

MINUTES
ARKANSAS NATURAL RESOURCES COMMISSION
September 15, 2021

The regular meeting of the Arkansas Natural Resources Commission (ANRC) was held in person and via Zoom on Wednesday, September 15, 2021, at 9:30 a.m. at the Hilton Garden Inn at 1325 N Shiloh Drive, Fayetteville, Arkansas 72704.

Commissioners in attendance in-person were Chairman Bruce Leggitt, Eddie Glover, Neal Anderson, Will Brewer, Bill Poynter, and Roy Reaves. Commissioner JoAnn Bush was in attendance via Zoom. Commissioner William Anderson was unable to participate in the meeting.

Staff members in attendance included: Chris Colclasure, Director; Ryan Benefield, Deputy Director; Debby Dickson, Program Fiscal Manager; April Harris, Administrative Analyst; Nick Richardson, Environmental Program Coordinator; Tim Hockenberry, Land Resource Specialist; Alex Avlos, Rural Construction Grant/Financial Officer; Dewania Coleman-Jones, Rural Construction Grant/Financial Officer; and others attending virtually.

Chairman Leggitt called the ANRC meeting to order.

APPROVAL OF MINUTES: May 26, 2021

Upon motion by Mr. Roy Reaves, seconded by Mr. Will Brewer, the commission unanimously approved the minutes of the meeting held on July 21, 2021.

REPORT OF THE DIRECTOR – Chairman Leggitt introduced & welcomed Chris Colclasure as the new director of Natural Resources Division. Director Colclasure began by stating he looks forward to working with the agency & thanked the staff for their hard work, and then reported on sections within NRD:

The groundwater section is currently working with USGS on recent groundwater data which will be included in the next groundwater protection management report. Additionally, they are working on recent changes to groundwater rules with the conservation districts in relation to our tax credit program, as well as working on license renewals & looking into contractors who have not renewed their license.

The conservation section recently sent out 66 administrative orders for the poultry registration program. We will begin reaching out to counties ahead of time asking them to register in hopes this will prevent sending out so many administrative orders in the future. Additionally, the conservation division recently held five one-day district managers' training throughout the state.

Last year our 319 section allocated \$3.3 million for 13 projects. They're currently working on watershed management plans for the Bayou Meto Watershed and the Illinois River Watershed. We have new project partners we are working on watershed management plans with (the Buffalo Conservation District and the Southwest Arkansas Planning & Development District).

In order to allow for more conservation projects across the state, our Unpaved Roads Program staff is looking to boost the program by adding \$1 million of 319 funds in addition to the \$300k in state funds.

As for irrigation districts, the Department of Agriculture hosted a project coordination team meeting, consisting of all partners involved, to discuss the current status of projects. Additionally, the White River Irrigation District held a meeting on August 23. The Bayou Meto Water Management District is continuing to work through the process of issuing a bond for a loan recently approved by the Commission. They are also continuing construction of Canal 1000.

Megan Perkins & Secretary Ward met with representatives from the U.S. Army Corps of Engineers in light of the cancellation of the Mississippi River Commission meeting in late August. This was a chance to discuss lack of funding & coordination with the Corp. The Corp also met with both districts and Senator Boozman's staff.

Over the last fiscal year, the floodplain management section provided a lot of training as well as support for approximately 1700 community officials, 425 towns/cities, responded to over 2500 requests, and was recognized by the American Council of Engineering Companies in Arkansas for work on the Arkansas base level engineering project. Furthermore, the floodplain section will be implementing the Certified Floodplain Surveyor Program. They will also be partnering with Arkansas Economic Development Commission to buyout, elevate, & rebuild flood ravaged homes in low to moderate income in Jefferson County & Perry County.

Our water management section reported construction cost has gone up nearly 20% so this should be kept in mind on future projects. They also reported the City of Fifty-Six has completed the emergency connection to Mountain View which was necessary due to Fifty-Six's well failure. Lastly, staff are in the final stages of our new Enable software which will make it easier for staff working on grant projects.

FINANCIAL ASSISTANCE REPORT - Mr. Inoussa Zaki, Chief Fiscal Officer, presented the financial assistance report dated August 31, 2021.

WATER RESOURCES DEVELOPMENT SECTION

GENERAL OBLIGATION BOND WORKPLANS – Mrs. Dickson stated every biennium we must redo a workplan under the general obligation bond program; therefore, every two years we request authority from the Commission to issue bonds. Currently, there are two acts to sell general obligation bonds (Act 607 of 1997 is for irrigation projects; Act 631 of 2007 includes some money for irrigation projects but is for other traditional water & wastewater projects as well as for the state-match towards drinking water & the state revolving fund program).

