

**Minutes of the  
ARKANSAS NATURAL RESOURCES COMMISSION**

**July 20, 2011**

The regular meeting of the Arkansas Natural Resources Commission was held Wednesday, July 20, 2011, at 9:00 a.m., at Arkansas State University, Cooper Alumni Center, 2600 Alumni Boulevard, Jonesboro, Arkansas.

Commissioners in attendance were Chairman Alec Farmer, Vice-Chair Sloan Hampton, Ann Cash, Corbet Lamkin, Neal Anderson, Don Richardson, and David Feilke.

Staff members participating included: Randy Young, Executive Director; Jon Sweeney, Deputy Director/Chief Engineer; Edward Swaim, Chief, Water Resources Management; Crystal Phelps, General Counsel; Adrian Baber, Chief, Conservation Division; Mark Bennett, Chief, Water Development Division; Ken Housh, Land Resource Specialist; and Pat Smith, Executive Assistant.

Chairman Farmer recognized Beth Smith, Executive Director of Alumni Relations. Mrs. Smith welcomed the Commission to the ASU campus. She stated that members of the ASU faculty would be making presentations on research regarding conservation practices and water quality.

Chairman Farmer called the meeting of the Arkansas Natural Resources Commission to order, welcomed guests, and introduced Representative Homer Lenderman. Mr. Lenderman stated that Arkansas had an abundance of water, but the challenge is to get the resource to where it is needed, when it is needed. He stated that he sits on the Agriculture Committee and that the Legislature is committed to preserving the resource.

**APPROVAL OF MINUTES: MAY 18, 2011**

Upon motion by Mr. Anderson, second by Dr. Lamkin, the Commission approved the minutes of the May 18, 2011, regular meeting.

**REPORT OF THE EXECUTIVE DIRECTOR**

**Status Report on Construction of Lake Bono Dam** – Mr. Jon Sweeney gave specifications on the structure of the dam and advised that it will be used for recreation and flood control for Bono. The design had to be changed because of poor soil conditions in the area, and a stability study had to be redone which has caused delays. The consultant's drawings and specs have been approved for the slurry wall. There is special concern because of seismic activity in the area and the USGS will be monitoring for temblors. In general, the construction is going well and progress is being made.

Mr. Young stated that the dam is located on the low side of Crowley's Ridge and the soil is not conducive for constructing a dam. There is also the added problem of being in the New Madrid Fault zone. Because it is the most complex designed and constructed dam in the state of Arkansas, close attention will be given to its construction. The City of Bono is immediately downstream of the dam, so it is categorized as a high hazard dam. Additional progress reports will be given by the staff on the dam as it is constructed.

Mr. Sweeney also noted that an Emergency Action Plan is being finalized on the dam.

**Report on Red River Compact Commission (RRCC)** – Mr. Young stated that Reach IV of the Red River compact pertains to the interstate streams Arkansas shares with the State of

Louisiana. Louisiana for the last fifteen years has been working on the rules to determine whether or not Arkansas is in compliance with the compact. An agreement was reached at the last RRCC meeting on the rules of apportionment of water, and a Resolution was later adopted by the Louisiana Legislature expressing concern that the state is not receiving its fair share of water and has subsequently notified the RRCC to get relief.

Mr. Swaim noted that under the rules of the Compact, the engineering committee is to communicate on a weekly basis the flows from the various USGS gages of streams in the area. For the past few weeks, there has been concern that not enough water is flowing into Louisiana, specifically, in Bayou Macon. One of the factors involves control of releases by the Corps from Lake Chicot that flows into Ditch Bayou. Rainfall calculations have also been made of runoff in the area. Those issues will be studied further. Staff will continue monitoring the flows and work with Louisiana to try to determine solutions.

**Report on Washington, DC Trip** - Mr. Young, along with Commissioners Lamkin and Richardson, recently traveled to Washington, DC to visit with NRCS officials and the Congressional Delegation. While there, Commissioner Richardson met with Mr. Tim Richardson, with the American Land Conservancy. Mr. Richardson is the editor of *Kodiak Bears & The Exxon Valdez*, a story of the oil spill and its effects on Alaska. Copies of the book were distributed to the Commissioners.

