

ARKANSAS NATURAL RESOURCES COMMISSION
January 18, 2023

The regular meeting of the Arkansas Natural Resources Commission (ANRC) was held in person and via Zoom on Wednesday, January 18, 2023 at 9:30 a.m. at the Arkansas Department of Agriculture, 1 Natural Resources Drive, Little Rock, AR 72205.

Commissioners in attendance were as follows: Chairman Will Brewer, Vice Chairman Eddie Glover, Commissioner Neal Anderson, Commissioner JoAnne Bush, Commissioner Jamie Burr, Commissioner William Anderson, Commissioner Bruce Leggitt, and Commissioner Roy Reaves. Commissioner Bill Poynter was not able to participate in the meeting.

Staff members in attendance included: Chris Colclasure, Director; Ryan Benefield, Deputy Director; Robert Claxton, Computer Support Analyst; Megan Perkins, Conservation Program Coordinator; Mary Elizabeth Lea, Agriculture Program Specialist; Debby Dickson, Water Development Section Manager; Leah Johannes, Program Fiscal Manager; Dewania Coleman, Program Fiscal Manager; Matthew Brooks, Engineer Supervisor; Whit Montague, Dam Safety/Floodplain Engineer Supervisor; Blake Forrest, Groundwater Geology Supervisor; Tate Wentz, Water Quality Section Manager; Jay Whisker, State Water Engineer Supervisor; Kolton Jones, Attorney; Inoussa Zaki, Chief Fiscal Officer and others attending virtually.

A list of guests is attached to the minutes.

Chairman Brewer called the ANRC meeting to order, and roll was called.

APPROVAL OF MINUTES: December 2, 2022

Upon motion by Mr. Roy Reaves, seconded by Mr. Eddie Glover, the Commission unanimously approved the minutes of the meetings held on December 2, 2022.

REIMBURSEMENT OPTIONS:

Upon motion by Mr. Bruce Leggitt, seconded by Mr. Neal Anderson, the Commission unanimously approved option 1.

Every state board may ... authorize expenses reimbursement for each board member for performing official board duties. The expenses reimbursement shall not exceed the rate established for state employees. These expenses shall include travel expenses such as:

Mileage:\$0.52/mile

Lodging:

Standard:\$98/night

Hot Springs: \$103/night

Meals/incidentals* (overnight stays only):

Standard: \$44.25/day

*Meals and incidentals include costs such as parking and telephone charges, etc.

Note: The meals and incidentals amount above is reflective of first and last day of travel, which by rule is reduced by 25%. The listed rate is consistent with standard commission meetings.

REPORT OF THE DIRECTOR – Director Colclasure began by highlighting events occurring within the Arkansas Natural Resources Division (NRD):

General Agency

- We responded to numerous questions and information requests regarding the recent ARPA awards. That is to be expected when you fund 158 projects out of 882 applications. We did send letters to all 882 applicants notifying them of their status. We will also be hosting trainings for those that received funding on 1/19 and 1/23.
- We are also taking applications for SRF funding that includes the Infrastructure Investment and Job Act funding. We are asking applicants to get their information in to us by Feb 13 for the first round of funding. We do expect to do this again this calendar year for a second round of funds.
- Our Title 10 (Water Resource Cost Share Program) and Title 13 (Wetland Riparian Tax Credit) Rules passed legislative review in December and are now final.
- I have the opportunity to speak at the Illinois River Watershed Partnership to NWA legislators and the Illinois River Watershed Partnership Board Members.

Conservation / Irrigation Projects/Feral Hogs

- We are working closely with Garland & Greenwood CPA's and Advisors, PLLC to conduct Conservation District Audits for Agreed Upon Procedures for FY21 and FY22. We met with them recently to go over expectations and get an update on progress. All districts have been contacted and 12 district audits are nearly complete. The firm expects to have all 75 complete by June.
- We held 4 conservation district trainings in December (Forest City, Russellville, Monticello, Hope). We had over 100 district employees and board members in attendance.
- We launched our first conservation corner newsletter for the districts. This will give us a direct opportunity to communicate with districts and share success stories.

319 / Unpaved Road

- Our team is working with partners to prepare Watershed Management Plans for the Beaver Reservoir Watershed and the Illinois River Watershed. Stakeholder meeting will take place in late January.

Commissioner Leggitt brought up trying to increase Arkansas Natural Resources Division (NRD) budget. Stated that the budget had not be increase in some time.

