

MINUTES
ARKANSAS NATURAL RESOURCES COMMISSION
November 18, 2020

The regular meeting of the Arkansas Natural Resources Commission (ANRC) was held via Webex/teleconference on Wednesday, November 18, 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, Neal Anderson, and Troy Gaston. Commissioner Will Brewer was unable to attend.

Staff members in attendance included: Bruce Holland, Director; Ryan Benefield, Deputy Director; Debby Dickson, Program Fiscal Manager; April Harris, Administrative Analyst; and others attending virtually.

Chairman Poynter called the ANRC meeting to order.

APPROVAL OF MINUTES: September 16, 2020

Upon motion by Mr. Roy Reaves, seconded by Mr. Neal Anderson, the commission unanimously approved the minutes of the meeting held on September 16, 2020.

REPORT OF THE DIRECTOR – Director Holland began by informing the commission the move date to our new location has been pushed back to the second week of December.

Director Holland stated multiple agency employees have been quarantined due to close contact exposure to an infected person, but no employees have had the coronavirus.

Furthermore, Director Holland stated we have several new employees in various sections of the agency. We are near full staff capacity, but there are a couple more positions we hope to fill. Additionally, long-term employees Cynthia Bearden and Sharonica Crutchfield have taken other positions in state government.

The Arkansas-Oklahoma Arkansas River Compact Commission meeting recently took place. The meeting went well; it was virtual this year which increased participation.

The legislative session is upcoming. Tomorrow the budget committee meets to get answers to questions which were put on hold earlier this month. The levee laws are anticipated to change during the upcoming session. This will regard simplifying the process to allow levee districts to do what they need to locally to raise funds. Also, the Water Well Construction Commission may dissolve and become included in the Arkansas Natural Resources Commission.

FINANCIAL ASSISTANCE REPORT - Mr. Inoussa Zaki, Chief Fiscal Officer, presented the financial assistance report dated October 31, 2020.

WATER RESOURCES DEVELOPMENT SECTION

FINANCIAL ASSISTANCE:

Mrs. Debby Dickson presented staff recommendations for the referenced projects below requesting financial assistance from the Water, Sewer and Solid Waste Fund (WSSW); 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 Mr. Roy Reaves, seconded by Mr. William Anderson, the Commission unanimously approved the following staff recommendations for financial assistance: City of Dover, Wilburn Water Association, Wright-Pastoria, and Turrell.

**Beaver Dam Drainage District is approved pending additional information regarding the percent of contingency.*

Beaver Dam Drainage District Green County

Project: Drainage Ditch Maintenance

Project Description

The Beaver Dam Drainage District in Greene and Randolph Counties, Arkansas, was created by Act 578 of 1919 of the Arkansas General Assembly. Pursuant to the act, the original commissioners went forward with plans for improvements within the district. Act 578 was amended by two subsequent Acts of the Arkansas General Assembly, the last one being Act 222 of the Special Session in 1920. After that time, the commissioners of the district went forward with the assessment of benefits, collection of taxes, and construction of the improvements set forth in the original plans of the district. Bonds were issued with the Southside Trust Company of St. Louis, Missouri, as trustee of the bond issue.

Sometime after the completion of the construction of the improvements, and during the Great Depression, the district became inactive and ended up in a bankruptcy proceeding in the District Court of the United States for the Jonesboro Division of the Eastern District of Arkansas. Pursuant to the plan filed with the Federal District Court, all outstanding indebtedness of the Beaver Dam Drainage District was cancelled, and all liens or assessments theretofore levied or assessed against the lands in the district were also cancelled. Any of the ditch improvements were made pursuant to the original plans and financed by the original bond issue. Later maintenance was made by individual landowners rather than by anyone acting on behalf of the district.

The district remained inactive until October 21, 2019, when a petition was filed in the Circuit Court of Greene County, Arkansas, for the separation of the district into separate maintenance districts pursuant to A.C.A. §14-121-603. An order establishing a separate maintenance district was entered in said court on October 21, 2019. A certified copy of the order of separation was filed in the County Court of Greene County, pursuant to law.

