

MINUTES
ARKANSAS NATURAL RESOURCES COMMISSION
September 19, 2018

The regular meeting of the Arkansas Natural Resources Commission was held Wednesday, September 19, 2018, at 9:30 a.m. at Arkansas Oil and Gas Commission, 2215 W Hillsboro Street in El Dorado, AR 71730.

Commissioners in attendance were Chairman Fred Fowlkes, Jerry Hunton, Neal Anderson, Bruce Leggitt, Roy Reaves, Ann Cash, Bill Poynter, and Will Brewer.

Commissioner Sloan Hampton was unable to attend.

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; Bob Fowler, Land Resource Specialist; Crystal Phelps, General Counsel; Darla Brooks, Grants Manager; Lori Scott-Nakai, Public Information 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.

APPROVAL OF MINUTES: July 18, 2018

Upon motion by Mr. Roy Reaves, seconded by Mr. Bill Poynter, the commission unanimously approved the minutes of the July 18, 2018 meeting.

GUEST SPEAKER

Sherrel Johnson, Project Manager/Grants Administrator, and Robert Reynolds, Founding President/Volunteer Advisor, with the Union County Water Conservation Board (UCWCB) spoke briefly on the history of the relationship between ANRC and UCWCB. They commended ANRC for their support and work; the commission commended UCWCB for theirs as well.

REPORT OF THE EXECUTIVE DIRECTOR – Director Holland reported the agency continues to work with the feral hog task force as well as the Beautiful Buffalo River Action Committee. He stated although progress has been made on each, both processes are ongoing. Director Holland stated at this time there is still not any definitive information to report on the governor's transformation process to decrease the number of state agencies from 42 to approximately 20.

FINANCIAL ASSISTANCE REPORT - Mrs. Cynthia Bearden, Agency Controller, presented the financial assistance report dated August 31, 2018 (a copy of the report, Attachment "A", is attached to the minutes).

WATER RESOURCES DEVELOPMENT DIVISION – Mr. Mark Bennett, Water Development Division Manager, 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), and the Water Development Fund (WDF).

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

FINANCIAL ASSISTANCE:

CENTRAL ARKANSAS WATER – Pulaski County (DWSRF-L) Up to \$43,000,000
PURPOSE OF FUNDS: Use solar power to offset energy consumption, make energy tariff and rate adjustments, replace inefficient pumping equipment, utilize generators and replace HVAC and lighting-reduce energy costs. Customers 450,000.

Approve loan funds in an amount up to \$43,000,000 for Central Arkansas Water from the Arkansas Drinking Water State Revolving Loan Fund in the form of a loan 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 Applicant establishing and maintaining a depreciation reserve fund.

HELENA-WEST HELENA – Phillips County (DWSRF-L) Up to \$3,500,000
PURPOSE OF FUNDS: LED lighting & HVAC retrofits at all water owned buildings, a solar generation facility to offset a portion of the electricity used at the Helena Water plant, and a complete replacement of all customer water meters with a new AMR System. Customers 4,591.

Approve loan funds in an amount up to \$3,500,000 for Helena-West Helena 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 Applicant establishing and maintaining a three percent (3%) depreciation reserve fund.

OMAHA – Boone County (DWSRF-PF) Up to \$850,000
PURPOSE OF FUNDS: Well house and chlorination system improvements, install generator, valve and line replacement and other improvements including new meters. Customers 478.

Approve funds in an amount up to \$850,000 of which the total amount will be in the form of a loan with principal forgiveness for the Town of Omaha from the Arkansas Drinking Water State Revolving Loan Fund in accordance with the established funding priorities. Approval is contingent upon the Applicant establishing and maintaining a six percent (6%) depreciation reserve fund.

WRIGHT-PASTORIA WA – Jefferson County (DWSRF-PF) Up to \$500,000
PURPOSE OF FUNDS: Replace the existing water distribution piping, approximately 317,000 linear feet of waterline to prevent major water loss. Customers 495.

