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Governor

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**FOR IMMEDIATE RELEASE: 12/2/2022**

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## **Arkansas Natural Resources Commission Approves American Rescue Plan Act Funding Distribution**

**LITTLE ROCK** – The Arkansas Natural Resources Commission (ANRC) approved \$270 million in American Rescue Plan Act (ARPA) funding distribution at its meeting on Friday, December 2, 2022. A total of 157 projects will receive funding across 58 counties. A full list of the awarded projects can be found at [agriculture.arkansas.gov/american-rescue-plan-funding-water-and-wastewater-grant-program/](https://agriculture.arkansas.gov/american-rescue-plan-funding-water-and-wastewater-grant-program/).

Governor Asa Hutchinson said, “In January, I laid out my “W.I.N.S. in 2022” initiative. One of those initiatives was infrastructure. We know that there is a large water and wastewater infrastructure need throughout the state and I am delighted to see the announcement today regarding funding distributions through the American Rescue Plan Act to help address this statewide need.”

Governor Hutchinson established the American Rescue Plan Act (ARPA) Steering Committee through Executive Order 21-08 to make recommendations on the best use of ARPA funding provided to the state. In June of 2021, a working group for water and other infrastructure projects was formed to make a recommendation to the ARPA steering committee.

The Working Group conducted an extensive assessment of drinking water, wastewater, and stormwater needs across the state. Based on over 1,400 responses, an overall water infrastructure need of \$5.2 billion was identified. On August 31, 2021, the working group submitted a final report to the ARPA Steering Committee. A timeline, eligibility requirements, and scoring criteria were also developed and included in the report.

On July 27, 2022, a House and Senate City, County and Local Affairs Committee met to hear statewide water and wastewater needs and the Department’s proposed ARPA funding plan.

On August 18, 2022, the American Rescue Plan Steering Committee approved \$270 million to the Arkansas Department of Agriculture for water, wastewater, and stormwater projects and \$10 million for irrigation projects.

On September 13, 2022, the PEER Committee reviewed the ARPA funding proposal for water and wastewater. On September 16, 2022, the Arkansas Legislative Council approved the full \$270 million for water, wastewater, and stormwater projects to be administered by the Arkansas Department of Agriculture’s Natural Resources Commission.

The Department issued a press release and opened the application period on September 16, 2022. Applications were accepted until November 4, 2022. Seven application assistance meetings were scheduled across the state to provide guidance and assistance to applicants.

## **Results**

A total of 882 applications were received and included at least 1 application from each county within the State. The applications submitted were as follows:

Type	Number	ARPA Request	Total Project Cost
Drinking Water	492	\$663,601,648	\$1,494,394,048
Wastewater/Stormwater	390	\$648,641,543	\$1,423,302,312
<b>Totals</b>	<b>882</b>	<b>\$1,312,243,191</b>	<b>\$2,917,696,360</b>

The projects were scored by representatives of the Arkansas Department of Agriculture’s Natural Resources Division, Arkansas Department of Health, and Arkansas Department of Energy and Environment’s Division of Environmental Quality. A total of 157 projects across 58 counties were recommended for funding. A total of 412 unique entities submitted applications and 119 different entities received funding for water and/or wastewater. Fourteen entities received funding for at least one drinking water and one wastewater application. A breakdown of the projects is provided below for Drinking Water and Wastewater/Stormwater. A map displaying the locations of all applications and approved projects can be found at [agriculture.arkansas.gov/wp-content/uploads/2022/12/ApprovedDWApplicationsRevised-scaled.jpg](https://agriculture.arkansas.gov/wp-content/uploads/2022/12/ApprovedDWApplicationsRevised-scaled.jpg).

### Drinking Water

Based on the evaluation criteria, **105** drinking water projects were approved with a total award of **\$134,673,713**. The projects will serve approximately 170,139 customers. The average Median Household Income (MHI) for the awarded projects is \$34,218/year. Statistics for the 105 projects are provided below:

- 12 projects will result in partial or complete consolidation/regionalization of water systems.
- 22 projects will result in the extension of water service to unserved portions of the state.
- 43 projects will result in a reduction in the use of groundwater.
- 56 projects directly affect communities deemed disadvantaged based on their MHI and water bill.
- 62 projects will address regulatory consent orders or other compliance issues.
- 74 projects are in counties with more than 5% population decline during the previous decade.

### Wastewater/Stormwater

Based on the evaluation criteria, **52** wastewater projects were approved with a total award of **\$135,326,287**. The projects will serve approximately 283,152 customers. The average Median Household Income (MHI) for the awarded projects is \$42,533/year. Statistics for the 52 projects are provided below:

- 6 projects will result in the extension of wastewater service to unserved portions of the state.
- 10 projects will result in partial or complete consolidation/regionalization of wastewater systems.
- 18 projects will improve water quality by reducing infiltration and inflow of wastewater.
- 21 projects will improve water quality in a currently impaired waterbody.
- 27 projects are in counties with more than 5% population decline during the previous decade.
- 36 projects will address regulatory consent orders or other compliance issues.
- 42 projects will improve water quality in a watershed used for drinking water.
- 44 projects will reduce nutrients with 22 projects directly treating for nutrients.

Projects awarded funding will have to meet match requirements, if required, and start construction by December 31, 2023. All construction is to be completed by December 31, 2026.

The Arkansas Department of Agriculture's Natural Resources Division will administer the awarded funding. The deadline for construction completion is December 2026.

Applicants not receiving ARPA funding are encouraged to continue to work with the Arkansas Department of Agriculture's Natural Resources Division to determine current and future funding alternatives, including funding through the Infrastructure Investment and Jobs Act (IIJA).

Under the IIJA, Arkansas will receive an increase to its State Revolving Fund (SRF) of \$528 million over 5 years for water and wastewater funding. Less than half of this amount (approximately \$228 million) will be available for traditional water and wastewater projects during that time for low interest loans and principal forgiveness. The remaining 58% can only be used for lead service line replacement or to treat emerging contaminants. The Arkansas Department of Agriculture's Natural Resources Division will use these funds to provide additional assistance to water and wastewater systems across the state.

Applications for funding to include IIJA funds are available on the Department's website at [agriculture.arkansas.gov/natural-resources/divisions/water-development/water-wastewater-funding-applications/](https://agriculture.arkansas.gov/natural-resources/divisions/water-development/water-wastewater-funding-applications/). The same application and process for the standard State Revolving Fund program will also be used for the IIJA funds. Applications are open now and funding will be available in July 2023.

With existing programs, IIJA, and current ARPA funding, the Department anticipates total funding over five years to be \$618,876,087, with \$404,404,313 in grants or principal forgiveness.

The Arkansas Department of Agriculture is dedicated to the development and implementation of policies and programs for Arkansas agriculture and forestry to keep its farmers and ranchers competitive in national and international markets while ensuring safe food, fiber, and forest products for the citizens of the state and nation. Visit [agriculture.arkansas.gov/](https://agriculture.arkansas.gov/).