

MINUTES
ARKANSAS NATURAL RESOURCES COMMISSION
July 15, 2020

The regular teleconference meeting of the Arkansas Natural Resources Commission was held Wednesday, July 15, 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, and Will Brewer. Commissioner Troy Gaston was not able to attend.

Staff members in attendance included: Bruce Holland, Director; Ryan Benefield, Deputy Director; Debby Dickson, Program Fiscal Manager; Tony Ramick, Fiscal Manager/Coordinator; Steve Stake, Program Coordinator; 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: May 20, 2020

Upon motion by Mr. Roy Reaves, seconded by Mr. Will Brewer, the commission unanimously approved the minutes of the meeting held on May 20, 2020.

REPORT OF THE DIRECTOR – Director Holland stated some employees are still working remotely; however, it has not affected our abilities to conduct business. Furthermore, the hiring freeze was lifted the first of this fiscal year beginning July 1. We will be able to fill needed positions such as those in the conservation section.

FINANCIAL ASSISTANCE REPORT - Mrs. Cynthia Bearden, Accounting Operations Manager, presented the financial assistance report dated June 30, 2020. Additionally, Mrs. Bearden stated we are working on finalizing our bond counsel contract with the Friday Law Firm. Next week it will go to Arkansas Legislative Council; hopefully a contract will be in place by July 27th and we will be able to move forward with refunding some of the bond issues.

WATER RESOURCES DEVELOPMENT SECTION

FINANCIAL ASSISTANCE:

Mrs. Debby Dickson 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 Development Fund (WDF), the Arkansas Clean Water Revolving Loan Fund (CWRLF), and the Arkansas Drinking Water State Revolving Fund (DWSRF).

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

Arkansas Natural Resources Commission

Project: Clean Water & Drinking Water State Revolving Loan Fund State Match

Project Description

The Clean Water Revolving Loan Fund (CWRLF) referred to as the “Construction Assistance Revolving Loan Fund” in Subchapter 9 of Chapter 5 of Title 15 of the Arkansas Code Annotated, the act creating the “Construction Assistance Revolving Loan Fund,” as amended by Act 459 of 2001 and in accordance with the requirements of the Federal Water Pollution Control Act of 1972 as amended by Public Law 100-4; February 4, 1987. As contemplated by the Federal Act, the Arkansas General Assembly at its 1987 session enacted Act 1030, which was superseded at its 1991 session by Act 718, Arkansas Code Annotated, Section 15-5-901 to –906, establishing the Construction Assistance Revolving Loan Fund to be administered by the Arkansas Department of Environmental Quality. The Arkansas General Assembly at its 2001 Regular Session enacted Act 459, which converted the administration of the Program and Fund to the Arkansas Natural Resources Commission effective July 1, 2001.

The Drinking Water State Revolving Loan Fund (DWSRF) referred to as the Safe Drinking Water Fund (Arkansas Code Annotated § 15-22-1101 to 1110) was established by Act 772 of 1997. The Act created a special fund of the Arkansas Development Finance Authority to be administered by the Arkansas Natural Resources Commission and the Arkansas Department of Health to provide loans for the planning, design, acquisition, construction, expansion, equipping and/or rehabilitation of water systems or parts thereof.

These programs are intended to be perpetual funds providing low interest loan assistance for the construction and improvement of water and wastewater facilities. ANRC applies for capitalization grants from the Environmental Protection Agency for each program each year, upon notice from EPA that the federal funds are available. As a condition of the capitalization grant the State of Arkansas is required to provide 20% State matching funds.

Estimated Project Costs

EPA 2020 Capitalization Grant - CWRLF	\$10,395,000
Required 20% State Match for CWRLF	2,079,000
EPA 2020 Capitalization Grant - DWSRF	\$16,566,000
Required 20% State Match for DWSRF	3,313,200
Required 20% State Match for CWRLF	2,079,000
Required 20% State Match for DWSRF	3,313,200
Estimated State Match required for both 2020 Cap Grants:	\$5,392,200

Executive Director's Recommendation

The Staff recommends that the Commission approve an amount up to \$5,392,200 as a grant to Arkansas Natural Resources Commission from the Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Fund.

