

**Minutes of the
ARKANSAS NATURAL RESOURCES COMMISSION
September 20, 2017**

The regular meeting of the Arkansas Natural Resources Commission was held Wednesday, September 20, 2017 at 9:30 a.m. at Arkansas Natural Resources Commission, 101 East Capitol Avenue, Suite 350, Little Rock, Arkansas.

Commissioners in attendance were Chairman Don Richardson, Vice Chairman Fred Fowlkes, Neal Anderson, Sloan Hampton, Jerry Hunton, Bruce Leggitt, Bill Poynter, and Roy Reaves. Commissioner Ann Cash was absent.

Staff members in attendance included: Executive Director Bruce Holland; 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; Lori Nakai, Public Information Specialist; Dave Fenter, Grants Manager; Darla Brooks, Grants Manager; Tony Ramick, Water Resources Program Manager; Tom Holte, Engineer; Randolph Polk, Engineer; Miccah Bowen, Program Coordinator; Blake Walters, Land Resource Specialist; Debbie Dickson, Grants Coordinator; Alison Keator, Financial Analyst; Vicki Walden; Administrative Specialist III; Gina Wilson, Construction Finance Analyst; and Carla Hill, Executive Assistant.

A list of guests is attached to the minutes.

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

APPROVAL OF MINUTES: July 19, 2017

Upon motion by Mr. Roy Reaves, second by Mr. Neal Anderson the Commission unanimously approved the minutes of the July 19, 2017 meeting.

COMMENTS FROM THE CHAIRMAN – Mr. Don Richardson

Chairman Richardson remembered Mr. Gene Sullivan, former USDA NRCS State Conservationist and conservation colleague, and the contributions he made to the state of Arkansas.

REPORT OF THE EXECUTIVE DIRECTOR- Mr. Bruce Holland, Executive Director

The Director gave a health update on Commissioner Ann Cash, the Feral Hog Action Committee, Beautiful Buffalo River Action Committee, and announced the upcoming Arkansas Oklahoma, Arkansas River Compact Commission (AOARCC) meeting. Mr. Holland then shared the ANRC Strategic Plan for FY 2018-2019 with the Commissioners focusing on the Arkansas Water Plan, conservation districts, and ANRC operations.

Status Report on Financial Assistance Programs - Mrs. Cynthia Bearden presented the financial assistance report dated August 31, 2017. (A copy of the report, Attachment "A", is attached to the minutes.)

WATER RESOURCES DEVELOPMENT DIVISION – Mr. Ryan Benefield

Mr. Benefield presented staff recommendations for the referenced projects below requesting financial assistance from the Clean Water Revolving Loan Fund (CWRLF), Drinking Water State Revolving Fund (DWSRF), Water Development Fund (WDF), Water, Sewer, Solid Waste (WSSW) and Consolidated General Obligation bonds (CGO). The Mt. Sherman Water Association application is contingent upon submission of the appropriate financial statements to Legislative Audit.

Upon motion by Mr. Neal Anderson, second by Mr. Jerry Hunton, the Commission unanimously approved the following bond programs and applications.

BOND PROGRAMS:

The Commission approved the Plan of Work for CGO Bond Program 2018 – 2019 Biennium, Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Program (Act 631 of 2007) Plan of Work for the Fiscal Years Ending June 30, 2018 and June 30, 2019.

FINANCIAL ASSISTANCE:

DUMAS (SEWER) – Desha County (CWRLF-L) Up to \$975,000
PURPOSE OF FUNDS: Install sewer system in Winchester; connect to and upgrade Dumas sewer system to treat the additional sewer.

The Commission approved loan funds in an amount up to \$975,000 for the City of Dumas from the Arkansas Clean Water State Revolving Loan Fund in accordance with the established funding priorities. The loan repayment schedule will not exceed twenty (20) years. The Executive Director will set the combined annual borrower rate and loan terms. Approval is contingent upon the City establishing and maintaining a six percent (6%) depreciation reserve fund.

DUMAS (SEWER) – Desha County (CWRLF-PF) Up to \$3,000,000
PURPOSE OF FUNDS: Install sewer system in Winchester; connect to and upgrade Dumas sewer system to treat the additional sewer.