Commissioners were appointed for the district by order of the Greene County Court on December 12, 2019. The order confirming the appointment of the commissioners was entered following a hearing on January 6, 2020. Also, on January 6, 2020, the Greene County Court entered its order authorizing a five dollar per acre maintenance tax in the district. No landowners appeared at the hearing in opposition to the maintenance tax. Since that time, the district commissioners, including a commissioner that is a professional engineer, have inspected all the existing ditches. In addition, the commissioners consulted with maintenance services providers for drainage districts to arrive at an estimate of the costs of restoring the ditches so that they can provide much needed drainage in the district. The proposed work does not include the construction of any new ditches, but only maintenance of existing ditches.

Project Financial Information

The Beaver Dam Drainage District has a \$5.00 per acre tax in place, they an increase is not required at this time. The current three year (2016-2018) average Median Household Income (MHI) provided by UALR for Greene County is \$45,253. The Beaver Dam Drainage District has listed the acreage taxed for this project at 15,120.

Beaver Dam Drainage District currently has no outstanding loans with ANRC.

Estimated Project Costs

Construction:	\$716,500.00
Contingencies	265,000.00
Engineering – Planning, Design & Construction	0.00
Engineering – Inspection	0.00
Legal Fees	15,000.00
Administrative	0.00
Capitalized Interest during Construction	0.00
Issuance fee (3%)	30,000.00
Other: Survey Shots	3,500.00
Total Estimated Capital Cost:	<u>\$1,030,000.00</u>

Executive Director's Recommendation

Recommend the Commission approve an amount up to \$1,030,000 (Includes a 3% Fee) in a loan to Beaver Dam Drainage District from the Water Development Fund. The repayment schedule will not exceed thirty (30) years or the life of the project.

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.

*Commissioner Reaves inquired about the percent of contingency for Beaver Dam Drainage District; documentation shows a 37% contingency as compared to the 10% contingency for the other projects. Mrs. Dickson stated she will look into the contingency rate and report back to the commission.

City of Dover

Pope County

Project: Conducting Sanitary Sewer Evaluation Survey (SSES)

Project Description

The Dover wastewater collection system is experiencing infiltration and inflow into the system and an inability to financially undertake a rehabilitation program. These two problems are a vicious cycle: as the system leaks in more rainwater, the City spends more money pumping it to Russellville's City Corporation for treatment.

Dover does not treat wastewater; it pumps it to Russellville, where City Corporation conveys it and treats it at their wastewater treatment plant. Since City Corporation charges Dover based on a measured quantity of water pumped to them for treatment, Dover has seen steep increases in monthly invoices from City Corporation, especially in rainy months. Dover has raised their customer rates to try to cover this growing financial gap, but their rates are already double those paid by Russellville's in-town customers and are the highest in the region by far. Dover has sought financial relief (i.e., lower rates) from City Corporation, and conversations are ongoing. In recent months, Dover has been unable to pay the monthly bill in full, and City Corporation has allowed them to carry a balance, but Dover needs a permanent solution. Dover's rates cannot go any higher, as they are already in the 'unaffordable' range when considering MHI.

This application seeks to provide relief by conducting a detailed study, Sanitary Sewer evaluation survey (SSES), of the existing infrastructure in Dover to find weak points to help develop a prioritized list for rehabilitation, repairs, and replacement to reduce the infiltration and inflow to help lower Dover's flow to City Corporation, and thus their invoiced amounts, improving their finances. The results of the SSES will be synthesized into a rehabilitation/repair/replacement program for Dover, which will help to lower stormwater flows to the sewer system by an estimated 30%.

Project Financial Information

The current average monthly sewer bill for the City of Dover is \$49.70 based on 4,000 gallons of usage. The City of Dover will not be required to raise rates at this time. The current three year (2016-2018) average Median Household Income (MHI) provided by UALR for the City of Dover is \$36,292. The City of Dover has listed the customer base for this project at 588.

