

MINUTES
ARKANSAS NATURAL RESOURCES COMMISSION
January 16, 2020

The regular meeting of the Arkansas Natural Resources Commission was held Thursday, January 16, 2020, at 9:30 a.m. at the Wyndham Riverfront, 2 Riverfront Place, North Little Rock, AR 72114.

Commissioners in attendance were Chairman Bill Poynter, Vice Chairman Bruce Leggitt, Roy Reaves, Ann Cash, Sloan Hampton, Fred Fowlkes, Neal Anderson, and Troy Gaston. Commissioner Will Brewer was unable to attend.

Staff members in attendance included: Ryan Benefield, Deputy Director; Debby Dickson, Program Fiscal Manager; Cynthia Bearden, Accounting Operations Manager; Crystal Phelps, General Counsel; Deanne Redman, Administrative Specialist III; Miccah Barton, Program Coordinator; Candace Reed, Brooks Morehart, and Bob Fowler, Land Resource Specialists; Shelby Schmittou, Ecologist; Tony Ramick, Fiscal Manager/Coordinator; Kaetlynn Melton, Marketing Director; Amanda Owens, Legal Services Specialist; Jim Battreal, Geology Supervisor; Breegan Andersen, Ecologist Coordinator; Jackson Pruss, Environmental Program Coordinator; Kathryn Stewart, Water Conservation Specialist; Whitney Montague, State Climatologist; Andrew Cherry, Dam Safety Engineer; and April Harris, Administrative Analyst.

A list of guests is attached to the minutes.

Chairman Poynter called the meeting of the Arkansas Natural Resources Commission (ANRC) to order.

APPROVAL OF MINUTES: November 13, 2019

Upon motion by Mr. Roy Reaves, seconded by Mrs. Ann Cash, the commission unanimously approved the minutes of the meeting held on November 13, 2019.

REPORT OF THE DIRECTOR – Deputy Director Benefield began by thanking Arkansas Association Conservation Districts (AACD) for inviting ANRC to have their commission meeting in association with the annual AACD meeting. Mr. Benefield invited meeting attendees to the commission sponsored lunch after today's meeting. He also briefly discussed the topics of the ANRC breakout sessions to be held after lunch and announced AACD has a lot of great topics on their agenda for tomorrow.

Mr. Benefield stated ANRC has been awarded four grants to work on feral hog eradication in the state of Arkansas. J.P. Fairhead has been hired as our feral hog coordinator and will work with the districts on the grants.

Director Holland and Secretary Ward both served on the Levee Task Force. A final report has been submitted and this effort will be very helpful with Arkansas levees in the future. ANRC will possibly have a new grant/loan program for levees.

Mr. Benefield announced Cynthia Bearden has taken on a new role within ANRC. She will be heading up the in-house State Federal Revolving Loan Fund; she will continue to give the financial report and the conservation district audits.

FINANCIAL ASSISTANCE REPORT - Mrs. Cynthia Bearden, Accounting Operations Manager, presented the financial assistance report dated December 31, 2019 (a copy of the report, Attachment "A", is attached to the minutes).

Mrs. Bearden reported the 2018 audit will be presented to the Legislative Joint Auditing Committee on January 23rd. There was one minor audit finding (employees not entering time in/out in the vehicle logs), and this has been addressed with employees.

LEGAL – Mrs. Crystal Phelps, General Counsel, asked commissioners to vote on commissioner expense reimbursement, and stipend payment for calendar year 2020.

Commissioner Stipend: *Upon motion by Mr. Roy Reaves, seconded by Mrs. Ann Cash, the commission, pursuant to Ark. Code Ann. §25-16-904, agreed to decline payment of \$85.00 per meeting stipend attended for members of the commission.*

Commissioner Expense Reimbursement: *Upon motion by Mr. Roy Reaves, seconded by Mrs. Ann Cash, the commission, pursuant to Ark. Code Ann. §25-16-902, authorized expense reimbursement for official business at the rate of state employees.*

Additionally, Mrs. Phelps reminded commission members to submit their Statement of Financial Interest form to the Secretary of State's Office by January 31, 2020.

WATER RESOURCES DEVELOPMENT DIVISION

FINANCIAL ASSISTANCE:

Mrs. Debby Dickson presented staff recommendations for the referenced projects below requesting financial assistance from the Water, Sewer and Solid Waste Fund (WSSW), the Arkansas Drinking Water State Revolving Fund (DWSRF), the Arkansas Clean Water Revolving Loan Fund (CWRLF), the Arkansas Water, Waste Disposal, and Pollution Abatement Facilities General Obligation Bond Fund (CGO), and the Water Development Fund (WDF).

Upon motion by Mr. Neal Anderson, seconded by Mrs. Ann Cash, the commission unanimously approved the following applications for financial assistance:

CITY OF BONO Craighead County

Project: Extend wastewater collection system

Project Description

The City of Bono would like to extend the existing wastewater collection system to serve 17 new users inside the city limits that currently utilize individual septic systems for wastewater disposal.

Due to the nature of the soil, the existing septic systems do not operate properly. The proposed service area also has approximately 115 acres of open land that can be developed into residential areas.

Project Financial Information

The current average monthly water bill for the City of Bono is \$12.40 based on 4,000 gallons of usage. The Association will be required to raise rates to \$21.25 for 4,000 gallons of usage, an increase of \$8.85 per month in order to service the proposed loan, including 110% loan coverage. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the Jefferson County is \$39,662. The City of Bono listed the customer base for this project at 962 (946 Residential, 16 Commercial).

