

**Minutes of the
ARKANSAS NATURAL RESOURCES COMMISSION**

January 23, 2013

The regular meeting of the Arkansas Natural Resources Commission was held Wednesday, January 23, 2013, at 9:30 a.m., at the office of the Arkansas Natural Resources Commission, 101 East Capitol, Suite 350, Little Rock, Arkansas.

Commissioners in attendance were Chair Ann Cash; Vice-Chair Corbet Lamkin; Neal Anderson; Mike Carter, Don Richardson, Sloan Hampton; Fred Fowlkes; and David Feilke.

Staff members participating included: Randy Young, Executive Director; Jon Sweeney, Deputy Director/Chief Engineer; Crystal Phelps, General Counsel; Adrian Baber, Chief, Conservation Division; Mark Bennett, Chief, Water Development Division; Cynthia Bearden, Agency Controller; Todd Fugitt, Senior Geologist; Jim Battreal, Geologist; Gina Wilson; Darla Brooks, Financial Programs Manager; Blake Walters, Land Resource Specialist; Dave Fenter, Marketing Manager; Deanna Ray, Associate General Counsel; Ken Brazil, Engineer Supervisor, Nancy Gambill, Engineer Supervisor; Carla Hill, Administrative Assistant; and Pat Smith, Executive Assistant.

Chairman Cash called the meeting of the Arkansas Natural Resources Commission to order.

APPROVAL OF MINUTES; DECEMBER 11, 2012

Upon motion by Dr. Lamkin, second by Mr. Feilke, the Commission approved the minutes of the December 11, 2012, regular meeting.

REPORT OF THE EXECUTIVE DIRECTOR

New Employee: - Mr. Young introduced Mrs. Nancy Gambill, Engineer Supervisor, in the Dam Safety/Floodplain Management Section. She has 12 years of experience working with various engineering firms. She will be working under Edward Swaim.

STATUS OF FINANCIAL ASSISTANCE PROGRAMS

Mrs. Cynthia Bearden presented the financial assistance report. (Copy of report attached to the minutes).

LEGAL ISSUES

Commissioner Expense Reimbursement and Stipend – Mrs. Deanna Ray presented information pertaining to the stipend and travel reimbursement. Upon motion by Mr. Richardson, second by Dr. Lamkin, the Commission, pursuant to Ark. Code Ann. §25-16-904 and Ark. Code Ann. §25-16-902, agreed to decline payment of an \$85.00 per meeting attended stipend for members of the Commission, and authorized expense reimbursement for official business at the rate of state employees.

Request for Allocation of Boeuf River Streamflow by Louisiana Commissioners on the Red River Compact Commission (RRCC) – Mrs. Phelps stated that the Louisiana Red River Compact Commissioners have petitioned ANRC for an allocation of flow in the Boeuf River to relieve low flow conditions. She highlighted certain aspects of the Compact and Arkansas law related to allocation. Louisiana believes it is not getting a fair apportionment of water from Arkansas.

The Petition specifically relates to Reach IV, Subbasin 2 of the Red River. She stated that the Compact doesn't define what is meant by 'weekly runoff', and that has been an issue since the inception of the Compact. To date, the RRCC has not adopted a method for quantifying 'weekly runoff'.

Louisiana estimates that at the time of the Compact's inception in 1978, the minimum flow of the Boeuf River at the state line was or exceeded 40 cfs 95% of the time. Since 1978, the flows at the state line have been less than 40 cfs increasingly more often, such that flows may be less than 40 cfs 95% of the time. Arkansas believes that climactic trends have a significant, if not more significant, role in the low flows, noting that the deficiencies are present even during non-growing seasons.

When a shortage of water exists, an affected person may petition ANRC for allocation. If ANRC decides a shortage of water exists, it must reduce the pool of available water by the amount of water reserved for domestic and municipal domestic use; minimum streamflow; and federal water rights (collectively "the reserved uses"). Before ANRC can complete an allocation exercise, it needs to determine the quantity of water necessary for "minimum streamflow." Minimum streamflow needs include aquifer recharge, fish and wildlife, interstate compacts, navigation, and water quality.

ANRC would need to know how much water is necessary to meet interstate compact requirements before it can begin its own allocation process. Until this is determined, there is nothing that can be done by ANRC to move forward with Louisiana's request. Staff recommends that the RRCC establish a method for quantifying what is the 'weekly runoff' at its next regular meeting.

Chairman Cash stated that Louisiana has had discussions with the Boeuf-Tensas Irrigation Project board over the years stating that they needed the project to bring water into Louisiana. The problem is that parts of the year, especially dry years, the Boeuf River runs completely dry; therefore, there is zero flow. She suggested appointing a committee to work on this issue, which she believes will help both states. She appointed the committee to include herself, Dr. Lamkin, Mr. Anderson, and Mr. Fowlkes, with Mr. Anderson acting as chair.