Arkansas Rural Water Association

Project: 2021-2022 Circuit Rider Grant

Project Description

Arkansas Rural Water Association (ARWA) has been providing Training and Technical Assistance to water systems throughout the state of Arkansas since 1985 through funding provided by the Arkansas Natural Resources Commission.

ARWA has multiple technical assistance programs. This proposal is for the Association's continued funding assistance for a "Circuit Rider". The Circuit Rider is a trouble shooter, capable of providing the technical assistance necessary to help any water system, preferably under 10,000 population, with their infrastructure problems. The Circuit Rider would primarily provide assistance with operation, maintenance, management and financial problems that plague the smaller systems in the State of Arkansas. This technical assistance program is presently funded at \$125,000/year and ARWA is requesting that funding level remain the same to operate this annual program.

Project Financial Information

The current three year (2016-2018) average Median Household Income (MHI) provided by UALR for the State of Arkansas is \$40,276.

Arkansas Rural Water Association will provide quarterly and year end reports to the agency on each Commission funded program.

Executive Director's Recommendation

Recommend the Commission approve an amount up to \$125,000 in a grant to Arkansas Rural Water Association from the Water Development Fund.

Arkansas Rural Water Association

Project: 2021-2022 Public Water Systems Grant

Project Description

Arkansas Rural Water Association (ARWA) has been providing Training and Technical Assistance to water and wastewater systems throughout the state of Arkansas since 1985 through funding provided by the Arkansas Natural Resources Commission.

ARWA has two technical assistance grant programs. The second technical assistance grant program is working with public water systems in ten counties listed as Arkansas's persistent poverty counties. These ten counties are selected for PWS (Public Water Systems) infrastructure surveys. A planned, in-depth, on-site inspection of the selected systems is performed to include all existing above ground water system infrastructures.

These water system infrastructure inspections are to determine the source of water, number and type of tanks, pump stations voltage, horsepower, pump capacity and if a system has inter connections with other PWS's. Additional inspection results determine the required power needs in KW for emergency generators, the type of emergency electrical transfer switches and if a manual transfer switch or automatic transfer switch could be installed to make the PWS more resilient in a time of power outages. The inspections also determine the percent of monthly water loss for the last twelve months and to assist systems with water audits. This technical assistance program is presently funded at \$65,000/year and ARWA is requesting the funding level remain the same again to operate this annual program.

Project Financial Information

The current three year (2016-2018) average Median Household Income (MHI) provided by UALR for the State of Arkansas is \$40,276. ARWA will provide quarterly and year end reports to the agency on each program.

Executive Director's Recommendation

Recommend the Commission approve an amount up to \$65,000 in a grant to Arkansas Rural Water Association from the Water Development Fund.

Arkansas Rural Water Association

Project: 2021-2022 Wastewater Circuit Rider Grant

Project Description

Arkansas Rural Water Association (ARWA) has been providing Training and Technical Assistance to water systems throughout the state of Arkansas since 1985 through funding provided by the Arkansas Natural Resources Commission.

ARWA has multiple technical assistance programs funded by RUS/USDA. This proposal is for the Association's request for one year of funding assistance for a "Wastewater Circuit Rider". The Circuit Rider is a trouble shooter, capable of providing the technical assistance necessary to help any system, preferably under 10,000 population, with their infrastructure problems. This Circuit Rider would primarily provide assistance with operation, maintenance, management and financial problems that plague the smaller systems in the State of Arkansas. This technical assistance program is presently funded at \$125,000/year with RUS/USDA funds through the National Rural Water Association (NRWA). Unfortunately, the NRWA will be losing funding for the coming year. As a result, the wastewater circuit rider program will not be funded for SFY 2021 (July 1 2020 to June 30, 2021) from the RUS/USDA funds through NRWA. ARWA is requesting funding for this program for one year to allow time to locate other funding sources. In the event RUS/USDA funding or other funding becomes available for this program during this period,

ARWA will notify the Natural Resources Division which will de-obligate that amount from the Wastewater Circuit Rider Grant.