The City of Bono currently does not have any loans with ANRC.

Estimated Project Costs

Construction:	\$ 321,830
Contingencies	32,183
Engineering – Planning, Design & Construction	43,000
Engineering – Inspection	15,500
Legal Fees	10,000
Administrative	0
Capitalized Interest during Construction	6,000
Issuance fee (3%)	13,036
Other: Railroad permit fee	6,000
Other:	
Total Estimated Capital Cost:	\$ 447,549

Executive Director’s Recommendation

The Staff recommends that the Commission approve an amount up to \$447,549 (includes ANRC fee of \$13,036) in a loan to the City of Bono from the Arkansas Water Sewer Solid Waste Fund. The repayment schedule will not exceed twenty (20) years or the life of the project.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

**CENTRAL ARKANSAS WATER
Pulaski County**

Project: Consolidation of Paron-Owensville Water association with Central Arkansas Water

Project Description

The Paron Owensville Water Association is interested in consolidating with Central Arkansas Water to assure its customers a long-term sustainable system. The project will allow consolidation of the two systems and make capital improvements to the system.

Project Financial Information

The current average monthly water bill for the Paron Owensville Water Association is \$48.61 based on 4,000 gallons of usage. Central Arkansas Water will refinance Paron Owensville’s existing debt and borrow and additional \$2,500,000 for capital improvements. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the Little Rock is \$40,139. Central Arkansas Water listed the customer base for this project at 940.

Central Arkansas Water currently does have loans with ANRC, and they are current on all the loans.

Estimated Project Costs

Construction:	\$1,800,000
Contingencies	180,000
Engineering – Planning, Design & Construction	148,500
Engineering – Inspection	79,200
Legal Fees	17,660
Administrative	
Capitalized Interest during Construction	69,188
Issuance fee (3%)	
Other:	\$ 3,755,452
Other –	
Total Estimated Capital Cost:	\$ 6,050,000

Executive Director’s Recommendation

The Staff recommends that the Commission approve an amount up to \$6,050,000 in a loan to Central Arkansas Water from the Drinking Water State Revolving Loan Fund. The repayment schedule will not exceed twenty (20) years or the life of the project.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

**CITY OF HUNTSVILLE
Madison County**

Project: Build a new water storage tank

Project Description

The City of Huntsville would like to build a new water storage tank on land they currently own. The old storage tank is outdated, and it does not serve all the areas of Huntsville due to the elevation of the tank. Constructing a new tank can serve new customers and provide better service for existing customers who currently have to use pumps. The project will be funded by an ANRC loan, a USDA Rural Development loan, and an AEDC loan.

Project Financial Information

The current average monthly water bill for the City of Huntsville is \$24.43 based on 4,000 gallons of usage. The current rate structure will service the proposed loan, including 110% loan coverage. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the City of Huntsville is \$27,788. The City of Huntsville listed the customer base for this project at 1,202.

The City of Huntsville currently does not have any loans with ANRC.

Estimated Project Costs

Construction:	\$ 913,625
Contingencies	91,375
Engineering – Planning, Design & Construction	118,800
Engineering – Inspection	0
Legal Fees	14,000
Administrative	0
Capitalized Interest during Construction	25,000
Issuance fee (3%)	9,000
Other: Survey/Geotech	15,500
Other – AIS/Environmental	22,000
Total Estimated Capital Cost:	\$1,209,300
Less USDA-RD Loan	-700,300
Less AEDC Grant	-200,000
Total ANRC Funding	\$ 309,000

Executive Director’s Recommendation

The Staff recommends that the Commission approve an amount up to \$309,000 in a loan to the City of Huntsville from the Arkansas Water Development Fund. The repayment schedule will not exceed ten (10) years or the life of the project.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

JEFFERSON SAMPLES DEXTER WATER USERS ASSOCIATION
Jefferson County

Project: Construct a new 500 GPM well

Project Description

The Jefferson Samples Dexter Water Users Association would like to construct a new 500 GPM well to replace an inoperative well.

Project Financial Information

The current average monthly water bill for the Jefferson Samples Dexter WUA is \$31 based on 4,000 gallons of usage. The Association will be required to raise rates to \$32.55 for 4,000 gallons of usage, an increase of \$1.55 per month in order to service the proposed loan, including 110% loan coverage. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the Jefferson County is \$36,918. The Jefferson Samples Dexter WUA listed the customer base for this project at 1,100.

Jefferson Samples Dexter Water Users Association currently does not have any loans with ANRC.

Estimated Project Costs

Construction:	\$ 550,000
Contingencies	48,403
Engineering – Planning, Design & Construction	67,925
Engineering – Inspection	3,575
Legal Fees	10,000
Administrative Capitalized Interest during Construction	
Issuance fee (3%)	20,397
Other:	
Other:	
Total Estimated Capital Cost:	\$ 700,300

Executive Director’s Recommendation

The Staff recommends that the Commission approve an amount up to \$700,300 (includes ANRC fee of \$20,397) in a loan to the Jefferson Samples Dexter Water Users Association from the Waste Disposal and Pollution Abatement Facilities General Obligation Bond Fund (GO Bond) Program. The repayment schedule will not exceed twenty (20) years or the life of the project.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

CITY OF PALESTINE
St. Francis County

Project: Replace meters

Project Description

The City of Palestine would like to replace 701 meters which are at the end of their useful life. Many of the meters are original to the system. The system has experienced higher water losses over the last few years as these meters have begun to fail. The new electromagnetic meters will reduce the issue of replacing parts in individual meters. The system will also have the ability to detect possible water loss on the customer's side.

