

**Minutes of the
ARKANSAS NATURAL RESOURCES COMMISSION**

February 4, 2010

A telephonic meeting of the Arkansas Natural Resources Commission was held Thursday, February 4, 2010, at 1:00 p.m., at the Arkansas Natural Resources Commission, Little Rock, Arkansas.

Commissioners in attendance were Chairman Jerry Mitchell, Vice-Chairman Sloan Hampton, Robert White, Ann Cash, Neal Anderson; and Corbet Lamkin.

Staff members participating included: Randy Young, Executive Director; Jon Sweeney, Deputy Director/Chief Engineer; Mark Bennett, Chief, Water Development Division; Adrian Baber, Chief, Conservation Division; Edward Swaim, General Counsel; Dave Fenter, Program Manager; and Pat Smith, Executive Assistant.

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

A list of guests is attached to the minutes.

APPROVAL OF MINUTES; DECEMBER 8, 2009

Upon motion by Mrs. Cash, second by Mr. White, the Commission approved the minutes of the December 8, 2009, regular meeting.

REPORT OF THE EXECUTIVE DIRECTOR

Report on Budget Cuts – Mr. Young reported briefly on the Governor's budget cuts to the state's general revenue budget. The first agency cut was \$250,000, and the second cut was an additional \$333,580. The cuts were made to two line items in the general revenue budget. They were grant monies for rural fire districts, administered by the state RC&D Council, and the Water, Sewer, Solid Waste appropriation. The overall general revenue portion of the budget is approximately \$6.5 million.

SERIES RESOLUTION

Mr. Bennett introduced Mr. Jim Fowler and Patricia Quinn with Morgan Keegan, and Mr. Ryan Bowman and Mr. Shep Russell with the Friday, Eldredge & Clark law firm. Mr. Bennett stated that on January 28th, Director Young accepted bids for \$23 million of State of Arkansas General Obligation Bonds. This represents the first issue under the '07 law voters approved during the last general election.

Mr. Fowler gave a brief summary of the results of the sale. A notice was sent out to the market and a larger than usual number of bids was received. The winning bidder was Hutchinson, Shockey, Erley & Company from Chicago. The bonds had a true interest cost of 4.214%.

Mr. Bennett presented the Series Resolution authorizing the issuance and the sale of \$23 million of State of Arkansas Water, Waste Disposal & Pollution Abatement Facilities General Obligation Bonds, Series 2010A. Upon motion by Dr. Lamkin, second by Mrs. Cash, the Commission adopted the Series Resolution as presented.

APPLICATIONS FOR FINANCIAL ASSISTANCE

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

Upon motion by Mrs. Cash, second by Dr. Lamkin, the Commission approved the following recommendations:

SUNSET (Crittenden County) (WSSW) **Up to \$10,300.00**

PURPOSE OF FUNDS: *To repair emergency sewer pump stations.*

The Commission approved a grant for Sunset in an amount up to **\$10,300.00** from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$300.00 is to be retained by the Commission. Approval is contingent upon the Town establishing and maintaining a depreciation reserve fund. These funds may be paid directly to Arkansas Rural Water Association for costs associated with emergency repairs to the Town's sewer pump stations.

CALDWELL (St. Francis County) (WSSW) **Up to \$333,720.00**

PURPOSE OF FUNDS: *Replacement of approximately 40,000 feet of water distribution lines.*

The Commission approved a grant for Caldwell in an amount up to **\$333,720.00** from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$9,720.00 is to be retained by the Commission. Approval is contingent upon the grant funds being the last funds used for the project and upon the Town establishing and maintaining a depreciation reserve fund.

CALDWELL (St. Francis County) (WSSW) **Up to \$37,080.00**

PURPOSE OF FUNDS: *Replacement of approximately 40,000 feet of water distribution lines*

The Commission approved a loan for Caldwell in an amount up to **\$37,080.00** from the Water, Sewer & Solid Waste Fund. This loan is for up to twenty (20) years at five percent (5%) interest. An administrative fee in an amount up to \$1,080.00 is to be retained by the Commission. Approval is contingent upon the Town establishing and maintaining a depreciation reserve fund.

