

MINUTES
ARKANSAS NATURAL RESOURCES COMMISSION
July 18, 2018

The regular meeting of the Arkansas Natural Resources Commission was held Wednesday, July 18, 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, Jerry Hunton, Sloan Hampton, Neal Anderson, Bruce Leggitt, Roy Reaves, Ann Cash, Bill Poynter, and Will Brewer.

Staff members in attendance included: Bruce Holland, 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; Debbie Dickson; Program Fiscal Manager; Alison Keator, Financial Analyst; Bill Ruck, Engineer Supervisor; Darla Brooks, Grants Manager; Lori Scott-Nakai, Public Information Specialist; Linda Leigh Flannigan, Marketing Director; Amanda Owens, Legal Support Specialist; Vicki Walden, Administrative Specialist III; Whit Montague, CFM; Laura Brown, Administrative Specialist III; Jackie Broach, Administrative Analyst; 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.

APPROVAL OF MINUTES: May 16, 2018

Upon motion by Mrs. Ann Cash, seconded by Mr. Roy Reaves, the commission unanimously approved the minutes of the May 16, 2018, meeting.

REPORT OF THE EXECUTIVE DIRECTOR – Director Holland reported on the following: 1) the latest Watershed Management Plan was approved in June, 2) employees will receive a raise, versus a bonus, in this week's paycheck due to the new performance evaluation system, 3) the Feral Hog Task Force is still working on ways to fight the feral hog epidemic, 3) ANRC is still involved in Beautiful Buffalo River Action Committee (BBRAC), and 4) the transformation team is still working on the consolidation of state agencies and there should be an update on the process by the September commission meeting.

FINANCIAL ASSISTANCE REPORT - Mrs. Cynthia Bearden, Agency Controller, presented the financial assistance report dated June 30, 2018 (a copy of the report, Attachment "A", is attached to the minutes). Mrs. Bearden stated Legislative Audit does an assessment each year on ANRC. The Fiscal Year 2017 audit went well; however, we

have not received the final report, but should have it by the next commission meeting. Furthermore, the biennial budget will be submitted today for a flat rate. Per the governor's request, we did not ask for any increases in funding. The general revenue funds will actually take a small cut.

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

Upon motion by Mr. Jerry Hunton, seconded by Mr. Sloan Hampton, the commission unanimously approved the following applications.

FINANCIAL ASSISTANCE:

STAR CITY – Lincoln County (CGO-L) **Up to \$2,060,000**
PURPOSE OF FUNDS: Wastewater System improvement project. Customers 1,106.

Approve loan funds in an amount up to \$2,060,000 for the city of Star City 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 city establishing and maintaining a three percent (3%) depreciation reserve fund.

FLIPPIN – Marion County (CWRLF-L) **Up to \$1,600,000**
PURPOSE OF FUNDS: Rehab existing lift station, new bar screen, one (1) new clarifier, sand filter bed rehab and manhole repairs. Customers 548.

Approve loan funds in an amount up to \$1,600,000 for the city of Flippin from the Arkansas Clean Water State Revolving Loan Fund in accordance with the established funding priorities. The loan repayment schedule will not exceed twenty (20) years. The executive director will set the combined annual borrower rate and loan terms. Approval is contingent upon the city establishing and maintaining a three percent (3%) depreciation reserve fund.

LITTLE ROCK #14 – Pulaski County (CWRLF-L) **Up to \$18,000,000**
PURPOSE OF FUNDS: Rehabilitate the existing collection system or a new sanitary sewer main will be installed. Customers 69,410.

Approve loan funds in an amount up to \$18,000,000 for the city of Little Rock from the Arkansas Clean Water State Revolving Loan Fund in accordance with the established funding priorities. The loan repayment schedule will not exceed thirty (30) years. The

executive director will set the combined annual borrower rate and loan terms. Approval is contingent upon the city establishing and maintaining a depreciation reserve or other reserve fund acceptable to the executive director.

