

MINUTES
ARKANSAS NATURAL RESOURCES COMMISSION
September 28, 2022

The regular meeting of the Arkansas Natural Resources Commission (ANRC) was held in person and via Zoom on Wednesday, September 28, 2022, 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 Roy Reaves, Vice Chairman Will Brewer, Commissioner Neal Anderson, Commissioner JoAnne Bush, Commissioner Jamie Burr, Commissioner Bill Poynter, and Commissioner William Anderson. Commissioners Bruce Leggett & Eddie Glover were both unable to attend.

Staff members in attendance included: Chris Colclasure, Director; Debby Dickson, Water Development Section Manager; Leah Johannes, Program Fiscal Manager; April Harris, Administrative Analyst; Mary Elizabeth Lea, Agriculture Program Specialist; Matthew Brooks, Engineer Supervisor; Jay Whisker, Engineer Supervisor; Dewania Coleman, Program Fiscal Manager; Darla Brooks, Audit Coordinator; Chris James, SRF Accounting Operations Manager; Tate Wentz, Water Quality Division Manager; Sue Filat-Alami, Quality Assurance Officer; Whit Montague, Engineer Supervisor; Blake Forrest, Geology Supervisor; Bob Fowler, Environmental Program Coordinator; Blake Forrest, Geology Supervisor; Corbin Cannon, Geologist; Gaylon Stanfield, Network Support Analyst; Wade Hodge, Chief Counsel; Kolton Jones, Attorney; Inoussa Zaki, Chief Fiscal Officer; Fred Wiedower, Deputy Chief Fiscal Officer; and others attending virtually.

A list of guests is attached to the minutes.

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

APPROVAL OF MINUTES: August 11, 2022

Upon motion by Mr. Jamie Burr, seconded by Mr. Will Brewer, the Commission unanimously approved the minutes of the meetings held on August 11, 2022.

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

- Director Colclasure stated the state legislature approved \$280 million in American Rescue Plan Act (ARPA) funding to go to the Arkansas Department of Agriculture (ADA)-Natural Resources Division. Ten million dollars will go to irrigation projects (\$5M to Bayou Meto and \$5M to Grand Prairie), \$270M will be used as part of our grant program for community water and wastewater projects across the state. The application process opened on September 16th; seven trainings will be held across the state to help with the application process. The application period will be open until November 4th and then we will score the applications. Arkansas Department of Health and the Department of Environmental Quality will help NRD in the scoring process. Our goal is to present the applications for approval to the Commission on December 2, 2022.

- On September 14th, Secretary Vilsack announced the investing of 2.8 billion for climate smart commodities. Arkansas is the recipient of about 20 projects across the state. NRD is a partner in one of the projects which is Rural Investment to Protect Our Environment (RIPE). We will work in six counties. Landowners will get \$100 per acre for implementing certain practices. Of the \$80 million, Arkansas will receive \$15.3M for landowner payments. Through our partners (Arkansas Association of Conservation Districts, Arkansas Rice Federation, and Agricultural Council of Arkansas, plus the six conservation districts {Arkansas, Craighead, Lincoln, St. Francis, Jefferson, Drew}) we will receive \$2.4 million.
- We are reviewing the white paper from the groundwater summit held in June.
- We are still working on conservation district audits with Garland & Greenwood, CPAs. The audits started last week.
- We are working with USDA Natural Resources Conservation Service (NRCS) on a lot of agreements through the conservation districts.
- We were busy with irrigation projects last month (Chief Cosby with NRCS toured Grand Prairie, we met with Governor Hutchinson to speak about funding, and the new Memphis commander, Colonel Sawser, toured both Bayou Meto & Grand Prairie and we spoke to him about hurdles with contract timing and also about the need for funding).
- We are working with Environmental Protection Agency (EPA) on our workplan for hypoxia funding. This was funded under the Infrastructure Investment Jobs Act at \$1.7M over the next two years.
- Our Water Plan Compliance is working on a non-riparian permit submitted by Saline County. This is to pull water from below Remmel Dam out of the Ouachita River. A draft recommendation will hopefully be made within the next 30 days.
- We have proceeded with our applications to EPA for Clean Water State Revolving Funds (CWSRF) and Drinking Water State Revolving Funds (DWSRF). Through the Infrastructure Investment Jobs Act amount, we have requested \$11,642,000 in CWSRF and \$27 million in DWSRF.
- We will receive approximate \$122,000 in funding for a High Hazard Dam Safety Program through the Infrastructure Investment Jobs Act.

