

MINUTES
ARKANSAS NATURAL RESOURCES COMMISSION
May 20, 2020

The regular teleconference meeting of the Arkansas Natural Resources Commission was held Wednesday, May 20, 2020, at 9:30 a.m. at Arkansas Natural Resources Commission, 101 East Capitol, Suite 350, Little Rock, AR 72201.

Commissioners in attendance via conference call were Chairman Bill Poynter, Vice Chairman Bruce Leggitt, Roy Reaves, Ann Cash, William Anderson, Fred Fowlkes, Neal Anderson, Will Brewer and Troy Gaston.

Staff members in attendance included: Bruce Holland, Director; Ryan Benefield, Deputy Director; Debby Dickson, Program Fiscal Manager; Jim Battreal, Geology Supervisor; Blake Forrest, Professional Geologist; Cynthia Bearden, Accounting Operations Manager; and April Harris, Administrative Analyst.

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

APPROVAL OF MINUTES: March 18, 2020

Upon motion by Mrs. Ann Cash, seconded by Mr. Will Brewer, the commission unanimously approved the minutes of the meeting held on March 18, 2020.

REPORT OF THE DIRECTOR – Director Holland stated during this time of pandemic we continue to have a few employees working daily in the office, but majority of employees continue to work from home. He commended employees for their hard work and commitment while having to work from home. Overall, things are going well within the agency.

FINANCIAL ASSISTANCE REPORT - Mrs. Cynthia Bearden, Accounting Operations Manager, presented the financial assistance report dated April 30, 2020.

LEGAL – Mr. Wade Hodge, Chief Counsel, reported on the following four (4) rules needing amendments to comply with laws passed in the 2019 session:

- 1) Title 14, Rules Implementing the Water Resource Conservation Development Incentive Act
- 2) Title 18, Rules Governing the Arkansas Natural Resources Commission's Floodplain Administrator Accreditation Program
- 3) Title 20, Rules Governing the Arkansas Nutrient Management Planner Certification Program
- 4) Title 21, Rules Governing the Arkansas Nutrient Management Applicator Certification Program

Upon motion by Mr. Fred Fowlkes, seconded by Mr. Roy Reaves, the commission unanimously motioned to proceed with the promulgation process for Titles 14, 18, 20, and 21.

WATER RESOURCES DEVELOPMENT SECTION

FINANCIAL ASSISTANCE:

Mrs. Debby Dickson presented staff recommendations for the referenced projects below requesting financial assistance from the Arkansas Drinking Water State Revolving Fund (DWSRF), the Arkansas Clean Water Revolving Loan Fund (CWRLF), and the Water Development Fund (WDF).

Upon motion by Mr. Roy Reaves, seconded by Mr. Bruce Leggitt, the commission unanimously approved the following staff recommendations:

City of Austin Lonoke County

Project: Wastewater Treatment Plant Improvements

Project Description

This request for funding consists of various improvements and additions to the existing wastewater treatment plant located in Austin, AR. Installation of a new NitrOx Reactor system, which includes a moving bed biofilm reactor media, blowers, aeration grids, media retention sieves, a control panel, insulated tank covers, and drum filters. Rerouting the existing 4" and 6" force mains located at the WWTP and other improvements including removal of the existing filters, installation of a new aeration system, a new ultraviolet light disinfection system, back-up generator, bar screen, electrical upgrades, and improving pump station #1. The pump station improvements include installing new pumps, all associated piping, a control panel, and wet well construction

Project Financial Information

The current average monthly water bill for the City of Austin is \$25.50 based on 4,000 gallons of usage. The City of Austin will be required to raise rates to \$36.47 for 4,000 gallons of usage. This is an increase of \$10.97 per month to service the proposed loan. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the City of Austin is \$71,947. The City of Austin listed the customer base for this project at 1,285.

The City of Austin has three loans with ANRC and is current on all payments. The City has been submitting financial data in the form of agreed upon procedures. The agreed upon procedures have been submitted through 2017. However, based on the City's population an audit is now required.

As a result, the City will be required to provide a copy of their 2018 Audited financial statements prior to loan closing to meet financial compliance.

Estimated Project Costs

Construction:	\$2,416,063
Contingencies	241,606
Engineering – Planning, Design & Construction	212,614
Engineering – Inspection	132,883
Legal Fees	20,000
Administrative	39,865
Capitalized Interest during Construction	0
Issuance fee (3%)	0
Other – Additional Engineering	15,000
Total Estimated Capital Cost:	\$3,078,031

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$3,078,031 in a loan to the City of Austin from the Arkansas Clean Water State Revolving Fund. The repayment schedule will not exceed twenty (20) years or the life of the project. The City is required to provide a copy of their 2018 Audited financial statements prior to loan closing to meet financial compliance.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

**Little Rock Water Reclamation Authority (LRWRA)
Pulaski County**

Project: Repair of Damaged Infrastructure

Project Description

During the Arkansas River flooding event of May 21, 2019 through June 14, 2019 groundwater elevations adjacent to the Arkansas River rose commensurate with the rise of the river crest. Many of the Little Rock Water Reclamation Authority’s assets were inundated with flood waters which caused damage to the infrastructure throughout the city.

The secondary clarifier #4 at Fourche Creek WWTP was out of operation for scheduled maintenance at the time of the flood and was severely damaged due to groundwater forces caused by the flood. With this equipment out of service, the Fourche Creek facilities operating capacity has been reduced by 50%. The LRWRA is in the process of applying for funds with FEMA to seek reimbursement of 75% of the project cost for the rehabilitation and to put assets back into pre-disaster conditions. The damaged asset locations are scattered throughout the City of Little Rock, with most of the damage in Fourche Bottoms.

Project Financial Information

The City of Little Rock will not be required to raise rates at this time. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the City of Little Rock is \$47,042. The City of Little Rock listed the customer base for this project at 69,410.

The City of Little Rock currently has seven loans with ANRC, they are current on all payment and ANRC audit requirements.

