor Orman,

The Walton Family Foundation, Inc. ("Foundation" or "WFF") has approved a grant in the amount of **up to \$2,125,922.00** to the City of Bentonville ("Grantee"). The project term will be January 1, 2026 to June 30, 2027. This grant is subject to the following terms and conditions:

1. **Purpose:** The purpose of the grant is to support approximately one mile of stream restoration on Little Sugar Creek as more fully described in the Little Sugar Creek Park Streambank Repairs Plans dated October 24, 2025 and illustrated in Appendix A. Grantee agrees to use all grant funds exclusively for the grant's purposes. Any changes in these purposes must be authorized in advance by the Foundation in writing.

2. **Amount: Up to \$2,125,922.00 USD**

Grant payments will be made as follows:

Installment	Amount	Requirement	Date
1	\$600,000.00	Upon the Foundation's receipt of this signed agreement and receipt and approval of long-term park management and stewardship plans	January 2026
2	\$500,000.00	Upon completion of 25% of the stream restoration work	June 30, 2026
3	\$500,000.00	Upon completion of 50% of the stream restoration work	October 30, 2026
4	\$400,000.00	Upon completion of 75% of the stream restoration work	January 31, 2027
5	Up to \$125,922.00	Upon completion of the project and based on final and actual costs of the stream restoration work	May 30, 2027

3. **Payable:** Initial installment of \$600,000.00 shall be initiated upon receipt of this completed agreement from Grantee acknowledging the terms and conditions set forth herein and the Foundation's receipt of the long-term park management and stewardship plans. Grantee should receive the initial installment electronically within 14 business days of completion of these items.

Further installments shall be contingent upon the Foundation's approval of the Grantee's activities of the grant as evidenced by the reports described in the Reporting and Evaluation paragraph below and other information the Foundation may gather.

4. **Accounting:**

- a. The Foundation encourages, whenever feasible, the deposit of grant funds in an interest-bearing account. For purposes of this agreement, the term "grant funds" includes the grant and any income earned thereon.
- b. Grantee will maintain records of receipts and expenditures made in connection with the grant funds and will keep these records during the period covered by the Grantee's reporting obligations specified in the Reporting and Evaluation paragraph and for at least four years thereafter ("Maintenance Period"). Grantee will make its books and records in connection with the grant funds available for inspection by the Foundation during normal business hours as the Foundation may request at any time during the Maintenance Period.

5. **Reporting and Evaluation:** Grantee will provide the Foundation with financial and narrative reports by the due dates listed in the report schedule below. Each report shall include an account of expenditures of grant funds and a brief narrative of what was accomplished (including a description of progress made in fulfilling the purposes of the grant and a confirmation of Grantee's compliance with the terms of the grant).

Report Type	Report Due Date
Contractor Pay Application and Financial Summary	Monthly by the 15th day of each month of the project
Miscellaneous Report To include the Little Sugar Creek Park management and stewardship plans	January 5, 2025
Progress Report	June 15, 2026
Progress Report	October 15, 2026
Progress Report	January 15, 2027
Final Report	May 15, 2027

All reports will be submitted electronically using the Foundation's online grants management system. Any questions regarding this process should be addressed to your contact listed in the Contact paragraph of this document. Please reference Grant 00113986 on all communication.

Grantee payments are always contingent upon the Foundation's approval of Grantee's operations based on the above reports and the Foundation's satisfaction with such information as it chooses to obtain from other sources.

- 6. Representations:** Grantee represents and warrants to the Foundation that:
- a. Grantee is an organization in good standing, is either an organization described in section 501(c)(3) of the Internal Revenue Code (“Code”) or a governmental unit, and is not a “private foundation” described in section 509(a) of the Code. Grantee will promptly notify the Foundation of any change in Grantee’s tax status under the Code.
 - b. In no event will Grantee use any grant funds:
 - i. to carry on propaganda, or otherwise to attempt, to influence legislation;
 - ii. to influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drive; or
 - iii. to undertake any activity other than for a charitable, educational or other exempt purpose specified in section 170(c)(2)(B) of the Code.
 - c. Grantee will comply with all applicable laws and regulations.
 - d. Grantee does not support, directly or indirectly, terrorist activities or violence of any kind, and takes reasonable steps to ensure that:
 - i. Grantee’s board, staff and volunteers have no dealings with, and do not support, terrorist activities or violence of any kind, and
 - ii. grant funds will not ultimately be used to support terrorist activities or violence of any kind.
- 7. Anti-Discrimination:** It is the Foundation's expectation that, in the application of Foundation’s funds, Grantee will encourage equal opportunities for all and will not use the Foundation’s funds to promote or engage in: exploitation, abuse, bullying, harassment, criminal acts of violence, terrorism, hate crimes, or any behavior which would be considered a violation of federal anti-discrimination laws, which prohibit discrimination on the basis of age, race, national origin, religious beliefs, sex (including gender, pregnancy, sexual orientation, and gender identity), disability, and veteran status. It is also the Foundation’s expectation that Grantee has established appropriate policies and procedures for training staff and receiving and addressing complaints regarding violence, exploitation, abuse, harassment, and discrimination, and other forms of misconduct.
- 8. Repayment, Rescission, and/or Termination:** The Foundation, in its sole discretion, may discontinue or suspend funding, rescind payments made, require the return of any unspent funds, or terminate this agreement if any of the following events occur:
- a. Grantee ceases to maintain its tax-exempt status as described in paragraph 6(a) above;
 - b. Grantee fails to comply with the terms of this agreement (including those contained in Appendix A and B), including, but not limited to, failure to submit any required reports on a timely basis;
 - c. There is a material change in Grantee’s key personnel that in the sole opinion of the Foundation adversely affects Grantee’s management of the grant;
 - d. Grantee does not use funds for the purpose of this grant;
 - e. The Foundation determines that Grantee will be unable to achieve the purposes for which the grant was made;
 - f. The Foundation becomes aware of actual or alleged acts or omissions to act by Grantee or one or more of Grantee’s directors, officers, employees, volunteers, sub-grantees or contractors which the Foundation believes pose a reputational risk to the Foundation, and for which the Foundation determines Grantee has not taken immediate and effective remedial measures;

- g. There is an investigation or allegation of unlawful action or gross misconduct by Grantee, any officer, director, trustee, employee, or agent of Grantee, or any organization affiliated with Grantee, and the Foundation, in its sole discretion, determines such investigation or allegation to be credible; or
- h. The Foundation determines that making any payment, in the judgment of the Foundation, might expose the Foundation to liability, adverse tax consequences, or constitute a taxable expenditure.

The Foundation will provide notice of any determinations made under this paragraph and, in its sole discretion, may provide Grantee up to 30 days to respond to and resolve the issues identified in the Foundation's notice. However, the determination to suspend funding, terminate, or continue the grant will remain in the Foundation's sole discretion.

9. **Grant Publicity:** Grant publicity related to this grant consistent with Grantee's normal practice is permitted, subject to the following provisions. The Foundation expects any announcements and other publicity to focus on Grantee's work and the project or issue funded by the grant. Recognition of the Foundation's role in funding the project is permitted, provided that the timing, content and strategic focus of such publicity should be approved by the Foundation contact listed in the Contact paragraph of this document. Publicizing the grant and the Foundation in Grantee's publications and communications in a manner consistent with similar grants obtained by Grantee is permitted. If publicized or recognized, the grant should be listed as from the "Walton Family Foundation."

The Foundation may ask Grantee to provide illustrations, photographs, videos, recordings, information or other materials related to the grant (collectively "Grant Work Product") for use in Foundation communications including the Foundation's website, annual report, newsletters, board materials, presentations, communications and other publications. Grantee agrees to provide the Foundation with such items upon the Foundation's reasonable request and hereby grants to the Foundation and anyone acting under the authority of the Foundation a fully paid-up, world-wide, right and license to use, reproduce, display and distribute the Grant Work Product in connection with the Foundation's charitable operations and activities. In connection therewith, Grantee shall be responsible for obtaining all necessary rights and permissions from third parties for the Foundation to use the Grant Work Product for these purposes. By signing this agreement, Grantee also acknowledges and agrees to use by the Foundation of historical, programmatic and other information relating to Grantee and the grant hereunder.

10. **Gratuities:** The Foundation desires that all of Grantee's resources be dedicated to accomplishing its philanthropic purposes. Therefore, Grantee agrees that it will not furnish the Foundation or its Board of Directors, officers, staff or affiliates with any type of benefit related to this grant including tickets, tables, memberships, commemorative items, recognition items, or any other benefit or gratuity of any kind.
11. **Contact:** For all communications regarding this grant, your point of contact at the Foundation will be Becca Hazlewood, Senior Program Officer. Becca can be contacted via phone 479-464-1574 or email bhazlewood@wppg.org. Please reference Grant 00113986 in your communication.

By electronically signing this grant agreement, the Grantee acknowledges and agrees to the terms and conditions herein. A copy of the completed document will be emailed to the Grantee through DocuSign. If the electronic signing of this agreement is not completed by **January XX, 2026**, the Foundation will consider the Grantee to have declined the grant.

Sincerely,

Stephanie Cornell
Executive Director

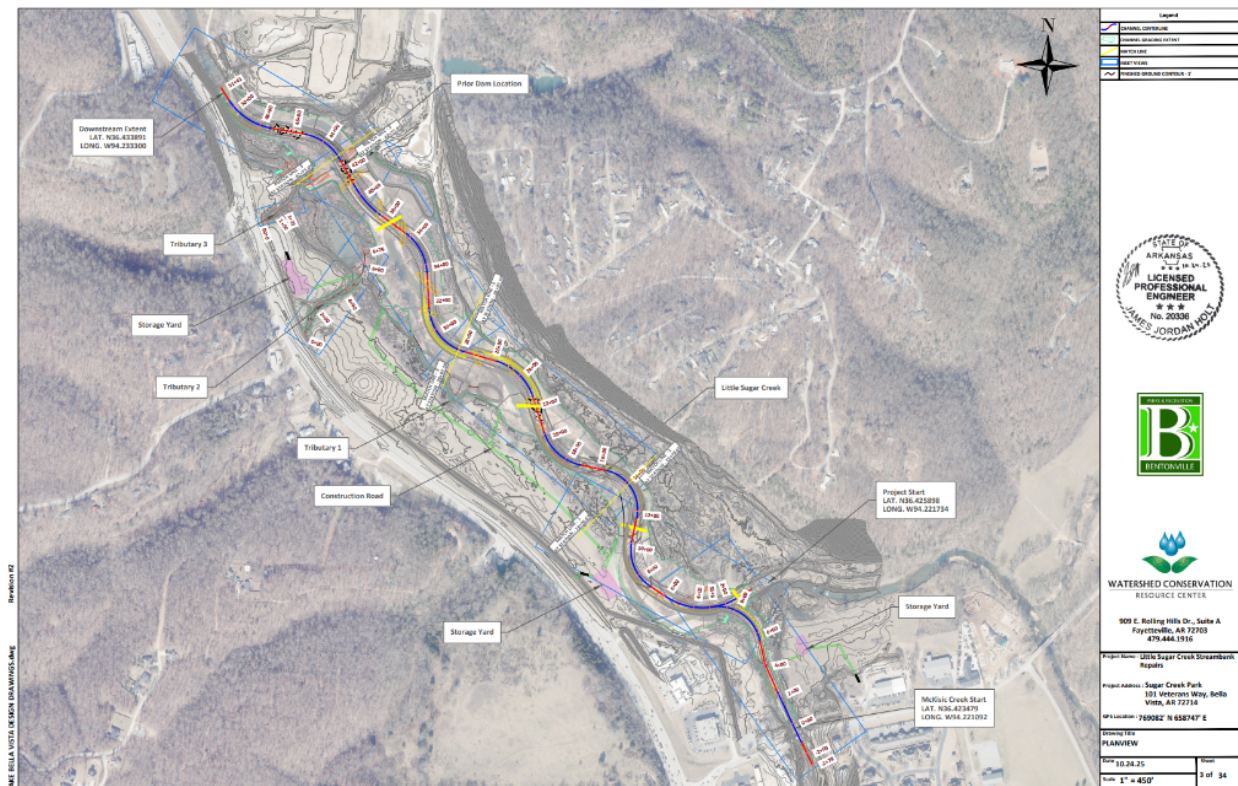
ACKNOWLEDGED AND AGREED

By:

Stephanie Orman
Mayor
City of Bentonville

cc: David Wright
Josh Stacey
Patrick Johndrow

Appendix A: Little Sugar Creek Park Streambank Repairs Plans dated October 24, 2025



Appendix B: Sugar Creek Park Management and Stewardship Plan

A. Management Plan:

1. Once the Little Sugar Creek restoration work is completed, Grantee agrees to maintain continually, at Grantee's expense, the Park in good condition and repair, reasonable wear and tear excepted, for use by the public in passive recreational purposes along with supportive activities, as will be stated in the formal management plan.

2. Before construction of the Park is complete, Grantee agrees to relocate the various memorial benches currently located around the former Lake Bella Vista in the Park.

B. Stewardship Plan:

1. Grantee agrees to include the Park in the Grantee's network of parks and in the Grantee's Parks and Recreation Master Plan. For a minimum of 5 years, Grantee agrees to work with a watershed restoration and conservation expert to ensure that all current and future Park management activities align with the objective of restoring and conserving the ecological health of Little Sugar Creek and the surrounding area through stream, riparian, and wetland establishment. Further, Grantee agrees to the future stewardship of the Park following completion of construction, as will be more fully described in the Stewardship Plan.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ACCEPT A GRANT FROM THE WALTON FAMILY FOUNDATION, IN THE AMOUNT OF TWO MILLION ONE HUNDRED TWENTY-FIVE THOUSAND NINE HUNDRED TWENTY-TWO DOLLARS (\$2,125,922.00), FOR REMOVAL OF THE DAM AT LAKE BELLA VISTA AND RESTORATION OF LITTLE SUGAR CREEK; AMENDING THE 2025 BUDGET; AND FOR OTHER PURPOSES.

WHEREAS, the Bentonville Parks and Recreation Department requests approval to accept a grant from the Walton Family Foundation (WFF), in the amount of two million one hundred twenty-five thousand nine hundred twenty-two dollars (\$2,125,922.00);

WHEREAS, this grant will fund removal of the dam at Lake Bella Vista and reconstruction of Little Sugar Creek;

WHEREAS, FEMA monies will be used to fund the remainder of this project; and

WHEREAS, a budget adjustment is needed to accept and appropriate funds.

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

Section 1: The Mayor and City Clerk are hereby authorized to enter into a grant agreement with the WFF, in the amount of two million one hundred twenty-five thousand nine hundred twenty-two dollars (\$2,125,922.00), to fund removal of the dam at Bella Vista Lake and restoration of Little Sugar Creek;

Section 2: The 2025 Budget is hereby adjusted to recognize two million one hundred twenty-five thousand nine hundred twenty-two dollars (\$2,125,922.00) in grant funds into Account #105030-33810 – Local Grants;

Section 3: The 2025 Budget is further adjusted to appropriate the same from Account #105030-33810 – Local Grants and two million seven hundred seventy-nine thousand seven hundred eighty-two dollars (\$2,779,782.00) of FEMA monies held in General Fund, into Account #105030-47390 – Improvements Other than Building/Projects;

Section 4 - Severability Provision: If any part of this Resolution is held invalid, the remainder of this Resolution shall continue in effect as if such invalid portion never existed; and

Section 5 - Repeal of Conflicting Resolutions: All Ordinances, Resolutions, or Orders of the City Council, or parts of the same, in conflict with this Resolution are repealed to the extent of such conflict.

PASSED and APPROVED this _____ day of _____, 2025.

APPROVED:

ATTEST:

Stephanie Orman, MAYOR

Malorie Marrs, CITY CLERK



City of Bentonville, Arkansas Agenda Item Form

Item Details

Council Meeting Date:		Submitted By:	
Phone:		For Department(s):	
Email:			

Item Type (Check all that apply)

Informational	Bid Award	Enter into an Agreement	Change Order
Recognizing Funds	Budget Adjustment	Waiver of Bid	Emergency Clause
Ordinance	Resolution	Informational	Appointment

Title, Recommendation & Justification

Title:	
Action Recommendation & Justification:	
Additional Comments for Consideration (Optional):	

Amount for Approval:	\$
----------------------	----

Budget Impact

Is this Item Budgeted? YES NO ITEM HAS NO COST OTHER: _____

Budget Adjustment (to be completed by Finance when applicable)

Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue

Fund(s) Impacted

(check all that apply)

General Fund

Utility Fund

Street Fund

Other(s): _____

Budget Impact Notes for Consideration (Optional):

City of Bentonville, Arkansas

City Hall

305 SW A Street Bentonville, AR 72712

Memo



To: City Council Members and Mayor Orman
From: David Wright, Parks and Recreation Director
Date: December 9, 2025
Re: Bid Award IFB 25-43 to Streamline Environmental, in the amount of \$4,054,704.

Parks and Recreation Staff requests City Council's approval of bid award 25-43, in the amount of \$4,054,704 for the dam removal at Bella Vista Lake and Stream Restoration for Little Sugar Creek.

After years of debate and litigation, the City finally identified a clear path forward after working with previous landowners and new landowners in bringing a park space back to life. Lake Bella Vista Park was once a very utilized public space and the most popular trail in our community. However, years of damaging rain events has left this park in need of repair.

Once we were able to move forward with a stream only concept in this property, we worked with Watershed Conservation Resource Center bring us from concept to a point where we are ready to move forward with construction. This included site survey, hydrology studies, design and specifications and public bidding. This project was published for bid on September 30. Bids were opened publicly on November 5. Three companies submitted a bid. The low bid was rejected due to the bidder's failure to produce proper qualifications for this job. Bid documents requested potential bidders to produce a list of completed stream restoration projects that included installation of toe wood and brush mattress construction techniques. The low bidder failed to provide a single project that utilized these techniques. The next lowest bidder, Streamline Environmental, certainly had the qualifications to perform the work.

The project started with a focus on dam removal and restoration around the structure. But we knew an erosion problem extended from the dam site south to McKissic Creek and where the new Wishing Spring Trail crosses the stream. Because of this, we worked with the Walton Family Foundation to acquire a grant to assist with funding allowing us to perform the entire project. While the FEMA funds would allow us to do much of the project, it would not be enough for everything. We are grateful the Foundation extended a grant award for the entire project. The project breakdown is as follows:

Project Revenue:

FEMA Funding from Alternate Projects:	\$2,779,782
Grant Award from Walton Foundation:	\$2,125,922
Total:	\$4,905,704

Project Expenses:

Dam Removal + Restoration:	\$4,054,704
Project Contingency – 10% (if needed):	\$405,000
Construction Admin:	\$446,000
Total:	\$4,905,704

If awarded and once contracts are signed, Streamline Environment will have approximately four (4) months to procure materials for construction. With an anticipated start date in late Spring, we anticipate construction to last for approximately 18 months. Prior to the preconstruction meeting, Streamline will provide a detailed construction schedule that will be approved by WCRC and City Staff. However, we intend to keep council and the public informed of what this will look like.

In addition to the initial construction project, the Walton Family Foundation is funding a five (5) year maintenance plan. These plans, typical with these types of projects, are valuable to ensure long term success. This allows contracted firms to stay on site for five years to make any necessary repairs and to ensure that all vegetation is established to allow the streambanks to become sustainable. Again, this part is funded by the Walton Family Foundation.

In closing, although it took us a while to come to this point, I personally believe we finally landed on the best possible solution. Dam removal and stream restoration is the best solution for the natural environment and the recreational value of the park. The support of the project and the generosity of the Walton Family Foundation allow the full project to occur without a financial impact to the City. Multiple groups and individuals have contributed to this solution. Everyone played a role. At the end of the day, this is a major step in the right direction, and I hope our community will celebrate this major accomplishment. While work remains, we are on the right road to long term success.

If you have any questions, regarding this item, please contact me at 271.6813, or email dwright@bentonvillear.com.

Attachments:

Bid Tabs



CITY OF BENTONVILLE, ARKANSAS PURCHASING AND COMPLIANCE DEPARTMENT

FORMAL SEALED BID TABULATION

Date of Bid Opening:	11/5/2025	Time of Bid Opening:	1:00 PM	Solicitation ID:	IFB-25-43
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Solicitation Title: Little Sugar Streambank Repair Project

Bidders:				Streamline Environmental		Flow State LLC		Signature Dirtworx, LLC	
Line Item	Estimated Quantity	Unit of Measure	Description	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price
1	830	FT	Toe Wood Bench	\$165.00	\$136,950.00	\$150.00	\$124,500.00	\$35.00	\$29,050.00
2	1,640	FT	Non-Footered Toe Wood Bench	\$165.00	\$270,600.00	\$120.00	\$196,800.00	\$45.00	\$73,800.00
3	1,135	FT	Brush Bench	\$45.00	\$51,075.00	\$70.00	\$79,450.00	\$34.00	\$38,590.00
4	4,610	FT	Filling of Soil Mattress	\$20.00	\$92,200.00	\$20.00	\$92,200.00	\$45.00	\$207,450.00
5	75,000	CY	River Channel and Floodplain Excavation and Grading	\$12.50	\$937,500.00	\$9.50	\$712,500.00	\$12.75	\$956,250.00
6	4	EA	Small Tributary Grade Control	\$4,500.00	\$18,000.00	\$8,500.00	\$34,000.00	\$10,000.00	\$40,000.00
7	6	EA	Small Tributary Log Grade Control	\$2,400.00	\$14,400.00	\$7,000.00	\$42,000.00	\$5,000.00	\$30,000.00
8	2	EA	Constructed Riffles	\$15,000.00	\$30,000.00	\$30,000.00	\$60,000.00	\$10,000.00	\$20,000.00
9	3	EA	Field Engineered Riffles	\$15,000.00	\$45,000.00	\$30,000.00	\$90,000.00	\$12,000.00	\$36,000.00
10	2	EA	Jhook	\$17,500.00	\$35,000.00	\$15,000.00	\$30,000.00	\$9,000.00	\$18,000.00
11	1	EA	Jhook w/ Step	\$20,000.00	\$20,000.00	\$17,000.00	\$17,000.00	\$10,000.00	\$10,000.00
12	1	EA	McKisic Creek Grade Control	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$25,000.00	\$25,000.00
13	590	FT	Single Rock Revetment on Toe wood	\$70.00	\$41,300.00	\$80.00	\$47,200.00	\$65.00	\$38,350.00
14	250	FT	Double Rock Revetment	\$110.00	\$27,500.00	\$160.00	\$40,000.00	\$75.00	\$18,750.00
15	140	FT	Triple Rock Revetment	\$160.00	\$22,400.00	\$230.00	\$32,200.00	\$80.00	\$11,200.00
16	410	FT	Triple Rock Revetment w/ Non-Footered Toe Wood Foundation	\$150.00	\$61,500.00	\$250.00	\$102,500.00	\$105.00	\$43,050.00
17	385	FT	Four Layer Rock Revetment	\$200.00	\$77,000.00	\$275.00	\$105,875.00	\$95.00	\$36,575.00
18	160	FT	Rock Access Steps	\$60.00	\$9,600.00	\$350.00	\$56,000.00	\$65.00	\$10,400.00
19	1	EA	Bridge Removal and Haul-off	\$55,000.00	\$55,000.00	\$87,000.00	\$87,000.00	\$38,000.00	\$38,000.00
20	1,500	CY	Concrete and Debris Removal and Haul Off	\$50.00	\$75,000.00	\$50.00	\$75,000.00	\$60.00	\$90,000.00
21	1	EA	River Right Dam Spillway Weir Notch	\$10,000.00	\$10,000.00	\$25,000.00	\$25,000.00	\$5,000.00	\$5,000.00
22	1	EA	River Left Spillway Demolition	\$25,000.00	\$25,000.00	\$15,000.00	\$15,000.00	\$19,000.00	\$19,000.00
23	200	HRS	Misc. Equipment Hours	\$250.00	\$50,000.00	\$250.00	\$50,000.00	\$100.00	\$20,000.00
24	200	HRS	General Labor Hours	\$75.00	\$15,000.00	\$52.00	\$10,400.00	\$45.00	\$9,000.00
25	90,000	SF	Construction Road and Storage Yard	\$1.05	\$94,500.00	\$0.50	\$45,000.00	\$1.25	\$112,500.00
26	9,700	SF	Stream Crossings	\$3.97	\$38,509.00	\$7.00	\$67,900.00	\$1.29	\$12,513.00
27	5	AC	Grubbing, Clearing and Tree Harvesting	\$6,500.00	\$32,500.00	\$7,020.00	\$35,100.00	\$13,500.00	\$67,500.00
28	1	LS	Site Finishing	\$100,000.00	\$100,000.00	\$154,000.00	\$154,000.00	\$40,000.00	\$40,000.00
29	1	LS	Bonds	\$76,000.00	\$76,000.00	\$165,000.00	\$165,000.00	\$0.00	\$0.00
30	1	LS	Mobilization	\$190,000.00	\$190,000.00	\$193,000.00	\$193,000.00	\$120,000.00	\$120,000.00
31	1,800	TON	Revetment Rock	\$120.00	\$216,000.00	\$150.00	\$270,000.00	\$45.00	\$81,000.00
32	4,600	TON	Structure Rock	\$130.00	\$600,000.00	\$130.00	\$598,000.00	\$48.00	\$220,800.00
33	80	TON	Flat Rock Steps	\$200.00	\$16,000.00	\$125.00	\$10,000.00	\$200.00	\$16,000.00
34	3,910	CY	Top Soil	\$36.00	\$140,760.00	\$40.00	\$156,400.00	\$18.50	\$72,335.00
35	520	CY	Compost	\$54.00	\$28,080.00	\$43.00	\$22,360.00	\$31.25	\$16,250.00
36	3,720	CY	Brush	\$30.00	\$111,600.00	\$40.00	\$148,800.00	\$10.00	\$37,200.00
37	1,090	CY	Sandstone Riprap	\$47.00	\$51,230.00	\$60.00	\$65,400.00	\$40.00	\$43,600.00
38	420	CY	Clay	\$35.00	\$14,700.00	\$40.00	\$16,800.00	\$15.00	\$6,300.00
39	260	CY	Construction Road - 582 Gravel	\$50.00	\$13,000.00	\$37.00	\$9,620.00	\$33.25	\$8,639.80
40	20	EA	Cons. Rd. - Type 4 Woven Fabric (15'x300')	\$40.00	\$800.00	\$1,185.00	\$23,700.00	\$1,600.00	\$32,000.00
41	2,680	CY	Construction Road and Storage Yard - Red Dirt	\$35.00	\$93,800.00	\$35.00	\$93,800.00	\$31.50	\$84,420.00
42	3	EA	Construction Road - Culverts	\$400.00	\$1,200.00	\$500.00	\$1,500.00	\$1,500.00	\$4,500.00
43	7	EA	Stream Crossings - Type 1 Non-Woven fabric (15'x300')	\$575.00	\$4,025.00	\$480.00	\$3,360.00	\$2,000.00	\$14,000.00
44	180	CY	Stream Crossing - Limestone Riprap D50 9"	\$47.50	\$8,550.00	\$37.00	\$6,660.00	\$30.00	\$5,400.00
45	30	CY	B-Stone Site Entrances	\$47.50	\$1,425.00	\$37.00	\$1,110.00	\$31.50	\$945.00
Total Bid Price				\$4,054,704.00		\$4,224,135.00		\$2,822,967.80	
purchasing@bentonville.com - (479) 871-3444									
TABULATION VERIFICATION									

Purchasing and Compliance Specialist

Kelsi Frederick
Purchasing and Compliance Manager

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO AN AGREEMENT WITH STREAMLINE ENVIRONMENTAL, IN THE AMOUNT OF FOUR MILLION FOUR HUNDRED FIFTY-NINE THOUSAND SEVEN HUNDRED FOUR DOLLARS (\$4,459,704.00), FOR REMOVAL OF THE DAM AT LAKE BELLA VISTA AND RESTORATION OF LITTLE SUGAR CREEK; AND FOR OTHER PURPOSES.

WHEREAS, though Streamline Environmental is the second lowest bidder, it is the lowest qualified bidder for bid #IFB-25-43;

WHEREAS, this agreement covers removal of the dam at Lake Bella Vista and restoration of Little Sugar Creek; and

WHEREAS, this is a budgeted item funded by FEMA monies and a grant from the Walton Family Foundation.

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

Section 1: The Mayor and City Clerk are authorized to enter into an agreement with Streamline Environmental, in the amount of four million four hundred fifty-nine thousand seven hundred four dollars (\$4,459,704.00) including a ten percent (10%) contingency, for removal of the dam at Bella Vista Lake and restoration of Little Sugar Creek;

Section 2 - Severability Provision: If any part of this Resolution is held invalid, the remainder of this Resolution shall continue in effect as if such invalid portion never existed; and

Section 3 - Repeal of Conflicting Resolutions: All Ordinances, Resolutions, or Orders of the City Council, or parts of the same, in conflict with this Resolution are repealed to the extent of such conflict.

PASSED AND APPROVED this _____ day of _____, 2025.

APPROVED:

Stephanie Orman, MAYOR

ATTEST:

Malorie Marrs, CITY CLERK



City of Bentonville, Arkansas Agenda Item Form

Item Details

Council Meeting Date:		Submitted By:	
Phone:		For Department(s):	
Email:			

Item Type (Check all that apply)

Informational	Bid Award	Enter into an Agreement	Change Order
Recognizing Funds	Budget Adjustment	Waiver of Bid	Emergency Clause
Ordinance	Resolution	Informational	Appointment

Title, Recommendation & Justification

Title:	
Action Recommendation & Justification:	
Additional Comments for Consideration (Optional):	

Amount for Approval:	\$
----------------------	----

Budget Impact

Is this Item Budgeted? YES NO ITEM HAS NO COST OTHER: _____

Budget Adjustment (to be completed by Finance when applicable)

Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	Expense	\$	Revenue

Fund(s) Impacted

(check all that apply)

General Fund Utility Fund Street Fund Other(s): _____

Budget Impact Notes for Consideration (Optional):

City of Bentonville, Arkansas

City Hall

305 SW A Street Bentonville, AR 72712

Memo



To: City Council Members and Mayor Orman
From: David Wright, Parks and Recreation Director
Date: December 9, 2025
Re: CA/CO for Little Sugar Creek

Parks and Recreation Staff requests City Council's approval of a change order authorizing the Mayor and Clerk enter into an amended agreement with Watershed Conservation Resource Center, in the amount of \$446,000, for Construction Administration and Observation for the Little Sugar Creek project.

WCRC has worked with the city through the entire process to help determine the best possible path forward for the Little Sugar Creek. As Council began to express their desire for a stream, WCRC worked closely with Parks and Recreation to conduct site survey, hydrology studies, create designs and manage permitting and bidding.

This last contract required for this project is for construction administration and observation. During this project, WCRC will oversee Streamline Environmental's construction to ensure all work meets all requirements for long term success. In addition, they will be on-site almost daily to evaluate construction in each section of the stream to ensure that the best possible techniques are being used, or if changes should / could be made in order for the stream to be more successful. One of the main things we will monitor during construction is if there are opportunities to achieve success with a more natural approach.

This contract, like the contract with Streamline, is covered by funds provided by FEMA and a grant from the Walton Family Foundation.

If you have any questions, regarding this item, please contact me at 271.6813, or email dwright@bentonvillear.com.

Attachments:
Proposal from WCRC

CONTRACT FOR SERVICES

This Contract is entered into by and between the City of Bentonville, 305 SW A Street, Bentonville, AR, 72712 ("CITY"), and Watershed Conservation Resource Center, 909 East Rolling Hills Drive, Fayetteville, AR 72703 ("WCRC").

1. **Services.** The WCRC agrees to perform the services described in the attached **Exhibit A – Scope of Services** (collectively, the "Services"), in accordance with the terms set forth below and any exhibits or attachments to this Contract, all of which are incorporated by reference. **The Scope of Services reflects construction administration, construction oversight, field engineering, verification of contractor billing/quantities, reporting, coordination, and related tasks for the Little Sugar and McKisic Creeks Stream Restoration Project. WCRC shall not perform Services on land not owned by WCRC or CITY without the express prior written permission of the applicable landowner.**
 2. **Payments.** The CITY will compensate WCRC for the Services as follows:
 - a) **Contract Fee.** For all Services, the CITY will pay WCRC based on **hourly professional rates**, and direct reimbursable expenses as provided below. **The total compensation under this Contract shall not exceed Four Hundred Forty-Six Thousand Dollars (\$446,000) unless otherwise agreed in writing by both parties.**
 - b) **Reimbursable Expenses.**
 - i. **Direct Expenses.** WCRC shall be reimbursed for direct, project-related expenses **at cost plus a ten percent (10%) markup.**
 - ii. **Vehicle/Mileage.** WCRC shall be reimbursed for vehicle use in connection with the project **at the current IRS standard business mileage rate** in effect at the time of travel (*for 2025, \$0.70/mile*).

All reimbursable expenses must be substantiated by valid documentation and directly related to performance of the Services.

