

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

The regular meeting of the Arkansas Natural Resources Commission was held Wednesday, July 20, 2016 at 8:30 a.m., at Arkansas Natural Resources Commission, 101 East Capitol Avenue, Suite 350, Little Rock, Arkansas.

Commissioners in attendance were Chairman Mike Carter, Don Richardson, Neal Anderson, Ann Cash, Fred Fowlkes, Sloan Hampton, Jerry Hunton, Bruce Leggitt 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; Deanna Ray, Assistant General Counsel; Lori Nakai, Public Information Specialist; Dave Fenter, Grants Manager; Darla Brooks, Financial Programs Manager; Debbie Dixon, Grants Coordinator; Blake Walters, Land Resource Specialist; Bob Fowler, Land Resource Specialist; Cody Harrington, Land Resource Specialist; Gina Wilson, Rural Construction Grant/Financial Officer; Marylen Smith, ANRC Program Coordinator; Pris Houchens, Rural Construction Grant/Financial Officer; Lois Miller, Rural Construction Grant/Financial Officer; 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: May 18, 2016

Upon motion by Mr. Fred Fowlkes, second by Mr. Sloan Hampton, the Commission unanimously approved the minutes of the May 18, 2016 regular meeting.

REPORT OF THE EXECUTIVE DIRECTOR

Status Report on Financial Assistance Programs - Mrs. Cynthia Bearden presented the financial assistance report dated June 30, 2016. (A copy of the report is attached to the minutes.)

WATER RESOURCES DEVELOPMENT DIVISION –

Refund Resolution – Mr. Mark Bennett presented Resolution No. 2016-02 to the Commission for approval. Mrs. Ann Cash made the motion, second by Mr. Sloan Hampton, the Commission unanimously approved the motion. (Resolution No. 2016-02 is attached to the minutes.) A telephonic meeting will be held September 16, 2016 to close the bond transaction.

Applications for Financial Assistance - Mr. Bennett presented staff recommendations for the referenced projects below requesting financial assistance from the Drinking Water State Revolving Fund (DWSRF); the Drinking Water State Revolving Fund (WDF); Water, Sewer, Solid Waste (WSSW); and the Pollution Abatement Bond fund (PAB).

Upon motion by Mr. Don Richardson, second by Mr. Jerry Hunton, the Commission approved the following applications. For the record, Mrs. Ann Cash recused herself from the vote. Chairman Carter opposed the motion.

CENTRAL AR WATER (CAW #3) (Pulaski) (DWSRF-L)

Up to \$5,000,000.00

PURPOSE OF FUNDS: Wilson pump station motor replacement, electrical upgrades & building renovation.

The Commission approved funds in an amount up to \$5,000,000.00 for the Applicant (CAW) from the Arkansas Drinking Water State Revolving Fund in the form of a loan in accordance with the established

funding priorities. The Executive Director will set the combined annual borrower rate and loan terms. Approval is contingent upon the Applicant establishing and maintaining a depreciation reserve fund.

CENTRAL AR WATER (CAW #4) (Pulaski) (DWSRF-L) **Up to \$17,000,000.00**

PURPOSE OF FUNDS: Ozark Point structural rehab of & improvements to flocculation & sedimentation basins, clear wells, filter pipe gallery and backwash/wastewater system.

The Commission approved funds in an amount up to \$17,000,000.00 for the Applicant (CAW) from the Arkansas Drinking Water State Revolving Fund in the form of a loan in accordance with the established funding priorities. The Executive Director will set the combined annual borrower rate and loan terms. Approval is contingent upon the Applicant establishing and maintaining a depreciation reserve fund.

WOOSTER (Faulkner) (DWSRF-L) **Up to \$2,530,000**

PURPOSE OF FUNDS: New master meter & building to tie into south end of system & feed into new elevated water tank.

The Commission approved funds in an amount up to \$2,530,000.00 for the Applicant from the Arkansas Drinking Water State Revolving Fund in the form of a loan in accordance with the established funding priorities. The Executive Director will set the combined annual borrower rate and loan terms. Approval is contingent upon the Applicant establishing and maintaining a depreciation reserve fund.

HUTTIG (Union) (DWSRF-L) **Up to \$525,000.00**

PURPOSE OF FUNDS: Replace water line.

The Commission approved funds in an amount up to \$525,000.00 for the Applicant from the Arkansas Drinking Water State Revolving Fund in the form of a loan in accordance with the established funding priorities. The Executive Director will set the combined annual borrower rate and loan terms. Approval is contingent upon the Applicant establishing and maintaining a depreciation reserve fund.

