

**Minutes of the  
ARKANSAS NATURAL RESOURCES COMMISSION**

**December 11, 2012**

The regular meeting of the Arkansas Natural Resources Commission was held Tuesday, December 11, 2012, at 8:00 a.m., at the Wyndham Riverfront Hotel, Silver City Room, 2 Riverfront Place, North Little Rock, Arkansas.

Commissioners in attendance were Chairman Sloan Hampton, Vice-Chair Ann Cash, Neal Anderson, Mike Carter, Don Richardson, Corbet Lamkin, Jerry Hunton, Fred Fowlkes, and David Feilke.

Staff members participating included: Jon Sweeney, Deputy Director/Chief Engineer; Edward Swaim, Chief, Water Resource Management Division; Crystal Phelps, General Counsel; Adrian Baber, Chief, Conservation Division; Mark Bennett, Chief, Water Development Division; Cynthia Bearden, Agency Controller; Todd Fugitt, Senior Geologist; Ryan Brooks, Engineer; Angela Gardner, Certified Floodplain Manager; Bob Fowler, Land Resource Specialist; Deanna Ray, Associate General Counsel; Carla Hill, Administrative Assistant; Blake Walters, Land Resource Specialist; and Pat Smith, Executive Assistant.

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

**APPROVAL OF MINUTES; SEPTEMBER 19, 2012**

Mrs. Cash noted that The Honorable Robert Moore's middle initial was incorrect in the first paragraph of the Executive Director's Report of the minutes. Upon motion by Dr. Lamkin, second by Mr. Fowlkes, the Commission approved the minutes of the September 19, 2012, regular meeting as amended.

**FINANCIAL ASSISTANCE**

**RATE REDUCTION ON WDF and WSSW LOANS**

Mr. Bennett reported that interest rates have continued to decline and the Commission was able to reduce the rates of interest charged its borrowers on newly closed loans from the Water Development Fund and Water, Sewer and Solid Waste Fund. The Executive Director approved the following rates and these rates are now in effect:

Loans with Ten-year or Less Repayment Period	2.5 percent
Loans with greater than Ten to 20-year Repayment Period	3.0 percent
Loans with greater than 20 to 30-year repayment Period	4.0 percent
Loans with a 10-year Deferral and Waiver period, and a 20-year Repayment Period	5.0 percent

**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), and the Water Development Fund (WDF).

Upon motion by Mrs. Cash, second by Mr. Anderson, the Commission approved the following recommendations:

**DOVER (POPE COUNTY) (WSSW)**

**Up to \$21,012.00**

*PURPOSE OF FUNDS: Sewer line extension to serve the ABC Children's Academy.*

The Commission approved a grant for Dover in an amount up to **\$21,012.00** from the Water, Sewer & Solid Waste Fund. An administrative fee in an amount up to \$612.00 is to be retained by the

Commission. Approval is contingent upon the city establishing and maintaining a depreciation reserve fund.

**HOXIE (LAWRENCE COUNTY) (WSSW)**

**Up to \$309,000.00**

*PURPOSE OF FUNDS: The renovation of two sanitary sewer lift stations and the replacement of approximately 900 water meters.*

The Commission approved a loan for Hoxie in an amount up to **\$309,000.00** from the Water, Sewer & Solid Waste Fund. This loan is for twenty (20) years at three (3%) percent interest. An administrative fee in an amount up to \$9,000.00 is to be retained by the Commission. Approval is contingent upon the city establishing and maintaining a depreciation reserve fund.

**LAWRENCE COUNTY REGIONAL WATER DISTRICT (WDF)**

**Up to \$772,500.00**

*PURPOSE OF FUNDS: The construction of an additional well and appurtenances to provide additional water to the system.*

The Commission approved a loan for Lawrence County Regional Water District in an amount up to **\$772,500.00** from the Water Development Fund. This loan is for thirty (30) years at four (4%) percent interest. An administrative fee in an amount up to \$22,500.00 is to be retained by the Commission. Approval is contingent upon the district establishing and maintaining a depreciation reserve fund.

**NORTH PULASKI WATERWORKS PUBLIC FACILITIES BOARD) (WDF)**

**Up to \$38,110.00**

*PURPOSE OF FUNDS: The installation of water distribution lines to serve the McGill Road area in Pulaski County.*

The Commission approved a grant for North Pulaski Waterworks Public Facilities Board in an amount up to **\$38,110.00** from the Water Development Fund. An administrative fee in an amount up to \$1,110.00 is to be retained by the Commission. Approval is contingent upon the board establishing and maintaining a depreciation reserve fund.

