

ARKANSAS NATURAL RESOURCES COMMISSION
March 15, 2023

The regular meeting of the Arkansas Natural Resources Commission (ANRC) was held in person and via Zoom on Wednesday, March 15, 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 Bruce Leggitt, Commissioner Roy Reaves, and Commissioner Bill Poynter. Commissioner Jamie Burr attended virtually. Commissioner William Anderson was not able to participate in the meeting.

Staff members in attendance included: Chris Colclasure, Director; Ryan Benefield, Deputy Director; Gaylon Stanfield, Computer Support Specialist; Megan Perkins, Conservation Program Coordinator; Mary Elizabeth Lea, Agriculture Program Specialist; Debby Dickson, Water Development Section Manager; Dewania Coleman, Program Fiscal Manager; John Fetherstone, Project Administrator, Matthew Brooks, Engineer Supervisor; Whit Montague, Dam Safety/Floodplain Engineer Supervisor; Blake Forrest, Groundwater Geology Supervisor; Christy Steward, Environmental Program Coordinator, Corbin Cannon, Professional Geologist, Tate Wentz, Water Quality Section Manager; Jay Whisker, State Water Engineer Supervisor; Wade Hodges, 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: January 18, 2023

Upon motion by Mr. Neal Anderson, seconded by Mr. Eddie Glover, the Commission unanimously approved the minutes of the meetings held on January 18, 2023.

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

General Agency

- Congratulate Bruce Leggitt on his reappointment from Governor Sanders in February.
- The last couple of months have been busy from an outreach standpoint. I had the opportunity to speak at the Arkansas Soil and Water Conference, Irrigation class at Arkansas State University, participated on a panel at the Annual Rice meeting and at the Arkansas Discovery Farms Conference and spoke at the Riceland Leadership Class.
- We received 13 AURP applications (record) requesting \$821,544. Project ranking, selection, and evaluation for 319 supplemental funding is underway.
- We have been working with ARDOT on the I-40 Rest Area and City of Biscoe Project. This commission approved a grant up to \$5,172,450 for in December 2022 but conditioned

that we exhaust all options to reduce the cost or find a more economical alternative. Ryan Benefield met with ARDOT to discuss the Biscoe / Rest Area project. Based on the most recent update from Director Lori Tutor they intend to seek their commission's approval in April to fund the infrastructure from the rest area to the City of Biscoe. We will concentrate on the improvements to the city's infrastructure at a much-reduced cost from the original request.

- We are in the process of procuring bond counsel and financial advisor for conducting revenue bond sales in our State Revolving Fund Program. We hope to have these services procured by our May meeting.
- Our Infrastructure Investment and Jobs Act appropriation requests were approved by the Legislative Peer Committee on Feb 22 funding was approved. We will be working over the rest of the year to utilize the funding.
 - CWSRF \$11.6 million (Funding decisions to be made at the May 17 Commission Meeting)
 - DWSRF \$27.1 million
 - Gulf Hypoxia Program \$1.7 million
 - National Dam Safety Program \$46,381.

Conservation / Irrigation Projects/Feral Hogs

- We have completed our hiring of 4 feral hog technicians in NE Arkansas. Congressionally directed. This is a short-term project utilizing \$650K in congressionally directed funding focused on eradicating hogs from 5 counties in Northeast Arkansas (Clay, Craighead, Greene, Mississippi, and Poinsett County.) They are currently monitoring bait sites with cameras, trapping hogs and making landowner contacts.

FINANCIAL ASSISTANCE REPORT - Mr. Inoussa Zaki, Chief Fiscal Officer, presented the financial assistance report dated February 28,2023. There were no questions.

LEGAL – Mr. Wade Hodge updated the Commission on a few bills they are looking at in the legislature, the general appropriations, House Bill 1403, 1515, 1624 and Senate Bill 326.

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

Appointments to Conservation District Boards

Jefferson County	Burthel Thomas
Jefferson County	Matt Tucker
Pope County	Randy Young

Reappointments to Conservation District Boards

Dallas County	Roy Johnson
L'aigle Creek	Thomas Frazer
Miller County	Bruce Ferguson
Poinsett County	Wallace Willoughby
Pope County	Roy Reaves

Positions Changes to Conservation District Boards

Carroll County

Gary Grigg

Upon motion by Mr. Neal Anderson, seconded by Mr. Bill Poynter, the Commission unanimously approved the appointments, reappointments, and changes in positions to Conservation District Boards.