Project Financial Information

The current average residential monthly combined water and sewer bill for the City of Palestine is \$19.01 based on 4,000 gallons of usage. The City of Palestine will be required to raise all water and sewer rates by 24.25% in order to service the proposed loan, including 110% loan coverage. The average residential monthly combined water and sewer rates will increase to an estimated \$23.62 for 4,000 gallons of usage, an increase of \$4.61 per month. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the Palestine is \$33,734. The City of Palestine listed the customer base for this project at 699.

The City of Palestine currently has three loans with ANRC. They are current on their loans. The 2018 audit indicated the City of Palestine did not make any transfers to a depreciation reserve account required by ANRC. The required transfer was \$2,919. The City of Palestine does currently have a depreciation reserve fund required by USDA.

Estimated Project Costs

Construction:	\$ 284,860
Contingencies	14,240
Engineering – Planning, Design & Construction	26,000
Engineering – Inspection	4,000
Legal Fees	12,000
Administrative	10,233
Capitalized Interest during Construction	0
Issuance fee (3%)	0
Other:	0
Other:	0
Total Estimated Capital Cost:	\$ 351,333

Executive Director's Recommendation

The Staff recommends that the Commission approve an amount up to \$351,333 in a loan to the City of Palestine from the Drinking Water State Revolving Loan Fund. The repayment schedule will not exceed ten (10) years or the life of the project.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

CITY OF SILOAM SPRINGS

Benton County

Project: Improvements to existing water treatment facility

Project Description

The City of Siloam Springs would like to make improvements to the existing water treatment facility. Improvements include, but not limited to, addition of a redundant raw water line; replace mechanical and process equipment; update monitoring and controls equipment; filter improvements, conversion of disinfection system from gas chlorine to sodium hypochlorite.

Project Financial Information

The City of Siloam Springs voters passed an extension of the existing 5/8 cent sales tax to repay the debt associated with this project. Siloam Springs has averaged approximately \$650,000 in Sales & Use tax collected between Jan 2016 to Sept 2019. With consistent sales and use tax collections over the last three years, the 5/8 cent sales tax will, at a minimum, meet the debt service for this funding.

The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the City of Siloam Springs is \$40,139. The City of Siloam Springs listed the customer base for this project at 7,429.

The City of Siloam Springs currently does have loans with ANRC, and they are current on these loans.

Estimated	Project	Costs
Construction:		\$23,400,000
Contingencies		2,340,000
Engineering – Planning, Design & Construction		3,810,000
Engineering – Inspection		500,000
Legal Fees		20,000
Administrative		0
Capitalized Interest during Construction		0
Issuance fee (3%)		0
Other:		0
Other:		0
Total Estimated Capital Cost:		\$30,070,000

Executive Director’s Recommendation

The Staff recommends that the Commission approve an amount up to \$30,100,000 in a loan to the City of Siloam Springs from the Drinking Water State Revolving Loan Fund. The repayment schedule will not exceed twenty (20) years or the life of the project.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

TRI COUNTY REGIONAL WATER DISTRIBUTION DISTRICT

Pope, Logan and Yell counties

Project: Install the third water treatment module at the Hector Water Treatment Plant

Project Description

Tri County Regional Water Distribution District wants to install the third (3rd) water treatment module at the Hector Water Treatment Plant. The original plant infrastructure was designed for the 3rd module, excluding the raw water pumps which will be part of this upgrade. Installation of the 3rd module will increase the flow rates from 500 gallons per minute (GPM) to 750 GPM.

Project Financial Information

The current average monthly water bill for the Tri County Regional Water Distribution District is \$65.15 based on 4,000 gallons of usage. The current rate structure will service the proposed loan, including 110% loan coverage. As a result, the Tri County Regional Water Distribution District will not be required to raise rates to service the proposed loan. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the service area is \$38,623. Tri County listed the customer base for this project at 8,293.

Tri County Regional Water Distribution District currently does not have loans with ANRC.

Estimated Project Costs

Construction:	\$ 696,700
Contingencies	58,835
Engineering – Planning,	
Design & Construction	30,000
Engineering – Inspection	0
Legal Fees	14,465
Administrative	0
Capitalized Interest during	0
Construction	
Issuance fee (3%)	0
Other:	0
Other –	0
Total Estimated Capital Cost:	\$ 800,000

Executive Director’s Recommendation

The Staff recommends that the Commission approve an amount up to \$800,000 in a loan to Tri County Regional Water Distribution District from the Drinking Water State Revolving Loan Fund. The repayment schedule will not exceed twenty (20) years or the life of the project.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

CITY OF CAVE SPRINGS

Benton County

Project: Connect to NACA Wastewater Treatment Facility for treatment of sewage

Project Description

The City of Cave Springs is located in southern central Benton County, Arkansas in the valley of Osage Creek. Cave Springs and Benton County are part of the Northwest Arkansas: Fayetteville-Springdale-Rogers-Bentonville urbanized area.

Over the past five-years during the permitting cycle of Permit 4893-WR-2, the City of Cave Springs has recorded 22 instances of exceeding their permit limits, 20 of which were for exceedances of Total Suspended Solids (TSS) limits. The City of Cave Springs is committed to complying with environmental laws and regulations and therefore is determined to identify and address their wastewater treatment plant's performance.