Commissioner Richardson and Mr. Richardson are working with the USDA to receive funding to implement a study on the effects of the BP oil spill in the Gulf.

Commissioner Richardson thanked Representative Lendermen for his active involvement in crafting legislation concerning the natural gas industry in Arkansas.

### **STATUS OF FINANCIAL ASSISTANCE PROGRAMS**

Mr. Young presented the financial assistance report. (Copy of report attached to the minutes).

### **LEGAL ISSUES**

**Request for Adoption of Water Resource Conservation and Development Incentives Act Rules** – Mrs. Phelps stated that a public hearing was held on July 15<sup>th</sup> and no public comments were received. Mrs. Phelps said that the rules would come before the Legislative Review Committee on Rules and Regulations on August 15<sup>th</sup>. She recommended the adoption of the rules pending review by the Legislative Review Committee on Rules and Regulations. Upon motion by Mrs. Cash, second by Dr. Lamkin, the Commission adopted the Water Resources Conservation and Development Incentive Act rules.

### **FINANCIAL ASSISTANCE**

#### **AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

Mr. Bennett gave an update on projects funded through the American Recovery and Reinvestment Act (ARRA). The vast majority of projects has been completed and he anticipates all will be completed by September 30th. He also gave an overview of the 'green' projects and projects receiving 'principal forgiveness' as specified by EPA.

**APPLICATIONS FOR FINANCIAL ASSISTANCE**

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

Upon motion by Mr. Anderson, second by Dr. Lamkin, the Commission approved the following recommendations:

**CAVE SPRINGS (Benton County) (WDF)** **Up to \$61,800.00**

PURPOSE OF FUNDS: *Costs overruns associated with the construction of water distribution system improvements within the Cave Springs.*

The Commission approved a loan for Cave Springs in an amount up to **\$61,800.00** from the Water Development Fund. This loan is for twenty (20) years at five percent (5%) interest. An administrative fee in an amount up to \$1,800.00 is to be retained by the Commission. Approval is contingent upon the city establishing and maintaining a depreciation reserve fund and upon the ANRC loan funds being the last funds used for the project.

**GUM SPRINGS (Clark County) (WDF)** **Up to \$103,000.00**

PURPOSE OF FUNDS: *To provide water service to about 20 new water customers along South Wood and Caraway roads near Gum Springs.*

The Commission approved a loan for Gum Springs in an amount up to **\$103,000.00** from the Water Development Fund. This loan is for twenty (20) 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 town establishing and maintaining a depreciation reserve fund.

**GUM SPRINGS (Clark County) (WDF)** **Up to \$15,450.00**

PURPOSE OF FUNDS: *To provide water service to about 20 new water customers along South Wood and Caraway roads near Gum Springs.*

The Commission approved a grant for Gum Springs in an amount up to **\$15,450.00** from the Water Development Fund. An administrative fee in an amount up to \$450.00 is to be retained by the Commission. Approval is contingent upon the town establishing and maintaining a depreciation reserve fund and upon the grant funds being the last funds used.

**MASSEY – ALEXANDER LEVEE DISTRICT (Jackson County) (WDF)** **Up to \$154,500.00**

PURPOSE OF FUNDS: *Engineering studies necessary to obtain FEMA Levee accreditation.*

The Commission approved a loan for Massey-Alexander Levee District in an amount up to **\$154,500.00** from the Water Development Fund. This loan is for thirty (30) years at five percent (5%) interest. An administrative fee in an amount up to \$4,500.00 is to be retained by the Commission. Approval is contingent upon the District establishing a maintenance reserve acceptable to the Executive Director.

**McNEIL (Columbia County) (DWSRF)**

**Up to \$1,700,000.00**

PURPOSE OF FUNDS: *To conserve water by reducing significant water loss within the McNeil water system by replacing water distribution lines within the system and other necessary improvements.*

The Commission approved funds for McNeil in an amount up to **\$1,700,000.00** of which the total amount will be in the form of a loan with principal forgiveness for McNeil 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.