Upon motion by Mr. Neal Anderson, seconded by Mr. Eddie Glover, the Commission unanimously approved the General Obligation Bond Workplans.

FINANCIAL ASSISTANCE:

Mrs. Debby Dickson presented staff recommendations for the referenced project below requesting financial assistance from the Arkansas Clean Water State Revolving Fund (CWSRF).

After lengthy discussion & much consideration, upon motion by Mr. Eddie Glover, seconded by Mr. Roy Reaves with the caveat that this precedent be subject to review on a case-by-case basis, the Commission unanimously approved the following staff recommendation for financial assistance of Springdale Water & Sewer Commission:

**Springdale Water & Sewer Commission
Washington County**

Project: Bethel Heights Wastewater System Improvements

Project Description

Springdale Water and Sewer Commission’s (SWSC) project encompasses dismantling, proper removal, and transportation of all mechanical equipment, pumps, piping, electrical equipment, underground tanks, treatment pods, flow diversion structures, distribution boxes, fluids, settleable solids, grease from two decommissioned sanitary sewer treatment facilities in the town formerly known as Bethel Heights. This project will include constructing approximately 6,000 linear feet of sanitary gravity sewer main to alter existing flows from the former Bethel Heights area to the Springdale wastewater collection system.

Project Financial Information

The current monthly wastewater bill inside and outside of Springdale is \$21.01 and \$23.19 based on 4,000 gallons of usage, respectively. This funding is also contingent on SWSC’s ability to continue increasing rates according to the submitted rate schedule (Ordinance No. 5429) which shows an increase of approximately \$0.90 for 4,000 gallons of usage per year. Should it be determined during the term of this loan that the rates are not sufficient in covering required debt service, operation and maintenance costs, the city will be required to increase rates. The current three-year (2017-2019) average Median Household Income (MHI) provided by UALR for Springdale is \$49,509. SWSC listed their inside and outside wastewater customer base for this project at 26,137 and 4,504, respectively. SWSC has no outstanding loans with ANRC.

Estimated Wastewater Project Costs

Construction:	\$1,867,349
Contingencies	186,734
Engineering - Planning, Design & Construction	0
Engineering - Inspection	0
Legal Fees	0
Administrative	0
Capitalized Interest during Construction	0
Other - Northern Plant Remediation	500,000
Other - Southern Plant Remediation	500,000
Wastewater Total Estimated Capital Cost:	\$3,054,083

Executive Director’s Recommendation

Recommend the commission approve a loan in an amount up to \$2,054,083 and a loan with principal forgiveness in an amount up to \$1,000,000 from the Arkansas Clean Water State Revolving Loan Program.

In addition, authorize the executive director of the commission the discretionary authority to increase the amount of financial assistance to the applicant for bid overruns by an amount up to 10% of the commission funding amount (\$305,408.30) without returning to the commission for approval. Such increase in financial assistance shall be granted only after consultation with the commission chairman. Any financial assistance increases pursuant to this section shall be reported to the commission in its entirety at the next regularly scheduled Commission meeting.

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.

REQUEST FOR ADDITIONAL FUNDING:

Mrs. Debby Dickson presented staff recommendations for the referenced project below requesting additional funding from the Water Development Fund (WDF) and the Arkansas Clean Water Revolving Loan Fund (CWRLF).

Upon motion by Mr. Neal Anderson, seconded by Mr. Roy Reaves, the Commission unanimously approved the following staff recommendations for requests for additional funding:

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

**Project: Levee Relocation
Request for Additional Funding**

Project Description

Commission previously approved funding for the purpose of relocating a portion of the existing Fourche Island levee in the vicinity of the Little Rock Port Authority (LRPA) Foreign Trade Zone on Lindsey Road to tie directly into the buffer for Interstate 440. The project will remove approximately 3,000 linear feet of levee, thereby: making it easier to maintain, eliminating the need for the flood gates by Fourche Dam Pike, and better protecting the vital economic interests located in the Port Industrial Park. The LRPA has acquired 17 acres of land needed to enable the project. Engineering and construction costs for the project were originally estimated at \$576,000, however, current market conditions have increased the cost of materials and labor which led to bid overruns of approximately \$600,000.

Project Financial Information

The levee district has a single source of funding through a property tax assessment. This currently amounts to approximately \$144,000 per year. Additional business is expected to dramatically increase the industrial park assessments. The levee district will increase property tax

assessments for debt service as needed. In addition, the LRPA has agreed to pledge revenues for annual debt service to supplement the assessments.