Mr. Young thought it would be beneficial for the committee to visit with the Louisiana commissioners separate from the Compact. He stated that one of the solutions to the streamflow problem would be the completion of the Boeuf-Tensas Irrigation Project that the Corps has been trying to move forward over the past twenty years. It may be the catalyst needed for Louisiana to join in that effort.

Mr. Anderson stated that it will be necessary to do some ground work before the committee meets.

FINANCIAL ASSISTANCE

PRESENTATION OF CURRENT CONDITIONS OF SMALL WATER SYSTEMS IN ARKANSAS BY TERESA LEE, PE – Mr. Bennett introduced Mrs. Lee, an engineering supervisor with the Arkansas Department of Health to give a presentation on the Capacity Development Program. There are two parts to the program, one for new systems, and one for existing systems. The department makes sure that all plans are approved, operating procedures are in place, and that all become viable water systems. She gave many examples of infrastructures in disrepair in small rural towns and cities over the state.

Mrs. Lee advised that she had given Mr. Bennett a list of approximately 15 systems that need about \$20,000 to comply with department rules.

Mr. Hampton asked if Mrs. Lee had given this presentation to the Legislators. She stated that she had not.

FINANCIAL REVIEW OF SELECTED ANRC BORROWERS – Mr. Bennett introduced Mrs. Bearden to give the results of financial reviews conducted on selected water/sewer systems over the state. Seventy-eight systems out of 86 selected were reviewed in 2012. Mrs. Bearden concluded that over the course of two years that these reviews were very worthwhile. Benefits include: creating an agency presence, prompting loan payments, and providing helpful accounting assistance to the entities. Staff will continue to do reviews on an as-needed basis. Interns will be utilized every other year. New procedures will be implemented such as monthly billings on all loans and automatic draft out of the borrower's bank account. Staff will provide training at the annual Rural Water Conference for all those who receive loan funds; and a report will be given to the Commission twice a year unless information is needed concerning specific borrowers before that time.

Dr. Lamkin stressed that available modern mapping technology needed to be utilized. Mr. Anderson offered his congratulations to staff for their work.

Commissioners suggested mandating the requirement for new systems receiving loans to attend training at the annual Rural Water Conference.

APPLICATION FOR FINANCIAL ASSISTANCE

Mr. Bennett presented a staff recommendation for the referenced project below requesting financial assistance from the Water Development Fund (WDF).

Upon motion by Mr. Carter, second by Dr. Lamkin, the Commission approved the following recommendation:

FIFTY-SIX (Stone County) (WDF)

Up to \$23,072.00

Purpose of funds: Emergency repairs to the well.

The Commission approved a grant for Fifty-Six in an amount up to **\$23,072.00** from the Water Development Fund. An administrative fee in an amount up to \$672.00 is to be retained by the Commission. Approval is contingent upon the town establishing and maintaining a depreciation reserve fund. Chairman Cash asked if there would be any stipulations to approving the grant. Mr. Bennett stated that the contractor will be requested to conduct a rate study.

Mr. Bennett advised that he hopes that the Water Plan will develop a list of recommendations for ways to resolve system viability issues.

Mr. Anderson asked if most of the problems arise from political situations in small towns where decisions have to be made between potholes or maintaining water systems. He asked if these entities should have separate boards. Mr. Bennett stated that annual rate reviews would help, but added that in most cases it was a decline in customer base.

Mr. Bennett stated that he will begin requesting non-performing loans to appear before the Commission.

CONSERVATION DIVISION

REAPPOINTMENTS TO CONSERVATION DISTRICT BOARDS

Upon motion by Mr. Carter, second by Dr. Lamkin, the Commission approved the following reappointments:

REAPPOINTMENTS

<i>Baxter County CD</i>	<i>James Bryant</i>
<i>Carroll County CD</i>	<i>Kenneth Clark</i>
<i>Clay County CD</i>	<i>Stephen Crancer</i>
<i>Conway County CD</i>	<i>Bill Deaton</i>
<i>Cossatot CD</i>	<i>Kenny Pickering</i>
	<i>Wayne Williamson</i>
<i>Crittenden County CD</i>	<i>Woody Ray</i>
<i>Crooked Creek CD</i>	<i>Donald Austin</i>
	<i>Walter Krafft</i>
<i>Dallas County CD</i>	<i>Ed Givens</i>
	<i>Roy Johnson</i>
<i>Faulkner County CD</i>	<i>Rocky Harrell</i>
	<i>Danny Mallet</i>
<i>Independence County CD</i>	<i>Julia Nail</i>

Monroe County CD

Newton County CD

Perry County CD

Poteau River CD

Sebastian County CD

Randolph County CD

Wayne Beadles

Denver Smith

Conrad Gunther

Larry Free

Ellen Spearman

Bill Bailey

CONSERVATION DISTRICT ACTIVITY REPORT – Mr. Blake Walters introduced Mr. James Widner with the Boone County Conservation District. Mr. Widner gave an overview of the many activities conducted by the district.