Commissioner Neal Anderson brought up having trouble with about 15 to 20 well registrations and wonder how the NRD plans on handling them. Director Colclasure stated that NRD will reach out to them like we do with the poultry registrations, there are plans to revamp the program.

FINANCIAL ASSISTANCE REPORT - Mr. Inoussa Zaki, Chief Fiscal Officer, presented the financial assistance report dated December 31, 2022. There were no questions.

LEGAL – Mr. Kolton Jones updated the Commission on a land audit project. Over the years the Commission has obtained property interest, mitigation properties and minerals rights. In result the Commission has gained little chunks of property here and there across the State, we need to evaluate these and figure out what we need to do with them.

Also Mr. Jones reminded the commissioners that s Statement of Financial Interest is be completed and returned into the Secretary of the State Office by January 31, 2023.

WATER PLAN COMPLIANCE AND PERMITTING: Jay Whisker, State Water Engineer Supervisor with the Water Management section at NRD presented on surface water utilization.

PROJECT ACCOUNTING AND FINANCIAL OVERSIGHT: Debra Dickson, Water Development Section Manager, with Water Resources Development section at NRD presented on the Water Development section and went over the project oversight process after the Commission approves the project.

WATER RESOURCES DEVELOPMENT SECTION

Upon motion by Mrs. JoAnne Bush, seconded by Mr. Eddie Glover, the Commission unanimously approved the following staff recommendations for financial assistance.

Mrs. Debby Dickson presented staff recommendations for the referenced project below requesting financial assistance from the Arkansas Drinking Water State Revolving Loan Fund (DWSRF), Clean Water State Revolving Loan Fund (CWSRF), Water, Sewer, and Solid Waste Fund (WSSW) and the Water Development Fund (WDF).

FINANCIAL ASSISTANCE:

**Lonoke White Public Water Authority
Cleburne County**

Project: Highway 107 (3 million gallon) Tank Phase (A)

Project Description

Lonoke White Public Water Authority (Lonoke White) is located in the City of Quitman, Cleburne County. It supplies drinking water to eight members including: Grand Prairie Bayou Two PWA, Furlow PWA, Mid-Arkansas Utilities PWA, Vilonia Waterworks, Beebe Water and Sewer, Jacksonville Waterworks, Ward Water and Sewer, and Austin Public Works. Mountain Top Water is currently the only wholesale customer and Southwest White County Water Public Water

Authority is planning a connection in the future. The current average day demand of the system is 5 million gallons per day. American Water Works Association recommends that enough storage capacity be available to provide fire flows, emergency demands, and to meet hourly fluctuations in demand. Currently the system has a storage capacity of 1 million gallons which consist of the lone Highway 124 storage tank. The tank provides both storage and pressure to serve the downstream member and the treatment plant. The additional storage tank would solve the problems if a leak should occur, or the tank should be taken out of service for maintenance. The high service pumps would need to run continuously until maintenance is completed. The proposed project is the construction of a 1 million gallon water storage tank. This tank will be built on an 8.33 acre parcel of land just to the east of the existing Lonoke White tank site at the intersection of Highway 124 and Highway 107. The project will include site development, piping, and tank construction. Approximately 1,500 linear feet of 24 inch pipe will be needed to provide a connection to existing 24 inch transmission line.

Project Financial Information

This funding recommendation is contingent on Lonoke White making adequate rate adjustments to cover debt service requirements. The current three year (2017-2020) average Median Household Income (MHI) for Cleburne County is \$44,479. The current customer base for this project is 101,000. Currently, Lonoke White does have one loan with ANRC and is current on all payments.

Estimated Project Costs

Construction:	\$10,707,980
Contingencies:	1,070,798
Engineering – Planning and Development	692,346
Engineering-Inspection:	479,317
Administrative:	0
Capitalized Interest during Construction:	0
Issuance fee (3%):	0
Other: Legal	20,000
Other:	0
Total Estimated Capital Cost:	\$12,970,441

Executive Director's Recommendation

Recommend the commission approve an amount up to \$12,970,441 in a loan from the Drinking Water State Revolving Loan Fund.

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 (\$1,297,044) 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.

**Town of Imboden
Lawrence County**

Project: Wastewater Treatment Plant Improvements

Project Description

The Town of Imboden is located in Lawrence County and provides water service to its citizens. The wastewater treatment plant was last upgraded in 1997. In recent years, there have been several National Pollutant Discharge Elimination System (NPDES) permit violations. The town had to submit a Corrective Action Plan (CAP) to address the causes. In March of 2022, the Arkansas Department of Environmental Quality and the town entered a Consent Administrative Order (CAO) and the town paid a fine of \$2,400. The proposed project consists of improvements recommended by the CAP and is required to meet the conditions of the CAO. These consist of installing an aerator, installing a screen on the influent line to remove non-biodegradable material from the wastewater, installing a slide gate to control water depth in the ponds, install scum guards on control structures to exclude floating debris and turtles, and removing rip rap from the final treatment pond.