Estimated Project Costs

Construction:	\$14,948,500
Contingencies	0
Engineering – Planning, Design & Construction	3,600,000
Engineering – Inspection	600,000
Legal Fees	20,000
Administrative	20,000
Capitalized Interest during Construction	811,500
Issuance fee (3%)	0
Other:	0
<hr/> Total Estimated Capital Cost:	<hr/> \$20,000,000
Less - estimated FEMA funding	-12,500,000
<hr/> ANRC Funding Requested	<hr/> 7,500,000

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$7,500,000 in a loan to Little Rock Water Reclamation Authority from the Arkansas Clean Water State Revolving Fund. The repayment schedule will not exceed twenty (20) years or the life of the project.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

**City of Mitchellville
Desha County**

Project: Water Meter & Water Storage Tank Rehabilitation project

Project Description

This funding request is for repainting and rehabilitating the 50,000-gallon water storage tank in accordance with the recommendations from a 2015 inspection report. In addition, other improvements include extending the existing overflow pipe for the water storage tank to within 24 inches of ground level, installation of a screen for the vent pipe on the well casings, and replacement of the existing door to the Water Treatment Plant with a door equipped with a panic bar.

This funding request will also replace the existing water meters in the city with new radio read water meters.

Project Financial Information

The current average monthly water bill for the City of Mitchellville is \$22.97 based on 4,000 gallons of usage. The City of Mitchellville will be required to raise rates to \$30.89 for 4,000 gallons of usage. This is an increase of \$7.92 per month to service the proposed loan. The funding

recommendation will be contingent on the City of Mitchellville making rate adjustments as needed to fund the additional debt service requirements. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the City of Mitchellville is \$18,553. The City of Mitchellville has listed the customer base for this project at 180:

The City of Mitchellville has one loan with ANRC and is current on all payments and ANRC audit requirements.

Estimated Project Costs

Construction:	\$300,669
Contingencies	30,067
Engineering – Planning, Design & Construction	25,557
Engineering – Inspection	12,027
Legal Fees	10,830
Administrative	2,170
Capitalized Interest during Construction	0
Issuance fee (3%)	0
Other: PER, ER, DAVIS BACON	10,000
Total Estimated Capital Cost:	\$391,320

Executive Director’s Recommendation

Recommends the Commission approve a loan in an amount up to \$97,830 to the City of Mitchellville from the Drinking Water State Revolving Fund and \$293,490 in principal forgiveness from the Drinking Water State Revolving Fund. The repayment schedule of the loan will not exceed ten (10) years or the life of the project.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

**City of Ravenden Springs
Randolph County**

Project: Water Meter Upgrades

Project Description

On March 9, 2019, the city’s water department building burned down - which housed the computer and work system, destroying both. As a result of the fire and an outdated computer operational system they are in need of replacement. Currently, the water department secretary is commuting to the neighboring town to key and print water bills for the system users. The City is requesting assistance in an amount up to \$7,085 to upgrade computers and printers, purchase and install SOFTwater billing solution software, and purchase of a Work About G4 meter reading handheld device.

Project Financial Information

The current average monthly water bill for the City of Ravenden Springs is \$34.30 based on 4,000 gallons of usage. The City of Ravenden Springs will not be required to raise rates. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the City of Ravenden Springs is \$28,720. The City of Ravenden Springs listed the customer base for this project at 63.

The City of Ravenden Springs has one loan with ANRC and is current on all ANRC audit requirements.

Estimated Project Costs

Construction:	\$7,085
Contingencies	0
Engineering	0
Legal Fees	0
Administrative	0
Issuance fee (3%)	213
Total Estimated Capital Cost:	\$7,298

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$7,298 (which includes a 3% issuance fee) in a grant to the City of Ravenden Springs from the Water Development Fund.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

City of Taylor
Lafayette County

Project: Replacement of Existing Wastewater Collection System

Project Description

The City of Taylor is proposing to replace the existing wastewater collection system. The improvements will consist of replacing 10,500 L.F of 8” sewer main, 1,250 L.F. of 10” sewer main, and 1,500 L.F. of 4” force main with approximately 74 manholes along with associated appurtenances.

Project Financial Information

The current average monthly water bill for the City of Taylor is \$29.00 based on 4,000 gallons of usage. The City of Taylor will be required to raise rates to \$31.18 for 4,000 gallons of usage. This is an increase of \$2.18 per month in order to service the proposed loan. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the City of Taylor is \$41,615. The City of Taylor listed the customer base for this project at 255.

The City of Taylor has two loans with ANRC and is current on all payments and ANRC audit requirements.

Estimated Project Costs

Construction:	\$1,197,625
Contingencies	119,762
Engineering – Planning, Design & Construction	137,822
Engineering – Inspection	47,905
Legal Fees	25,000
Administrative	0
Capitalized Interest during Construction	0
Other: Surveying	40,000
Other – SSES	65,000
Total Estimated Capital Cost:	\$1,633,114

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$1,633,114 in a loan to the City of Taylor from the Clean Water State Revolving Fund. The repayment schedule will not exceed thirty (30) years or the life of the project.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

**City of Tyronza
Poinsett County**

Project: Repair/Painting of Water Tank

Project Description

This request for funding is for repair and painting of the city’s elevated water storage tank constructed in 1937, which is still in service and listed on the National Register of Historic Places with the Arkansas Historical Preservation Program (AHPP). The City anticipates receiving approximately \$60,000 in grant funds from the AHPP, which is approximately 2/3 of the estimated cost to paint the exterior. The remaining funds will cover costs for interior painting, repairs and mechanical mixing.

Project Financial Information

The current average monthly water bill for the City of Tyronza is \$18.94 based on 4,000 gallons of usage. The City of Tyronza will be required to raise rates to \$21.78 for 4,000 gallons of usage. This is an increase of \$2.84 per-month in order to service the proposed loan. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the City of Tyronza is \$37,699. The City of Tyronza listed the customer base for this project at 400.

