

MINUTES
ARKANSAS NATURAL RESOURCES COMMISSION
May 16, 2018

The regular meeting of the Arkansas Natural Resources Commission was held Wednesday, May 16, 2018, at 9:30 a.m. at Arkansas Natural Resources Commission, 101 East Capitol Avenue, Suite 350, Little Rock, Arkansas.

Commissioners in attendance were Chairman Fred Fowlkes, Sloan Hampton, Neal Anderson, Bruce Leggitt, Roy Reaves, Ann Cash, Bill Poynter, and Will Brewer. Commissioner Jerry Hunton could not attend.

Staff members in attendance included: 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; Bob Fowler, Land Resources Specialist; Brooks Davis, Land Resource Specialist; Lori Scott-Nakai, Public Information Specialist; Dave Fenter, Grants Manager; Darla Brooks, Grants Manager; Jackie Broach, Administrative Analyst; Bill Ruck, Engineer Supervisor; Vicki Walden, Administrative Specialist III; Debra Dickson, Program Coordinator; Amanda Owens, Legal Support Specialist; and April Harris, Administrative Analyst.

A list of guests is attached to the minutes.

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

Sherrel Johnson, project manager for Union County Water Conservation Board (UCWCB), commended Union County Conservation District, ANRC, and UCWCB for the work they have done in helping to raise the ground water level in Union County. Mrs. Johnson reported the ground water in Union County has risen 99.8 feet, whereas it was declining 7 feet per year (in 1997). Mrs. Johnson also offered UCWCB's assistance in providing ground water levels and water usage data to ANRC. She thanked Jim Battreal for attending the Arkansas Department of Environmental Quality Envoy Award Ceremony last month. Lastly, she offered to host an ANRC commission meeting in Union County.

APPROVAL OF MINUTES: March 21, 2018

Upon motion by Mr. Neal Anderson, seconded by Mr. Roy Reaves, the commission unanimously approved the minutes of the March 21, 2018, meeting.

REPORT OF THE EXECUTIVE DIRECTOR - Mr. Ryan Benefield, Deputy Director, reported on the Red River Compact Commission meeting recently hosted by ANRC and stated there is an ongoing issue with Louisiana regarding the quantity of water Arkansas delivers to Louisiana. When stream flows get below a certain level we are required to give 40% of the weekly run-off. ANRC believes the compact requirements are being met; however, if it's ever determined we're not providing 40% we would have to take affirmative action to remedy the circumstance.

Mr. Benefield also reported Dave Fenter with ANRC is retiring and this is his last commission meeting. Mr. Benefield commended Dave for his hard work with ANRC.

FINANCIAL ASSISTANCE REPORT - Mrs. Cynthia Bearden, Agency Controller, presented the financial assistance report dated April 30, 2018 (a copy of the report, Attachment "A", is attached to the minutes).

LEGAL ISSUES - Mrs. Crystal Phelps, General Counsel

Update on Public Comment and Request to Approve Proposed Revisions to Title 2 as Final

Mrs. Phelps stated Title 2 concerns rules governing the conservation districts. The following three amendments to Title 2 were agreed on by the commission last March: 1) language was added into the rule which was already present in the statute, 2) requirement of quarterly meetings were removed, and 3) ANRC will not hold money from dues on behalf of Arkansas Association of Conservation Districts (AACD) and National Association of Conservation Districts (NACD), but instead give the money from the dues to the districts and let them make payments to AACD & NACD.

Mrs. Phelps stated there were no comments made during the public comment period held from March 26 to April 25, 2018, nor during the hearing held. Furthermore, she asked the commission to approve the Title 2 draft as final pending approval by the legislature in June 2018.

Mr. Roy Reaves addressed the wording of Title 2, Section 218.3, B (page 11) wherein it states "at its regular June meeting". He stated ANRC does not have a June meeting and suggested it be reworded to May when the commission generally has its meeting.

Upon motion by Mr. Neal Anderson, seconded by Mr. Bill Poynter, the commission unanimously approved Title 2 as amended with rewording of May versus June for Section 218.3, B, subject to approval by legislative council. However, if legislature prefers the language as written during public comment period remain, the commission approves as is stating June.

WATER RESOURCES DEVELOPMENT DIVISION – Mr. Mark Bennett, Water Development Division Manager

To give the commission a better understanding of how projects are handled within the Water Resources Development Division, Mr. Bennett reported on the review process of projects presented to the commission. Additionally, he presented them with examples of projects showing the approved amount and the final cost.