Project Financial Information

This funding recommendation is based on Imboden increasing their current wastewater rates of \$17.75 per month based on 4,000 gallons usage by 55% to \$27.51. The current three year (2017-2020) average Median Household Income (MHI) for Imboden is \$44,964. The current customer base for this project is 340. Currently, the town of Imboden does not have any outstanding with ANRC.

Estimated Project Costs

Construction:	\$165,000
Contingencies:	7,673
Engineering – Planning and Development:	17,267
Engineering-Inspection:	7,770
Administrative:	0
Capitalized Interest during Construction:	550
Issuance fee (3%):	4,977
Other: Legal	0
Less: Applicant Contribution	(32,371)
Total Estimated Capital Cost:	\$170,866

Executive Director's Recommendation

Recommend the commission approve an amount up to \$170,866 (including a 3% issuance fee of \$10,500) in a loan from the Water, Sewer, & Solid Waste Fund.

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 (\$17,086) 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.

**Central Arkansas Water
Pulaski County**

Project: CAW-Wrightsville

Project Description

Central Arkansas Water (CAW) is located in the City of Little Rock, Pulaski County. CAW supplies drinking water to Little Rock, North Little Rock, Alexander, Brushy Water Public Water Authority, Cammack Village, College Station, Sherwood, Wrightsville, 145th Street Water and Sewer Improvement District-incorporated parts of Pulaski County, Saline County and Grant counties. CAW was recently contacted by the Arkansas Department of Energy and Environment Division of Environmental Quality (DEQ) concerning the City of Wrightsville's wastewater collection and treatment facilities being in non-compliance and a pending Consent Administrative Order (CAO) from them for multiple discharge, inspection, and reporting violations. DEQ expressed interest in obtaining CAW's help with Wrightsville's wastewater system. Subsequently, CAW also reached out to the Sweet Home – Higgins – Red Oak Sewer Facilities Board (Sweet Home) which sends all of their wastewater to Wrightsville for treatment. On 9/6/22, both Wrightsville and Sweet Home (WSH) approved a feasibility study for CAW to evaluate the consolidation of their wastewater systems. Additionally, CAW already provides retail water service to approximately 300 metered customers in Wrightsville and 500 metered customers in Sweet Home as well as operates the billing system for WSH. On 9/15/22, the CAW board of commissioners approved the undertaking of the feasibility study. Wrightsville operates an aerated lagoon wastewater treatment system with a design capacity of 0.47 MGD that discharges to Fourche Bayou under NPDES Permit No. AR0051021. In addition to the residential and commercial connections within their service territory and Sweet Home, they also provide wastewater treatment service for the Arkansas Department of Corrections' Wrightsville Unit (ADC); which is approximately 60% of the treatment capacity. The detailed engineering study will provide a comprehensive investigation of WSH's existing collection and treatment systems, investigate known sanitary sewer overflows (SSOs) and prepare a plan for an SSES study to locate system deficiencies, identify system deficiencies and prepare a modified Corrective Action Plan (CAP) with a Milestone Schedule of actions required for resolution of the CAO facilitating CAO compliance with DEQ, recommend short- and long-term Capital Improvements needed for Permit Compliance, and sustainable recommendations operations.

Project Financial Information

This funding recommendation is contingent on Central Arkansas Water making adequate rate adjustments to cover debt service requirements. The current three year (2017-2020) average

Median Household Income (MHI) for Pulaski County is \$51,687. The current customer base for this project is 125,000. Currently, CAW has six outstanding loans with ANRC and is current on all payments.

Estimated Project Costs

Feasibility Study:	\$100,00
Issuance fee (3%):	3,000
Total Estimated Capital Cost:	\$103,000

Executive Director's Recommendation

Recommend the commission approve an amount up to \$103,000 (includes 3% issuance fee of \$3,000) in a loan from the Water Development Fund.

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 (\$10,300) 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.

INCREASE IN FINANCIAL ASSISTANCE:

Upon motion by Mr. Eddie Glover, seconded by Mr. William Anderson, the Commission unanimously approved the following staff recommendations for an increase in financial assistance.