The City of Tyrone does not have any loans with ANRC.

Estimated Project Costs

Construction:	\$231,000
Contingencies	0
Engineering – Planning, Design & Construction	22,000
Engineering – Inspection	0
Legal Fees	0
Administrative	0
Capitalized Interest during Construction	0
Issuance fee (3%)	0
Other: Historical Preservation	-60,000
Other – Additional Engineering	0
<hr/> Total Estimated Capital Cost:	<hr/> \$193,000

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$193,000 in a loan to the City of Tyrone from the Arkansas Drinking Water State Revolving Fund. The repayment schedule will not exceed fifteen (15) years or the life of the project.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

**City of Bethel Heights
Benton County**

Project: Construction of New Pump Station and Connection to NACA

Director Holland mentioned there are concerned citizens in the Bethel Heights area as the commission is aware of by reading letters from Representative Della Rosa and others. Furthermore, he stated the local politics of the matter is not something our agency gets involved in. The city applied for funding with ANRC and agreed to its requirements; it is out of ANRCs control if later the city consolidates with Springdale. Director Holland suggested to treat this application like any other and let the commission review.

Mrs. Debby Dickson presented staff recommendations for the Bethel Heights project requesting financial assistance from the Arkansas Clean Water Revolving Loan Fund (CWRLF).

After much discussion over the uncertainties related to the possibilities of Bethel Heights annexation into Springdale, the decision was made to provide more time to see how things work out between the two cities.

Upon motion by Mrs. Ann Cash, seconded by Mr. Roy Reaves, the commission unanimously motioned to table the Bethel Heights project until the next commission meeting.

Project Description

The proposed project is located within the cities of Bethel Heights, Lowell, Cave Springs, and other unincorporated areas of Benton County. The proposed pump station that will be constructed as part of this project will be located within the City of Bethel Heights at their Lincoln Street Wastewater Treatment Plant (WWTP) site. The exact alignment of the proposed force main will be determined during the preliminary design phase of the project. No new service areas are proposed as part of the project. Interim operation measures will take place at the City's existing Lincoln Street and N. Oak Street WWTPs.

The proposed project includes the construction of a new wastewater pump station and force main to convey wastewater from the City of Bethel Heights' collection system to the NACA regional wastewater treatment facility. Through the preliminary design phase of the project, consideration will be given to a potential partnership agreement with the City of Cave Springs to construct a joint pipeline to the NACA facility. The City of Bethel Heights' Interim Operation Plan will include temporary operational improvements and procedures as required by the City's Consent Administrative Order (CAO) until the proposed project described above can be constructed and placed into service. The proposed Interim Operating Plan currently includes hauling of wastewater from the City's Lincoln Street WWTP to the NACA regional wastewater treatment facility and installation of a temporary WWTP.

Project Financial Information

The current average monthly water bill for the City of Bethel Heights is \$58.64 based on 4,000 gallons of usage. The City of Bethel Heights will be required to raise rates to \$97.34 based on 4,000 gallons of usage as soon as possible so they can partially fund the interim measures needed prior to completion of the project and loan repayment. The City will be responsible for all costs incurred prior to loan closing except for approved costs associated with planning and design. Subsequent rate increases may be required to fund additional costs associated with interim measures that are not included in estimated loan or other cost overruns associated with the project.

The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the City of Bethel Heights is \$53,063. The City of Bethel Heights listed the customer base for this project at 666.

The City of Bethel Heights does not have any loans with ANRC.

Estimated Project Costs

Construction:	\$5,044,000
Contingencies	504,400
Engineering – Planning, Design & Construction	798,750
Engineering – Inspection	383,000
Legal Fees	20,000
Administrative	0
Capitalized Interest during Construction	0
Issuance fee (3%)	0
Other: NACA Connection fee	1,105,000

Other: Interim Measures	4,769,850
Total Estimated Capital Cost	\$12,625,000
Decrease in funding for projected revenue resulting from required rate increase	-985,617
Total Estimated Funding	\$11,639,383

Executive Director’s Recommendation

Recommends the Commission approve a loan in an amount up to \$10,534,383 to the City of Bethel Heights from the Clean Water State Revolving Loan Fund and \$1,105,000 in a loan with principal forgiveness for the NACA connection fee from the Clean Water State Revolving Loan Fund. The repayment schedule of the loan will not exceed thirty (30) years or the life of the project.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

INCREASE IN FINANCIAL ASSISTANCE:

Mrs. Debby Dickson presented staff recommendations for the referenced projects below requesting an increase in financial assistance from the Arkansas Clean Water Revolving Loan Fund (CWRLF) and the Arkansas Drinking Water State Revolving Fund (DWSRF).

Upon motion by Mr. Neal Anderson, seconded by Mr. Fred Fowlkes, the commission unanimously approved the following staff recommendations:

**City of Smackover
Union County**

**Project: Treatment Plant Upgrades
Request for additional funding**

Project Description

The Commission approved funding in an amount up to \$482,932 from the Clean Water State Revolving Loan Fund (CWRLF) at the May 2019 meeting, #001228-CWRLF-L. As a result of an ADEQ inspection, and the approved corrective action plan, the City is requesting to change the scope of work to include sludge removal and baffle curtain improvements, 3-phase electrical service and cost coverage for price increases for the aerators.

Project Financial Information

The current average monthly water bill for the City of Smackover is \$27.20 based on 4,000 gallons of usage. The City of Smackover will not be required to raise rates. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the City of Smackover is \$34,686. The City of Smackover listed the customer base for this project at 820.

The City of Smackover currently has two loans with ANRC, they are current on payment and audit requirements.

