

## ARKANSAS NATURAL RESOURCES COMMISSION

July 12, 2023

The regular meeting of the Arkansas Natural Resources Commission (ANRC) was held in person on Wednesday, July 12, 2023 at 9:32 a.m. at the Wyndham Hotel, 2 Riverfront Place, North Little Rock, AR 72114.

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

Staff members in attendance included: Chris Colclasure, Director; Ryan Benefield, Deputy Director; Megan Perkins, Conservation Program Coordinator; Mary Elizabeth Lea, Agriculture Program Specialist; Leah Johannes, Program Fiscal Manager, Dewania Coleman, Program Fiscal Manager; Blake Forrest, Groundwater Geology Supervisor; Tate Wentz, Water Quality Section Manager; Kolton Jones, Attorney, Inoussa Zaki, Chief Fiscal Officer and Wes Ward, Arkansas Secretary of Agriculture.

A list of guests is attached to the minutes.

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

### **APPROVAL OF MINUTES: June 22, 2023**

*Upon motion by Mr. Roy Reaves, seconded by Mrs. JoAnne Bush, the Commission unanimously approved the minutes of the meetings held on June 22, 2023.*

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

#### **General Agency**

- We successfully closed on the General Obligation Bond Issue and received \$42.8 million after fees and other closing expenses. We will use the funds for the two irrigation projects and water, and wastewater projects.
- We held a public hearing in Benton on June 27 regarding the Saline Regional Public Water Authority's request for a Non-Riparian Permit. We had 25 people in attendance and received a small number of written comments. I will make a final permit decision within the next couple of weeks.
- We are requesting pre-proposals for our FY24 Non-Point Source (\$3.3 million) program. We will accept proposals starting July 17 through September 17. Project Types include:
  - Stream and Riparian Restoration, including aquatic organism passage
  - Urban/Low Impact Development Implementation
  - Water Quality Monitoring
  - Education and Outreach
  - Title X Cost Share (Conservation Districts)

- Unpaved Roads
- Over the last year, we have continued developing four new watershed based management plans (WMPs) for Lower Arkansas-Maumelle, Lower Ouachita Smackover, White Oak Bayou, and Lake Conway-Point Remove.
  - An additional three existing WMPs are actively being updated for the Illinois River, Beaver Reservoir, and Upper Saline River.
  - EPA has accepted two WMPs (Bayou Meto and Poteau) in this last year with Little Red River just recently receiving tentative acceptance.
- We are working on the transition of the duties of the Arkansas State Board of Registration for Professional Soil Classifiers to the Natural Resources Commission. The focus of their work is to proctor an exam and certify professional soil classifiers. We will be taking over these duties as a result of Act 691.
- We recently executed an agreement with Lower Mississippi River Sub-basin Committee (5 states (AR, MO, TN, LA, MS) formalizing this subbasin committee. – Gulf Hypoxia Program (\$1.7 Million received) and other funding expected in the future.

**FINANCIAL ASSISTANCE REPORT** - Mr. Inoussa Zaki, Chief Fiscal Officer, presented the financial assistance report dated June 30, 2023. There were no questions.

**LEGAL** – Mr. Kolton Jones updated the Commission on the changes from the latest Legislative session. Act 691, which abolishes certain boards within the Department of Agriculture, was passed and has gone into effect. Part of these changes are the Commission has absorbed the duties of the Water Well Commission and Soil Classifiers; these items will come before the Natural Resources Commission. Also, there are some bills that will affect the Commission's rules, minor amendments will need to be addressed.

**STATE REVOLVING FUND (SRF) BOND SERIES RESOLUTION** – Ryan Benefield, Deputy Director brought forward a resolution to authorize the Arkansas Development Finance Authority to sell bonds under the SRF program. One hundred twenty million (\$120,000,000) dollars in bonds will be sold through the SRF program and split between the Safe Drinking Water and Clean Water programs.

*Upon motion by Mr. Roy Reaves, seconded by Mrs. JoAnne Bush, the Commission unanimously approved the selling of bonds under State Revolving Fund program.*

**FINANCIAL ASSISTANCE** – Ryan Benefield Deputy Director presented on the Water Development section and asked for approval for three projects (City of Green Forest, Massey Alexander Levee District, Helena-West Helena. Calvin Murdock of Helena-West Helena was present to discuss the emergency repairs to the Helena-West Helena water system.

*Upon motion by Mr. Roy Reaves, seconded by Mr. William Anderson, the Commission unanimously approved the following staff recommendations for financial assistance.*

**City of Green Forest  
Carroll County**

**Project: Water System Improvements**

**Project Description**

This project proposes to improve the water distribution system by upgrading the metering system to a Hybrid AMI/AMR Smart Metering System, replacing a 10" waterline in and around the Tyson Facility in Green Forest that requires increasing maintenance due to leaks in the lines, and installing a western loop of the distribution system.

This project is needed to reduce unaccounted for water through inaccurate manual read meters and to increase system revenue through accurate measurement of water usage by customers, decrease operational and maintenance cost associated with reading meters and repairing leaks, and improve pressure and water quality in the area proposed to be looped.

This project should have been approved at the June 22, 2023, Commission meeting. While the summary table was correct, there was an error on page 123 of the project summary document. It was presented as the City of Altheimer instead of the City of Green Forest. The loan amount listed was correct; the total project cost was incorrectly listed as \$1,609,172.