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

SALEM WATER USERS ASSOCIATION PWA Saline County

Purpose: Installation of six new water lines

Existing Conditions

Salem Water purchases water from the Central Arkansas Water system (CAW). The two systems are connected by four master meter stations. Over time, the location of the meters to the rest of the system has limited the amount of storage and hydraulic loading needs for Salem. Salem discussed the needs with both CAW and the Arkansas Department of Health. The outcome of those discussions is the proposed project. Salem is currently deficient by .6 million gallons and will need to add 1.6 million gallons of additional storage in the next 10 years to comply with Health Department recommendations of having a storage volume equivalent to the average day plus the

largest fire flow demand for its system. The new 2-million-gallon elevated storage tank will allow them to satisfy this requirement.

Project Financial Information

The Commission approved an amount up to \$9,000,000 at the May 2019 meeting, with the project substantially complete at this time there is \$1,397,249.12 in unexpended loan funds. The current monthly bill for Salem Water Users Association PWA is \$24.90, based on 4,000 gallons monthly usage. The current customer base is 7,344.

Salem Water Users Association PWA is current with ANRC on all loan payments.

Proposed Plan of Action

Salem PWA is requesting to expand the scope of the previously approved project to include six new water lines totaling 23,400 feet. They will install 5,700 feet of 8 inch line and 17,700 feet of six inch line. These water lines will improve system reliability and service to existing customers by replacing or paralleling under-sized lines and closing system loops.

Installation of a two-million-gallon elevated storage tank is needed to provide both hydraulic gradient and supply needs. The location of the tank is in the southern portion of Pulaski County. To supply the system and the tank these additional water lines will be added to their existing distribution system in their service area. Lines will vary in size from eighteen inches down to eight inches. The line locations will connect the new tank into the service area and provide loop connections in the vicinity of the tank.

Estimated Project Costs

Construction:	\$7,300,000
Contingencies:	813,920
Engineering – Planning and Development:	688,864
Engineering-Inspection:	129,162
Administrative:	43,054
Capitalized Interest during Construction:	0
Issuance fee (3%):	0
Other: Legal	25,000
Total Estimated Capital Cost:	<u>\$9,000,000</u>

Executive Director's Recommendation

The Staff recommends that the Commission approve expanding the scope to include six new water lines totaling 23,400 feet of pipe for the Salem Water Users Association PWA from the Arkansas Drinking Water State Revolving Fund loan number #01277-DWSRF-L.

DE-OBLIGATION OF DUNDS:

Upon motion by Mr. Roy Reaves, seconded by Mr. William Anderson, the Commission unanimously approved the following staff recommendations for de-obligation of funds.

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

Village Water Association (01304-DWSRF-L) \$79,200.50

De-obligate funds in the amount of \$79,200.50 that were approved in September 2020 from the Arkansas Drinking Water State Revolving Loan Fund (DWSRF). Project is complete.

CONSERVATION SECTION – Megan Perkins reported on the below appointments, reappointments and change of positions:

Appointments to Conservation District Boards

Craighead County	Wayne Carlton
Fulton County	Collin Powell

Reappointments to Conservation District Boards

Calhoun County	Billy Williams
Clark County	Mike Callaway
Clay County	Mark Williams
Cleburne County	Patrick McGary
Craighead County	Mike Hook
Cossatot	Kenny Pickering
Cossatot	Wayne Williamson
Jackson County	Sam Cunningham
Lawrence County	David Foley
Monroe County	Wayne Beadles
Pulaski County	Debbie Moreland
Pulaski County	Elizabeth Dougan
Sharp County	Brain Neal

Positions Changes to Conservation District Boards

Craighead County	Jerry Don Clark
Fulton County	Nathan Criss
Izard County	Gary Hutson
Izard County	Bryan Phillips

Upon motion by Mr. Jamie Burr, seconded by Mr. William Anderson, the Commission unanimously approved the appointments, reappointments, and changes in positions to Conservation District Boards.

ACTIVITY REPORTS

Activity reports were presented by Robert Cousins, USDA Natural Resources Conservation Service (NRCS); and Debbie Moreland, Arkansas Association Conservation Districts (AACD).


OTHER

The Arkansas Association of Conservation Districts annual meetings is being held on July 12 and ANRC has been invited to attend and hold its meeting in association with theirs. The commission discussed moving the July 19 regular schedule ANRC meeting to July 12.


Upon motion by Mr. Bruce Leggitt, seconded by Mr. William Anderson, the Commission unanimously motioned to participate the next commission meeting in association with the Arkansas Association of Conservation Districts.

ADJOURN

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



Chris Colclasure
Director



Date