

**Minutes of the
ARKANSAS NATURAL RESOURCES COMMISSION
January 20, 2016**

The regular meeting of the Arkansas Natural Resources Commission was held Wednesday, January 20, at 9:30 a.m., at Arkansas Natural Resources Commission, 101 East Capitol Avenue, Suite 350, Little Rock, Arkansas.

Commissioners in attendance were Chairman Mike Carter, David Feilke, Don Richardson, Neal Anderson, Fred Fowlkes, Jerry Hunton, Sloan Hampton, Ann Cash, and Bill Poynter.

Staff members participating included: Randy Young, Executive Director; Ryan Benefield, Deputy Director; Edward Swaim, Water Resources Division Manager; Mark Bennett, Water Development Division Manager; Adrian Baber, Conservation Division Chief; Cynthia Bearden, Agency Controller; Crystal Phelps, General Counsel; Tommy Wren, Government Relations Manager; Lori Nakai, Public Information Specialist; Dave Fenter, Grants Manager; Darla Brooks, Financial Programs Manager; Tony Ramick, Grants Manager; Todd Fugitt, Geology Supervisor; Jim Battreal, Professional Geologist; Jacob Harvey, Construction Inspector; Jackie Broach, Administrative Analyst; Marylen Smith, Program Coordinator; Becki Hall, Grants Analyst; Debbie Dixon, Grants Coordinator; Blake Walters, Land Resource Specialist; Bob Fowler, Land Resource Specialist; Cody Harrington, Land Resource Specialist; Gina Wilson, Construction Finance Analyst; and Carla Hill, Executive Assistant.

Chairman Carter called the meeting of the Arkansas Natural Resources Commission to order.

A list of guests is attached to the minutes.

APPROVAL OF MINUTES: November 9, 2015

Upon motion by Mrs. Ann Cash, second by Mr. Bill Poynter, the Commission unanimously approved the minutes of the November 9, 2015 regular meeting.

REPORT OF THE EXECUTIVE DIRECTOR

Career Service Recognition – Director Young recognized the following ANRC employees for their years of service: Edward Swaim, 20 years and Jackie Broach, 10 years.

Illinois River Report - Deputy Director Ryan Benefield gave a modeling update on the nutrient compliance standards of the Illinois River Basin and Lake Tenkiller in Oklahoma.

STATUS REPORT ON FINANCIAL ASSISTANCE PROGRAMS

Mrs. Cynthia Bearden presented the financial assistance report dated December 30, 2015. (A copy of the report is attached to the minutes.) She also gave reports on conservation district's Agreed upon Procedures and the financial status of water and sewer systems. No major problems were found.

LEGAL ISSUES

Commissioner Expense Reimbursement and Stipend – Mrs. Crystal Phelps presented information pertaining to the stipend and travel reimbursement. Upon motion by Mrs. Ann Cash, second by Mr. Fred Fowlkes, the Commission, pursuant to Ark. Code Ann. §25-16-904 and Ark. Code Ann. §25-16-902, agreed to decline payment of an \$85.00 per meeting attended stipend for members of the Commission, and authorized expense reimbursement for official business at the rate of state employees.

Request to begin Rulemaking on Title 2, Rules Governing Conservation Districts – Mr. Fred Fowlkes made a motion, with second by Mr. Bill Poynter to approve the draft rule for the rulemaking process excluding the subtitle regarding emeritus director. The motion passed unanimously. Mr. Neal Anderson moved the rule include Subtitle IX, Appointment of Conservation District Directors Emeritus. Mr. Bill Poynter made a second to the motion. Motion passed unanimously.

Motion for Summary Judgement - In closing, Mrs. Phelps announced the Claims Commission denied and dismissed Claimant Mr. Dan Eoff, and unanimously ruled in favor of ANRC in the "Motion for Summary Judgement."

Status of EPA's Waters of the United States Rule – Jamie Ewing, Assistant Attorney General, informed the Commission of the current status of the EPA ruling and commended the Commission for their support challenging the rule.