 - c) **Invoices and Payments.** Invoices must summarize work performed with itemized billed hours and reimbursable expenses for the invoice period. **Invoices are subject to CITY review and approval. CITY may deny payment for Services unsatisfactory to CITY or for invoices submitted more than sixty (60) days after the final completion date.** CITY will make all payments by check upon receipt of a properly completed IRS Form W-9.
3. **Contract Commencement, Expiration, and Termination.** WCRC shall begin performing the Services promptly after this Contract is fully executed by both parties **and shall complete all Services by [insert completion date] or such earlier date as specified in Exhibit A. Any deadline may be extended only with CITY's prior written consent.** This Contract expires automatically once all Services are completed and final payment is made. CITY may terminate this Contract at any time upon two weeks' written notice. **In such event, WCRC must cease work immediately and shall be paid for Services satisfactorily completed as determined by CITY.**
4. **Independent Contractor; Taxes.** WCRC is an independent contractor. WCRC is not an agent or employee of CITY, and no joint venture or principal-agent relationship exists. **WCRC is responsible for all applicable taxes.**
5. **Liability and Indemnification.** WCRC acknowledges and agrees that it is performing the Services entirely at its own risk, and agrees to indemnify, defend, and hold the CITY and its directors, officers, employees, and agents harmless from and against any and all liabilities, demands, damages, claims, losses, costs, or expenses, including reasonable attorneys' fees, to the extent that they arise out of or result, directly or indirectly, from the negligence, misconduct, breach of warranty, representation, or covenant, or any act or omission, or by

Contractor or any of its employees or agents (including any permitted subcontractors) in performing the Services. WCRC's indemnity and defense obligations under this Contract will survive for a period of three (3) years after the expiration or earlier termination of this Contract with respect to any matters that occurred, or rights that accrued, prior to such expiration or earlier termination.

6. **Compliance with Laws.** WCRC represents, warrants and agrees that (a) WCRC can lawfully work in the United States, (b) WCRC has or will obtain at its expense any required permits or licenses, and (c) WCRC will comply with all statutes, laws, ordinances, rules, regulations, court orders, and other governmental requirements that may apply to the work performed.
7. **Compliance with Anti-Terrorism Laws.** WCRC must not use any funds received under this Contract in violation of any applicable antiterrorist financing and asset control laws, regulations, rules and executive orders, including, but not limited to the USA Patriot Act of 2001 and Executive Order 13224.
8. **Miscellaneous Terms and Conditions.** WCRC must not, without THE CITY's prior written consent, which may be withheld at the CITY's sole discretion: (a) assign this Contract or subcontract any portion of the Services, except for construction services, or (b) use The CITY's name or logo (except to the extent reasonably necessary in order to perform the Services). This Contract and claims relating to this Contract will be interpreted, construed and governed by the laws of the state of Arkansas. If two or more persons or entities are identified as WCRC in this Contract, their obligations under this Contract are and will be joint and several. Facsimile or scanned signatures on this Contract and any related documents, and digital or electronic signatures where authorized under applicable law, will be fully binding for all purposes under this Contract. This Contract supersedes all prior or contemporaneous communications, both oral and written, and constitutes the entire Contract between the parties relating to the Services. No amendment will be effective unless it is in writing and signed by both parties.

Signatures:

Sandi J. Formica, Executive Director
Watershed Conservation Resource Center

Date

Stephanie Orman, Mayor
City of Bentonville

Date

City Clerk/Treasurer
City of Bentonville

Date

Task Order ? Scope of Work

Proposal for Construction Administration & Construction Oversight Services Streambank Repairs - Little Sugar Creek Bentonville, Arkansas

Submitted to City of Bentonville
By Watershed Conservation Resource Center
December 9, 2025

1. Background & Project Summary

In 2022, the Watershed Conservation Resource Center (WCRC) entered into an agreement with the City of Bentonville ("City") to develop a restoration plan for unstable reaches of Little Sugar and McKisic Creeks near their confluence, including the area downstream of the former Bella Vista Lake dam site. Under that agreement, WCRC was responsible for all elements of survey, engineering design, permitting, and preparation of bid specifications. The work was delivered on time and within the approved budget, demonstrating WCRC's capability and reliability in technical stream restoration work.

The City has since solicited and received competitive bids for the heavy equipment construction phase and selected a qualified contractor. The City has requested that WCRC provide construction administration (CA) and construction oversight (CO) services on its behalf. Given WCRC's role as the engineer of record and its regional expertise in stream restoration, the WCRC is well-positioned to support successful implementation, protect the City's investment, and help ensure long-term performance of restoration features. Stream restoration work is inherently exposed to powerful natural forces; ensuring correct implementation according to design intent is critical to project success.

This proposal outlines the work, responsibilities, deliverables, fee approach, and assumptions for the construction administration and construction oversight services WCRC will provide on behalf of the City.

2. Scope of Services

WCRC proposes to perform the following services throughout the construction phase:

A. Verification of Contractor Billing & Quantities

The WCRC will review and verify all contractor pay applications and billing submittals to confirm that billed quantities align with approved plans, specifications, and actual field progress. WCRC will prepare written summaries of findings and recommended payment actions for City review.

B. Field Supervision & High-Risk Construction Oversight

The WCRC will provide direct field supervision for construction elements that may introduce risk to long-term performance (e.g., channel shaping, grade control measures, bank stabilization structures, and

bioengineered features). Field supervision will ensure conformance with design standards and best practices.

C. Design Issue Resolution & Field Engineering

As the designer of record, the WCRC will address contractor Requests for Information (RFIs), provide clarifications, and issue supplemental instructions or technical guidance as needed. All field engineering decisions and design clarifications will be documented and communicated to the City.

D. Coordination & Communication

The WCRC will act as the primary technical liaison with the contractor, City staff, and other stakeholders. WCRC will participate in project meetings and facilitate coordination of construction activities, including scheduling, sequencing, and risk mitigation.

E. Reporting & Compliance Documentation

The WCRC will prepare periodic written progress reports summarizing contractor performance, schedule status, billing/quantity verification results, unresolved issues, and recommended actions. The WCRC will maintain all necessary documentation for regulatory compliance, including inspection reports, correspondence, submittals, and permits.

3. Deliverables

The WCRC will deliver the following to the City:

- Written summaries of billing and quantity verification
- Periodic construction progress and performance reports
- Meeting summaries (as requested)
- Final compiled project documentation, including permit compliance records and as-built information

4. Fee Proposal

The WCRC will provide the services described above under the following billing structure:

- Cost Not to Exceed: \$446,000
- Basis: Hourly professional rates per the WCRC rate schedule
- Direct Expenses: Reimbursed at cost plus a 10% markup
- Vehicle Reimbursement: At the IRS standard business mileage rate of \$0.70 per mile (2025 rate) for any travel using a personal or WCRC vehicle related to this project.

Billing will be submitted monthly with documentation of hours, direct expenses, travel, and mileage.

5. Assumptions

- The WCRC's role is advisory and oversight; the construction contract will remain between the City and the selected contractor.
- Specific services not described (e.g., specialized testing, independent environmental monitoring beyond reporting) are excluded and may be proposed separately.
- The work will be coordinated with City staff and contractor schedules.

6. Term

Work under this Scope of Services shall commence upon execution of the Contract and will continue through the **18-month contract period**, unless extended in writing by the City.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO AN AMENDED AGREEMENT WITH WATERSHED CONSERVATION RESOURCE CENTER, IN THE AMOUNT OF FOUR HUNDRED FORTY-SIX THOUSAND DOLLARS (\$446,000.00), FOR CONSTRUCTION ADMINISTRATION FOR THE REMOVAL OF THE DAM AT LAKE BELLA VISTA AND RESTORATION OF LITTLE SUGAR CREEK; AND FOR OTHER PURPOSES.

WHEREAS, Watershed Conservation Resource Center (WCRC) was selected by a professional selection committee pursuant to the City's Purchasing Policy;

WHEREAS, this amendment is for construction administration for the removal of the dam at Lake Bella Vista and restoration of Little Sugar Creek; and

WHEREAS, this amendment is funded through FEMA monies and a previously accepted grant;

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

Section 1: The Mayor and City Clerk are hereby authorized to enter into an amended agreement with WCRC, in the amount of four hundred forty-six thousand dollars (\$446,000.00) for construction administration for removal of the dam at Bella Vista Lake and restoration of Little Sugar Creek;

Section 2 - Severability Provision: If any part of this Resolution is held invalid, the remainder of this Resolution shall continue in effect as if such invalid portion never existed; and

Section 3 - Repeal of Conflicting Resolutions: All Ordinances, Resolutions, or Orders of the City Council, or parts of the same, in conflict with this Resolution are repealed to the extent of such conflict.

PASSED and APPROVED this _____ day of _____, 2025.

APPROVED:

ATTEST:

Stephanie Orman, MAYOR

Malorie Marrs, CITY CLERK



City of Bentonville, Arkansas Agenda Item Form

Item Details

Council Meeting Date:		Submitted By:	
Phone:		For Department(s):	
Email:			

Item Type (Check all that apply)

Informational	Bid Award	Enter into an Agreement	Change Order
Recognizing Funds	Budget Adjustment	Waiver of Bid	Emergency Clause
Ordinance	Resolution		Informational

Title, Recommendation & Justification

Title:	
Action Recommendation & Justification:	
Additional Comments for Consideration (Optional):	

Amount for Approval:	\$
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Budget Impact

Is this Item Budgeted? YES NO ITEM HAS NO COST OTHER: _____

Budget Adjustment (to be completed by Finance when applicable)

Account Number (ORG-OBJECT)	Account Description	Expense	Revenue
		\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$

Fund(s) Impacted

(check all that apply)

General Fund

Utility Fund

Street Fund

Other(s): _____

Budget Impact Notes for Consideration (Optional):



City of Bentonville, Arkansas Agenda Item Form

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Title, Recommendation & Justification

Title:	
Action Recommendation & Justification:	
Additional Comments for Consideration (Optional):	

Amount for Approval:	\$
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Budget Impact

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		Expense	Revenue
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		Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue

Fund(s) Impacted

(check all that apply)

General Fund

Utility Fund

Street Fund

Other(s): _____

Budget Impact Notes for Consideration (Optional):

City of Bentonville, Arkansas

City Hall

305 SW A Street Bentonville, AR 72712



City of Bentonville
Wastewater Development Fee Report
November 20, 2025



Corporate location:
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Submitted Respectfully by:
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November 20, 2025

City of Bentonville
3200 SW Municipal Drive
Bentonville, AR 72712

We are pleased to submit the enclosed Wastewater Development Fee Study prepared for the City of Bentonville. This analysis provides a comprehensive and independent review of the City's capital recovery strategy for wastewater system expansions. The purpose of the study is to help ensure that new development pays its fair share of infrastructure costs required to serve growth, while protecting existing customers from undue financial burden. The recommended fee structure is based on accepted industry practices and aligned with the requirements of Arkansas Code § 14-56-103.

The report includes:

- A summary of eligible capital projects and system capacity needs
- Cost allocation methods and fee calculation basis
- A proposed wastewater development fee schedule
- Legal and policy considerations for implementation

The Development Fee Study was prepared for the planning period 2025 through 2040 and reflects the best available capital cost and system capacity information as of the time of analysis. Because infrastructure needs, cost estimates, financing terms, and development patterns are subject to change, it is recommended that this study be reviewed annually to determine if the impact fees need to be updated.

Regular updates will ensure that:

- New capital expenditures are incorporated,
- Unit cost calculations remain current,
- And the development fee continues to reflect fair and proportional cost recovery from new growth.

This practice helps maintain legal defensibility, aligns with Arkansas Code § 14-56-103, and supports transparent long-term utility planning.

We appreciate the opportunity to assist the city and staff in the development of this study.

Sincerely,

A black rectangular box redacting the signature of Mark Beauchamp.

Utility Financial Solutions, LLC
Mark Beauchamp, CPA, MBA, CMA
185 Sun Meadow Ct
Holland, MI 49424

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1. Executive Summary

The City of Bentonville is experiencing rapid population growth, with its current population of approximately 63,000 projected to exceed 217,000 by 2050. This growth is placing significant pressure on the City's wastewater system, which is already nearing its capacity. Several key wastewater basins are already constrained, and the interceptor lines responsible for transporting wastewater to the treatment plant will need to be expanded. Without targeted investment and infrastructure expansion, the City will face serious limitations in its ability to accommodate new development and sustain the growing demand for wastewater services. Addressing these capacity challenges is critical to ensuring the City can continue to support its expanding population and future growth.

This report evaluates the use of wastewater development fees as a means of ensuring that growth pays for growth. The analysis reviews the legal and policy framework, outlines nationally recognized methodologies, and provides recommendations for establishing an equitable, understandable, and defensible fee structure.

The City of Bentonville should adopt a wastewater development fee program that complies with Arkansas Code § 14-56-103, ensuring a transparent and fair methodology. The program will ensure that new development contributes its equitable share to the cost of capacity-expanding improvements, which are critical to supporting the City's growth and infrastructure needs.

For 2026, it is proposed that the wastewater development fee be set at \$7,867 per Equivalent Residential Unit (ERU). This fee will be adjusted annually based on the Consumer Price Index for All Urban Consumers: Water and Sewer and Trash Collection Services in U.S. Cities, ensuring that it reflects inflationary trends and operational cost increases.

The funds generated by these fees will be placed in a separate, dedicated account, specifically for capital-related expenditures. These funds cannot be used for the operation and maintenance of the wastewater plant or system, ensuring that new development contributes directly to the expansion and improvement of wastewater infrastructure.

To ensure that the fees remain aligned with evolving infrastructure needs and financial projections, it is recommended that the study be reviewed annually. The development fee should be updated at least every three years to reflect changes in construction costs, population growth patterns, and system demands.

2. Introduction

The City of Bentonville's Water Utility Department, which operates the city's wastewater system, retained Utility Financial Solutions, LLC to perform a wastewater development fee analysis. The purpose of the study is to establish a fair and legally defensible approach to recovering the cost of capacity-expanding improvements required to serve new developments.

2.1 Development Fees

Also referred to as wastewater capacity fee, sewer development fee, connection fees, system development charges, improvement charges, or capacity charges. These are one-time payments assessed on new customers.

These charges reflect the proportional share of capital improvements either previously made or needed in the future to provide available capacity for future demand. Importantly, such fees may only be used for capital investments that expand system capacity and cannot be used for ongoing operation or maintenance costs.

3. Summary of Arkansas Impact Fee Law (Ark. Code 14-56-103)

Note: UFS is not a law firm and does not provide legal advice. The following summary is provided solely for general informational and contextual purposes. The City should consult its legal counsel for statutory interpretation or legal opinions related to impact fees.

Arkansas Code § 14-56-103 provides the statutory authority for municipalities and municipal service agencies to assess development impact fees to finance public facilities needed to serve new development. The statute establishes both the procedural requirements and the substantive limitations governing impact fees.

Under the law, impact fees may be assessed only on new development and only to fund capital improvements that create additional system capacity, including the planning, design, and construction of new facilities or the recoupment of past capital investments that continue to provide capacity for future growth. Impact fees may not be used for system operation, maintenance, repair, or for improvements that do not expand capacity.

Before adopting an impact fee, the municipality must establish a capital plan and level-of-service (LOS) standards for the public facilities to be funded. The adopting ordinance must specify the facilities to be financed, the formulas used to calculate the fee, the method of assessment and collection, and the process for refunding unused fees. All collected fees must be deposited in a separate interest-bearing account and may only be expended in accordance with the statute.

The statute also requires that impact fees be assessed in reasonable proportion to the demand for additional capacity attributable to each new development. This proportionality requirement effectively establishes a maximum cost-justified fee, determined through the impact fee study. Municipalities may adopt fees at or below this maximum, but not above it.

Finally, any portion of collected impact fees that has not been expended on eligible capital improvements within seven years must be refunded to the current property owner.

3.2 Bentonville's Growth Challenge

Bentonville's population is projected to more than triple by 2050, driven by residential expansion, commercial development, tourism, and a growing non-resident workforce. While regional treatment plants are being expanded, the City's conveyance system (lift stations, interceptors, and collection lines) lacks sufficient capacity to accommodate projected growth. Without new funding sources, existing residents would bear the financial burden of necessary expansions. Implementing wastewater development fees allows the city to allocate costs more equitably, ensuring that new development pays its fair share.

4. Legal and Policy Framework

Capital cost recovery fees are governed by state laws and constitutional standards, ensuring that new development contributes fairly to the costs of expanding and maintaining infrastructure. Additionally, the **American Water Works Association (AWWA)** publishes the leading manual of practice on water and wastewater rates, fees, and charges. This comprehensive manual includes a dedicated chapter specifically focused on the **development and implementation of capital cost recovery charges**, providing guidance on best practices and industry standards.

4.1 Constitutional Standards

Two landmark U.S. Supreme Court cases form the foundation for development fee law nationwide:

1. **Nexus Test** (*Nollan v. California Coastal Commission*, 1987)
There must be a direct connection between the fee or exaction and the development.
2. **Rough Proportionality Test** (*Dolan v. City of Tigard*, 1994)
The magnitude of the fee or exaction must be roughly proportional to the burden created by the development.

Together, these cases establish that development-related fees must serve a legitimate public purpose and allocate costs in a fair and proportional manner.

4.2 Reasonable Relationship Requirements

Building on these principles, three reasonable relationship requirements are widely recognized in the development of development fees:

- **Need:**
New development creates demand for additional public facilities.
- **Benefit:**
The development paying the fee must benefit from the facilities funded.
- **Proportionality:**
The amount of the fee must be reasonably related to the scale of the development's impact.

If capacity is not expanded to meet new demand, the quality of public services for all customers will decline. Development fees may therefore be used to recover the cost of facilities required by new growth, but only to the extent that the need arises from that growth.

4.3 Application in Practice

In practice, proportionality is addressed through the process used to identify development-related facility costs and the methods applied to calculate fees across categories of development. Demand is typically measured using objective service unit equivalents, such as average-day or maximum-day demand associated with a metered connection.

To maintain and establish a sufficient benefit relationship the revenues paid by new developments are generally:

- Segregated from other municipal funds
- Expended only on the facilities or improvements for which the fees were charged

These principles reflect national practice and align with Arkansas Code § 14-56-103.

5. General Fee Methodologies

There is no single, universally accepted method for determining capital cost recovery charges. The choice of methodology depends on system conditions, available capacity, community objectives, and planning horizons.

Three approaches are most widely recognized in the utility industry:

- System Buy-In (Equity Approach)
- Incremental Cost Pricing (Marginal Cost Approach)
- Planned Facility (Growth Approach)

5.1 System Buy-In (Equity Approach)

Under the buy-in method, new customers pay a fee representing their share of the equity in existing facilities. This equity reflects the investments already made by existing customers through rates, taxes, or debt service to build capacity that is still available for growth. In effect, new customers are “buying into” the value of capacity that has already been built.

Best Suited When:

- The utility system has substantial unused capacity in existing facilities (e.g., treatment plants, interceptors, lift stations) that can serve new development.
- Existing customers have already made significant financial contributions toward these facilities, and fairness requires that new customers pay an equivalent share.
- The utility seeks a straightforward, easy-to-explain fee structure, often calculated by dividing the replacement cost (or depreciated replacement cost) of existing facilities by system capacity and multiplying by the demand of the new connection.

Example:

A wastewater treatment plant was expanded several years ago to serve both current and future flows. With the excess capacity, new developments should pay a buy-in fee so that they contribute equitably to the costs borne by existing customers.

5.2 Incremental Cost Pricing (Marginal Cost Approach)

The incremental cost method charges new development the additional (marginal) cost of expanding facilities to serve their demand. Fees are tied directly to the cost of constructing new improvements such as interceptors, pumping stations, or treatment expansions needed because of growth.

Best Suited When:

- The system is at or near capacity, and new development will require immediate expansions.
- Growth is occurring rapidly, creating urgent demand for new projects.
- The utility wants to send a clear “growth pays for growth” signal, ensuring that existing customers are not subsidizing expansions caused by new users.

Example:

A city’s interceptor is at capacity, and the next subdivision cannot be connected unless the line is upsized. An incremental fee would assign the cost of upsizing it directly to the new connections that necessitate the expansion.

5.3 Planned Facility (Growth Approach)

This method is based on a long-term Capital Improvement Plan (CIP) or master plan that outlines the facilities required to meet anticipated growth over 10–20 years. Fees are set by allocating the cost of planned growth-related projects across the projected number of new service units expected during the planning period.

Best Suited When:

- The utility has a detailed long-range master plan that identifies when and where major growth-related improvements will be needed.
- Growth is significant and sustained, requiring large, staged investments such as new treatment plants, regional interceptors, or major lift stations.
- The community seeks a comprehensive, forward-looking strategy that aligns capital improvements, land-use planning, and financial policy.

Example:

A city adopts a 20-year wastewater master plan showing phased construction of a new interceptor, lift station, and treatment expansion to accommodate projected population growth. A planned facility fee recovers the growth-related share of these projects from new development, ensuring long-term alignment between growth and infrastructure capacity.

5.4 Recommended Methodology Planned Facility (Growth Approach)

Bentonville is best suited to adopt the Planned Facility (Growth) Approach for establishing wastewater development fees. This methodology bases fees on a long-range Capital Improvement Plan (CIP) or master plan that identifies the facilities necessary to serve future growth. Given Bentonville's circumstances, this framework provides the most appropriate balance between fairness, transparency, and financial sustainability.

The City is experiencing rapid and sustained growth, with its population projected to increase from roughly 63,000 today to more than 217,000 by 2050. This growth trajectory will place extraordinary demand on the City's wastewater conveyance and treatment systems, requiring carefully planned and staged investments. Several wastewater basins are already nearing or at capacity, limiting the City's ability to approve new projects. Even as regional treatment plants are being expanded, Bentonville's internal conveyance system i.e. lift stations, interceptors, and collection lines must be significantly upgraded to handle future flows.

To address these challenges, the city has already adopted a \$239 million, 10-year master-planned expansion program focused on interceptor and conveyance needs. The scale, scope, and phasing of these investments make a CIP-based methodology the most logical framework for allocating costs. By linking

development fees directly to planned projects, Bentonville ensures that development-related charges are clearly tied to the facilities needed to support growth.

Equity and fairness are also central considerations. Under the Planned Facility approach, new development contributes its fair share to the cost of facilities that directly serve its demand, ensuring that growth pays for growth. At the same time, if portions of new projects also benefit existing customers by improving service levels or reliability, that share of costs can be fairly assigned to existing customers through utility rates. This balance avoids cross-subsidization and strengthens public confidence in the fee structure.

Finally, financial sustainability reinforces the need for this approach. Traditional funding mechanisms and state assistance programs are insufficient to meet the magnitude of Bentonville's projected capital needs. Without development fees, the burden of paying for growth-driven improvements would fall disproportionately on current ratepayers. The Planned Facility approach provides a forward-looking solution by equitably distributing costs to the new development that is driving the need for capacity expansions.

In sum, the Planned Facility (Growth) Approach provides Bentonville with a transparent and defensible method for recovering wastewater capital costs. By tying fees directly to the City's adopted capital improvement plan, this approach supports long-term infrastructure planning while ensuring that new development contributes proportionally to the cost of the facilities required to serve it.

6. Common Objectives of Capital Recovery Charges

Regardless of the methodology applied, revenues from capital cost recovery charges are typically used to:

- Pay the capital costs of capacity provided for growth.
- Provide rate relief to existing users by recovering the portion of capacity-related costs (including debt service and direct asset purchases) attributable to growth.
- Accumulate reserves to finance system improvements and expansions needed to meet long-term growth demands.

7. Capital Projects for Financing

As part of this development fee analysis, a detailed review of planned capital improvement projects was conducted to identify the infrastructure investments necessary to support projected growth through the planning period. These capital projects represent a combination of treatment capacity expansions, interceptor system upgrades, and regional infrastructure contributions, each directly tied to accommodating increased wastewater flows from new development.

A significant investment is the City's proportional share of the NACA treatment plant expansion, which provides long-term treatment capacity beyond the physical constraints of the City's existing landlocked facility. The capital costs associated with growth-related portions of these projects are considered eligible for recovery through development fees, while the remainder will be recovered through user rates or other funding sources.

7.1 Interceptor Improvements

The City provided its capital plan in two formats:

1. A capital plan expressed in 2025 cost levels, and
2. A capital plan that incorporates an assumed 5% annual escalation in construction costs for future years.

For purposes of this impact fee study, UFS utilized the version of the capital plan that includes the 5% annual construction cost escalation. This approach is consistent with industry practice, as development impact fees are intended to recover the future cost of constructing capacity-related improvements needed to serve new development. Using escalated costs ensures that the fee calculation reflects the expected cost of facilities when they are actually constructed, rather than the cost in current-year dollars.

Construction inflation has been significant in recent years, and wastewater infrastructure particularly treatment facilities, collection system expansions, and major extensions often experiences cost growth that exceeds general inflation. Incorporating the 5% escalation factor provides a more realistic representation of long-term infrastructure costs and supports a more accurate projection of the maximum cost-justified fee.

The City's capital plan includes capacity upgrades to interceptor sewers (collection lines equal or greater than 12 inches), with several projects also replacing existing segments. Using the City-provided current replacement cost and original in-service dates, the analysis separates capacity (growth) costs from like-for-like replacement costs. For projects that retire existing pipe, the growth share excludes renewal cost and adds the acceleration cost equal to the undepreciated remaining value of the asset being replaced.

Formula:

$$\text{Total Growth-Related Cost} = (\text{Total Project Cost} - \text{Like-for-Like Replacement Cost}) + \text{Undepreciated Remaining Value}$$

- **Like-for-Like Replacement Cost (LFR)**
Cost to replace the existing pipe with the same size/material at projected unit costs (no upsizing/betterment)
- **Undepreciated Remaining Value (URV)**
The remaining value of the existing asset, measured against the current replacement cost
(Remaining Life ÷ Total Life)

Table 1 summarizes each project's total cost and the portion eligible for development-fee recovery. The detailed breakdown for each project is shown in Appendix A.

Table 1 – Project Cost and Development Fee Eligible

Year	Project Cost	Development Fee Eligible
2025	\$ 49,936,540	\$ 37,341,831
2026	\$ 65,342,924	\$ 46,830,218
2027	\$ 37,667,174	\$ 27,627,377
2028	\$ 2,011,109	\$ 1,208,284
2029	\$ 14,468,194	\$ 8,688,244
2030	\$ 9,047,959	\$ 8,677,870
2031	\$ 18,128,385	\$ 15,458,557
2032	\$ 5,664,761	\$ 4,651,842
2033	\$ 16,263,091	\$ 8,993,882
2034	\$ 2,839,202	\$ 1,854,480
2035	\$ 17,527,436	\$ 11,260,991
2036	-	-
2037	-	-
2038	-	-
2039	-	-
2040	-	-
Total	\$ 238,896,775	\$ 172,593,577

* The detailed breakdown by project is listed in Appendix A.

7.2 Interceptor Financing

The intent is to finance the interceptor improvements via a \$239 million draw-down line of credit at a fixed 5.00% interest rate (interest accrues daily). The lender intends for the loan to be fully repaid by 2040 but no later than 2045. It is the City's intent to use the development fees to repay the interceptor financing.

Key Terms (as proposed):

- **Facility:** \$239,000,000 draw-down line of credit
- **Rate:** 5.00% per annum, accruing daily (day-count convention to be specified)
- **Draw Period / Schedule:** Multi-phase draws from 2025 through 2035
- **Maturity / Final Payoff:** 2045 (all outstanding principal and accrued interest due)

7.3 Bentonville WRRF Upgrades

The City plans major upgrades to increase capacity from 4 MGD to 7.9 MGD at a projected cost of \$152.7 million. The project will be constructed over several years and the debt service associated with the Bentonville WRRF can be found in Table 4.

Table 2 summarizes the issuance year, tranche amount, term, and assumed interest rate for each borrowing.

Table 2 – Treatment Plant Upgrades (Finance Phases)

Phase	Amount	Term	Rate (APR):	Year
City Plant Rehab Phase I	97,759,381	20	1.750%	2025
City Plant Rehab Phase II	55,000,000	20	4.000%	2025
Total	\$ 152,759,381			

The total planned treatment plant improvements amount to \$152.8 million. These investments were classified into two primary categories:

1. Capacity-Related Assets – Projects that expand the treatment plant's ability to serve additional flow or population growth; and
2. System Renewal Assets – Projects that replace or rehabilitate existing infrastructure to maintain reliable operations and regulatory compliance.

The breakdown presented in Table 3 identifies the portion of costs attributable to capacity improvements associated with the Bentonville Wastewater Resource Recovery Facility (WRRF) and related treatment plant upgrades. These allocations form the basis for determining the share of project costs recoverable through development (impact) fees.

Table 3 –Development-Related Treatment Plant Upgrades (Bentonville WRRF)

	Amount	Percents
Gain Capacity	\$ 75,689,951	49.55%
Maintain Existing Capacity	77,069,430	50.45%
Total	\$ 152,759,381	100.00%

As shown in Table 3, approximately \$75.7 million of the total \$152.8 million investment is attributable to capacity-related improvements. These costs represent the incremental portion of the treatment plant and related facilities necessary to accommodate future growth in flow and loadings.

The remaining balance, associated with system renewal, regulatory compliance, or maintenance of existing service levels, is considered non-growth related and is funded through existing user rates or other non-development revenue sources.

7.4 Northwest Arkansas Conservation Authority (NACA) Treatment Plant Improvements

The Northwest Arkansas Conservation Authority (NACA) wastewater treatment plant, which serves the City of Bentonville and other surrounding communities, was recently expanded from 3.6 million gallons per day (MGD) to 7.2 MGD. This 3.6 MGD capacity increase, completed in 2025, had a total project cost of \$80.0 million.

The City of Bentonville's proportional share of this capacity and cost is 85%, or \$68.0 million. The city is responsible for repayment through take-or-pay obligations, based on a 30-year financing structure with a 1.5% fixed interest rate and level annual debt service. Although the City does not carry this debt directly on its balance sheet, the debt service charges from NACA are contractually binding.

Under current Generally Accepted Accounting Principles (GAAP), the city records the NACA debt service payments as an operating expense. However, for purposes of this development fee analysis, the debt service portion is treated as a capital recovery payment, since it directly relates to the expansion of treatment capacity used to serve future growth.

This treatment ensures that new development bears its proportional share of the capital investment in regional treatment facilities, consistent with the principles of cost causation and ratepayer equity.

7.5 Combined Development Related Capital and Debt Service Payments

The combined annual debt service payments projected over the next 15 years for interceptor costs, treatment plant upgrades, and the NACA expansion are summarized in Table 4.

Table 4 – Development Fee Related Annual Costs

Year	Interceptor Draw Schedule	Debt Service Payments			Total
	Interceptor Costs	NACA Plant Expansion	City Plant Rehab Phase I	City Plant Rehab Phase II	
2025	\$ 37,341,831	\$ 1,695,750	\$ -	\$ -	\$ 39,037,581
2026	46,830,218	2,681,980	100,981	129,857	49,743,036
2027	27,627,377	2,681,980	427,408	549,628	31,286,393
2028	1,208,284	2,681,980	691,393	889,102	5,470,759
2029	8,688,244	2,681,980	831,083	1,068,736	13,270,042
2030	8,677,870	2,681,980	2,880,896	1,992,410	16,233,156
2031	15,458,557	2,681,980	2,880,896	1,992,410	23,013,842
2032	4,651,842	2,681,980	2,880,896	1,992,410	12,207,128
2033	8,993,882	2,681,980	2,880,896	1,992,410	16,549,168
2034	1,854,480	2,681,980	2,880,896	1,992,410	9,409,766
2035	11,260,991	2,681,980	2,880,896	1,992,410	18,816,277
2036	-	2,681,980	2,880,896	1,992,410	7,555,286
2037	-	2,681,980	2,880,896	1,992,410	7,555,286
2038	-	2,681,980	2,880,896	1,992,410	7,555,286
2039	-	2,681,980	2,880,896	1,992,410	7,555,286
2040	-	2,681,980	2,880,896	1,992,410	7,555,286
Total	\$ 172,593,577	\$ 41,925,443	\$ 33,740,725	\$ 24,553,832	\$ 272,813,576

8. Projected Growth

The City completed a 2050 capacity plan that projected an annualize growth rate of 5.07% and Northwest Arkansas Regional Planning Commission (NWARPC) projected a growth rate for Bentonville of 2.75%.

- **Bentonville Future Land Use Plan**

- Projection year end 2050; Annualized growth rate 5.07%

This is a build-out capacity figure, an upper bound showing what the land-use plan could accommodate if market and infrastructure allow. It is not a probability-weighted forecast, but it is indispensable for sizing long-lived utilities (interceptors, plants) against plausible peak buildout.

- **Northwest Arkansas Regional Planning Commission (NWARPC)**

- Projection year end 2045; Annualized growth rate 2.75%

The region's baseline planning forecast from the MPO, conservative by design, tied to regional transportation/land-use modeling, and widely used for interagency coordination.

- **Development Fee Study**

- Projection year end 2040; Annualized growth rate 4.33%

A moderate-high growth trajectory between the MPO baseline and the City's capacity upper bound. It reflects current development momentum (plats/entitlements, employment growth) while remaining below full buildout to avoid overstating demand.

8.1 Method Used in Development Fee Analysis

- The growth projections used in this study are consistent with those applied in the City's wastewater cost of service study, providing alignment across financial and rate planning efforts. In UFS's professional opinion, this growth rate put greater weight on NWARPC for defensibility and some weight on the capacity plan for infrastructure prudence (e.g., $\approx 2/3$ MPO, $1/3$ capacity yields a population near the study value).
- The compound growth rates are computed from the stated endpoints and horizon years; the study uses 4.33% to represent a realistic path.
- This approach satisfies development fee principles of rational nexus and rough proportionality: it avoids understating growth (which could shift costs to existing users) and avoids overstating it (which could over-assign costs to new growth).