Estimated Project Costs

Construction:	\$540,000
Contingencies	54,000
Engineering – Planning, Design & Construction	43,200
Engineering – Inspection	21,600
Legal Fees	15,000
Administrative	5,000
Other: Facility Plan	10,000
Other: Environmental Information Document	2,500
Other: Davis Bacon Certification	3,500
Total Estimated Capital Cost:	\$694,800

Executive Director’s Recommendation

Recommend the Commission approve additional funding in an amount up to \$211,868 for total funding in an amount \$694,800 in a loan to the City of Smackover from the Arkansas Clean Water State Revolving Fund. The repayment schedule will not exceed twenty (20) years or the life of the project.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

**City of Wilton
Little River County**

Project: Increase in Funding Request

Project Description

The Commission approved funding in an amount up to \$360,000 from the Drinking Water State Revolving Loan Fund (DWSRF) at the March 2019 meeting, #01221-DWSRF-L. The lowest bidder was over budget by approximately \$28,000. The City is requesting additional funds in an amount up to \$35,000, \$28,000 for the contractor and an additional \$7,000 for contingencies to complete the rehabilitation of their tank project.

After reviewing the information provided, along with the request for additional financial assistance, some important changes in the data was noted. The newest data for billable gallons and customer base is significantly lower than originally provided with the funding application. Using this new data to perform the rate analysis it was realized the City may not be capable of generating the revenue necessary for the debt service on the original loan along with operation and maintenance expenses for the system. Under these circumstances, staff would have recommended principal forgiveness for the original loan.

Furthermore, due to the recommended change of terms on the existing bond, we have added \$10,000 to the City’s request for additional funds to cover the costs of the legal fees for bond counsel, bringing the total request for additional funds in an amount up to \$45,000.

Project Financial Information

The current average monthly water bill for the City of Wilton is \$32.00 based on 4,000 gallons of usage. The City of Wilton will be required to raise rates to \$34.24 for 4,000 gallons of usage. This is an increase of \$2.24 per month in order to service the proposed loan. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the City of Wilton is \$27,241. The City of Wilton has listed the customer base for this project at 152.

The City of Wilton has four outstanding loan with ANRC and is current on all payments and ANRC audit requirements. The City will be required to provide a copy of their 2018 financial statements prior to loan closing to meet financial compliance.

Estimated Project Costs

Construction:	\$311,877
Contingencies	31,187
Engineering – Planning, Design & Construction	40,360
Engineering – Inspection	11,576
Legal Fees	10,000
Administrative	0
Capitalized Interest during Construction	0
Issuance fee (3%)	0
Total Estimated Capital Cost:	\$405,000

Executive Director’s Recommendation

Recommend the Commission approve a loan in an amount up to \$45,000 to the City of Wilton from the Drinking Water State Revolving Fund and \$360,000 in principal forgiveness from the Drinking Water State Revolving Fund. The repayment schedule of the loan will not exceed ten (10) years or the life of the project. The City is required to provide a copy of their 2018 Audited financial statements prior to loan closing to meet financial compliance.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

**City of Marshall
Searcy County**

**Project: Rehab to Water Mains
Increase in Funding Request**

Project Description

The Commission approved funding in an amount up to \$2,000,000 from the Drinking Water State Revolving Loan Fund (DWSRF) at the meeting on March 15, 2015, #01062-DWSRF-F. The City is requesting additional funds in an amount up to \$90,675 for the contractor to complete the rehabilitation of their water mains project.

During the course of the project, the Contractor was performing rehabilitation work on very old portions of the city's water distribution system. Much of this work revolved around abandoning old, leaking, water mains, and replacing them with new mains. The underlying need for the project is to reduce water loss in the system. Accurate plans and/or records for this portion of the existing system, which was installed in 1932, were not available to the City, the Engineer, or the Contractor. Due to the difficult nature of the work, directly related to unknown conditions in the ground, the Contractor was required to perform additional work above and beyond the original scope of project, including but not limited to insertion of in line valves to isolate portions of the old system from the overall system prior to complete abandonment of the mains. The City is requesting funds to complete this phase of work. The success of this project, i.e. reduction in water loss, is contingent upon complete abandonment of the old water mains.

In addition, due to the recommended increase of funds issuance of a new bond will be required. As a result, we have added \$5,000 to the City's request for additional funds to cover the costs of the legal fees for bond counsel, bringing the total request for additional funds in an amount up to \$95,675.

Project Financial Information

The current average monthly water bill for the City of Marshall is \$43.65 based on 4,000 gallons of usage. The City of Marshall will not be required to raise rates. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for the City of Marshall is \$29,066. The City of Marshall listed the customer base for this project at 992.

The City of Marshall currently has one loan with ANRC and is current on payment and audit requirements.

Estimated Project Costs

Construction:	\$1,672,955
Contingencies	\$20,420
Engineering – Planning, Design & Construction	\$377,300
Engineering – Inspection	\$0
Legal Fees	\$25,000
Administrative	\$0
Capitalized Interest during Construction	\$0
Issuance fee (3%)	\$0
Total Estimated Capital Cost:	\$2,095,675

Executive Director's Recommendation

Recommend the Commission approve an additional amount up to \$95,675 for total funding in an amount \$2,095,675 in a loan with principal forgiveness to the City of Marshall from the Drinking Water State Revolving Loan Fund. The repayment schedule will not exceed twenty (20) years or the life of the project.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

DEOBLIGATION OF FUNDS:

Mrs. Debby Dickson reported on the below referenced funds to be deobligated from the Arkansas Clean Water Revolving Loan Fund (CWRLF) and the Arkansas Drinking Water State Revolving Fund (DWSRF).

Upon motion by Mr. Neal Anderson, seconded by Mr. Fred Fowlkes, the commission unanimously approved the following deobligations:

Bearden (01049-CWRLF-F) \$296,399.00

Deobligate funds in the amount of \$296,399.00 that were approved in May 2015 from the Arkansas Clean Water Revolving Loan Fund. Entity has completed project with \$296,399.00 left-over.

Vilonia (01200-DWSRF-L) \$850,000.00

Deobligate funds in the amount of \$850,000.00 that were approved in November 2018 from the Arkansas Drinking Water State Revolving Fund. Project cancelled by owner.