**Project Financial Information**

The current average monthly water and sewer bill for Green Forest is \$31.08 based on 4,000 gallons of usage. Green Forest will be required to raise rates to \$46.62 for 4,000 gallons of usage. This is an increase of \$15.54 per month to service the proposed loan. Green Forest has listed the customer base for this project at 2,502. Green Forest currently has no loans with ANRC.

**Estimated Project Costs**

Construction:	\$3,241,022
Contingencies	324,102
Engineering – Planning, Design & Construction	258,471
Engineering – Inspection	133,692
Legal Fees	19,265
Administrative	0
Capitalized Interest during Construction	34,091
Issuance fee (3%)	0
Other: Easement Acquisition	25,000
Other: AIS Certification	7,500
Total Estimated Capital Cost:	\$4,043,143

**Executive Director's Recommendation**

Recommend the Commission approve an amount up to \$4,043,143 in a loan to the City of Green Forrest from the Drinking Water State Revolving Fund.

Authorize the executive director of the division 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 \$404,314 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.

**Massey Alexander Levee District**

## **Jackson County**

**Project:        Certify Levee 2023**

### **Project Description**

The Massey Alexander Levee District (District) is in Jackson County. The District is under the Corp of Engineers current list of levees. The levee protects residents with the levee district. FEMA is updating their Flood Insurance Rate Maps (FIRM) and the certification of the levee determines rates for district residents and businesses. The proposed financial assistance is necessary to complete the certification of the Levee.

### **Project Financial Information**

This funding recommendation is based on the District keeping its current mileage rates. The current three year (2017-2020) average Median Household Income (MHI) for Jackson County is \$35,056. The current customer base for this project is 1,500. Currently, the Massey Alexander Levee District does not have any outstanding loans with ANRC.

### **Estimated Project Costs**

Engineering	100,000
Issuance fee (3%):	3,000
Other:	0
<u>Total Estimated Capital Cost:</u>	<u>\$103,000</u>

### **Executive Director's Recommendation**

Recommend the commission approve an amount up to \$103,000 (including a 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 (\$10,000) 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.

## **City of Helena-West Helena**

### **Phillips County**

**Project:        Emergency Funding Request, Water System**

### **Project Description**

The City of Helena-West Helena's municipal water system experienced equipment failure and line leaks simultaneously, which affected their ability to provide water service to their residents. This funding request is for emergency repairs to their water treatment plant and distribution system to include line leaks, valve repairs, and other components. The city was under a boil order and without water for extended periods of time while the system was nonfunctional. On June 30, 2022, after consultation with the Chairman, the Director conditionally approved the request from Helena-West Helena for up to \$100,000 in emergency loan funding.

### **Project Financial Information**

Based on information provided, the current monthly water bill for residential users is \$20.64 based on 4,000 gallons of usage. While the City of Helena-West Helena's current rates are estimated to be sufficient to cover the additional debt service, we recommend they review revenue, operations and maintenance costs and debt service to determine if a rate increase is advisable given current and future repair needs for the system.

The current three-year (2018-2020) average Median Household Income (MHI) provided by UALR for Helena-West Helena, Arkansas is \$22,687. The current customer base for this project is 9,519.

With current residential rates of \$20.64 (4,000 gallons of usage) per month per user, the affordability criteria/rate burden factor (RBF) equals 1.09%.

### **Estimated Project Costs**

Construction	\$96,000
Contingencies	0
Engineering – Planning, Design & Construction	\$4,000
Legal Fees	0
Administrative	0
Estimated Capitalized Interest during Construction	0
Issuance fee (3%)	0
Total Estimated Capital Cost:	\$100,000

### **Executive Director's Recommendation**

Recommend the commission approve a loan in an amount up to \$100,000 from the Water Development Fund and waive the 3% issuance fee for this emergency funding.

**CONSERVATION SECTION** – Megan Perkins reported on the changes to district board appointments, reappointments, and director elections. The Commission's authority was amended, and authority was transferred to the local conservation district as of August 1, 2023 with Senate Bills 402 and 403. The conservation districts will have the authority to appointment and reappointment directors to their boards as of July 1, 2023 under Act 691. Also, the conservation districts will have the authority to handle their directors elections.

Commissioner Bruce Leggitt was strongly against the changes, stating that he fears this is the first step to go in and mess with something that has been in place since the 1930s and has worked well. There was no reason to change it. He asked that the minutes reflect his opposition of the change and that the legislature was off base and lacks a clear understanding of conservation districts.

**DUTIES OF WATER WELL CONSTRUCTION COMMISSION:** Blake Forrest, Geology Supervisor with Groundwater Protection and Management Section went over the duties of the Water Well Construction Commission. The duties of the Water Well Construction Commission have been transferred to the Natural Resources Commission as of July 1 under Act 691. Two of the Commissioners will need to be licensed Water Well contractors. A subcommittee will need to be created, chaired by one of licensed water well contractors.

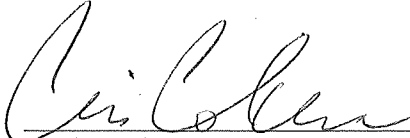
### **ACTIVITY REPORTS**

Activity reports were presented by, Mike Sullivan, Natural Resources Conservation Service (NRCS), Jerry Don Clark, Arkansas Association Conservation Districts (AACD), Dr. Mike Daniels, UA Cooperative Extension, Dr. Bruce McGowan, University of Arkansas Pine Bluff, Drew Westerman, U.S. Geological Survey, and Jason Funkhouser, US Army Corps of Engineers.

### **OTHER**

### **ADJOURN**

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



Chris Colclasure  
Director

9/26/2023  
Date