District Elections

Ms. Perkins provide a list of the elected conservation district board directors for the 25 districts which are up for recertification.

Upon motion by Mr. Neal Anderson, seconded by Mrs. Joanne Bush, the Commission unanimously approved the district elections for the year 2023.

GROUNDWATER PROTECTION/MANAGEMENT: Corbin Cannon, Geologist with the Groundwater Protection/Management Section at NRD presented on surface water utilization, alluvial aquifer, sparta aquifer, water use, tax credits, and the 2022 Annual Groundwater Protection and Management Report. The annual report is posted on the Arkansas Department of Agriculture's website under Natural Resources, Groundwater Protection and Management.

AMERICAN RESCUE PLAN FUNDING UPDATE: Ryan Benefield, Deputy Director gave an update on American Rescue Plan Funding (ARPA). Mr. Benefield stated award, waitlist and denial letters were issued to all 862 applicants, held three ARPA award recipients training session, a survey was completed by all recipients to determine status of projects, requests for documentation was sent to all completed projects to gather documentation needed to issue grants award, and a draft of ARPA agreements developed was created.

FINANCIAL ASSISTANCE DECISION MAKING PROCESS: 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.

POST-ISSUANCE COMPLIANCE POLICY REPORT

The Commission Staff complied with the Commission's Post-Issuance Compliance Policy for the State of Arkansas' Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bonds.

The Little Rock firm of Thomas & Thomas LLP CPA prepares Arbitrage rebate calculations required by the Internal Revenue Service. The Commission does not owe any rebates to the IRS.

All current spend-down requirements have been met for ANRC's tax-exempt bonds; we currently have 2 tax-exempt bonds in repayment. Most of the outstanding bonds are taxable and do not require arbitrage calculations.

Issue	Type
G/O 2013	TAXABLE
G/O 2014A	TAXABLE
G/O 2014B	TAXABLE
G/O 2016A	Tax Exempt 7/1/2033
G/O 2017A	TAXABLE
G/O 2017B	Tax Exempt 7/1/2039
G/O 2019	TAXABLE
G/O 2020A	TAXABLE
G/O 2020B	TAXABLE
G/O 2022A	TAXABLE
G/O 2022B	TAXABLE

The Electronic Municipal Market Access (EMMA) website is funded and operated by the Municipal Securities Rulemaking Board (MSRB), the self-regulatory organization charged by Congress with promoting a fair and efficient municipal securities market. EMMA is designated by the U. S. Securities and Exchange Commission as the official source for municipal securities data and disclosure documents.

The State of Arkansas Comprehensive Annual Financial Report (ACFR) was issued by the Department of Finance and Administration (DFA) on January 26, 2023. Department of Natural Resources staff filed the ACFR with the Municipal Securities Rulemaking Board via EMMA on January 26, 2023. With that filing, the Commission is in full compliance with the terms of the Continuing Disclosure Agreement.

Current bond fund balances:

Series	Type	Unobligated	Unexpended
Series 2019	Taxable	\$0.00	\$ 1,847,367.80
Series 2022A	Taxable	\$0.00	\$ 1,283,000.73
Series 2022B	Taxable	\$0.00	\$8,636,545.49.

WATER RESOURCES DEVELOPMENT SECTION

Upon motion by Mr. Roy Reaves, seconded by Mr. Bill Poynter, 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 Clean Water State Revolving Loan Fund (CWSRF), Arkansas Drinking Water State Revolving Loan Fund (DWSRF), Water Development Fund (WDF), Water, Sewer, and Solid Waste Fund (WSSW) and the Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Program (GO).

