

Minutes of the ARKANSAS NATURAL RESOURCES COMMISSION

March 17, 2010

The regular meeting of the Arkansas Natural Resources Commission was held Wednesday, March 17, 2010, at 9:30 a.m., at the Arkansas Natural Resources Commission, 101 East Capitol, Little Rock, Arkansas.

Commissioners in attendance were Chairman Jerry Mitchell; Vice-Chairman Sloan Hampton; David Feilke; Ann Cash; Neal Anderson, Corbet Lamkin; Alec Farmer, Mike Carter, and Don Richardson.

Staff members participating included: Randy Young, Executive Director; Earl Smith, Chief, Water Resources Management; Cynthia Bearden, Controller; Adrian Baber, Chief, Conservation Division; Edward Swaim, General Counsel; Mark Bennett, Chief, Water Resources Development Division; Crystal Phelps, Associate General Counsel; Blake Walters, Land Resource Specialist; Wesley Perry; Alvin Simmons, Engineer Supervisor; Carla Hill; Dave Fenter, Marketing Manager; Darla Brooks, Financial Programs Manager; and Pat Smith, Executive Assistant.

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

A list of guests is attached to the minutes.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Young introduced Mr. Mike Carter, the former and newly appointed Commissioner. He is presently counsel for the Stephens Production Company in Fort Smith.

Employee Recognition – Mr. Young presented a twenty-year service certificate to Alvin Simmons for his service to the State of Arkansas.

Consideration of Resolution 2010-01 - Mr. Young presented Resolution 2010-01 to the Commission recognizing Commissioner Robert White for his contributions to the State of Arkansas by his service as a member of the Commission. Upon motion by Mr. Farmer, second by Dr. Lamkin, the Commission adopted Resolution 2010-01 as presented.

Consideration of Resolution 2010-02 - Mr. Young presented Resolution 2010-02 to the Commission recognizing Commissioner Daniel Bryant for his contributions to the State of Arkansas by his service as a member of the Commission. Upon motion by Dr. Lamkin, second by Mrs. Cash, the Commission adopted Resolution 2010-02 as presented.

STATUS OF FINANCIAL ASSISTANCE PROGRAMS

Mrs. Cynthia Bearden presented the financial assistance report. (Copy of report attached to the minutes).

LEGAL ISSUES

Consideration of Amendment to Rules Governing Conservation Districts to Change the Beaver Bounty – Mr. Swaim presented the proposed amendment to rules governing Conservation Districts that recommends an increase in bounty from \$5 to \$10. The legislature appropriates approximately \$150,000 to the Commission per biennium to fund the Beaver Control Program. Presently, that amount, even supplemented by counties, does not offer enough incentive to hunters to participate in the program. This proposed amendment recommends an increase to \$10 per beaver in hopes that the program will be more successful. Upon motion by Mr. Anderson, second by Mr. Farmer, the Commission approved proceeding with rulemaking to increase the beaver bounty from \$5 to \$10.

Report on Landowner Petitions to Merge Conservation Districts – Mr. Swaim advised that the Union County Conservation District and the Ouachita County Conservation District have each petitioned the Commission to merge the two districts into the newly named Ouachita-Union Conservation District. Twenty-five landowners from each county requested this action. The staff will work with the districts to set a referendum and have a vote in the counties within a 60-day period of review by staff. A report will be given to the Commission with the results of that referendum.

Mr. Young stated that staff is having discussions with at least four other districts that are interested in merging. Mr. Baber advised that Hot Spring County and Saline County; and Stone County and Izard County, are interested in merging and have discussed this possibility with staff.

FINANCIAL ASSISTANCE

APPLICATIONS FOR FINANCIAL ASSISTANCE

Mr. Bennett presented staff recommendations for the referenced projects below requesting financial assistance from the Water, Sewer and Solid Waste Fund (WSSW).

Upon motion by Mr. Anderson, second by Mrs. Cash, the Commission approved the following recommendations:

CARTHAGE (Dallas County) (WSSW)

Up to \$25,750.00

PURPOSE OF FUNDS: Replacement of galvanized lines to group of customers that currently do not have sufficient water pressure to meet Arkansas Department of Health regulations.