The City of Dover does not have any outstanding loans with ANRC.

Estimated Project Costs

Construction/SSES	\$300,000.00
Contingencies	30,000.00
Engineering – Planning, Design & Construction	28,874.00
Engineering – Inspection	5,306.00
Legal Fees	10,820.00
Administrative	0.00
Capitalized Interest during Construction	0.00

Issuance fee (3%)	0.00
Other –	0.00
Total Estimated Capital Cost:	<u>\$375,000.00</u>

Executive Director's Recommendation

Recommend the Commission approve a loan with principal forgiveness to the City of Dover in an amount up to \$375,000 from the Clean Water State Revolving Loan Fund.

The funding recommendation is contingent on completion of work and funds fully expended by June 30, 2021. Should the City fail to meet this contingency, the City will be required to issue a sewer bond to repay the funding.

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.

Wilburn Water Association Cleburne County

Project: Connection to Heber Springs

Project Description

Wilburn Water Association's water treatment plant is outdated, and water quality has suffered as a result. Wilburn Water Association is proposing to become a wholesale customer of the Heber Spring Water System and install new water mains. The Wilburn Water Association's water treatment plant will be removed from service at the conclusion of this project.

Wilburn Water Association's water system will be connected to Heber Spring's water system with a 6" tapping sleeve, valve, and master meter. A 6" line will be installed from the point of connection to the existing water treatment plant, an approximate length of 3,075 LF. The remaining 4" water main extending along Highway 110 and Highway 81 will be replaced with a 4" water main placed on the opposite side of the road. The total replacement will have an approximate length of 21,200 LF.

Along Highway 81, approximately 2,040 LF of 4" of water main will be replaced, direct replacement of the 4" water main. South of Wilburn along Highway 110, approximately 2,290 LF of 4" water main is proposed to be replaced with a 6" water main. These water mains proposed for replacement are areas of high-water loss caused by leaks. To make the shift to a wholesale customer model, sustainable from a financial and water conservation standpoint, the indicated water mains must be replaced.

Project Financial Information

The current average monthly water bill for Wilburn Water Association is \$52.10 monthly based on 4,000 gallons of usage. Wilburn Water Association will be required to raise rates to \$74.50 for 4,000 gallons of usage. This is an increase of \$22.40 per month in order to cover current debt

service and Operations & Maintenance expenses. The current three year (2016-2018) average Median Household Income (MHI) provided by UALR for the Town of Wilburn is \$29,135. Wilburn Water Association listed the customer base for this project at 326.

Wilburn Water Association does not have any loans with ANRC.

Estimated Project Costs

Construction:	\$297,469.00
Contingencies	29,596.00
Engineering – Planning, Design & Construction	29,596.00
Engineering – Inspection	14,798.00
Legal Fees	10,760.00
Administrative	5,500.00
Capitalized Interest during Construction	2,960.00
Issuance fee (3%)	11,753.37
Other – Bid Advertisement	1,100.00
Total Estimated Capital Cost:	\$403,532.37

Executive Director's Recommendation

Recommend the Commission approve an amount up to \$403,532.37 (Includes a 3% Fee of \$11,753.37) in a grant to the Wilburn Water Association from the Water Sewer & Solid Waste 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.

Wright-Pastoria Jefferson County

Project: Installation of New Meters

Project Description

The project will span the entirety of the Wright-Pastoria Water Association (WPWA) water system. The system covers a large rural area that includes Wright, Sherrill, and Tucker communities in Jefferson County Arkansas and is composed of approximately 286,000 LF of pipe. All customers of WPWA that are connected to the system will be affected by this project.

Currently, positive displacement meters are installed throughout the WPWA water system. The entire meter system is outdated, and maintenance of the system is costly. WPWA is proposing to replace these existing meters with an upgraded drive-by meter system capable of logging customer data in a quicker, easier manner. These upgraded meters will prevent tampering to obtain free water, conserve time for meter readers, and conserve water by providing earlier leak detection.