Several options were explored for helping the City to meet environmental requirements of sewage treatment and the most effective method was determined (see PER for more detail). The option selected was for the City to discontinue 'wastewater treatment and instead send their sewage to be treated by the NACA Wastewater Treatment Facility. For this alternative, land will be purchased for construction of additional collection, transmission and pumping facilities to convey all waste discharges into the City of Bentonville's gravity sanitary sewer main to NACA. NACA and the City of Bentonville will sell the City of Cave Springs an agreed upon set of criteria for this agreement including flow rate, nutrient concentrations, duration, etc.

Project Financial Information

The current average monthly sewer bill for the City of Cave Springs is \$54.12 based on 4,000 gallons of usage. The current rate structure will service the proposed loan, including 110% loan coverage. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the City of Cave Springs is \$87,123. The City of Cave Springs listed the customer base for this project at 1,887.

The City of Cave Springs currently has three loans with ANRC, and they are current on all loan payments.

Estimated Project Costs	
Construction:	\$ 3,833,060
Contingencies	766,610
Engineering – Planning, Design & Construction	306,650
Engineering – Inspection	191,650
Legal Fees	38,330
Administrative	100,000
Capitalized Interest during Construction	0
Issuance fee (3%)	0
Other: Easements, Env. Permitting, Geotech	532,200
Other: Treatment and Conveyance Fee Buy-In	1,409,000
Total Estimated Capital Cost:	\$ 7,177,500
Less – Cave Springs sales tax funded bond proceeds	-3,000,000
Total ANRC Funding:	4,177,500

Executive Director’s Recommendation

The Staff recommends that the Commission approve a rounded amount up to \$4,200,000 in a loan to the City of Cave Springs from the Arkansas Clean Water Revolving Loan Fund. The repayment schedule will not exceed twenty (30) years or the life of the project, whichever is less.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

DEOBLIGATION OF FUNDS:

Mrs. Debby Dickson reported on the below referenced funds to be deobligated from the Arkansas Clean Water Revolving Loan Fund (CWRLF) and the Arkansas Drinking Water State Revolving Fund (DWSRF).

Lockesburg (01110-CWRLF-L) \$97.24

Deobligate funds in the amount of \$97.24 that were approved in September 2015 from the Arkansas Clean Water Revolving Loan Fund. Project completed.

Stephens (01237-DWSRF-L) \$491,172.00

Deobligate funds in the amount of \$491,172.00 that were approved in July 2019 from the Arkansas Drinking Water State Revolving Fund. Applicant has decided to decline funding at this time.

Central Arkansas Water (01173-DWSRF-L) \$43,000,000.00

Deobligate funds in the amount of \$43,000,000.00 that were approved in September 2018 from the Arkansas Drinking Water State Revolving Fund. Applicant is not moving forward with this project at this time; may reevaluate in a few years and reapply at that time.

POST-ISSUANCE COMPLIANCE POLICY REPORT:

Mrs. Dickson stated we have received our arbitrage calculations for outstanding tax exempt bonds; they have been completed and we are in compliance with all Internal Revenue Service arbitrage rules.

As long as General Obligation Bonds are outstanding, the Issuer shall provide the Annual Financial Information on or before 210 or 270 days after the end of the State's fiscal year, to the Municipal Securities Rulemaking Board (MSRB), through its continuing disclosure service portal provided through Electronic Municipal Market Access (EMMA).

The 2014A series and earlier have an annual due date of January 26th.

The 2014B series and later have an annual due date of March 26th.

At this time the Arkansas State Fiscal Year Comprehensive Annual Financial Report (CAFR) is scheduled to be published January 24, 2020. Staff will submit required report on EMMA prior to January 26, 2020.

LEVEE FUNDING:

Upon motion by Mr. Bruce Leggitt, seconded by Mr. Neal Anderson, the commission was unanimously in agreement of the following approvals for levee funding:

CONWAY COUNTY LEVEE DISTRICT #6

Conway County

Project: Levee Flood Damage Repair and Cleanup

Project Description

During the Arkansas River flood in June 2019, a 30" CMP drainage culvert failed and allowed the river to flood the protected side of the levee. Emergency protective measures were taken by Conway County and the U.S. Army Corps of Engineers (USACE) to build a cofferdam to temporarily stop the water. The culvert needs to be replaced with approximately 220 feet of 30" reinforced concrete pipe, with concrete headwalls on each end and a 30" flap gate on the river side. The USACE has committed to repairing the culvert at 100% funding. The levee district will be responsible for administration costs and property access/easement costs.

In addition to the USACE project, this request includes clearing and grubbing approximately 9,200 feet of the levee, flood debris removal, camera inspection on the remaining four drainage culverts, and the installation of liners in the drainage culverts.

Project Financial Information

The levee district has a single source of funding through a property tax assessment. The annual levee assessment is \$1.50/acre for the land protected by the levee. This currently amounts to approximately \$2,500.00 per year. This money is used to bush hog the levee once a year to maintain compliance with the USACE. Conway County Levee District #6 is currently in good

standing with the USACE Rehab and Inspection (RIP) Program. The levee district's current account balance is approximately \$6,780.68.

Estimated Project Costs

Construction*:	\$270,750
Contingencies	\$27,075
Total Estimated Capital Cost:	\$297,825

*An additional \$187,000 in project costs will be completed by USACE

Director's Recommendation

The Staff recommends that the Commission approve an amount up to \$297,825 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding.

**CONWAY COUNTY – POPE COUNTY LEVEE DISTRICT #1
Conway/Pope County**

Project: Levee Flood Damage Repair and Inspection

Project Description

In late May and early June, the Arkansas River flooded with significant damage in the Conway County & Pope County Levee District #1 area. This is a 13.4 mile stretch of levee from Ormond Lock and Dam to Galla Creek along the north side of the Arkansas River. This levee district was recently formed by combining Conway County Levee District #3 and #7 with Pope County Levee District #2 for a unified effort and economies of scale.