Project Financial Information

The current three year (2016-2018) average Median Household Income (MHI) provided by UALR for the State of Arkansas is \$40,276.

Arkansas Rural Water Association will provide quarterly and year end reports to the agency on each Commission funded program.

Executive Director's Recommendation

Recommend the Commission approve an amount up to \$118,065 in a grant to Arkansas Rural Water Association from the Water Development Fund.

City of Jasper Newton County

Project: Improvements to Wastewater Treatment Facility

Project Description

This project is located at the existing wastewater treatment facility in the City of Jasper, Newton County, Arkansas. The existing facility discharges into the Little Buffalo River approximately six miles upstream from its confluence with the Buffalo River. The current facility has an inefficient sludge handling process as the waste sludge drying beds are located in a cool, shaded area resulting in lengthy drying times prior to landfill disposal. The sludge cannot be processed in a timely manner and backs up in the treatment units. Several operational problems occur as a result, including violations of Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) limits which negatively impact the water quality in the Buffalo River Watershed.

In addition, the main pump station in the collection system is in a low-lying area that is prone to flooding. When flooded, the wet well is often under four feet of water creating dangerous conditions for operation and resulting in large volumes of Infiltration and Inflow (I/I) entering the system. Sanitary Sewer Overflows (SSO) in the system, particularly at the main pump station site, can rapidly enter the Little Buffalo River.

Finally, the collection system is aged, is a significant source of I/I, and in need of rehabilitation.

Necessary improvements to the wastewater treatment facility include a new sludge processing facility which would house a sludge press and associated chemical feed equipment, site pump station improvements, new flow equalization basin, and general site plumbing rehabilitation. . Additional collection system work includes a new pump station, linework and manhole rehabilitation.

Project Financial Information

The current average monthly sewer bill for the City of Jasper is \$32.30 based on 4,000 gallons of usage. The City of Jasper will be required to raise rates to \$45.22 for 4,000 gallons of usage. This is an increase of \$12.92 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 Jasper is \$27,059. The City of Jasper listed the customer base for this project at 246.

The City of Jasper does not currently have any loans through ANRC.

Estimated Project Costs

Construction:	\$1,500,000
Contingencies	150,000
Engineering – Planning, Design & Construction	123,750
Engineering – Inspection	66,000
Legal Fees	17,000
Administrative	5,000
Capitalized Interest during Construction	0
Issuance fee (3%)	0
Other: Facility Plan/Environ. Report/SSES/I&I/Utility Extension	160,000
Other: Project Performance/AIS & Davis Bacon Compliance/ O&M Man	20,000
Total Estimated Capital Cost	\$2,041,750
Less approved BRCC Funding	-250,000
Total Estimated ANRC Funding:	\$1,791,750

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$440,000 in a loan and an amount up to \$1,351,750 in a loan with principal forgiveness to the City of Jasper from the Arkansas Clean Water State Revolving Loan Fund.

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

**Parkers Chapel Public Water Authority
Union County**

Project: Replace Water Well & Water Line Extension

Project Description

Parkers Chapel Public Water Authority (PCPWA) is seeking a replacement water well. The original 200 GPM well has developed a casing leak, which has allowed saltwater from the adjacent plant to contaminate the well. Should the system also lose well No. 4, which is much larger than the other wells, the system will not be able to meet its normal operating water demands.

The PCPWA is also proposing to construct a water line extension to serve approximately 15 additional customers. These customers are on private wells, which are aging and beginning to fail. Connection to the Parkers Chapel system will provide these customers with a reliable source of safe water.

Project Financial Information

The current average monthly water bill for PCPWA is \$21.05 based on 4,000 gallons of usage. The PCPWA will be required to raise rates to \$22.73 for 4,000 gallons of usage. This is an increase of \$1.68 per month in order to service the proposed loan. The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for Union County is \$39,873. The customer base for this proposed project is reported to be at 971.

PCPWA currently has two loans with ANRC and is current on all payments and audit requirements.