WATER RESOURCES DEVELOPMENT DIVISION – Mr. Bennett reported the Commission is in compliance with its Post-Issuance Compliance Policy for the State of Arkansas Water, Waste Disposal and Pollution Abatement General Obligation Bonds. The Little Rock firm of Thomas & Thomas LLP CPAs has been re-procured for arbitrage rebate calculations. In addition, the Commission is current with arbitrage calculations, owes no rebate to the Internal Revenue Service, and all spend down requirements have been met for its tax-exempt bonds. He expects to file the State of Arkansas Comprehensive Annual Financial Report as soon as it is released with the Municipal Securities Rulemaking Board. With that filing the Commission will be in full compliance with the terms of the Continuing Disclosure Agreement.

Mr. Greg Ramon, Little Rock Wastewater Utility CEO, stated the intent of the utility's long range plans with assistance from a Clean Water Revolving Loan from the Commission.

Mr. Bennett presented staff recommendations for the referenced projects below requesting financial assistance from the Clean Water Revolving Loan Fund (CWRLF); the Drinking Water State Revolving Fund (DWSRF); the Water, Water Development Fund (WDF); and Consolidated General Obligation (CGO).

Upon motion by Mr. Don Richardson, second by Mr. Fred Fowlkes, the Commission approved the following recommendations.

**APPLICATIONS FOR FINANCIAL ASSISTANCE
STAFF RECOMMENDATIONS FOR FUNDING**

LITTLE ROCK (PULASKI COUNTY) (CWRLF)

Up to \$61,000,000.00

PURPOSE OF FUNDS: To rehabilitate the existing collection system or install a new sanitary sewer main.

The Commission approved loan funds in an amount up to \$61,000,000.00 for the City of Little Rock from the Arkansas Clean Water State Revolving Loan Fund in accordance with the established funding priorities. The loan repayment schedule will not exceed thirty (30) years. The Executive Director will set the combined annual borrower rate and loan terms.

WALDO (COLUMBIA COUNTY) (CWRLF)

Up to \$700,000.00

PURPOSE OF FUNDS: Improvements to the wastewater treatment plant which include re-establishing interior levee slopes, installing rock slope protection, replacing transfer pumps at the pond to the filters and replacing effluent pumps, aerators & rock reed filter plants for the plant.

The Commission approved funds in an amount up to \$700,000.00 for the City of Waldo from the Arkansas Clean Water State Revolving Loan Fund in accordance with the established funding priorities. The loan repayment schedule will not exceed twenty years. The Executive Director will set the combined annual borrower rate and loan terms. Approval is contingent upon the city establishing and maintaining a depreciation reserve fund.

ARKADELPHIA (CLARK COUNTY) (DWSRF)

Up to \$4,700,000.00

PURPOSE OF FUNDS: Construct new raw water intake structure and advanced flocculation/clarification system.

The Commission approved loan funds in an amount up to \$4,700,000.00 for the City of Arkadelphia from the Arkansas Drinking Water State Revolving Loan Fund in accordance with the established funding priorities. The loan repayment schedule will not exceed thirty (30) years. The Executive Director will set the combined annual borrower rate and loan terms. Approval is contingent upon the city establishing and maintaining a depreciation reserve fund.

**RUNNING LAKE DRAINAGE DISTRICT
(RANDOLPH COUNTY) (WDF)**

Up to \$77,250.00

PURPOSE OF FUNDS: To complete the project of cleaning out the ditches, including clearing timber, flattening top, sloping banks & replacement of pipes.

The Commission approved a loan in an amount up to \$77,250.00 from the Water Development Fund. This loan is for ten (10) years at two and three-quarters percent (2.75%) interest. An administrative fee in an amount up to \$2,250.00 is to be retained by the Commission. Approval is contingent upon the district establishing and maintaining a depreciation reserve fund.

SCRANTON (LOGAN COUNTY) (WDF)

Up to \$257,500.00

PURPOSE OF FUNDS: For betterments & improvements to the water system which include replacement of 3,400 linear feet of waterline and a pressure reducing valve and vault.

