

MINUTES
ARKANSAS NATURAL RESOURCES COMMISSION
August 14, 2019

A special telephonic meeting of the Arkansas Natural Resources Commission was held Wednesday, August 14, 2019, at 9:00 a.m. at Arkansas Natural Resources Commission, 101 East Capitol, Suite 350, Little Rock, AR 72201.

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

Staff members in attendance included Bruce Holland, Director; Ryan Benefield, Deputy Director; Crystal Phelps, General Counsel; Debby Dickson, Program Fiscal Manager; and April Harris, Administrative Analyst.

There were no other attendees.

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

WATER RESOURCES DEVELOPMENT DIVISION – Mr. Benefield explained the project description and project cost for the Town of Carthage. Recently, the town lost its only water source. Without the assistance of water being brought in, Carthage will be out of water until this well is drilled. Tying into a neighboring town was not an option due to lack of capacity. Financial assistance being requested is for a loan in the amount of \$227,881.00 and grant in the amount of \$683,644.00. The loan will be dispersed first.

Upon motion by Mr. Bruce Leggitt, seconded by Mr. Fred Fowlkes, the commission unanimously approved the request for financial assistance for Carthage:

TOWN OF CARTHAGE
Dallas County

Project: Emergency installation of new well to provide safe drinking water

Project Description

Emergency installation of a new well is needed to continue to provide safe potable drinking water to the citizens of Carthage. The new well is proposed to a depth of 1,200 feet in hopes of accessing source water that only requires chlorine disinfection. The proposed well can be incorporated into a larger project to replace the existing distribution system and/or make a direct connection to a neighboring water system to provide water in the future.

Project Financial Information

The current average monthly water bill for Carthage is \$31.02 based on 4,000 gallons of usage. Carthage will be required to raise rates to \$52.00, a total increase of \$20.98, for 4,000 gallons of usage to service the proposed loan with principal forgiveness, including 110% loan coverage. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for Carthage is \$40,728. Carthage listed the customer base for this project at 106.

Carthage currently has one active loan with ANRC and is current on payments.

Estimated Project Costs

Construction:	\$706,750.00
Contingencies	70,675.00
Engineering – Planning, Design & Construction	72,500.00
Engineering – Inspection	28,000.00
Legal Fees	5,000.00
Administrative	21,200.00
Well Collapse Diagnosis by Layne AR	3,000.00
Emergency Water Hauling	4,400.00
Total Estimated Capital Cost:	\$911,525.00

Executive Director’s Recommendation

The Staff recommends that the Commission approve an amount up to \$227,881 (3% servicing fee will be waived) in a loan to Carthage from the Arkansas Water Development Fund and \$683,644 in a grant. The repayment schedule will not exceed thirty (30) years or the life of the project.

If approved, loan funds will be disbursed in full for eligible project costs prior to disbursement of any approved grant funds for eligible project costs. The Director will establish the annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

ADJOURN

There being no further business, the commission unanimously adjourned the meeting.



Bruce Holland
Director


Date