8.2 Application of Growth Projections

The projected 2045 service population of 147,117 using the 4.33% growth is a key driver in determining the proportional share of growth-related capital projects. This growth rate is consistent with the currently completed wastewater rate study.

This population basis informs several allocation tests, including:

- **Capacity Projects** – such as interceptor expansions and treatment plant upgrades.
- **Equivalent Residential Unit (ERU) Counts** – used as a standardized measure of demand across residential, commercial, and industrial customers.
- **Debt-Sizing Tests** – ensuring that projected user growth supports the level of borrowing required to finance system expansions.

To assess reasonableness, sensitivity analyses were conducted. These compare the base population forecast against scenarios prepared by NWARPC (representing a lower-growth outlook) and a capacity-constrained scenario (representing higher growth). This range of outcomes demonstrates that the resulting fees remain within a reasonable band under credible future conditions. A comparison of the average annual growth projections under each scenario is provided in Table 5 below.

Table 5 – Summary of Growth Rate Projection

	Population	Compound Growth Rate
Bentonville Future Land Use Plan	217,000	5.07%
NWARPC	113,658	2.75%
Used in Impact Fee Study	147,117	4.33%

8.3 Recovery Period of Investments

Planned capital improvements will more than double the treatment plant's rated capacity from 7.06 MGD to 14.02 MGD. Determining the appropriate recovery period for these investments requires balancing the projected growth trajectory with the timing of capacity additions.

- **Growth Alignment** – If population and flow growth proceed as projected, cost recovery can be spread across a steadily expanding customer base, enhancing long-term affordability.
- **Capacity Step-Increases** – Because treatment expansions are constructed in large increments, there will be interim periods when excess capacity exists before it is fully utilized.
- **Financial Stability** – The recovery horizon must also account for debt service obligations and bond coverage requirements, ensuring that rates remain sufficient to protect system finances, even if growth underperforms.

By comparing projected growth rates with the staged capacity additions, this study identifies a recovery period that equitably distributes costs between current and future users while maintaining rate stability.

The annualized growth rate of 4.33% aligns with the need for expanded capacity by 2040, at which time projected treatment plants demand reaches 13.36 MGD nearly the full 14.02 MGD design capacity. Consistent with good wastewater treatment plant (WWTP) planning practices, capacity expansions should be considered once usage approaches 80% of design capacity.

The City's existing wastewater treatment plant (WWTP) is landlocked, limiting the potential for further on-site expansion. As a result, future capacity needs are expected to be met through additional investment in the regional Northwest Arkansas Conservation Authority (NACA) treatment facility.

Table 6 below illustrates current and projected capacity needs under this growth trajectory:

Table 6 – Projected Wastewater Treatment Plant (WWTP) Capacity

Plant Capacity - MGD	Current	Projected WWTP Capacity - MGD	% of Capacity
NACA Plant	3.06	6.12	
Bentonville's Plant	4.00	7.90	
Total	7.06	14.02	
2040 Capacity Needed	2040	13.36	95%
2045 Capacity Needed	2045	16.49	118%

9. Determination of Development Fees

Development fees are designed to ensure that new development pays its proportionate share of the costs associated with expanding system capacity. These fees directly fund growth-driven capital improvements such as treatment plant expansions, interceptor upgrades (Collection lines equal or greater than 12 inches), and major lift stations.

9.1 Maximum – Not to Exceed Development Fees

Establishing maximum, not-to-exceed Development Fees provides a transparent upper limit on the amount that can be charged to new development for growth-related infrastructure. This ceiling is calculated based on the full cost of capacity expansion attributable to new development, including construction, financing, and associated carrying costs. The utility or jurisdiction retains the flexibility to adopt lower fees for policy reasons, such as encouraging economic development, phasing in increases over time, or aligning with regional competitiveness.

This approach also creates a defensible legal framework by clearly documenting the rational nexus between the development fee and the infrastructure costs it recovers, helping to ensure compliance with applicable statutory and case law requirements governing development charges.

To support this methodology, Equivalent Residential Units (ERUs) were defined using meter equivalents, which were provided to UFS by the City. Meter-based ERUs offer a practical and widely accepted basis for allocating costs, grounded in engineering standards and consistent with water & wastewater system fee practices.

Based on the capacity-related cost allocations summarized in Table 7, the maximum cost-justified wastewater development fee was calculated at \$11,254 per Equivalent Residential Unit (ERU).

Impact Fee Costs 2025 - 2040	\$	338,677,423
Growth in Equivalent Residential Units		30,094
Maximum Impact Fee	\$	11,254

During discussions with City staff, it was recognized that implementing the full fee immediately could impose significant near-term impacts on new developments and may not fully reflect changes in future costs. To balance cost recovery with affordability, future changes in costs and economic growth objectives, the City elected to implement a reduced rate that would phase in the capacity fee.

To help ensure that infrastructure investments are fully funded an initial Development Fee of \$7,867 per equivalent residential unit (ERU) was established. ***Moving forward this fee will be adjusted annually by the actual CPI index which can be found within the following website:***

[\(Consumer Price Index for All Urban Consumers: Water and Sewer and Trash Collection Services in U.S. City Average \(CUSR0000SEHG\) | FRED | St. Louis Fed\)](#)

This initial fee was established to recover costs by 2040, based on the following assumptions:

- A 5% annual interest rate on unrecovered balances (carrying cost of unfunded expenditure).
- A 4% annual increase was assumed in the analysis and based on the historical CPI indexes between 2015 – 2025.

Date	Index
2025-09-01	319.87
2015-09-01	216.14
Average Annual	4.0%

- The future increases would be based on the CPI index listed above.

Table 7 – Projected Cash Outflows and Inflows

1	2	3	4	5	6	7	8
Year	Impact Fee Expenditures	Interest Cost	Total Impact Fee Costs	Rate	Equivalent Growth	Impact Fee Revenue	Unrecovered Total
2025	\$ 39,037,581	\$ -	\$ 39,037,581	\$ 7,867	1,120	\$ 8,814,407	\$ 30,223,174
2026	49,743,036	1,511,159	51,254,194	8,181	1,151	9,419,185	72,058,184
2027	31,286,393	3,602,909	34,889,302	8,509	1,199	10,198,970	96,748,516
2028	5,470,759	4,837,426	10,308,185	8,849	1,268	11,222,787	95,833,914
2029	13,270,042	4,791,696	18,061,738	9,203	1,321	12,159,911	101,735,741
2030	16,233,156	5,086,787	21,319,943	9,571	1,399	13,387,078	109,668,605
2031	23,013,842	5,483,430	28,497,273	9,954	1,942	19,325,745	118,840,133
2032	12,207,128	5,942,007	18,149,134	10,352	2,002	20,726,401	116,262,866
2033	16,549,168	5,813,143	22,362,311	10,766	2,069	22,278,883	116,346,295
2034	9,409,766	5,817,315	15,227,081	11,197	2,137	23,923,126	107,650,249
2035	18,816,277	5,382,512	24,198,789	11,645	2,213	25,764,373	106,084,665
2036	7,555,286	5,304,233	12,859,519	12,111	2,286	27,689,795	91,254,389
2037	7,555,286	4,562,719	12,118,005	12,595	2,367	29,810,731	73,561,663
2038	7,555,286	3,678,083	11,233,369	13,099	2,449	32,082,704	52,712,328
2039	7,555,286	2,635,616	10,190,902	13,623	2,540	34,607,022	28,296,209
2040	7,555,286	1,414,810	8,970,096	14,168	2,630	37,266,305	(0)
Total	\$ 272,813,576	\$ 65,863,847	\$ 338,677,423		30,094	\$ 338,677,423	

Explanation of Table Columns

1. **Projected Year** – The year in which expenditures and revenues are tracked.
2. **Development Fee Expenditures** – Growth-related capital costs scheduled for that year.
3. **Interest Costs on Unrecovered Balances** – Carrying costs applied at 5% to any expenditures not yet recovered.
4. **Total Development Fee Costs** – The sum of capital expenditures plus accumulated interest.
5. **Development Fee Rate per Meter Equivalent** – The unit charge applied to new development for that year, starting at \$7,867 in 2025 and increasing annually by 4%. This study should be updated periodically to revisit the annual adjustment needed.
6. **Projected Meter Equivalent Growth** – The number of new ERUs (or equivalent 5/8-inch meters) expected to connect in that year.
7. **Projected Revenues from Development Fees** – Annual revenues generated by multiplying the fee per ERU by the number of new ERUs.
8. **End-of-Year Unrecovered Total** – Remaining balance of growth-related costs still to be recovered after accounting for that year's revenues.

Non-Residential Application:

For non-residential users, the ERU based fee will be converted to a daily cost per gallon to allow proportional assessment based on projected design flow rates. This conversion provides a consistent and equitable method for applying the fee to users whose demands differ from a typical residential connection.

10. Supplemental Information

The City designs wastewater system capacity in accordance with the Ten States Standards and Arkansas Department of Health (ADH) requirements. A key assumption embedded in these standards is a design flow of 100 gallons per person per day. For informational purposes, UFS was requested to develop a table illustrating the average cost per gallon of capacity for each year of the planning period. The analysis assumes an average household of 2.64 people served by a 5/8 inch meter and an average daily usage of 100 gallons per person. The initial rate of \$7,867 per ERU was used in the calculation.

Table 8 – Formula Used to Convert ERU to “Rate per Daily Gallon”

2025 Impact Fee 5/8" Meter	\$ 7,867
Design Capacity (per person, per day) - Gallons	100
Number of People per Home	2.64
Estimated Gallons per Home	264
Rate per Gallon	\$ 29.80

Appendix A – Projected Interceptor Capital

Project	Total Projected Amount	2025	2025 Eligible Cost	2026	2026 Eligible Cost	2027	2027 Eligible Cost	2028	2028 Eligible Cost
McKisic Basin									
MK 25.1	\$4,430,803								
MK 35.1	\$1,531,538								
MK 40.1	\$3,451,112							\$431,794	\$194,534
MK 40.2	\$13,491,982								
MK 45.1	\$7,837,237							\$979,351	\$413,786
MK 45.2	\$1,982,985								
MK-Turner Lift Station (2025)	\$643,884								
Town Branch Basin									
TB 25.1	\$5,709,900	\$714,000	\$148,783	\$4,995,900	\$1,041,042				
TB 25.2	\$656,350	\$82,000	\$15,078	\$574,350	\$105,607				
TB 30.1	\$3,578,100	\$447,000	\$389,076	\$3,131,100	\$2,674,641				
TB 40.1	\$2,076,500	\$260,000	\$58,424	\$1,816,500	\$408,182				
TB 45.1	\$1,965,900	\$246,000	\$51,904	\$1,719,900	\$362,886				
TB 45.2	\$3,237,900	\$405,000	\$86,740	\$2,832,900	\$606,732				
Shewmaker Basin									
Shewmaker	\$41,236,040	\$41,236,040	\$30,916,867						
South Lift Station Basin									
SL 25.1	\$14,647,300	\$1,831,000	\$985,963	\$12,816,300	\$6,697,401				
SL 25.2	\$19,098,293			\$2,387,700	\$1,321,237	\$16,710,593	\$8,998,035		
SL 30.1	\$3,865,470			\$483,000	\$253,767	\$3,382,470	\$1,723,634		
SL Option 2 Part 1 - EQ Basin	\$31,417,100	\$4,598,000	\$4,598,000	\$26,819,100	\$26,819,100				
SL Option 2 Part 2 - Pump Upgrades (2035)	\$7,143,409								
Morningstar Basin									
Morningstar Sewer Main Extension	\$9,790,751								
Morningstar North Branch Sewer Main Extension	\$3,754,982								
Central Park Sewer Main Extension	\$4,145,619							\$599,964	\$599,964
Haxton Road Basin									
Haxton Sewer Basin	\$5,207,503								
Spring Creek/Vaughn Basin									
Southwest Regional Airport Blvd Basin Alt. 1	\$4,975,686	\$117,500	\$90,996	\$4,858,186	\$3,723,199				
Old Farm LS - NWA National Airport Basin									
East Improvements Alt. 2 (New L.S., FM, Gravity)	\$3,693,428			\$528,150	\$528,150	\$3,165,278	\$3,165,278		
NWA National Airport Basin, Southbound Gravity Line (Old Farm Gravity)	\$1,883,438			\$235,200	\$143,635	\$1,648,238	\$979,834		
Opal Road Basin	\$2,838,578								
NWA National Airport Basin, Southwest	\$1,316,102								
South of South West Regional Airport Blvd Basin	\$2,349,331								
Shell Drainage Basin									
Shell Drainage Basin - West of 443-5263 (Thornberry LS)	\$14,905,235			\$2,144,638	\$2,144,638	\$12,760,597	\$12,760,597		
Shell Drainage Basin - East of 443-5263 (Thornberry LS)	\$16,034,321								
Totals	\$238,896,775	\$49,936,540	\$37,341,831	\$65,342,924	\$46,830,218	\$37,667,174	\$27,627,377	\$2,011,109	\$1,208,284

Appendix A – Projected Interceptor Capital

Project	Total Projected Amount	2029	2029 Eligible Cost	2030	2030 Eligible Cost	2031	2031 Eligible Cost	2032	2032 Eligible Cost
McKisic Basin									
MK 25.1	\$4,430,803			\$553,906	\$297,222	\$3,876,897	\$2,022,360		
MK 35.1	\$1,531,538			\$191,442	\$78,037	\$1,340,096	\$524,804		
MK 40.1	\$3,451,112	\$3,019,318	\$1,312,875						
MK 40.2	\$13,491,982							\$1,687,113	\$674,194
MK 45.1	\$7,837,237	\$6,857,886	\$2,784,379						
MK 45.2	\$1,982,985								
MK-Turner Lift Station (2025)	\$643,884			\$94,445	\$94,445	\$549,439	\$549,439		
Town Branch Basin									
TB 25.1	\$5,709,900								
TB 25.2	\$656,350								
TB 30.1	\$3,578,100								
TB 40.1	\$2,076,500								
TB 45.1	\$1,965,900								
TB 45.2	\$3,237,900								
Shewmaker Basin									
Shewmaker	\$41,236,040								
South Lift Station Basin									
SL 25.1	\$14,647,300								
SL 25.2	\$19,098,293								
SL 30.1	\$3,865,470								
SL Option 2 Part 1 - EQ Basin	\$31,417,100								
SL Option 2 Part 2 - Pump Upgrades (2035)	\$7,143,409	\$1,045,335	\$1,045,335	\$6,098,073	\$6,098,073				
Morningstar Basin									
Morningstar Sewer Main Extension	\$9,790,751			\$1,608,514	\$1,608,514	\$8,182,237	\$8,182,237		
Morningstar North Branch Sewer Main Extension	\$3,754,982					\$526,615	\$526,615	\$3,228,367	\$3,228,367
Central Park Sewer Main Extension	\$4,145,619	\$3,545,655	\$3,545,655						
Haxton Road Basin									
Haxton Sewer Basin	\$5,207,503							\$749,281	\$749,281
Spring Creek/Vaughn Basin									
Southwest Regional Airport Blvd Basin Alt. 1	\$4,975,686								
Old Farm LS - NWA National Airport Basin									
East Improvements Alt. 2 (New L.S., FM, Gravity)	\$3,693,428								
NWA National Airport Basin, Southbound Gravity Line (Old Farm Gravity)	\$1,883,438								
Opal Road Basin	\$2,838,578			\$343,320	\$343,320	\$2,495,258	\$2,495,258		
NWA National Airport Basin, Southwest	\$1,316,102			\$158,259	\$158,259	\$1,157,843	\$1,157,843		
South of South West Regional Airport Blvd Basin	\$2,349,331								
Shell Drainage Basin									
Shell Drainage Basin - West of 443-5263 (Thornberry LS)	\$14,905,235								
Shell Drainage Basin - East of 443-5263 (Thornberry LS)	\$16,034,321								
Totals	\$238,896,775	\$14,468,194	\$8,688,244	\$9,047,959	\$8,677,870	\$18,128,385	\$15,458,557	\$5,664,761	\$4,651,842

Appendix A – Projected Interceptor Capital

Project	Total Projected Amount	2033	2033 Eligible Cost	2034	2034 Eligible Cost	2035	2035 Eligible Cost
McKisic Basin							
MK 25.1	\$4,430,803						
MK 35.1	\$1,531,538						
MK 40.1	\$3,451,112						
MK 40.2	\$13,491,982	\$11,804,869	\$4,535,661				
MK 45.1	\$7,837,237						
MK 45.2	\$1,982,985			\$248,213	\$87,715	\$1,734,773	\$585,684
MK-Turner Lift Station (2025)	\$643,884						
Town Branch Basin							
TB 25.1	\$5,709,900						
TB 25.2	\$656,350						
TB 30.1	\$3,578,100						
TB 40.1	\$2,076,500						
TB 45.1	\$1,965,900						
TB 45.2	\$3,237,900						
Shewmaker Basin							
Shewmaker	\$41,236,040						
South Lift Station Basin							
SL 25.1	\$14,647,300						
SL 25.2	\$19,098,293						
SL 30.1	\$3,865,470						
SL Option 2 Part 1 - EQ Basin	\$31,417,100						
SL Option 2 Part 2 - Pump Upgrades (2035)	\$7,143,409						
Morningstar Basin							
Morningstar Sewer Main Extension	\$9,790,751						
Morningstar North Branch Sewer Main Extension	\$3,754,982						
Central Park Sewer Main Extension	\$4,145,619						
Haxton Road Basin							
Haxton Sewer Basin	\$5,207,503	\$4,458,222	\$4,458,222				
Spring Creek/Vaughn Basin							
Southwest Regional Airport Blvd Basin Alt. 1	\$4,975,686						
Old Farm LS - NWA National Airport Basin							
East Improvements Alt. 2 (New L.S., FM, Gravity)	\$3,693,428						
NWA National Airport Basin, Southbound Gravity Line (Old Farm Gravity)	\$1,883,438						
Opal Road Basin	\$2,838,578						
NWA National Airport Basin, Southwest	\$1,316,102						
South of South West Regional Airport Blvd Basin	\$2,349,331			\$283,893	\$283,893	\$2,065,438	\$2,065,438
Shell Drainage Basin							
Shell Drainage Basin - West of 443-5263 (Thornberry LS)	\$14,905,235						
Shell Drainage Basin - East of 443-5263 (Thornberry LS)	\$16,034,321			\$2,307,097	\$1,482,873	\$13,727,224	\$8,609,868
Totals	\$238,896,775	\$16,263,091	\$8,993,882	\$2,839,202	\$1,854,480	\$17,527,436	\$11,260,991

Appendix B – Bentonville Treatment Plant Capital Expenditures

Recommended Improvements	Projected Cost
Headworks	\$ 45,773,400
Bioselector	\$ 17,310,429
Aeration Basin Modifications	\$ 2,008,908
Surface Wasting	\$ 1,167,712
Secondary Clarification	\$ 18,597,052
Secondary Clarification- Intensification Enhancements	\$ 3,702,812
Tertiary Filter, UV Disinfection, and Post-Aeration	\$ 20,629,607
Dual Use Filters	\$ 5,726,690
Effluent Pump Station	\$ 10,298,354
Administration/Laboratory Building	\$ 5,873,457
Electrical Building Improvements	\$ 4,004,915
Standby Power Improvements	\$ 2,315,485
Digester Valve Vaults	\$ 1,934,710
Maintenance Building Improvements	\$ 5,361,800
Vehicle And Equipment Storage Building Improvements	\$ -
Site Paving and Ancillary Site Improvements	\$ 5,512,382
Potable/Non-Potable Water Distribution Systems Improvements	\$ 2,541,668
Total	\$ 152,759,381

	Amount
Gain Capacity= 50.45% of the project	\$ 75,689,951.00
Maintain Existing Capacity= 49.55%	77,069,430
	\$ 152,759,381

Appendix C – City Plant Rehab Phase I

City Plant Rehab Phase I

					Project Cost	97,759,381
					Deferral (P):	10
					Deferral (I):	1
Term (Yrs):	20	Issuance Cost:	0.000%			
Rate (APR):		1.750%				
Yrmt	Year	Principal	Interest	Draws	Total	Balance
						97,759,381
1	2025	-	-	-	-	-
2	2025	-	-	6,899,686	-	6,899,686
3	2026	-	60,372	9,492,310	60,372	16,391,996
4	2026	-	143,430	21,331,952	143,430	37,723,948
5	2027	-	330,085	23,135,658	330,085	60,859,606
6	2027	-	532,522	12,957,037	532,522	73,816,643
7	2028	-	645,896	11,839,613	645,896	85,656,256
8	2028	-	749,492	8,795,788	749,492	94,452,044
9	2029	-	826,455	2,788,721	826,455	97,240,766
10	2029	-	850,857	518,615	850,857	97,759,381
11	2030	2,051,755	855,395		2,907,149	95,707,627
12	2030	2,069,707	837,442		2,907,149	93,637,919
13	2031	2,087,817	819,332		2,907,149	91,550,102
14	2031	2,106,086	801,063		2,907,149	89,444,016
15	2032	2,124,514	782,635		2,907,149	87,319,502
16	2032	2,143,103	764,046		2,907,149	85,176,399
17	2033	2,161,856	745,293		2,907,149	83,014,543
18	2033	2,180,772	726,377		2,907,149	80,833,771
19	2034	2,199,854	707,296		2,907,149	78,633,918
20	2034	2,219,102	688,047		2,907,149	76,414,815
21	2035	2,238,519	668,630		2,907,149	74,176,296
22	2035	2,258,106	649,043		2,907,149	71,918,190
23	2036	2,277,865	629,284		2,907,149	69,640,325
24	2036	2,297,796	609,353		2,907,149	67,342,528
25	2037	2,317,902	589,247		2,907,149	65,024,626
26	2037	2,338,184	568,965		2,907,149	62,686,443
27	2038	2,358,643	548,506		2,907,149	60,327,800
28	2038	2,379,281	527,868		2,907,149	57,948,519
29	2039	2,400,100	507,050		2,907,149	55,548,420
30	2039	2,421,100	486,049		2,907,149	53,127,319
31	2040	2,442,285	464,864		2,907,149	50,685,034
32	2040	2,463,655	443,494		2,907,149	48,221,379
33	2041	2,485,212	421,937		2,907,149	45,736,167
34	2041	2,506,958	400,191		2,907,149	43,229,210
35	2042	2,528,894	378,256		2,907,149	40,700,316
36	2042	2,551,021	356,128		2,907,149	38,149,295
37	2043	2,573,343	333,806		2,907,149	35,575,952
38	2043	2,595,860	311,290		2,907,149	32,980,093
39	2044	2,618,573	288,576		2,907,149	30,361,519
40	2044	2,641,486	265,663		2,907,149	27,720,034
41	2045	2,664,599	242,550		2,907,149	25,055,435
42	2045	2,687,914	219,235		2,907,149	22,367,521
43	2046	2,711,433	195,716		2,907,149	19,656,087
44	2046	2,735,158	171,991		2,907,149	16,920,929
45	2047	2,759,091	148,058		2,907,149	14,161,838
46	2047	2,783,233	123,916		2,907,149	11,378,605
47	2048	2,807,586	99,563		2,907,149	8,571,019
48	2048	2,832,153	74,996		2,907,149	5,738,866
49	2049	2,856,934	50,215		2,907,149	2,881,932
50	2049	2,881,932	25,217		2,907,149	0

Appendix D – City Plant Rehab Phase II

City Plant Rehab Phase II 2025					Project Cost	55,000,000
Term (Yrs):		Issuance Cost: Rate (APR):		Deferral (P): Deferral (I):		10 1
20		4.000%				
Pmt	Year	Principal	Interest	Draws	Total	Balance
						55,000,000
1	2025	-	-	-	-	-
2	2025	-	-	3,881,804	-	3,881,804
3	2026	-	77,636	5,340,429	77,636	9,222,233
4	2026	-	184,445	12,001,481	184,445	21,223,714
5	2027	-	424,474	13,016,257	424,474	34,239,971
6	2027	-	684,799	7,289,705	684,799	41,529,676
7	2028	-	830,594	6,661,035	830,594	48,190,711
8	2028	-	963,814	4,948,562	963,814	53,139,273
9	2029	-	1,062,785	1,568,951	1,062,785	54,708,224
10	2029	-	1,094,164	291,776	1,094,164	55,000,000
11	2030	910,566	1,100,000		2,010,566	54,089,434
12	2030	928,777	1,081,789		2,010,566	53,160,656
13	2031	947,353	1,063,213		2,010,566	52,213,303
14	2031	966,300	1,044,266		2,010,566	51,247,003
15	2032	985,626	1,024,940		2,010,566	50,261,377
16	2032	1,005,339	1,005,228		2,010,566	49,256,039
17	2033	1,025,445	985,121		2,010,566	48,230,593
18	2033	1,045,954	964,612		2,010,566	47,184,639
19	2034	1,066,873	943,693		2,010,566	46,117,766
20	2034	1,088,211	922,355		2,010,566	45,029,555
21	2035	1,109,975	900,591		2,010,566	43,919,580
22	2035	1,132,175	878,392		2,010,566	42,787,405
23	2036	1,154,818	855,748		2,010,566	41,632,587
24	2036	1,177,914	832,652		2,010,566	40,454,673
25	2037	1,201,473	809,093		2,010,566	39,253,200
26	2037	1,225,502	785,064		2,010,566	38,027,698
27	2038	1,250,012	760,554		2,010,566	36,777,686
28	2038	1,275,012	735,554		2,010,566	35,502,674
29	2039	1,300,513	710,053		2,010,566	34,202,161
30	2039	1,326,523	684,043		2,010,566	32,875,638
31	2040	1,353,053	657,513		2,010,566	31,522,585
32	2040	1,380,114	630,452		2,010,566	30,142,470
33	2041	1,407,717	602,849		2,010,566	28,734,754
34	2041	1,435,871	574,695		2,010,566	27,298,882
35	2042	1,464,588	545,978		2,010,566	25,834,294
36	2042	1,493,880	516,686		2,010,566	24,340,414
37	2043	1,523,758	486,808		2,010,566	22,816,656
38	2043	1,554,233	456,333		2,010,566	21,262,423
39	2044	1,585,318	425,248		2,010,566	19,677,105
40	2044	1,617,024	393,542		2,010,566	18,060,081
41	2045	1,649,365	361,202		2,010,566	16,410,717
42	2045	1,682,352	328,214		2,010,566	14,728,365
43	2046	1,715,999	294,567		2,010,566	13,012,366
44	2046	1,750,319	260,247		2,010,566	11,262,047
45	2047	1,785,325	225,241		2,010,566	9,476,722
46	2047	1,821,032	189,534		2,010,566	7,655,690
47	2048	1,857,452	153,114		2,010,566	5,798,238
48	2048	1,894,601	115,965		2,010,566	3,903,637
49	2049	1,932,493	78,073		2,010,566	1,971,143
50	2049	1,971,143	39,423		2,010,566	(0)

Appendix E – NACA Plant Expansion

NACA Plant Expansion Treatment Capacity 3.6 MGD to 7.2 MGD

Bentonville is 85% of the total flow making our share of the plant expansion \$68,000,000 of that 95% of the expense is related to gaining treatment capacity.

NACA Plant Expansion 2023				Project Cost		
				68,000,000		
				Deferral (P): 6		
				Deferral (I): 1		
Term (Yrs):	30	Issuance Cost:	0.000%			
		Rate (APR):	1.500%			
Pmt	Year	Principal	Interest	Draws	Total	Balance
1	2023	-	-	17,000,000	-	68,000,000
2	2023	-	127,500	17,000,000	127,500	17,000,000
3	2024	-	255,000	17,000,000	255,000	34,000,000
4	2024	-	382,500	17,000,000	382,500	51,000,000
5	2025	-	510,000	-	510,000	68,000,000
6	2025	-	510,000	-	510,000	68,000,000
7	2026	901,568	510,000	-	1,411,568	67,098,432
8	2026	908,330	503,238	-	1,411,568	66,190,102
9	2027	915,142	496,426	-	1,411,568	65,274,960
10	2027	922,006	489,562	-	1,411,568	64,352,954
11	2028	928,921	482,647	-	1,411,568	63,424,033
12	2028	935,888	475,680	-	1,411,568	62,488,145
13	2029	942,907	468,661	-	1,411,568	61,545,238
14	2029	949,979	461,589	-	1,411,568	60,595,259
15	2030	957,104	454,464	-	1,411,568	59,638,155
16	2030	964,282	447,286	-	1,411,568	58,673,873
17	2031	971,514	440,054	-	1,411,568	57,702,359
18	2031	978,800	432,768	-	1,411,568	56,723,558
19	2032	986,141	425,427	-	1,411,568	55,737,417
20	2032	993,538	418,031	-	1,411,568	54,743,879
21	2033	1,000,989	410,579	-	1,411,568	53,742,890
22	2033	1,008,496	403,072	-	1,411,568	52,734,394
23	2034	1,016,060	395,508	-	1,411,568	51,718,334
24	2034	1,023,681	387,888	-	1,411,568	50,694,653
25	2035	1,031,358	380,210	-	1,411,568	49,663,295
26	2035	1,039,093	372,475	-	1,411,568	48,624,201
27	2036	1,046,887	364,682	-	1,411,568	47,577,315
28	2036	1,054,738	356,830	-	1,411,568	46,522,576
29	2037	1,062,649	348,919	-	1,411,568	45,459,927
30	2037	1,070,619	340,949	-	1,411,568	44,389,309
31	2038	1,078,648	332,920	-	1,411,568	43,310,660
32	2038	1,086,738	324,830	-	1,411,568	42,223,922
33	2039	1,094,889	316,679	-	1,411,568	41,129,033
34	2039	1,103,100	308,468	-	1,411,568	40,025,933
35	2040	1,111,374	300,195	-	1,411,568	38,914,559
36	2040	1,119,709	291,859	-	1,411,568	37,794,850
37	2041	1,128,107	283,461	-	1,411,568	36,666,744
38	2041	1,136,568	275,001	-	1,411,568	35,530,176
39	2042	1,145,092	266,476	-	1,411,568	34,385,084
40	2042	1,153,680	257,888	-	1,411,568	33,231,404
41	2043	1,162,333	249,236	-	1,411,568	32,069,072
42	2043	1,171,050	240,518	-	1,411,568	30,898,021
43	2044	1,179,833	231,735	-	1,411,568	29,718,188
44	2044	1,188,682	222,886	-	1,411,568	28,529,507
45	2045	1,197,597	213,971	-	1,411,568	27,331,910
46	2045	1,206,579	204,989	-	1,411,568	26,125,331
47	2046	1,215,628	195,940	-	1,411,568	24,909,703
48	2046	1,224,745	186,823	-	1,411,568	23,684,957
49	2047	1,233,931	177,637	-	1,411,568	22,451,026
50	2047	1,243,185	168,383	-	1,411,568	21,207,841

ORDINANCE NO. _____

**AN ORDINANCE TO ENACT WASTEWATER
DEVELOPMENT FEES; ADOPTING RULES AND
REGULATIONS RELATED THERETO, PURSUANT TO
ARK. CODE ANN. §14-56-103; AMENDING THE CITY OF
BENTONVILLE MUNICIPAL CODE TO ADD ARTICLE
46-VI WASTEWATER; AND FOR OTHER PURPOSES.**

WHEREAS, the City of Bentonville, Arkansas ("City") owns and operates a wastewater system, and as such has the power to improve, extend, and maintain the system for the citizens of the City and for certain properties outside of the municipal limits of the City, all pursuant to the laws of the State of Arkansas;

WHEREAS, the City is experiencing substantial growth in population, business, and industry, putting a strain on existing wastewater services and facilities and creating a need for the expansion of such wastewater services and facilities;

WHEREAS, Ark. Code. Ann. §14-56-103 allows a municipality to enact fees upon or against a development in order to generate revenue for funding or recouping expenditures of the municipality that are reasonably attributable to the use and occupancy of the development;

WHEREAS, the City retained the firm Utility Financial Solutions, LLC ("UFS") to conduct a development fee study for its wastewater system;

WHEREAS, the City has developed a capital improvement plan outlining the additional services and facilities needed to accommodate the expected development and population growth;

WHEREAS, in conjunction with UFS, the City established level of service standards for its facilities;

WHEREAS, the City Council finds that the cost of increasing the capacity of the existing wastewater system within the City, to accommodate the anticipated growth in the City, should be borne by those developments that make such increases necessary; and

WHEREAS, the City Council finds that fees, as authorized by Ark. Code Ann. §14-56-103, are necessary for the health, safety, and welfare of the citizens of the City as well as for other reasons set forth in this Ordinance.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Bentonville, Arkansas, as follows:

Section 1. Legislative Findings.

The City Council hereby finds, determines, and declares that:

(a) System expansion required. The protection of the health, safety, and general welfare of the citizens of the City requires that the City's wastewater facilities be expanded and improved to accommodate growth and development with the City.

(b) System demand. New residential and nonresidential development imposes increased and excessive demands upon the existing wastewater facilities and often overburdens the existing wastewater facilities. Provided further, new development is expected to continue and will place ever-increasing demands on the City to provide these facilities to serve new development.

(c) Revenues. Revenues generated from new development often do not generate sufficient funds to provide the necessary wastewater facilities to accommodate new development; therefore, the creation of an equitable wastewater development fee system would enable the City to impose a proportionate share of the costs of the needed improvements to capital facilities to accommodate new development.