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

LEGAL - Mr. Wade Hodge stated we have received the Governor's approval to move forward with updates on rule amendments which the Commission approved at the last commission meeting on August 11, 2022. These rule amendments are for Title 10, Rules Governing the Arkansas Water Resource Agricultural Cost-Share Program, and for Title 13, Rules Governing the Tax Credit Program for the Creation, Restoration, and Conservation of Private Wetland and Riparian Zones. Mr. Hodge stated our next step is to have a 30-day public comment period. After 30 days, we will present comments, if any, to the Commission for any additional changes possibly needed within the rules.

CONSERVATION SECTION - Mary Elizabeth Lea reported on the below appointments and reappointments:

Appointments to Conservation District Boards

| | |
|------------------|----------------|
| Lafayette County | Stephen Allen |
| Prairie County | Sam Prislovsky |

Reappointments to Conservation District Boards

| | |
|------------------|------------------|
| Johnson County | Robert Kimbrough |
| Johnson County | Jason James |
| Lafayette County | Billy Grimmett |
| Ouachita County | Allen Russell |
| Pike County | Billy Maroon |

Upon motion by Mr. Will Brewer, seconded by Mr. William Anderson, the Commission unanimously approved the appointments & reappointments to Conservation District Boards.

NUTRIENT REDUCTION STRATEGY PRESENTATION—Tate Wentz began by explaining what hypoxia is and how it affects the water. He stated hypoxia is low dissolved oxygen. Aquatic organisms like 5 to 7 mg per liter concentration of dissolved oxygen, but hypoxia is 0 to 3 mg per liter of dissolved oxygen. Too many nutrients in water cause green algae to bloom. The Mississippi River Basin flows down into the Gulf of Mexico carrying nutrients wherein we see large-scale algal blooms. As those decay, microorganisms eat the algae and decompose it which then consumes the oxygen. This is causing the hypoxia zone.

The Gulf Hypoxia Task Force was formed in 1997. NRD is a member of this task force. The first goal of the task force is to reduce the size of the hypoxia zone by 3,000 square miles by the year 2035. The second goal is for states to develop strategies to address nutrient loss. In Arkansas, the Arkansas Nutrient Reduction Strategy (ANRS) was developed to address nutrient loss. Mr. Wentz stated the Nutrient Reduction Strategy is a voluntarily, non-regulatory document to address conservation practices on how we will work on reducing nutrient issues in Arkansas. Our first strategy was put forth in 2014, this was just a starting point and we realized it had limitations. Moving forward, we wanted to address these limitations. We wanted to address clearly defining a goal and determining the watersheds we would work in. Arkansas Energy & Environment, Division of Environmental Quality focuses on the point source strategies; these are regulated. NRD focuses on the non-point source program which is where the bulk of nutrient issues are coming from.

We look at trends within the watersheds as well as which watersheds have a lot of data or need more data. This helps us determine where we need to work. We focus our limited resources on where they would have biggest impact. There are four tiers of watersheds, but our 319/non-point source funds are limited to Tier 1 and Tier 2 watersheds. Moving forward, the three main goals of ANRS are to 1) increase or maintain downward nutrient trends in Tier 1 watersheds, 2) enhance water quality monitoring stations and increase or maintain downward nutrient trends in Tier 2 watersheds, and 3) continue efforts to reduce nutrients in all watersheds.

Arkansas will receive \$4.7 million over the next five fiscal years. A workplan was submitted for \$1.7M in FY 2022-2023 and we just received verbal acknowledgement from EPA that the workplan was approved. In this next step of the ANRS, we will be working with Arkansas State University to measure water quality before and after implementation of a two-stage ditch. We will be constructing approximately 20,000 linear feet of a two-stage ditch in northeast Arkansas in the upper Cache Basin. We are looking for projects starting in FY 24-26. We just finalized the ANRS at the first of August, so now we are identifying partners to help track the success of the strategy. We have a Best Management Practice Implementation grant which helps

us track our successes. Additionally, the Great Lakes to Gulf Interactive Viewer will allow constituents to track real time data and the StoryMap will tell the narrative of our nutrient reduction strategy development.

