

**Minutes of the
ARKANSAS NATURAL RESOURCES COMMISSION
July 19, 2017**

The regular meeting of the Arkansas Natural Resources Commission was held Wednesday, July 19, 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, Sloan Hampton, Bruce Leggitt, Bill Poynter, and Roy Reaves. Commissioners Ann Cash and Jerry Hunton were absent.

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 Nakai, Public Information Specialist; Dave Fenter, Grants Manager; Darla Brooks, Grants Manager; Bob Fowler, Land Resource Specialist; Vicki Walden, Administrative Specialist III; Gina Wilson, Construction Finance Analyst; Jim Battreal, Geology Supervisor; Trevor Timberlake, Engineer Supervisor; Chase Webb, Engineer; Stephen Smedley, Engineer; 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: May 30, 2017

Upon motion by Mr. Roy Reaves, second by Mr. Fred Fowlkes the Commission unanimously approved the minutes of the May 30, 2017 telephonic meeting.

COMMENTS OF THE CHAIRMAN -- Mr. Don Richardson

As approved in the May 17, 2017 minutes, the Arkansas Association of Conservation Districts (AACD) President Mrs. Martha Manley requested the record show AACD "opposes ANRC involvement in AACD elections". Chairman Richardson stated that during the previous meeting, Mrs. Manley's request was concerning district appointments, not elections, as Mrs. Manley unintentionally referred. The ANRC Director appoints and reappoints district directors. Mr. Richardson stated the conservation district directors are elected or appointed local officials of state government, who take the same oath of office as the Governor. Therefore, a district director is not a volunteer position. Mr. Richardson, who has a 30 year history with the Commission, AACD, local districts, and NRCS partnership, felt clarification was needed.

REPORT OF THE EXECUTIVE DIRECTOR- Mr. Bruce Holland, Executive Director

The Director reported the 2017 year end fiscal audit had no findings because of the work of the entire staff. In addition, the irrigation districts and the Feral Hog Action Committee are continuing their charge.

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

WATER RESOURCES DEVELOPMENT DIVISION -- Mr. Mark Bennett

Mr. Greg Ramon, Central Arkansas Water, explained engineering costs and upgrades for the rehabilitation of the Little Rock #13 (Pulaski County) project.

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. Fred Fowlkes, second by Mr. Roy Reaves, the Commission unanimously approved the following applications for financial assistance.

FINANCIAL ASSISTANCE:

ARKANSAS NATURAL RESOURCES COMMISSION (CGO-G) **Up to \$4,000,000**

PURPOSE OF FUNDS: Clean Water State Revolving Loan Fund and Drinking Water State Revolving Loan Fund State Match.

The Commission approved a grant in an amount up to \$4,000,000 from the Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Program (CGO) for the Clean Water State Revolving Loan Fund and Drinking Water State Revolving Loan Fund State Match.

LITTLE ROCK #13 – Pulaski County (CWRLF-L) **Up to \$61,600,000**

PURPOSE OF FUNDS: Rehabilitate the existing collection system and install new sanitary sewer mains.

The Commission approved loan funds in an amount up to \$61,600,000 for the City of Little Rock from the Arkansas Clean Water State Revolving Loan 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 or other reserve fund acceptable to the Executive Director.

WASHINGTON COUNTY PROPERTY OWNERS IMPROVEMENT DISTRICT

5 – Washington County (CWRLF-L) **Up to \$1,000,000**

PURPOSE OF FUNDS: Planning and Design costs associated with a project to transport sewage to Prairie Grove for treatment.

The Commission approved loan funds in an amount up to \$1,000,000 for the Washington County Property Owners Improvement District # 5 from the Arkansas Clean Water State Revolving Loan Fund in accordance with the established funding priorities. The loan repayment schedule will not exceed five (5) years with a two year deferral and waiver of interest and fees. The Executive Director will set the combined annual borrower rate and loan terms. Approval is contingent upon the District establishing and maintaining a three percent (3%) depreciation reserve fund

ARKANSAS CITY – Desha County (DWSRF-PF) **Up to \$2,750,000**

PURPOSE OF FUNDS: Replace water main, all service lines, meters, hydrants, valves, repainting and rehabilitating the tank.

The Commission approved funds in an amount up to \$2,750,000 of which the total amount will be in the form of a loan with principal forgiveness for the Town of

Arkansas City from the Arkansas Drinking Water State Revolving Fund in accordance with the established funding priorities. Approval is contingent upon the Town establishing and maintaining a six percent (6%) depreciation reserve fund.

WALKER WATER ASSOCIATION – Columbia County (DWSRF-L) Up to \$150,000

PURPOSE OF FUNDS: Blast and re-coat the interior and exterior of both storage tanks and other required repairs to tanks; replace a well pump and electrical controls.

The Commission approved loan funds in an amount up to \$150,000 for Walker Water Association from the Arkansas Drinking Water State Revolving Loan Fund in accordance with the established funding priorities. The repayment schedule will not exceed ten (10) years. The Executive Director will set the combined annual borrower rate and loan terms. Approval is contingent upon the Association establishing and maintaining a six percent (6%) depreciation reserve fund.

WALKER WATER ASSOCIATION – Columbia County (DWSRF-PF) Up to \$550,000

PURPOSE OF FUNDS: Blast and re-coat the interior and exterior of both storage tanks and other required repairs to tanks; replace a well pump and electrical controls.

The Commission approved funds in an amount up to \$550,000 of which the total amount will be in the form of a loan with principal forgiveness for Walker Water Association from the Arkansas Drinking Water State Revolving Loan Fund in accordance with the established funding priorities. Approval is contingent upon the Association establishing and maintaining a six percent (6%) depreciation reserve fund.