Estimated Project Costs for Additional Funds

	Previously Approved	Additional Funds	Total Cost Estimate
Construction:	\$384,000	\$550,000	\$934,000
Contingencies	76,800	50,000	126,800
Engineering – Planning, Design & Construction	46,080	0	46,080
Engineering – Inspection	46,080	0	46,080
Legal Fees - Easements	0	0	0
Other – USACE Fees	23,040	0	23,040
Other – Permit Fees 408/404 Permits & SWPPP	0	0	0
Other – Environmental Report	0	0	0
Issuance fee (3%)	0	18,000	18,000
Total Estimated Capital Cost:	\$576,000	\$618,000	\$1,194,000

Executive Director’s Recommendation

Recommend the Commission approve an additional amount up to \$618,000 (includes 3% fee of \$18,000) from the Water Development Fund contingent upon adequate dedicated sources of revenue from the District and the Little Rock Port Authority for debt service.

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. The repayment schedule will not exceed twenty (20) years or the life of the project.

**Lost Bridge Village Water & Sewer Improvement Dist. No 1 & 2
Benton County**

**Project: New Wastewater Treatment Plant Project
Additional Funding**

Project Description

The commission approved funding for Lost Bridge Village (LBV) Water & Sewer Improvement District 1 & 2 at the September 16, 2020, meeting in an amount up to \$2,785,642 (Loan #01310-CWRLF-L \$1,392,821 & Loan # 01311-CWRLF-F \$1,392,821) for the rehabilitation of their current wastewater treatment plant. Current market conditions have increased construction costs which has led to bid overruns. As a result, LBV is requesting additional funding in an amount up to \$300,000.

Project Financial Information

The current average monthly water and sewer bill on 4,000 gallons of usage for LBV is \$46.01 and \$55.77, respectively. LBV’s current rates are sufficient to take on the additional \$300,000 of debt. The current three-year (2017-2019) average Median Household Income provided by UALR for LBV is \$67,225. LBV has listed the customer base for this project at 410. LBV is currently in the process of closing the previously approved loan with ANRC.

Estimated Project Costs for Additional Funds

	Previously Approved	Additional Funds	Total Cost Estimate
Construction:	\$2,182,250	\$300,000	\$2,482,250
Contingencies:	327,338	0	327,338
Engineering - Planning, Design & Construction	181,945	0	181,945
Engineering - Inspection	94,109	0	94,109
Legal Fees - Easements	0	0	0
Other - USACE Fees	0	0	0
Other - Permit Fees 408/404 Permits & SWPPP	0	0	0
Other - Environmental Report	0	0	0
Issuance fee (3%)	0	0	0
Total Estimated Capital Cost:	\$2,785,642	\$300,000	\$3,085,642

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$300,000 in additional loan funds from the Arkansas Clean Water 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.

REPORT ON ADDITIONAL FINANCIAL ASSISTANCE:

Mrs. Dickson reported on previously approved additional funding for the City of Reed. There were bid overruns associated with replacing water mains, meters, and lines. Additional funding in the amount of \$84,220.00 was recommended for a loan with principal forgiveness from the Arkansas Drinking Water State Revolving Fund (DWSRF). Chairman Leggitt was contacted on August 23, 2021, for consultation on the request to approve additional funding for an amount equal to 10% of the previously approved funding.

REQUEST CHANGE IN TERMS:

Mrs. Debby Dickson presented staff recommendations for the referenced project below requesting a change in terms from the Arkansas Water, Waste Disposal, and Pollution Abatement Facilities General Obligation Bond Fund (CGO).

Upon motion by Mr. Roy Reaves, seconded by Mr. Eddie Glover, the Commission unanimously approved the following staff recommendation for a request of change in terms:

**City of Fisher
Poinsett County**

Project: Principal Forgiveness

Project Description

The City of Fisher and the City of Hickory Ridge agreed that Hickory Ridge would regionalize Fisher’s sewer system into the Hickory Ridge sewer system to provide all necessary operations and maintenance. The regionalization and transfer of ownership occurred in 2020.

Project Financial Information

Fisher has struggled with operations and maintenance of their sewer system since 2010 and found that regionalization with Hickory Ridge was the best solution. However, because of the transfer of ownership and operations, Fisher is no longer able to collect or receive revenue from the sewer system. Consequently, Fisher is unable to make the semi-annual loan payments of \$8,018 on loan #PAB-90-A-09. In September 2011, when the loan with Fisher initially became delinquent, the commission started intercepting Fisher’s turnback funds of approximately \$250 per month.