HUTTIG (Union) (DWSRF-PF) **Up to \$1,575,000.00**

PURPOSE OF FUNDS: Replace water line.

The Commission approved funds in an amount up to \$1,575,000.00 for the Applicant from the Arkansas Drinking Water State Revolving Fund of which the total amount will be in the form of a loan with principal forgiveness in accordance with the established funding priorities. The Executive Director will set the combined annual borrower rate and loan terms. Approval is contingent upon the Applicant establishing and maintaining a depreciation reserve fund.

STAMPS (Lafayette) (DWSRF-PF) **Up to \$2,581,633.00**

PURPOSE OF FUNDS: Replace parts of the distribution system to reduce water loss.

The Commission approved funds in an amount up to \$2,581,633.00 for the Applicant from the Arkansas Drinking Water State Revolving Fund of which the total amount will be in the form of a loan with principal forgiveness in accordance with the established funding priorities. The Executive Director will set the combined annual borrower rate and loan terms. Approval is contingent upon the Applicant establishing and maintaining a depreciation reserve fund.

MELBOURNE (Izard) (WDF-L)

Up to \$154,500.00

PURPOSE OF FUNDS: To purchase emergency, stand-by generators.

The Commission approved funds in an amount up to \$154,500.00 for the Applicant from the Water Development Fund in the form of a loan in accordance with the established funding priorities. An administrative fee in an amount up to \$4,500.00 is to be retained by the Commission. Approval is contingent upon the Applicant establishing and maintaining a depreciation reserve fund.

ST. FRANCIS RIVER RWDD (Greene) (WDF-L)

Up to \$51,500.00

PURPOSE OF FUNDS: Replace PH & add chlorine system, pump & fire hydrant; repair building

The Commission approved funds in an amount up to \$51,500.00 for the Applicant from the Water Development Fund in the form of a loan in accordance with the established funding priorities. An administrative fee in an amount up to \$1,500 is to be retained by the Commission. Approval is contingent upon the Applicant establishing and maintaining a depreciation reserve fund.

BEOUF-TENSES REG WWD (Desha) (WDF-G)

Up to \$5,150.00

PURPOSE OF FUNDS: Assist with costs associated with Corp study.

The Commission approved funds in an amount up to \$5,150.00 for the Applicant from the Water Development Fund in the form of a grant in accordance with the established funding priorities. An administrative fee in an amount up to \$150 is to be retained by the Commission. Approval is contingent upon the Applicant establishing and maintaining a depreciation reserve fund.

DELAPLAINE (Greene) (WDF-G)

Up to \$82,400.00

PURPOSE OF FUNDS: USDA request to provide funding for bid overruns.

The Commission approved funds in an amount up to \$82,400.00 for the Applicant from the Water Development Fund in the form of a grant in accordance with the established funding priorities. An administrative fee in an amount up to \$2,400 is to be retained by the Commission. Approval is contingent upon the Applicant establishing and maintaining a depreciation reserve fund and upon these grant funds being the last funds used for the project.

HOSANNA HEIGHTS POA (Fulton) (WDF-G)

Up to \$77,250.00

PURPOSE OF FUNDS: Replace the cracked well casing and rehab the chlorine contact chambers.

The Commission approved funds in an amount up to \$77,250.00 for the Applicant from the Water Development Fund in the form of a grant in accordance with the established funding priorities. An administrative fee in an amount up to \$2,250 is to be retained by the Commission. Approval is contingent upon the Applicant establishing and maintaining a depreciation reserve fund.

GREENWAY (Clay) (WSSW-G)

Up to \$77,250.00

PURPOSE OF FUNDS: Rehab existing lift station & wet well.

The Commission approved funds in an amount up to \$77,250.00 for the Applicant from the Water, Sewer & Solid Waste Fund in the form of a grant in accordance with the established funding priorities. An

administrative fee in an amount up to \$2,250.00 is to be retained by the Commission. Approval is contingent upon the Applicant establishing and maintaining a depreciation reserve fund.

OBLIGATION OF FUNDING BY EXECUTIVE DIRECTOR:

SIX-MILE CREEK WATERSHED (Franklin) (WDF-G) **\$8,240.00**

PURPOSE OF FUNDS: Drain lake, repair riser & install beaver guard to prevent damming

The Commission approved funds in the amount of \$8,000.00 for Six-Mile Creek Watershed from the Water Development Fund in the form of a grant in accordance with the established funding priorities. An administrative fee in an amount of \$240.00 will be retained by the Commission. Approval is contingent upon the Applicant establishing and maintaining a depreciation reserve fund.

