

**Minutes of the
ARKANSAS NATURAL RESOURCES COMMISSION
March 15, 2017**

The regular meeting of the Arkansas Natural Resources Commission was held Wednesday, March 15, 2017 at 9:30 a.m., at Arkansas Natural Resources Commission, 101 East Capitol Avenue, Suite 350, Little Rock, Arkansas.

Commissioners in attendance were Chairman Don Richardson, Vice Chairman Fred Fowlkes, Neal Anderson, Ann Cash, Sloan Hampton, Jerry Hunton, Bruce Leggitt, Bill Poynter, and Roy Reaves.

Staff members in attendance included: Executive Director Bruce Holland; 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; Amanda Owens, Legal Services Specialist; Cody Harrington, Land Resource Specialist; Lori Nakai, Public Information Specialist; Dave Fenter, Grants Manager; Darla Brooks, Grants Manager; Vicki Walden, Administrative Specialist III; Daniel Marks, Grants Coordinator; Chase Webb, Engineer; Gina Wilson, Construction Finance Analyst; Jim Battreal, Geology Supervisor; Whitney Montague, Ecologist; Tony Ramick, Nonpoint Fiscal Manager/Coordinator, Kevin McGaughey, Nonpoint Program Coordinator; Robbie Alberson, Nonpoint Program Coordinator; Steve Stakes, Nonpoint Program Coordinator; Amy Chatwood, Computer Support; Laura Brown, Administrative Specialist III and Carla Hill, Executive Assistant.

A list of guests is attached to the minutes.

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

APPROVAL OF MINUTES: January 18, 2017

Upon motion by Mrs. Ann Cash, second by Mr. Neal Anderson the Commission unanimously approved the minutes of the January 18, 2017 regular meeting.

REPORT OF THE EXECUTIVE DIRECTOR- Bruce Holland, Executive Director

Director Holland introduced Mr. Roy Reaves, newly appointed Commissioner from Russellville, Pope County. Mr. Holland also reported the ANRC budget has been approved by the legislature and an upcoming float trip is being planned by the Beautiful Buffalo River Action Committee to view concerns and sites on the river.

Status Report on Financial Assistance Programs - Mrs. Cynthia Bearden presented the financial assistance report dated February 28, 2017. (A copy of the report, Attachment "A", is attached to the minutes.) Mrs. Bearden fielded questions regarding the amount of reserve funds from older loans against the amount being required on new loans.

Legal Issues- Mrs. Crystal Phelps

Legislative Report: Mrs. Phelps gave an update on current bills before the Senate and House of Representatives.

WATER RESOURCES DEVELOPMENT DIVISION - Mr. Mark Bennett

Mr. Bennett introduced representatives from the cities of Cotter and Gassville. Mr. Richard Peglar, Gassville Alderman, represented the group requesting immediate emergency assistance for the replacement of a sewer line for the joint system.

Upon motion by Mr. Neal Anderson, second by Mr. Fred Fowlkes, the Commission approved grant loans for Cotter-Gassville.

COTTER-GASSVILLE – Baxter County (WSSW-G) **Up to \$123,600**
PURPOSE OF FUNDS: To replace ductile iron sections and regrade the sewer lines.

The Commission approved grant funds in an amount up to \$123,600 for the Cities of Cotter-Gassville from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$3,600 is to be retained by the Commission. Approval is contingent upon the Cities establishing and maintaining a 6% depreciation reserve fund.

Mr. Bennett presented staff recommendations for the referenced projects below requesting financial assistance from the Drinking Water State Revolving Fund (DWSRF), Water Development Fund (WDF), and Water, Sewer, Solid Waste (WSSW).

Upon motion by Mr. Jerry Hunton, second by Mr. Bruce Leggitt, the Commission unanimously approved the following applications for financial assistance, conversion, and change in terms.

CONSIDERATION OF APPLICATIONS FOR:

FINANCIAL ASSISTANCE:

PRESCOTT – Nevada County (DWSRF-L) **Up to \$2,700,000**
PURPOSE OF FUNDS: Replace raw water main to eliminate leaks.

The Commission approved loan funds in an amount up to \$2,700,000 for the City of Prescott from the Arkansas Drinking Water State Revolving Fund in accordance with the established funding priorities. The loan repayment schedule will not exceed thirty (30) years. The Executive Director will set the combined annual borrower rate and loan terms. Approval is contingent upon the City establishing and maintaining a depreciation reserve fund.

PRESCOTT – Nevada County (DWSRF-PF) **Up to \$300,000**
PURPOSE OF FUNDS: Replace raw water main to eliminate leaks.

The Commission approved funds in an amount up to \$300,000 of which the total amount will be in the form of a loan with principal forgiveness for the City of Prescott 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.