The proposed project will include the replacement of 2 - 42" drainage pipes, clearing and grubbing along the levee, fence and woody vegetation removal and revegetation of the disturbed areas. In addition, the project includes the video inspection and lining of approximately 2,152 feet of pipe at six locations along the levee.

Project Financial Information

The levee district has a single source of funding through a property tax assessment. The annual levee assessment is capped by State Law (A.C.A. 14-123-419) at 5 mills per benefitted acre. This currently amounts to approximately \$14,336.05 per year. The district estimates that it will require \$26,800 per year to adequately maintain the levee which will include mowing the levee twice per year and flap valve inspections. The levee district is currently in good standing with the U.S. Army Corps of Engineers (USACE) Rehab and Inspection (RIP) Program. The levee district's current account balance is approximately \$53,714.92.

Estimated Project Costs

Construction*:	\$825,000
Contingencies	\$82,500
Engineering-Inspection	\$25,000
Total Estimated Capital Cost:	\$932,500

*An additional \$856,000 in project costs will be completed by USACE

Director's Recommendation

The Staff recommends that the Commission approve an amount up to \$932,500 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding contingent on the combined district agreeing to increase the Assessment as necessary to fully fund Operation and Maintenance of the system, if/when, allowed by State law.

FOURCHE DAM ISLAND DRAINAGE DISTRICT #2

Pulaski County

Project: Levee Relocation

Project Description

The proposed project will relocate a portion of the existing Fourche Island levee in the vicinity of the Little Rock Port Authority Foreign Trade Zone on Lindsey Road so that it ties directly into the buffer for Interstate 440. The project will remove approx. 3,000 linear feet of levee, thereby 1) making it easier to maintain, 2) eliminating the need for flood gates by Fourche Dam Pike, and 3) better protecting the vital economic interests located in the Port Industrial Park. The Little Rock Port Authority is in the process of acquiring the 17 acres of land needed to enable the project, at a cost of \$382,000. Engineering and construction costs for the project are estimated at \$576,000. Maintenance for the new section is expected to cost \$1,800 per year.

The levee is in good standing with the U.S. Army Corps of Engineers (USACE) Rehab and Inspection (RIP) program. In 2015 the levee was rated minimally acceptable, with the areas of concern including unwanted vegetation and aging drainage culverts.

Project Financial Information

The levee district has a single source of funding through a property tax assessment. This currently amounts to \$125,937 per year. The District currently receives enough revenue to fully maintain the levee and the proposed project will reduce maintenance costs by \$1,800 per year. The levee district's account balance as of October 12, 2018 was \$151,796.83.

Estimated Project Costs	
Construction*:	\$384,000
Contingencies	\$76,800
Engineering-Construction	\$46,080
Engineering-Inspection	\$46,080
Other – USACE Fees	\$23,040
Total Estimated Capital Cost:	\$576,000

*An additional \$382,000 in project costs will be completed by the District.

Director's Recommendation

The Staff recommends that the Commission approve an amount up to \$576,000 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding.

OLD RIVER DRAINAGE DISTRICT
Pulaski County

Project: Levee Review and Inspection

Project Description

The Old River Drainage District is requesting funding to prepare a report to qualify the district's Arkansas River Levee (7.6 miles) to enter the U.S. Army Corps of Engineers (USACE) System Wide Improvement Framework (SWIF) program. This would include the review of USACE inspections and the current status of the levee. The intent of the study and report is to qualify the district's levee to enter the USACE SWIF program and to ultimately have a USACE qualified levee in the USACE Rehab and Inspection (RIP) program.

The SWIF program allows levee owners to remain temporarily eligible for P.L. 84-99 assistance while they correct unacceptable operation and maintenance deficiencies as part of a broader, system-wide improvement to their levee systems. Submitting a system-wide improvement framework plan is a two-step process. A Letter of Intent is submitted followed by submission of a SWIF plan. The applicant has up to two years to develop the plan.

A SWIF provides the opportunity to transition a levee over time to USACE standards. By using a SWIF, sponsors can prioritize deficiencies to address the highest risk first to achieve system-wide risk reduction. The project application did not include a request for funding to address identified levee deficiencies and only requested \$20,000 to prepare a report.

Project Financial Information

The levee district has a single source of funding through a property tax assessment. Details regarding the Districts assessments and collections were not submitted. The levee district's account balance as of September 30, 2019 was \$17,791.46.

Estimated Project Costs

Construction*:	\$200,000
Contingencies	\$20,000
Engineering –Construction	\$35,000
Engineering-Inspection	\$15,000
Total Estimated Capital Cost:	\$270,000

*The Levee District requested only \$20,000 to complete a report on potential deficiencies with the Levee. The additional funding is recommended by staff to assist in completing necessary improvements, as identified in the SWIF report.

Director's Recommendation

The Staff recommends that the Commission approve an amount up to \$20,000 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding to the District for completion of a SWIF program plan for the purpose of bringing the levee into the USACE RIP program. In addition, the Staff recommends that the Commission approve up to

\$250,000 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding to the District for completion of necessary improvements identified in the SWIF program Plan to bring the Levee, in time, into the USACE RIP Program. This funding is contingent on the District agreeing to take the steps necessary to enter and complete the SWIF program and provide for and fund the necessary operation and maintenance of the Levee.