The Commission approved funds in an amount up to \$3,000,000 of which the total amount will be in the form of a loan with principal forgiveness for the City of Dumas from the Arkansas Clean Water State Revolving Loan Fund in accordance with the established funding priorities. Approval is contingent upon the City establishing and maintaining a six percent (6%) depreciation reserve fund.

DUMAS (WATER) – Desha County (DWSRF-L) Up to \$920,000
PURPOSE OF FUNDS: Install a water line to Winchester for connection to the city of Dumas.

The Commission approved loan funds in an amount up to \$920,000 for the City of Dumas from the Arkansas Drinking Water State Revolving Loan Fund in accordance with the established funding priorities. The loan repayment schedule will not exceed twenty (20) years. The Executive Director will set the combined annual borrower rate and loan terms. Approval is

contingent upon the City establishing and maintaining a six percent (6%) depreciation reserve fund.

DUMAS (WATER) – Desha County (DWSRF-PF) Up to \$1,400,000
PURPOSE OF FUNDS: Install a water line to Winchester for connection to the city of Dumas.

The Commission approved funds in an amount up to \$1,400,000 of which the total amount will be in the form of a loan with principal forgiveness for the City of Dumas from the Arkansas Drinking Water State Revolving Loan Fund in accordance with the established funding priorities. Approval is contingent upon the City establishing and maintaining a six percent (6%) depreciation reserve fund.

GILLHAM LAKE REGIONAL WA – Polk /Sevier Counties (DWSRF-L) Up to \$2,400,000
PURPOSE OF FUNDS: Rehabilitate and expand existing water treatment plant.

The Commission approved loan funds in an amount up to \$2,400,000 for Gillham Lake Regional Water Association or successor for public water authority from the Arkansas Drinking Water State Revolving Loan Fund in accordance with the established funding priorities. The repayment schedule will not exceed twenty (20) years. The Executive Director will set the combined annual borrower rate and loan terms. Approval is contingent upon the Association establishing and maintaining a six percent (6%) depreciation reserve fund.

GILLHAM LAKE REGIONAL WA – Polk /Sevier Counties (DWSRF-PF) Up to \$1,700,000
PURPOSE OF FUNDS: Rehabilitate and expand existing water treatment plant.

The Commission approved funds in an amount up to \$1,700,000 of which the total amount will be in the form of a loan with principal forgiveness for Gillham Lake Regional Water Association or successor for public water authority from the Arkansas Drinking Water State Revolving Loan Fund in accordance with the established funding priorities. Approval is contingent upon the Association establishing and maintaining a six percent (6%) depreciation reserve fund.

WRIGHT-PASTORIA WA – Jefferson County (WDF-G) Up to \$12,360
PURPOSE OF FUNDS: Remove current water treatment plant filter media, inspect the under drains and install new filter media in all filters.

The Commission approved grant funds in an amount up to \$12,360 for Wright-Pastoria Water Association from the Water Development Fund. An administrative fee in an amount up to \$360 is to be retained by the Commission. Funds may be paid directly to Arkansas Rural Water Association for costs associated with these repairs. Approval is contingent upon the Association establishing and maintaining a six percent (6%) depreciation reserve fund.

MT. SHERMAN WA – Newton County (WDF-L) Up to \$193,125
PURPOSE OF FUNDS: Blast and repaint 2 water tanks and install approximately 5,520 feet of 6 inch water line to increase water flow due to growth in the system.

The Commission approved loan funds in an amount up to \$193,125 for Mt. Sherman Water Association from the Water Development Fund. The loan is for up to ten (10) years at two and three-quarters percent (2.75%) interest. An administrative fee in an amount up to \$5,625 is to

be retained by the Commission. Approval is contingent upon the Association establishing and maintaining a six percent (6%) depreciation reserve fund and compliance with the requirements for submission of financial statements with the Bureau of Legislative Audit.

MT. SHERMAN WA – Newton County (WDF-G) Up to \$64,375
PURPOSE OF FUNDS: Blast and repaint 2 water tanks and install approximately 5,520 feet of 6 inch water line to increase water flow due to growth in the system.

The Commission approved grant funds in an amount up to \$64,375 for Mt. Sherman Water Association from the Water Development Fund. An administrative fee in an amount up to \$1,875 is to be retained by the Commission. Approval is contingent upon the Association establishing and maintaining a six percent (6%) depreciation reserve fund and compliance with the requirements for submission of financial statements with the Bureau of Legislative Audit.