The Commission approved a loan in an amount up to \$257,500.00 from the Water Development Fund. This loan is for up to twenty (20) years at three and nine-tenths percent (3.9%) interest. An administrative fee in an amount up to \$7,500.00 is to be retained by the Commission. Approval is contingent upon the city establishing and maintaining a depreciation reserve fund.

Mr. Paul Crawford, FTN Associates Ltd., encouraged the Commission to approve a loan for a newly permitted addition to the Mississippi County Landfill. The loan would provide the county with a leaching system for the needs of new development in the county.

MISSISSIPPI COUNTY (Landfill Cell 15 Project)
(MISSISSIPPI COUNTY) (CGO)

Up to \$2,884,000.00

PURPOSE OF FUNDS: For construction of waste disposal cell and ancillary facilities.

The Commission approved a loan in an amount up to \$2,884,000 from the Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Program (CGO). This loan is for ten (10) years at two and three-quarters percent (2.75%) interest. An administrative fee in an amount up to \$84,000 is to be retained by the Commission. Approval is contingent upon the county establishing and maintaining a depreciation reserve fund.

Change in Terms

Upon motion by Mr. Neal Anderson, second by Mr. Jerry Hunton, the Commission approved Change in Terms for the following loans:

OUACHITA RIVER WATER ASSOCIATION (DL-28-16-WSSW)

Amend current loan terms in order to accept the amount of funds the Executive Director determines available to the Association toward payment of their current loan. The remaining loan balance, after the payment, shall be converted to a grant.

EUDORA (01041-DWSRF-F)

Amend purpose of current loan to include improvements at the water treatment plant.

OZARK ACRES PUBLIC FACILITIES BOARD (01020-WSSW-G)

Amend purpose of current grant to include distribution system improvements to reduce well pumping.

BREAK

CONSERVATION DIVISION

APPOINTMENTS AND REAPPOINTMENTS TO CONSERVATION DISTRICT BOARDS

Mr. Adrian Baber presented Conservation District Board Appointments to the Commission. Upon motion by Mr. Neal Anderson, second by Mr. Don Richardson, the Commission unanimously approved the following appointments:

APPOINTMENTS

L'Aigle Creek
L'Aigle Creek
Pike
Sebastian

Thomas Frazer
Steve Parnell
Billy Maroon
Dr. James Burgess

Upon motion by Mr. Anderson, second by Mr. Bill Poynter, the Commission unanimously approved the following reappointments:

REAPPOINTMENTS

Clay	Stephen Crancer
Conway	Bill Deaton
Cossatot	Kenny Pickering
Cossatot	Wayne Williamson
Crittenden	Woody Ray
Crooked Creek	Walter Krafft
Crooked Creek	Donald Austin
Dallas	Ed Givens
Dallas	Roy Johnson
Faulkner	Rocky Harrell
Faulkner	Danny Mallet
Independence	Julia Nail
Monroe	Wayne Beadles
Sebastian	Conaly Bedell

WATER RESOURCES MANAGEMENT DIVISION

Water Plan Update - Mr. Edward Swaim, Water Resources Division Manager, gave an update on the Water Plan emphasizing partnerships, water use metering, improvements to the tax credit program, and encouraging work to improve infrastructure condition, such as our efforts with levee districts.

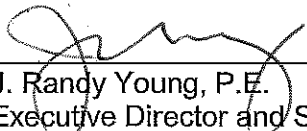
2016 Groundwater Report - Mr. Todd Fugitt, Geology Supervisor, and Mr. Jim Battreal, Professional Geologist, presented up to date data from the Arkansas Groundwater Protection and Management Report for 2015.

ACTIVITY REPORTS

Activity reports were presented by the following: Mrs. Debbie Moreland, Arkansas Association of Conservation Districts; Dr. Mike Daniels, U of A Cooperative Extension Service; Ms. Amanda Mathis, USDA Natural Resources Conservation Service; and Dr. Phillip Hays, US Geological Survey.

ADJOURN

There being no further business, Mr. Don Richardson made the motion to adjourn, with a second by Mrs. Ann Cash.



J. Randy Young, P.E.
Executive Director and Secretary

3-16-16
Date