CLARENDON (Monroe County) (WSSW) **Up to \$8,240.00**

PURPOSE OF FUNDS: *Emergency repairs to sewer manhole located on City school property and adjacent gravity lines.*

The Commission approved a grant for Clarendon in an amount up to **\$8,240.00** from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$240.00 is to be retained by the Commission. Approval is contingent upon the grant funds being the last funds used for the project and upon the City establishing and maintaining a depreciation reserve fund.

CLARENDON (Monroe County) (WSSW) **Up to \$103,000.00**

PURPOSE OF FUNDS: *Emergency repairs to sewer manhole located on City school property and adjacent gravity lines.*

The Commission approved a loan for Clarendon in an amount up to **\$103,000.00** from the Water, Sewer & Solid Waste Fund. This loan is for up to thirty (30) years at five percent (5%) interest.

An administrative fee in an amount up to \$3,000.00 is to be retained by the Commission. Approval is contingent upon the City establishing and maintaining a depreciation reserve fund.

COLT (St. Francis County) (WSSW)

Up to \$301,275.00

PURPOSE OF FUNDS: *Expansion of the sewage treatment ponds and extension of sewage collection lines by approximately 4500 feet.*

The Commission approved a grant for Colt in an amount up to **\$301,275.00** from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$8,775.00 is to be retained by the Commission. Approval is contingent upon the grant funds being the last funds used for the project and upon the City establishing and maintaining a depreciation reserve fund.

COLT (St. Francis County) (WSSW)

Up to \$33,475.00

PURPOSE OF FUNDS: *Expansion of the sewage treatment ponds and extension of sewage collection lines by approximately 4500 feet.*

The Commission approved a loan for Colt in an amount up to **\$33,475.00** from the Water, Sewer & Solid Waste Fund. This loan is for up to twenty (20) years at five percent (5%) interest. An administrative fee in an amount up to \$975.00 is to be retained by the Commission. Approval is contingent upon the City establishing and maintaining a depreciation reserve fund.

WHEATLEY (St. Francis County) (WSSW)

Up to \$463,500.00

PURPOSE OF FUNDS: *To replace approximately 335 water meters and about 4 miles of water lines as well as stabilization of sewage treatment pond, extension of collection lines by 400 feet, and installation of one lift station and 2000 feet of force main.*

The Commission approved a grant for Wheatley in an amount up to **\$463,500.00** from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$13,500.00 is to be retained by the Commission. Approval is contingent upon the grant funds being the last funds used for the project and upon the Town establishing and maintaining a depreciation reserve fund.

WHEATLEY (St. Francis County) (WSSW)

Up to \$51,500.00

PURPOSE OF FUNDS: *To replace approximately 335 water meters and about 4 miles of water lines as well as stabilization of sewage treatment pond, extension of collection lines by 400 feet, and installation of one lift station and 2000 feet of force main.*

The Commission approved a loan for Wheatley in an amount up to **\$51,500.00** from the Water, Sewer & Solid Waste Fund. This loan is for up to twenty (20) years at five percent (5%) interest. An administrative fee in an amount up to \$1,500.00 is to be retained by the Commission. Approval is contingent upon the Town establishing and maintaining a depreciation reserve fund.

WHELEN SPRINGS (Clark) (Additional) (WSSW)

Up to \$66,950.00

PURPOSE OF FUNDS: *Bid overruns associated with Hart's Chapel and Gator Road waterline extensions.*

The Commission approved a grant for Whelen Springs in an amount up to **\$66,950.00** from the Water, Sewer and Solid Waste Fund. An administrative fee in an amount up to \$1,950.00 is to be retained by the Commission. Approval is contingent upon the Town establishing and maintaining a depreciation reserve fund.