PERRY COUNTY LEVEE DISTRICT #1
Perry County

Project: Levee Flood Damage Repair and Rebuild

Project Description

During the Arkansas River flood in June 2019, the levee was breached, and significant erosion occurred as the flood waters crested the levee. Significant portions of the levee will have to be rebuilt and/or repaired.

Project Financial Information

The levee district has a single source of funding through a property tax assessment. Collections of the annual levee assessment should begin in the first quarter of 2020 and is estimated to be \$2,557 per year. Operation and maintenance of the system is estimated to be \$2,000 per year. Perry County Levee District #1 is currently in the USACE Rehab and Inspection (RIP) Program.

Estimated Project Costs

Construction:	\$856,000
Contingencies	\$95,872
Engineering – Construction	\$51,360
Engineering - Inspection	\$51,360
LERDS	\$178,080
Administrative Costs	\$9,822
Total Estimated Capital Cost*:	\$1,242,494

*\$792,494 in project costs will be completed by USACE

Director's Recommendation

The Staff recommends that the Commission approve an amount up to \$450,000 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding. This funding is contingent on the district agreeing to fully fund and maintain the levee in the USACE RIP program.

PLUM BAYOU LEVEE DISTRICT
Jefferson/Lonoke County

Project: Levee Review and Inspection

Project Description

The Plum Bayou Levee District is requesting funding to prepare a report to qualify the district's Arkansas River Levee (60 miles) to enter the U.S. Army Corps of Engineers (USACE) System Wide Improvement Framework (SWIF) program. This would include the review of USACE

inspections and the current status of the levee. The intent of the study and report is to qualify the district's levee to enter the USACE SWIF program and to ultimately have a USACE qualified levee in the USACE Rehab and Inspection (RIP) program.

The SWIF program allows levee owners to remain temporarily eligible for P.L. 84-99 assistance while they correct unacceptable operation and maintenance deficiencies as part of a broader, system-wide improvement to their levee systems. Submitting a system-wide improvement framework plan is a two-step process. A Letter of Intent is submitted followed by submission of a SWIF plan. The applicant has up to two years to develop the plan.

A SWIF provides the opportunity to transition a levee over time to USACE standards. By using a SWIF, sponsors can prioritize deficiencies to address the highest risk first to achieve system-wide risk reduction. The project application did not include a request for funding to address identified levee deficiencies and only requested \$40,000 to prepare a report.

Project Financial Information

The levee district has a single source of funding through a property tax assessment. The District collects approximately \$117,319.14 per year and estimates annual Operation and Maintenance to be \$71,564.17 per year. The levee district's account balance as of April 30, 2018 was \$250,595.48.

Estimated Project Costs

Construction*:	\$400,000
Contingencies	\$40,000
Engineering –Construction	\$70,000
Engineering-Inspection	\$30,000
Total Estimated Capital Cost:	\$540,000

*The Levee District requested \$40,000 to complete a report on potential deficiencies with the Levee. The additional funding is recommended by staff to assist in completing necessary improvements, as identified in the SWIF report.

Director's Recommendation

The Staff recommends that the Commission approve an amount up to \$40,000 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding to the District for completion of a SWIF program plan for the purpose of bringing the levee into the USACE RIP program. In addition, the Staff recommends that the Commission approve up to \$500,000 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding to the District for completion of necessary improvements identified in the SWIF program Plan to bring the Levee, in time, into the USACE RIP Program. This funding is contingent on the District agreeing to take the steps necessary to enter and complete the SWIF program and provide for and fund the necessary operation and maintenance of the Levee.

RIVERDALE HARBOUR MUNICIPAL PROPERTY OWNERS IMPROVEMENT DISTRICT #1 Pulaski County

Project: Harbor Levee and Wall Repair

Project Description

During the flooding conditions in May/June 2019 storm drains leading to the Arkansas River in the district were closed to stop stormwater flowing into the river. In addition, this prevented the river water from entering the levee district. During an inspection of the levee, it was noted that the wall at the marina was pushing away from the toe of slope of the levee making the levee vulnerable to a slide. B-stone rock was brought in to stabilize the levee creating a 650-foot-long rock wall. This project will shore up the marina wall and remove the B-stone.

Project Financial Information

The district has a single source of funding through a property tax assessment. The district collects approximately \$105,000 per year. The levee district's account balance as of September 2019 was \$123,391.42. The district maintains a depreciation reserve fund which currently has a balance of \$75,348.69.

Estimated Project Costs

Construction:	\$1,180,806.49
Contingencies	\$236,161.30
Engineering –Construction	\$159,196.78
Engineering-Inspection	\$47,232.26
Total Estimated Capital Cost:	\$1,623,397

Director's Recommendation

The Staff recommends that the Commission approve an amount up to \$1,623,397 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding to the District.

RIVERDALE LEVEE IMPROVEMENT DISTRICT #134**Pulaski County****Project: Levee Drainage System Repair****Project Description**

This project will include the removal and replacement of approximately 275 feet of existing 66" drainage pipe, two junction boxes, two curb inlets and 140 feet of 18" drainage pipe damaged during the May/June 2019 Arkansas River flooding. This piping is a part of the overall levee system. In addition, the project includes the restoration of the existing surfaces of pavement, fencing and landscaping. The levee is currently in the U.S. Army Corps of Engineers (USACE) Rehab and Inspection (RIP) Program and the district is only responsible for 20% of the total cost of the repair.

Project Financial Information

The district has a single source of funding through a property tax assessment. The district collects approximately \$315,000 per year. The district has approximately \$180,824 in funds currently available. The district estimates that operation and maintenance of the levee is \$257,343.90 per year.