FLOODPLAIN/DAMSAFETY OVERVIEW – Whit Montague gave a presentation on the Floodplain Management and the Dam Safety program of NRD. First, Mrs. Montague explained the three-tier program of the Floodplain program which focuses on technical support, flood risk analysis, and mitigation & recovery.

The technical support program is supported through Federal Emergency Management Agency (FEMA) and serves 426 National Flood Insurance Program (NFIP) communities (64 counties, 362 towns) and provides more than 2,500 general technical assistance throughout the state of Arkansas. We hold 10 one-day workshops for floodplain administrators, mayors, and county judges. We provide 15 in-depth community assistance visits each year for support. We also have numerous additional outreach opportunities to residents, homeowners' associations, realtors, insurance agents, and engineers. Furthermore, we produce model ordinances and regulations for use by communities across the state and the nation. Arkansas is considered to be a premiere state of which people have adopted model regulations from.

The flood risk analysis program helps not only developers and engineers, but also homeowners. This program uses LiDAR data. Therefore, we can tell what the ground elevation is for every three feet of land in Arkansas. By also using up-to-date hydrology information and new HEC-RAS models, we can look at flood risks across the state. This is funded through the FEMA Risk Map Program, and we receive approximately \$700,000 annually for the program. This program is very helpful as it is easier to read versus paper mapping. The new data is even color coded by temperature.

The mitigation & recovery program helps those impacted by floods and also enables us to be proactive to reduce risks. We are currently managing \$3.5 million dollars for community projects. Each year we take applications for new projects. Currently, FEMA has \$800M available through the program. Of that, up to \$60M is for Capability and Capacity Building (C&CB) Activities which focuses on multi-hazard mitigation plans, technical assistance to states, project scoping, and additional C&CB activities. Once everything is in order and you are ready to proceed with a project, the next phase allocates up to \$340M. Aside from the community aspect of the program, we have Individual Flood Mitigation Projects which is used for commercial facilities. This program deals with FEMA and follows the acronym FRED - Floodproofing (build a wall, levee, etc. around structures) Relocation (dig up building & take out of the floodplain) Elevation (lift the home above floodwaters) Demolition & Acquisition (acquire the property, pay the home the current market value so they can move).

Mrs. Montague stated the Dam Safety program focuses on regulations and now rehabilitations. Regulations mandate us to look at non-federal dams. Our support is through the National Dam Safety Program. We look at 411 non-federal dams, and 115 of those are high hazard. We have 92 significant hazard and 204 low hazard dams. Dams only fall under our regulation if they meet two conditions: 25 feet or higher and that we are detaining at least 50 acre-feet of storage. With respect to rehabilitation, this is Arkansas's first time applying for this grant. As of yesterday, we were notified we received an award for \$125,000. The purpose of this is to look at high hazard dams where people want to have them in good condition, but do not have the ability to do so. The money will be used towards support for in-depth investigation of needed repairs.

WATER RESOURCES DEVELOPMENT SECTION

Upon motion by Mr. Neal Anderson, seconded by Mr. Will Brewer, the Commission unanimously approved the following staff recommendations for financial assistance and for an increase in financial assistance:

FINANCIAL ASSISTANCE:

Upon motion by Mr. Neal Anderson, seconded by Mrs. JoAnn Bush, 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 Fund (DWSRF) and the Arkansas Clean Water State Revolving Fund (CWSRF).

Beaver Water District Benton County

Project: Western Corridor Pipeline

Project Description

Beaver Water District (District) is located in the City of Lowell, Benton County and provides water service to four cities: Fayetteville, Springdale, Rogers, and Bentonville in northwest Arkansas. The district also indirectly serves additional outlying areas as these four wholesale customers sell water to additional residents outside their city limits. The District has a peak water demand of approximately 102.5 million gallons per day (MGD). The District has a large water treatment facility that obtains water from Beaver Lake and pumps it to each of the four wholesale customers. The water is distributed from the treatment facility, which is east of the four wholesale customers, via a large pipeline. This proposed project is to construct a 60 inch diameter pipeline approximately 40,000 feet westward from the District's treatment facility to provide treated water to a large pump station and will be capable of conveying 70 MGD. The District has projected an increased demand of over 170 MGD due to projections of the population doubling within the District's service area by 2040.