OSCEOLA – Mississippi County (WSSW-L) Up to \$3,605,000
PURPOSE OF FUNDS: Expand sewer treatment plant and replace the pump station to increase capacity.

The Commission approved loan funds in an amount up to \$3,605,000 for the City of Osceola from the Water, Sewer and Solid Waste Fund. The 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 \$105,000 is to be retained by the Commission. Approval is contingent upon the City establishing and maintaining a three percent (3%) depreciation reserve fund.

INCREASE IN FINANCIAL ASSISTANCE:

BAYOU METO IRRIGATION DISTRICT (00980-CGO) Up to \$9,121,751

The Commission approved additional loan funds in an amount up to \$9,121,751 for Bayou Meto from the Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Program (CGO) for costs associated with the projects.

COTTER-GASSVILLE JOINT SEWER COMMISSION (WSSW-L) Up to \$38,110

The Commission approved additional loan funds in an amount up to \$38,110 for Cotter-Gassville Joint Sewer Commission from the Water, Sewer and Solid Waste Fund for costs associated with the project replacing ductile iron sections and regrading sewer lines. The loan is for up to ten (10) years at two and three-quarters percent (2.75%) interest. An administrative fee in an amount up to \$1,110 is to be retained by the Commission.

DEOBLIGATION OF FUNDS:

GARLAND (WSSW) Up to \$515,000
The Commission de-obligated funds in the amount of \$515,000 that were approved in November of 2016 from the Water, Sewer and Solid Waste Fund. No forward movement made toward construction of the project.

REPORT ON EXECUTIVE DIRECTOR'S ACTIONS PROVIDING ADDITIONAL FUNDING:

GILLHAM REGIONAL WASTEWATER DISTRICT (01100-WSSW-G) Up to \$10,300

CONSERVATION DIVISION – Mr. Adrian Baber

Appointments and Reappointments to Conservation District Boards:

Mr. Adrian Baber presented Conservation District Board Appointments to the Commission. Upon motion by Mr. Fred Fowikes, second by Mr. Bill Poynter, the Commission unanimously approved the following appointments:

Nevada County	Courtney Mixon
Poteau River	Frankie Watson

Mr. Baber presented Conservation District Board Reappointments to the Commission. Upon motion by Mr. Neal Anderson, second by Mr. Bruce Leggitt, the Commission, with exception of Commissioner Richardson abstaining, unanimously approved the following reappointments:

Ashley County	Sam Shakelford
Boone County	James Widner
Garland County	Melvin Daniel
Mississippi County	Allen Donner
Mississippi County	Russ Thomason
Sharp County	Jim Baxter
Van Buren County	Don Richardson

Conservation Activity Report: Mr. Baber introduced Ms. Miccah Bowen, ANRC Nutrient Management Program Coordinator. Ms. Bowen and Mr. Karl VanDevender, UA Cooperative Extension Service Engineer, demonstrated the recently developed nutrient management online training. This certification program can be taken on the participant's time instead of attending a three day training session. The site can be for information, certification, or earning continuing education hours.

WATER RESOURCES MANAGEMENT DIVISION – Edward Swaim

Goal #1 of the ANRC Strategic Plan for FY 2018 - 2019 is implementation of the Arkansas Water Plan. Mr. Swaim emphasized the objectives to meet the goal.

CHAIRMAN'S REQUEST – Don Richardson

Joe Krystofik, US Fish and Wildlife Service State Partners Coordinator, and Clay Knighten with the Arkansas Nature Conservancy, informed the Commission of the current problems connected to the low water Arlberg crossing of the Middle Fork Little Red River in Stone County. Some of the issues include upstream pooling, limited stream flow, scoured streambed, possible flooding, and endangering species.

ACTIVITY REPORTS

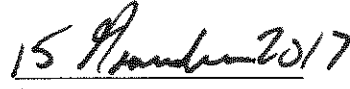
Activity reports were presented by Mr. Mike Sullivan, USDA Natural Resources Conservation Service; Mrs. Martha Manley, Arkansas Association of Conservation Districts; Mr. Karl VanDevender, PE, UA Cooperative Extension Service; Mr. Wes Ward, Arkansas Agriculture Department; and Mr. Jaysson Funkhouser, US Army Corps of Engineers.

ADJOURN

There being no further business, Mr. Don Richardson adjourned the meeting.



Bruce Holland
Executive Director and Secretary



Date