Central Arkansas Water (01076-DWSRF-L) \$508,527.17

Deobligate funds in the amount of \$508,527.17 that were approved in June 2016 from the Arkansas Drinking Water State Revolving Fund. Entity completed project with \$508,527.17 left-over.

Old Bella Vista POA (01063-DWSRF-F) \$18,719.00

Deobligate funds in the amount of \$18,719.00 that were approved in March 2016 from the Arkansas Drinking Water State Revolving Fund. Entity completed project with \$18,719.00 left-over.

NEW LEVEE FUNDING REQUEST

Mrs. Debby Dickson presented staff recommendations for the referenced levee projects below requesting financial assistance.

Upon motion by Mr. Will Brewer, seconded by Mr. Roy Reaves, the commission was unanimously in agreement of the below approvals for levee funding:

**City of Clarksville
Johnson County**

Project: Raise Levee to Minimum FEMA Requirements

Project Description

The City of Clarksville proposes to raise the existing levee to the minimum FEMA free board requirement for protection of the low-lying area of downtown West of the existing levee. This will be accomplished by increasing the height of the existing flood wall and the earthen levee. The existing floodwall will be removed and replaced with a new wall and improved design. The earthen levee will be raised by a land-side raising. The maximum height of the raise will be

approximately two feet. In addition, the roadway crossing of Cherry Street and Main Street (Hwy. 64) currently utilize a log style floodgate that is labor intensive to construct in the event of an emergency. These floodgates will be replaced with sliding (Main Street) and hinged (Cherry Street) that will greatly improve the emergency response and safety. The current levee system was designed and constructed in 1965. It provides protection at a maximum level equal to the 100-year (1%) storm. There is approximately 120 acres of densely developed property (residential, commercial and industrial) being protected by the current levee. The City of Clarksville commissioned a study by FTN to evaluate the impact and feasibility raising the levee to provide the minimum freeboard. The study resulted in required heights necessary to meet freeboard. Plans were prepared meeting the requirements of the study. A CLOMR (Conditional Letter of Map Revision) will be submitted to FEMA for review. Upon receiving FEMA approval, the City of Clarksville will be authorized to proceed with the planned improvements. When constructed according to the plans, the land being protected by the levee can be removed from the regulator floodplain when the LOMR (Letter of Map Revision) is completed and submitted.

Project Financial Information

The City doesn't have a dedicated source of revenue for levee project. However, the City had \$7,345,873 in cash in the general fund as of December 31, 2018.

The City will contribute \$1,426,530 to the project from cash reserves and has applied for FEMA funding in an amount of \$2,200,000, which they think it is unlikely to receive approval. As a result, the City is requesting funding of \$1,412,000.

Estimated Project Costs

Construction:	\$2,300,000
Contingencies	230,000
Engineering – Planning, Design & Construction	183,425
Engineering – Inspection	94,875
Legal Fees - Easements	18,230
Issuance fee on \$400,000 loan (3%)	12,000
Total Estimated Capital Cost:	\$2,838,530
Less Applicant Contribution	(1,426,530)
Total Requested Funding	\$1,412,000

Director's Recommendation

Recommend the Commission approve a grant in an amount up to \$1,000,000 from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding.

In addition, recommend a loan in an amount up to \$412,000 (includes 3% fee of \$12,000) to the City of Clarksville from the Water Development Fund. The repayment schedule will not exceed ten (10) years or the life of the project.

The funding recommendation is contingent on the District making adequate property tax assessment adjustments to fund the additional debt service requirements.

If approved, the Executive Director will establish the combined annual borrower rate and additional loan terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

Little Rock - Pulaski Drainage Dist. No. 2

Pulaski County

Project: Repair Pump Stations & Levee Failure

Project Description

This project includes maintenance and improvements to four pump stations (Greg Street, Rose Meadow, East End and Bond Street) throughout Pulaski County that were damaged from the May 2019 flood. The recent flooding event also caused geo slide damage to the levee in several areas. The proposed funding would help to repair current damage and future levee slope failures.

Project 1	Bond Street Pump Station	\$ 70,800
Project 2	East End Pump Station	58,800
Project 3	Gregg Street Pump Station	70,800
Project 4	Rose Meadow Pump Station	28,800
Project 5	Geo Slide on Levee	120,000
<hr/>		
Total		\$349,200

Project Financial Information

The levee district has a single source of funding through a property tax assessment. This currently generates \$113,000 per year. The levee district's account balance as of December 31, 2018 was \$704,670.

Estimated Project Costs

Construction:	\$291,000
Contingencies*	29,100
Engineering *	29,100
<hr/>	
Total Estimated Capital Cost:	\$349,200

Director's Recommendation

Recommend the Commission approve an amount up to \$349,200 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding.

LEVEE FUNDING REQUEST FOR INCREASE

Mrs. Debby Dickson presented staff recommendations for the referenced levee projects below requesting an increase in financial assistance.

Upon motion by Mr. Will Brewer, seconded by Mr. Roy Reaves, the commission was unanimously in agreement of the below approvals for an increase in levee funding:

Conway County Levee District #6
Conway County

Project: Levee Flood Damage Repair and Cleanup
Request for additional funding

Project Description

During the Arkansas River flood in June 2019, a 30" CMP drainage culvert failed and allowed the river to flood the protected side of the levee. Emergency protective measures were taken by Conway County and the U.S. Army Corps of Engineers (USACE) to build a cofferdam to temporarily stop the water. The culvert needs to be replaced with approximately 220 feet of 30" reinforced concrete pipe, with concrete headwalls on each end and a 30" flap gate on the river side. The USACE has committed to repairing the culvert at 100% funding. The levee district will be responsible for administration costs and property access/easement costs. In addition to the USACE project, this project includes clearing and grubbing approximately 9,200 feet of the levee, flood debris removal, camera inspection on the remaining four drainage culverts, and the installation of liners in the drainage culverts.

