

**Minutes of the  
ARKANSAS NATURAL RESOURCES COMMISSION  
May 17, 2017**

The regular meeting of the Arkansas Natural Resources Commission was held Wednesday, May 17, 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; Lori Nakaj, Public Information Specialist; Dave Fenter, Grants Manager; Darla Brooks, Grants Manager; Cody Harrington, Land Resource Specialist; Blake Walters, Land Resource Specialist; Bob Fowler, Land Resource Specialist; Joe Moore, Environmental Program Coordinator; Debra Dickson, Grants Coordinator; Alison Keator, Financial Analyst; Daniel Marks, Grants Coordinator; Vicki Walden, Administrative Specialist III; Gina Wilson, Construction Finance Analyst; Jim Battreal, Geology Supervisor; Tim Dreher, Engineer Technician; Deanne Redman, 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: March 15, 2017**

Upon motion by Mr. Fred Fowlkes, second by Mr. Bill Poynter the Commission unanimously approved the minutes of the March 15, 2017 regular meeting.

**REPORT OF THE EXECUTIVE DIRECTOR**– Bruce Holland, Executive Director

Director Holland gave an update from the Red River Compact Commission annual meeting, the Beautiful Buffalo River Action Committee, Secretary of Agriculture Sonny Perdue's visit to northeast Arkansas to view flood damage, and his appointment by legislation passed by Representative Hammer to the Feral Hog Action Committee.

**Status Report on Financial Assistance Programs** - Mrs. Cynthia Bearden presented the financial assistance report dated April 30, 2017. (A copy of the report, Attachment "A", is attached to the minutes.)

**Legal Issues**– Mrs. Crystal Phelps

**Resolution to Recognize former Commissioner Mike Carter for his Contributions to the state of Arkansas (Resolution No. 2017-01)** – Mrs. Phelps read the resolution. Upon motion by Mr. Fred Fowlkes, second by Mr. Bill Poynter the Commission unanimously approved the resolution. Executive Director Holland and Chairman Don Richardson presented Mr. Carter with a plaque of the resolution.

**Tri County Regional Water Distribution District's Petition to Annex Addition Lands in Scott County and Commission Response** – Mrs. Phelps presented the facts. Upon motion by Mr. Neal Anderson, second by Mr. Sloan Hampton the Commission unanimously approved the petition. Mr. Roy Reaves recused himself because he is a customer of Tri County. (A copy of Attachment "B" and Attachment "C" are attached to the minutes.)

**WATER RESOURCES DEVELOPMENT DIVISION** -- Mr. Mark Bennett

Mr. Bennett introduced Mayor Curley Jackson, City of Wilmar. Mayor Jackson thanked the Commission for the assistance ANRC had previously provided to Wilmar and requested additional assistance for repair to the sewer treatment plant to meet ADEQ requirements.

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

Upon motion by Mr. Jerry Hunton, second by Mrs. Ann Cash, the Commission unanimously approved the following applications for financial assistance.

**FINANCIAL ASSISTANCE:**

**WILMAR – Drew County (CWRLF-PF)**

**Up to \$750,000**

*PURPOSE OF FUNDS: Repair sewer treatment plant to meet ADEQ requirements.*

The Commission approved funds in an amount up to \$750,000 of which the total amount will be in the form of a loan with principal forgiveness for the City of Wilmar 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.

**GOULD – Lincoln County (DWSRF-PF)**

**Up to \$1,600,000**

*PURPOSE OF FUNDS: Replace old water lines with PVC and old water meters with radio read meters.*

The Commission approved funds in an amount up to \$1,600,000 of which the total amount will be in the form of a loan with principal forgiveness for the City of Gould 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

**AR DEPT OF CORRECTIONS – Jefferson County (DWSRF or CWRLF-L)**

**Up to \$3,300,000**

*PURPOSE OF FUNDS: Conservation projects resulting in reduced water use and conservation.*

The Commission approved loan funds in an amount up to \$3,300,000 for the Arkansas Department of Corrections through the Arkansas Finance Development Authority from the Arkansas Clean Water State Revolving Loan Fund or 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 Department establishing and maintaining a depreciation reserve fund.

**PULASKI COUNTY GOVERNMENT – Pulaski County (WDF-L)**

**Up to \$1,081,500**

*PURPOSE OF FUNDS: Conservation projects resulting in reduced water use and conservation.*

The Commission approved loan funds in an amount up to \$1,081,500 for the County through the Arkansas Finance Development Authority from the Water Development Fund. The loan is for five (5) years at two percent (2%) interest. An administrative fee in an

amount up to \$31,500 is to be retained by the Commission. Approval is contingent upon the County establishing and maintaining a depreciation reserve fund.

**GILMORE – Crittenden County (WDF-G)** **Up to \$15,450**

*PURPOSE OF FUNDS: Relocate water line currently located above ground to underground.*

The Commission approved grant funds in an amount up to \$15,450 for the Town of Gilmore from the Water Development Fund. An administrative fee in an amount up to \$450 is to be retained by the Commission. Approval is contingent upon the Town establishing and maintaining a depreciation reserve fund.