**MIDLAND (Sebastian County) (WSSW)**

**Up to \$257,500.00**

PURPOSE OF FUNDS: *To install a sewer collection system in Midland and transmission line to Huntington. Midland and Huntington sewage will be transported to Mansfield for treatment. The project includes approximately 30,000 feet of six (6) inch force main, 2,400 feet of four (4) inch force main, 8,100 feet of three (3) inch force main and 23,000 feet of two (2) inch force main along with 132 simplex grinder stations and three (3) lift stations and associated appurtenances.*

The Commission approved a deferred loan for Midland in an amount up to **\$257,500.00** from the Water, Sewer & Solid Waste Fund. This loan is for thirty (30) years with a repayment schedule of twenty-eight (28) years at five percent (5%) interest. Payment upon principal is to be deferred for two (2) years and interest is to be waived for two (2) years. An administrative fee in an amount up to \$7,500.00 is to be retained by the Commission. Approval is contingent upon the town establishing and maintaining a depreciation reserve fund.

**MIDLAND (Sebastian County) (CWSRF)**

**Up to \$2,900,000.00**

PURPOSE OF FUNDS: *To install a sewer collection system in Midland and transmission line to Huntington. Midland and Huntington sewage will be transported to Mansfield for treatment. The project includes approximately 30,000 feet of six (6) inch force main, 2,400 feet of four (4) inch force main, 8,100 feet of three (3) inch force main and 23,000 feet of two (2) inch force main along with 132 simplex grinder stations and three (3) lift stations and associated appurtenances.*

The Commission approved funds for Midland in an amount up to **\$2,900,000.00** of which the total amount will be in the form of a loan with principal forgiveness for Midland from the Arkansas Clean Water State Revolving Loan Fund in accordance with the established funding priorities. Approval is contingent upon the town establishing and maintaining a depreciation reserve fund.

**NORMAN (Montgomery County) (DWSRF)**

**Up to \$2,100,000.00**

PURPOSE OF FUNDS: *To conserve water by reducing significant water loss within the Norman water system by replacing water distribution lines within the system and other necessary improvements.*

The Commission approved funds for Norman in an amount up to **\$2,100,000.00** of which the total amount will be in the form of a loan with principal forgiveness for Norman from the Arkansas Drinking Water State Revolving Loan Fund in accordance with the established funding priorities. Approval is contingent upon the town establishing and maintaining a depreciation reserve fund.

**SALINE COUNTY WATERWORKS AND SANITATION SEWER  
PUBLIC FACILITIES BOARD (Saline County) (CGO)**

**Up to \$1,545,000.00**

PURPOSE OF FUNDS: *To construct a new wastewater treatment plant with an approximate capacity of 200,000 gallons per day to comply with an ADEQ Consent Administrative Order.*

The Commission approved loan funding for Saline County Waterworks and Sanitation Sewer Public Facilities Board from the Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Program in an amount not to exceed **\$1,545,000.00**.

The project approved in this resolution is to be funded from the proceeds of the State of Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bonds (the "Bonds"). All documents evidencing the commitment for financing and completion of the project mentioned in this resolution shall be subject to modification, amendment for further conditions to comply with the rules and regulations (including all amendments thereto), which the Commission may adopt, from time to time in order to comply with the covenants concerning the Bonds.

The loan terms and interest rate are to be set by the Executive Director with a repayment schedule of up to thirty (30) years.

Staff is hereby directed to negotiate a "Memorandum of Agreement" with the above named applicant as provided for in the Section 502.1 of Title V, Administrative Rules and Regulations for Financial Assistance, within 60 days.

Approval is contingent upon the availability of any other required funds and upon completion of all statutory and regulatory requirements within a period of 180 days. An administrative fee of three percent (3%) will be collected by the Commission at loan closing.

**STEPHENS (Ouachita County) (DWSRF)**

**Up to \$2,900,000.00**

PURPOSE OF FUNDS: *To conserve water by reducing significant water loss within the Stephens water system by replacing water distribution lines within the system and other necessary improvements.*

The Commission approved funds for Stephens in an amount up to **\$2,900,000.00** of which the total amount will be in the form of a loan with principal forgiveness for Stephens 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.