Project Financial Information

This funding recommendation is contingent on Beaver Water District making adequate rate adjustments to cover debt service requirements. The current three year (2017-2020) average Median Household Income (MHI) for Benton County is \$67,353. The current customer base for this project is 380,000. Currently, the Beaver Water District does not have any outstanding with ANRC.

Estimated Project Costs

| | |
|---|--------------|
| Construction: | \$99,948,178 |
| Contingencies: | 9,994,818 |
| Engineering – Planning and Development: | 7,970,867 |
| Engineering-Inspection: | 4,122,862 |
| Administrative: | 125,000 |
| Capitalized Interest during Construction: | 3,504,432 |
| Issuance fee (3%): | 0 |
| Other: Legal | 20,000 |

| | |
|-------------------------------|---------------|
| Other: | 0 |
| Total Estimated Capital Cost: | \$125,686,157 |

Executive Director's Recommendation

Recommend the commission approve an amount up to \$125,686,157 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 (\$12,568,615) 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.

Horsehead Water Users Association

Johnson County

Project: Water System Upgrade Project

Project Description

Horsehead Water Users Association (Association) is located in Johnson County and provides water service to ten rural communities. The Association purchases water from the City of Clarksville to distribute to its residential customers. This project is to replace aging water lines that were installed in the 1970s and 1980s. The Ozone Community lines installed in the 2000s that have developed leaks will be replaced.

The Association has identified five projects that need immediate implementation: 1) add additional water storage at the Hunt Town tank (T-4), 2) replace 9,000 linear feet of three and four inch diameter water line with six inch water line, 3) replace 4,400 linear feet of 2 inch and three inch waterline with four inch waterline, 4) replace 5,000 linear feet of six inch polyethylene waterline with six inch poly vinyl chloride waterline, and 5) replace 2,550 meters with radio read meters.

In addition to these five projects, the Association will replace aging pipes, outdated meters, add line extensions, and replace a water storage tank. The system population is listed as 2,275, with an expected 15 new customers upon completion of the project. The population of Johnson County is listed as 25,540.

Project Financial Information

This funding recommendation is based on Horsehead Water Users Association making a rate increase to its Class III and Class V customers of 45% which equates to just over \$61.00 per month based on 4,000 gallons of usage for both classes. The current three year (2017-2020) average Median Household Income (MHI) for the Town of Horsehead is \$51,561. Horsehead Water Users Association does not have any outstanding loans with ANRC.

Estimated Project Costs

| | |
|---|--------------------|
| Construction: | \$2,135,000 |
| Contingencies: | 106,750 |
| Engineering -- Planning and Development: | 150,000 |
| Engineering-Inspection: | 85,400 |
| Administrative: | 0 |
| Capitalized Interest during Construction: | 0 |
| Issuance fee (3%): | 0 |
| Other: Preliminary Engineering | 15,000 |
| Other: Legal | 15,000 |
| Total Estimated Capital Cost: | <u>\$2,507,150</u> |

Executive Director's Recommendation

Recommend the commission approve an amount up to \$2,507,150 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 (\$250,715) 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.

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, we recommend waiving the requirement that this applicant be a political sub-division 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 Monticello**Drew County****Project: Main Street Sewer Collection System Relocations****Project Description**

The City of Monticello is located in Drew County, is the county seat, and home to the University of Monticello. The city is proposing to relocate the existing sanitary sewer mains and associated appurtenances outside the street pavement along Main and E. Jefferson St, also known as Arkansas Highway 83. These relocations replace old lines that are beyond their expected service life, which will help reduce inflow and infiltration (I/I) and its effect on flows to the wastewater treatment plants. All of the replaced sewer lines will be constructed in existing easements, avoiding any highway department scheduled maintenance.

Project Financial Information

Based on available information, the current monthly sewer bill for residential users is \$10.77 based on 4,000 gallons of usage. The City of Monticello will be required to raise rates by an estimated 34% which equates to \$14.43 based on 4,000 gallons of usage. However, should it be determined, at any point, that the rates are insufficient in covering the required debt service, operation and maintenances costs, and the required maintenance of the depreciation reserve fund, the City will be required to increase the rates.