(d) Capital Plan and Report. The City has prepared a Capital Improvement Plan ("Capital Plan") under the requirements of Ark. Code Ann. §14-56-103. In order to implement an equitable wastewater development fee, the City engaged UFS to prepare a Wastewater Development Fee Report ("Report"). The Report and Capital Plan included within are incorporated herein by reference. The Report sets forth reasonable methodologies and analysis for determining the impacts of various types of development on the City's wastewater system capital facilities and for determining the costs of making the improvements necessary to meet the demands for such services created by new development.

(e) Standards established. The City hereby establishes as City standards the assumptions and Level of Service ("LOS") standards in the Report as part of its current plans for future expansions to the City's wastewater system capital facilities.

(f) Wastewater Development Fee use limited. The Wastewater Development Fees described in this Ordinance are based on the Report and do not exceed the costs of improvements to serve new development that will pay the Wastewater Development Fees. This is intended to be a local improvement development fee as to wastewater.

(g) Benefit. Those capital wastewater facilities/improvements listed in the Capital Plan will benefit all new development that depends on City services, and it is therefore appropriate to treat the entire wastewater system as a single service area for purposes of calculating, collecting, and spending the Wastewater Development Fees as to wastewater.

(h) Wastewater Development Fee relationship. There is both a rational nexus and rough proportionality between the development impacts created by each type of development covered by this Ordinance and the wastewater development fee that such development will be required to pay for wastewater.

(i) Wastewater Development Fee purpose. This Ordinance creates a system by which Wastewater Development Fees paid by new development will be used to finance, defray, or reimburse all or a portion of the costs incurred by the City to construct improvements for the City's wastewater facilities, identified in the Capital Plan, in ways that benefit the development that paid each fee within a reasonable period of time after the fee is paid.

Section 2. Intent.

(a) Capital Plan. This Ordinance is adopted to assist in the implementation of the Capital Plan for wastewater as set forth in the Capital Plan, which plan was reviewed by the City Council and is included in the Report and adopted herein. To that end, the intent of this Ordinance is to ensure that new development bears a proportionate share of the costs of improvements to capital wastewater facilities; to ensure that such proportionate share does not exceed the costs of improvements for capital wastewater facilities required to accommodate new development; and to ensure that funds collected from new development are actually used for improvements for capital wastewater facilities that benefit such new development.

(b) Wastewater Development Fee purpose. It is further the intent of this Ordinance that new development pays for its fair share of the costs of local improvements for capital wastewater facilities required to accommodate new development through imposition of Wastewater Development Fees that will be used to finance, defray, or reimburse all or a portion of the costs incurred by the City to construct improvements to the capital wastewater facilities, identified in the Capital Plan, that serve or benefit such new development. It is not the intent of this Ordinance to collect any money from any new development in excess of the actual amount necessary to offset new demands for capital wastewater facilities.

(c) Funds restricted. It is not the intent of this Ordinance that any moneys collected from any Wastewater Development Fee deposited in the Wastewater Development Fee account ever be commingled with moneys from any other City funds or accounts, or ever be used for a type of facility or equipment different from that for which such fees are paid, or are ever used to replace or rehabilitate existing improvements as set forth in the Capital Plan.

Section 3. Applicability.

The provisions of this Ordinance shall apply to all of the territory within the jurisdiction of the City and areas outside of the City's jurisdiction where the City provides wastewater service.

Section 4. Sewer Improvements.

The sewer improvements or capital improvements to wastewater facilities are those identified in the Capital Plan; more specifically these improvements enhance or expand the capacity of the wastewater system, including planning, engineering, acquisition, construction, and interest on debt incurred to finance capital improvements.

Section 5. Wastewater Development Fee Assessment and Collection.

(a) No wastewater connection shall be made or increase in sewer flows related to a new development or redevelopment caused to be made until the Wastewater Development Fee has been paid to the City. In that regard, the Wastewater Development Fee shall be paid by or on behalf of the person or entity applying for a Development Permit prior to a scheduled City Pre-Construction meeting for Preliminary Plats and Large Scale Development projects, or prior to permit issuance for all other permit types.

(1) Development Permit (“Permit”) shall mean any permit required and issued by the City that authorizes the construction, reconstruction, alteration, enlargement, installation, or relocation of any building, structure, utility service, or other improvement to land within the City.

(b) The Wastewater Development Fee shall be based on the impact of the development on the wastewater system in terms of the net number of equivalent residential units (ERU) in the development for which a Development Permit and wastewater connection is being sought as follows: for the period from January 22, 2026 to December 31, 2026, the City adopts a Wastewater Development Fee of seven thousand eight hundred sixty-seven dollars (\$7,867.00) per ERU. This represents the official fee per ERU in effect for the upcoming fiscal year. Thereafter the Wastewater Development Fee shall be increased annually by the *Consumer Price Index for All Urban Consumers (CPI-U), Water and Sewer and Trash Collection Services, U.S. City Average (Series ID: CUSR0000SEHG)* — *U.S. Bureau of Labor Statistics (BLS (“CPI”))*, as recommended in the Report. If the CPI is not published or is delayed, the City shall increase the Wastewater Development Fee by an amount equal to the average annual increase in the CPI over the preceding twenty (20) years. The City will engage a competent professional in this area to formally review the Wastewater Development Fee every three (3) years.

Total Fee Assessed = Net ERUs x Wastewater Development Fee

(c) An ERU is a standardized measurement used to represent the average wastewater generation of a standard household within the City. For purposes of this Ordinance and the enactment of a Wastewater Development Fee, one ERU is defined as two hundred sixty four (264) gallons per day, based on the average household size of 2.64 people for the City, as determined by the United States Census Bureau – 2021 American Community Survey 5-YR Estimate and one hundred (100) gallons per person per day

consistent with *Ten States Recommended Standards for Wastewater Facilities*, 2014 Edition (“Ten States Standards”).

(d) In determining the Wastewater Development Fee applicable to any new development or redevelopment, the City shall assess such fee only on the net increase in wastewater demand placed on the City’s system. A credit shall be granted for the wastewater generation attributable to the lawful existing use of the property as of **January 22, 2026**. A Development Permit associated with a residential development shall be granted a credit for existing wastewater generation equal to one (1) ERU when constructed on an existing platted lot as of **January 22, 2026**, or a lot created as a result of a Preliminary Plat for which a City Pre-Construction meeting was held prior to **January 22, 2026**. In no case shall the credit exceed the amount of wastewater impact fee due.

(1) The net impact shall be expressed in ERUs and calculated as follows:

$$\text{Net ERUs} = \text{Proposed ERUs} - \text{Existing ERUs}$$

a. **Proposed ERUs** shall mean the total number of ERUs associated with the proposed new or expanded development or redevelopment including any existing use to remain, as determined under the applicable provisions of this Ordinance.

b. **Existing ERUs** shall mean the number of ERUs associated with the existing development or lawful prior use of the property, as determined under the applicable provisions of this Ordinance.

(e) For residential developments, each dwelling unit shall equal one (1) ERU.

(f) For commercial developments, ERUs shall be calculated by determining the average daily wastewater generation associated with the development and dividing that value by two hundred sixty-four (264).

(1) Commercial Development ERUs = Average Daily Flow (gpd) / 264 gpd.

(2) Wastewater generation calculations for commercial developments shall be completed in accordance with the *Arkansas State Board of Health Rules and Regulations Pertaining to Onsite Wastewater Systems – Appendix B*, Effective September 05, 2024 (“ADH Rules”). In instances where Appendix B of ADH Rules does not accurately describe the use, Table 4-2 of *City of Virginia Beach Department of Public Utilities Design Standards Manual*, 2024 Revision (“Virginia Beach Manual”) shall be used.

Section 6. Accounting and Expenditure of Funds.

(a) A special interest-bearing wastewater development fee account (“Account”) that is distinct from the general fund of the City is created, and the Wastewater

Development Fees received shall be deposited in the Account, along with accrued interest. No other revenues or funds shall be deposited in the Account.

(b) The funds in the Account shall be used only for the following purposes:

(1) to pay debt service on the portion of any future revenue bonds issued by the City to finance the Capital Plan and attributable to excess capacity available to serve new wastewater customers per the Report ("Revenue Bonds");

(2) if no Revenue Bonds are outstanding, to acquire or construct the improvements in the Capital Plan; and

(3) to make refunds authorized herein.

(c) The City shall maintain accurate records of each Wastewater Development Fee paid, including the name of the person or entity paying the fee, the tax parcel number and address for which the fee was paid, the date of payment, and the amount received in payment.

(d) No moneys, the Wastewater Development Fees or accrued interest, from the Account shall be spent for periodic or routine maintenance, routine rehabilitation, or routine replacement of any facility of any type or to cure deficiencies in the wastewater facilities existing on the effective date of this Ordinance.

Section 7. Seven Year Refunds.

(a) Wastewater Development Fees not spent within seven (7) years after the date on which the Wastewater Development Fee was paid shall be eligible for refund, including any accrued interest, according to the following provisions. Money in the Account shall be considered to be spent in the order collected on a first-in/first-out basis.

(b) A refund shall be paid to the present owner of the property that was the subject of new development and against which the Wastewater Development Fee was assessed and collected.

(c) Notice of the right to a refund, including the amount of the refund and the procedure for applying for and receiving the refund, shall be sent or served in writing to the present owners of the property no later than thirty (30) days after the date on which the refund becomes due.

(d) The sending by regular mail of the notices to all present owners of record shall be sufficient to satisfy the requirement of notice.

(e) The refund shall be made on a pro rata basis.

(f) The refund shall be paid in full no later than ninety (90) days after the date certain upon which the refund becomes due.

Section 8. Other Refunds.

(a) If a person or entity has paid a Wastewater Development Fee required by this Ordinance and has obtained a Permit, and the Permit for which the fee was paid later expires without the possibility of further extension, then the fee payer or the fee payer's successor in interest shall be entitled to a refund of the Wastewater Development Fee paid, without interest. In order to be eligible to receive a refund of Wastewater Development Fees, the fee payer or the fee payer's successor in interest shall be required to submit an application for such refund to the Water Utilities Director or a designee within thirty (30) days after the expiration of the Permit for which the Wastewater Development Fee was paid. If a successor in interest claims a refund of Wastewater Development Fees, the City may require written documentation that such rights have been conveyed to the claimant.

(b) After a Wastewater Development Fee has been paid pursuant to this Ordinance, no refund of any part of such fee shall be made if the project for which the fee was paid is later demolished, destroyed, or is altered, reconstructed, or reconfigured so as to reduce the size of the project or the number of units in the project.

(c) If it is determined that a Wastewater Development Fee was erroneously calculated or collected due to a mathematical or clerical error, the fee payer or the fee payer's successor in interest shall be entitled to a refund of the overpayment, without interest. In order to be eligible to receive a refund under this subsection, the fee payer or the fee payer's successor in interest shall submit a written request for refund to the Water Utilities Director or a designee within one (1) year of the date the Wastewater Development Fee was paid. The written request shall include documentation supporting the claimed error. Upon receipt of such request, City staff shall review the calculation and determine whether a refund is warranted. If City staff independently discover a mathematical or clerical error resulting in an overpayment, the City shall initiate the refund without requiring a formal request from the fee payer. Refunds shall be issued to the person or entity that originally paid the fee, unless otherwise directed in writing by that person or entity.

Section 9. Appeals.

Any determination made by an official of the City charged with the administration of any part of this Ordinance may be appealed to the City Council by filing with the Water Utilities Director or a designee within ten (10) days of the date of the determination: (1) a written notice of appeal including an explanation of why the appellant feels that the determination was in error and (2) an appeal fee established by the City, if any. The City Council shall hear the appeal at the next available council hearing, taking into consideration applicable staff time, and the Water Utilities Director or designee shall mail notice of the hearing to the appellant at the address given in the notice of appeal. The hearing shall be conducted

at the time and place stated in such notice given by the Director. The determination of the City Council shall be the final.

Section 10. Effective Date/Application.

The provisions of this section shall be effective on January 22, 2026.

Section 11. Penalty.

Violation of this Ordinance shall be a misdemeanor and shall be subject to those remedies provided in Bentonville Municipal Code. Knowingly furnishing false information to any official of the City charged with the administration of this Ordinance on any matter relating to the administration of this Ordinance, including without limitation the furnishing of false information regarding the expected size, use, or impacts from a proposed development, shall be a violation of this Ordinance. In addition to or in lieu of any criminal prosecution, the City or any applicant for a development permit shall have the right to sue in civil court to enforce the provisions of this Ordinance.

PASSED: _____, 2025.

Mayor

ATTEST:

City Clerk

(SEAL)



City of Bentonville, Arkansas Agenda Item Form

Item Details

Council Meeting Date:		Submitted By:	
Phone:		For Department(s):	
Email:			

Item Type (Check all that apply)

Informational	Bid Award	Enter into an Agreement	Change Order
Recognizing Funds	Budget Adjustment	Waiver of Bid	Emergency Clause
Ordinance	Resolution		Informational

Title, Recommendation & Justification

Title:	
Action Recommendation & Justification:	
Additional Comments for Consideration (Optional):	

Amount for Approval:	\$
----------------------	----

Budget Impact

Is this Item Budgeted? YES NO ITEM HAS NO COST OTHER: _____

Budget Adjustment (to be completed by Finance when applicable)

Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
		Expense	Revenue

Fund(s) Impacted

(check all that apply)

General Fund

Utility Fund

Street Fund

Other(s): _____

Budget Impact Notes for Consideration (Optional):

City of Bentonville, Arkansas

City Hall

305 SW A Street Bentonville, AR 72712

CITY OF BENTONVILLE, ARKANSAS

AND

ALICE L. WALTON FOUNDATION

WASTEWATER INFRASTRUCTURE PRI LOAN AGREEMENT

DATED AS OF [_____, 2025]

RELATING TO

\$239,000,000

CITY OF BENTONVILLE, ARKANSAS
WASTEWATER DEVELOPMENT FEE REVENUE BOND

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WASTEWATER INFRASTRUCTURE PRI LOAN AGREEMENT

THIS WASTEWATER INFRASTRUCTURE PRI LOAN AGREEMENT (this "Agreement"), dated as of [_____, 2025], is by and between the **CITY OF BENTONVILLE, ARKANSAS**, a municipality organized and existing under the laws of the State of Arkansas (the "City") and **ALICE L. WALTON FOUNDATION**, a nonprofit corporation organized and existing under the laws of the State of Delaware ("ALWF").

WITNESSETH:

WHEREAS, unless the context otherwise requires, the terms used in this Agreement and not otherwise defined shall have the meanings set forth in this Section 1.01 hereof.

WHEREAS, the City owns and operates a wastewater system and has the authority to improve, extend, and maintain the system for the benefit of its citizens and properties within the municipal limits, all pursuant to the laws of the State of Arkansas (the "State"); and

WHEREAS, the City is authorized under Amendment No. 65 to the Arkansas Constitution and A.C.A. §§ 14-164-401 et seq. to issue revenue bonds and to use the proceeds thereof to finance all or a portion of the costs of wastewater system improvements; and

WHEREAS, the City has developed a capital improvement plan (the "Capital Plan") outlining the additional services and facilities needed to accommodate anticipated development and population growth within the City; and

WHEREAS, the City has determined that certain improvements to its wastewater system (the "Wastewater System"), including various growth-related capital projects, all as more particularly described in the Capital Plan are necessary to expand and enhance system capacity for the benefit of all new development that will rely on the City's expanded wastewater services (the "Wastewater Improvements"); and

WHEREAS, Ark. Code Ann. §14-56-103 authorizes a municipality to impose fees on or against a development to generate revenue for funding or recouping municipal expenditures reasonably attributable to the use and occupancy of the development; and

WHEREAS, in connection with the implementation of the Wastewater Development Fee, the City retained Utility Financial Solutions, LLC ("UFS") to conduct a wastewater development fee study of the City's wastewater infrastructure dated November 20, 2025 (the "UFS Report"); and

WHEREAS, the UFS Report sets forth reasonable methodologies and analyses for assessing the impacts and costs of development on the Wastewater System, including infrastructure needs, projected growth, facility capacity, and inflation, and, based on such analyses, UFS recommended an initial maximum charge per ERU for calculating the Wastewater Development Fee for all residential and non-residential development; and

WHEREAS, based on the UFS Report and in connection with the undertaking of the Wastewater Improvements, the City has imposed, and will immediately begin collecting, wastewater development fees for new development to be served by the Wastewater Improvements pursuant to Ordinance No. [] of the City, adopted [December __, 2025] (the "Wastewater Development Fee Ordinance") and Ark. Code Ann. §14-56-103 (collectively, the "Wastewater Development Fee"); and

WHEREAS, ALWF has agreed to make a Program Related Investment in the form of a draw-down, non-revolving line of credit loan (the "Wastewater Infrastructure PRI"), to be evidenced by the Bond, the proceeds of which will be used to finance, among other things, the Infrastructure Improvements which are a part of the Wastewater Improvements; and

WHEREAS, pursuant to Ordinance No. [] of the City, adopted [December __, 2025] (the "Wastewater Bond Ordinance," together with the Wastewater Development Fee Ordinance, the "Wastewater Ordinances"), the City Council of the City of Bentonville, Arkansas (the "City Council") has determined to finance all or a portion of the costs of the Infrastructure Improvements by issuing its Wastewater Development Fee Revenue Bond in a maximum principal amount of \$239,000,000 (the "Bond"); and

WHEREAS, the Bond shall be secured by and payable from the Pledged Revenues, pursuant to the Wastewater Development Fee Ordinance and the terms and conditions set forth herein; and

WHEREAS, the City agrees to repay all amounts due under this Agreement, the Bond, and the other applicable Wastewater Loan Documents in accordance with the terms and provisions set forth herein; and

WHEREAS, ALWF has entered into this Agreement in reliance, among other things, on the information, representations, and supporting materials provided by the City, including, without limitation, the UFS Report; and

NOW, THEREFORE, for and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree, and bind themselves as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definition of Terms. The following terms shall have the following meanings in this Agreement unless the text otherwise expressly requires:

"Annual Increase" shall have the meaning assigned Section 4.06 herein.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction from time to time concerning or relating to bribery or corruption.

"Anti-Money Laundering Laws" means all U.S. and other applicable laws, rules, and regulations of any jurisdiction from time to time concerning or related to anti-money laundering, including but not limited to those contained in the Bank Secrecy Act and the Patriot Act.

"Bankruptcy Related Event" means, with respect to the City to the extent permissible under State law, (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the City or any of its debts, or of a substantial part of the assets thereof, under any insolvency laws, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the City or for a substantial part of the assets thereof and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; (b) the City shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official therefor or for a substantial part of the assets thereof, (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (iii) make a general assignment for the benefit of creditors, (iv) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (v) commence a voluntary proceeding under any insolvency law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief, in each case under any insolvency law, (vii) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (v), inclusive, of this clause (b), or (viii) take any action for the purpose of effecting any of the foregoing, including seeking approval or legislative enactment by any Governmental Authority to authorize commencement of a voluntary proceeding under any insolvency law.

"Bondholder" means ALWF and or its assigns.

"Bond Improvement Fund" means the fund created under Section 14 of the Wastewater Bond Ordinance and described in Section 4.03 herein.

"Business Day" means any day other than a Saturday, a Sunday, or a day on which offices of the State or commercial banks are authorized or required by law, regulation, or executive order to be closed in New York, New York, or Bentonville, Arkansas.

"Calculation Date" shall have the meaning assigned in Section 3.03 herein.

"Capital Plan" shall have the meaning assigned in the Recitals.

"City Authorized Representative" means any Person who shall be designated as such pursuant to Section 9.04 herein.

"City Council" shall have the meaning assigned in the Recitals.

"Commitment Amount" shall mean \$239,000,000.

"Debt Service" means, commencing on the Debt Service Commencement Date, the principal amount of the Bond then due and payable, together with any accrued and unpaid interest.

"Debt Service Commencement Date" means the date on which the initial Disbursement has been funded by ALWF hereunder.

"Default Rate" means an interest rate equal to the lesser of (a) the sum of (i) the applicable Interest Rate [_____].

"Disbursements" shall mean disbursements of Bond proceeds by ALWF as the City may request to finance the Project, as further described in Section 3.01 herein.

"Disbursement Cut-Off Date" shall have the meaning assigned in Section 3.05 herein.

"Disbursement Request" shall have the meaning assigned in Section 3.02 herein.

"Disbursement Schedule" means the ten-year disbursement schedule attached hereto as Exhibit A, reflecting the anticipated Disbursements, as such schedule may be amended from time to time.

"Draw Period" shall mean a period of ten (10) years commencing on the Effective Date through [_____, 2036], during which the City may request Disbursements.

"Effective Date" shall mean [_____].

"Eligible Project Costs" means amounts relating to the Infrastructure Improvements which are eligible to be recovered from the Wastewater Development Fee.

"ERUs" has the meaning provided in Section 4.05 herein.

"Event of Default" has the meaning provided in Section 7.01 herein.

"Financial Statements" has the meaning provided in Section 6.02 herein.

"Fiscal Year" means the City's fiscal year ending on [_____] of each calendar year, or (b) such other fiscal year as the City may hereafter adopt.

"Flow of Funds" shall have the meaning provided in Section 4.02 herein

"Funding Recovery Ratio" shall have the meaning provided in Section 3.03 herein.

"Funding Recovery Ratio Maximum Threshold" shall have the meaning provided in Section 3.03 herein.

"Funding Recovery Ratio Notice" shall have the meaning assigned in Section 3.03.

"Funding Recovery Ratio Requirements" shall have the meaning provided in Section 3.03 herein.

"Governmental Approvals" means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions, and declarations of or with any Governmental Authority.

"Governmental Authority" means any federal, state, provincial, county, city, town, village, municipal or other government or governmental department, commission, council, court, board, bureau, agency, authority or instrumentality (whether executive, legislative, judicial, administrative or regulatory), of or within the United States of America or its territories or possessions, including the State and its counties and municipalities, and their respective courts, agencies, instrumentalities and regulatory bodies, or any entity that acts "on behalf of" any of the foregoing, whether as an agency or authority of such body.

"Infrastructure Improvements" means certain capital projects, including interceptors and lift stations considered eligible for recovery through the Wastewater Development Fee, as further described in Appendix A attached to the UFS Report, which are a part of the Wastewater Improvements.

"Interest Rate" means an interest rate of five (5%) percent.

"Lien" means any pledge, assignment, encumbrance, charge, security interest, or other arrangement giving a third party a preferential claim on the Pledged Revenues.

"Mandatory Principal Reduction Payment" has the meaning provided in Section 3.03 herein.

"Material Adverse Effect" means a material adverse effect on (a) the Wastewater System, the Pledged Revenues, (b) the business, operations, properties, condition (financial or otherwise) or prospects of the City, (c) the legality, validity or enforceability of any material provision of the Wastewater Ordinances or the Wastewater Loan Documents, (d) the ability of the City to enter into, perform or comply with any of its material obligations under the Wastewater Ordinances or the Wastewater Loan Documents, (e) the validity, enforceability or priority of the pledge provided under the Wastewater Ordinances on the Pledged Revenues in favor of the Bondholder, or (f) ALWF's rights or remedies available under the Wastewater Loan Documents.

"Maturity Date" means [_____] 2046].

"Monthly Sweep" has the meaning provided in Section 4.04 herein.

"Organizational Documents" means (a) the constitutional and statutory provisions that are the basis for the existence and authority of the City, including any enabling statutes, ordinances or public charters and any other organic laws establishing the City and (b) the resolutions, bylaws, code of regulations, operating procedures or other organizational documents (including any amendments, modifications or supplements thereto) of or adopted by the City by which the City, its powers, operations or procedures or its securities, bonds, notes or other obligations are governed or from which such powers are derived.

"Outstanding" refers to the principal amount of the Bond that has been drawn and remains unpaid, and that has not been redeemed or prepaid.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended, and all regulations promulgated thereunder.

"Paying Agent" shall mean [Arvest Bank], or any successor entity located in the City the City of Bentonville, Arkansas that is a member of the Federal Deposit Insurance Corporation (FDIC).

"Paying Agent Agreement" means the Paying Agent Agreement between the City, ALWF, and the Paying Agent, dated as of [____, 2025].

"Permitted Investments" means (i) direct or fully guaranteed obligations of the United States of America (including any such obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) ("Government Obligations"), (ii) direct obligations of an agency, instrumentality or government-sponsored enterprise created by an act of the United States Congress and authorized to issue securities or evidences of indebtedness, regardless of whether the securities or evidences of indebtedness are guaranteed for repayment by the United States Government, (iii) certificates of deposit or demand deposits of banks, which are insured by the FDIC or, if in excess of insurance coverage, collateralized by Government Obligations or other securities authorized by State law to secure public funds or (iv) money market funds invested exclusively in Government Obligations and the obligations described in (ii) above.

"Person" means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization, and any Governmental Authority.

"Pledged Revenues" means nonrefundable revenues to be generated from the Wastewater Development Fee, which has been duly fixed by the City pursuant to A.C.A. § 14-56-103 and the Wastewater Development Fee Ordinance, including any late fees, penalties, and interest earnings thereon, and excluding the amount of each Refund approved for reimbursement to the City as set forth in Section 4.07 herein.

"Principal Prepayment" has the meaning provided in Section 4.12 herein.

"Project" has the meaning provided in Section 3.01 herein.

"Record of Disbursements" has the meaning provided in Section 3.02 herein.

"Record of Principal Payments" has the meaning provided in Section 4.10 herein.

"Refund" has the meaning provided in Section 4.07 herein.

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State, (b) any Person operating, organized or resident in a country or territory that is itself the subject or target of any Sanctions, or (c) any Person owned or controlled by any such Person or Persons.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered, or enforced from time to time by the federal government, including those administered by OFAC or the U.S. Department of State.

"State" has the meaning provided in the Recitals hereto.

"Term" has the meaning provided in Section 3.06 herein.

"UFS" has the meaning provided in the Recitals hereto.

"UFS Report" has the meaning provided in the Recitals hereto.

"Uncontrollable Force" means any cause beyond the control of the City, including: (a) a hurricane, tornado, flood or similar occurrence, landslide, earthquake, fire, pandemic or other casualty, strike or labor disturbance, freight embargo, act of a public enemy, explosion, war, blockade, terrorist act, insurrection, riot, general arrest or restraint of government and people, civil disturbance or similar occurrence, sabotage, or act of God (provided that the City shall not be required to settle any strike or labor disturbance in which it may be involved) or (b) the order or judgment of any federal, state or local court, administrative agency or governmental officer or body, if it is not also the result of willful or negligent action or a lack of reasonable diligence of the City and the City does not control the administrative agency or governmental officer or body; provided that the diligent contest in good faith of any such order or judgment shall not constitute or be construed as a willful or negligent action or a lack of reasonable diligence of the City.

"Utility Consultant" has the meaning provided in Section 4.06 herein.

"Wastewater Bond Ordinance" means the Wastewater Bond Ordinance, adopted by the City Council on [_____, 2025], authorizing the execution and delivery of this Agreement, the Bond, and certain related actions by the City in connection with the issuance of the Bond.

"Wastewater Development Fee" has the meaning provided in the Recitals hereto.

"Wastewater Development Fee Fund" means the fund created under Section 6 of the Wastewater Development Fee Ordinance and described in Section 4.02 herein.

"Wastewater Development Fee Ordinance" has the meaning provided in the Recitals hereto.

"Wastewater Development Fee Update" shall have the meaning assigned Section 4.06 herein.

"Wastewater Improvements" has the meaning provided in the Recitals hereto.

"Wastewater Infrastructure PRI" has the meaning provided in the Recitals hereto.

"Wastewater Loan Documents" means collectively, this Agreement, the Bond, the Wastewater Ordinances and each such other document necessary or required to be executed and delivered by the City in connection with the Wastewater Infrastructure PRI.

Section 1.02 Interpretation. Unless the context shall otherwise require, the words "hereto," "herein," "hereof" and other words of similar import refer to this Agreement as a whole.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa.

(b) Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise require.

(c) The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation."

(d) Unless the context shall otherwise require, references to the preamble, recitals, sections, subsections, clauses, schedules, exhibits, appendices, and provisions are to the preamble to, or the applicable recitals, sections, subsections, clauses, schedules, exhibits, appendices, and provisions of, this Agreement.

(e) The schedules and exhibits to this Agreement, and the appendices and schedules to such exhibits, are hereby incorporated by reference and made an integral part of this Agreement.

(f) The headings or titles of this Agreement and its sections, schedules, or exhibits, as well as any table of contents, are for convenience of reference only and shall not define or limit its provisions.

(g) Unless the context shall otherwise require, all references to any resolution, contract, agreement, lease or other document shall be deemed to include any amendments or supplements to, or modifications or restatements or replacements of, such documents that are approved from time to time in accordance with the terms thereof and hereof.

(h) Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder by any party shall, unless otherwise specifically provided, be delivered in writing and signed by a duly authorized representative of such party.

[END OF ARTICLE I]

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations of the City. The City hereby represents and warrants that, as of the Effective Date:

(a) The Organization; Power and Authority. The City is a municipal corporation of the State duly organized and validly existing under the laws of the State and has full legal right, power and authority to do business in the State and to enter into this Agreement, to execute and deliver this Agreement, the Bond, and the Wastewater Loan Documents, and to carry out and consummate all transactions contemplated hereby and thereby and has duly authorized the execution, delivery and performance of this Agreement, the Bond, and the Wastewater Loan Documents.

(b) Officers' Authorization. As of the Effective Date, the officers of the City executing (or that previously executed) this Agreement, and any certifications or instruments related thereto, to which the City is a party are (or were at the time of such execution) duly and properly in office and fully authorized to execute the same.

(c) Due Execution; Enforceability. Each of the Wastewater Loan Documents in effect as of any date on which this representation and warranty is made, and to which the City is a party has either been duly adopted by the City Council or duly authorized, executed and delivered by the City.

(d) Non-Contravention. The execution and delivery of the Wastewater Loan Documents to which the City is a party, the consummation of the transactions contemplated by the Wastewater Loan Documents, and the fulfillment of or compliance with the terms and conditions of all of the Wastewater Loan Documents will not (i) conflict with the City's Organizational Documents, (ii) conflict in any material respect with, or constitute a violation, breach or default (whether immediately or after notice or the passage of time or both) by the City of or under, any applicable law, administrative rule or regulation, any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the City is a party or by which it or its properties or assets are otherwise subject or bound, or (iii) result in the creation or imposition of any prohibited Lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City.

(e) Consents and Approvals. No consent or approval of any trustee, holder of any indebtedness of the City or any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with (i) the execution and delivery by the City of the Wastewater Loan Documents, except as have been obtained or made and as are in full force and effect, or (ii) (A) the consummation of any transaction contemplated by the Wastewater Loan Documents or (iii) the fulfillment of or compliance by the City with the terms and conditions of the Wastewater Loan Documents, except as have been obtained or made and as are in full force and effect or as are ministerial in nature and can reasonably be expected to be obtained or made in the ordinary course on commercially reasonable terms and conditions when needed.

(f) Litigation. Except as set forth in Exhibit E, no action suit, proceeding or, to the knowledge of the City, any inquiry or investigation, in any case before or by any court or other Governmental Authority is pending or, to the knowledge of the City, threatened against or affecting the Wastewater System or the ability of the City to execute, deliver and perform its obligations under the Wastewater Loan Documents; no action, suit, proceeding or, to the knowledge of the City, any inquiry or investigation before or by any court or other Governmental Authority is pending, or to the knowledge of the City, threatened against or affecting the Wastewater System, the City or the assets, properties or operations of the City, that in any case could reasonably be expected to result in a Material Adverse Effect; and, to the City's knowledge, no actions of the type described above are pending or, threatened against or affecting the Infrastructure Improvements, except for matters arising after the Effective Date that could not reasonably be expected to (i) result in a Material Adverse Effect or (ii) adversely affect the City's ability to receive Pledged Revenues.

(g) Pledged Revenues. The Wastewater Ordinances and Ark. Code. Ann. §14-56-103 establish, and the City has taken all necessary action to pledge, assign, and grant, in each case in favor of ALWF as the Bondholder, the valid and binding pledge of the Pledged Revenues purported to be created, pledged, assigned, and granted pursuant to and in accordance with the Wastewater Ordinances, irrespective of whether any Person has notice of the pledge and without the need for any physical delivery, recordation, filing, or further act. Such pledge is in full force and effect and is not subordinate to any other Liens in respect of the Pledged Revenues, and not *pari passu* with any obligations of the City. The City is not in breach of any covenants set forth herein or in the Wastewater Ordinances. All taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of the Wastewater Ordinances or any instruments, certificates, or financing statements in connection with the foregoing, have been paid.

(h) Accuracy of Representations and Warranties. The representations, warranties and certifications of the City set forth in this Agreement and the Wastewater Loan Documents are true, correct, and complete, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties were true, correct, and complete as of such earlier date).

(i) Compliance with Laws.

(1) No notices of violation of any applicable law have been issued, entered, or received by the City or, to the City's knowledge and solely in respect of the Infrastructure Improvements.

(2) None of the City nor, to the knowledge of the City is (A) a Sanctioned Person or (B) in violation of or, since the date that is five (5) years prior to the Effective Date, has violated: (1) any applicable Anti-Money Laundering Laws; (2) any applicable Sanctions; (3) any applicable Anti-Corruption Laws; or (4) any applicable anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal. There are no pending or, to the knowledge of the City, threatened claims or investigations by any Governmental Authority against, or any internal investigations conducted by, the City with respect to any possible or alleged violations of any Sanctions, Anti-Money Laundering Laws, Anti-Corruption Laws,

or any anti-drug trafficking or anti-terrorism laws. No use of proceeds of the Bond or any other transaction contemplated by this Agreement or any Wastewater Loan Document will violate any applicable Sanctions, Anti-Money Laundering Laws, or Anti-Corruption Laws, or any applicable anti-drug trafficking or anti-terrorism laws.