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

Mr. Bennett fielded questions from the commission on project fees and compliance.

Upon motion by Mrs. Ann Cash, seconded by Mr. Roy Reaves, the commission unanimously approved the following applications.

FINANCIAL ASSISTANCE:

SARDIS WATER ASSOCIATION PWA – Saline County (CGO-L) Up to \$2,060,000

PURPOSE OF FUNDS: Construct a 2.0 MGD Water Treatment Plant and Wells to supply the plant - Designed to expand to 4.0 MGD when needed. Customers 5,422.

Approve loan funds in an amount up to \$2,060,000 for the Sardis Water Association PWA from the Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Fund. The loan is for twenty (20) years at three and nine-tenths percent (3.9%) interest. An administrative fee in an amount up to \$60,000.00 is to be retained by the commission. Approval is contingent upon the authority establishing and maintaining a three percent (3%) depreciation reserve fund.

LEWISVILLE – Lafayette County (DWSRF-L) Up to \$3,000,000

PURPOSE OF FUNDS: Replacement of deteriorated asphaltic concrete water mains - Rehab the distribution system to reduce water loss. Customers 551.

Approve loan funds in an amount up to \$3,000,000 for the city of Lewisville 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 three percent (3%) depreciation reserve fund.

TULIP-PRINCETON WA - Grant County (WDF-L) Up to \$46,350

PURPOSE OF FUNDS: Replace existing water meters with direct read meters. Customers 455.

Approve loan funds in an amount up to \$46,350 for the Tulip-Princeton Water Association from the Water Development Fund. This loan is for up to ten years (10) at two and three-quarters percent (2.75%) interest. An administrative fee in an amount up to \$1,350 is to be retained by the commission. Approval is contingent upon the association establishing and maintaining a depreciation reserve fund.

CARTHAGE – Dallas County (WSSW-G) Up to \$309,000

PURPOSE OF FUNDS: Replace pumps and electrical in all pump stations, replace filter media, replace flow meter and chemical injection system at treatment plant. Customers 108.

Approve grant funds in an amount up to \$309,000 for the town of Carthage from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$9,000 is to be retained by the commission. Approval is contingent upon the town establishing and maintaining a six percent (6%) depreciation reserve fund.

Mr. Bennett introduced Carthage Mayor Jeff Toney and Trey Foster, Civil Engineering Associates, who both explained the need of requested funding for Carthage.

DEOBLIGATION OF FUNDS:

FULTON (01065-WSSW-G) \$8,392.80

Deobligate undisbursed grant funds in the amount of \$8,392.80 that were approved in March of 2016 from the Water, Sewer and Solid Waste Fund. Project has been completed.

PERRYTOWN (01126-WSSW-G) \$26,446.83

Deobligate undisbursed grant funds in the amount of \$26,446.83 that were approved in May of 2017 from the Water, Sewer and Solid Waste Fund. Project has been completed.

TAYLOR (01003-WSSW-G) \$51,501.16

Deobligate undisbursed grant funds in the amount of \$51,501.16 that were approved in December of 2014 from the Water, Sewer and Solid Waste Fund. Project has been completed.

GUION (01103-WDF-G) \$11,164.17

Deobligate undisbursed grant funds in the amount of \$11,164.17 that were approved in November of 2016 from the Water Development Fund. Project has been completed.

PERRY COUNTY LEVEE DIST #1 (01072-WDF-L) \$489,250.00
(01073-WDF-G) \$31,702.57

Deobligate undisbursed loan funds in the amount of \$489,250.00 that were approved in May of 2016 from the Water Development Fund. The District is unable to repay the loan.

Also, deobligate undisbursed grant funds in the amount of \$31,702.57 that were approved in May of 2016 from the Water Development Fund. Project has been completed.

CHANGE IN TERMS:

Upon motion by Mrs. Ann Cash, seconded by Mr. Will Brewer, the commission unanimously approved the following change in terms:

OMAHA (00661-WDF-L, 00662-WDF-D, BOND-97B26)

Omaha has requested the commission defer principal and interest on Loans Bond-97B26 and 00662-WDF-D. In return, they will pay off Loan 00661-WDF-L (\$133,359) on its payment date of December 1, 2018. They will also pay off Loan 00662-WDF-D one year later on December 1, 2019 (\$125,399). Finally, semi-annual payments on Loan Bond 97B26 will resume on June 1, 2019. Omaha will use the funds saved to make improvements to their system including repair of pump stations, tank rehab and replacement of all of the water meters with radio read meters.