The current three-year (2018-2020) average Median Household Income (MHI) provided by UALR for Monticello, Arkansas is \$34,823. The current customer base for this project is 9,174. The City of Monticello does not have any outstanding loans with ANRC.

Estimated Project Costs

| | |
|--|--------------------|
| Construction | \$1,670,550 |
| Contingencies | 250,583 |
| Engineering – Planning, Design & Construction | 153,690 |
| Engineering – Inspection | 96,057 |
| Legal Fees | 0 |
| Administrative | 2,000 |
| Other – Easement Costs | 116,000 |
| Other – EID, Facility Plan, ANRC Requirement | 12,000 |
| Estimated Capitalized Interest during Construction | 0 |
| Issuance fee (3%) | 0 |
| Total Estimated Capital Cost: | \$2,300,880 |

Executive Director's Recommendation

Recommend the commission approve a loan in an amount up to \$2,300,880 from the Clean Water State Revolving 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 (\$230,088) 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.

FINANCIAL ASSISTANCE FOR ARPA FUNDS:

Upon motion by Mrs. JoAnn Bush, seconded by Mr. Jamie Burr, the Commission unanimously approved the following staff recommendations for financial assistance through the American Rescue Plan Act funds. Commissioners Neal Anderson & William Anderson, both recused themselves from the vote due to association with irrigation districts.

Mrs. Debby Dickson presented staff recommendations for the referenced project below requesting financial assistance from the American Rescue Plan Act Fund (ARPA).

Bayou Meto Irrigation Water Distribution District Lonoke County

Project: American Rescue Plant Act Funding

Project Description

The American Rescue Plant Act (ARPA) was enacted on March 11, 2021, by the Federal Government. On June 29, 2021, Governor Hutchinson created the Arkansas American Rescue Plan Act Steering Committee to make recommendations on the distribution of approximately \$1.57 billion in funding from the federal government. On September 16, 2022, the Arkansas Legislative Council granted the Department of Agriculture's request for \$280 million in ARPA funds for water infrastructure. As part of the ARPA funding package the legislature approved the Bayou Meto Irrigation Water Distribution District (Bayou Meto) to receive \$5 million in grant funds for the Bayou Meto Basin Project.

The project was authorized by the United States Congress in 1996 and is designed to protect and preserve the Alluvial and Sparta aquifers through the diversion of excess water from the Arkansas river via a delivery system made up of pump stations, new canals, existing streams, and pipelines to the water depleted areas. In addition to providing an agricultural water supply, the project is currently designed to include channel improvements and a pumping station to reduce flooding and includes features to protect, restore, and enhance waterfowl management resources within the basin, including the Bayou Meto Wildlife Management Area.

The Bayou Meto Basin project was authorized in the 1996 Water Resources Development Act and was first funded for construction in 2010. The construction schedule is currently limited by annual federal appropriations. The Arkansas Department of Agriculture, through an agreement with the U.S. Army Corps of Engineers, is currently responsible to provide the Non-Federal costs associated with the project.

Use of Funds

Phase 1A of the Bayou Meto Project will deliver surface water to approximately 35,000 irrigated cropland acres. Considerable portions of the large infrastructure are in place, including the main pumping plant on the Arkansas River. Canals currently being constructed by the US Army Corps of Engineers, will convey Arkansas River Water (surface water) across a part of the Delta and Grand Prairie and distribute it in bayous, ditches, and pipelines. Delivered water will meet 50 percent of the two-foot seasonal irrigation need within the project area. Conservation, tailwater recovery, and on-farm storage, all additional components of this project, will reduce groundwater needs by an added 28 percent. In the Phase 1A area, total savings of groundwater is estimated to be one foot per acre per year or 35,000 acre-feet (11.4 billion gallons) per year. To put this volume in perspective: Arkansas's annual public water supply demand is 384,500,000 acre-feet (Arkansas Water Plan Update 2014).

The ARPA grant will be used to build up to ten (10) pumping stations in Phase 1A of the Bayou Meto Basin Project to move water through underground pipes to non-riparian farms significantly reducing the use of groundwater. Costs include land rights, materials, contract oversight, and electrical service. Detailed pump site adjustments and design will be completed in 2022. Land rights will be acquired, and contracts will be awarded by early 2023. Construction will work around wet weather and crop seasons and will be complete in 2024 into early 2025.