This request is for additional funds for engineering and inspection costs that were not included on the initial request for funding the above project. The estimated engineering services and resident inspection fees are based on the ANRC rate schedules for these services. The total additional fund request is for \$28,293 (9.5%) engineering services and \$13,402 (4.5%) inspection fees.

Project Financial Information

The levee district has a single source of funding through a property tax assessment. The annual levee assessment is \$1.50/acre for the land protected by the levee. This currently amounts to approximately \$2,500.00 per year. This money is used to bush hog the levee once a year to maintain compliance with the USACE. Conway County Levee District #6 is currently in good standing with the USACE Rehab and Inspection (RIP) Program. The levee district's current account balance is approximately \$6,780.68.

Estimated Project Costs

	Previously Approved	Additional Funds	Total Cost Estimate
Construction*:	\$270,750	\$ 0	\$270,750
Contingencies	27,075	0	27,075
Engineering	0	28,293	28,293
Engineering - Inspection	0	13,402	13,402
Total Estimated Capital Cost:	\$297,825	\$41,695	\$339,520

Director's Recommendation

Recommend the Commission approve an additional amount up to \$41,695 for a total amount up to \$339,520 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding.

**Conway County – Pope County Levee District #1
Conway/Pope County**

**Project: Levee Flood Damage Repair and Inspection
Request for additional funding**

Project Description

In late May and early June, the Arkansas River flooded with significant damage in the Conway County & Pope County Levee District #1 area. This is a 13.4 mile stretch of levee from Ormond Lock and Dam to Galla Creek along the north side of the Arkansas River. This levee district was recently formed by combining Conway County Levee District #3 and #7 with Pope County Levee District #2 for a unified effort and economies of scale.

The proposed project will include the replacement of 2 - 42” drainage pipes, clearing and grubbing along the levee, fence and woody vegetation removal and revegetation of the disturbed areas. In addition, the project includes the video inspection and lining of approximately 2,152 feet of pipe at six locations along the levee.

This request is for additional funds for:

1. Engineering Fees of \$43,750. No Engineering Fees were in the initial Grant proposal.
2. Headwall, a need identified since the initial Grant proposal. The Headwall for 2-36" CMPs located on the land-side of Levee at Sta 398+95 requires full replacement. This work entails replacing the last section of the 2-36" CMPs, site preparation for placing and compacting engineer fill, building forms, reinforcements bars and concrete placement for the new headwall with end section, and to provide temporary water diversion during the construction. Cost of the new Headwall is an estimated additional funding need of \$21,209.

Total amount of additional funds requested: \$64,959.

Project Financial Information

The levee district has a single source of funding through a property tax assessment. The annual levee assessment is capped by State Law (A.C.A. 14-123-419) at 5 mills per benefitted acre. This currently amounts to approximately \$14,336.05 per year. The district estimates that it will require \$26,800 per year to adequately maintain the levee which will include mowing the levee twice per year and flap valve inspections. The levee district is currently in good standing with the U.S. Army Corps of Engineers (USACE) Rehab and Inspection (RIP) Program. The levee district's current account balance is approximately \$53,714.92.

Estimated Project Costs

	Previously Approved	Additional Funds	Total Cost Estimate
Construction*:	\$825,000	\$21,209	\$846,209
Contingencies	\$82,500	0	82,500
Engineering-Inspection	\$25,000	\$43,750	68,750
Total Estimated Capital Cost:	\$932,500	\$64,959	\$997,459

*An additional \$856,000 in project costs will be completed by USACE

Director's Recommendation

Recommend the Commission approve an additional amount up to \$64,959 for a total amount up to \$997,459 in a grant from the Arkansas Department of Emergency Management utilizing the Governor's Emergency Funding contingent on the combined district agreeing to increase the Assessment as necessary to fully fund Operation and Maintenance of the system, if/when, allowed by State law.

**Fourche Island Drainage Dist. No. 2 of Pulaski County
Pulaski County**

**Project: Levee Relocation
Request for additional funding**

Project Description

Previously approved funding approved to relocate a portion of the existing Fourche Island levee in the vicinity of the Little Rock Port Authority Foreign Trade Zone on Lindsey Road so that it ties directly into the buffer for Interstate 440. The project will remove approx. 3,000 linear feet of levee, thereby 1) making it easier to maintain, 2) eliminating the need for flood gates by Fourche Dam Pike, and 3) better protecting the vital economic interests located in the Port Industrial Park. The Little Rock Port Authority is in the process of acquiring the 17 acres of land needed to enable the project, at a cost of \$382,000. Engineering and construction costs for the project are estimated at \$576,000. Maintenance for the new section is expected to cost \$1,800 per year.

Additional funds requested is relocation of the wastewater discharge pipe. The outfall release for the Wrightsville Sewer Facility discharges approximately 50 feet from the flood gates belonging to and operated by Fourche Island Drainage Dist. No. 2. The proximity of this discharge has hampered the districts ability to do maintenance on its flood gates. The purpose of this project is to extend the outfall piping of the sewer up and over the exiting levee of the Arkansas River and discharge directly into the Arkansas River instead into the drainage ditch at the gates. The work must be done in accordance to strict compliance with rules and regulations of the US Army Corp of Engineers to make sure the discharge pipe does not in any way hamper the flow of the Arkansas River or threaten the integrity of the existing levee.

This project is needed for the safety and health concerns of the workers and to ensure the levee gates can be maintained and continue to work properly.

Project Financial Information

The levee district has a single source of funding through a property tax assessment. This currently amounts to \$143,144 per year. The levee district's account balance as of October 31, 2019 was \$102,138.41.