Estimated Project Costs

Construction*: \$800,000
Total Estimated Capital Cost: \$800,000

*An additional \$3.2 Million in project costs will be completed by-USACE.

Director’s Recommendation

The Staff recommends that the Commission approve an amount up to \$800,000 in a grant from the Arkansas Department of Emergency Management utilizing the Governor’s Emergency Funding to the District.

ROLAND DRAINAGE DISTRICT of PULASKI COUNTY, ARKANSAS

Pulaski County

Project: Gate Repair, Levee Maintenance and Reassessment

Project Description

The Roland Drainage District of Pulaski County was formed by the Pulaski County court on August 22, 1935, pursuant to Act 279 of the General Assembly of 1909. The district is located in west Pulaski County on the right bank of the Arkansas River, approximately 181 miles from the mouth, near the town of Roland, Arkansas. The district was not active until recently and currently has three active and involved Commissioners. The district maintains 4.1 miles of earthen levee and one concrete structure with three 6-foot by 6-foot steel sluice gates with hand powered crank gates.

The district requests funds to pay the administration costs of re-assessing the landowners in the district and to provide funds for the district to clear the levee of vegetation and to repair the sluice gate

Project Financial Information

The district has not had any assessments on the books of the Pulaski County Collector but plans to start collecting in 2020. The district expects the annual assessments will be enough to operate and maintain the levees and the sluice gates.

Estimated Project Costs

Construction: \$374,450
Contingencies \$37,445
Engineering – Construction* \$36,040
Engineering – Inspection* \$17,505
Administrative Costs \$15,000
Total Estimated Capital Cost*: \$480,440

*Engineering costs were added by staff

Director’s Recommendation

The Staff recommends that the Commission approve an amount up to \$480,440 in a grant from the Arkansas Department of Emergency Management utilizing the Governor’s Emergency

Funding. This funding contingent on the district agreeing to determine and enact an assessment adequate to fully fund the operation and maintenance of the Levee.

TUCKER LAKE LEVEE and DRAINAGE DISTRICT
Jefferson County

Project: Levee Flood Damage Repair and Rebuild

Project Description

During the recent flooding event, the Tucker Lake Levee & Drainage District sustained severe damage. The levee is an estimated seven mile stretch just North of Pine Bluff and protects a significant number of businesses, the city of Pine Bluff, and the APB Sports Complex and Aquaculture facility. During the event, the district experienced severe erosion that washed out numerous embankments as well as flapper gates and a hydraulic pump. The drainage pipe that is included the same structure was completely damaged and currently does not function. The pipe failure allowed water to seep through the levee causing significant erosion.

Project Financial Information

The district is working to re-initiate tax assessments and a get a new assessment of the property protected by the levee. The District has \$80,832.18 as of September 30, 2019.

Estimated Project Costs

Construction:	\$734,792
Contingencies	\$104,970
Engineering – Construction	\$50386
Total Estimated Capital Cost*:	\$890,148

*\$792,494 in project costs will be completed by USACE

Director's Recommendation

The Staff recommends that the Commission approve an amount up to \$890,148 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding. This funding is contingent upon the district agreeing to establish and collect an assessment sufficient to fully fund operation and maintenance of the levee system.

TUPELO BAYOU IRRIGATION and WATERSHED DISTRICT
Faulkner County

Project: Levee and Drainage Repair

Project Description

The project location is the Tupelo Bayou Irrigation and Watershed District in Faulkner County. The District covers a portion of the southwest corner of Faulkner County, bordering Perry and Pulaski Counties and running adjacent to the Arkansas River. During the recent flooding event, the levee sustained serious damage resulting in the need to repair one levee gate. Three locations on the levee need to be raised to grade due to cattle/road crossings. Lastly, the U.S. Army Corps

of Engineers (USACE) has identified excessive vegetation on the base of the levee that should be removed. The levee is in the USCAE Rehab and Inspection (RIP) Program.

Project Financial Information

The levee district has a single source of funding through a property tax assessment. The annual levee assessment is \$0.75 per cultivated acre \$0.20 per all other acres, and 1 mil on all homestead properties. This currently amounts to approximately \$33,465 per year. Operation and maintenance of the levee is estimated at \$31,800 per year.

Estimated Project Costs

Construction:	\$36,000
Contingencies*	\$3,600
Engineering *	\$6,800
Total Estimated Capital Cost:	\$46,400

* Engineer and contingency costs added by staff

Director's Recommendation

The Staff recommends that the Commission approve an amount up to \$46,400 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding.

DARDANELLE DRAINAGE DISTRICT LEVEE

Yell County

Project: Levee Breach Repair

Project Description

This project, located near the address of 11283 E. State Highway 155 Dardanelle, AR 72834, will be to repair the Dardanelle Drainage District levee that was destroyed by historic Arkansas River flooding in May of this year. The levee was breached, and significant erosion occurred as water flowed through the breached section. A substantial portion of the levee will have to be rebuilt.

Over 18,700 acres are directly affected by this levee. Furthermore, based on research and data from the 2010 U.S. Census, 375 housing units and 821 people could be affected by flooding from this breach.

Project Financial Information

The application for funding was submitted by Yell County and not the levee board. The financial and operational status of the levee board is not presently known but the county is working to ensure the levee board is reestablished and an adequate assessment is established and collected.