**TURRELL (Crittenden County) (WSSW)**

**Up to \$51,500.00**

PURPOSE OF FUNDS: *To make repairs to the sewer system to allow the issuance of the NDPES permit.*

The Commission approved a loan for Turrell in an amount up to **\$51,500.00** from the Water, Sewer & Solid Waste Fund. This loan is for ten (10) years at two and one-half percent (2.5%) interest. An administrative fee in an amount up to \$1,500.00 is to be retained by the Commission. Approval is contingent upon the city establishing and maintaining a depreciation reserve fund.

**CONSERVATION DIVISION**

**APPOINTMENTS/REAPPOINTMENTS TO CONSERVATION DISTRICT BOARDS**

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

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

**REAPPOINTMENTS**

<i>Boone County CD</i>	<i>James Widner</i>
<i>Drew County CD</i>	<i>R.D. Jones, Jr.</i>
<i>Hempstead County CD</i>	<i>Tommy Love</i>
<i>Logan County CD</i>	<i>Jon Don Koenigseder</i>
<i>Madison County CD</i>	<i>Roy Mahler</i>
<i>Saline County CD</i>	<i>Richard Hoffman</i>

Upon motion by Mrs. Cash, second by Mr. Richardson, the Commission approved the following appointments:

**APPOINTMENTS**

<i>Johnson County CD</i>	<i>Tiffany Jordan</i>
<i>Cleveland County CD</i>	<i>Dean Stillman</i>
<i>Pike County CD</i>	<i>Doug Brown</i>
<i>Washington County CD</i>	<i>Anita Munyon</i>
<i>Fulton County CD</i>	<i>Bill Reynolds</i>

**DISTRICT LINE ITEM FUNDING RECOMMENDATIONS**

Mr. Baber presented FY 2012 Line Item Funding recommendations for the Commission's consideration. Upon motion by Mrs. Cash, second Mr. Richardson, the Commission approved staff recommendations as presented for 2012 Line Item Funding (a copy is attached to Minutes).

**CONSERVATION DISTRICT ACTIVITY REPORT** – Mr. Young announced the upcoming retirement of Ken Housh from the Arkansas Natural Resources Commission. Mr. Housh thanked everyone and stated that he has enjoyed his career with the Commission.

Mr. Housh introduced Mr. Jim Baxter with the Sharp County Conservation District. Mr. Baxter reported that the district supported and/or coordinated a number of activities and projects. These activities include conservation education and information, chainsaw safety workshops, poultry registration notifications, nutrient management plans for both cattle and poultry farms, and registration of poultry farms. The district also makes several items of equipment available for rent to local landowners to implement conservation related practices on their farms.

**WATER RESOURCES MANAGEMENT DIVISION**

Mr. Swaim reported plans to assemble a state-wide advisory committee to assist in the Arkansas Water Plan process. At present, staff is focusing their efforts on expending appropriated monies as efficiently as possible and to produce the best results in a timely manner.

Mr. Swaim advised that meetings have been held with Mr. Tom Riley with the University of Arkansas and Professor Ken Gould with the UALR Law School. The law school proposes to establish a Water Law and Policy Center which will be a good resource for the water plan process.

**BREAK/RECONVENE**

**ACTIVITY REPORTS**

Informational activity reports were presented by the following: Tom Riley, Policy Director, U of A Division of Agriculture; and Steve Jacks, USDA, Natural Resources Conservation Service.

Of special interest, Mr. Riley advised that an irrigation specialist has been hired and will be working in the Division of Agriculture beginning in the fall.

Mr. Jacks announced that there may be a cut in the budget for conservation programs that he estimates will be 3% across the board.

**COMMISSION TRAVEL EXPENSE REIMBURSEMENT**

**Approval of Travel Reimbursement** – Upon motion by Mrs. Cash, second by Mr. Feilke, the Commission approved reimbursable expenses for the Chairman or his designated representative to attend the following:

- (1) Meeting with USDA, Washington, DC, June 9-10, 2011
- (2) NACD South Central Region Meeting, Oklahoma City, Oklahoma, August 7-9, 2011
- (3) Arkansas Water Foundation Meeting, Harrison, Arkansas, July 13-14, 2011

Chairman Farmer thanked the Commissioners for attending the meeting.

**ADJOURN**

There being no further business, the meeting was adjourned.



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

September 23, 2011  
Date