Estimated Project Costs for Additional Funds

	Previously Approved	Additional Funds	Total Cost Estimate
Construction:	\$384,000	\$103,420	\$487,420
Contingencies	76,800	10,342	87,142
Engineering – Planning, Design & Construction	46,080	9,566	55,646
Engineering – Inspection	46,080	4,396	50,476
Legal Fees - Easements	0	4,500	4,500
Other – USACE Fees	\$23,040	0	23,040
Other – Permit Fees 408/404 Permits & SWPPP	0	11,000	11,000
Other – Environmental Report	0	4,500	4,500
Issuance fee (3%)	0	4,432	4,432
Total Estimated Capital Cost:	\$576,000	\$152,156	\$728,156

Director's Recommendation

Recommend the Commission approve an additional amount up to \$152,156 (includes 3% fee of \$4,432) from the Water Development Fund. The repayment schedule will not exceed twenty (20) years or the life of the project.

Riverdale Levee Improvement District #134 Pulaski County

Project: Levee Drainage System Repair & Utility Line Relocation Request for additional funding

Project Description

This project will include the removal and replacement of approximately 275 feet of existing 66" drainage pipe, two junction boxes, two curb inlets and 140 feet of 18" drainage pipe damaged during the May/June 2019 Arkansas River flooding. This piping is a part of the overall levee system. In addition, the project includes the restoration of the existing surfaces of pavement, fencing and landscaping as a result of the levee relocation. The levee is currently in the U.S. Army Corps of Engineers (USACE) Rehab and Inspection (RIP) Program and the district is only responsible for 20% of the total cost of the repair.

Additional funding requested is for the relocation of the utility liner and rental of pluvial pumps. Due to the removal and replacement of the 66" drainage pipe utility line relocation will also be necessary. Since the 66-inch drain pipe was damaged by the flood event and is inoperable, the District has rented six (6) pluvial pumps to discharge storm water back into the Arkansas River. Until the 66" drainage pipe, and the North Pump Station are operable again, the temporary pumping system is necessary to remove fallen water from inside the levee. In addition, the project includes the restoration of the existing surfaces of pavement, fencing and landscaping necessary as a result of relocation of the utility line.

Project Financial Information

The district has a single source of funding through a property tax assessment. The district collects approximately \$315,000 per year. The district has approximately \$180,824 in funds currently available. The district estimates that operation and maintenance of the levee is \$257,343.90 per year.

Estimated Project Costs

	Previously Approved	Additional Funds	Total Cost Estimate
Construction*:	\$800,000	\$531,106	\$1,331,106
Contingencies	0	0	0
Total Estimated Capital Cost:	\$800,000	\$531,106	\$1,331,106

Director’s Recommendation

Recommend the Commission approve an additional amount up to \$531,106 for a total amount up to \$1,331,106 in a grant from the Arkansas Department of Emergency Management utilizing the Governor’s Emergency Funding to the District.

**Tucker Lake Levee and Drainage District
Jefferson County**

Project: Levee Flood Damage Repair and Rebuild

Project Description

During the recent flooding event, the Tucker Lake Levee & Drainage District sustained severe damage. The levee is an estimated seven mile stretch just North of Pine Bluff and protects a significant number of businesses, the city of Pine Bluff, and the APB Sports Complex and Aquaculture facility. During the event, the district experienced severe erosion that washed out numerous embankments as well as flapper gates and a hydraulic pump. The drainage pipe that is included the same structure was completely damaged and currently does not function. The pipe failure allowed water to seep through the levee causing significant erosion.

Additional funding is being requested for an updated cost estimate and temporary pumping due to the damaged hydraulic pump as well as replacing the bridge needed to access the site.

*PRIORITY 1: Pump Station Project: This Project, with a description and estimate from Lively & Associates, was approved by the Commission on January 16, 2020 for \$890,148. Lively & Associates provided the \$890,148.00 estimate to the District on July 11, 2019 using the information and resources available to them at the time. In March of 2020, the District engaged McClelland Consulting Engineers to do a more comprehensive analysis of the damage and of the Project approved by the commission on January 16, 2020. This analysis was done to ensure that all necessary repairs were accounted for to protect lives and property within the District especially considering the upcoming rainy season. After thoroughly analyzing the project for almost a month, McClelland submitted to the District on March 17, 2020 an updated cost estimate of \$1,167,269.91 along with a detailed Final Report. The District feels it is urgent to make all necessary repairs and

is requesting an additional \$277,121.91 (the difference between the July 2019 cost estimate and the updated, March 2020, cost estimate).

Temporary Pumping: This is being required due to the gravity flow pipe under the levee being damaged and the fact that the primary pumping station is also damaged and not operable.

Bridge Project: The bridge would be necessary to access the site for the heavy needed equipment. The existing bridge was recently put in--it is temporary and replaced the previous bridge that was damaged.

Legal Fees: The District is requesting funding for legal fees related to the above-mentioned projects and this application.

Project Financial Information

The district is working to re-initiate tax assessments and a get a new assessment of the property protected by the levee. The District has \$80,832.18 as of September 30, 2019.

Estimated Project Costs

	Previously Approved	Additional Funds	Total Cost Estimate
Construction	699,802	225,716	925,518
Contingencies	104,970	-12,418	92,552
Engineering – Planning, Design	50,386	23,655	74,041
Engineering - Services During Construction	0	46,276	46,276
Administrative	0	13,883	13,883
Other - Surveying	0	15,000	15,000
Other- Equipment Rental	34,990	-34,990	0
Total Estimated Capital Cost:	\$890,148	\$277,122	\$1,167,270

Director’s Recommendation

Recommend the Commission approve an additional amount up to \$277,122 for a total amount up to \$1,167,270 in a grant from the Arkansas Department of Emergency Management utilizing the Governor’s Emergency Funding. This funding is contingent upon the district agreeing to establish and collect an assessment sufficient to fully fund operation and maintenance of the levee system.

**Tupelo Bayou Irrigation and Watershed District
Faulkner County**

Project: Levee and Drainage Repair

Project Description

The project location is the Tupelo Bayou Irrigation and Watershed District in Faulkner County. The District covers a portion of the southwest corner of Faulkner County, bordering Perry and Pulaski Counties and running adjacent to the Arkansas River. During the recent flooding event, the levee sustained serious damage resulting in the need to repair one levee gate. Three

locations on the levee need to be raised to grade due to cattle/road crossings. Lastly, the U.S. Army Corps of Engineers (USACE) has identified excessive vegetation on the base of the levee that should be removed. The levee is in the USCAE Rehab and Inspection (RIP) Program.