The installation of new meters should provide an earlier means of leak detection, so preventative maintenance may be executed quicker. A quicker response to leaks will avoid significant water loss and reduce the cost of maintenance.

Upgrading the meters for the system will provide a more accurate measurement of water used by each customer and reduce manpower required to obtain usage data. Therefore, the proposed replacement also includes benefit of financial sustainability.

Project Financial Information

The current average monthly water bill for WPWA is \$37.30 based on 4,000 gallons of usage. WPWA will be required to raise rates to \$63.04 for 4,000 gallons of usage. This is an increase of \$25.74 per month in order to service this proposed loan as well as the additional funding request. The current three year (2016-2018) average Median Household Income (MHI) provided by UALR for Jefferson County is \$37,432. WPWA has listed the customer base for this project at 444.

WPWA currently has one loan with ANRC and is current on all payments and audit requirements.

Estimated Project Costs

Construction:	\$274,060.00
Contingencies	27,500.00
Engineering – Planning, Design & Construction	42,000.00
Legal Fees	9,000.00
Administrative	0.00
Capitalized Interest during Construction	2,800.00
Issuance fee (3%)	0.00
Other: Advertisement	600.00
Other: ADH Review Fee	500.00
Total Estimated Capital Cost:	<u>\$356,460.00</u>

Executive Director's Recommendation

Recommend the Commission approve an amount up to \$356,460 in a loan to WPWA from the Arkansas Drinking Water State Revolving Fund. The repayment schedule will not exceed ten (10) years or the life of the project.

In addition, recommend waiver of Rule section 1507.1 of the safe drinking water program. The applicant is a viable non-profit water provider and the amount of assistance provided will not materially impact the amount of funds available to pledge for leveraging the DWSRF, should the need arise. Therefore, recommend waiving the requirement that this applicant be a political subdivision of the state.

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 Turrell
Crittenden County

Project: Improvement to Water Distribution System
Additional Funding Request

Project Description

The commission previously approved an amount up to \$345,050 (Included a 3% fee of \$10,050) of grant funding at the January & May 2017 commission meetings for the lagoon levee repair and other system improvements. The City is currently requesting funding in an amount up to \$114,040 (Includes a 3% fee of \$3,322). This additional funding is for the replacement of 41 (5/8" x 3/4") small water meters, two 1" meters, three 2" meters, a master meter, and an ultrasonic meter on the force main for Jericho.

The City of Turrell has been placed under a Consent Administrative Order (CAO) by ADEQ, the agency reported that the north lagoon levee has eroded near the southeast corner causing partially treated wastewater to discharge from the levee. ADEQ is requiring the City of Turrell to do the following; repair the two breaches in the levee separating the largest lagoon from the southeast lagoon, repair or replace the influent pump that was taken out of service, and repair or replace the bridge leading to the wastewater treatment facility. The City of Turrell has already constructed a new bridge consisting of two culverts and packed earth to support truck traffic. These additional funds requested will pay for a new pump station, chlorination system and building, floating baffle, tons of limestone to shore up the levees and temporary pumping to the lower lagoon.

Project Financial Information

The current average monthly water and sewer bill for the City of Turrell is \$42.00 based on 4,000 gallons of usage. The City of Turrell will be required to raise rates to \$49.56 for 4,000 gallons of usage. This is an increase of \$7.56 per month in order to cover current debt service and Operations & Maintenance expenses. The current three year (2016-2018) average Median Household Income (MHI) provided by UALR for the City of Turrell is \$18,728. The City of Turrell has listed the customer base for this project at 186.

The City of Turrell currently has three loans with ANRC and is current on all payments and audit requirements.