**DEOBLIGATION OF FUNDS BY EXECUTIVE DIRECTOR**

Mr. Bennett reported that the Executive Director has deobligated funds for the following:

<b>BRYANT (SALINE COUNTY) (00769-DWSRF-L)</b>	<b>\$1,000,000.00</b>
<b>FULTON COUNTY (00840-WSSW-L)</b>	<b>\$25,750.00</b>
<b>MCNEIL (COLUMBIA COUNTY) (00870-DWSRF-F)</b>	<b>369,000.00</b>
<b>NAIL SWAIN (NEWTON COUNTY) (00611-WSSW-G)</b>	<b>\$51,500.00</b>

**INCREASE IN FINANCIAL ASSISTANCE**

Mr. Bennett reported that the Executive Director, after consultation with the Chairman, approved additional funds for the following:

<b>PARON-OWENSVILLE WATER AUTHORITY (PULASKI COUNTY) (00600-DWSRF-L)</b>	<b>\$200,000.00</b>
<b>STEPHENS (OUACHITA COUNTY) (00873-DWSRF-F)</b>	<b>\$100,000.00</b>

## **PROJECTS BID AND PLANS REVIEWED SINCE JANUARY 2012**

Mr. Bennett gave an overview of the projects.

## **REPORT OF THE EXECUTIVE DIRECTOR**

**2013 Commission Meeting Schedule** - In the absence of Mr. Young, Mr. Sweeney presented the 2013 Commission Meeting Schedule. Mr. Sweeney requested the Commission consider changing the January meeting to the 23<sup>rd</sup> because it would be beneficial to the Water Development Division. Upon motion by Mrs. Cash, second by Mr. Anderson, the Commission approved the 2013 Commission Meeting Schedule as amended.

Mr. Sweeney requested the Commission consider not meeting in conjunction with the Arkansas Association of Conservation District's annual meeting in December. Mrs. Cash asked that the matter be deferred until the January Commission meeting. Upon motion by Dr. Lamkin, second by Mr. Carter, the Commission deferred consideration of the matter until the January Commission meeting.

## **STATUS OF FINANCIAL ASSISTANCE PROGRAMS**

In the absence of Mrs. Bearden, Mr. Sweeney presented the financial assistance report. (Copy of report attached to the minutes).

## **LEGAL ISSUES**

**Report on the Cabot/Ward Appeal** – Mrs. Phelps updated the Commission on the lawsuit between Cabot and Ward. Cabot has requested to stay the Commission's decision until the lawsuit is resolved. Both Ward and Commission's legal staff are not in favor of the response. Staff asked that the motion be denied. Cabot also requested that they be allowed to file briefs and make oral arguments to the judge regarding the decision. Both Ward and the Commission's legal staff objected to the request, but the judge may grant Cabot the request. Mrs. Phelps is expecting an Order from the judge shortly.

## **CONSERVATION DIVISION**

**CONSERVATION DISTRICT ACTIVITY REPORT** – Mr. Baber requested permission to change the order of the agenda to allow the Conservation District's activity report first because of scheduling conflicts with the Arkansas Association of Conservation Districts annual meeting.

Mr. Andrew Wargo III, with the Desha County Conservation District, reported that the district is very excited to update the Commission on the MRBI program. It's a concept designed to address the hypoxia issue in the Gulf of Mexico. A pilot program was conducted on the Upper Mississippi River Basin initiative starting at the Great Lakes. It was successful and twelve states have been added in the Lower Mississippi Basin, which contains 41 watersheds. Arkansas has seven watersheds within the basin.

Desha County did not participate in round one, but in FY10 the county was granted part of the Bayou Macon watershed initiative that covers approximately 2,000 square miles. The program brought approximately \$10 million into Desha County that centers around Canal 81.

In FYs11/12, the county had 300 applications for participation in the program covering areas such as drop pipes, water quality/quantity, erosion mitigation, crop rotation, etc. The county funded 122 contracts, and obligated \$5 million, which \$4.2 million was for MRBI. The typical farm acreage is 500 acres, with about \$95 an acre obligated.

Commissioner Hunton described the additional nutrient management burdens placed on northwest Arkansas farmers as compared to those in the rest of the state. Mr. Baber stated that a lot of those burdens are required on the federal level and not the state level.