(j) Governmental Approvals. All Governmental Approvals required as of the Effective Date and any subsequent date on which this representation is made (or deemed made) for the undertaking and completion by the City of the Infrastructure Improvements, and for the operation and management thereof, have been obtained or effected and are in full force and effect and there is no basis for, nor proceeding that is pending or threatened that could reasonably be expected to result in, the revocation of any such Governmental Approval. The City is not in default with respect to any such Governmental Approval.

(k) Information. All information furnished by or on behalf of the City to ALWF, at the time the same was so furnished, was true and accurate in all material respects. Any financial, budget, and other projections furnished to ALWF were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget, or other projections.

(l) Sufficient Rights. The City possesses either valid legal and beneficial title to, leasehold title in, or other valid legal rights with respect to the real property relating to the Wastewater System, in each case as is necessary and sufficient as of the date this representation is made for the construction, operation, maintenance and expansion of the Wastewater System. The Governmental Approvals that have been obtained and are then in full force and effect create rights in the City sufficient to enable the City to own, construct, operate, maintain, and repair the Infrastructure Improvements and to perform its obligations hereunder.

(m) Insurance. The City is in compliance with all insurance obligations required hereunder and the Wastewater Loan Documents. To the extent the City self-insures, the City's self-insurance program is actuarially sound and the City has received an opinion from an accredited actuary within the last twelve (12) months, which opinion confirms that the City's self-insurance program is actuarially sound.

(n) No Liens. The City has not created, and is not under any obligation to create, and has not entered into any transaction or agreement that would result in the imposition of, any Lien on the Pledged Revenues. The City has not created, and is not under any obligation to create, and has not entered into any transaction or agreement that would result in the imposition of, any Lien on the Pledged Revenues or the Infrastructure Improvements.

(o) Financial Statements. Each income statement, balance sheet and statement of operations and cash flows of the City, as delivered to ALWF has been prepared in accordance with GAAP and presents fairly, in all material respects, the financial condition of the City as of the respective dates of the balance sheets included therein and the results of operations of the City for the respective periods covered by the statements of income included therein. Except as reflected in such Financial Statements, there are no liabilities or obligations of the City of any nature whatsoever for the period to which such Financial Statements relate that are required to be

disclosed in accordance with GAAP. Since the date(s) of such Financial Statements, there has been no material adverse change in the financial condition of the Wastewater System, except as disclosed by the City.

(p) Securities Laws. Under existing law, the Bond may be issued and sold without registration under the Securities Act of 1933, as amended, and any State blue sky laws, and the Wastewater Bond Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(q) Taxes. The City is not required to file tax returns with any Governmental Authority (other than filings required in connection with the issuance of tax-exempt obligations).

(r) Patriot Act. The City is not required to establish an anti-money laundering compliance program pursuant to the Patriot Act.

Section 2.02 Representations and Warranties of ALWF. ALWF represents and warrants that:

(a) Power and Authority. ALWF has all requisite power and authority to make the Wastewater Infrastructure PRI and to perform all transactions contemplated by the Wastewater Loan Documents to which it is a party.

(b) Due Execution; Enforceability. The Wastewater Loan Documents to which it is a party have been duly authorized, executed and delivered by ALWF.

(c) Officers' Authorization. The officers of ALWF executing each of the Wastewater Loan Documents to which ALWF is a party are duly and properly appointed by ALWF as such and fully authorized to execute the same on behalf of ALWF.

[END OF ARTICLE II]

ARTICLE III ISSUANCE OF THE BOND; APPLICATION OF PROCEEDS

Section 3.01 Bond. To finance all or a portion of the costs of the Project and to evidence the City's obligation to repay the Wastewater Infrastructure PRI, the City shall issue, sell, and deliver to ALWF, and ALWF agrees to purchase from the City, the Bond in substantially the form contained in the Wastewater Bond Ordinance, in an aggregate principal amount not to exceed the Commitment Amount. The Bond is being issued for the purposes of (i) financing all or a portion of the costs of the planning, design, and construction of the Infrastructure Improvements described in the UFS Report and (ii) paying expenses incurred in connection with the issuance of the Bond approved by ALWF (collectively, the "Project"). The Bond shall be issued and secured pursuant to the Wastewater Bond Ordinance, shall bear interest at the Interest Rate, shall provide for principal and interest payments on the dates set forth herein, and shall mature on the Maturity Date, at which time all of the Outstanding principal balance of the Bond, together with any accrued and unpaid interest, is due and payable in full.

Subject to the terms and conditions of this Agreement and, with respect to the Bond, the City may, from time to time prior to the Disbursement Cut-Off Date, request disbursements of Bond proceeds (each, a "Disbursement") to pay Eligible Project Costs in accordance with Section 3.02 herein.

Section 3.02 Disbursement Conditions. Notwithstanding anything in this Agreement to the contrary, ALWF's obligation to make any Disbursement to the City (including the initial Disbursement made by ALWF hereunder) is subject to the satisfaction, or ALWF's written waiver, of each of the conditions precedent to a Disbursement set forth herein. Subject to the terms and conditions set forth herein, so long as the City is in compliance with all the terms and provisions of this Agreement and the Wastewater Ordinances, and the representations and warranties of the City made herein remain true and correct, ALWF agrees to make Disbursements as follows:

(a) From and after the Effective Date, on or before the fifteenth (15th) day of the month, but in any event (x) no more than once every thirty (30) days and (y) no later than the end of the Draw Period, the City may submit to ALWF and the Paying Agent a request for a Disbursement (each, a "Disbursement Request"), in the form attached hereto as Exhibit B.

(b) Each Disbursement Request shall be accompanied by a certificate of a City Authorized Representative, in the form attached hereto as Exhibit C (each, a "Disbursement Certificate"), certifying that, among other things:

(1) all invoices for which payments are being requested have been approved by the City and represent Eligible Project Costs for work performed or materials received in connection with the Infrastructure Improvements, along with copies of all such invoices;

(2) all terms and conditions for a Disbursement set forth herein have been met;

(3) on or after [January 1, 2032], the applicable Funding Recovery Ratio Requirements described in Section 3.03 hereof have been satisfied;

(4) amounts being requested will not be used to fund any Wastewater Improvements other than the Infrastructure Improvements;

(5) the aggregate amount of all Disbursements do not then exceed (A) the Commitment Amount, (B) the actual amount of the Eligible Project Costs paid or incurred by the City, and (C) the cumulative Disbursements per basin per year in the Disbursement Schedule;

(6) There is no Event of Default continuing under this Agreement, and no Event of Default will result from the Disbursement; and

(7) all documentation and information required under this Agreement has been provided, all in a form satisfactory to ALWF.

(c) Disbursements shall be made solely for Eligible Project Costs that have been paid or incurred and approved for payment by or on behalf of the City in connection with the Infrastructure Improvements.

(d) The City shall have paid in full (i) any outstanding fees due and payable under Section 4.13 and (ii) all invoices received from ALWF as of the date of each Disbursement for the fees and expenses of ALWF's counsel or other consultants retained by ALWF in connection with the Wastewater Infrastructure PRI.

(e) The City shall have delivered such other documents and other items as are reasonably required by ALWF or the Paying Agent, each in form and substance satisfactory to ALWF or the Paying Agent.

Upon receipt by the Paying Agent of a Disbursement Certificate meeting all the requirements hereof, each Disbursement Request shall be funded by the Paying Agent not later than the thirtieth (30th) day of the month (or on the next succeeding Business Day if such thirtieth (30th) day is not a Business Day).

Each Disbursement shall permanently reduce the remaining undrawn portion of the Commitment Amount. Under no circumstances shall any principal amount repaid or prepaid restore availability or be re-advanced to the City. If, on the Disbursement Cut-Off Date, the City has not drawn down the entire Commitment Amount, the principal amount of the Bond shall be reduced to the amount actually disbursed. In no event shall the aggregate amount of all Disbursements exceed the Commitment Amount.

The Paying Agent will maintain a detailed record of all Disbursements in the form set forth in Exhibit F attached hereto ("Record of Disbursements"), reflecting each Disbursement approved and funded by the Paying Agent.

Section 3.03 Funding Recovery Ratios. Disbursements are subject to the City's compliance with the Funding Recovery Ratio requirements (the "Funding Recovery Ratio

Requirements") throughout the Term. For purposes of this Agreement, the "Funding Recovery Ratio" means the quotient obtained by dividing (i) the total principal amount advanced under the Bond by (ii) the total principal amount repaid on the Bond by the City. The maximum permitted Funding Recovery Ratio for each year during the Term (the "Funding Recovery Ratio Maximum Threshold") is set forth in Section 6.01 herein.

As long as the Bond is Outstanding, the Funding Recovery Ratio shall be calculated by the Paying Agent every thirty (30) days on the first (1st) of every month (each, a "Calculation Date") and reported in writing to ALWF and the City. The City shall provide all information reasonably requested by the Paying Agent to complete such calculation.

During years one (1) through five (5) of the Draw Period, no Disbursement restrictions shall apply based on the Funding Recovery Ratio. ALWF shall have no obligation to honor any Disbursements while the City remains out of compliance with the Funding Recovery Ratio Maximum Threshold during years six (6) through ten (10) of the Draw Period. Beginning [January 1, 2032] and continuing through the remainder of the Term, if the Funding Recovery Ratio exceeds the applicable Funding Recovery Ratio Maximum Threshold, the Paying Agent shall notify the City and ALWF, in writing of any such occurrence within five (5) days of each Calculation Date (each, a "Funding Recovery Ratio Notice"). After the issuance of a Funding Recovery Ratio Notice, the Paying Agent shall not honor any further Disbursement Requests from the City during the Draw Period, unless waived in writing by ALWF, and ALWF shall have no obligation to fund any Disbursement Request until the Funding Recovery Ratio is reduced below the applicable Funding Recovery Ratio Maximum Threshold.

Commencing January 1, 2037 and thereafter, within ninety (90) days after the issuance of a Funding Recovery Ratio Notice, the City shall be required, unless waived in writing by ALWF, to either (i) make a mandatory principal reduction payment sufficient to restore the Funding Recovery Ratio to within the permitted threshold (each, a "Mandatory Principal Reduction Payment") from the proceeds of a refinancing or any other revenues that are not derived from taxes which the City may make available, or (ii) at the option of ALWF, refinance and repay the Bond in full within a period which shall not be more than [] days. If after the issuance of a Funding Recovery Ratio Notice, the City fails to make the Mandatory Principal Reduction Payment needed to reduce the Funding Recovery Ratio below the Funding Recovery Ratio Maximum Threshold as of the Calculation Date, then (i) the Paying Agent shall not honor any further Disbursement Requests from the City during the Draw Period, and (ii) the entire principal amount of the Bond Outstanding may, at the option of ALWF, be declared immediately due and payable.

Section 3.04 Interest Rate. Interest will accrue and be computed at the Interest Rate on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30)-day months. Interest shall accrue only on Bond proceeds actually disbursed and shall be paid monthly. Upon the occurrence and during the continuance of an Event of Default, interest on the Bond shall accrue at the Default Rate as follows: (a) in the case of a Payment Default (as defined herein), from and including the date such payment was due to but excluding the date such payment is actually made; and (b) in the case of any other Event of Default, from and including the date of such Event of Default to but excluding the earlier of (i) the date such Event of Default is cured in accordance with this Agreement (to the extent applicable), or (ii) the date on which the Bond is irrevocably paid in full in immediately available funds. For the avoidance of doubt, interest shall accrue only

on amounts of the Bond actually disbursed pursuant to a Disbursement Request approved by ALWF in accordance with Section 3.02.

Section 3.05 Disbursement Cut-Off Date. The availability of the Disbursements shall be limited to the period commencing on the Effective Date and ending on the earlier of (a) the expiration of the Draw Period or (b) the date on which all proceeds of the Bond have been disbursed by ALWF up to the Commitment Amount (the "Disbursement Cut-Off Date"). No Disbursements shall be made after the Disbursement Cut-Off Date. Any Bond proceeds that are repaid shall not reinstate or increase the amount of the Commitment Amount available for future Disbursements. Any Bond proceeds that remain undrawn after the Disbursement Cut-Off Date shall terminate and thereafter no longer be available to the City.

Section 3.06 Term. The Term of this Agreement shall commence on the Effective Date and shall continue until the earliest of the following: (a) the date on which the City prepays the principal amount of the Bond Outstanding, including all accrued interest thereon, and certifies to ALWF that it will not request any further Disbursements; (b) the date on which all Bond proceeds have been disbursed and all amounts due and payable, including accrued interest thereon, have been paid in full; or (c) the Maturity Date, provided that all disbursed Bond proceeds and all amounts due and payable, including accrued interest thereon, have been paid in full (collectively, the "Term"). In no event shall the Term exceed twenty (20) years.

So long as the Bond remains Outstanding, all Pledged Revenues in the Wastewater Development Fee Fund shall constitute "restricted funds" to be used solely for the payment of Debt Service. Upon the expiration of the Term, the Pledged Revenues shall cease to be encumbered by this Agreement, and the City may use the Pledged Revenues for any legally allowable purpose.

Section 3.07 Termination. This Agreement and all rights of the City and ALWF herein shall terminate upon the irrevocable payment in full in immediately available funds by the City of the principal amount of the Bond Outstanding, together with all accrued interest, fees and expenses with respect thereto.

[END OF ARTICLE IV]

ARTICLE IV SECURITY FOR THE BOND

Section 4.01 Security; Pledged Revenues.

(a) The obligation to repay the Wastewater Infrastructure PRI shall be evidenced by the execution and delivery of the Bond, which the City shall deliver to ALWF as the Bondholder. The Bond shall be secured by and payable from the Pledged Revenues, all of which have been duly and irrevocably pledged to secure repayment of the amounts drawn under the Bond pursuant to the Wastewater Bond Ordinance. The pledge of and lien on the Pledged Revenues constitutes an irrevocable, first, prior, and exclusive pledge and lien, as provided in the Wastewater Bond Ordinance. ALWF shall have no obligation to provide any funds to the City other than the proceeds of the Bond. Nothing herein shall require the City to pay the principal of and interest on the Bond from sources other than the Pledged Revenues, but nothing herein shall prohibit the City from doing so with other revenues that are not derived from taxes.

(b) The Pledged Revenues shall be free and clear of any pledge, lien, charge, assignment, claim, or other encumbrance of any kind, and all organizational, regulatory, and other actions necessary, if any, to create, perfect, and enforce the pledge of the Pledged Revenues have been duly taken by the City.

(c) The City shall not use the Pledged Revenues to make any payments or satisfy any obligations except in accordance with this Agreement, the Bond, and the Wastewater Ordinances, and the City shall not apply any portion of the Pledged Revenues in contravention of any of the foregoing.

(d) The City shall not issue any additional bonds, notes, obligations, or other indebtedness secured by the Pledged Revenues or any portion thereof, nor shall it permit any pledge, lien, or encumbrance on the Pledged Revenues, without the prior written consent of ALWF.

(e) All Pledged Revenues shall be deposited into the Wastewater Development Fee Fund and shall be applied in the order of priority set forth in Section 6 of the Wastewater Development Fee Ordinance and as further described in Section 4.02 of this Agreement.

(f) The City acknowledges that the Bond constitutes a non-revolving, draw-down obligation, and once Pledged Revenues are committed or applied to repayment of the Bond, such revenues may not be re-pledged or otherwise reused for any other financing.

Section 4.02 Establishment of Wastewater Development Fee Fund. All Pledged Revenues shall at all times be accounted for separately and distinctly from other moneys of the City and shall be used and applied only as provided in this Agreement or as otherwise expressly authorized in writing by ALWF.

(a) Pursuant to Section 6 of the Wastewater Development Fee Ordinance and Section 7 of the Wastewater Bond Ordinance, the City has established a special interest-bearing

fee account, the "Wastewater Development Fee Fund," to be held and administered by the Paying Agent. The Wastewater Development Fee Fund shall be administered by the Paying Agent for the benefit of the City and ALWF. All Pledged Revenues shall be deposited directly into the Wastewater Development Fee Fund immediately upon receipt by the City. Pursuant to the Monthly Sweeps made in accordance with Section 4.04 herein, the Paying Agent shall, on the first (1st) of each month during the Term, apply or deposit funds in the Wastewater Development Fee Fund in the following order of priority (collectively, the "Flow of Funds"):

- (1) **First**, pay all currently outstanding and accrued interest on the Bond;
- (2) **Second**, pay the principal amount on the Bond Outstanding up to the amounts then available;
- (3) **Third**, to the extent of any then remaining amounts, make all or a portion of the Mandatory Principal Reduction Payments due pursuant to the Funding Recovery Ratio Requirements under Section 3.03 hereof or the Principal Prepayments pursuant to Section 4.12 hereof; and
- (4) **Fourth**, pay expenses approved by ALWF, in writing.

Notwithstanding anything herein to the contrary, the Paying Agent shall reimburse the City, from amounts then available in the Wastewater Development Fee Fund, each Refund subject to the provisions set forth in Section 4.07 herein.

(b) The City shall not divert or commingle the funds in the Wastewater Development Fee Fund with moneys from any other City funds or accounts. No other revenues or funds shall be deposited into the Wastewater Development Fee Fund. The pledge of the Pledged Revenues in favor of the Bondholder shall remain in effect until the Maturity Date.

(c) So long as the Bond remains Outstanding, the City shall use the Pledged Revenues solely for the payment of Debt Service on the Bond, except as expressly permitted in this Agreement or as otherwise expressly authorized in writing by ALWF. Upon expiration of the Term, the City may use the Pledged Revenues at its discretion.

(d) Amounts held in the Wastewater Development Fee Fund shall be invested by the Paying Agent in Permitted Investments, and all investment earnings thereon shall constitute Pledged Revenues and be deposited back into the Wastewater Development Fee Fund.

(e) The City shall maintain accurate records of all payments of the Wastewater Development Fee, including the name of the Person or entity paying the fee, the tax parcel number and address for which the fee was paid, the date of payment, and the amount received in payment.

Section 4.03 Establishment of Bond Improvement Fund.

(a) Pursuant to Section 14 of the Wastewater Bond Ordinance, the City has established and shall maintain the "Bond Improvement Fund," which shall be held and administered by the Paying Agent solely for the disbursement of the Bond proceeds for the

payment of costs associated with the Project. Upon the approval of a Disbursement in accordance with the provisions of Article III hereof, AWLF shall deposit the approved amount of each Disbursement into the Bond Improvement Fund, and the Paying Agent shall withdraw each such amount from the Bond Improvement Fund and disburse such funds to the City, in each case subject to the Commitment Amount, the Disbursement Cut-Off Date and the other provisions herein.

(b) When the Infrastructure Improvements have been completed and all required expenses paid and expenditures made from the Bond Improvement Fund for and in connection with the accomplishment of the Infrastructure Improvements, any remaining balance in the Bond Improvement Fund shall be transferred by the Paying Agent to the Wastewater Development Fee Fund to prepay the Bond.

(c) For so long as Bond remains Outstanding, no withdrawal or transfer of monies from the Bond Improvement Fund shall be made for any purpose other than for the payment of costs associated with the Project, unless otherwise expressly authorized under this Agreement or as otherwise expressly authorized in writing by ALWF.

Section 4.04 Payment of Debt Service; Monthly Sweep.

(a) Beginning after the Debt Service Commencement Date, on the first (1st) of each month during the Term, the Paying Agent is instructed to make monthly sweeps of the Wastewater Development Fee Fund (each, a "Monthly Sweep") and apply such amounts in accordance with the Flow of Funds described in Section 4.02; *provided that*, if any such date is not a Business Day, payment shall be made on the next Business Day following such date.

(1) Minimum Monthly Sweep. The Paying Agent shall apply the amount of each Monthly Sweep from the Wastewater Development Fee Fund towards (i) payment of currently due and any accrued interest on Disbursements, and (ii) any principal amount of the Bond then Outstanding. In the event that, upon any Monthly Sweep, the amounts on deposit in the Wastewater Development Fee Fund are insufficient to pay all currently due and any accrued interest, the unpaid interest shall continue to accrue and be carried forward to the subsequent Monthly Sweep.

(2) Maximum Monthly Sweep. If, on any Monthly Sweep, the amounts on deposit in the Wastewater Development Fee Fund exceed (i) the interest then due and payable, (ii) any accrued interest on Disbursements, and (iii) any principal amount of the Bond then Outstanding, such excess shall remain on deposit in the Wastewater Development Fee Fund.

(b) Notices of Payment. ALWF shall provide the City with confirmation of amounts applied following each Monthly Sweep within [] days after such Monthly Sweep.

Section 4.05 Wastewater Development Fee Assessment and Collection.

On or after the Effective Date, the City shall immediately begin collecting the Wastewater Development Fee on all new developments that will utilize the additional capacity created by the

Wastewater Improvements which Wastewater Development Fee shall be collected [prior to a scheduled City pre-construction meeting for preliminary plats and large scale development projects, or prior to permit issuance for all other permit types]. The City shall not permit any wastewater connection, nor any increase in sewer flow associated with new development or redevelopment to occur until the applicable Wastewater Development Fee has been paid in full.

[The Wastewater Development Fee in the initial year shall be assessed on a per-project basis for each development for which a building permit and wastewater connection is sought, measured in Equivalent Residential Units ("ERUs") and in accordance with the UFS Report, all in accordance with the Wastewater Development Fee Ordinance.

As further described in the UFS Report, any dwelling unit based on the UFS study is equal to one ERU, representing 2.64 persons or 264 gallons. For non-residential developments, usage shall be calculated in accordance with the 10-States Standards, converted to the applicable ERU rating, and multiplied by the per-ERU cost for each year. For the period from [_____, 2026], to [_____, 2027], the City has adopted a Wastewater Development Fee of \$7,867.00 per ERU.]

Section 4.06 Wastewater Development Fee Annual Increase.

Commencing [January 1, 2027] and on each January 1 thereafter during the Term, the City covenants that it shall increase the Wastewater Development Fee annually to account for increases in the estimated costs of the Infrastructure Improvements (the "Annual Increase"). The Annual Increase shall be calculated in accordance with the *Consumer Price Index for All Urban Consumers (CPI-U), Water and Sewer and Trash Collection Services, U.S. City Average (Series ID: CUSR0000SEHG)*, as published by the U.S. Bureau of Labor Statistics (the "Consumer Price Index"). The City shall calculate the Annual Increase no later than [_____] of each year based on the Consumer Price Index and implement the Annual Increase for future developments effective on January 1 of each subsequent year without further action by the City Council. If the Consumer Price Index is not published or is delayed, the City shall increase the Wastewater Development Fee by an amount equal to the average annual increase in the Consumer Price Index over the preceding twenty (20) years, which methodology shall apply until a new methodology for calculating the Annual Increase is established by the City and approved by ALWF.

In connection with each Annual Increase, the City may engage UFS or another qualified consultant (together, the "Utility Consultant") to prepare an update of the content and conclusions of the UFS Report (the "Wastewater Development Fee Update"), taking into account increases in the estimated costs of the Infrastructure Improvements. Within 30 days of the delivery of the Wastewater Development Fee Update, the City shall take all necessary steps to effectuate the increase in the Wastewater Development Fee for future developments by the maximum amount recommended in the Wastewater Development Fee Update.

Section 4.07 Refunds.

If, in accordance with the requirements of Section 8 of the Wastewater Development Fee Ordinance, the City becomes obligated to pay a fee payer or such fee payer's successor in interest all or a portion of a Wastewater Development Fee previously deposited in the Wastewater Development Fee Fund (each, a "Refund"), the City may deliver to the Paying Agent a certificate,

in the form attached hereto as Exhibit H (the "Refund Certificate") requesting the reimbursement of each Refund and certifying that such Refund was inadvertently deposited into the Wastewater Development Fee Fund, together with supporting documentation evidencing the payment by the City of such Refund to the fee payer or such fee payer's successor in interest. Upon receipt of each Refund Certificate, acceptable to the Paying Agent, the Paying Agent shall pay to the City the amount of each such Refund from amounts then available in the Wastewater Development Fee Fund until each Refund which is the subject of a Refund Certificate acceptable to the Paying Agent has been paid in full. Each Refund payment will occur on the first (1st) of the month, simultaneously with each Monthly Sweep and shall be paid by the Paying Agent prior to the application of such amounts to Debt Service in accordance with Section 4.02(a) hereof.

Section 4.08 Permitted Investments.

(a) Moneys held for the credit of the funds created by or identified in the Wastewater Bond Ordinance shall be continuously invested and reinvested in Permitted Investments or other investments as may be permitted by State law, all of which shall mature, or which shall be subject to prepayment by the holder thereof, at the option of such holder, not later than the date or dates when the moneys held for the credit of the particular fund will be required for purposes intended.

(b) Obligations so purchased as an investment of moneys in any fund shall be deemed at all times to be a part of such fund and the interest accruing thereon and any profit realized from such investments shall be credited to such fund, and any loss resulting from such investment shall be charged to such fund.

Section 4.09 Interest. Interest on the Bond shall not be excludable from gross income for federal income tax purposes. Interest on the Bond shall accrue daily and shall be payable monthly in connection with each Monthly Sweep, commencing on date the initial Disbursement is made by ALWF and continuing each month thereafter for so long as the Bond remains Outstanding. Any interest not paid when due shall be deferred and payable on the next Monthly Sweep.

Section 4.10 Principal. Principal payments will be payable in connection with each Monthly Sweep and the Funding Recovery Ratio Requirements, all in accordance with the provisions of Article III and Article IV hereof, during the Term of the Bond. Notwithstanding the foregoing, no principal payment shall be due if there is no remaining Outstanding principal balance under the Bond. The Paying Agent will maintain a detailed record of all Mandatory Principal Reduction Payments and Mandatory Principal Prepayments applied by the Paying Agent or received from the City in the form set forth in Exhibit G ("Record of Principal Payments"), reflecting all reductions of the principal balance of the Bond.

Section 4.11 Manner of Payment. In accordance with the Paying Agent Agreement, the Paying Agent shall receive, hold, and disburse the Pledged Revenues from the Wastewater Development Fee Fund and the Disbursements from the Bond Improvement Fund, all in accordance with the terms of this Agreement, to pay Debt Service on the Bond and otherwise administer the Flow of Funds and make Disbursements as provided herein.

Disbursements from the Bond Improvement Fund shall be made on the basis of Disbursement Requests submitted to the Paying Agent accompanied by a certificate signed by the Finance Director and the Assistant Finance Director of the City.

Section 4.12 Redemption Provisions.

The City may, at any time, redeem the Bond, in whole or in part (and, if in part, the amounts thereof to be prepaid and as otherwise determined by the City), together with any unpaid interest accrued on the principal so prepaid to the date of such prepayment, prior to the Maturity Date, without penalty, by making an optional prepayment of the principal amount of the Bond Outstanding (each, a "Principal Prepayment"); *provided*, however, that if the entire Commitment Amount of the Bond has not been advanced at the time of any Principal Prepayment, the principal amount of the Bond Outstanding may not be prepaid in full without the prior written consent of ALWF.

Any principal prepaid pursuant to this Section 4.12 shall result in a permanent reduction of the principal amount of the Bond Outstanding and shall not reinstate, restore, or increase the Commitment Amount or the availability of any undrawn Bond proceeds. Each Principal Prepayment pursuant to this Section 4.12 shall be made in connection with a Monthly Sweep and in the principal amount specified by the City in a written notice delivered to ALWF and the Paying Agent at least seven (7) days prior to the date set for such Principal Prepayment, unless otherwise agreed by ALWF. At any time between delivery of such written notice and the applicable optional Principal Prepayment date, the City may, without penalty, rescind its announced optional Principal Prepayment by delivering further written notice to ALWF.

Mandatory Redemption. During the Term, if the Funding Recovery Ratio, as determined pursuant to Section 3.03 hereof, exceeds the Funding Recovery Ratio Maximum Threshold applicable for the prior year, the City shall be required to make a mandatory prepayment of principal on the Bond in the amount of the applicable Mandatory Principal Reduction Payment, in accordance with this Section 4.12. Upon determining that the Funding Recovery Ratio exceeds the applicable Maximum Funding Recovery Ratio, the Paying Agent shall promptly deliver written notice to the City and ALWF (a "Funding Recovery Ratio Failure Notice") within five (5) days, specifying the amount of Mandatory Principal Reduction Payment required to restore the Funding Recovery Ratio to the required threshold.

Within ninety (90) days after receipt of a Funding Recovery Ratio Failure Notice, the City shall make the applicable Mandatory Principal Reduction Payment. Any Mandatory Principal Reduction Payment may be made by the City from the Pledged Revenues or from the proceeds of a refinancing or any other revenues that are not derived from taxes which the City may make available and shall be applied by the Paying Agent exclusively to the Outstanding principal of the Bond, without penalty, and shall not restore or otherwise affect any other portion of the remaining Commitment Amount.

Section 4.13 Fees and Expenses. The City agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse ALWF on demand from time to time, within seven (7) days after receipt of any invoice from ALWF, for any and all fees, costs, charges, and expenses incurred by it (including the fees, costs, and expenses of its legal counsel, financial

advisors, auditors and other consultants and advisors) in connection with the negotiation, preparation, execution, delivery, and performance of this Agreement and the other Wastewater Loan Documents and the transactions hereby and thereby contemplated, including attorneys' and engineers' fees and professional costs, including all such fees, costs, and expenses incurred as a result of or in connection with:

(a) the enforcement of or attempt to enforce, or the protection or preservation of any right or claim under the Pledged Revenues or any provision of this Agreement, the Wastewater Loan Documents, or the rights of ALWF thereunder;

(b) any amendment, modification, waiver, or consent with respect to this Agreement or the Wastewater Loan Documents; and

(c) any work-out, restructuring, or similar arrangement of the obligations of the City under this Agreement or the Wastewater Loan Documents, including during the pendency of any Event of Default.

The obligations of the City under this Section 4.13 shall survive the payment or prepayment in full or transfer of the Bond, the enforcement of any provision of this Agreement or the Wastewater Loan Documents, any amendments, waivers or consents with respect thereto, any Event of Default, and any such workout, restructuring, or similar arrangement.

[END OF ARTICLE IV]

ARTICLE V SPECIAL COVENANTS AND AGREEMENTS

Section 5.01 Affirmative Covenants. The City covenants and agrees as follows until the date the Bond and the other obligations of the City under this Agreement are irrevocably paid in full in immediately available funds, unless ALWF waives compliance in writing:

(a) Pledge. The City shall at any and all times, to the extent permitted by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable in connection with assuring, conveying, granting, assigning, securing and confirming the pledge of the Pledged Revenues granted to ALWF for its benefit pursuant to the Wastewater Bond Ordinance, or intended so to be granted pursuant to the Wastewater Bond Ordinance, or which the City may become bound to grant, and the City shall at all times maintain the Pledged Revenues free and clear of any pledge, security interest, charge or encumbrance thereon or with respect thereto that has priority over, or equal rank with, the pledge created by the Wastewater Bond Ordinance, and all organizational, regulatory or other necessary action on the part of the City to that end shall be duly and validly taken at all times. The City shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues granted pursuant to the Wastewater Bond Ordinance and for the benefit of ALWF under the Wastewater Bond Ordinance against all claims and demands of all Persons whomsoever.

(b) Restrictions on Wastewater Improvements. The City covenants and agrees that, for so long as the Bond remains Outstanding, it shall not allow or permit the use of the Wastewater Development Fee for any purpose other than the Project unless and until all of the Infrastructure Improvements have been completed.

(c) Use of Proceeds. The City shall use the proceeds of the Bond for purposes permitted by applicable law and as otherwise permitted under this Agreement.

(d) Operations and Maintenance. The City shall (i) operate and maintain the Wastewater System in a reasonable and prudent manner and (ii) maintain the Wastewater System in good repair, working order and condition and in accordance with the requirements of all applicable laws and the Wastewater Loan Documents. The City shall at all times do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the Governmental Approvals and any other rights, licenses, franchises, and authorizations material to the conduct of its business.

(e) Insurance. The City shall at all times procure and maintain or cause to be maintained insurance on the Wastewater System, with responsible insurers, or as part of a reasonable system of self-insurance that is adequately funded, in such amounts and against such risks (including damage to or destruction of the Wastewater System) as are customarily maintained in the United States of America with respect to works and properties of like character against accident to, loss of, or damage to such works or properties. All policies of insurance required to be maintained herein shall, to the extent reasonably obtainable, provide that ALWF shall be given thirty (30) days written notice of any intended cancellation thereof or reduction of coverage provided thereby.

(1) The City shall (by self-insuring or maintaining with responsible insurers or by a combination thereof) provide insurance against public liability and property damage to the Wastewater System to the extent reasonably necessary to protect the City.

(2) Promptly upon request by ALWF, the City shall deliver to ALWF copies of any underlying insurance policies obtained by or on behalf of the City in respect of the Infrastructure Improvements, if required. All such policies shall be available at all reasonable times for inspection by ALWF, its agents, and representatives.

(f) Maintain Legal Structure. The City shall maintain its existence as a municipal corporation of the State organized and existing under the laws of the State.

(g) Funds and Accounts.

(1) The City shall maintain the Wastewater Development Fee Fund in accordance with the terms and conditions herein. All Pledged Revenues received shall be deposited into the Wastewater Development Fee Fund when and as received in trust for the benefit of the Bondholder.

(2) The City shall maintain the Bond Improvement Fund in accordance with the terms and conditions herein. All Disbursements shall be made from the Bond Improvement Fund.