BURDETTE – Mississippi County (WDF-L)

Up to \$587,100

PURPOSE OF FUNDS: Develop a new water supply well.

The Commission approved loan funds in an amount up to \$587,100 for the Town of Burdette from the Water Development Fund. The loan is for up to thirty (30) years at four and one-quarter percent (4.25%) interest. An administrative fee in an amount up to \$16,500 is to be retained by the Commission. Approval is contingent upon the Town establishing and maintaining a depreciation reserve fund.

FAIRCREST PUBLIC WATER AUTHORITY – Union County (WDF-L)

Up to \$309,000

PURPOSE OF FUNDS: Recoat interior and exterior water tank and other required improvements.

The Commission approved loan funds in an amount up to \$309,000 for Faircrest Public Water Authority from the Water Development 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 \$9,000 is to be retained by the Commission. Approval is contingent upon the Authority establishing and maintaining a depreciation reserve fund.

ST. CHARLES – Arkansas County (WDF-L)

Up to \$10,300

PURPOSE OF FUNDS: Water line extension and pressure sewer line extension to include South side of Crabtree Lane.

The Commission approved loan funds in an amount up to \$10,300 for the Town of St. Charles from the Water Development 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 \$300 is to be retained by the Commission. Approval is contingent upon the Town establishing and maintaining a depreciation reserve fund.

ST. CHARLES – Arkansas County (WDF-G)

Up to \$10,300

PURPOSE OF FUNDS: Water line extension and pressure sewer line extension to include South side of Crabtree Lane.

The Commission approved grant funds in an amount up to \$10,300 for the Town of St. Charles from the Water Development 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.

DE-OBLIGATE:

HUTTIG (WDF)

Up to \$381,100

The Commission de-obligated funds in the amount of \$381,100 that were approved in May of 2016 from the Water Development Fund. The Commission approved project funding from the Arkansas Drinking Water State Revolving Fund Program on July 20, 2016.

MONTROSE (WSSW)

Up to \$61,800

The Commission de-obligated \$61,800 from the Water, Sewer and Solid Waste Fund. No forward movement made toward construction of the project.

Upon motion by Mr. Neal Anderson, second by Mr. Fred Fowlkes, the Commission unanimously approved the following Change in Terms.

CHANGE IN TERMS:

FIFTY-SIX (WSSW-L)

Up to \$154,500

On May 17, 2017 the Commission approved a loan in an amount up to \$154,500 from the Water, Sewer and Solid Waste Fund. The loan was for up to ten (10) years at two and three-quarters percent (2.75%) interest.

The Commission approved additional loan funds in an amount up to \$2,874 and increase the term of the loan from 10 years to 12 years.

ANNOUNCEMENT BY THE CHAIRMAN – Don Richardson

Chairman Richardson announced the presentation of a bust in honor of former U.S. Department of Agriculture Assistant Secretary Pearlie Reed scheduled for 6:00 p.m. July 21, 2017 on the UAPB campus.

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 Mr. Bruce Leggitt, second by Mr. Roy Reaves, the Commission unanimously approved the following appointments:

APPOINTMENTS

Cleveland County	James Attwood
Logan County	Bobby Strobel
Washington County	Tou Chao Vang
Woodruff County	Bill Rushing

Mr. Adrian Baber presented Conservation District Board Reappointments to the Commission.

REAPPOINTMENTS

Baxter County	Mel Crawford
Boone County	James Widner
Hempstead County	Tommy Love
Madison County	Roy Mahler
Ouachita County	Joshua Berkimer
Saline County	Richard Hoffman

Commissioner Bruce Leggitt made a motion to withhold the reappointment of Mr. James Widner, Boone County Conservation District Director and AACD Northwest Area President. Mr. Leggitt emphasized it was not about Mr. Widner, but as a Commissioner he would like to see Mr. Widner, as a district director and AACD board member, take action to help solve issues and be proactive in encouraging the partnership. Mr. Widner, can continue to serve as director until he or another person is appointed. Second to the motion was made by Mr. Roy Reaves. Mr. Bill Poynter, Mr. Roy Reaves, Chairman Don Richardson, Mr. Bruce Leggitt and Vice Chair Fred Fowlkes cast yes votes. Mr. Sloan Hampton cast a no vote and Mr. Neal Anderson abstained. The motion carried.

Upon motion by Mr. Fred Fowlkes, second by Mr. Bruce Leggitt, the Commission unanimously approved the remaining reappointments.

Conservation District Activity Report: Mr. Bob Fowler introduced Mr. Matt Rae, Montgomery County Conservation District Director in Mt. Ida, Arkansas. Montgomery County in the Ouachita Mountains produces abundant forestry, cattle, and chickens. Mr. Rae said the district works hard to help the residents of the county by providing rental equipment and herbicide services at a nominal fee, and information and education opportunities for the youth.

WATER RESOURCES MANAGEMENT DIVISION – Edward Swaim

Mr. Swaim gave a summary update and recommendations for Water Use Reporting for Agricultural Irrigation in Arkansas. He also reported that the Director issued a non-riparian permit for the Sun-Bio Project in Arkadelphia from the Ouachita River.

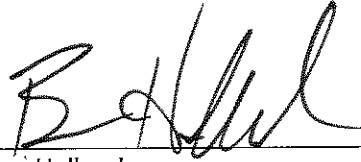
ACTIVITY REPORTS

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Activity reports were presented by Ms. Amanda Mathis, USDA Natural Resources Conservation Service; Mrs. Cynthia Edwards, Arkansas Agriculture Department; and Mr. Jaysson Funkhouser, US Army Corps of Engineers.

ADJOURN

There being no further business, Mr. Neal Anderson moved the meeting be adjourned.



Bruce Holland
Executive Director and Secretary



Date