Estimated Project Costs

Construction:	\$1,189,730
Contingencies	118,973
Engineering – Planning, Design & Construction	121,127
Engineering – Inspection	47,589
Legal Fees	16,317
Administrative	0
Capitalized Interest during Construction	0
Issuance fee (3%)	0
Other:	5,000
<hr/> Total Estimated Capital Cost:	<hr/> \$1,498,736

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$1,498,736 in a loan to PCPWA from the Drinking Water State Revolving Fund.

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

**City of Warren
Bradley County**

Project: Wastewater Improvements

Project Description

The proposed project includes installing new gravity sewer lines and sewer force mains along an existing waterline route in Warren, AR. A pump station located in Industrial Park will be upgraded to accommodate for the projected additional loading and new route of the force main. The existing force main pumps from Industrial Park to the north along Forrest Rd. The existing force main will discontinue at the intersection of Highway 278 and Forrest Rd. The proposed force main will head east along Highway 278. Wastewater will eventually flow to a manhole located approximately 0.5 miles south of the intersection of Highway 278 (E. Church St.) and Lura Lea Lane.

The improvements at the WWTP include dewatering and cleaning existing aeration lagoon #1, installing a new aeration system in lagoon #1, and installing a new UV disinfection system. The city anticipates approximately 5 new industrial customers to contribute to the sewer system. Additionally, the existing pump station pumps wastewater from a chicken plant through residential neighborhoods causing severe odor issues for the residents. Rerouting these sewer lines will eliminate these issues as the new lines will be located on the outskirts of the city.

According to the NPDES Permit for Warren Water and Sewer, the Arkansas Department of Environmental Quality is requiring a plan for the removal of sludge from the lagoons. In addition to the sludge issues, the current aeration system is outdated and in need of replacement. The system consists of turbines with a propeller that shears coarse bubbles being supplied by the blowers into finer bubbles. Replacement parts for this system cannot longer be obtained.

Project Financial Information

The current average monthly water bill for the City of Warren is \$13.30 based on 4,000 gallons of usage. The City of Warren will be required to raise rates to \$20.35 for 4,000 gallons of usage. This is an increase of \$7.05 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 Warren is \$27,828. The City of Warren listed the customer base for this project at 2,352.

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

Estimated Project Costs

Construction:	\$2,340,125
Contingencies	\$351,000
Engineering – Planning, Design & Construction	\$269,113
Engineering – Inspection	\$134,556
Legal Fees	\$20,000
Administrative	\$40,367
Capitalized Interest during Construction	0
Issuance fee (3%)	0
Other: ANRC Requirements	\$38,200
Other – Easement Preparation	\$75,000
<u>Total Estimated Capital Cost:</u>	<u>\$3,268,361</u>

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$3,268,361 in a loan to the City of Warren from the Clean Water State Revolving Fund.

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

Washington County Soil & Water Conservation District

Washington County

Project: Repair Sink Hole Kinion Lake Dam

Project Description

The Washington County Soil and Water Conservation District owns Kinion Lake located at 17436 Kinion Lake Road, Lincoln, AR (Lat: 36.050771, Lon: -94.381670). This dam has restricted access limited to the landowner, the Conservation District, Natural Resources Conservation Service (NRCS) and their agents. This dam was built in 1963 as one of four flood control structures in the Muddy Fork of the Illinois River. In 1983, the district with NRCS repaired five sinkholes that formed in the reservoir and at the upstream toe of the dam.

On February 20, 2020, the district discovered a previously repaired sinkhole had reappeared on the wave bend on the southwest part of the dam. On March 4th, NRCS engineers inspected the sinkhole. The NRCS state engineer, Walt Delp, recommended the district drain the lake immediately to reduce the risk of dam failure due to water piping through the sinkhole and under the dam. NRCS considers the sinkhole to be an emergency.

NRCS recommends keeping the lake de-watered and repairing the sinkhole with stone fill and grout. The district is draining the lake now and we have sought funding through NRCS - Emergency Watershed Protection (EWP) program to repair the sinkhole. NRCS engineers are preparing the design specification now. The district anticipates paying the twenty-five percent matching costs estimated to be \$15,000 with a total cost of repair of \$60,000.

