

**Minutes of the  
ARKANSAS NATURAL RESOURCES COMMISSION**

**July 15, 2015**

The regular meeting of the Arkansas Natural Resources Commission was held Wednesday, July 15, 2015, at 9:30 a.m., at the office of the Arkansas Natural Resources Commission, 101 East Capitol, Suite 350, Little Rock, Arkansas.

Commissioners in attendance were Chairman David Feilke, Vice-Chairman Mike Carter, Don Richardson, Neal Anderson, Fred Fowlkes, Jerry Hunton, Sloan Hampton, Ann Cash, and Bill Poynter.

Staff members participating included: Randy Young, Executive Director; Edward Swaim, Interim Deputy Director/Water Resources Division Manager; Mark Bennett, Water Development Division Manager; Adrian Baber, Conservation Division Chief; Cynthia Bearden, Agency Controller; Crystal Phelps, General Counsel; Deanna Ray, Assistant General Counsel; Dave Fenter, Grants Manager; Darla Brooks, Financial Programs Manager; Marylen Smith, ANRC Program Coordinator; Cody Harrington, Land Resource Specialist; Trevor Timberlake, Engineer Supervisor; Desire Chedjieu, Engineer, and Carla Hill, Executive Assistant.

Chairman Feilke called the meeting of the Arkansas Natural Resources Commission to order.

A list of guests is attached to the minutes.

**APPROVAL OF MINUTES: May 20, 2015**

Upon motion by Mrs. Cash, second by Mr. Hunton, the Commission approved the minutes of the May 20, 2015 regular meeting.

**REPORT OF THE EXECUTIVE DIRECTOR**

**2015 Year End Internal Control and Compliance Assessment** –Director Young informed the Commission Legislative Audit has completed the FY'14 internal control and compliance assessment. He reported there were no findings or recommendations by Legislative Audit, and the agency is in compliance with the state financial policies.

**Conservation District Election Certification** - Mrs. Deanna Ray referred to Arkansas Rule 211.15, stating the Commission must certify all district elections as written in the rule. No options to the rule are stated. Therefore Clay, Cross, and Greene County elections are certified. Mrs. Ray also informed the Commission that the Claims Commission would hear Mr. Dan Eoff's defamation claim on November 12, 2015.

**Levee Board Performance** – ANRC, US Corps of Engineers, and levee districts have met to discuss flooding and levee issues in Arkansas. Trevor Timberlake, Dam Safety/Floodplain Supervisor, informed the Commission of staff recommendations for the levee infrastructure of the state to be submitted to the Governor.

**STATUS REPORT ON FINANCIAL ASSISTANCE PROGRAMS**

Mrs. Cynthia Bearden presented the financial assistance report dated June 30, 2015. (Copy of report is attached to the minutes.)

**LEGAL ISSUES**

**EPA Final Clean Water Rule Update** – Mrs. Crystal Phelps outlined and explained the US Environmental Protection Agency Clean Water Rule. Mr. Hampton made a motion to oppose the rule as presented, second by Mrs. Cash. Motion passed with all Commissioners voting in favor except Mr. Richardson. The Commission favors support of the Arkansas Attorney General's position.

**WATER RESOURCES DEVELOPMENT DIVISION**

**Consideration of Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Program (Act 631 of 2007) Plan of Work for the Fiscal Years Ending June 30, 2016 and June 30, 2017** – Mark Bennett presented the Plan of Work. Upon motion by Mr. Anderson, second by Mr. Hampton the motion was approved unanimously.

**Consideration of Applications for Financial Assistance** – Mr. Bennett presented staff recommendations for the referenced projects below requesting financial assistance from the Water Development Fund (WDF); the Water, Sewer & Solid Waste Fund (WSSW); and the Drinking Water State Revolving Fund (DWSRF).

Upon motion by Mr. Hunton, second by Mr. Fowlkes, the Commission approved the following recommendations for loans. Mrs. Cash recused herself from the Eudora vote.

**TUCKERMAN (JACKSON COUNTY) (WDF)**

**Up to \$72,100.00**

*PURPOSE OF FUNDS: To cover cost overruns for the USDA Rural Development funded project to build a new water treatment plant and make other water system improvements.*

The Commission approved a deferred loan in an amount up to \$72,100.00 from the Water Development Fund. This loan is for twenty-five (25) years with a repayment schedule of twenty (20) years at five percent (5%) interest. Payment upon principal is to be deferred for five (5) years and interest is to be waived for five (5) years. An administrative fee in an amount up to \$2,100.00 is to be retained by the Commission. Approval is contingent upon the city establishing and maintaining a depreciation reserve fund.

**LAKE CATHERINE WATERWORKS & SFB OF GARLAND COUNTY**

**(WSSW)**

**Up to \$875,500.00**

*PURPOSE OF FUNDS: To make improvements at the wastewater plants outlined in the Corrective Action Plan submitted to ADEQ.*

The Commission approved a loan in an amount up to \$875,500.00 from the Water, Sewer and Solid Waste Fund. This loan is for thirty (30) years at four and one-quarter

percent (4.25%) interest. An administrative fee in an amount up to \$25,500.00 is to be retained by the Commission. Approval is contingent upon the facilities board establishing and maintaining a depreciation reserve fund.

**SPARKMAN (DALLAS COUNTY) (WSSW)**

**Up to \$3,090.00**

*PURPOSE OF FUNDS: To make temporary emergency repairs at the wastewater plant resulting from heavy rains and high water at the plant.*

The Commission approved a grant in an amount up to \$3,090.00 from the Water, Sewer & Solid Waste Fund. An administrative fee in an amount up to \$90.00 is to be retained by the Commission. Approval is contingent upon the city establishing and maintaining a depreciation reserve fund.