NORTH WHITE COUNTY RURAL WATER PFB – White County **Up to \$600,000**
(DWSRF-L)
PURPOSE OF FUNDS: Convert all meters to cell read meters. Customers 2,239.

Approve loan funds in an amount up to \$600,000 for North White County Rural Water Public Facilities Board from the Arkansas Drinking Water State Revolving Loan Fund in accordance with the established funding priorities. The loan repayment schedule will not exceed ten (10) years. The executive director will set the combined annual borrower rate and loan terms. Approval is contingent upon the board establishing and maintaining a three percent (3%) depreciation reserve fund.

JOINER – Mississippi County **Up to \$32,960**
(WDF-G)
PURPOSE OF FUNDS: Cleaning, painting and renovation of existing 100,000 gallon elevated water storage tank, demolition of existing 35,000 gallon elevated water storage tank and construction of backwash water holding pit. Customers 278.

Approve grant funds in an amount up to \$32,960 for the city of Joiner from the Water Development Fund. An administrative fee in an amount up to \$960 is to be retained by the commission. Approval is contingent upon the city establishing and maintaining a depreciation reserve fund. Funds will be used to match USDA Rural Development grant funds.

SHIRLEY – Van Buren County **Up to \$314,150**
(WDF-G)
PURPOSE OF FUNDS: Install 650 linear ft of bored 12" encasement pipe containing 6" waterline. Customers 159.

Approve grant funds in an amount up to \$314,150 for the town of Shirley from the Water Development Fund. An administrative fee in an amount up to \$9,150 is to be retained by the commission. Approval is contingent upon Community Water System acquiring, operating and maintaining the system as part of Community Water System.

STONE COUNTY – Stone County **Up to \$25,750**
(WDF-G)
PURPOSE OF FUNDS: Arlberg Stream Crossing Improvement Project-Middle Fork Little Red River. Customers N/A.

Approve grant funds in an amount up to \$25,750 for Stone County from the Water Development Fund. An administrative fee in an amount up to \$750 is to be retained by the Commission. Approval is contingent upon an upkeep and maintenance plan acceptable to the commission being established. Funds will be disbursed when total project funding is available.

WABBASEKA – Jefferson County (WSSW-G) **Up to \$32,960**
PURPOSE OF FUNDS: Emergency installation of new well pump. Customers 134.

Approve grant funds in an amount up to \$32,960 for the town of Wabbaseka from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$960 is to be retained by the commission. Approval is contingent upon the town establishing and maintaining a six percent (6%) depreciation reserve fund. These funds may be paid directly to Arkansas Rural Water Association for costs associated with the emergency installation.

Wabbaseka Mayor, Myra Edwards, spoke on the importance of financial assistance for the city of Wabbaseka. She stated the system was installed in 1964 and there have not been many replacements since. The entire system will soon need replaced along with a sewer system needing brought into compliance.

HELENA-WEST HELENA – Phillips County (WSSW-L) **Up to \$154,500**
PURPOSE OF FUNDS: Emergency repair to sewer plant levees Customers 3,487.

Approve loan funds in an amount up to \$154,500 for the city of Helena-West Helena from the Water, Sewer and Solid Waste Fund. The loan is for up to twenty (20) years at three and nine-tenths percent (3.9%) interest. An administrative fee in an amount up to \$4,500 is to be retained by the commission. Approval is contingent upon the city establishing and maintaining a depreciation reserve fund and providing ANRC a system repair and upgrade plan.

INCREASE IN FINANCIAL ASSISTANCE:

CENTRAL ARKANSAS WATER #4 (01077-DWSRF-L) **Up to \$20,000,000**

Approve additional loan funds in an amount up to \$20,000,000 for Central Arkansas Water #4 from the Arkansas Drinking Water State Revolving Loan Fund to complete additional work.

Mr. Hunton asked how much is currently outstanding with Central Arkansas Water; Mr. Bennett replied \$17 million.