LOCKE-FERN & DOLLARD ROAD WWPFB – Crawford County (WDF-L) **Up to \$30,900**

PURPOSE OF FUNDS: Extend new water line and relocate meters to provide water pressure as required by the Arkansas Department of Health.

The Commission approved loan funds in an amount up to \$30,900 for the Locke-Fern & Dollard Road Water, Wastewater Public Facilities Board from the Water Development Fund. This loan is for up to ten (10) years at two and three-quarters percent (2.75%) interest. An administrative fee in an amount up to \$900 is to be retained by the Commission. Approval is contingent upon the Board establishing and maintaining a depreciation reserve fund.

LOCKE-FERN & DOLLARD ROAD WWPFB – Crawford County (WDF-G)

Up to \$61,800

PURPOSE OF FUNDS: Extend new water line & relocate meters to provide water pressure as required by the Arkansas Department of Health.

The Commission approved grant funds in an amount up to \$61,800 for the Locke-Fern & Dollard Road Water, Wastewater Public Facilities Board from the Water Development Fund. An administrative fee in an amount up to \$1,800 is to be retained by the Commission. Approval is contingent upon the Board establishing and maintaining a depreciation reserve fund.

RAVENDEN SPRINGS – Randolph County (WDF-G)

Up to \$51,500

PURPOSE OF FUNDS: Paint interior/exterior of water tank.

The Commission approved grant funds in an amount up to \$51,500 for the Town of Ravenden Springs from the Water Development Fund. An administrative fee in an amount up to \$1,500 is to be retained by the Commission. Approval is contingent upon the Town establishing and maintaining a 6% depreciation reserve fund.

CONVERSION OF LOAN TO GRANT:

EAST PRAIRIE COUNTY PWA – Prairie County (WDF-D)

\$46,492.32

PURPOSE OF FUNDS: To forgive existing deferred loan.

In 2002 the Authority was approved for a deferred loan in the amount of \$51,500 from the Water Development Fund for a term of twenty (20) years, with a ten (10) year deferment. Floods have destroyed much of the rental housing in the service area. Homes are not being rebuilt. The Authority cannot make the payments on the loan as required and have no option other than to request conversion to a Grant.

The Commission approved the conversion of loan to grant request.

DE-OBLIGATION OF FUNDS:

WABBASEKA - Jefferson County (WSSW)

Up to \$412,000

Funds were approved in 2009 and 2010; since then no forward movement has been made on the project. De-obligate \$309,000 in grant funds. De-obligate \$103,000 in loan funds. The Commission approved de-obligation.

CHANGE IN TERMS:

WIDENER – St. Francis County (Loan #: 01105-WDF-G)

Up to \$10,300

On January 18, 2017, the Commission approved a loan in an amount up to \$10,300 for the Town of Widener.

Change the "Purpose of Funds" to: *Replace water line running under the St. Francis River.*

The Commission approved the change in terms.

Mr. Bennett introduced Mr. Daniel Allen, Senior Vice President at Raymond James & Associates Inc. Mr. Allen gave a current financial rate report and explanation of bonds and fees.

CONSERVATION DIVISION – Mr. Adrian Baber

Appointments and Reappointments to Conservation District Boards:

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

APPOINTMENTS

Perry County
White County

Donald Shamsie
Bradley Watkins

Upon motion by Mrs. Ann Cash, second by Mr. Bill Poynter, the Commission approved the following reappointments:

REAPPOINTMENTS

Drew County
Hot Spring County
Lonoke County

Mar Miles
Blake Phillips
Billy Bennett

Conservation District Board of Director Election: Election results were presented by Mr. Baber. Commissioner Richardson encouraged more participation in low voting districts.

Conservation District Activity Report: Mr. Cody Harrington introduced Ms. Sherry Pffaffenberger, Arkansas County Conservation District secretary. Ms. Pffaffenberger thanked the agencies partnering with the conservation district including ANRC and NRCS and explained the state and federal programs and the Forestry Commission elementary school tree program.

WATER RESOURCES MANAGEMENT DIVISION – Edward Swaim


Mr. Swaim introduced Mr. Tony Ramick, Nonpoint Fiscal Manager/Coordinator. Mr. Ramick summarized the 2016 Nonpoint Annual Report and discussed the funding, projects and programs available through 319 grants. He also mentioned the regional and national recognition the projects this staff has earned.

ACTIVITY REPORTS

Activity reports were presented by the following: Ms. Amanda Mathis, USDA Natural Resources Conservation Service; Mrs. Martha Manley, Arkansas Association of Conservation Districts; Dr. Mike Daniels, UA Cooperative Extension Service; and Mr. Phillip Hays, US Geological Survey.

ADJOURN

There being no further business, the meeting was adjourned.



Bruce Holland
Executive Director and Secretary

17 Aug 2017
Date