**EUDORA (CHICOT COUNTY) (DWSRF)**

**Up to \$1,850,000.00**

*PURPOSE OF FUNDS: To replace and upgrade the water distribution system to reduce 50% water loss and other necessary water system upgrades.*

The Commission approved funds in an amount up to \$1,850,000.00 of which the total amount will be in the form of a loan with principal forgiveness for the City of Eudora from the Arkansas Drinking Water State Revolving Loan Fund in accordance with the established funding priorities. Approval is contingent upon the city establishing and maintaining a depreciation reserve fund.

**EUDORA (CHICOT COUNTY) (DWSRF)**

**Up to \$250,000.00**

*PURPOSE OF FUNDS: To replace and upgrade the water distribution system to reduce 50% water loss and other necessary water system upgrades.*

The Commission approved loan funds in an amount up to \$250,000.00 for the City of Eudora from the Arkansas Drinking Water State Revolving Loan Fund in accordance with the established funding priorities. The loan repayment schedule will not exceed thirty (30) years. The combined rate will be established by the Executive Director at the time of loan closing. Approval is contingent upon the city establishing and maintaining a depreciation reserve fund.

**NORTH HOWARD COUNTY WATER ASSOCIATION (WDF)**

**Up to \$123,600.00**

*PURPOSE OF FUNDS: Installation of two check valves into the transmission line.*

The Commission approved a grant in an amount up to \$123,600.00 from the Water Development Fund. An administrative fee in an amount up to \$3,600.00 is to be retained by the Commission. Approval is contingent upon the association establishing and maintaining a depreciation reserve fund.

Upon motion by Mr. Hunton, second by Mr. Fowlkes, the Commission tabled East End Water Improvement District.

**EAST END WATER IMPROVEMENT DISTRICT  
(PULASKI COUNTY) (WDF)**

**Up to \$350,200.00**

*PURPOSE OF FUNDS: To provide water service to new customers in the Nature Land area near Hensley.*

The Commission did not approve and tabled this loan in an amount up to \$350,200.00 from the Water Development Fund. This loan is for twenty (20) years at three and nine-tenths percent (3.9%) interest. An administrative fee in an amount up to \$10,200.00 is to be retained by the Commission. Approval is contingent upon the district establishing and maintaining a depreciation reserve fund.

**Deobligation of Funds by Executive Director** – Upon motion by Ann Cash, second by Jerry Hunton the Commission approved the deobligation of funds.

**DORCHEAT WATER ASSOCIATION (COLUMBIA COUNTY)  
(01015-WDF-L)**

**\$144,200.00**

**WALKER WATER ASSOCIATION (NEVADA COUNTY)  
(00990-WDF-L)**

**\$386,250.00**

**CHANGE IN TERMS**

**MARION (CRITTENDEN COUNTY)**

**\$5,150,000.00**

On May 15, 2013, the Commission approved funding for the City of Marion to relocate its wastewater discharge to the Mississippi River. The project is about to be completed and the city has determined that there are additional wastewater and water system

improvements that need to be made, including without limitation sewer collection line replacements, water treatment plant replacements and water meter replacements. The purposes for which the funds are made available on May 15, 2013 are amended to reflect use for water and wastewater projects. The remaining Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Program funds may be increased to \$5,150,000, including applicable fee.

**BREAK/RECONVENE**

**Discussion of Receivership** – As requested, Jerry Kopke, AR RCAP Water/Wastewater Coordinator, gave a presentation of possible options for communities to succeed by moving into receivership.

**CONSERVATION DIVISION**

**APPOINTMENTS AND REAPPOINTMENTS TO CONSERVATION DISTRICT BOARDS**

Adrian Baber presented Conservation District Board Appointments to the Commission. Upon motion by Mr. Fowlkes, second by Mr. Richardson, the Commission approved the following appointments:

**APPOINTMENTS**

*Drew County CD  
Franklin County CD*

*Thad Mitchell  
Joe C. Burton Jr.*

Upon motion by Mr. Carter, second by Mr. Richardson, the Commission approved the following reappointments:

**REAPPOINTMENTS**

*Crawford County CD  
Lee County CD  
Lonoke County CD  
Mine Creek CD  
Sharp County CD  
Union County CD*

*Gene Robertson  
Bill Gerrard III  
Neal Anderson  
Mark Millwood  
Robert Murphy  
Johnny Loftin*

**COMPREHENSIVE 2016 GRANTS TO DISTRICT FUNDING LIST** – Adrian Baber reviewed and discussed the comprehensive district funding list. (Copy of the FY 2016 Line Item Funding (Attachment D) is attached to the minutes.)

**CONSERVATION DISTRICT ACTIVITY REPORT** – Mr. Cody Harrington, Land Resource Specialist, introduced Ms. Michelle Smith, Conservation District Secretary/Water Quality Technician, representing the Fulton County Conservation District. Ms. Smith conveyed how the district participates in 319 nonpoint source pollution and other Commission projects to improve the district funding.

**ACTIVITY REPORTS**

Activity reports were presented by the following: Rocky Harrell, Arkansas Association of Conservation District President; Dr. Stacey McCullough, U of A Cooperative Extension Service; and Scott Gain, US Geological Survey.

**ADJOURN**

There being no further business, Mrs. Cash made the motion to adjourn, second by Mr. Carter.

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J. Randy Young, P.E.  
Executive Director and Secretary

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Date