CHANGE IN TERMS:

SWEET HOME, HIGGINS & RED OAK SEWER FACILITIES BOARD
(00166-WSSW-D)

The first payment for Loan # 00166-WSSW-D was due June 1, 2018. Project construction is not complete and customers are not connected to the sewer system. Construction and connection are expected to be completed by August 1, 2018. The board has requested an additional six (6) month deferral period. Payments will now begin on December 1, 2018.

Other:

Mr. Bennett introduced Debbie Dickson as replacement of Dave Fenter. He also introduced Linda Leigh Flanagin as the Marketing Director.

Mr. Fowlkes questioned what happens to funds leftover from projects. Mr. Bennett stated remaining funds have to be related to the project in order to be used. When there are remaining funds asked to be used he consults with Director Holland as to whether or not the entity can use them. Mr. Bennett stated if it is loan money and related to the project we allow them to use it. However, if it is grant money we try to get it back. On the other hand, if the party needs more money Director Holland can approve up to an additional \$50,000 of state funds.

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

Appointments to Conservation District Boards – Mr. Baber announced there are two applicants, James Jefferson and Larry Blasdel, Jr., for consideration of the Crooked Creek Conservation District Board.

Upon motion by Mrs. Ann Cash, seconded by Mr. Neal Anderson, the commission unanimously approved James Jefferson for appointment on the Crooked Creek Conservation District Board.

Upon motion by Mr. Bill Poynter, seconded by Mr. Roy Reaves, the commission also unanimously approved the following appointments:

Drew County	Frank Appleberry
Garland County	David Parker
Hempstead County	Ira D. Love
St. Francis County	Richard Blaylock
Benton County	Jim Singleton

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

Arkansas County	Jared Holzhauer
Lee County	Bill Gerrard
Lonoke County	Neal Anderson
Mine Creek	Mark Millwood
Sharp County	Robert Murphy
Union County	Johnny Loftin

WATER RESOURCES MANAGEMENT DIVISION – Mr. Edward Swaim, Water Resources Division Manager, introduced Whit Montague as the new State Climatologist/National Flood Insurance Program Coordinator.

Mr. Jim Battreal, Geology Supervisor, recognized two new employees for the groundwater section; Carl Barker, Engineer Technician/Water Well Inspector, and Blake Forrest, Professional Geologist.

Mr. Battreal summarized the 2017 Annual Groundwater Protection and Management Report. He stated ANRC, along with USGS and NRCS, looks at water levels in all of the aquifers in the state of Arkansas each year. However, this report is based off the two main aquifers in Arkansas; Sparta/Memphis Aquifer and the Alluvial Aquifer. Mr. Battreal reported Arkansas is between the second and fourth largest water user in the United States, depending on the year. Arkansas uses approximately 7 billion gallons of water a day (98% for irrigation).

ACTIVITY REPORTS

Activity reports were presented by Amanda Mathis, USDA Natural Resources Conservation Service (NRCS); U of A Cooperative Extension Service, Dr. Mike Daniels; Reed Green, U.S. Geological Survey (USGS); Cynthia Edwards, Arkansas Agriculture Department; and Trevor Timberlake, US Army Corps of Engineers.

OTHER BUSINESS

Mr. Hunton inquired about the Illinois River Watershed Project. Mr. Benefield stated there are discussions going on between some Arkansas officials and some Oklahoma officials related towards the next steps. Our understanding is that Oklahoma is working on an agreement to propose to Arkansas. Environmental Protection Agency (EPA) has finalized their model and turned it over to the two states. EPA will not be doing a Total Maximum Daily Load (TMDL); it will be up to the states to do a TMDL or an alternative option. The agreement will involve several pieces including what they're going to do with the recommendation of the joint study team and how we might jointly address the basin. Mr. Benefield stated we are continuing to do improvements in the basin. We are working to give additional resources to help meet their goals of 20 miles of stream bank protection over the next couple of years. Our goal is to continue to make long-term improvements in the watershed. Mr. Benefield stated regardless of how the standard turns out, it will be very difficult to meet the Oklahoma standard in any short-term basis.

ADJOURN

There being no further business, the meeting was adjourned.



Bruce Holland
Executive Director and Secretary



Date