The Commission approved a deferred loan for Carthage in an amount up to **\$25,750.00** from the Water, Sewer and Solid Waste Fund. This deferred loan is for up to twenty-three (23) years with a repayment schedule of up to twenty (20) years at five percent (5%) interest. Payment upon principal is to be deferred for three (3) years and interest is to be waived for three (3) years. An administrative fee in an amount up to \$750.00 is to be retained by the Commission.

Carthage is in the process of applying to USDA Rural Development for water system improvements of which this project is a part. Because of the urgent need to replace this line, Carthage has asked the Commission to provide temporary funding for this line with the understanding that the loan will be repaid from funds provided by Rural Development. If the

Rural Development funds are not obtained within three years, then the loan will be repaid as provided above.

SWEET HOME, HIGGINS & RED OAK SEWER FACILITIES BOARD (Pulaski County)
(WSSW) Up to \$25,750.00

PURPOSE OF FUNDS: *To pay certain start-up expenses associated with Phase I of the project.*

The Commission approved a loan for Sweet Home, Higgins & Red Oak Sewer Facilities Board in an amount up to **\$25,750.00** from the Water, Sewer & Solid Waste Fund. This loan is for up to twenty (20) years at five percent (5%) interest. An administrative fee in an amount up to \$750.00 is to be retained by the Commission. Approval is contingent upon the Board establishing and maintaining a depreciation reserve fund.

SWEET HOME, HIGGINS & RED OAK SEWER FACILITIES BOARD (Pulaski County)
WSSW) Up to \$25,750.00

PURPOSE OF FUNDS: *To repair sewer system and perform diagnostics of additional sewage problems.*

The Commission approved a grant for Sweet Home, Higgins & Red Oak Sewer Facilities Board in an amount up to **\$25,750.00** from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$750.00 is to be retained by the Commission. Approval is contingent upon the Board establishing and maintaining a depreciation reserve fund and upon the grant funds being the last funds used for the project. These funds may be paid directly to Arkansas Rural Water Association for costs associated with emergency repairs to the sewer collection system and pump station.

TURRELL (Crittenden County)(WSSW) Up to **\$7,725.00**

PURPOSE OF FUNDS: *To repair the sewage lagoon and discharge pump system.*

The Commission approved a grant for Turrell in an amount up to **\$7,725.00** from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$225.00 is to be retained by the Commission. Approval is contingent upon the City to establish sewer rates sufficient to cover all system cost and maintaining a depreciation reserve fund. The Executive Director shall work with the City to determine sewer rates necessary to meet this requirement. Upon request of the Director, the City shall provide proof of its ability to meet this requirement.

PARKIN (Cross County) (WSSW) Up to **\$21,630.00**

PURPOSE OF FUNDS: *To replace or repair the pumps at the main sewage lift station and other repairs at the pump station.*

The Commission approved a grant for Parkin in an amount up to **\$21,630.00** from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$630.00 is to be retained by the Commission. Approval is contingent upon the City to establish sewer rates sufficient to cover all system cost and maintaining a depreciation reserve fund. The Executive Director shall work with the City to determine sewer rates necessary to meet this requirement. Upon request of the Director, the City shall provide proof of its ability to meet this requirement. These funds may be paid directly to Arkansas Rural Water Association for costs associated with emergency repairs to the city's sewer pump station.

LUXORA (Mississippi County)(WSSW)

Up to \$21,630.00

PURPOSE OF FUNDS: To replace or repair the discharge pumps and other repairs at sewer plant.

The Commission approved a grant for Luxora in an amount up to **\$21,630.00** from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$630.00 is to be retained by the Commission. Approval is contingent upon the City to establish sewer rates sufficient to cover all system cost and maintaining a depreciation reserve fund. The Executive Director shall work with the City to determine sewer rates necessary to meet this requirement. Upon request of the Director, the City shall provide proof of its ability to meet this requirement. These funds may be paid directly to Arkansas Rural Water Association for costs associated with emergency repairs to the city's sewer plant.

REPORT ON AMERICAN RECOVERY AND REINVESTMENT ACT – Mr. Bennett stated that all but two contracts are under construction. Approximately 104 jobs have been created from projects funded by the Drinking Water Program, and 14 jobs have been created from projects funded by the Clean Water Program.