These funds can match federal funds from the U.S. Army Corp of Engineers.

Executive Director's Recommendation

Recommend the commission approve a grant in the amount of \$5,000,000 from the American Rescue Plant Act Fund.

White River Regional Irrigation District Prairie

Project: American Rescue Plan Act Funding

Project Description

The American Rescue Plant Act (ARPA) was enacted on March 11, 2021, by the Federal Government. On June 29, 2021, Governor Hutchinson created the Arkansas American Rescue Plan Act Steering Committee to make recommendations on the distribution of approximately \$1.57 billion in funding from the federal government. On September 16, 2022, the Arkansas Legislative Council granted the Department of Agriculture's request for \$280 million in ARPA funds for water infrastructure. As part of the ARPA funding package, the legislature approved the White River Regional Irrigation District to (WRRID) receive \$5 million in grant funds for the Grand Prairie Demonstration project.

The Grand Prairie Demonstration Project (GPDP) is located in portions of the following counties: Prairie, Lonoke, Arkansas, and Monroe. The project covers approximately 300,000 acres which includes 1,400 tracts of land. This area is the center of Arkansas' critical ground water area. The current groundwater use is unsustainable at current withdraw rates. Efforts have been underway to provide solutions from as early as the 1930s with a completed study in the 1990s with a US Army Corps of Engineers construction start year of 2000.

The White River Regional Irrigation District and the Arkansas Department of Agriculture, through an agreement with the U.S. Army Corps of Engineers, are jointly responsible to provide the Non-Federal costs associated with the project. The Arkansas Department of Agriculture has a separate agreement with the White River Regional Irrigation District regarding the Non-Federal Project Costs and operation and maintenance of the project.

Use of Funds

The ARPA grant funds will be used to construct five county road crossings over a 10-mile canal segment that is under construction in Phase 1 of the Grand Prairie Project. The project cost includes land rights, materials, culverts, construction oversight, and construction. Phase 1, once constructed, will service 50,000 acres of irrigated land and provide surface water replacing about 40,000 acre-feet of annual ground water use on farms currently pumping unsustainable amounts of groundwater to irrigate. The entire completed project will conserve an estimated 250,000- to 350,000-acre feet of ground water annually.

The component parts that will be completed with this funding include county road crossings located at 5 separate locations in Prairie County between the Hazen Airport and DeValls Bluff. Specific locations include old Highway 70; Woodlawn Avenue and Highway 11 at Hazen; and Chudy Road and Airport Road at the Hazen airport.

These funds can match federal funds from the U.S. Army Corp of Engineers.

Executive Director's Recommendation

Recommend the commission approve a grant in an amount of \$5,000,000 from the American Rescue Plant Act Fund.

INCREASE IN FINANCIAL ASSISTANCE:

Upon motion by Mr. Neal Anderson, seconded by Mr. Will Brewer, 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 Water Development Fund (WDF).

Arkansas Natural Resources Commission

Project: Small and Disadvantaged Community Program - State Match

Project Description

The Arkansas Assistance for Small and Disadvantaged Communities Drinking Water Grant Program referred to as the “Small and Disadvantaged Program” funding has been submitted to the Environmental Protection Agency (EPA) and approved for funding from FFY2018 and 2019 appropriations in an amount of \$637,000 and funding from FFY2021 appropriation in an amount of \$480,000. In addition, the Commission approved a grant from the Water Development Fund (WDF) for required state matching funds in an amount of \$286,650. Additional state match in an amount of \$433,980 is required. With the additional state match the total funding (Federal +State) increases to \$1,837,630. Feasibility studies for consideration of consolidation or regionalization are budgeted at \$1,726,630 over seven years and \$111,000 for water linework construction to rectify high levels of iron in private wells used by citizens along Cook Road in Texarkana, Arkansas.

