

**Minutes of the  
ARKANSAS NATURAL RESOURCES COMMISSION  
September 16, 2015**

The regular meeting of the Arkansas Natural Resources Commission was held Wednesday, September 16, 2015, at 9:30 a.m., at the Hilton Garden Inn, 1325 North Palak Drive, Fayetteville, Arkansas.

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

Staff members participating included: Randy Young, Executive Director; Ryan Benefield, Deputy Director; Edward Swaim, 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; Blake Walters, Land Resource Specialist; Ken Brazil, Engineer Supervisor; 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: July 15, 2015**

Upon motion by Mr. Poynter, second by Mr. Richardson, the Commission unanimously approved the minutes of the July 15, 2015 regular meeting.

**REPORT OF THE EXECUTIVE DIRECTOR**

Introduction of Ryan Benefield, ANRC Deputy Director and Chief Engineer – Director Young introduced and welcomed Ryan Benefield to ANRC.

Date of next meeting – To accommodate the Legislative Rules Committee deadline for the Arkansas Water Plan, the Commission's next meeting will be Monday, November 9, 2015 at 9:30 a.m. in the Arkansas River Room at the Arkansas Natural Resources Commission.

**STATUS REPORT ON FINANCIAL ASSISTANCE PROGRAMS**

Director Young reported ANRC Division Chiefs have been working with USDA NRCS on cooperative agreements totaling over \$1,000,000.00. Mrs. Cynthia Bearden presented the financial assistance report dated August 31, 2015. (Copy of report is attached to the minutes.)

**LEGAL ISSUES**

**Summary of Comments for Proposed Title 24 and Proposed Revision to Title 3 –**

Mrs. Crystal Phelps reported all transcripts and comments from the Proposed Title 24 hearings are complete. Mrs. Phelps presented a draft of Title 24 with a few of the changes that will be proposed by ANRC staff based upon received comments. Changes were minimal. She will present a final version of staff-suggested revisions at the Commission's November meeting. If approved, the rules will be forwarded to the General Assembly for approval.

**Levee Safety Legislation** – Mrs. Phelps summarized Commission viewpoints for considering supervision of all flood control structure districts and districts in Arkansas.

**Delta/Grand Prairie Discovery Farm Project Report**, Dr. Mike Daniels, UA Cooperative Extension Service – Dr. Daniels informed the Commission of this project which uses farmers to resolve water issues relating to water quality. This project manages water flow and nutrient application for poultry, cattle, and row crops.

**WATER RESOURCES DEVELOPMENT DIVISION**

**Consideration of Resolution 2015-04 approving a proposal to issue one or more series of State of Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bonds under the authority of Act 631 of 2007** – Mark Bennett presented Resolution 2015-04. 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 Clean Water Revolving Loan Fund (CWRLF) and the Water, Sewer & Solid Waste Fund (WSSW).

Upon motion by Mr. Fred Fowlkes, second by Mr. Bill Poynter, the Commission approved the following recommendations for loans.

**HAMPTON (CALHOUN COUNTY) (CWRLF)**

**Up to \$450,000.00**

*PURPOSE OF FUNDS: To replace approximately 15,500 L.F. of 8" sewer main and 12 manholes of the existing system and rehab one of the existing lift stations.*

The Commission approved loan funds in an amount up to \$450,000.00 for the City of Hampton from the Arkansas Clean Water State Revolving Loan Fund in accordance with the established funding priorities. The loan repayment schedule will not exceed twenty (20) years. The Executive Director will set the combined annual borrower rate and loan terms.

**HAMPTON (CALHOUN COUNTY) (CWRLF)**

**Up to \$450,000.00**

*PURPOSE OF FUNDS: To replace approximately 15,500 L.F. of 8" sewer main and 12 manholes of the existing system and rehab one of the existing lift stations.*

The Commission approved funds in an amount up to \$450,000.00 of which the total amount will be in the form of a loan with principal forgiveness for the City of Hampton from the Arkansas Clean 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.

**LOCKESBURG (SEVIER COUNTY) (CWRLF)**

**Up to \$350,000.00**

*PURPOSE OF FUNDS: Improvements at the wastewater treatment plant including adding aerators to the lagoon, replacing the media in the rock reed filters and relocating the influent force main into the lagoon.*

The Commission approved funds in an amount up to \$350,000.00 of which the total amount will be in the form of a loan with principal forgiveness for the City of Lockesburg from the Arkansas Clean 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.

**DEER COMMUNITY WATER ASSOCIATION**  
**(NEWTON COUNTY) (WSSW)**

**Up to \$51,500.00**

*PURPOSE OF FUNDS: Water line extension to serve the customers along Parker Ridge.*

The Commission approved a loan in an amount up to \$51,500.00 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 \$1,500.00 is to be retained by the Commission. Approval is contingent upon the association establishing and maintaining a depreciation reserve fund and upon grant funds being the last funds used for the project.