Project Financial Information

The current three year (2015-2017) average Median Household Income (MHI) provided by UALR for Washington County is \$47,508.

Washington County Soil & Water Conservation District does not have any loans with ANRC.

Estimated Project Costs

Construction:	\$60,000
Contingencies	0
Engineering – Planning, Design & Construction	0
Engineering – Inspection	0
Legal Fees	0
Administrative	0
Capitalized Interest during Construction	0
Issuance fee (3%)	450
Other – Funding through NRCS	-45,000
Total Estimated Capital Cost:	\$15,450

Executive Director's Recommendation

Recommend the Commission approve an amount up to \$15,450 in a loan to Washington County Soil & Water Conservation District from the Water Development Fund.

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

(WITHDRAWN) INCREASE IN FINANCIAL ASSISTANCE:

Mrs. Debby Dickson presented the Gillham Lake Regional Public Water Authority (Polk County) project which was formerly requesting an increase in financial assistance from the Arkansas Drinking Water State Revolving Fund (DWSRF). Mrs. Dickson informed the commission the request has been withdrawn due to bids being higher than expected.

Commission did *not* make a motion for increase in funding because the Gillham Lake application has been withdrawn.

DEOBLIGATION OF FUNDS:

Mrs. Debby Dickson reported on the below referenced fund to be deobligated from the Water, Sewer and Solid Waste Fund (WSSW).

Huntsville (012649-WSSW-L) \$309,000.00

Deobligate funds in the amount of \$309,000.00 that were approved in January 2020 from the Water Sewer and Solid Waste Fund. Entity has secured funding for this project through other sources.

SEPTIC TANK OVERVIEW:

Deputy Director Benefield presented an overview for a proposal of a septic tank pilot program. This project is for septic tank repair and replacement for failing septic tanks as determined by the Arkansas Department of Health around the priority watersheds; not for new homes. This is a loan/grant program, a three-year pilot program, and would be through the Clean Water State Revolving Fund. Location of this project would be the Beaver Reservoir Watershed, the Illinois River Watershed, and the Buffalo River Watershed with a kick-off date of January 2021. There would be a managing organization with each watershed. The commission was in favor of having applications brought forth to them for approval at the next commission meeting.

EMERGENCY FUNDING REQUEST:

Mrs. Debby Dickson presented staff recommendations for the referenced project below requesting emergency financial assistance, interim, from the Water Development Fund (WDF). Permanent funding through the Arkansas Drinking Water State Revolving Fund (DWSRF).

Upon motion by Mrs. Ann Cash, seconded by Mr. William Anderson, the commission unanimously approved the following staff recommendation for emergency funding:

**City of Fifty-Six
Stone County**

Emergency Project: Installation of 4.5 miles of Water Main

Project Description

This is an emergency project that consists of installing approximately 4.5 miles of 6" water main between the Mountain View water system and the City of Fifty-Six. The water main would connect to Mountain View near Hidden Ridge Road and run along Arkansas Highway 14 terminating near Arkansas Highway 87 and connecting to Fifty-Six. The water main would be installed on top of the ground, with consent from Arkansas Department of Health, with a pump station to quickly provide a source of water until the water main can be properly installed/buried.

Additional funding options are being pursued but funding is needed to keep the project moving forward and provide water to the City of Fifty-Six until a permanent solution is designed and funded. The water connection is necessary and urgently needed as a result of the capacity of Fifty-Six's well, which is only producing 16 gallons per minute (gpm). Big Flat has been able to provide a supplemental supply of water between 8 gpm - 16 gpm, when available. However, Big Flat has seen an increase in water usage and may not be able to continue providing a supplement supply of water. Without emergency assistance the well in Fifty-Six will may not be able to produce enough water for its residents.

A second phase of this project will be required to properly install/bury the water main in the proposed locations along Arkansas Highway 14.

Project Financial Information

The current average monthly water bill for the City of Fifty-Six is \$42.51 based on 4,000 gallons of usage. The current three year (2016-2018) average Median Household Income (MHI) provided by UALR for the City of Fifty-Six is \$40,450. The City of Fifty-Six has listed the customer base for this project at 230.