With the regionalization of the Fisher system into the Hickory Ridge system, Fisher is requesting the forgiveness of the outstanding balance of the loan #PAB-90-A-09 with the commission and further requests cancelling the interception of Fisher’s turnback funds. The current outstanding balance of loan #PAB-90-A-09 is \$83,843.20.

Executive Director’s Recommendation

The staff recommends that the commission approves a grant in an amount up to \$83,843.20 from the Waste Disposal and Pollution Abatement Facilities General Obligation Bond Fund to pay off the outstanding balance on the loan #PAB-90A-09.

DE-OBLIGATION OF FUNDS:

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

Dover (01322-CWRLF-F) \$24,547.20

De-obligate funds in the amount of \$24,547.20 that were approved in November 2020 from the Arkansas Clean Water Revolving Loan Fund (CWRLF). Project is complete.

Emerson (01238-DWSRF-L) \$64,853.51

De-obligate funds in the amount of \$64,853.51 that were approved in July 2019 from the Arkansas Drinking Water State Revolving Fund (DWSRF). Project is complete.

Greenbrier (01184-DWSRF-L) \$68,314.73

De-obligate funds in the amount of \$68,314.73 that were approved in September 2018 from the Arkansas Drinking Water State Revolving Fund (DWSRF). Project is complete.

Helena-West Helena (01174-DWSRF-L) \$47,447.68

De-obligate funds in the amount of \$47,447.68 that were approved in November 2018 from the Arkansas Drinking Water State Revolving Fund (DWSRF). Project is complete.

Prescott (01111- DWSRF-L) \$80,367.00

De-obligate funds in the amount of \$80,367.00 that were approved in March 2017 from the Arkansas Drinking Water State Revolving Fund (DWSRF). Project is complete.

CONSERVATION SECTION – Deputy Director Ryan Benefield reported on the below appointment and reappointments to conservation district boards:

Appointments to Conservation District Boards

Buffalo Sue Goodman

Reappointments to Conservation District Boards

Benton	Don Mayer
Benton	Jim Singleton
Drew	John McAlpine
Franklin	Martin Mershon
Grant	Annette Swain
Grant	Peggy Thomas
Izard	John Banning
Jackson	Gus Graham
Lincoln	Frances Harper
Little River	Chuck Davis
Rich Mountain	James Watkins
St. Francis	Joe Whittenton
Van Buren	Eddie Linebarger
Yell	Johnny Foster

Upon motion by Mr. Neal Anderson, seconded by Mr. Bill Poynter, the commission unanimously approved the appointment & reappointments to Conservation District Boards.

FY 2022 State Grant-to-District Modification – Mr. Benefield stated in May 2021 the FY2022 grants-to-districts were approved by the commission; however, Van Buren County Conservation District declined their previously awarded FY2022 ANRC grant-to-districts project. The ANRC grant portion is \$5,000 and was intended to be used for a maintenance technician. The Baxter County Conservation District has applied for a grant to establish a pollinator demonstration project. The purpose of the project is to promote and educate the public on the need to preserve our pollinator species. Mr. Benefield asked that the commission approve \$5,000 to the Baxter County Conservation District under the state grants-to-districts program.

Upon motion by Mr. Neal Anderson, seconded by Mr. Bill Poynter, the commission unanimously approved \$5,000 to be reallocated to the Baxter County Conservation District under the state grants-to-districts program.

ACTIVITY REPORTS

Activity reports were presented by Amanda Mathis, USDA Natural Resources Conservation Service (NRCS); Debbie Moreland, Arkansas Association Conservation Districts (AACD); and Drew Westerman, U.S. Geological Survey.

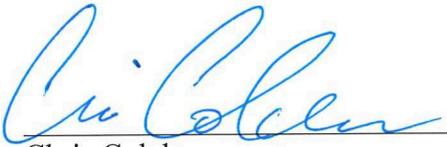
OTHER

Commissioner Reaves informed the commission about the first ever rice shipment to be sent to China from Arkansas. This is a premium rice which is grown, milled, & packaged by Ralston Family Farms located in Atkins, AR. A second shipment is scheduled within a couple weeks, then additional rice will be shipped per demand.

Chairman Leggitt informed the commission that Commissioner Troy Gaston has resigned due to health conditions.

ADJOURN

There being no further business, the commission unanimously agreed to adjourn the meeting.



Chris Colclasure
Director



Date