WALDO (Columbia) (WSSW-G) **\$84,460.00**

PURPOSE OF FUNDS: Repair broken sewer pipe under roadway.

The Commission approved funds in an amount up to \$82,000.00 for the City of Waldo from the Water, Sewer & Solid Waste Fund in the form of a grant. An administrative fee in an amount up to \$2,460.00 is to be retained by the Commission. Approval is contingent upon the Applicant establishing and maintaining a depreciation reserve fund.

INCREASE IN FINANCIAL ASSISTANCE:

IMBODEN (Lawrence) (Additional Funding) (WSSW-G) **Up to \$30,900.00**

PURPOSE OF FUNDS: Paint water tank

The Commission approved additional funds in an amount up to \$30,900.00 for the City of Imboden from the Water, Sewer & Solid Waste Fund in the form of a grant. An administrative fee in an amount up to \$900.00 is to be retained by the Commission. Approval was contingent upon the Applicant establishing and maintaining a depreciation reserve fund.

CONVERSION OF LOAN TO GRANT: Upon motion by Mrs. Ann Cash, second by Mr. Fred Fowlkes, the Commission approved the following loan to grant conversions.

ALICIA (Lawrence) (WSSW-L) **\$61,359.11**

On December 11, 2008, the Town of Alicia was approved for a deferred loan in the amount of \$77,250.00 from the Water, Sewer & Solid Waste Fund for a term of twenty (20) years at five percent (5%) interest with an administrative fee in the amount of \$2,250.00 which was retained by the Commission.

The town has had declining population/users for the past several years and their financial demands for upkeep and improvements far outweigh their income.

WABASEKA (Jefferson) (PAB-L) **\$4,196.66**

The Town of Wabaseka was approved for a loan in the amount of \$40,000.00 from the Pollution Abatement Bond fund; interest on the loan was five percent (5%) with an administrative fee in the amount of \$2,250.00 which was retained by the Commission.

The town has had declining population/users for the past several years and their financial demands for upkeep and improvements far outweigh their income.

DE-OBLIGATION OF FUNDS:

MAGAZINE (Logan) (WDF-L) \$20,600.00

The Town of Magazine refused the funds due to concerns they could not re-pay the loan.

CONSERVATION DIVISION

Appointments and Reappointments to Conservation District Boards - Mr. Adrian Baber presented Conservation District Board Appointments to the Commission. Upon motion by Mr. Don Richardson, second by Mr. Jerry Hunton, the Commission unanimously approved the following appointments:

APPOINTMENTS

Columbia County	Jimmy Wilson
L'Aigle Creek	Roger Chandler
Little River County	Donald Davis
Montgomery County	JayDee Standridge

Upon motion by Mr. Fred Fowlkes, second by Mr. Don Richardson, the Commission unanimously approved the following reappointments:

REAPPOINTMENTS

Chicot County	Paul Dunavant
Columbia County	Dr. Mark Bryan
Hempstead County	Bobby Webb
Lincoln County	Bob Crane
Madison County	Marlene Pitts
Miller County	Chase Groves
Montgomery County	David McCarter
Phillips County	Earnest Larry
White County	Jimmy Dale Smith
White County	Elvis Vaughn
Yell County	James Mitchell

Conservation District Director Emeritus – Mr. Adrian Baber presented names for approval.

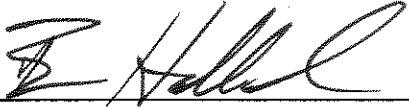
Upon motion by Mrs. Ann Cash, second by Mr. Don Richardson, the Commission unanimously approved the following appointments: Bill Teeter, Desha County; Charles E. Stagg, Van Buren County; and Edwin Wood, Van Buren County.

Resolution of Recognition - Director Randy Young announced his retirement effective July 31, 2016. Upon motion by Mrs. Ann Cash, second by Mr. Don Richardson, the Commission unanimously approved **Resolution 2016-03** recognizing Director Young for his 45 years of service to the State of Arkansas. Chairman Mike Carter presented Director Randy Young with a plaque in appreciation of his service. (Resolution No. 2016-03 is attached to the minutes.)


Northeast Arkansas Water Tour - In closing, motion was made by Mrs. Ann Cash authorizing expenses for Commissioners to attend the Joint Agriculture Committee/Northeast Arkansas Water Tour in conjunction with the September Commission meeting in Batesville, AR. Second was made by Mr. Jerry Hunton. The Commission unanimously approved the motion.

ADJOURN

There being no further business, the meeting was adjourned.



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



Date