TURRELL (01109-WSSW-G)
Purpose for which the funds approved on January 18, 2017, and May 17, 2017, for the city of

Turrell may be used:

Repairs to the wastewater system to allow the system to successfully operate in compliance with its NPDES and other permits, including without limitation, crossing to access the treatment facilities, repairs to or replacement of the discharge pump station, repairs to the treatment plant levees and other improvements necessary to properly operate and maintain the system.

Other:

Mr. Bennett reported there are times when one job may come in significantly over bid while the next job comes in significantly under bid. Reasons for this may just be the estimate or it could be the current price of oil. Due to the increase in the price of pipe, Mr. Bennett stated an increase in bids was recently foreseen; however, the last couple of bids were less than expected.

CONSERVATION DIVISION – Mr. Adrian Baber, Conservation Division Chief, presented Conservation District Board appointments and reappointments to the commission.

Appointments to Conservation District Boards - Upon motion by Mr. Bruce Leggitt, seconded by Mr. Bill Poynter, the commission unanimously approved the following appointment:

Crawford County Bill Gebhardt

Reappointments to Conservation District Boards - Upon motion by Mr. Roy Reaves, seconded by Mr. Bill Poynter, the commission unanimously approved the following reappointments:

Desha County	Andrew Wargo
Desha County	Danny Wilson
Franklin County	Martin Mershon
Greene County	David Pigue
Izard County	John B. Banning
Jackson County	Gus Graham
Lee County	Martha Manley
Phillips County	Chris Carnathan
Poinsett	Tommy Wimpy
Saline County	Franklin Wright
Stone County	Larry Gammill

District Director Emeritus – Mr. Baber reported to the commission there has been a recommendation from Van Buren County to appoint Don Richardson as a Conservation Director Emeritus. Upon motion by Mr. Bill Poynter, seconded by Mrs. Ann Cash, the commission unanimously approved staff recommendations for awarding Mr. Richardson status of Director Emeritus.

District Funding - Mr. Baber presented Fiscal Year 2019 funding to be provided to conservation districts as follows:

- Line Item Funding - \$917,500.
- Water Quality Technician Funding - \$750,000
- Beaver Funding - \$150,000

- Grants To Districts (Conservation Districts Line Items) \$250,000

Upon motion by Mr. Neal Anderson, seconded by Mr. Bruce Leggitt, the commission unanimously approved staff recommendations for district funding.

Mr. Baber also reported on an agreement between ANRC and NRCS which is essentially a federally funded grants-to-districts program agreement. This partnership between ANRC and NRCS enables conservation districts to carry out local initiatives. Twenty project applications were received and NRCS funded each of them (Totaling \$1,183,200 {\$401,232 for conservation projects; \$781,968 for irrigation water management technicians}).

WATER RESOURCES MANAGEMENT DIVISION – Mr. Edward Swaim, Water Resources Division Manager, gave the commission a brief update on the drought planning process. He stated areas being focused on are:

- 1) Identifying and monitoring drought indicators
- 2) Formation of a smaller group to coordinate a response network
- 3) Integrate the Drought Network in the All Hazards Mitigation Plan published by the Arkansas Department of Emergency Management
- 4) Continue to work with Little Rock District Corps of Engineers as they update the drought contingency plan of the Little River Watershed
- 5) Pursue technical assistance from the Bureau of Reclamation

ACTIVITY REPORTS

Activity reports were presented by Amanda Mathis, USDA Natural Resources Conservation Service (NRCS); Bill Baldwin, U.S. Geological Survey; and Cynthia Edwards, Arkansas Agriculture Department.


OTHER BUSINESS

Mr. Bruce Leggitt inquired about the Arlberg stream crossing of the Middle Fork Little Red River in Stone County which Don Richardson had previously brought before the commission. Mr. Benefield stated the project is currently being evaluated.

Mr. Leggitt suggested that the commission is given a list of all proposals submitted whether they are approved for financial assistance or not. Mr. Benefield stated the projects are generally brought before the commission when there is a funding recommendation, but we can provide a list of all applications received. Mr. Benefield advised there are often times it may take years from the time an application is received until it is brought before the commission.

ADJOURN

There being no further business, Mrs. Ann Cash, seconded by Mr. Bill Poynter, motioned to adjourn the meeting.



Bruce Holland
Executive Director and Secretary



Date