**Lisbon Public Water Authority
Union County**

Project: Waterline Extension to Morning Star Road, Instrumentation, and Remote Sensing

Project Description

The Lisbon Public Water Authority (Lisbon) is located in Union County and provides water service to its citizens. This proposal is to extend a four-inch water line from an existing water line on Lisbon Road to a new service area on Morning Star Road. The water line would replace a private well currently in use by the residents of the proposed service area. In addition, this project will provide instrumentation and remote sensing in the current storage tank to detect the water level in the tank and allow signaling to the well to automatically start and stop the well as necessary. It will also allow the operator to monitor the tanks and wells remotely.

Project Financial Information

This funding recommendation is based on Lisbon increasing their current water rates of \$30.54 per month based on 4,000 gallons usage by 39% to \$42.45. The current three year (2017-2020) average Median Household Income (MHI) for Union County is \$44,652. The current customer base for this project is 487. Currently, the town of Lisbon does not have any outstanding debt with the commission.

Estimated Project Costs

Construction:	\$305,549
Contingencies:	30,555
Engineering – Planning and Development:	29,409
Engineering-Inspection:	14,284
Administrative:	10,905
Capitalized Interest during Construction:	3,213
Issuance fee (3%):	3,124
Other: PER & Easements	13,000
Less: American Rescue Plant Act (ARPA)	(302,776)
Total Estimated Capital Cost:	\$107,263

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$107,263 (including a 3% issuance fee of \$3,124) 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 (\$10,726) 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 Menifee
Union County**

Project: Asbestos Cement Waterline Replacement

Project Description

The City of Menifee is located in Conway County and provides water service to its citizens. This project will replace 2,980 linear feet of six-inch asbestos cement water main with six-inch polyvinyl chloride pipe (PVC) along US Highway 64 from South McDaniel Street to North Alexander Street. In addition, install 7,000 linear feet of four-inch PVC water pipe from the intersection of County Road 126 and Wert Lane to a point along McWilson Road.

Project Financial Information

This funding recommendation is based on Lisbon increasing their current water rates of \$31.25 per month based on 4,000 gallons usage by 49% to \$46.56. The current three year (2017-2020) average Median Household Income (MHI) for Menifee is \$50,182. The current customer base for this project is 200. Currently, the City of Menifee has one loan with commission and is current on their payments.

Estimated Project Costs

Construction:	\$267,264
Contingencies:	26,726
Engineering – Planning and Development:	27,929
Engineering-Inspection:	13,229
Administrative:	4,616
Legal:	10,316
Capitalized Interest during Construction:	0
Issuance fee (3%):	10,742
Other: Permits & Easements	8,000
Less:	0
Total Estimated Capital Cost:	\$368,822

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$368,822 (including a 3% issuance fee of (\$10,742) 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 (\$36,882) 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 Ogden
Little River County**

Project: Tank Improvements

Project Description

The City of Ogden is located in Little River County and provides water service to its citizens. This project is needed partially in response to a Department of Health inspection performed in 2002 and again in 2022. The proposed project increases the length of an overflow pipe to meet state requirements, replaces a control valve, increases the size of the man access on the riser, and installs a tank mixing system with inlet and outlet configuration, a SCADA system, and adds a chlorine scale system. This project also includes miscellaneous welding repairs, blasting and re-coating the interior and exterior of the elevated water tank. Currently, the tank has a single inlet and outlet; this project will modify and improve the tank’s operation by extending the inlet pipe and installing a header for the mixing system and check valves at the bottom of the inlet pipe for outlet to reduce water stagnation.

Project Financial Information

This funding recommendation is based on Ogden increasing their current water rates of \$19.75 per month based on 4,000 gallons usage by 23% to \$24.29. The current three year (2017-2020) average Median Household Income (MHI) for Ogden is \$31,250. The current customer base for this project is 206. Currently, the City of Ogden does not have any outstanding debt with the commission.

Estimated Project Costs

Construction:	\$245,000
Contingencies:	24,500
Engineering – Planning and Development:	25,603
Engineering-Inspection:	12,127
Administrative:	0
Legal	3,000
Capitalized Interest during Construction:	0
Issuance fee (3%):	2,340
Other: Laboratory & Review Fee	1,770
Less: American Rescue Plan Act	(234,000)
Total Estimated Capital Cost:	\$80,340

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$80,340 (including a 3% issuance fee of \$2,340) 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 (\$8,034) 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 Ozan
Hempstead County**

Project: Water Treatment Plant & Tank Improvements

Project Description

The City of Ozan is located in Hempstead County and provides water service to its citizens. This project consists of two projects: the tank rehabilitation project and the iron removal plant & service extension project.