Approve funds in an amount up to \$500,000 of which the total amount will be in the form of a loan with principal forgiveness for Wright-Pastoria Water Association from the Arkansas Drinking Water State Revolving Loan Fund in accordance with the established funding priorities. Approval is contingent upon the Applicant establishing and maintaining a six percent (6%) depreciation reserve fund.

FAIRFIELD BAY – Van Buren County (WSSW-L) Up to \$250,805
PURPOSE OF FUNDS: Emergency repair and replacement of drainage culvert and road due to flooding. Customers 1581.

Approve loan funds in an amount up to \$250,805 for the City of Fairfield Bay from the Water Sewer and Solid Waste 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 \$7,305 is to be retained by the Commission. Approval is contingent upon the Applicant establishing and maintaining a three percent (3%) depreciation reserve fund.

FRENCHPORT WATER ASSOCIATION, INC. – Ouachita County (WSSW-L)
Up to \$206,000
PURPOSE OF FUNDS: Power wash the exterior of the tank and blast / re-coat the interior along with other needed repairs. Customers 714.

Approve loan funds in an amount up to \$206,000 for the Frenchport Water Association from the Water Sewer and Solid Waste 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 \$6,000 is to be retained by the Commission. Approval is contingent upon the Applicant establishing and maintaining a three percent (3%) depreciation reserve fund.

UNITED WATER ASSOCIATION – Monroe County (WSSW-G) Up to \$154,500
PURPOSE OF FUNDS: Install VFD Booster Station and Generator to take the place of the failing elevated water storage tank. Customers 205.

Approve grant funds in an amount up to \$154,500 for United Water Association from the Water Sewer and Solid Waste Fund. An administrative fee in an amount up to \$4,500 is to be retained by the Commission. Approval is contingent upon the Applicant establishing and maintaining a six percent (6%) depreciation reserve fund.

FOUNTAIN HILL – Ashley County (WSSW-G) Up to \$128,750
PURPOSE OF FUNDS: Treatment plant and lift station improvements. **Customers 436.**

Approve grant funds in an amount up to \$128,750 for the Town of Fountain Hill from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$3,750 is to be retained by the Commission. Approval is contingent upon the Applicant establishing and maintaining a six percent (6%) depreciation reserve fund and upon these grant funds being the last funds used for the project. Other funds will be provided from the Arkansas Economic Development Commission.

METER REPLACEMENT PROJECTS:

DWSRF-L 10 Years @ 0.5%

	ENTITY	COUNTY	CUSTOMER S	METERS	AMOUNT
1	Arkadelphia	Clark	4232	4,300	\$1,800,000
2	Clinton	Van Buren	3,313	3,000	\$1,500,000
3	Crossett	Ashley	3876	3809	\$1,600,000
4	Greenbrier	Faulkner	3,980	3,980	\$500,000
5	Nashville Rural Water PA	Howard	2,583	2,783	\$400,000
6	Tumbling Shoals PWA	Cleburne	2,516	2,516	\$1,000,000
7	Vilonia Waterworks Association	Faulkner	8,800	8,800	\$1,700,000
8	Washington Water Authority	Washington	6,784	5K to 6K	\$1,500,000
9	Watson Chapel Water Association	Jefferson	1960	1960	\$715,000
10	Wooster	Faulkner	1,605	1300	\$400,000

WAIVER OF RULE SECTION 1507.1 OF THE SAFE DRINKING WATER PROGRAM

The following applicants are viable non-profit water providers and the amount of assistance provided will not materially impact the amount of funds available to pledge for leveraging should the need arise:

- **Wright Pastoria Water Association**

- Vilonia Waterworks Association
- Watson Chapel Water Association
- Walker Water Association (previously approved)

Therefore, the requirement that these applicants be political sub-divisions of the state is waived.