Estimated Project Costs

Construction:	\$1,186,000
Contingencies	\$237,200
Engineering – Construction	\$72,500
Engineering - Geotechnical	\$20,000
Total Estimated Capital Cost:	\$1,515,700

Director's Recommendation

Staff recommends that the Commission approve an amount up to \$1,515,700 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding. This funding contingent on the District being reformed, as needed, made operational and an assessment established to ensure full funding of future Operation and Maintenance of the levee system.

PETIT JEAN LEVEE

Yell County

Project: Levee Reconstruction

Project Description

This project, located near Cotton Road in Dardanelle, Arkansas, will be to repair the Petit Jean Levee that was destroyed by historic Arkansas River flooding in May of this year. The breach in Petit Jean Levee is above pipes where Thomey Creek empties into the river. The breach is ninety-one feet wide at the top and twenty-four feet wide at the bottom. The breach lacks approximately seven feet reaching the top of the pipes which will need replacing.

Over 18,700 acres are directly affected by this levee. Furthermore, based on research and data from the 2010 U.S. Census, 375 housing units and 821 people could be affected by flooding from this breach.

Project Financial Information

The application for funding was submitted by Yell County and not the levee board. The financial and operational status of the levee board is not presently known but the county is working to ensure the levee board is reestablished, and an adequate assessment is developed and collected.

Estimated Project Costs

Construction:	\$265,000
Contingencies	\$20,000
Engineering – Construction	\$15,000
Total Estimated Capital Cost*:	\$300,000

*\$37,000 in funding has already been obtained by the County

Director's Recommendation

Staff recommends that the Commission approve an amount up to \$263,000 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding. This funding contingent on the district being reformed as needed, made operational and an assessment established to ensure full funding of future operation and maintenance of the levee system.

MCLEAN BOTTOMS LEVEE and DRAINAGE DISTRICT #3 LOGAN COUNTY

Project: Levee Repair

Project Description

The Arkansas River overtopped the McLean Bottoms Levee on May 29, 2019 which led to a full levee breach of a 440-foot-wide section. Two additional sections of the levee were also breached. The McLean Bottoms Levee protects 60 residences. During the flood, five homes were damaged beyond repair along with eight other structures.

The proposed project will include the rebuilding of the breached sections and repair to additional sections of the levee to the original design grades. The McLean Bottoms Levee is active in the U.S. Army Corps of Engineers (USACE) Rehab and Inspection (RIP) Program and all costs associated with the repair other than legal fees and easement acquisition will be funded by the USACE.

Project Financial Information

No financial information was provided for the district. The district is awaiting completion of their audit.

Estimated Project Costs Real

Estate Costs and Legal Fees \$91,000

Total Estimated Capital Cost*: \$91,000

*\$3,833,918 in additional funding will be provided by USACE

Director's Recommendation

The Staff recommends that the Commission approve an amount up to \$91,000 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding. This funding is contingent on the district's agreement to fully fund and maintain the levee in the USACE RIP program.

GENERAL OBLIGATION BOND WORKPLANS – Mr. Benefield stated every biennium we must redo a workplan under the general obligation bond program. Currently, we have two different acts voted on by the people that are available to sell general obligation bonds (Act 607 of 1997, and Act 631 of 2007). The new biennium began July 2019.

Workplans must be approved in case we need to sell bonds; if so, we would then be able to move forward. Should the Commission approve the work plan, we would then get an opinion from the Department of Finance & Administration, next go to the legislature for advice, and lastly the governor issues a final approval of the workplan.

Mr. Benefield reiterated this approval is not for ANRC to sell bonds, but rather is to give the commission the authority to sell later during this biennium. A full resolution by the commission would have to be done later before selling a bond.

Upon motion by Mr. Neal Anderson, seconded by Mr. Fred Fowlkes, the commission unanimously approved the General Obligation Bond Workplans.

CONSERVATION DIVISION – Deputy Director Ryan Benefield announced the following appointments and reappointment for the conservation districts:

Appointments to Conservation District Boards – *Upon motion by Mr. Neal Anderson, seconded by Mr. Bruce Leggitt, the commission unanimously approved the following appointments:*

Clay County	Mark Williams
Craighead County	Bradley Wallace
Craighead County	Mike Hook
Little River	Brandon Kennemore
Little River	Dwayne Reaper
Miller County	Chase Groves
Poinsett County	Wallace Willoughby III
Sharp County	Brian Neal

Reappointments to Conservation District Boards - *Upon motion by Mr. Neal Anderson, seconded by Mr. Bruce Leggitt, the commission unanimously approved the following reappointments:*

Calhoun County	Billy Williams
Carroll County	Coy Huff
Chicot County	Grady Keith
Clark County	Mike Calloway
Cleburne County	Patrick McGary
Jefferson County	Meredith Baker
Lawrence County	Tony Teel
Pope County	Roy Reaves
Pulaski County	Carl Eggers
Pulaski County	Debbie Moreland


RESOLUTION NO. 2020-01 – Mrs. Crystal Phelps recognized Commissioner Sloan Hampton for his contributions to the state of Arkansas. He served on the commission of ANRC for 14 years. *Upon motion by Mr. Roy Reaves, seconded by Mr. Fred Fowlkes, the commission unanimously motioned to adopt Resolution No. 2020-01.*

ACTIVITY REPORTS

Activity reports were presented by Mike Sullivan, USDA Natural Resources Conservation Service (NRCS); Martha Manley, Arkansas Association Conservation Districts (AACD); Dr. Mike Daniels, U of A Cooperative Extension Service; Drew Westerman, U.S. Geological Survey (USGS), and Jonathan Gillip, U.S. Army Corps of Engineers.

ADJOURN

There being no further business, meeting was adjourned.



Bruce Holland
Director



Date