**DEER COMMUNITY WATER ASSOCIATION**  
**(NEWTON COUNTY) (WSSW)**

**Up to \$164,800.00**

*PURPOSE OF FUNDS: Water line extension to serve the customers along Parker Ridge.*

The Commission approved a grant in an amount up to \$164,800.00 from the Water, Sewer & Solid Waste Fund. An administrative fee in an amount up to \$4,800.00 is to be retained by the Commission. Approval is contingent upon the association establishing and maintaining a depreciation reserve fund and upon the grant funds being the last funds used for the project.

Upon motion by Mrs. Ann Cash, second by Mr. Don Richardson, the Commission approved the following recommendations for Change in Terms. Mr. Neal Anderson recused himself.

**CHANGE IN TERMS**

**NORTH HOWARD COUNTY WATER ASSOCIATION**

On July 15, 2015, the Commission approved a grant to the North Howard County Water Association, a non-profit association. Under Arkansas law the Commission is prohibited in assisting non-profit corporations formed after August 1, 1997. Secretary of State Records indicate that North Howard was formed in 2001. Howard County contracted for the construction of the system and is willing and able to assist in making improvements to the system. Howard County is substituted as the applicant for the July 15 approval. All other terms and conditions remain unchanged. The required depreciation fund may be maintained by North Howard.

**BAYOU METO WATER MANAGEMENT DISTRICT**

On May 24, 2010 the Commission entered into a project partnership agreement with the Department of the Army for the construction of the Bayou Meto Basin Element of the Grand Prairie Region and Bayou Meto Basin, Arkansas Project. On the same date the Commission and Bayou Meto Irrigation Water Management District entered into a memorandum of understanding establishing the responsibilities of the parties with respect to construction and operation of the project. In 2010, the Department of the Army had funds available for the project from the American Recovery and Reinvestment Act. These projects must be "shovel ready" and construction was required to begin quickly. The Commission agreed to undertake financing of the project with the terms of financing to be determined at a later date.

In 2005, the Commission agreed to provide \$41,780,000 in funds toward the project. The total contribution to the project by the Commission to date has been \$31,462,000 as grants to the district or direct payments to the Army. In March 2014 and 2015, the Commission approved 00980-CGO-L in a total amount of \$24,000,000. In order to meet the Commission contribution to the project, the \$24 million will be divided into a deferred loan of \$13,682,000 and a grant of \$10,318,000. On the deferred loan, the rate of interest shall be 5 percent and a period not to exceed 40 years. The executive director is authorized to establish the deferral period and other terms and conditions of the loan.

**CONSERVATION DIVISION**

**APPOINTMENTS AND REAPPOINTMENTS TO CONSERVATION DISTRICT BOARDS**

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

**APPOINTMENTS**

*Crawford County CD  
Crawford County CD  
Jefferson County CD  
Randolph County CD  
Randolph County CD  
Van Buren County CD  
Van Buren County CD  
Yell County CD*

*Gary D. Baxter  
Bill Gebhardt  
Steve Pharr  
Danny Ellis  
Joycelyn Thielemier  
Eddie Linebarger  
Wes Newland  
Blake Mans*

Upon motion by Mr. Anderson, second by Mr. Poynter, the Commission unanimously approved the following reappointments:

**REAPPOINTMENTS**

*Benton County CD  
Clark County CD  
Craighead County CD  
Drew County CD  
Grant County CD  
Jackson County CD  
Lincoln County CD  
Little River CD  
Rich Mountain CD  
St. Francis County CD  
Yell County CD*

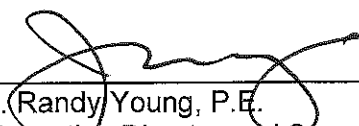
*Don Mayer  
Mark Clark  
Danny Finch  
John McAlpine  
Peggy Thomas  
Mark McGaughey  
Frances Harper  
Chuck Davis  
James Watkins  
Joe Whittenton  
Johnny Foster*

**WATER RESOURCES MANAGEMENT DIVISION**

Wetland and Stream Mitigation Banking – Discussion of policy regarding sale to private credit purchasers – Edward Swaim and Ken Brazil. Following discussions with private mitigation bankers, the Executive Director has had a policy of not selling Commission credits to private purchasers. A request has been made from a private entity to purchase from the Day's Creek Mitigation Bank. Consideration will be given to reassess Commission policy.

**ADJOURN**

There being no further business, Mr. Jerry Hunton made the motion to adjourn, seconded by Mrs. Cash.

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

*11-9-15*  
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Date