The tank rehabilitation project includes painting both the exterior and interior of the tank, replacing the access hatch and roof vent, repairing a leak in the bottom ring of the elevated tank bowl, installing SCADA system to monitor tank levels, installing a mixing system, modifying the outlet pipe in the tank to reduce stagnation, providing miscellaneous welding repairs, installation of a backup generator, and updating the iron treatment plant. As a result of a 2017 tank inspection report, the Arkansas Department of Health (ADH) issued a significant deficiency letter dated August 9, 2018. On behalf of the City of Ozan, Spears Engineering Company responded to the ADH with a letter dated October 27, 2021, that outlined the method of addressing the significant deficiencies. The United States Environmental Protection Agency issued an Administrative Order dated October 15, 2022. The City of Ozan is required by the Order to repair the significant deficiencies.

The iron removal plant has been in service approximately twenty-five years. This project will rehabilitate the plant including new media, underdrain, and backwash piper with air scour. In addition, this project includes extending an existing three-inch water main approximately 3,000 linear feet, including a railroad back bore, to provide service to six additional customers near the existing elevated water storage tank.

Project Financial Information

This funding recommendation is based on Ozan increasing their current water rates of \$36.87 per month based on 4,000 gallons usage by 80% to \$66.37. The current three year (2017-2020) average Median Household Income (MHI) for Ozan is \$49,993. The current customer base for this project is 127. Currently, the City of Ozan does not have any outstanding debt with the commission.

Estimated Project Costs

	Tank	Plant	Total
Construction:	248,500	\$194,400	\$442,900
Contingencies:	24,850	19,440	44,290
Engineering – Planning and Development	25,968	20,315	46,283
Engineering-Inspection:	12,300	9,622	21,922
Administrative	0	0	0
Legal	10,027	9,194	19,221
Capitalized Interest during Construction:	0	0	0
Issuance fee (3%):	2,430	1,916	4,346
Other: Laboratory & Review Fee	2,355	2529	4,884
Less: American Rescue Plan Act	(243,000)	(191,625)	(434,625)
Total Estimated Capital Cost:	\$83,430	65,791	\$149,221

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$149,221 (including a 3% issuance fee of \$4,346) 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 (\$14,922) 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 Taylor
Ouachita County**

Project: Water Meters and SCADA

Project Description

The City of Taylor is located in Ouachita County and provides water service to its citizens. This proposed project includes replacing the existing water meters and installing a SCADA system at the water wells and elevated storage tank. These improvements will allow the city to better manage the water system and better account for the water pumped and sold.

Project Financial Information

This funding recommendation is based on the City of Taylor increasing their current water rates of \$23.50 per month based on 4,000 gallons usage by 35% to \$31.73. The current three year (2017-2020) average Median Household Income (MHI) for Taylor is \$34,529. The current customer base for this project is 258. Taylor has one loan with the commission and is current on their payments.

Estimated Project Costs

Construction:	\$265,375
Contingencies:	26,538
Engineering – Planning and Development	40,000
Engineering-Inspection:	11,278
Administrative:	0
Legal	15,000
Capitalized Interest during Construction:	3,721
Issuance fee (3%):	10,857
Other:	0
<hr/> Total Estimated Capital Cost:	<hr/> \$372,769

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$372,769 (including a 3% issuance fee of \$10,857) 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 (\$37,276) 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.

ACTIVITY REPORTS

Activity reports were presented by Amanda Mathis, USDA Natural Resources Conservation Service (NRCS); Debbie Moreland, Arkansas Association Conservation Districts (AACD), Mike Daniels, UA Cooperative Extension, Dr. Tomekia White, University of Arkansas Pine Bluff, Joey Fleming, U.S. Geological Survey, and Caleb Osborne, AR Energy and Environment.

OTHER

ADJOURN

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



Chris Colclasure
Director

8/8/2023
Date