(h) Accounting and Audit Procedures. The City shall establish fiscal controls and accounting procedures sufficient to assure proper accounting for all (i) Pledged Revenues, operating expenses, capital expenses, depreciation, reserves, debt issued and outstanding and debt payments and (ii) Project-related costs, Disbursement Requests submitted, Bond proceeds received, and payments made by the City with regard to the Project. The City shall use accounting, audit and fiscal procedures in accordance with "generally accepted governmental accounting standards" defined as, but not limited to, those contained in the U.S. General Accounting Office (GAO) publication "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" (February 27, 1981), with respect to the Bond, accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts outstanding.

(i) Upon reasonable notice, the City shall cooperate fully in the conduct of any periodic or compliance audits conducted by ALWF and shall provide full access to any books, documents, papers or other records that are pertinent to the Infrastructure Improvements or the Bond to ALWF, or the designee thereof, for any such project or programmatic audit.

(j) Access; Records.

(1) The City shall cause proper books, accounts and records to be kept in which complete and correct entries shall be made of all transactions relating to the Pledged Revenues and the proceeds of the Bond, and such books

shall be available for inspection by ALWF at reasonable times and under reasonable circumstances.

(2) So long as the Bond or any portion thereof shall remain Outstanding and until three (3) years after such Bond shall have been paid in full, ALWF shall have the right, upon reasonable prior notice, to examine books of account and records of the City relating to the Infrastructure Improvements, to make copies and extracts therefrom at the City's expense, and to discuss the City's affairs, finances and accounts relating to the Infrastructure Improvements with, and to be advised as to the same by, its officers and employees and its independent public accountants (and by this provision the City irrevocably authorizes its independent public accountants to discuss with ALWF the affairs, finances and accounts of the City, whether or not any representative of the City is present, it being understood that nothing contained in this Section 5.01(j) is intended to confer any right to exclude any such representative from such discussions), all at such reasonable times and intervals as ALWF may request. The City agrees to pay all out-of-pocket expenses incurred by ALWF in connection with ALWF's exercise of its rights under this Section 5.01(j) at any time when an Event of Default has occurred and is continuing.

(3) The City shall maintain and retain all files relating to the Infrastructure Improvements and the Bond until three (3) years after the later of the date on which (i) all rights and duties under this Agreement and the Bond (including payments) have been fulfilled and any required audits have been performed and (ii) any litigation relating to Infrastructure Improvements, the Bond, or this Agreement is finally resolved or, if ALWF has reasonable cause to extend such date, a date to be mutually agreed upon by ALWF and the City. The City shall provide to ALWF in a timely manner all records and documentation relating to the Infrastructure Improvements that ALWF may reasonably request from time to time.

Section 5.02 Additional Affirmative Covenants. The City covenants and agrees to comply with all covenants provided in the Wastewater Loan Documents until the date the Bond and the other obligations of the City under this Agreement are irrevocably paid in full in immediately available funds, unless ALWF waives compliance in writing:

(a) Notices. The City shall, within fifteen (15) Business Days after the City learns of the occurrence, give ALWF notice of any of the following events or receipt of any of the following notices, as applicable, setting forth details of such event:

(1) Defaults; Events of Default: any default or Event of Default;

(2) Litigation: (1) the filing of any litigation, suit or action, or the commencement of any proceeding, against the City before any arbitrator, Governmental Authority, alternative dispute resolution body, or other neutral third-party, or the receipt by the City in writing of any threat of litigation, suit, action, or proceeding, or of any written claim against the City, and any material

changes in the status of such litigation, suit, action or claim, and (2) any judgments against the City related to the Wastewater System with award amounts in excess of an amount equal to five percent (5%) of the gross revenues of the Wastewater System, either individually or in the aggregate;

(3) Amendments: except as otherwise agreed by ALWF in writing, copies of fully executed amendments of the Wastewater Loan Documents; *provided* that such copies shall be delivered within ten (10) Business Days following execution of such document;

(4) Uncontrollable Force: the occurrence of any Uncontrollable Force that could reasonably be expected to materially and adversely affect the Infrastructure Improvements; *provided* that, except as otherwise agreed by ALWF in writing, such notice shall be delivered within thirty (30) days following the City becoming aware of such occurrence; and

(5) Issuance of Obligations: upon the issuance of any obligation related to the Wastewater System, such notice to be accompanied by copies of any ordinances and/or official statements (together with any continuing disclosure documents issued in connection therewith) prepared in connection with the incurrence of such obligation.

(b) Requested Information. The City shall, at any time while the Bond remains Outstanding, promptly deliver to ALWF such additional information regarding the business, financial, legal or organizational affairs of the City with respect to the Wastewater System or the Pledged Revenues as ALWF may from time to time reasonably request.

Section 5.03 Negative Covenants. The City covenants and agrees as follows until the date the Bond and the other obligations of the City under this Agreement are irrevocably paid in full in immediately available funds, unless ALWF waives compliance in writing:

(a) Indebtedness. The City shall not create, incur, or permit to exist any indebtedness secured by the Pledged Revenues while the Bond is Outstanding.

(b) No Pledge Extinguishment. The City shall not, and shall not permit any Person to, without the prior written consent of ALWF, extinguish or impair the pledge of ALWF in the Pledged Revenues.

(c) No Adverse Amendments. The City shall not, and shall not permit any Person, without the prior written consent of ALWF, to: (i) amend, modify, replace or supplement the Wastewater Loan Documents in a manner that could reasonably be expected to result in a Material Adverse Effect, except for termination, assignment, amendment, modification or waiver that could not reasonably be expected to result in a Material Adverse Effect. Except as otherwise agreed by ALWF in writing, the City shall provide to ALWF complete, correct and fully executed copies of any amendment, modification, or supplement to the Wastewater Loan Documents within ten (10) Business Days after the execution thereof.

(d) No Additional Pledge of Pledged Revenues. The City shall not create, incur, assume, or permit to exist any additional pledges of the Pledged Revenues.

(e) Restricted Payments and Transfers. The City shall not permit Pledged Revenues or any funds in any accounts held under the Wastewater Ordinances to be paid or transferred or otherwise applied for other purposes except (a) as permitted pursuant to the Wastewater Loan Documents or (b) with the consent of ALWF, which consent shall be in ALWF's sole discretion.

(f) No Prohibited Sale, Lease or Assignment. The City shall not sell, lease, or assign its rights in and to the Wastewater System or a substantial portion of the assets included in the Wastewater System.

(g) No Assignment of Rights or Obligations. The City shall not assign its rights or obligations hereunder without the prior written consent of ALWF.

(h) Fiscal Year. The City shall not at any time adopt any fiscal year other than the City's Fiscal Year, except with thirty (30) days' prior written notice to ALWF.

(i) Mergers and Acquisitions. The City shall not, and shall not agree to, reorganize, consolidate with or merge into another Person unless (i) such reorganization, merger or consolidation is with or into another entity established by State law and such reorganization, merger or consolidation is mandated by State law, and in each case, does not adversely affect or impair to any extent or in any manner (A) the Pledged Revenues or (B) the availability of the Pledged Revenues for the payment and security of the obligations of the City under this Agreement; and (ii) the City provides to ALWF, no later than sixty (60) days prior to the date of reorganization, consolidation or merger, prior written notice of such reorganization, consolidation or merger and the agreements and documents authorizing the reorganization, consolidation or merger, satisfactory in form and substance to ALWF. In addition, the City shall provide all information concerning such reorganization, consolidation or merger as shall have been reasonably requested by ALWF.

(j) Hedging. The City shall not enter into any swap or hedging transaction, including inflation indexed swap transactions, "cap" or "collar" transactions, futures, or any other hedging transaction with respect to the Pledged Revenues without the prior written consent of ALWF.

(k) No Impairment of Rights. The City shall not enter into any contract or contracts, nor take any action, the results of which might materially impair the rights of the Bondholder.

[END OF ARTICLE V]

**ARTICLE VI
FINANCIAL COVENANTS**

Section 6.01 Funding Recovery Ratio Maximum Threshold.

(a) Disbursements are subject to the City's compliance with the Funding Recovery Ratio Requirements throughout the Term. The Funding Recovery Ratio Maximum Thresholds are reflected in the Funding Recovery Ratio analysis below.

Years	Funding Recovery Ratio Maximum Thresholds – "Not to Exceed"
2027	34.62
2028	27.13
2029	17.79
2030	14.10
2031	11.22
2032	9.83
2033	8.08
2034	7.14
2035	5.91
2036	5.31
2037	4.40
2038	3.65
2039	3.03
2040	2.53
2041	2.12
2042	1.78
2043	1.51
2044	1.28
2045	1.10
2046	0.94

Section 6.02 Annual Financial Statements of City. The City shall deliver to ALWF, as soon as available, but no later than one hundred eighty (180) days after the end of the City Fiscal Year: a copy of the audited income statement and balance sheet of the City as of the end of such City Fiscal Year and the related audited statements of operations and of cash flow of the City for such City Fiscal Year, which shall: (A) set forth, in each case in comparative form, the figures for the previous City Fiscal Year, (B) be certified without qualification or exception, or qualification as to the scope of the audit, by an independent public accounting firm selected by the City, and (C) be complete and correct in all material respects and prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except, with respect to the annual Financial Statements, for changes approved or required by the independent public accountants certifying such statements and disclosed therein) (the "Financial Statements"); and together with each delivery of such annual audited Financial Statements, a certificate signed by the chief executive officer or chief financial officer of the City or the City's Authorized Representative stating whether or not, to the City's knowledge, during the annual period covered

by such Financial Statements, there occurred any default or Event of Default and, if any such default or Event of Default shall have occurred during such period, the nature of such default or Event of Default and the actions that the City has taken or intends to take in respect thereof; *provided, however,* that the City's failure to deliver to ALWF the Financial Statements required by this Section 6.02 within such 180-day period shall not constitute an Event of Default so long as the City delivers such Financial Statements by not later than the following [_____].

Section 6.03 Reporting. During the Term, ALWF shall have the right, in its sole discretion, to monitor the Infrastructure Improvements. The City agrees to cooperate in good faith with ALWF and its agents in the conduct of such monitoring and to promptly provide any reports, documentation, or other information reasonably requested by ALWF or its agents, including, without limitation, any independent engineer reports, financial documentation, or other relevant information.

Section 6.04 Annual Budget. The City shall provide to ALWF not later than ninety (90) days after the beginning of each City Fiscal Year an annual budget for the Wastewater System as approved by the City Council (an "Annual Budget"), setting forth the City's capital improvement plan, major maintenance plan, projected rates and charges, projected debt outstanding and annual debt service, and projected operating expenses for a reasonable projection period consistent with the City's operating and financial planning.

[END OF ARTICLE VI]

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES

Section 7.01 Events of Default. Any one of the following which occurs and continues shall constitute an "Event of Default"

(a) Payment Default. The City shall fail to pay Debt Service when due pursuant to Section 4.04 or any other amount due to ALWF under this Agreement, and such failure continues for a period of five (5) days (each such failure, a "Payment Default").

(b) Covenant Default. The City shall fail to observe or perform any covenant, agreement or obligation of the City under this Agreement and the Bond, or any Wastewater Loan Document (other than in the case of any Payment Default), and such failure shall not be cured within thirty (30) days after the earlier to occur of (A) receipt by the City from ALWF of written notice thereof or (B) the City's knowledge of such failure; *provided, however*, that if such failure is capable of cure but cannot reasonably be cured within such thirty (30) day cure period, then no Event of Default shall be deemed to have occurred or be continuing under this Section 7.01(b), and such thirty (30) day cure period shall be extended by up to one hundred fifty (150) additional days, if and so long as (x) within such thirty (30) day cure period the City shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured and (y) such failure is cured within one hundred eighty (180) days of the date specified in either (A) or (B) above, as applicable.

(c) Misrepresentation Default. Any of the representations, warranties or certifications of the City made in or delivered pursuant to this Agreement (including any made in the Disbursement Certificate or in any other certificate delivered by the City in connection this Agreement) shall prove to have been false or misleading in any material respect when made or deemed made (or any representation and warranty that is subject to a materiality qualifier shall prove to have been false or misleading in any respect); *provided* that no Event of Default shall be deemed to have occurred if and so long as (A) such misrepresentation is not intentional, (B) such misrepresentation is not a misrepresentation, (C) in the reasonable determination of ALWF, such misrepresentation has not had, and would not reasonably be expected to result in, a Material Adverse Effect, (D) in the reasonable determination of ALWF, the underlying issue giving rise to the misrepresentation is capable of being cured, (E) the underlying issue giving rise to the misrepresentation is cured by the City within thirty (30) days from the date on which the City first became aware (or reasonably should have become aware) of such misrepresentation, and (F) the City diligently pursues such cure during such thirty (30) day period.

(d) Material Adverse Judgment. Any final, non-appealable judgment related to the Pledged Revenues, the Wastewater System or the Infrastructure Improvements that has a Material Adverse Effect is entered against the City.

(e) Occurrence of a Bankruptcy Related Event. A Bankruptcy Related Event shall occur with respect to the City.

(f) Invalidity of Agreement. (A) This Agreement ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes

void, voidable, illegal or unenforceable or the City contests in any manner the validity or enforceability of this Agreement to which it is a party or denies it has any further liability under this Agreement to which it is a party, or purports to revoke, terminate or rescind this Agreement to which it is a party; (B) any Wastewater Loan Document ceases (other than as expressly permitted thereunder) to be effective or to grant a valid and binding security interest on any material portion of the Pledged Revenues other than as a result of actions or a failure to act by; or (C) any event occurs that results in the material impairment in priority the pledge of the Pledged Revenues in favor of the Bondholder.

(g) Upon the occurrence of any Bankruptcy Related Event under this Agreement with respect to the disbursement of any undisbursed amounts of the Bond shall automatically be deemed terminated, and the principal amount of the Bond Outstanding, together with all interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under this Agreement and the Bond shall automatically become immediately due and payable, without presentment, demand, notice, declaration, protest or other requirements of any kind, all of which are hereby expressly waived. Following the occurrence of a Bankruptcy Related Event, ALWF shall have the right to inspect any and all records related to transfers of funds by the City, and the City shall deliver to ALWF (or give ALWF access to) any such records as ALWF may request so as to permit ALWF to ensure that the City is treating the Bond as a senior obligation in all respects, including in respect of priority of payments.

Section 7.02 Remedies. Upon the occurrence of any Event of Default, ALWF, by written notice to the City, may exercise any or all of the following remedies:

(i) ALWF may suspend or terminate all of its obligations hereunder with respect to the disbursement of any undisbursed amounts of the Bond;

(ii) ALWF may apply the Default Rate provisions of Section 3.04 hereof with respect to interest on the Bond;

(iii) ALWF shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid under this Agreement and the Bond, or the Wastewater Loan Documents, and may prosecute any such judgment or final decree against the City and collect in the manner provided by law out of the Pledged Revenues, and ALWF shall have all of the rights and remedies of a creditor, and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by City from the Pledged Revenues under this Agreement and the Bond then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the City under this Agreement, the Wastewater Ordinances, the Bond, or the other applicable Wastewater Loan Documents; and/or

(iv) ALWF shall be entitled to exercise rights of acceleration.

(b) Upon the occurrence of an Event of Default, (i) ALWF may exercise any or all of the remedies provided herein and (ii) the City shall comply with any or all of the remedies provided herein.

(c) No action taken pursuant to this Section 7.02 shall relieve City from its obligations pursuant to this Agreement and the Bond, all of which shall survive any such action.

Section 7.03 Agreement to Pay Attorneys' Fees and Expenses. In the event the City should default under any of the provisions of this Agreement and ALWF should employ attorneys or incur other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligation or agreement on the part of the City herein contained, the City agrees to pay to ALWF the reasonable and documented fees of such attorneys and such other reasonable and documented out-of-pocket expenses so incurred by ALWF.

Section 7.04 No Remedy Exclusive. No remedy herein conferred upon or reserved to ALWF is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle ALWF to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Agreement or by applicable law.

Section 7.05 No Additional Waiver Implied by One Waiver. In the event any agreement or covenant contained in this Agreement should be breached by the City and thereafter waived by ALWF, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

[END OF ARTICLE VII]

ARTICLE VIII
CONDITIONS PRECEDENT TO EFFECTIVE DATE

Section 8.01 Conditions Precedent to Effectiveness of this Agreement.

Notwithstanding anything in this Agreement to the contrary, this Agreement shall not become effective until each of the following conditions precedent has been satisfied or waived in writing by ALWF in its sole discretion:

(a) The City shall have duly executed, if applicable, and delivered to ALWF (A) this Agreement, (B) the Bond, and (C) the Paying Agent Agreement, each in form and substance satisfactory to ALWF.

(b) The City shall have delivered to ALWF complete and fully executed copies of the Wastewater Ordinances, together with any amendments, waivers or modifications thereto, that has been entered into on or prior to the Effective Date, along with a certification that each such document is complete, fully executed and in full force and effect, and that all conditions contained in such documents that are necessary to the Effective Date of the transactions contemplated hereby have been fulfilled.

(c) The City shall have duly executed and delivered to ALWF the Bond relating to the Wastewater Infrastructure PRI, in form and substance satisfactory to ALWF.

(d) The City shall have delivered to ALWF (A) a copy of its Organizational Documents, as in effect on the Effective Date (and certified by the Secretary of State of the State, to the extent applicable), along with a certification that such Organizational Documents are in full force and effect; and

(e) All further instruments and documents (including any resolutions, ordinances, and supplements other than the Wastewater Ordinances) as are necessary for the City to execute and deliver, and to perform its obligations under, this Agreement to which it is a party and to consummate and implement the transactions contemplated by this Agreement.

(f) The City shall have delivered its Financial Statements for its most recent Fiscal Year end for which such Financial Statements are available.

(g) The City shall have paid in full all invoices delivered by ALWF to the City as of the Effective Date for the fees and expenses of ALWF's counsel and financial advisors and any auditors or other consultants retained by ALWF for the purposes hereof.

(h) The City shall have delivered such other agreements, documents, instruments, opinions, and other items reasonably required by ALWF, all in form and substance satisfactory to ALWF.

(i) The City shall have delivered to ALWF a certificate, signed by the City's Authorized Representative (A) designating the City's Authorized Representative, (B) confirming such representative's position and incumbency, (C) making certain certifications provided in such certificate, and (D) certifying as to the satisfaction of the following conditions precedent: the City is authorized, pursuant to Ark. Code. Ann. §14-56-103 to pledge and assign the Pledged Revenues

purported to be pledged, assigned, and granted in connection with the Bond pursuant to this Agreement, without the need for notice to any Person, physical delivery, recordation, filing or further act.

(j) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the date of the Effective Date as if made on the date of the Effective Date, and (ii) the City has complied with all agreements and covenants and satisfied all conditions on its part to be complied with or satisfied at or prior to the Effective Date.

(k) Counsel to the City shall have rendered to ALWF an opinion of Bond Counsel satisfactory to ALWF in its sole discretion dated the date of the Effective Date, attached hereto as Exhibit D, in form and substance satisfactory to ALWF, to the effect that, among other things:

(1) the City is duly created and validly existing as a city of the State of Arkansas, with the power to adopt the Wastewater Bond Ordinance, perform the agreements on its part contained in the Wastewater Bond Ordinance, to establish and adjust the Wastewater Development Fee and pledge the Pledged Revenues, and issue the Bond, all in accordance with the provisions of the Loan Agreement;

(2) the Bond has been duly authorized and issued by the City and is a valid and binding special obligation of the City enforceable in accordance with its terms;

(3) the Bond is secured by irrevocable, first, prior and exclusive pledge of and lien on the Pledged Revenues, which are comprised of the Wastewater Development Fee, have been duly fixed under A.C.A. § 14-56-103 and the Wastewater Development Fee Ordinance and have been duly and irrevocably pledged to secure the repayment of the principal amount of the Bond Outstanding issued pursuant to the Wastewater Bond Ordinance as provided in the Wastewater Bond Ordinance, which pledge is valid and enforceable;

(4) the pledge of and lien on the Pledged Revenues to secure the repayment of the principal amount of the Bond Outstanding under the Bond constitutes an irrevocable, first, prior and exclusive pledge of and lien on the Pledged Revenues as provided in the Wastewater Bond Ordinance;

(5) the Wastewater Improvements and the Pledged Revenues are not subject to the lien of any bond ordinance under which the City has issued or will issue debt secured by the revenues generated by the Wastewater System;

(6) this Agreement and the other Wastewater Loan Documents have been authorized, executed and delivered by the City and is a binding and enforceable agreement or obligation of the City enforceable in accordance with its terms;

(7) the Wastewater Ordinances have been duly adopted by the City and the Wastewater Bond Ordinance constitutes a legal, valid and binding obligation of the City enforceable in accordance with its terms;

(8) the interest on the Bond is exempt from all Arkansas state, county, and municipal taxes; and

(9) covering such other matters as may be reasonably requested by ALWF, in form and substance satisfactory to ALWF.

(l) Two counterpart originals of a transcript of all proceedings relating to the authorization and issuance of the Bond and the adoption of the Wastewater Development Fee Ordinance;

(m) Certificates of insurance (or a statement of self-insurance) for the Infrastructure Improvements along with a certification that each such insurance certificate or statement of self-insurance is true and correct and demonstrates compliance with the requirements of Section 5.01(e).

(n) Such additional legal opinions, certificates, proceedings, instruments, and other documents as the City, and Bond Counsel may reasonably request to evidence compliance by the City with legal requirements, the truth and accuracy, as of the time of Effective Date, of the representations of the City herein contained, and the due performance or satisfaction by the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the City.

All of the opinions, letters, certificates, instruments, and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to ALWF. The performance of any and all obligations of the City under this Agreement and the performance of any and all conditions contained herein for the benefit of ALWF may be waived by ALWF in its sole discretion.

Section 8.02 Conditions Precedent to Disbursements.

(a) Notwithstanding anything in this Agreement to the contrary, ALWF's obligation to make any Disbursement to the City (including the initial Disbursement made by ALWF hereunder) is subject to the satisfaction or ALWF's written waiver, of each of the conditions precedent to Disbursements set forth herein.

(b) The City shall have provided to ALWF evidence satisfactory to ALWF that the aggregate amount of all Disbursements do not then exceed (1) the Commitment Amount, (2) the actual amount of the Eligible Project Costs paid or incurred by the City, and (3) the cumulative Disbursements per basin per year in the Disbursement Schedule.

(c) The City shall have paid in full (A) any outstanding fees due and payable under Section 4.13 and (B) all invoices received from ALWF as of the date of each Disbursement for the fees and expenses of ALWF's counsel or other consultants retained by ALWF for the purposes of the Wastewater Infrastructure PRI.

(d) The City shall have delivered such other documents and other items as are reasonably required by ALWF, each in form and substance satisfactory to ALWF.

(e) The City shall have delivered to ALWF and the Paying Agent a Disbursement Request that complies with the provisions of Section 3.02.

[END OF ARTICLE VIII]

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ARTICLE IX NON-LIABILITY OF CITY; EXPENSES

Section 9.01 Disclaimer of Warranty. In no event shall ALWF be liable for any incidental, indirect, special or consequential damages incidental to or arising out of this Agreement or the Infrastructure Improvements or the existence, furnishing, functioning or use of the Infrastructure Improvements or any item or products or services provided for in this Agreement.

Section 9.02 No Personal Recourse. No official, employee or agent of ALWF or the City or any Person executing this Agreement shall be personally liable under this Agreement by reason of the issuance, delivery, or execution hereof or thereof.

Section 9.03 No Third Party Rights. The parties hereby agree that this Agreement creates no third party rights against the City or ALWF, solely by virtue of the Wastewater Infrastructure PRI, and that no third party creditor of the City shall have any right against ALWF with respect to the Wastewater Infrastructure PRI made pursuant to this Agreement.

Section 9.04 City Authorized Representative. The City shall at all times have appointed a City Authorized Representative by designating such Person or Persons from time to time to act on the City's behalf pursuant to a written certificate furnished to ALWF, containing the specimen signature or signatures of such Person or Persons and signed by the City.

Section 9.05 RESERVED.

Section 9.06 Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the parties hereto and their permitted successors and assigns. Neither the City's rights or obligations under this Agreement or the Bond nor any interest herein or therein may be assigned or delegated by the City without the prior written consent of ALWF.

Section 9.07 Remedies Not Exclusive. No remedy conferred or reserved to ALWF under this Agreement or the Bond is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereunder or now or hereafter existing at law or in equity or by statute.

[END OF ARTICLE IX]

**ARTICLE X
MISCELLANEOUS**

Section 10.01 Notices. Notices hereunder shall be (a) in writing, (b) effective as provided below and (c) given by (i) nationally recognized courier service, (ii) hand delivery, or (iii) email, in each case to:

To the City:

City of Bentonville, Arkansas
305 SW "A" Street
Bentonville, Arkansas 72712
Attn: Mayor

With a copy to counsel:

[]

To ALWF:

Alice L. Walton Foundation
[]
Bentonville, Arkansas 72712
Attn: []

With a copy to counsel:

[]

The City and ALWF, may, by notice given hereunder, designate any different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 10.02 Severability. If any provision of this Agreement shall be held or deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

Section 10.03 Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.04 Amendments, Changes and Modifications. Except as otherwise provided in this Agreement, this Agreement may not be effectively amended, changed, modified, altered, or terminated except by the written agreement of the City and ALWF.

Section 10.05 Governing Law. This Agreement shall be construed in accordance with and governed by the Constitution and laws of the State applicable to contracts made and performed in the State. It is the intention of the parties that the substantive law of the State govern as to all questions of interpretation, validity, and effect.

Section 10.06 Actions by City. Any action which may be taken by the City hereunder shall be deemed sufficiently taken if taken on its behalf by its Mayor, City Clerk, Finance Director and Assistant Finance Director, or by any other member, director, officer or agent whom it may designate from time to time.

Section 10.07 Survival. This Agreement shall terminate upon the irrevocable payment in full in immediately available funds by the City of the principal amount of the Bond Outstanding, together with all accrued interest, fees and expenses with respect thereto; *provided, however*, the payment requirements of Section 4.12 and Section 7.04 shall survive the termination of this Agreement as provided in such Sections.

Section 10.08 Complete Agreement. The parties agree that the terms and conditions of this Agreement supersede those of all previous agreements between the parties, and that this Agreement, together with the documents referred to in this Agreement, contains the entire agreement between the parties hereto.

Section 10.09 Business Days. If any payment is to be made hereunder or any action is to taken hereunder on any date that is not a Business Day, such payment or action otherwise required to be made or taken on such date shall be made or taken on the immediately succeeding Business Day with the same force and effect as if made or taken on such scheduled date and as to any payment; provided, any such payment is made on such succeeding Business Day.

Section 10.10 Effectiveness. This Agreement shall be effective on the Effective Date.

Section 10.11 Limitation on Liability of the City. The Bond is payable from the Pledged Revenues pledged for the benefit of the Bondholder. The Bond and the interest thereon do not represent or constitute an indebtedness of the City within the meaning of the provisions of the constitution or statutes of the State or a pledge of the faith and credit of the City. The Bond shall never give rise to a charge against the City's general credit or taxing power and no funds derived from the City's taxes are pledged to pay the Bond. The Bond is a limited obligation of the City payable from the Pledged Revenues pursuant to this Agreement and the Wastewater Bond Ordinance. The Bond is not a lien or charge upon the funds or property of the City or any member of the City, except to the extent of the aforementioned. No recourse shall be had for the payment of the Bond against any elected or appointed officer, official, employee or agent of the City or any Person executing the Bond. Nothing herein shall require the City to pay the principal of and interest on the Bond from sources other than the Pledged Revenues, but nothing herein shall prohibit the City from doing so with other revenues that are not derived from taxes.

Section 10.12 Limited Role. ALWF is not a partner, joint venturer, or in any other way a party to the Wastewater Improvements or the operation of the wastewater facilities of the City. ALWF shall in no way be liable or responsible by reason of the provisions hereof to the City or any third party for the payment of any claims in connection therewith.

[END OF ARTICLE X]

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the City and ALWF has caused this Wastewater Infrastructure PRI Loan Agreement to be executed in their respective names by a duly authorized representative of each of the City and ALWF all as of the date first above written.

CITY OF BENTONVILLE, ARKANSAS

By _____
Name: Stephanie Orman
Title: Mayor

ALICE L. WALTON FOUNDATION

By _____
Name:
Title:

[EXHIBITS TO BE ATTACHED]

DRAFT

DRAFT

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A WASTEWATER DEVELOPMENT FEE REVENUE BOND; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND; AUTHORIZING A LOAN AGREEMENT BETWEEN THE CITY AND THE ALICE L. WALTON FOUNDATION; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the City Council of the City of Bentonville, Arkansas (the "City") has determined that the City is in need of improvements to the City's wastewater system to expand or enhance the capacity for wastewater service to new developments (the "Wastewater Improvements"); and

WHEREAS, the City has imposed wastewater development fees for new development ("Wastewater Development Fees") pursuant to Ordinance No. ____ of the City, adopted _____, 2025 (the "Wastewater Development Fee Ordinance") and Arkansas Code of 1987 Annotated Section 14-56-103 (collectively, the "Wastewater Development Fees"); and

WHEREAS, the City Council has determined that the City can finance all or a portion of the costs of certain of the Wastewater Improvements including particularly, without limitation, a combination of interceptor system upgrades and lift stations as further described in the hereinafter defined Report (the "Financed Project") by issuing its Wastewater Development Fee Revenue Bond in the maximum principal amount of \$239,000,000 (the "bond"); and

WHEREAS, the Alice L. Walton Foundation ("ALWF") has offered to make a Program Related Investment (PRI) in the form of a draw down non-revolving line of credit loan (the "PRI Loan") to be evidenced by the bond, the proceeds of which will be used to pay the costs of the Financed Project, pursuant to and subject to the terms set forth in the Wastewater Infrastructure PRI Loan Agreement between the City and ALWF (the "Loan Agreement"), which has been presented to and is before this meeting; and

WHEREAS, the PRI Loan shall be secured solely by and payable from nonrefundable revenues to be generated by the Wastewater Development Fees, including any late fees, penalties and interest earnings thereon (the "Pledged Revenues") all pursuant to the terms and conditions of the Loan Agreement;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Bentonville, Arkansas:

Section 1. The offer of ALWF to make the PRI Loan to the City pursuant to the Loan Agreement is hereby accepted upon the terms set forth in the Loan Agreement. The Mayor is hereby authorized and directed to execute and deliver the Loan Agreement for and on behalf of the City and to take all action required on the part of the City to fulfill its obligations

under the Loan Agreement. The City covenants to comply with all of the terms and provisions of the Loan Agreement. The Loan Agreement is hereby approved in substantially the form submitted to this meeting with such changes as may be approved by the Mayor, her execution to constitute complete evidence of such approval. A copy of the Loan Agreement shall be filed in the office of the City Clerk where it may be inspected by any interested person.

Section 2. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated, a City of Bentonville, Arkansas Wastewater Development Fee Revenue Bond is hereby authorized and ordered issued in the maximum principal amount of \$239,000,000 for the purpose of evidencing the PRI Loan, the proceeds of which would finance all or a portion of the costs of accomplishing the Financed Project and paying necessary expenses in connection with the authorization and issuance of the bond. The bond shall mature on the date that is 20 years from the date of issuance and shall bear interest at the rate of 5% per annum based upon a 360-day year of twelve consecutive 30-day months.

The bond shall be dated the date of its delivery to ALWF. Interest on the bond shall accrue daily based on the daily outstanding balance of the bond. Payments of interest only on the bond shall commence on the 1st day of the month after the initial draw on the bond by the City and continue on the 1st day of each month thereafter so long as any principal amount is outstanding under the bond. Principal payments will be due on the 1st day of each month during the term of the bond in the amount of the balance remaining in the Wastewater Development Fee Fund identified in Section 7 hereof after the payment of all accrued and unpaid interest for each such month, provided, however, annual principal payments shall be due and payable by the City in accordance with the Funding Recovery Ratio (as defined in the bond) restrictions set forth in the bond and the Loan Agreement. Notwithstanding the foregoing, no principal payment shall be due to the extent there is no remaining outstanding principal balance under the bond.

Payment of principal and interest on the bond shall be by electronic transfer from the Wastewater Development Fee Fund identified in Section 7 hereof to ALWF in any coin or currency of the United States of America which, as at the time of payment, shall be legal tender for the payment of debts due the United States of America. When the principal of and interest on the bond have been fully paid, it shall be canceled and delivered to the City Clerk.

Section 3. The bond shall be subject to optional and mandatory prepayment prior to maturity in accordance with the terms set out in the form thereof in Section 5 hereof.

Section 4. The bond shall be executed on behalf of the City by the Mayor and City Clerk and shall have impressed thereon the seal of the City. The bond is secured solely by the Pledged Revenues, all pursuant to the terms and conditions of the Loan Agreement and this Ordinance. The Pledged Revenues are hereby pledged and mortgaged for the payment of the principal of and interest on the bond. The pledge of Pledged Revenues in favor of the bond is and shall, at all times during the term of the bond remain, an irrevocable, first, prior and exclusive pledge of and lien against the Pledged Revenues. The bond and interest thereon shall not constitute an indebtedness of the City within any constitutional or statutory limitation. The bond shall never give rise to a charge against the City's general credit or taxing power and no funds derived from

the City's taxes are pledged to pay the bond. In addition, the bond is not an obligation of the City's combined electric, water and sewer system (the "System") and the revenues of the System are not in any way pledged to pay the bond. Nothing herein shall require the City to pay the principal of and interest on the bond from sources other than the Pledged Revenues, but nothing herein shall prohibit the City from doing so with other revenues that are not derived from taxes.