Estimated Project Costs

	Grant #01109-WSSW-G	Additional Funds	Total Funding
Construction	\$301,380.00	\$203,718.00	\$505,098.00
Contingencies	3,000.00	0.00	3,000.00
Engineering – Planning, Design & Construction	30,620.00	0.00	30,620.00
Engineering – Inspection	0.00	0.00	0.00
Legal Fees	0.00	0.00	0.00
Administrative	0.00	0.00	0.00
Capitalized Interest during Construction	0.00	0.00	0.00
Issuance fee (3%)	10,050.00	3,322.00	13,372.00
Other –City Funding	0.00	-93,000.00	-93,000.00
Total Estimated Capital Cost:	\$345,050.00	\$114,040.00	\$459,090.00

Executive Director's Recommendation

Recommend the Commission approve an amount up to \$114,040 (Includes a 3% fee of \$3,322) in a grant to the City of Turrell from the Water Sewer & Solid Waste 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.

INCREASE IN FINANCIAL ASSISTANCE:

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

Upon motion by Mr. Bruce Leggitt, seconded by Mr. William Anderson, the commission unanimously approved the following staff recommendations for an increase in funding:

City of Hampton Calhoun County

Project: Rehabilitation/Construction Sewer Lift Stations Additional Funding

Project Description

The commission previously approved an amount up to \$277,564 (Includes a 3% fee of \$8,084) (Loan #01255-WDF-L) at the November 2019 commission meeting. The overall project includes conversion of three (3) wastewater lift stations from centrifugal, self-priming, suction-lift stations to submersible lift stations. One station will be re-constructed to adjust for the low elevation of the inlet line, which does not currently allow enough storage capacity for a submersible pump to operate correctly. Rehabilitation of the lift stations include new discharge piping, valve vaults and a built-in bypass connection for future use.

Construction bids were opened in October and the funds authorized for construction were insufficient. The engineering firm attempted to negotiate with the low bidder in an attempt to bring the project to within the available funding but was unsuccessful. As a result, the City rejected the bids and has re-bid the project. All three (3) lift stations are consistently problematic, and the City expends significant funds each year making repairs to them. Therefore, the City is not willing to reduce the scope of work to bring the work within the previously authorized funding. Instead, the City is requesting an additional amount up to \$55,000 for this project to reduce continued maintenance issues with the lift stations.

Project Financial Information

The current average monthly sewer bill for the City of Hampton is \$32.54 based on 4,000 gallons of usage. The City of Hampton will be required to continue their annual sewer rate increase of 2.5%. The City will have to request prior approval from ANRC before removing or decreasing the annual increase of the sewer rates. The current three year (2016-2018) average Median

Household Income (MHI) provided by UALR for the City of Hampton is \$30,717. The City of Hampton has listed its customer base for this project at 568.

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

Estimated Project Costs

	Loan #01255-WDF-L	Additional Funds	Total Funding
Construction	\$211,000.00	\$ 46,000.00	\$257,000.00
Contingencies	16,776.00	7,154.00	23,930.00
Engineering – Planning, Design & Construction	22,050.00	0.00	22,050.00
Engineering – Inspection	10,500.00	0.00	10,500.00
Legal Fees	9,154.00	1,846.00	11,000.00
Administrative	0.00	0.00	0.00
Capitalized Interest during Construction	0.00	0.00	0.00
Issuance fee (3%)	8,084.00	1,650.00	9,734.00
Other –	0.00	0.00	0.00
Total Estimated Capital Cost:	\$277,564.00	\$56,650.00	\$334,214.00

Executive Director's Recommendation

Recommend the Commission amend loan #01255-WDF-L for an amount up to \$334,214 (Includes a 3% fee of \$9,734) for the City of Hampton from the Water Development Fund. The repayment schedule will not exceed twenty (20) years or the life of the project.

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.

Wright-Pastoria Jefferson County

Project: Water System Improvements Additional Funding Request

Project Description

The commission previously approved an amount up to \$500,000 in a loan with principal forgiveness (Loan #01176-DWSRF-F) at the September 2018 commission meeting. The overall project includes replacing the existing water distribution piping, approximately 317,000 linear feet of waterline to prevent major water loss.