CONSERVATION DIVISION

APPOINTMENTS/REAPPOINTMENTS TO CONSERVATION DISTRICT BOARDS

Mr. Adrian Baber presented the staff recommendations for appointments/reappointments for Conservation District Boards of Directors. Commission action is as follows.

Upon motion by Dr. Lamkin, second by Mr. Anderson, the Commission approved the following reappointments:

REAPPOINTMENTS

- | | |
|------------------------------|------------------------|
| <i>Pope County CD</i> | <i>John Berkemeyer</i> |
| <i>Crittenden County CD</i> | <i>Woody Ray</i> |
| <i>Faulkner County CD</i> | <i>Danny Mallett</i> |
| | <i>Rocky Harrell</i> |
| <i>Sebastian County CD</i> | <i>Paul Carruth</i> |
| <i>Dallas County CD</i> | <i>Roy Johnson</i> |
| | <i>Ed Givens</i> |
| <i>Benton County CD</i> | <i>Ronnie McGhee</i> |
| <i>Baxter County CD</i> | <i>James Bryant</i> |
| <i>Randolph County CD</i> | <i>Bill Bailey</i> |
| <i>Monroe County CD</i> | <i>Wayne Beadles</i> |
| <i>Carroll County</i> | <i>Kenneth Clark</i> |
| <i>Union County CD</i> | <i>Rhonda Rudder</i> |
| <i>Craighead County CD</i> | <i>Steve Cox</i> |
| <i>Nevada County CD</i> | <i>Shane Meadow</i> |
| <i>Franklin County CD</i> | <i>John Lachowsky</i> |
| <i>Grant County CD</i> | <i>Royce Shepherd</i> |
| <i>Newton County CD</i> | <i>Denver Smith</i> |
| <i>St. Francis County CD</i> | <i>John McDaniel</i> |

Upon motion by Mrs. Cash, second by Mr. Anderson, the Commission approved the following appointments:

APPOINTMENTS

Lafayette County CD
Sebastian County CD
White County CD

Smead Grimmet
Ione Spearman
Trey Reaper

CERTIFICATION OF 2010 ELECTION RESULTS – CONSERVATION DISTRICT BOARDS

Mr. Baber presented for certification by the Commission, results of the Conservation District Boards of Directors election held March 2, 2010. Mr. Baber pointed out that election results have not been received from Perry County, and therefore are not certified. The county will be left off the official list until proper documentation is received. Dr. Lamkin noted that Calhoun, Nevada, and Randolph counties did not each reflect three directors elected. Mr. Baber stated that there had been a limited number of candidates running in each of those counties.

For the record, Mr. Farmer abstained from voting. Upon motion by Dr. Lamkin, second by Mrs. Cash, the Commission certified the results as presented by the staff (a copy is attached to minutes).

CONSERVATION DISTRICT ACTIVITY REPORT – Mr. Blake Walters introduced Mr. Paul King, with the Franklin County Conservation District. Mr. King gave a report on activities conducted by the district.

BREAK/RECONVENE

WATER RESOURCES MANAGEMENT DIVISION

Mr. Smith reported that the Bayou Meto Irrigation Project has progressed to the Construction Phase with a construction appropriation of \$100,000. The board is meeting tomorrow to discuss financing and needed agreements.

The Grand Prairie Project is under construction. The contract for the inlet channel from the pumping station to the river was awarded last year totaling \$1.8 million. River levels have hampered the contractor from beginning that work. The Corps of Engineers has advertised and an award is pending on completing the foundation and substructure of the pumping station. It should be awarded next month. The pumps are in storage in Memphis and the motors are currently being fabricated. Construction costs for the reservoir and pump station will be approximately \$21 million; the pipes and the electric substation will be approximately \$9 million. The timeframe for completion of the project will depend upon federal appropriations.

Mr. Farmer requested that the Commissioners be kept informed of the progress of the Mississippi River Basin Initiative meetings. Mr. Smith stated that he would give status reports periodically. Mr. Farmer stated that FEMA is updating flood maps and the Corps has been given the responsibility of certifying the levees to withstand a 100-year flood. There has been a panel put together in Washington to establish certification criteria. The criteria are very difficult for Delta soils to meet.

Dr. Lamkin stated that he would like to see the maps drawn correctly, along with making certain that the criteria does correspond with local circumstances.

Mr. Young advised that Mr. Sweeney served on the National Levee Committee which will oversee levee certification. He will have Mr. Sweeney electronically send out the recommendations to all the Commissioners.