**FLIPPIN – Marion County (WSSW-L)** **Up to \$216,300**

*PURPOSE OF FUNDS: View/clean sewer lines and manholes in preparation for line repair.*

The Commission approved loan funds in an amount up to \$216,300 for the City of Flippin from the Water, Sewer and Solid Waste Fund. The 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 \$6,300 is to be retained by the Commission. Approval is contingent upon the City establishing and maintaining a depreciation reserve fund.

**WESTPOINT-GEORGETOWN S.I.D. – White County (WSSW-L)** **Up to \$10,300**

*PURPOSE OF FUNDS: Replace broken sewage pumps in the lift stations.*

The Commission approved loan funds in an amount up to \$10,300 for the Town of Westpoint-Georgetown from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$300 is to be retained by the Commission. Approval is contingent upon the Town establishing and maintaining a depreciation reserve fund.

**WESTPOINT-GEORGETOWN S.I.D. – White County (WSSW-G)** **Up to \$10,300**

*PURPOSE OF FUNDS: Replace broken sewage pumps in the lift stations.*

The Commission approved grant funds in an amount up to \$10,300 for the Town of Westpoint-Georgetown from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$300 is to be retained by the Commission. Approval is contingent upon the Town establishing and maintaining a depreciation reserve fund.

**WILTON – Little River County (WSSW-L)** **Up to \$103,000**

*PURPOSE OF FUNDS: Replace pumps, rails, wiring and control panels at 5 sewer lift stations.*

The Commission approved loan funds in an amount up to \$103,000 for the City of Wilton from the Water, Sewer and Solid Waste Fund. The 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 \$3,000 is to be retained by the Commission. Approval is contingent upon the City establishing and maintaining a depreciation reserve fund.

**WILTON – Little River County (WSSW-G)** **Up to \$206,000**

*PURPOSE OF FUNDS: Replace pumps, rails, wiring and control panels at 5 sewer lift stations.*

The Commission approved grant funds in an amount up to \$206,000 for the City of Wilton from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$6,000 is to be retained by the Commission. Approval is contingent upon the City establishing and maintaining a depreciation reserve fund.

**PERRYTOWN - Hempstead County (WSSW-G)**

**Up to \$51,500**

*PURPOSE OF FUNDS: Replace pumps and control panel at sewer lift stations.*

Approve grant funds in an amount up to \$51,500 for the Town of Perrytown from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$1,500 is to be retained by the Commission. Funds may be paid directly to Arkansas Rural Water Association for costs associated with the repairs. Approval is contingent upon the City establishing and maintaining a depreciation reserve fund.

**INCREASE IN FINANCIAL ASSISTANCE:**

Mayor Dorothy Cooper from the City of Turrell appealed to the Commission for an increase in funding for the necessary repairs to the city's sewer treatment plant.

Mr. Gene Sullivan, Bayou Meto Water Management District Executive Director, explained the need for additional funding to provide continuous water flow into Indian Bayou.

Upon motion by Mr. Bruce Leggitt, second by Mr. Fred Fowlkes, the Commission approved the following applications for Increase in Financial Assistance. Mrs. Ann Cash recused herself from the Eudora vote and Mr. Neal Anderson recused himself from the Bayou Meto Irrigation vote because of involvement with those individual projects.

**BAYOU METO IRRIGATION - (00980-CGO)**

**Up to \$1,318,000**

The Commission approved additional loan funds in an amount up to \$1,318,000 for Bayou Meto from the Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Program (CGO) for costs associated with the projects.

**EUDORA - (WRD-003-995)**

**Up to \$300,000**

The Commission approved additional loan funds in an amount up to \$300,000 for the City of Eudora from the Arkansas Drinking Water State Revolving Loan Fund in accordance with the established funding priorities.

**TURRELL - (Crittenden County) (1109-WSSW-G)**

**Up to \$293,550**

The Commission approved additional grant funds in an amount up to \$293,550 for the City of Turrell from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$8,550 is to be retained by the Commission. Funds will be disbursed through Communities Unlimited, or any other entity approved by the Executive Director, for use towards construction of the Project.

Upon motion by Mr. Fred Fowlkes, second by Mrs. Ann Cash, the Commission unanimously approved the following Deobligate and Re-Issue and Change in Terms loans.

**DE-OBLIGATE AND RE-ISSUE:**

**MOUNTAIN PINE - (WDF-L)**

**Up to \$139,050**

Deobligate funds in the amount of \$500,000 that were approved in 2016 from the Arkansas Drinking Water State Revolving Loan Fund.

The Commission approved a new loan from the Water Development Fund in the amount of \$139,050. The loan is for twenty (20) years at three and nine-tenths percent (3.9%) interest. An administrative fee in an amount up to \$4,050 is being retained by the Commission. Approval is contingent upon the City establishing and maintaining a depreciation reserve fund.

**CHANGE IN TERMS:**

**FIFTY-SIX - (WSSW-L)**

**Up to \$154,500**

The town of Fifty-Six has three loans: 00319-WSSW-L, WSSW-77-08-D and WDF-86-02-D. Current interest rates are much lower than the rates attached to these loans. The Town is requesting a loan at a lower interest in order to pay off the three existing loans. The Commission approved a loan in an amount up to \$154,500 from the Water, Sewer and Solid Waste Fund. The 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 \$4,500 is to be retained by the Commission. Approval is contingent upon the Town establishing and maintaining a depreciation reserve fund.