The extended time from the initial funding application until the bid opening was due to flooding issues and COVID-19 and is reflected in the higher bids. Additionally, the business climate due to the COVID-19 pandemic has increased the cost of the project. These additional funds are requested in order to provide the necessary water system improvements that will benefit public health, reduce system operations & maintenance cost, and conserve the State's natural resources.

Project Financial Information

The current average monthly water bill for Wright-Pastoria Water Association (WPWA) is \$37.30 based on 4,000 gallons of usage. WPWA will be required to raise rates to \$63.04 for 4,000 gallons of usage. This is an increase of \$25.74 per month in order to service this proposed loan as well as the meter replacement loan. The current three year (2016-2018) average Median Household Income (MHI) provided by UALR for Jefferson County is \$37,432. WPWA has listed the customer base for this project at 444.

WPWA currently has one loans with ANRC and is current on all payments and audit requirements.

Estimated Project Costs

	Loan #01176-DWSRF-F	Additional Funds	Total Funding
Construction	\$410,600.00	\$ 63,470.00	\$474,070.00
Contingencies	4,700.00	1,180.00	5,880.00
Engineering – Planning, Design & Construction	37,500.00	0.00	37,500.00
Engineering – Inspection	16,100.00	0.00	16,100.00
Legal Fees	13,200.00	0.00	13,200.00
Administrative	0.00	0.00	0.00
Capitalized Interest during Construction	0.00	0.00	0.00
Issuance fee (3%)	0.00	0.00	0.00
Other – Bidding Phase	17,900.00	0.00	17,900.00
Total Estimated Capital Cost:	\$500,000.00	\$64,650.00	\$564,650.00

Executive Director's Recommendation

Recommend the Commission approve an amount up to \$64,650 in a loan to WPWA from the Arkansas Drinking Water State Revolving Fund. The repayment schedule will not exceed ten (10) years or the life of the project.

In addition, recommend waiver of Rule section 1507.1 of the safe drinking water program. The applicant is a viable non-profit water provider and the amount of assistance provided will not materially impact the amount of funds available to pledge for leveraging the DWSRF, should the need arise. Therefore, recommend waiving the requirement that this applicant be a political subdivision of the state.

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.

EMERGENCY INCREASE IN FUNDING:

Mrs. Debby Dickson presented staff recommendations for the referenced project below requesting an emergency increase in funding from the Water Development Fund (WDF).

Upon motion by Mr. Neal Anderson, seconded by Mr. Bruce Leggitt, the commission unanimously approved the following staff recommendation for an emergency increase in funding:

City of Fifty-Six Stone County

Emergency Project: Installation of 4.5 miles of Water Main **Additional Funding**

Project Description

The commission previously approved an amount up to \$831,416 (Includes a 3% fee of \$24,216) (Loan# 01298-WDF-L) at the July 2020 commission meeting. 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 is needed to keep the project moving forward and provide water to the City of Fifty-Six until the 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 supplemental supply of water. Without emergency assistance the well in Fifty-Six 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.

This additional funding is being requested to cover the cost of a pumping station.

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

	Loan #01298-WDF-L	Additional Funds	Total Funding
Construction	\$600,000.00	\$ 19,530.00	\$619,530.00
Contingencies	60,000.00	2,170.00	62,170.00
Engineering – Planning, Design & Construction	52,800.00	0.00	52,800.00
Engineering – Inspection	26,400.00	0.00	26,400.00
Legal Fees	14,000.00	0.00	14,000.00

Administrative	5,000.00	0.00	5,000.00
Capitalized Interest during Construction	0.00	0.00	0.00
Issuance fee (3%)	24,216.00	651.00	24,867.00
Other – Engineering PER/ER	45,000.00	0.00	45,000.00
Other – Permitting	4,000.00	0.00	4,000.00
Total Estimated Capital Cost:	\$831,416.00	\$22,351.00	\$853,767.00

The interim funding is for an amount up to \$853,767 (Includes 3% fee of \$24,867) 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 amend loan #01298-WDF-L for an amount up to \$853,767 (Includes a 3% fee of \$24,867) for the City of Fifty-Six from the Water Development Fund. The repayment schedule will not exceed twenty (20) years or the life of the project.