ACTIVITY REPORTS

Informational activity reports were presented by the following: Andrew Wargo III, President, Arkansas Association of Conservation Districts, and Tom Riley, Policy Director, U of A Division of Agriculture.

Of special interest, Mr. Wargo stated that the Association was requested to facilitate meetings on the Mississippi River Basin Initiative. Four meetings have been held around the state with an attendance of between 40-80 persons. The next meeting will be held tomorrow in Little Rock at the Arkansas Natural Resources Commission's Arkansas River Room. Proposals are to be submitted by May 3rd.

Mr. Riley distributed a copy of the Cooperative Extension Service's (CES) annual report. The CES is involved with the City of Fayetteville as it explores development of a riparian buffer ordinance. The city has had public meetings and will continue meetings to receive comments through the next month.

APPROVAL OF MINUTES; FEBRUARY 19, 2010

Upon motion by Mrs. Cash, second by Mr. Feilke, the Commission approved the minutes of the February 19, 2010, meeting.

COMMISSION TRAVEL EXPENSE REIMBURSEMENT

Upon motion by Mr. Farmer, second by Mrs. Cash, the Commission approved reimbursable expenses for the Chairman or his designated representative to attend the following:

1. Arkansas Association of Conservation District's Area Meetings
2. Arkansas Association of Conservation Districts' Conservation Tour, September, 2010

ADJOURN

There being no further business, the meeting was adjourned.



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

May 5, 2010
Date

CONSERVATION DISTRICTS BOARD OF DIRECTORS

2010 Certification of Election Results

Adopted: March 17, 2010

The following persons, having received the largest number of votes in the election held in their respective districts on March 2, 2010, are certified as Conservation District Directors-Elect with a term of office to begin on April 1.

BAXTER COUNTY:

- ❖ Harold Morris
- ❖ Gary Bell
- ❖ Sherrie Bufford

OUACHITA COUNTY:

Jane S. LaBleff
John David Neeley
Perry Richard

UNION COUNTY:

JK Rudder, Jr.
Lee Vell Faison
Eveann George

CALHOUN COUNTY:

- ❖ Robert E. Moore
- ❖ John Beasley

PHILLIPS COUNTY:

Bill Carter
Michael Rial
Brian Thomas

VAN BUREN COUNTY:

Stephen Smith
Debbie Jones
Edwin Wood

DALLAS COUNTY:

- ❖ James Taylor
- ❖ Ricky Craig
- ❖ Ann Pilgrim

PIKE COUNTY:

Mike Putz
Randy Stewart
Billy Maroon

WASHINGTON COUNTY:

Glen Laurent
Allen Stewart

COSSATOT CD

- ❖ Kenny Pickering
- ❖ Dennis Duggan
- ❖ Jim Barnes

POPE COUNTY:

Charles W. Harms
Charles Oates
Melvin Dorn

CRAIGHEAD COUNTY:

- ❖ Alec Farmer
- ❖ Mike Hook
- ❖ Jerry Don Clark

PRAIRIE COUNTY:

Frank Prislovsky
Kenneth Foot
Paul Betzner

FAULKNER COUNTY:

- ❖ Steve Martin
- ❖ Fred Fowlkes
- ❖ John Harrington

PULASKI COUNTY:

Bill Dorough
Dennis Hackbart
Mary Ratcliffe

GARLAND COUNTY:

RANDOLPH COUNTY:

- ❖ Doug Meredith
- ❖ Tommy Sorrells
- ❖ Judy Castleberry

HEMPSTEAD COUNTY:

- ❖ Bobby Kidd
- ❖ Denny Dickinson
- ❖ Gene Childress

MONROE COUNTY:

- ❖ Samuel Medford
- ❖ Doug Mayhue
- ❖ Gary Bock

NEWTON COUNTY:

- ❖ JD Hill
- ❖ Frank Breedlove
- ❖ Murl Bryant

Danny Ellis

SEBASTIAN COUNTY:

Marion Mathis

Michael Looper

Jerry McGary

SHARP COUNTY:

Brian Neal

Chris Himschoot

Robert Murphy

STONE COUNTY:

Danny Littrell

Barton Foll

Mark Leonard

NEVADA COUNTY:

John McLelland