**CONSIDERATION OF RESOLUTIONS**

Mr. Daniel Allen, Raymond James & Associates, Inc, discussed current conditions in the bond market. He indicated that an advance refunding of the callable portion of Series 2010A bond if done yesterday would result in a present value savings of over \$1 million dollars and a present value saving of about 6 percent. Mr. Bennett indicated that with the volatile market and end of the State's fiscal year, the Commission has a very limited window to complete the sale. Competitive bids will be opened on Tuesday, May 23 on a proposed Series 2017 A of \$20 million taxable bonds and a proposed Series 2017B of about \$17 million in tax exempt refunding bonds to refund the callable portion of the Series 2010 A bonds. Director Holland will be out of the office during the week of the sales and the director would recommend amending the authorizing resolutions to add Deputy Director Benefield to those persons authorized by the Commission to act on its behalf to accept the bids and take other action necessary to complete the sales. Upon motion by Mr. Jerry Hunton, second by Mr. Bruce Leggitt, the Commission unanimously approved Resolution 2017-02 and Resolution 2017-03 to authorize Deputy Director Ryan Benefield to act on behalf the Commission in conducting the proposed 2017B and 2017A bond sales.

**CONSERVATION DIVISION** – Mr. Adrian Baber

**Appointments and Reappointments to Conservation District Boards:**

Mr. Adrian Baber announced candidates Mr. Steve Whitehead and Mr. Gary Hines for appointment to the Columbia County Conservation District. Chairman Don Richardson recognized Dr. Mark Bryan who spoke and provided letters of support for Mr. Steve Whitehead. Dr. Bryan expressed displeasure with ANRC and the appointment process. Upon motion by Mr. Roy Reaves, second by Mr. Bill Poynter, the Commission unanimously approved the appointment of Mr. Gary Hines to the Columbia County Conservation District.

Mr. Adrian Baber presented the remaining Conservation District Board Appointments to the Commission. Upon motion by Mr. Roy Reaves, second by Mr. Bruce Leggitt, the Commission unanimously approved the following appointments:

**APPOINTMENTS**

Johnson County  
Miller County  
Miller County

Mark Morgan  
Genia Bullock  
Thomas Olson

Upon motion by Mr. Roy Reaves, second by Mr. Fred Fowlkes, the Commission unanimously approved the following reappointments:

**REAPPOINTMENTS**

Calhoun County  
Carroll County  
Clay County  
Crittenden County  
Franklin County

Frank Stevenson Jr.  
Larry Harp  
Louis Ahrent  
Marshall Levy  
Joe Williams

Izard County  
Lawrence County  
Mine Creek  
Montgomery County  
Pike County

Larry Arnold  
Ray Mosley Jr.  
Joe Martin  
Johnathon Rowland  
Johnny Hale

Upon motion by Mrs. Ann Cash, second by Mr. Bruce Leggitt, the Commission unanimously approved the following Conservation District Emeritus:

Washington County

Gene Pharr

Upon motion by Mrs. Ann Cash, second by Mr. Fred Fowlkes, the Commission unanimously approved funding for Conservation Line Items, Grants/Districts Funds, and Beaver Funds. (A copy of Attachment "F", Attachment "G", and Attachment "H" are attached.)

**Conservation District Activity Report:** Mr. Blake Walters introduced Mr. Sid Lowrance, Technical Assistant for the Buffalo Conservation District in Marshall, Arkansas. Mr. Lowrance explained the Buffalo Conservation District partnered with Searcy County in a rent free status enabling the district to save and purchase a building and shop. They raise funds through renting farm equipment and selling wheat from their native grass plot. They give back to the community by donating vegetables and bulk wheat from the district community garden and distributing bluebird houses made by the district.

**WATER RESOURCES MANAGEMENT DIVISION – Edward Swaim**

Mr. Swaim introduced Mr. Jim Battreal, Geology Supervisor, who summarized the 2016 Annual Groundwater Protection and Management Report. Mr. Battreal recognized Mr. Tim Dreher and Mr. Jacob Harvey, who monitor over 1,000 water wells each year for ANRC, and partners, USDA Natural Resources Conservation Service and US Geological Survey. ANRC will continue to monitor water levels and provide conservation education to achieve sustainable pumping levels.

**ACTIVITY REPORTS**

Activity reports were presented by the following: Mrs. Martha Manley, Arkansas Association of Conservation Districts and Dr. Mike Daniels, UA Cooperative Extension Service. For the record, Mrs. Manley requested it be known AACD "opposes ANRC involvement in AACD elections". AACD will continue to promote information and education to locally led districts. Dr. Daniels reported on crop and property loss due to flooding in Arkansas and the success of online nutrient management training.

**ADJOURN**

There being no further business, the meeting was adjourned.



Bruce Holland  
Executive Director and Secretary

30 May 2017  
Date