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.

LEVEE FINANCIAL ASSISTANCE:

Mrs. Debby Dickson presented staff recommendations for the referenced project below requesting levee financial assistance from the Water Development Fund (WDF).

Upon motion by Mr. Neal Anderson, seconded by Mr. Roy Reaves, the commission unanimously approved the following staff recommendations for levee financial assistance:

Yell County Levee District **Yell County**

Project: Levee Reconstruction

Project Description

The commission previously approved an amount up to \$263,000 in a grant from the Arkansas Department of Emergency Management at the January 2020 commission meeting. This project is located near Cotton Road in Dardanelle, Arkansas, will be to repair the Petit Jean Levee that was destroyed by historic Arkansas River flooding in May of this year. The breach in Petit Jean Levee is above pipes where Thomey Creek empties into the river. The breach is ninety-one feet wide at the top and twenty-four feet wide at the bottom. The breach lacks approximately seven feet reaching the top of the pipes which will need replacing.

Over 18,700 acres are directly affected by this levee. Furthermore, based on research and data from the 2010 U.S. Census, 375 housing units and 821 people could be affected by flooding from this breach.

The District is requesting additional funding for the replacement of the concrete and flap gates. The District's engineer has determined that these must be replaced during the construction of the previously approved project scope.

Project Financial Information

The application for funding was submitted by Yell County and not the levee board. The financial and operational status of the levee board is not presently known but the county is working to ensure the levee board is reestablished and an adequate assessment is developed and collected.

Estimated Project Costs

Construction:	\$265,000.00
Contingencies	20,000.00
Engineering – Planning, Design & Construction	15,000.00
Legal Fees	0.00
Issuance fee (3%)	2,100
Other: Bid, Engineering, and Inspection Cost	70,000.00
ADEM Grant Funding (approved Jan 2020)	-263,000.00
Applicant Contribution	-37,000.00
Total Estimated Capital Cost:	\$72,100.00

Director's Recommendation

Recommend the Commission approve an amount up to \$72,100 (Includes a 3% fee of \$2,100) in a loan from the Water Development Fund. The repayment schedule will not exceed twenty (20) years or the life of the project.

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.

Old River Drainage District Pulaski County

Project: Levee Repairs

Project Description

The commission approved \$270,000 in January 2020 for the Old River Drainage District to prepare a report to qualify the district's Arkansas River Levee (7.6 miles) to enter the U.S. Army Corps of Engineers (USACE) System Wide Improvement Framework (SWIF) program. This would include the review of USACE inspections and the current status of the levee. The intent of the study and report is to qualify the district's levee to enter the USACE SWIF program and to ultimately have a USACE qualified levee in the USACE Rehab and Inspection (RIP) program.

The District is requesting funding to complete emergency repairs to a failed 36" pipe estimated to cost \$84,675.00. This project consists of removing and replacing the pipe, shape and backfill the levee, inlet and outlet headwall, levee shaping and site reseeding and fertilization.

In addition, the District is requesting funding for levee maintenance estimated to cost \$70,525.00. The levee district has not performed substantial structure maintenance in the last 5 to 10 years, the maintenance funding requested would be to exercise, grease, paint and repair the levee along with removing brush and undergrowth around all the structures. The structures will also have the pipes/box culverts cleaned and a video done for the USACE RIP program. This process will require the structure to be dewatered.

The levee in its present condition puts a large segment of the protected area at risk from high water on the Arkansas River.

Project Financial Information

The levee district has a single source of funding through a property tax assessment. This funding recommendation will be made under the condition that the Old River Drainage District provides documentation supporting an increase in revenue for at least \$11,800 annually.