**APPOINTMENTS/REAPPOINTMENTS TO CONSERVATION DISTRICT BOARDS**

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

**APPOINTMENTS**

<i>Buffalo CD</i>	<i>Don Balentine</i>
<i>Logan County CD</i>	<i>Mike Farris</i>
<i>Pope County CD</i>	<i>Jim Ed Gibson</i>
<i>Sebastian County CD</i>	<i>Chris Knubley</i>
<i>Sharp County CD</i>	<i>Charles Kunkel</i>

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

**REAPPOINTMENTS**

<i>Jackson County CD</i>	<i>Steve Tinsley</i>
<i>Nevada County CD</i>	<i>Reed Kroger</i>

**WATER RESOURCES MANAGEMENT DIVISION**

**Water Resources and Management Division Report** - Mr. Swaim presented the fourth in a series of ANRC division presentations to the Commission. He gave an overview of the Dam Safety and Floodplain programs. The dam safety program is one of the oldest programs, originally put into law in 1957, and states that all dams constructed in Arkansas of a certain size have to be permitted before being built. Two engineers work in the program and inspect dams annually on a rotational basis. The dams are categorized as low hazard, high hazard, and significant hazard dams. Mr. Ryan Brooks, engineer, addressed the Commissioners giving an overview of how inspections are conducted, and recordkeeping practices.

Dr. Lamkin commented that the Commission needs a de-permitting process as well. He urged staff to look into de-permitting a structure so that the structure is taken out in an aesthetically pleasing manner if it can be viewed by the public from the road. The guidelines need to be updated to require the entire structure to be removed. Mr. Sweeney stated that rules are in place for the removal of dams, but at present, it only addresses safety issues. Mr. Sweeney stated that those restrictions can be written in if the law allows it. Mr. Swaim stated that Mr. Brooks will visit that particular dam site.

Mr. Swaim stated that ANRC administers the National Flood Insurance Program for Arkansas. Presently, there are over 400 communities in Arkansas that participate. There is an accreditation program through the state, and a certified floodplain manager program. Mr. Swaim introduced Mrs. Angela Gardner, Certified Floodplain Manager, to give an overview of the Mitigation Grant Program. This program assists with repetitive loss structures, which are not balanced with premiums paid by homeowners.

Mrs. Gardner gave background information on the FEMA Flood Hazard Mitigation Program. The purpose of the program is to address repetitive flooded structures in communities involved in the National Flood Insurance Program.

Mr. Carter asked for examples of areas that have been flooded four or more times in state. Mrs. Gardner stated that the program identifies homes that are built near the main channel of a creek or stream, or built at grade instead of elevated above the flood level and were grandfathered into the program. This program provides funds to either elevate the structure, relocate the structure, or buy out the structure and convert the property over to the community as open space as well as to build localized flood control structures.

**Update on Arkansas Water Plan** - Mr. Swaim stated that a 'demand' workgroup meeting will be held next week to discuss how to assess and project water demands through 2050. Reports will be forthcoming on results from that meeting. A similar process will be conducted on 'supply'. The goal is to fit the supply with the demand where possible.

Mr. Swaim reported on the statewide meetings held in the four corners of the state. The attendance was good at each one. The primary questions were on interstate transfer of water, riparian rights to use water, hydraulic fracturing, and calculations for allocation of water during shortages.

**Consideration of Resolution to Commemorate the Work of Congressman Marion Berry by Naming the Bayou Meto Pump Station Number One in His Honor** - Mr. Swaim presented a resolution to commemorate the work of Congressman Marion Berry. The Bayou Meto Water Management District approached the Commission and asked that the plant be named after Congressman Berry because of his work in promoting the surface water project. Resolution 2012-05 would state that the Commission is in favor of naming the plant the 'Marion Berry Pump Station'. The Corps of Engineers also need verification that the Commission approves the name. It is the staff's recommendation that the Commission adopt Resolution 2012-05 to name the Bayou Meto Pump Station Number One the 'Marion Berry Pump Station' in honor of Congressman Berry. Upon motion by Mrs. Cash, second by Mr. Feilke, the Commission adopted Resolution 2012-05 as presented.

**COMMISSION TRAVEL EXPENSE REIMBURSEMENT**

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

- (1) NACD Annual Meeting, January 27-30, 2013, San Antonio, Texas

**OTHER BUSINESS**

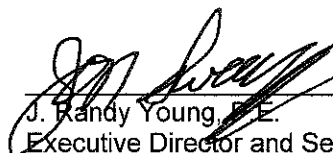
**NOMINATING COMMITTEE REPORT; 2013 ELECTION OF OFFICERS** – Mr. Anderson, Committee Chair, presented the recommendations of the committee as follows:

Mrs. Ann Cash, Chairman  
Dr. Corbet Lamkin, Vice-Chair

For the record, Mrs. Cash recused herself. Upon motion by Mr. Richardson, second by Mr. Hunton, the Commission approved the recommendations of the nominating committee as presented. The term of office for the new officers will begin January 1, 2013 and expires December 31, 2013.

**ADJOURN**

There being no further business, the meeting was adjourned.

 Jon Sweeney, PE  
Deputy Director/Chief Engineer  
J. Randy Young, PE. Acting for: J. Randy Young, PE  
Executive Director and Secretary

1-29-13  
Date