The City of Fifty-Six currently has one loan with ANRC and is current on all payments and audit requirements.

Estimated Project Costs

Construction:	\$600,000
Contingencies	60,000
Engineering – Planning, Design & Construction	52,800
Engineering – Inspection	26,400
Legal Fees	14,000
Administrative	5,000
Capitalized Interest during Construction	0
Issuance fee (3%)	24,216
Other – Engineering PER/ER	45,000

Other – Permitting	4,000
Total Estimated Capital Cost:	\$831,416

The interim funding is for an amount up to \$831,416 (Includes 3% fee of \$24,216) from the Water Development Fund. Permanent funding will be through the Arkansas Drinking Water State Revolving Loan Fund, this is contingent on meeting SRF requirements. Interest will be deferred for one year as long as the application for full funding is received within 90 days and the project funding is finalized and closed within 18 months.

Executive Director’s Recommendation

Recommend the Commission approve a loan to the City of Fifty-Six in an amount up to \$831,416 (Includes 3% fee of \$24,216) from the Water Development Fund.

If approved, the Executive Director will establish any necessary combined annual borrower rates and additional 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

Mrs. Debby Dickson reminded the commission this project requesting financial assistance from the Arkansas Clean Water Revolving Loan Fund (CWRLF) was presented at the last commission meeting. Mr. Benefield stated the commission deferred it at that time until today. He stated there is a vote coming up in August for the decision of Bethel Heights merging with Springdale. He stated it is up to the commission if they would like to move forward or table it until after the vote of the annexation.

Upon motion by Mr. Fred Fowlkes, 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.

CONSERVATION DIVISION – Deputy Director Ryan Benefield announced the following appointment and reappointments for the conservation districts:

Appointments to Conservation District Boards – *Upon motion by Mr. Bruce Leggitt, seconded by Mr. Will Brewer, the commission unanimously approved the following appointment:*

Arkansas County

Jackie P. Johnson

Reappointments to Conservation District Boards - *Upon motion by Mr. Bruce Leggitt, seconded by Mr. Will Brewer, the commission unanimously approved the following reappointments:*

Washington County

Tou Chao Vang

Logan County

Bobby Strobel

Baxter County

Mel Crawford

Mr. Reaves proposed conservation district directors complete teaching modules from the director's manual for maintaining eligibility of their appointments in lieu of attending area director training during this time of pandemic. Mr. Benefield stated each conservation district would need to submit a request with an agenda to Director Holland; he has the authority to approve alternate meetings as meeting the requirements.

ARKANSAS UNPAVED ROADS PROGRAM

Tony Ramick reminded the commission that ANRC was given the Arkansas Unpaved Roads Program during transformation. With this came an influx of state money in the amount of \$300,000 directly for the program. Mr. Ramick introduced one of his staff members, Steve Stake, who has been handling administrative and field work for the program. Mr. Stake stated the following nine counties applied for the calendar year of 2020: Calhoun, Crawford, Independence, Lincoln, Ouachita, Polk, Searcy, Van Buren, Washington. There was a total request of \$551,031.00 in state funds with an anticipated match of \$605,420.00 from counties. Mr. Stake gave a brief overview of the need for request from each county and explained the application process which runs during the calendar year versus the fiscal year.

Upon motion by Mr. Fred Fowlkes, seconded by Mrs. Ann Cash, the commission unanimously approved the committee recommendations for funding the proposed projects in the Arkansas Unpaved Roads Program.

ACTIVITY REPORTS

Activity reports were presented by Amanda Mathis, USDA Natural Resources Conservation Service (NRCS); Bruce Holland on behalf of Debbie Moreland, Arkansas Association Conservation Districts (AACD); and Drew Westerman, US Geological Survey.

OTHER

Attention was brought to updates needed on the agency website page for commissioner contact information.

ADJOURN

There being no further business, meeting was adjourned. *Upon motion by Mr. Roy Reaves, seconded by Mr. Fred Fowlkes, the commission unanimously motioned to adjourn the meeting .*



Bruce Holland
Director



Date