Estimated Project Costs

Construction*:	\$125,500.00
Contingencies	\$12,550.00
Engineering –Construction	\$17,150.00
Engineering-Inspection	\$0.00
Issue Fee 3%	\$4,656.00
Total Estimated Capital Cost:	\$159,856.00

Director's Recommendation

Recommend the Commission approve an amount up to \$159,856 (Includes a 3% fee of \$4,656) in a loan from the Water Development Fund. This recommendation is contingent upon receiving a copy of the minutes and resolution from Old River Drainage District Board approving the increase in revenue. The repayment schedule will not exceed twenty (20) years or the life of the project.

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.

DE-OBLIGATION OF FUNDS:

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

Gould (0118-DWSRF-F) \$28,211.00

De-obligate funds in the amount of \$28,211.00 that were approved in May 2017 from the Arkansas Drinking Water State Revolving Fund (DWSRF). Project is complete.

Wilmar (01117-CWRLF-L) \$55,236.00

De-obligate funds in the amount of \$55,236.00 that were approved in May 2017 from the Arkansas Clean Water Revolving Loan Fund (CWRLF). Project is complete.

Crossett (01183-DWSRF-L) \$177,005.00

De-obligate funds in the amount of \$177,005.00 that were approved in September 2018 from the Drinking Water State Revolving Fund (DWSRF). Project is complete.

Harmony Grove (01222-DWSRF-L) \$103,485.00

De-obligate funds in the amount of \$103,485.00 that were approved in March 2019 from the Arkansas Drinking Water State Revolving Fund (DWSRF). Project is complete.

McNeil (01061-CWRLF-L) \$11,285.00

De-obligate funds in the amount of \$11,285.00 that were approved in March 2016 from the Arkansas Clean Water Revolving Loan Fund (CWRLF). Project is complete.

CONSERVATION SECTION – Deputy Director Ryan Benefield reported on the below appointments, reappointments, and grants-to-districts funding:

Appointments to Conservation District Boards

Baxter County	Robert Benedict
Benton County	Paul Geurin
Pike County	Jason Morris
Stone County	Daniel Morrison

Reappointments to Conservation District Boards

Arkansas County	Sloan Hampton
-----------------	---------------

Upon motion by Mr. Roy Reaves, seconded by Mr. Neal Anderson, the commission unanimously approved the appointments and reappointments.

Grants-to-Districts Funding – Mr. Benefield reported on the grants-to-districts receiving the \$100,000 partial match for the feral hog program. The six conservation districts to receive the FY2021 ANRC grants-to-district are: 1. Sebastian (\$35,000), 2. Crooked Creek (\$25,000), 3. Mine Creek (\$8,000), 4. Cossatot (\$16,000), 5. Ashley (\$8,000), and 6. Drew (\$8,000).

Upon motion by Mr. William Anderson, seconded by Mr. Roy Reaves, the commission unanimously approved the grants-to-districts funding.

ACTIVITY REPORTS

Activity reports were presented by Amanda Mathis, USDA Natural Resources Conservation Service (NRCS); Dr. Mike Daniels, U of A Cooperative Extension Service; Debbie Moreland, Arkansas Association Conservation Districts (AACD); Drew Westerman, U.S. Geological Survey; and Trevor Timberlake, U.S. Army Corps of Engineers.

OTHER

Adoption of Schedule of Meetings for 2021: *Upon motion by Mr. Neal Anderson, seconded by Mr. Roy Reaves, the commission unanimously approved the following schedule of dates for 2021: January 20, 2021; March 17, 2021; May 19, 2021; July 21, 2021; September 15, 2021; November 17, 2021.*

Elections of Officers for the year 2020: Chairman Poynter asked for a motion to be made for a Nominating Committee which would include Commissioners Will Brewer, Ann Cash, and Neal Anderson. At the January 2021 meeting the nominating committee will make a recommendation for chairman and vice chairman for the year 2021. *Upon motion by Mr. Roy Reaves, seconded by Mr. William Anderson, the commission unanimously approved the nominating committee.*

ADJOURN

There being no further business, meeting was adjourned. *Upon motion by Mr. Neal Anderson, seconded by Mr. William Anderson, the commission unanimously motioned to adjourn the meeting.*



Bruce Holland
Director



Date