Section 5. The bond shall be in substantially the following form and the Mayor and City Clerk are hereby expressly authorized and directed to make all recitals contained therein:

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF BENTON
CITY OF BENTONVILLE
WASTEWATER DEVELOPMENT FEE REVENUE BOND

Interest Rate: 5.0% per annum

Maximum Principal Amount: \$239,000,000

Maturity Date: _____

KNOW ALL MEN BY THESE PRESENTS:

That the City of Bentonville, Benton County, Arkansas (the "City"), for value received, hereby acknowledges itself to owe and promises to pay to the Alice L. Walton Foundation, or its assigns (the "Holder"), the principal sum of

TWO HUNDRED THIRTY-NINE MILLION DOLLARS
(or the total principal amount outstanding as reflected
by the Record of Payment of Advances attached hereto)

on the Maturity Date, with interest on the unpaid balance of the total principal amount at the Interest Rate.

The principal and interest shall be payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America. Interest on this bond shall accrue daily based on the daily outstanding balance of this bond. Payments of interest only on this bond shall commence on the 1st day of the month after the initial draw on this bond by the City and continue on the 1st day of each month thereafter so long as any principal amount is outstanding under this bond.

Principal payments will be due on the 1st day of each month during the term of this bond in the amount of the balance remaining in the Wastewater Development Fee Fund identified in the Authorizing Ordinance (hereinafter identified) after the payment of all accrued and unpaid interest for each such month, provided, however, annual principal payments shall be due and payable by the City in accordance with the Funding Recovery Ratio (as hereinafter defined) restrictions set forth herein and in the Loan Agreement. Notwithstanding the foregoing,

no principal payment shall be due to the extent there is then no remaining outstanding principal balance under this bond.

Payments of interest and principal will be made by Arvest Bank (the "Paying Agent"), on behalf of the City, from moneys in the Wastewater Development Fee Fund created under the Authorizing Ordinance as follows: first to accrued interest and second to the remaining outstanding principal balance of this bond. In addition, any annual principal payments due in years 11-20 of the term of this bond pursuant to the Funding Recovery Ratio restrictions will be paid by the Paying Agent from available funds in the Wastewater Development Fee Fund identified in the Authorizing Ordinance, the proceeds of a refinancing or any other revenues that are not derived from taxes which the City may make available.

This bond is issued for the purpose of financing all or a portion of the costs of certain improvements to the City's wastewater system to expand or enhance the capacity for wastewater service to new developments and paying necessary expenses in connection with the authorization and issuance of this bond.

This bond is issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated, and pursuant to Ordinance No. _____ of the City, duly adopted on _____, 2025 (the "Authorizing Ordinance"), and does not constitute an indebtedness of the City within any constitutional or statutory limitation. This bond is not a general obligation of the City but is a special obligation secured solely by an irrevocable, first, prior and exclusive pledge of and lien on the nonrefundable revenues received by the City that are derived from the payment of wastewater development fees established by Ordinance No. _____ of the City, duly adopted on _____, 2025, as it may be amended from time to time, including any late fees, penalties and interest earnings thereon (the "Pledged Revenues"). The Pledged Revenues shall be deemed to be a special source for the payment of this bond. This bond shall never give rise to a charge against the City's general credit or taxing power and no funds derived from the City's taxes are pledged to pay this bond. In addition, this bond is not an obligation of the City's combined electric, water and sewer system (the "System") and the revenues of the System are not in any way pledged to the payment of this bond. All of the Pledged Revenues have been duly pledged and will be set aside into the Wastewater Development Fee Fund created under the Authorizing Ordinance to pay the principal of and interest on this bond. Reference is hereby made to the Authorizing Ordinance and the PRI Loan Agreement between the City and ALWF (the "Loan Agreement") for a detailed statement of the terms and conditions upon which this bond is issued, of the nature and extent of the security for this bond, and the rights and obligations of the City and the Holder. Nothing herein or in the Authorizing Ordinance shall require the City to pay the principal of and interest on this bond except from the Pledged Revenues, but nothing herein or in the Authorizing Ordinance shall prevent the City from doing so with other revenues that are not derived from taxes.

This bond is subject to prepayment at the option of the City, in whole or in part, at any time at a prepayment price equal to the principal amount being prepaid plus all accrued interest to the prepayment date; provided, however, if the entire Maximum Principal Amount of this bond

has not been advanced at the time of prepayment, the outstanding principal amount may not be prepaid in full without the prior written consent of the Holder.

For purposes of this paragraph, the Funding Recovery Ratio shall be calculated by the City and ALWF as of January 1, 2036 and as of January 1 of each year thereafter (each a "Calculation Date"). If the Funding Recovery Ratio exceeds the Funding Recovery Ratio Maximum Threshold (as set forth below) as of a Calculation Date, then the City, within 90 days after the Calculation Date, shall, unless waived in writing by ALWF, either (a) make such additional principal payments needed to restore the Funding Recovery Ratio to within the permitted Funding Recovery Ratio Maximum threshold or (b) repay all then outstanding amounts under this bond in whole from available funds in the Wastewater Development Fee Fund, the proceeds of a refinancing or any other revenues that are not derived from taxes which the City may make available. As used herein, (a) "Funding Recovery Ratio" is the quotient of (i) the total principal amount advanced under this bond as of each Calculation Date and (ii) the total principal paid on this bond by the City as of each Calculation Date and (b) "Funding Recovery Ratio Maximum Threshold" is as follows:

Calculation Date (January 1)	Funding Recovery Ratio Maximum Threshold
2036	5.31
2037	4.40
2038	3.65
2039	3.03
2040	2.53
2041	2.12
2042	1.78
2043	1.51
2044	1.28
2045	1.10
2046	0.94

Notice of prepayments identifying this bond or portions hereof to be prepaid in calendar years 2036 through 2046 shall be given by the City, not less than 10 nor more than 60 days prior to the date fixed for prepayment, by sending a copy of the prepayment notice by first class mail, postage prepaid, or by other standard means, including electronic or facsimile communication, to the Holder and the Paying Agent.

This bond is issued with the intent that the laws of the State shall govern its construction.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this bond do exist, have happened and have been performed in due time, form and manner as required by law; that the indebtedness represented by this bond does not exceed any constitutional or statutory limitation; and that the Pledged Revenues pledged to the payment of the principal of

and interest on this bond as the same become due and payable will be sufficient in amount for that purpose.

IN WITNESS WHEREOF, the City of Bentonville, Arkansas has caused this bond to be executed by its Mayor and City Clerk, and its corporate seal to be impressed on this bond, all as of _____, 2026.

CITY OF BENTONVILLE, ARKANSAS

ATTEST:

By _____
Mayor

City Clerk

(SEAL)

Section 6. (a) The City has established Wastewater Development Fees pursuant to the Wastewater Development Fee Ordinance. Except as provided in (b) below, beginning January 1, 2027, and each January 1 thereafter, the Wastewater Development Fees shall increase without further action by the City Council, in accordance with the Wastewater Development Fee Ordinance, based on the *Consumer Price Index for All Urban Consumers (CPI-U), Water and Sewer and Trash Collection Services, U.S. City Average (Series ID: CUSR0000SEHG) – U.S. Bureau of Labor Statistics (BLS) (the "Consumer Price Index")*. If the Consumer Price Index is not published or is delayed, the City shall increase the Wastewater Development Fee by an amount equal to the average annual increase in the Consumer Price Index over the preceding twenty (20) years, which methodology shall apply until a new methodology for calculating the Annual Increase is established by the City and approved by ALWF.

(b) The City has engaged Utility Financial Solutions, LLC ("UFS") to prepare the Wastewater Development Fee Report, dated November 20, 2025 (the "Report"). The City may engage UFS or another qualified consultant (together, the "Utility Consultant") to prepare an update of the content and conclusions of the Report and to take into account increases in the estimated costs of the Wastewater Improvements (the "Wastewater Development Fee Update"). Within 30 days of the delivery of the Wastewater Development Fee Update, the City shall take all necessary steps to effectuate the increase in the Wastewater Development Fees for future developments by the maximum amount recommended in the Wastewater Development Fee Update.

(c) The Wastewater Development Fees shall be payable to the City in accordance with the Wastewater Development Fee Ordinance and the City covenants to take all steps necessary to collect the same in accordance with that Ordinance and the Loan Agreement. The Wastewater Development Fees shall not be reduced without the consent of ALWF.

(e) It is covenanted and agreed by the City with ALWF that it will faithfully and punctually perform all duties and obligations under the Loan Agreement and with respect to the Wastewater Development Fees required by laws of the State and by this Ordinance, the Wastewater Development Fee Ordinance and the Loan Agreement.

Section 7. All Pledged Revenues shall at all times be accounted for separately and distinctly from other moneys of the City and shall be used and applied only as provided herein, in the Loan Agreement and the Wastewater Development Fee Ordinance. The Finance Director or Assistant Finance Director of the City shall immediately deposit or cause to be deposited all Wastewater Development Fees upon receipt by the City into a special fund of the City hereby created and designated as the "Wastewater Development Fee Fund." This fund is the wastewater development fee account referred to in the Wastewater Development Fee Ordinance.

Section 8. (a) The Wastewater Development Fee Fund shall be kept separate and apart from all other funds of the City, including the System. The Wastewater Development Fee Fund will be established at Arvest Bank (the "Paying Agent").

(b) The Paying Agent is hereby authorized and directed to withdraw from the Wastewater Development Fee Fund and transfer to the City, on the first day of each month, Wastewater Development Fees that the City has repaid to persons that qualify for a refund under Section 8 of the Wastewater Development Fee Ordinance, as evidenced by a certificate furnished to the Paying Agent in accordance with the Loan Agreement. Such fees collected are not part of the Pledged Revenues hereunder.

(c) The Paying Agent is hereby authorized and directed to withdraw all Pledged Revenues then on deposit in the Wastewater Development Fee Fund on each date on which a payment is due under the bond, an amount equal to the principal and/or interest due on the bond on such date for the sole purpose of paying first, all accrued and unpaid interest and second the then outstanding principal balance of the bond. The Paying Agent is further authorized and directed to withdraw from the Wastewater Development Fee Fund any amounts to be used to make prepayments of principal by the City on the bond in accordance with the Funding Recovery Ratio restrictions set forth in the bond and the Loan Agreement. No withdrawal of funds from the Wastewater Development Fee Fund shall be made, without the consent of ALWF, for any other purpose except as otherwise authorized herein or in the Wastewater Development Fee Ordinance while the bond is outstanding.

(d) The bond shall be specifically secured by a pledge of all Pledged Revenues. This pledge of the Pledged Revenues in favor of the bond is hereby irrevocably made according to the terms of this Ordinance, and the City and its officers and employees shall execute, perform and carry out the terms thereof in strict conformity with the provisions of this Ordinance and the Loan Agreement.

Section 9. So long as the bond is outstanding, the City shall not issue or attempt to issue, without the consent of ALWF, any bonds or other debt obligations purported to be secured by a pledge of the Pledged Revenues or any portion thereof.

Section 10. The City shall cause proper books, accounts and records to be kept in which complete and correct entries shall be made of all transactions relating to the Pledged Revenues and the proceeds of the bond, and such books shall be available for inspection by ALWF at reasonable times and under reasonable circumstances. The City agrees to have its financial statements audited in accordance with generally accepted accounting principles, and a copy of the audit shall be delivered to ALWF within 180 days after the end of the City's fiscal year (currently December 31).

Section 11. If there be any default in the payment of the principal of or interest on the bond or in the performance of any of the other covenants contained in this Ordinance or the Loan Agreement, ALWF may, by proper suit, compel the performance of the duties of the officials of the City under this Ordinance and under the laws of the State and also pursue any and all of the remedies provided to ALWF under the Loan Agreement.

No remedy conferred upon or reserved to ALWF is intended to be exclusive of any other remedy or remedies, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Ordinance or the Loan Agreement or by law.

No delay or omission of ALWF to exercise any right or power accrued upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Ordinance or the Loan Agreement to ALWF may be exercised from time to time and as often as may be deemed expedient.

In any proceeding to enforce the provisions of this Ordinance or the Loan Agreement, ALWF shall be entitled to recover from the City all costs of such proceeding, including reasonable attorneys' fees.

Section 12. The terms of this Ordinance shall constitute a contract between the City and ALWF, and the City will at all times strictly adhere to the terms and provisions hereof and fully discharge all of its obligations hereunder.

Section 13. (a) Moneys held for the credit of the funds created by or identified in this Ordinance shall be continuously invested and reinvested in Permitted Investments (as hereinafter defined) or other investments as may be permitted by State law, all of which shall mature, or which shall be subject to prepayment by the holder thereof, at the option of such holder, not later than the date or dates when the moneys held for the credit of the particular fund will be required for purposes intended.

(b) Obligations so purchased as an investment of moneys in any fund shall be deemed at all times to be a part of such fund and the interest accruing thereon and any profit realized from such investments shall be credited to such fund, and any loss resulting from such investment shall be charged to such fund.

(c) "Permitted Investments" are defined as (i) direct or fully guaranteed obligations of the United States of America (including any such obligations issued or held in book-

entry form on the books of the Department of the Treasury of the United States of America) ("Government Obligations"), (ii) direct obligations of an agency, instrumentality or government-sponsored enterprise created by an act of the United States Congress and authorized to issue securities or evidences of indebtedness, regardless of whether the securities or evidences of indebtedness are guaranteed for repayment by the United States Government, (iii) certificates of deposit or demand deposits of banks, which are insured by the Federal Deposit Insurance Corporation or, if in excess of insurance coverage, collateralized by Government Obligations or other securities authorized by State law to secure public funds or (iv) money market funds invested exclusively in Government Obligations and the obligations described in (ii) above.

Section 14. When the bond has been executed and sealed, it shall be delivered to ALWF. Advances under the bond represent the purchase price of the bond that shall be deposited into a special account in the name of the City designated "Bond Improvement Fund" (the "Bond Improvement Fund") held by the Paying Agent. The moneys in the Bond Improvement Fund shall be disbursed by the Paying Agent solely in payment of the costs of accomplishing the Financed Project and paying expenses of issuing the bond, all in accordance with the terms and conditions set forth in the Loan Agreement. Disbursements shall be on the basis of Disbursement Requests submitted to the Paying Agent accompanied by a certificate signed manually or electronically by the Finance Director and the Assistant Finance Director of the City.

When the Financed Project has been completed and all required expenses paid and expenditures made from the Bond Improvement Fund for and in connection with the accomplishment of the Financed Project, any remaining balance in the Bond Improvement Fund shall be transferred by the Paying Agent to the Wastewater Development Fee Fund and used to prepay the bond.

Section 15. The rights of ALWF hereunder shall cease when all amounts due under of the bond have been repaid in full by the City.

Section 16. The Mayor and other officers of the City in accordance with their offices, are authorized and directed, for and on behalf of the City, to take such action and execute such writings and agreements as may be necessary to carry out the purposes of this Ordinance and the Loan Agreement, including the issuance of the bond, and as may be necessary to perform the obligations of the City hereunder and under the Loan Agreement.

Section 17. In the event the office of Mayor, City Clerk, Finance Director and Assistant Finance Director shall be abolished, or any two or more of such offices shall be merged or consolidated, or in the event the duties of a particular office shall be transferred to another office or officer, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer shall become incapable of performing the duties of his office by reason of sickness, absence from the City or otherwise, all powers conferred and all obligations and duties imposed upon such office or officer shall be performed by the office or officer succeeding to the principal functions thereof, or by the office or officer upon whom such powers, obligations and duties shall be imposed by law.

Section 18. Arvest Bank is hereby appointed to act as Paying Agent under this Ordinance. The Paying Agent may resign at any time by 60 days' notice in writing to the City

Clerk and ALWF. The City, so long as it is not in default hereunder, and with the consent of ALWF, at any time, with or without cause, may remove the Paying Agent. In the event of a vacancy in the office of Paying Agent, either by resignation or by removal, the City shall forthwith designate a new Paying Agent that is acceptable to ALWF, by a written instrument filed in the office of the City Clerk and ALWF. Every successor Paying Agent shall be a bank in good standing; duly authorized to exercise trust powers; and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$50,000,000.

Section 19. Following adoption, this Ordinance shall be posted in the following public places in the City: Bentonville Public Library, Bentonville City Hall, Bentonville Community Center, Bentonville Municipal Works Facility and Bentonville Police Department, being five of the most public places in the City.

Section 20. The provisions of this Ordinance are hereby declared to be separable and if any provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Ordinance.

Section 21. All ordinances and resolutions or parts thereof, in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: _____, 2025.

APPROVED:

ATTEST:

City Clerk

Mayor

(SEAL)

CERTIFICATE

The undersigned, City Clerk of the City of Bentonville, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. _____, passed at a _____ session of the City Council of the City of Bentonville, Arkansas, held at the regular meeting place of the City Council at 6:00 o'clock p.m., on the _____ day of December, 2025, and that the Ordinance is of record in the Ordinance Record Book of the City, now in my possession.

GIVEN under my hand and seal this _____ day of December, 2025.

City Clerk

(SEAL)



City of Bentonville, Arkansas Agenda Item Form

Item Details

Council Meeting Date:		Submitted By:	
Phone:		For Department(s):	
Email:			

Item Type (Check all that apply)

Informational	Bid Award	Enter into an Agreement	Change Order
Recognizing Funds	Budget Adjustment	Waiver of Bid	Emergency Clause
Ordinance	Resolution		Informational

Title, Recommendation & Justification

Title:	
Action Recommendation & Justification:	
Additional Comments for Consideration (Optional):	

Amount for Approval:	\$
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Budget Impact

Is this Item Budgeted? YES NO ITEM HAS NO COST OTHER: _____

Budget Adjustment (to be completed by Finance when applicable)

Account Number (ORG-OBJECT)	Account Description	Expense	Revenue
Account Number (ORG-OBJECT)	Account Description	\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$
Account Number (ORG-OBJECT)	Account Description	\$	\$

Fund(s) Impacted

(check all that apply)

General Fund Utility Fund Street Fund Other(s): _____

Budget Impact Notes for Consideration (Optional):

MASTER DEVELOPMENT AGREEMENT

This **MASTER DEVELOPMENT AGREEMENT** (this "Agreement") is made as of the ____ day of _____, 2025 (the "Effective Date"), by and between the **CITY OF BENTONVILLE, ARKANSAS**, a municipal corporation organized and existing under the laws of the State of Arkansas, with offices at 1000 SW 14th St., Bentonville, Arkansas 72712 ("City") and **ADAF BENTONVILLE LLC**, a Delaware limited liability company ("Developer"). City and Developer shall collectively be referred to herein as the "Parties" and singularly a "Party."

W I T N E S S E T H

WHEREAS, Developer is the owner of certain real property in the City of Bentonville, County of Benton, State of Arkansas, as depicted on Exhibit "A" attached hereto and made a part hereof (the "Developer Property");

WHEREAS, the City is the owner or anticipated future owner of certain real property, rights of way, and easements in and around the Developer Property (the "City Property"). The Developer Property and City Property shall collectively be referred to herein as the "Property"; and,

WHEREAS, Developer desires to develop and dedicate a portion of the Property, together with any adjoining lands, including property owned or to be acquired by the City and property of adjacent landowners as necessary to complete the Bright Road Extension (the "Project") in accordance with the plans attached hereto as Exhibit "B" (the "Project Plans"); and

WHEREAS, the City has determined that the Project will provide material and long term financial and economic benefits to the City, efficiencies in the operations and delivery of City services to residents, increased health, safety and general welfare of the City's residents, improved aesthetic value of City Property and increased quality of life for the City's residents, and that these benefits will exist independent and separate from Developer's intended development and use of the Developer Property; and

WHEREAS, the Parties acknowledge that the nature, scope, and cost of construction of the Project necessitates a cost sharing arrangement between the Parties. As such, in exchange for Developer's completion of the Project in accordance with the terms of this Agreement, the City shall reimburse Developer for a portion of Developer's costs and expenses associated with Developer's construction of the Project, such reimbursement amount being set forth on Exhibit "B-1" attached hereto and incorporated herein by reference (the "Reimbursement Obligation"); and

WHEREAS, the Parties desire to enter into this Agreement to set forth their mutual responsibilities, obligations and understandings with respect to the Project and the Reimbursement Obligation as set forth herein.

NOW, THEREFORE, for and in consideration of the mutual exchange of the covenants and agreements hereinafter set forth, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Incorporation of Recitals. The Recitals set forth above are material provisions of this Agreement and are incorporated herein.

2. **Development Standards.** The Parties acknowledge and agree that the Project will be developed by Developer in accordance with the Project Plans, as the same may be amended or supplemented from time to time by mutual written agreement of the Parties.

3. **Extension and Dedication of Bright Road.**

A. **Completion and Dedication.** Developer shall, at its sole cost and expense, subject to reimbursement by the City as set forth herein, construct and complete the Project in substantial accordance with the Project Plans. All work shall be performed by licensed contractors in accordance with applicable laws, ordinances and regulations, and shall materially conform in every respect to the Project Plans. Within a reasonable time thereafter, Developer shall dedicate to the City as a public street the portion of Bright Road situated within the Developer Property as shown on the Project Plans (the "**Dedicated Property**").

Upon such dedication and acceptance by the City, the Dedicated Property and all associated improvements located thereon (collectively, the "Dedicated Improvements") shall be conveyed and accepted by the City **in their then-existing, "AS IS, WHERE IS, WITH ALL FAULTS" condition**, without representation or warranty, express or implied, as to fitness, condition, or suitability for any purpose, except as otherwise expressly provided in this Agreement or required by applicable law. From and after the City's acceptance, the City shall be solely responsible for all ownership, operation, repair, and maintenance of the Dedicated Property and the Dedicated Improvements

B. **City Inspection Rights.** The City, through its authorized representatives, shall have the right to periodically inspect the construction of the Project to verify compliance with the Project Plans, applicable City construction and development standards, and this Agreement. Developer shall provide the City reasonable access to the work and shall coordinate inspection schedules to avoid unnecessary delay. City inspections shall not relieve Developer of responsibility for the proper performance of the work or compliance with all applicable City construction and development standards.

C. **Final Inspection, Approval and Reimbursement.** Upon completion of the Project in accordance with the Project Plans, Developer shall provide written notice to the City requesting a final inspection of the work. The City Engineer (or designee) shall promptly inspect the work and determine whether it is in substantial conformance with the Project Plans. If the Project is found to be satisfactory, the City Engineer (or other authorized agent of the City) shall issue written confirmation of acceptance and final approval of the Project ("**Final Approval**"). If any deficiencies are identified, the City shall notify Developer in writing, and Developer shall have the right to contest the determination of the City or correct any such deficiencies to the City's satisfaction. Within ten (10) business days of the City's issuance of Final Approval, City shall reimburse Developer, by check or electronic funds transfer, for the expenses and costs incurred by Developer in the amount set forth on Exhibit B-1. For the avoidance of doubt, the City's Reimbursement Obligation under this Agreement includes all costs and expenses reasonably incurred by Developer in performing or completing any portion of the Project, whether or not such costs are expressly itemized or anticipated in Exhibit B-1, up to the maximum amount set forth in Exhibit B-1 (as adjusted for approved Change Orders), including but not limited to: (i) construction costs, (ii) engineering and design fees, (iii) permitting and inspection fees, (iv) insurance costs, (v) financing costs reasonably incurred in connection with the Project, and (vi) work located within or upon any property, right-of-way, or easement owned, acquired, or controlled by the City, or upon any other property for which the City has granted or secured rights of access or use.

4. **Temporary Construction Easement.** The City has entered into that certain Temporary Construction Easement dated _____, 2025 (the "TCE") with Little Osage Farms, LLC, an Arkansas limited liability company ("LOF"), granting the City and its assigns, contractors, subcontractors, and any entity acting on behalf of or in cooperation with the City, the right to enter upon and use a portion of LOF's property for purposes related to the Project. The City hereby represents and warrants to Developer that it has obtained, and will maintain throughout the term of this Agreement, all necessary rights, consents and authorizations from LOF and any other affected property owner to permit Developer and its agents, contractors, subcontractors, and engineers to exercise the City's rights under the TCE to the extent necessary to perform and complete the Project. The City shall execute and deliver any instruments, consents, or temporary licenses reasonably required to evidence or perfect the TCE, and shall fully cooperate with Developer in securing and maintaining such rights, including obtaining from third parties any similar temporary rights reasonably necessary to complete the Project in a timely manner. The City shall use commercially reasonable efforts to obtain such rights at no cost to Developer, but if any payments or consideration are required to obtain or maintain such rights, the City shall be solely responsible for such costs unless otherwise agreed in writing by the Parties.

5. **Change Orders.** Either party may request changes, modifications or additions to the approved Project Plans or scope of the Improvements (each, a "Change Order"). All approved Change Orders shall be incorporated into the Project Plans and shall not be effective unless executed or acknowledged in writing by both Parties. Change Orders shall be initiated, reviewed, and approved in accordance with the following:

A. **Developer-Initiated Changes.** Developer shall not make any material Change Order without the prior written approval of the City, such approval not to be unreasonably withheld, conditioned or delayed. Developer shall submit any proposed Change Order in writing to the City Engineer (or designee) identifying: (i) the nature and justification of the change, (ii) any associated cost increases or decreases, and (iii) any anticipated schedule impacts. The City shall review and respond to any such request within five (5) days. If the City approves the Change Order in writing, the approved change shall become part of the Project Plans and subject to reimbursement under the terms of this Agreement. No reimbursement shall be made for any Change Order work commenced prior to the City's written approval.

B. **City-Requested Changes.** If the City requests a Change Order that alters the scope, cost, or schedule of the Project, the Developer shall prepare a written estimate of the additional costs and time impacts, if any. The City shall either approve or withdraw the requested Change Order in writing after reviewing such estimate. Any City-requested Change Order that increases the Developer's costs shall be reimbursable to Developer in the same manner and subject to the same conditions as other reimbursements payable under this Agreement. Any resulting adjustments to the Reimbursement Obligation shall be reflected in Exhibit B-1 or a supplemental schedule thereto.

6. **Condition Precedent; Municipal Approvals.** the City represents and warrants that it has or will obtain all required municipal approvals at the earliest convenience and agrees the obligations of Developer hereunder shall not arise or become effective unless and until all such municipal approvals have been obtained and all appeal or referendum periods have expired to the reasonable satisfaction of Developer.

7. **Default and Opportunity to Cure.** In the event either Party fails to perform any material obligation under this Agreement (a "Default"), the non-defaulting Party shall deliver written notice specifying in reasonable detail the nature of such failure. The defaulting Party shall have thirty (30) days following receipt of such notice to cure the Default, or, if the Default cannot reasonably be cured within such thirty (30) days, to commence cure within such period and diligently pursue completion to the reasonable satisfaction of the non-defaulting Party. No Party shall terminate or pursue enforcement of this Agreement without first providing the written notice and opportunity to cure required herein.

8. **No Implied Obligation.** It is expressly agreed that nothing contained in this Agreement shall be construed to contain a covenant, either expressed or implied, by the City to either commence the construction of a building or other improvements upon the Property.

9. **Notices.** All notices and other communications required or permitted to be given hereunder shall be in writing and shall be mailed by certified or registered mail, return receipt requested and postage prepaid, or reputable overnight delivery service with proof of delivery, addressed as follows:

If to City:

City of Bentonville
1000 SW 14th St.
Bentonville, Arkansas 72712

With a copy to:

City Staff Attorney
City of Bentonville
1000 SW 14th St.
Bentonville, Arkansas 72712

If to Developer:

ADAF Bentonville LLC
669 River Drive, Suite 200
Elmwood Park, New Jersey 07407
Attn: Zachary Feldman

With a copy to:

Quattlebaum, Grooms & Tull PLLC
111 Center St., Suite 1900
Little Rock, Arkansas 72201
Attn: Timothy W. Grooms, Esq.

With an additional copy to:

Seyfarth Shaw LLP
629 Eight Avenue
New York, New York 10018-1405
Attn: Jay H. Levinton

Notice shall be deemed to have been given upon receipt. Refusal of delivery for any reason shall be deemed receipt.

10. **Modification.** No modification of this Agreement shall be valid or binding unless such modification is in writing, duly dated, approved by the City Council of the City of Bentonville, and signed by the Parties.

11. Term; Termination. This Agreement shall commence on the Effective Date and shall remain in effect until completion of the Project and reimbursement to Developer of all amounts due hereunder, unless earlier terminated by mutual written agreement of the Parties or pursuant to the Default provisions herein. Termination shall not relieve either Party of obligations or liabilities accrued prior to the effective date of termination. Upon termination, all rights and responsibilities of the Parties shall cease except as expressly provided in this Agreement.

12. No Partnership and Third-Party Rights. This Agreement does not create any obligation or relationship such as a partnership, joint venture, or other similar legal relationship under the laws of any state or the federal government. Any correspondence or other references to "partners" or other similar terms will not be deemed to alter, amend or change the relationship between the parties hereto unless there is a formal written agreement specifically detailing the rights, liabilities, and obligations of the parties as to a new, specifically defined legal relationship. Nothing in this Agreement, the Project Plans, or associated documents is intended, or shall be deemed, to confer any rights upon any person who is not a party to thereto.

13. Non-Exclusive, No-Bid and Independent Contractor. Developer may cause the work on the Project to be performed, on an exclusive or non-exclusive basis in whole or in part, as Developer determines appropriate. To the fullest extent provided by law and as further agreed to between the City and Developer in any addendum to this Agreement (if any), Developer shall be entitled to select and contract with contractors and subcontractors of its choosing to perform work on the Project, including without limitation any work on the Improvements along Bright Road that are a part of the Project Plans, without the obligation for public bidding or compliance with the City's procurement procedures.

Developer and City acknowledge and agree that they enter into this Agreement as independent contractors dealing at arms' length, and nothing contained herein shall be construed to create a partnership, joint venture, or agency relationship between them. Neither Developer nor City has the right, and shall not seek, to exercise any control over the other party, its employees, or its agents. Each Party shall be solely responsible for hiring, firing, promoting, demoting, rates of pay, benefits, and other terms and conditions in regard to its own employees and subcontractors. Neither City nor any of City's employees or agents may be considered Developer's agents or employees for any purpose and have no authority to act or purport to act on Developer's behalf. Neither City nor its employees or agents are entitled to receive any benefits, including, but not limited to, salary, vacation pay, sick leave, retirement benefits, social security, workers' compensation, health, disability, unemployment, and stock options, that Developer may provide to its employees.

14. Successors and Assigns. Developer and City respectively bind themselves, their partners, successors and assigns to the other party hereto and to the partners, successors and assigns to such other party in respect to the covenants, agreements and obligations contained herein. Developer may sell, lease, transfer or assign Developer's interest in all or any portion of the Property and the rights under, in whole or in part, to a successor developer, either affiliated or unaffiliated with Developer, without the consent of City. Further, Developer may collaterally assign this Agreement, in whole or in part, to any construction or permanent lender providing financing for the Project ("Lender") as security for such financing. In addition, Developer may assign this Agreement, in whole or in part to any parent, subsidiary or affiliate of Developer, or to any successor in interest to Developer by virtue of merger, acquisition, reorganization, or

other lawful transfer. City hereby agrees to execute, upon request, such documents as may be reasonably required by any construction or permanent lender in connection with any permitted sale, transfer, financing or assignment of this Agreement, including, without limitation, acknowledgements, consents, estoppels, and collateral assignments of this Agreement, in whole or in part. Any documents so executed by the City shall be bound binding upon the City and its successors and assigns.

In the event the City provides written notice of default or intends to terminate this Agreement due to Developer's failure to perform any material obligation hereunder, the City shall concurrently provide a copy of such notice to any Lender that has provided the City written notice of its interest hereunder. The Lender shall have the right, but not the obligation, to cure or cause the cure of any such default within the same period provided to Developer under this Agreement, or within an additional thirty (30) days thereafter if reasonably necessary to effect such cure. The City shall not terminate or materially modify this Agreement without first providing such notice and opportunity to cure to the Lender.

15. No Public Dedication. Except to the extent expressly set forth in this Agreement, no portion of the Developer Property is hereby, or deemed to be, dedicated to the City, or otherwise dedicated for public use.

16. Choice of Law; Forum. This Agreement shall be interpreted and construed in accordance with the laws of the State of Arkansas, and any dispute with respect to it and the rights and duties thereby created shall be litigated Benton County, Arkansas.

17. Dispute Resolution; Mediation, Arbitration, and Litigation.

A. Mediation.

(1) In the event of any dispute between the Parties relating to the subject matter of this Agreement, the Parties will negotiate informally in good faith and in a fair and honest manner in an attempt to resolve the dispute. If any such dispute remains unresolved for a period of fifteen (15) days, either party thereafter may demand that the other party engage in formal mediation.

(2) If formal mediation is demanded, the parties will forthwith select a third-party mediator with formal training in mediation and will proceed to mediation at the earliest possible time. No arbitration or legal action (except emergency injunctive action and then only to the extent immediately necessary) will be taken by any party hereto against any other party unless and until at least sixty (60) days have expired since mediation was demanded.

(3) Costs of the mediation will be borne equally by the parties, unless it is ultimately determined by a court of competent jurisdiction that a party has acted in bad faith, in which case, the costs of the mediation will be borne solely by that party.