This request for additional funds is for purpose of additional levee gate repair, vegetation eradication, tree removal and raising cattle trails on the levee.

Project Financial Information

The levee district has a single source of funding through a property tax assessment. The annual levee assessment is \$0.75 per cultivated acre \$0.20 per all other acres, and 1 mil on all homestead properties. This currently amounts to approximately \$33,465 per year. Operation and maintenance of the levee is estimated at \$31,800 per year.

Estimated Project Costs

	Previously Approved	Additional Funds	Total Cost
Construction:	\$36,000	\$35,000	\$71,000
Contingencies*	3,600	0	3,600
Engineering *	6,800	0	6,800
Total Estimated Capital Cost:	\$46,400	\$35,000	\$81,400

Director’s Recommendation

Recommend the Commission approve an additional amount up to \$35,000 for a total amount up \$81,400 in a grant from the Arkansas Department of Emergency Management utilizing the Governor’s Emergency Funding.

CONSERVATION DIVISION – Deputy Director Ryan Benefield announced the following appointments and reappointment for the conservation districts:

Appointments to Conservation District Boards – *Upon motion by Mrs. Ann Cash, seconded by Mr. Bruce Leggett, the commission unanimously approved the following appointments:*

Miller County	Barbara Sutton
Prairie County	Jeffrey Reidhar
Sharp County	Zach Baxter

Reappointments to Conservation District Boards - *Upon motion by Mrs. Ann Cash, seconded by Mr. Bruce Leggett, the commission unanimously approved the following reappointments:*

Calhoun County	Frank Stevenson Jr.
Carroll County	Larry Harp
Crittenden County	Marshall Levy
Independence County	Eddie Wagoner
Izard County	Larry Arnold
Lawrence County	Ray Mosely Jr.

Lonoke County
Montgomery County
Miller County
Mine Creek
Perry County
Pike County
White County

Billy Bennett
Johnathon Rowland
Chase Groves
Joe Martin
Donald Shamsie
Johnny Hale
Bradley Watkins

Additionally, Mr. Benefield gave the commission a listing of elections by district.

Line Item Funding - Mr. Benefield provided the commission with line item funding for the conservation districts for Fiscal Year 2021 in the amount of \$939,990.00. However, the Commission withholds \$21,240 to pay the employee's dishonesty policy, worker's compensation insurance, and a reserve for special projects. Remaining amounts at the end of the fiscal year are sent back to districts. The FY2021 amount available to distribute to the districts is \$918,750.00.

Upon motion by Mr. Bruce Leggitt, seconded by Mr. Fred Fowlkes, the commission unanimously approved the line item funding discussed.

Mr. Reaves stated some districts are really struggling with their allocated funds and suggested we look into obtaining additional funds for them. Several years have passed since there has been an increase in funding for districts.

Grants-to-Districts Funding – Mr. Benefield provided the commission with the ANRC Fiscal Year 2021 grants-to-districts funding proposal for conservation districts.

Upon motion by Mr. Fred Fowlkes, seconded by Mr. Neal Anderson, the commission unanimously approved the grants-to-districts funding proposal discussed.

Beaver Funding – Mr. Benefield provided the commission with beaver funding for conservation districts for Fiscal Year 2021.

Upon motion by Mr. Neal Anderson, seconded by Mr. Fred Fowlkes, the commission unanimously approved the beaver funding discussed.

WATER RESOURCES MANAGEMENT DIVISION – Blake Forrest, Professional Geologist, gave the 2019 Annual Groundwater Protections and Management Report. He stated there are five groundwater study areas: St. Francis, Cache, Grand Prairie, Boeuf-Tensas, and South Arkansas. The following have been designated as critical groundwater areas: Cache (Alluvial & Sparta), Grand Prairie (Alluvial & Sparta), and South Arkansas (Sparta). To create the map of the alluvial aquifer, 335 wells were measured prior to the irrigation season in 2019. To create the map of the Sparta, 152 wells were measured in spring 2019. Mr. Forrest touched on rain amounts across Arkansas and the decreases and increases of one, five, and ten-year groundwater change. Total groundwater irrigation use for 2018 is 7,590 Mgal/d from all aquifer sources in eastern Arkansas, with 6,570 Mgal/d from 42,452 wells in the alluvial aquifer and 68 Mgal/d from 286 wells in the Sparta aquifer. Alluvial usage for 2018 estimated sustainable yield is 51%. For the Sparta, 78% of

sustainable yield is used purely for irrigation. Mr. Forrest also showed a summarization of the approved water conservation tax credits from 2016-2019.

ACTIVITY REPORTS

Activity reports were presented by Amanda Mathis, USDA Natural Resources Conservation Service (NRCS); Debbie Moreland, Arkansas Association Conservation Districts (AACD); Dr. Mike Daniels, U of A Cooperative Extension Service; and Jim Battreal on behalf of Drew Westerman, US Geological Survey.

OTHER

Mr. Leggitt asked for a brief progress report on irrigation districts. Mr. Benefield reported on Bayou Meto and Grand Prairie. Bayou Meto is working on an assessment for Phase 1, also known as Phase 2026 (named 2026 because goal is to have water running by growing season of 2026). The first four miles of the canal is currently in construction. Grand Prairie is working with NRCS on funding they received to construct the first step of the project and are currently working on bidding cost for the first segment.

Mr. Reaves requested if there is further correspondence regarding the Bethel Heights project that the commission be kept abreast. Mr. Leggitt asked if someone from ADEQ could attend the next commission meeting to speak about the Bethel Heights project.

ADJOURN

There being no further business, meeting was adjourned.



Bruce Holland
Director

15 July 2020

Date