REPORT ON WETLANDS MITIGATION COMMITTEE MEETING – Commissioner Richardson reported that he met with Mr. Steve Whitehead and Mr. Skip Coffman concerning wetland credits. Commissioner Carter asked that after a report is given to Mr. Whitehead that another Committee meeting be scheduled.

WATER RESOURCES MANAGEMENT DIVISION

Annual Ground Water Protection and Management Report – Mr. Swaim introduced Mr. Todd Fugitt and Mr. Jim Battreal to present the annual 2012 Groundwater Protection and Management Report. This report is prepared to provide the State of Arkansas with comprehensive water-quantity and water-quality data to be utilized in accordance with the Arkansas Water Plan, and as a guide for water resources conservation and protection programs.

Commissioner Feilke asked for a ten-year projection in the Grand Prairie area if excess water was transported from the White River by the Grand Prairie Irrigation Project. He also inquired if the results would be as successful as demonstrated in Union County. Mr. Battreal stated that after studying the project, there would be similar results using excess surface water to supplement the tremendous pumping in the Grand Prairie area. Mr. Fugitt stated that there would be immediate results.

Update on Arkansas Water Plan - Mr. Swaim gave a brief update on the Water Plan. He introduced Mr. Rick Brown from CDM Smith to answer questions if needed.

Mr. Swaim advised that the process is in the data gathering and forecasting phase. There are two workgroups currently working on that information – The 'Demand' workgroup and the 'Supply' workgroup. The 'Demand' workgroup met in December and had very good participation. That group has been broken down into sub-workgroups to look at issues in depth that include agriculture, municipal, industrial, thermal electric, and navigation. Most of these groups are of a small, manageable size to discuss technical rather than policy matters. Projections of supply and demand will be put in draft form and then public meetings will be conducted after the Legislative Session. In May or June, seven public meetings will be held around the state to discuss the draft from the 'Demand' workgroup. A similar process will be conducted by the 'Supply' workgroup around the state in the fall.

Mr. Swaim noted that the Water Plan website is constantly being populated with information on this process. There is a link for the public to sign up for electronic notification of meetings.

Commissioner Hampton stated that Legislators were being questioned about this process by their constituents and asked if there could be a wider range of persons involved in these workgroups. Chairman Cash said it might help if when the Commissioners hear of persons interested in the process that those names be given to Mr. Swaim. Mr. Swaim stressed that he would involve as many as want to be included in the process. He noted that it would be impossible to have all of the meetings in person and that is the reason for the conference calls.

Mr. James Widner suggested one method to broadcast this process would be to send out a questionnaire to all the districts. Commissioner Anderson asked if this Water Plan would come before the Commission for approval. Mr. Young stated that it would via rulemaking. Mr. Young asked Mr. Swaim if there was anything precluding any persons from coming to the office for the conference calls. Mr. Swaim invited anyone interested to come to the office to attend the conference calls.

Commissioner Anderson suggested that the districts include the Water Plan information in its newsletters so that landowners could stay apprised. Chairman Cash agreed and stated that the Water Plan is one of the most significant things being done by the Commission.

ACTIVITY REPORTS

Informational activity reports were presented by the following: Charles Glover, President, AACD; and Steve Jacks, USDA/Natural Resources Conservation Service.

Of special interest, Mr. Jacks stated that there is a new campaign being introduced to promote water conservation in Arkansas. The Assistant State Conservationist for Easements would like to be included on the agenda for the next meeting to brief the Commission on this campaign.

Mr. Glover interjected that he would make sure that all the districts get this Water Plan information included in its newsletters and be aware of how to contact Mr. Swaim.

COMMISSION TRAVEL EXPENSE REIMBURSEMENT

Approval of Travel Reimbursement – Upon motion by Mr. Anderson, second by Mr. Richardson, the Commission approved reimbursable expenses for the Chairman or his designated representative to attend the following:

- (1) Arkansas Association of Conservation Districts Area Meetings, 2013
- (2) Wetlands Mitigation Committee Meeting December 18, 2012
- (3) Soil and Water Education Conference, January 31, 2013, Jonesboro, Arkansas

ADJOURN

There being no further business, the meeting was adjourned.



J. Randy Young, P.E.
Executive Director and Secretary

3-27-13
Date