B. Arbitration. In the event any dispute arises out of this Agreement and mediation as described above is not successful in resolving such issues, such dispute may, upon mutual written agreement of the parties, be submitted to final and binding arbitration. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association ("AAA"). The Parties shall jointly select an arbitrator who is a retired judge or an attorney with at least ten (10) years of experience in real estate, construction, or municipal development law. If the parties are unable to agree on an arbitrator within fifteen (15) days of

a written request for arbitration, a list of seven (7) arbitrators meeting the above qualification will be requested from AAA, and the arbitrator will be selected using the above criteria. The Parties shall alternately strike names from the list until one remains, with the Developer striking first unless otherwise agreed. Developer and the City will share the cost of the arbitration equally. Any such arbitration shall be conducted in Benton County, Arkansas, and the Parties shall share the costs of the arbitration, including the arbitrator's fee, equally, unless otherwise determined by the arbitrator in the final award. Each Party shall otherwise bear its own attorneys' fees and costs, unless the arbitrator determines that a fee award is warranted under applicable law or this Agreement. The decision of the arbitrator shall be final and binding, and judgement upon the award may be entered in any court of competent jurisdiction.

C. **Litigation.** The Parties shall not resort to litigation without first putting forth good faith efforts to resolve the dispute.

18. **Force Majeure.** Neither Party shall be deemed in Default or liable for delay in performance caused by events beyond its reasonable control and without its fault or negligence, including, without limitation, acts of God, severe weather, floods, epidemics, wars, terrorism, labor disputes, delays in governmental approvals, material shortages, or acts or failures to act of public authorities ("Force Majeure"). The affected Party shall give written notice to the other Party within a reasonable time after the occurrence of such event and upon the cessation thereof and shall use diligent efforts to resume performance as soon as practicable thereafter. Any time for performance shall be extended by the period of delay attributable to the Force Majeure event.

19. **Incorporation of Recitals and Exhibits.** The recitals set forth above and the exhibits attached hereto are incorporated herein by reference as if set forth in full in the body of this Agreement.

20. **Counterparts.** This Agreement may be executed in one or more counterparts, all of which shall be deemed one and the same agreement. Any counterpart signature delivered by, or on behalf of, either party hereto by fax transmission or other electronic delivery of an image file reflecting the execution thereof: (1) may be relied on by the other party as if the document were a manually signed original, and (2) will be binding on the signing party.

21. **Waiver.** City and Developer waive all claims against each other for consequential damages arising out of or relating to this Agreement. This mutual waiver includes damages incurred by a Party for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of all or any part of this Agreement.

22. **Mutual Cooperation.** The Parties agree that the purpose of this Agreement is to provide for an efficient and cost-effective development of the Project. The Parties shall and shall cause their respective employees, subsidiaries, affiliates, subcontractors and consultants providing work or otherwise involved in the Project to cooperate with each other in connection with the Project to provide for the most efficient and cost-effective development of the Project.

23. Attorney Fee Awards. In the event that efforts at mediation or arbitration have failed or concluded and it is then necessary for either party to bring any action or proceeding in a court of competent jurisdiction against the other under the Agreement, costs and expenses, including court costs and reasonable attorneys' fees shall be allocated according to law and as awarded by the Court.

24. Authority and Consents. Each Party represents and warrants that it has full power and authority to enter into and perform this Agreement, and that the persons signing below are duly authorized to bind their respective Parties. The City's execution of this Agreement has been duly approved by the applicable governmental authorities in accordance with applicable Arkansas law. Each Party further represents and warrants that all consents, approvals, and authorizations required for the execution, delivery, and performance of this Agreement by such Party have been duly obtained and are in full force and effect.

25. Enforceability. If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such terms, covenants or conditions to persons or circumstances, other than those as to which are held invalid or unenforceable, shall not be affected thereby, and each and every remaining term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law; provided, however, that if any material term is found to be invalid or unenforceable, the Parties shall negotiate in good faith to replace such term with a valid and enforceable provision that achieves the original intent of the parties to the greatest extent possible.

26. Headings. Article, section and paragraph headings are for convenience only and may not be construed as part of the Agreement, or as a limitation on the scope of the particular sections.

27. Open Records (FOIA) Requests. In the event City receives a request under the Arkansas Freedom of Information Act of 1967, or other similar federal or state laws ("FOIA Laws"), for information regarding the Project, prior to the City's disclosure of any information the City shall promptly notify Developer of such request and provide Developer five (5) business days in which to obtain a court order or applicable exemption to such disclosure. In no event shall City disclose information which is protected or exempt from disclosure under applicable FOIA Laws.

28. Entire Agreement. This Agreement contains the entire agreement of the parties, and all prior communications, oral or written, are without any force and effect as it is the specific intent of the parties that this Agreement alone sets forth the terms on which the parties have mutually agreed. Each party specifically agrees that it enters into this Agreement based on its own understanding of the terms hereof and does not rely, in whole or in part, on any interpretation or representation of the other party. Each party agrees that this Agreement is the result of good faith arm's length negotiations. ANY REPRESENTATION OF EITHER PARTY'S AGENTS OR ANY THIRD PARTY WHICH IS NOT INCORPORATED IN THIS AGREEMENT SHALL NOT BE BINDING UPON THE OTHER PARTY AND SHOULD BE CONSIDERED AS UNAUTHORIZED. This Agreement shall not be amended or added to in any way except by written instruments executed by both Parties and their respective successors in interest.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE OF MASTER DEVELOPMENT AGREEMENT

IN WITNESS WHEREOF, this Agreement has been duly executed by the Parties as of the Effective Date.

CITY:

**CITY OF BENTONVILLE,
ARKANSAS,**
a municipal corporation organized and
existing under the laws of the State of
Arkansas

By: _____

Name: _____

Title: Mayor

Attest:

City Clerk

DEVELOPER:

ADAF BENTONVILLE LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT A

DEVELOPER PROPERTY

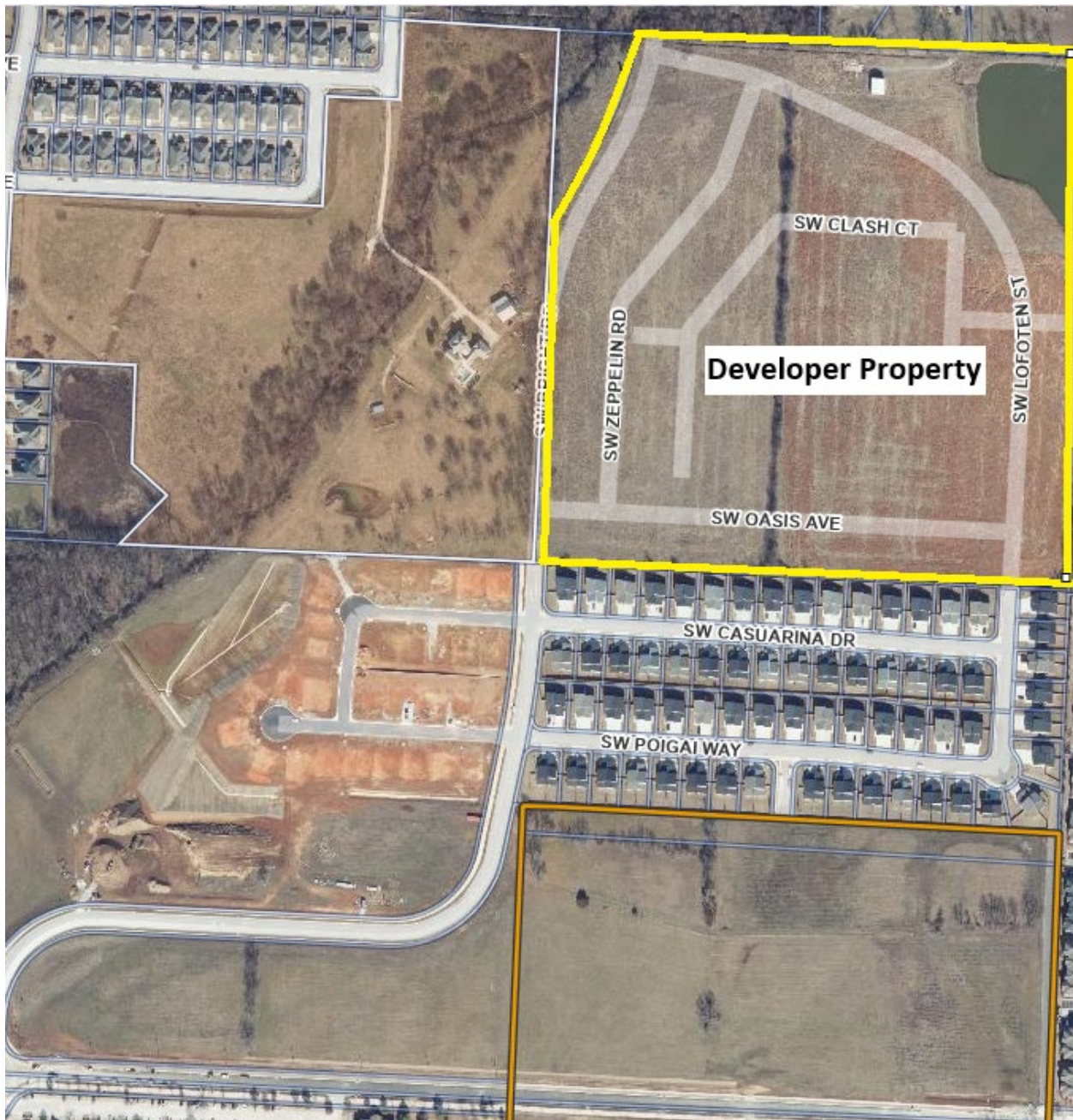
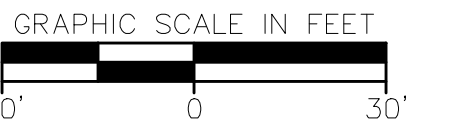


EXHIBIT B
PROJECT PLANS



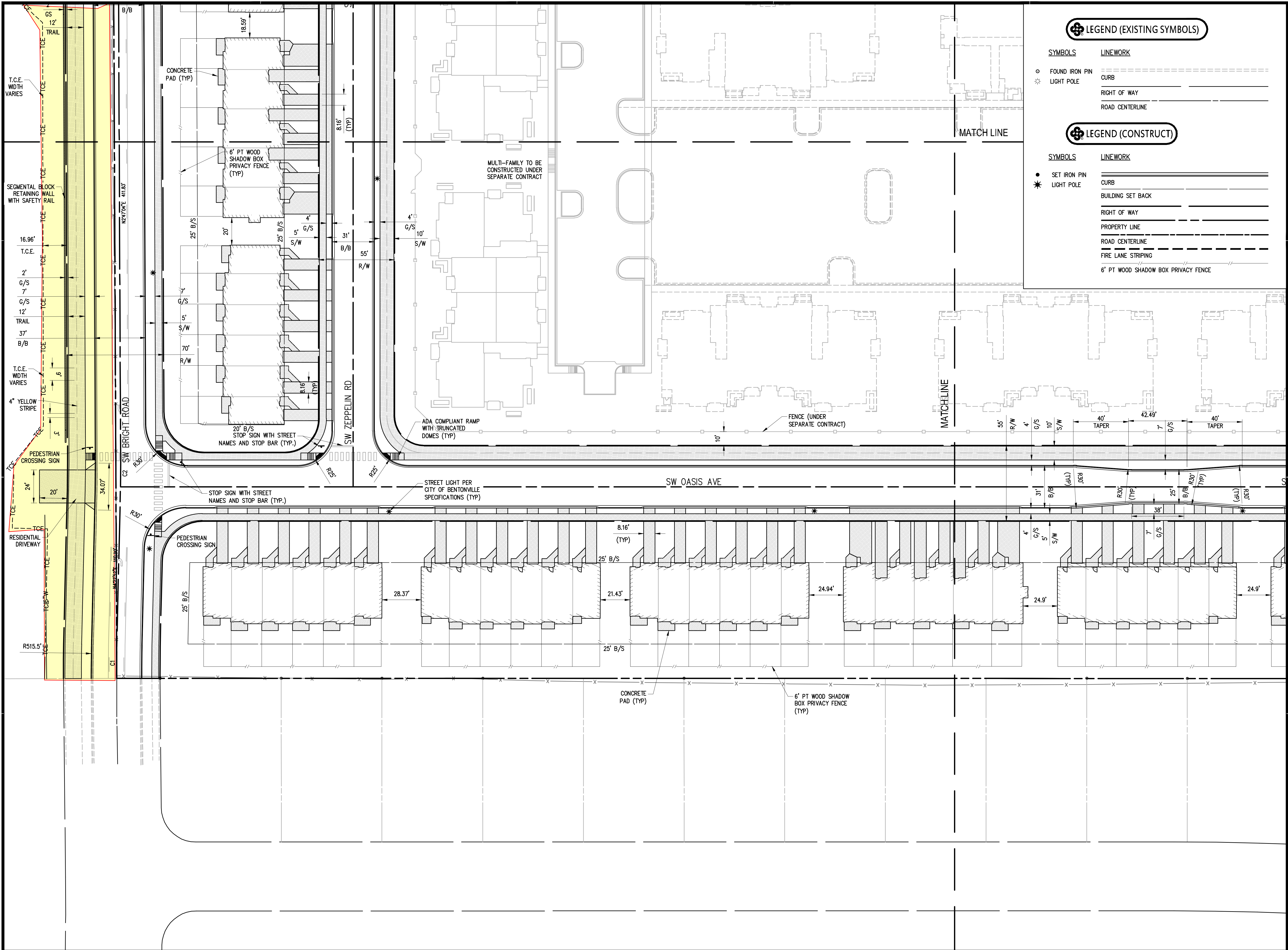
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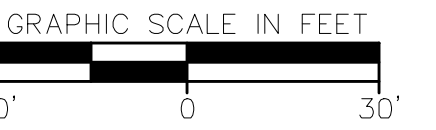
STATE OF
ARKANSAS

REGISTERED
PROFESSIONAL
ENGINEER

No. 21012
ALI E. KARR

C-106





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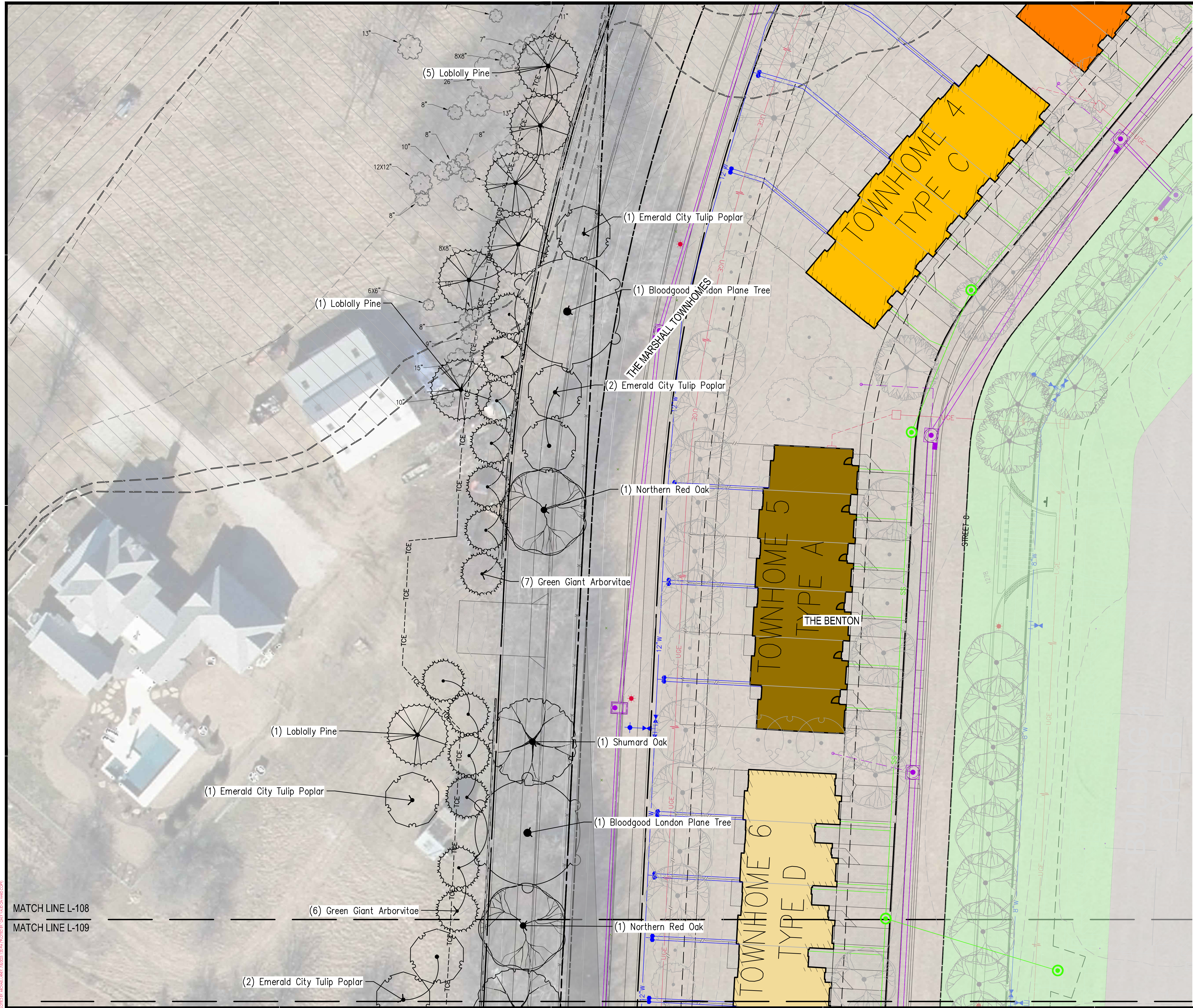
STATE OF
ARKANSAS

REGISTERED
PROFESSIONAL
ENGINEER

No. 21012
ALI E. KARR

7.25.2025

7.25.2025

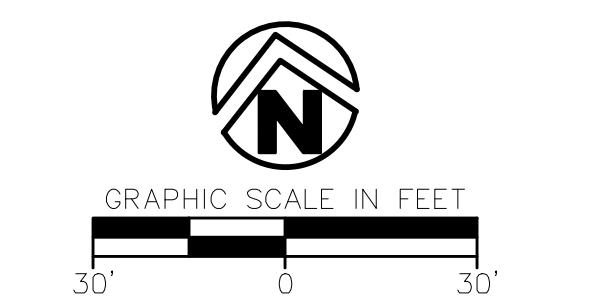
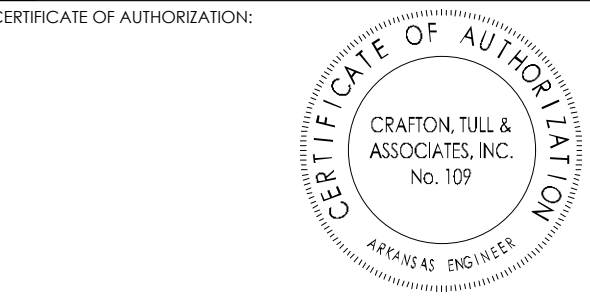


TREES WITHIN HATCHED AREA PROVIDED AS PART OF 'THE MARSHALL TOWNHOMES' PER CONSTRUCTION SEQUENCE SHOWN ON COVER SHEET. THESE TREE COUNTS ARE INCLUDED IN PLANT COUNT REQUIREMENTS FOR 'THE BENTON' (SHOWN PER SEPARATE PLAN SET AND APPLICATION).
*SEE L-601 PLANT SCHEDULE

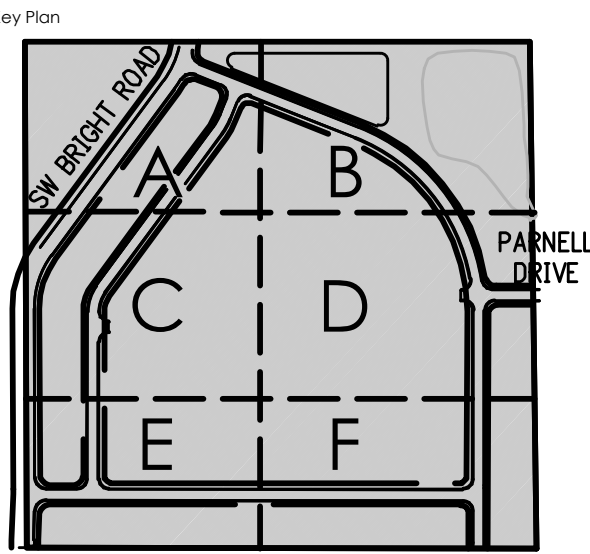
'THE BENTON' (MULTI-FAMILY ; SHOWN PER SEPARATE PLAN SET AND APPLICATION)

*ALL TREES LOCATED WITHIN SIGHT
TRIANGLES TO BE 4" CALIPER AND LIMBED
UP TO 8' IN HEIGHT ABOVE GROUND.

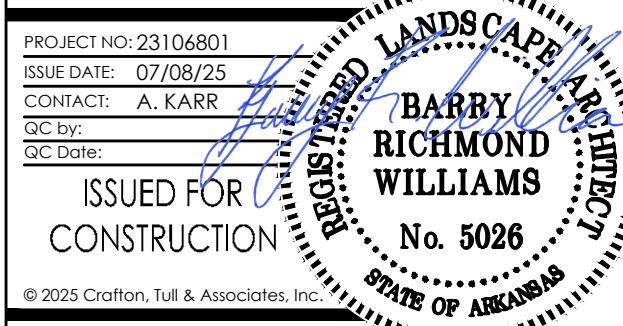
*ALL TREES LOCATED WITHIN SIGHT
TRIANGLES TO BE 4" CALIPER AND LIMBED
UP TO 8' IN HEIGHT ABOVE GROUND.



THE MARSHALL
TOWNHOMES
BENTONVILLE, ARKANSAS

[illegible]

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LSD24-0024
8 / 1 / 25
PLANTING PLAN G (C) - OFF SITE

Arkansas One Call



811

Know what's **below**.
Call before you dig.

L-108

MATCH LINE L-109

(6) Green Giant Arborvitae

(2) Emerald City Tulip Poplar

(3) Loblolly Pine

(2) Emerald City Tulip Poplar

(3) Loblolly Pine

(1) Loblolly Pine

(1) Emerald City Tulip Poplar

(3) Loblolly Pine

(1) Northern Red Oak

(1) Shumard Oak

(1) Bloodgood London Plane Tree

(1) North Red Oak

(1) Shumard Oak

(1) Bloodgood London Plane Tree

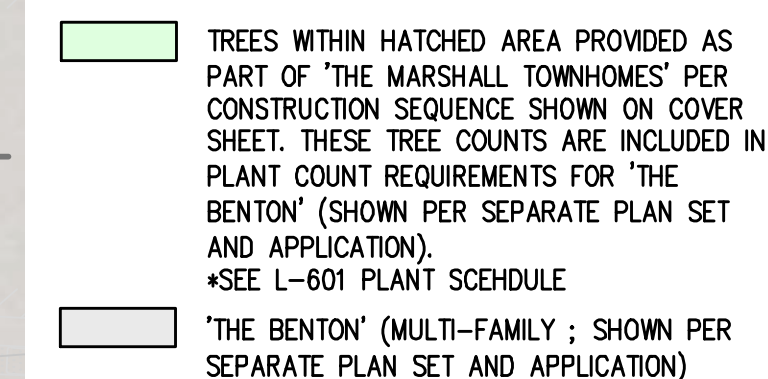
THE BENTON

(1) Shumard Oak

(2) Northern Red Oak

TOWNHOME 8
TYPE C

TOWNHOM
TYPE A



*ALL TREES LOCATED WITHIN SIGHT
TRIANGLES TO BE 4" CALIPER AND LIMBED
UP TO 8' IN HEIGHT ABOVE GROUND.

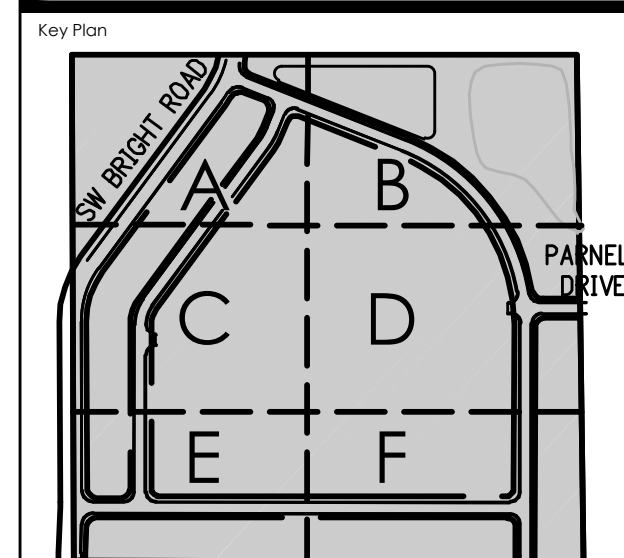


GRAPHIC SCALE IN FEET

A horizontal scale bar with a central zero point. To the left of zero, there is a tick mark at 30'. To the right of zero, there is a tick mark at 30'. The bar is divided into alternating black and white segments.

THE MARSHALL
TOWNHOMES

BENTONVILLE, ARKANSAS

[illegible]

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PROJECT NO: 23106801
ISSUE DATE: 07/08/25
CONTACT: A. KARR
QC by:
QC Date:

ISSUED FOR
CONSTRUCTION

REGISTERED LANDSCAPE ARCHITECT
BARRY
RICHMOND
WILLIAMS
No. 5026

LSD24-0024
8/1/25
PLANTING PLAN H (C) - OFF SITE

Arkansas One Call



Know what's **below.**

Call before you dig.

L-109

EXHIBIT B-1

[TO BE INSERTED]

4034 N OLD WIRE ROAD
 FAYETTEVILLE AR 72703
 CONTACT: Jacob Goodwin
 PHONE: 918-315-2762
 EMAIL: Jacob@precisionsitework.net



Proposal

ATTN: Ali Karr
 DATE: 11/3/2025
 PROJECT: Bright Road-City Portion

Proposal #: 002-11032025
 Plans dated 7/25/2025

Please accept this as the proposal for scope of work for the above referenced project.

LINE ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	EXT PRICE
Earthwork					
1	Undercut and Backfill	876	CY	\$ 32	\$ 28,032
2	Embankment	3092	CY	\$ 18	\$ 55,656
3	Subgrade Prep	1314	SY	\$ 3	\$ 3,942
SUB-TOTAL					\$ 87,630
Water					
1	8" Watermain (C900 DR-14)	80	LF	\$ 65	\$ 5,200
2	8" Valves	4	EA	\$ 3,300	\$ 13,200
3	Fire Hydrant Assembly	1	EA	\$ 8,500	\$ 8,500
4	8"x8" Tee	1	EA	\$ 1,250	\$ 1,250
5	8" Plug	1	EA	\$ 850	\$ 850
SUB-TOTAL					\$ 29,000
Sewer					
1	Connect to Existing Manhole	1	EA	\$ 4,000	\$ 4,000
2	4' Dia. Manhole (6'-10')	1	EA	\$ 6,500	\$ 6,500
3	8" Sanitary Sewer Main (PVC SDR-26)	123	LF	\$ 63	\$ 7,749
SUB-TOTAL					\$ 18,249
Streets and Paving					
1	12' Trail	1039	SY	\$ 72	\$ 74,808
2	Trail Striping	1	LS	\$ 4,320	\$ 4,320
3	Turn Lane Striping and Symbols	1	LS	\$ 4,050	\$ 4,050
4	Crosswalk Striping	1	LS	\$ 1,620	\$ 1,620
5	Pedestrian Crossing Sign	1	EA	\$ 610	\$ 610
6	ADA Ramp	1	EA	\$ 2,400	\$ 2,400
7	Concrete Driveway	157	SY	\$ 90	\$ 14,130
8	3" ACHM Surface Course	1030	SY	\$ 33	\$ 33,990
9	8" Aggregate Base Course (Class 7)	1314	SY	\$ 14	\$ 18,396
10	Standard 6" Curb and Gutter (18" Wide)	720	LF	\$ 25	\$ 18,000
SUB-TOTAL					\$ 172,324

LINE ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	EXT PRICE
Landscape					
1	Sod	721	SY	\$ 6	\$ 4,326
2	Hydroseed	1272	SY	\$ 2	\$ 2,544
3	3" Caliper	52	EA	\$ 450	\$ 23,400
4	Safety Rail	265	LF	\$ 76	\$ 20,140
5	Variable Height Landscape Wall	1172	SF	\$ 172	\$ 201,584
6	Temporary Fence	820	LF	\$ 15	\$ 12,300
7	5' Fence with barbed wire top strand	820	LF	\$ 20	\$ 16,400
SUB-TOTAL					\$ 280,694
TOTAL					\$ 587,897

NOT INCLUDED:

- * All work not specified in the above proposal is excluded.
- * Rock excavation (if required) will be \$475/CY. No haul-off.
- * Repairs to unmarked underground utilities.
- * Third party inspections, including geotechnical inspections and testing.
- * This proposal is based on work being done during normal working hours, night work and Sundays not included.
- * This proposal may be withdrawn if not accepted within 30 days
- *Any alteration or deviation from the above specifications of material or labor will only be executed upon written orders from both owner and contractor, and will become an extra charge over the sum mentioned in this contract. All agreements must be made in writing. A 20% fee will be charged on any additional work or changes to the above specifications that alter the original scope of work. Contractor to submit payment application at the end of each month. Payment terms to be due 15 days from invoice date.
- *The contractor agrees to carry Workmen's Compensation and Public Liability Insurance, also pay all Sales Taxes, Old Age Benefit and Unemployment Compensation Taxes upon the material and labor furnished under this contract, as required by the United States Government and the State in which this work is performed.
- *Age Benefit and Unemployment Compensation Taxes upon the material and labor furnished under this contract, as required by the United States Government and the State in which this work is performed.
- *Two mobilizations are expected for this project. Any additional mobilizations will be charged at a rate of \$7,500.
- *If work is stopped or delayed for any reason beyond the control of Precision Site Work, LLC, there will be either a demobilization and remobilization fee, or there will be a daily fee applied based upon the number of personnel and equipment currently working on the site.
- *At the time of expiration for the corresponding maintenance bonds for the project, if any corrections are deemed necessary that were not caused by Precision Site Work, LLC, the owner will be invoiced for the additional work required.
- * This proposal is based on Crafton Tull Issued for Construction plans for The Marshall Townhomes, LSDP24-0024, dated 07/25/2025.
- *Materials utilized in the construction of infrastructure, private and public, can be subject to price variation based on local, regional, and national supply and demand issues, as well as catastrophic events such as hurricanes, tornadoes, floods, earthquakes, terrorism, pandemics and wars. Applicable categories of materials most commonly impacted by these variations are goods such as plastic pipe, metal pipe, pipe fittings (tees, elbows, valves, mechanical joints, fire hydrants etc.), concrete, concrete pipe and boxes, quarry products, lumber and fuel. In the event there is a price increase in these or any other construction materials greater than five percent (5%) from the execution of this Proposal to the date the materials are delivered on site, the excess charges will be passed on to Client, resulting in an increase in the Contract Amount. Precision Site Work, LLC will keep Client informed of cost variations, and will communicate the price of materials in these categories, thus limiting Client's exposure to subsequent price changes. Any increase to the Contract Amount will be documented on a signed Change Order.

Respectfully Submitted,

Precision Site Work, LLC

ACCEPTANCE

You are hereby authorized to furnish all materials and labor required to complete the work mentioned in the above

Owner (Print):

Owner Signature: _____

Date: _____

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO
ENTER INTO A MASTER DEVELOPMENT AGREEMENT WITH ADAF BENTONVILLE,
LLC FOR THE BRIGHT ROAD EXTENSION; AND FOR OTHER PURPOSES.**

WHEREAS, ADAF Bentonville, LLC owns certain real property (“Property”) within the City of Bentonville as depicted in *Exhibit A* of the Master Development Agreement (“Agreement”);

WHEREAS, the City of Bentonville owns, or anticipates acquiring certain real property, rights-of-way, and easements necessary to complete the Bright Road Extension project;

WHEREAS, ADAF Bentonville, LLC desires to develop and dedicate a portion of the Property, together with any adjoining lands, including property owned or to be acquired by the City and property of adjacent landowners as necessary to complete the Bright Road Extension in accordance with the plans depicted in *Exhibit B* of the Agreement;

WHEREAS, the Parties recognize that the scope and cost of the Project necessitate a cost-sharing arrangement, and the City agrees to reimburse the Developer for eligible Project costs up to the amount set forth in *Exhibit B-1* of the Agreement; and

WHEREAS, the City has determined that the Project will provide substantial long-term public benefits, including improving transportation infrastructure, enhanced delivery of municipal services, increased public safety, and positive economic and community development outcomes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BENTONVILLE, ARKANSAS.

Section 1: That the Mayor and City Clerk are hereby authorized to enter into an Agreement with ADAF Bentonville, LLC for the Bright Road Extension Project, further authorizing a cost-share agreement in the amount of five hundred eighty-seven thousand eight hundred ninety-seven dollars (\$587,897.00);

Section 2 - Severability Provision: If any part of this Resolution is held invalid, the remainder of this Resolution shall continue in effect as if such invalid portion never existed; and

Section 3 - Repeal of Conflicting Resolutions: All Ordinances, Resolutions, or Orders of the City Council, or parts of the same, in conflict with this Resolution are repealed to the extent of such conflict.

PASSED and APPROVED this _____ day of _____, 2025.

APPROVED:

Stephanie Orman, Mayor

ATTEST:

Malorie Marrs, City Clerk