Rescind the portion of the October 13, 2009 motion approving loan funds for the City of Smackover from the Arkansas Drinking Water State Revolving Loan fund.

Then approve the following application for the City of Smackover listed below:

SMACKOVER (Union and Ouachita Counties) (DWSRF) Up to \$450,000.00

PURPOSE OF FUNDS: *Water system improvements, including a new storage tank and well.*

The Commission approved loan funds in an amount up to **\$450,000.00** for the City of Smackover 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 Executive Director will set the combined annual borrower rate and loan terms.

SMACKOVER (Union and Ouachita Counties) (WDF) Up to \$515,000.00

PURPOSE OF FUNDS: *Water system improvements, including a new storage tank and well.*

The Commission approved a grant in an amount up to **\$515,000.00** for the City of Smackover from the Water Development Fund. An administrative fee in an amount up to \$15,000.00 is to be retained by the Commission. Approval is contingent upon the grant funds being the last funds used for the project and upon the City establishing and maintaining a depreciation reserve fund.

Upon motion by Mrs. Cash, second by Mr. White, the Commission approved the following recommendation:

MARBLE FALLS WATER, SEWER AND SOLID WASTE DISPOSAL SUBURBAN IMPROVEMENT DISTRICT NO. 1 (Newton County) (WSSW) Up to \$10,300.00

PURPOSE OF FUNDS: Emergency repairs to the sewer pump stations.

The Commission approved a grant for Marble Falls Water, Sewer and Solid Waste Disposal Suburban Improvement District No. 1 in an amount up to **\$10,300.00** from the Water, Sewer and Solid Waste Fund. The Director may disburse funds directly to Arkansas Rural Water Association, Inc. for costs incurred by Arkansas Rural Water in making repairs to the pump stations. An administrative fee in an amount up to \$300.00 is to be retained by the Commission. Approval is contingent upon the District establishing and maintaining a depreciation reserve.

FINAL ALLOCATION OF AMERICAN RECOVERY AND REINVESTMENT ACT FUNDS

Mr. Bennett presented staff recommendations for American Recovery and Reinvestment Act funding allocations. Mr. Bennett also requested the Commission give the Director discretionary authority to reallocate funds if any of the listed projects do not meet ARRA eligibility criteria. Upon motion by Dr. Lamkin, second by Mr. White, the Commission adopted the recommendations as presented and gave the director discretion to move funds as necessary (List attached to Minutes).

CONSERVATION DIVISION

APPOINTMENTS/REAPPOINTMENTS TO CONSERVATION DISTRICT BOARDS

Mr. Adrian Baber presented the staff recommendations for appointments for Conservation District Boards of Directors. Commission action is as follows.

Upon motion by Dr. Lamkin, second by Mr. White, the Commission approved the following appointments:

APPOINTMENTS

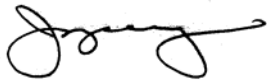
<i>Independence County CD</i>	<i>Julia Nail</i>
<i>Rich Mountain CD</i>	<i>Allen Stewart</i>
<i>Rich Mountain CD</i>	<i>Robert Dale White</i>
<i>Poteau River CD</i>	<i>William (Larry) Free III</i>
<i>Clay County CD</i>	<i>Stephen Crancer</i>

COMMISSION TRAVEL EXPENSE REIMBURSEMENT

Commissioner Expense Reimbursement and Stipend – Upon motion by Mr. White, second by Mrs. Cash, the Commission, pursuant to Ark. Code Ann. §25-16-904 and Ark. Code Ann. §25-16-902, agreed to decline payment of an \$85.00 per meeting attended stipend for non-state agency employee members of the Commission, and authorized expense reimbursement for official business at the rate of state employees.

ADJOURN

There being no further business, the meeting was adjourned.



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

February 22, 2010
Date