This program will primarily provide studies to assist small and disadvantaged communities in determining the feasibility of possible regionalization or consolidation of drinking water systems. These studies, performed by professional consultants, will deliver valuable knowledge in areas such as rate analysis, existing system status, feasibility, and outcome benefits of possible consolidation or regionalization with other community drinking water systems. Both, the state and residents alike, would benefit from these studies as they would demonstrate the beneficial outcome of a more economical approach and higher quality of drinking water for the communities. The funding of these proposed studies would also help the community water systems determine if this is a feasible path to meet the desired level of technical, managerial, and financial capabilities. Investments into the studies of these historically disadvantaged communities as defined by affordability criteria would highlight existing problems with the Safe Drinking Water Act (SDWA) assistance and offer potential resolution opportunities. At least one of the communities in each study area will qualify as a small and disadvantaged community defined by the federal statute. While some of the communities within a study area may not meet the criteria, the consolidation or regionalization with an eligible community would provide the most benefit.

The term ‘small and disadvantaged’ is specified in the statute as a community:

- “(A) that, under affordability criteria established by the State under section 1452(d)(3), is determined by the State —
- (i) to be a disadvantaged community; or
- (ii) to be a community that may become a disadvantaged community as a result of carrying out a project or activity under subsection (b); or
- (B) with a population of less than 10,000 individuals that the Administrator determines does not have the capacity to incur debt sufficient to finance a project or activity under subsection (b).”

Note: EPA will defer to states to identify which of their small communities lack the capacity to incur debt to finance a project and can most benefit from this funding opportunity.

In addition, one underserved project has been included in the work plan approved by EPA for the federal funds and required state match. This project will extend the Texarkana water system to an unserved area that is experiencing high levels of iron in private wells along Cook Road, on the eastern side of Texarkana. Texarkana Water Utility has applied for funding with a traditional design, bid, build project to extend service. This extension project will meet the grant criteria and

definition for “underserved” communities needing service. All operation and maintenance costs will be the responsibility of the Texarkana Water Utility.

The term “Underserved Community” is specified in the Act as:

The term “underserved community” includes a political subdivision of a State that either:

- “(A) does not have household drinking water or wastewater services; or
- (B) is served by a public water system that violates, or exceeds, as applicable, a requirement of a national primary drinking water regulation issued under section 1412, including—
 - (i) a maximum contaminant level;
 - (ii) a treatment technique; and
 - (iii) an action level”

Estimated Project Costs

Projects

| | |
|--------------------------------|-------------|
| Regionalization Studies | \$1,726,630 |
| Underserved Community Project) | 111,000 |
| Total Project Costs: | \$1,837,630 |

Funding

| | |
|---------------------|-------------|
| Federal Funds (61%) | \$1,117,000 |
| State Match (39%) | 720,630 |
| Total | \$1,837,630 |

Executive Director’s Recommendation

The staff recommends the commission approve an additional amount up to \$433,980 (Total \$720,630) as a grant to Arkansas Natural Resources Commission from the Water Development Fund.

ACTIVITY REPORTS

Activity reports were presented by Roger Cousins, USDA Natural Resources Conservation Service (NRCS); Dr. Mike Daniels, U of A Cooperative Extension Service; Jerry Don Clark, Arkansas Association Conservation Districts (AACD); and Dr. Bruce McGowan, U of A at Pine Bluff School of Agriculture.

OTHER

Chairman Reaves stated our next meeting is scheduled for November 16, 2022; however, due to the need to discuss and vote on the outcome of the ARPA applications, he asked the Commission if they agree to have the next commission meeting on December 2, 2022, instead of November 16, 2022.


Upon motion by Mr. Will Brewer, seconded by Mrs. Joann Bush, the Commission unanimously agreed to hold the next Arkansas Natural Resources Commission regular scheduled meeting on Friday, December 2, 2022.

Chairman Reaves stated that will be the last regular scheduled meeting of 2022, therefore, it is time to begin thinking of officers for next year. Mr. Reaves asked Commissioner Neal Anderson if he will serve as committee chairman for recommendations of next year's officers. At the next commission meeting, Mr. Anderson will recommend chairman and vice chairman for 2023.

Director Colclasure recognized Jay Whisker as the new Engineer Supervisor over the Water Plan Compliance section of NRD. Mr. Whisker took Ken Brazil's place with NRD. Prior to coming to NRD, Mr. Whisker worked as the City Engineer of Jacksonville for several years, and later McClelland Consulting Engineers.

ADJOURN

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



Chris Colclasure
Director

12/2/2022
Date