METER REPLACEMENT PROJECTS:

WDF-L 10 Years @ 0.5% (Fee is Waived)

	ENTITY	COUNTY	CUSTOMERS	METERS	AMOUNT
1	Cotter	Baxter	504	470	\$74,000
2	Milltown Washburn PWA	Sebastian	1,555	1,555	\$135,000
3	The Mountain Top PWA	Cleburne	3,425	1,000	\$202,000
4	Palestine	St. Francis	705	325	\$175,000
5	Success	Clay	87	87	\$65,000

METER REPLACEMENT PROJECTS:

WSSW-L 10 Years @ 0.5% (Fee is Waived)

	ENTITY	COUNTY	CUSTOMERS	METERS	AMOUNT
1	Watalula Water Users Association	Franklin	930	391	\$94,800

DEOBLIGATION OF FUNDS:

BRADLEY (01102-WDF-G) Up to \$3,800.43

Deobligate undisbursed grant funds in the amount of \$3,800.43 that were approved in November of 2016 from the Water Development Fund. Project has been completed.

PULASKI COUNTY GOVERNMENT (01121-WDF-L) Up to \$111,535.00

Deobligate undisbursed loan funds in the amount of \$111,535.00 that were approved in May of 2017 from the Water Development Fund. Project has been completed.

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 Mrs. Ann Cash, seconded by Mr. Neal Anderson, the commission unanimously approved the following appointments:

Benton County	Austin Butler
Grant County	Annette Swaim
Yell County	Lora Briggs

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

Benton County	Don Mayer
Clark County	Mark Clark
Craighead County	Danny Finch
Crawford County	Gary Baxter
Drew County	John McAlpine
Grant County	Peggy Thomas
Jefferson County	Steve Pharr
Lincoln County	Francis Harper
Little River County	Chuck Davis
Randolph County	Danny Ellis
Rich Mountain	James Watkins
St. Francis County	Joe Whittenton
Van Buren County	Eddie Linebarger
Yell County	Johnny Foster

GUEST SPEAKER – Mr. Bart Emerson with the Columbia County Conservation District, also Assistant Director for Farm Operations at Southern Arkansas University, spoke on the meaning and process of silvopasture. He explained silvopasture is the practice of growing timber and grazing cattle or small ruminants at the same time, hoping both are economically viable. There are two ways to silvopasture; one, planting trees into a current pasture, and two, establishing grass under growing timber. Mr. Emerson showed pictures of his silvopasture land and told how to maintain it for the best results.

WATER RESOURCES MANAGEMENT DIVISION – Mr. Edward Swaim, Water Resources Division Manager, updated the commission on water plan implementation by reporting on the process and highlights of ground water education, drought preparedness, and water quality. Some points mentioned were: a 91% increase in the number of wells in the Beouf-Tensas Study Area; USGS has a new, improved server system for gathering data for reporting water use; ANRC has a program with USGS to put 65 meters on fields in critical groundwater areas for wells that water one crop;

Arkansas went from being one of three states with no drought plan to being "in progress" on its drought plan; ANRC will focus on getting more data to other clearinghouses such as the National Drought Information Center; ANRC has a Planning Assistance to States agreement with the U.S. Army Corps of Engineers, Little Rock District for drought contingency plans; and ANRC has three water shed management plans which are now the emphasis of requests for grant proposals.

ACTIVITY REPORTS

An activity report for U.S. Geological Survey (USGS) was presented by Ben McGee. Mr. McGee stated the nation's largest ever aerial geophysical survey of a water resource will begin in October. This will be mapping the entire extent of the aquifer system to better understand the complexity of the system and how it works.

OTHER BUSINESS

Mr. Benefield reported the expansion of poultry operations on the Oklahoma side of the state line in northwest Arkansas has caused Oklahoma to be concerned of the impact the increase in chicken houses will have on their side. Consequently, their government has put a committee together to investigate any impact from the poultry expansion. Mr. Benefield stated we will continue to monitor this as it is an ongoing discussion regarding the water quality of the Illinois River Basin.

Chairman Fowlkes stated next year's commission officers will be elected at the upcoming November meeting. The nominating committee will be Ann Cash, Neal Anderson, and Will Brewer.

ADJOURN

There being no further business, the meeting was adjourned.



Bruce Holland
Executive Director and Secretary



Date

