

ARKANSAS NATURAL RESOURCES COMMISSION
June 22, 2023

The regular meeting of the Arkansas Natural Resources Commission (ANRC) was held in person and via Zoom on Thursday, June 22, 2023 at 9:30 a.m. at the Arkansas Department of Agriculture, 1 Natural Resources Drive, Little Rock, AR 72205.

Commissioners in attendance were as follows: Chairman Will Brewer, Vice Chairman Eddie Glover, Commissioner Neal Anderson, Commissioner Jamie Burr, Commissioner William Anderson, Commissioner JoAnne Bush, Commissioner Bruce Leggitt, and Commissioner Roy Reaves. Commissioner Bill Poynter was not able to participate in the meeting.

Staff members in attendance included: Wes Ward, Secretary of Agriculture, Chris Colclasure, Director; Ryan Benefield, Deputy Director; Megan Perkins, Conservation Program Coordinator; Mary Elizabeth Lea, Agriculture Program Specialist; Debby Dickson, Water Development Section Manager; Dewania Coleman, Program Fiscal Manager; Matthew Brooks, Engineer Supervisor; Whit Montague, Dam Safety/Floodplain Engineer Supervisor; Jay Whisker, State Water Engineer Supervisor; Wade Hodges, Attorney, Fred Wiedower, Deputy Chief Fiscal Officer and others attending virtually.

A list of guests is attached to the minutes.

Chairman Brewer called the ANRC meeting to order, and roll was called.

APPROVAL OF MINUTES: March 15, 2023

Upon motion by Mr. Roy Reaves, seconded by Ms. JoAnne Bush, the Commission unanimously approved the minutes of the meetings held on March 15, 2023.

WATER RESOURCES DEVELOPMENT SECTION

Clean Water State Revolving Loan Fund (CWSRF)

Upon motion by Mr. Roy Reaves, seconded by Mr. William Anderson, the Commission unanimously approved the following staff recommendations for 45 projects for Clean Water funding.

Mrs. Debby Dickson presented 45 CWSRF projects, see exhibit A.

Drinking Water State Revolving Loan Fund (DWSRF)

Upon motion by Mr. Roy Reaves, seconded by Mr. Eddie Glover, the Commission unanimously approved the following staff recommendations for 62 projects for Drinking Water funding.

Mrs. Debby Dickson presented 62 DWSRF projects, see exhibit B.

State Funded

Upon motion by Mr. Eddie Glover, seconded by Mr. Jamie Burr, the Commission unanimously approved the following staff recommendations for 15 projects for State funding.

Mrs. Debby Dickson presented 15 projects, see exhibit C.

Upon motion by Mr. William Anderson, seconded by Mr. Neal Anderson, the Commission unanimously approved the following staff recommendations.

Arkansas Rural Water Association

Project: 2023 - 2024 Circuit Rider Grant

Project Description

Arkansas Rural Water Association (ARWA) has been providing Training and Technical Assistance to water systems throughout the state of Arkansas since 1985 through funding provided by the Arkansas Natural Resources Commission.

ARWA has multiple technical assistance programs. This proposal is for the Association's continued funding assistance for a "Circuit Rider". The Circuit Rider is a trouble shooter, capable of providing the technical assistance necessary to help any water system, preferably under 10,000 population, with their infrastructure problems. The Circuit Rider would primarily provide assistance with operation, maintenance, management and financial problems that plague the smaller systems in the State of Arkansas. This technical assistance program is presently funded at \$125,000/year and ARWA is requesting that funding level remain the same to operate this annual program.

Project Financial Information

The current three year (2018-2020) average Median Household Income (MHI) provided by UALR for the State of Arkansas is \$47,599.

ARWA will provide quarterly and year-end reports to the agency on each Commission funded program.

Executive Director's Recommendation

Recommend the commission approve an amount up to \$125,000 in a grant to ARWA from the Water Development Fund.

Arkansas Rural Water Association

Project: 2023 - 2024 Public Water Systems Grant

Project Description

Arkansas Rural Water Association (ARWA) has been providing training and technical assistance to water and wastewater systems throughout the state of Arkansas since 1985 through funding provided by the Arkansas Natural Resources Commission.

The technical assistance grant program works with public water systems in ten counties listed as Arkansas' persistent poverty counties. These ten counties are selected for PWS (Public Water

Systems) infrastructure surveys. A planned, in-depth, on-site inspection of the selected systems is performed to include all existing above ground water system infrastructures.

These water system infrastructure inspections are to determine the source of water, number and type of tanks, pump station's voltage, horsepower, pump capacity, and if a system has interconnections with other PWS's. Additional inspection results determine the required power needs in KW (kilowatt) for emergency generators, the type of emergency electrical transfer switches and if a manual transfer switch or automatic transfer switch could be installed to make the PWS more resilient in a time of power outages. The inspections also determine the percent of monthly water loss for the last twelve months and to assist systems with water audits. This technical assistance program is presently funded at \$65,000/year and ARWA is requesting the funding level remain the same to operate this annual program.

Project Financial Information

The current three year (2018-2020) average Median Household Income (MHI) provided by UALR for the State of Arkansas is \$47,599.

ARWA will provide quarterly and year-end reports to the agency on each program.

Executive Director's Recommendation

Recommend the commission approve an amount up to \$65,000 in a grant to ARWA from the Water Development Fund.

Upon motion by Mr. Jamie Burr, seconded by Mr. Neal Anderson, the Commission unanimously approved the following staff recommendations for State Match funding.

Arkansas Natural Resources Commission

Project: Clean Water & Drinking Water State Revolving Loan Fund State Match

Project Description

The ADA-NRD administers the SRF programs. Both the Safe Drinking Water and Clean Water SRF programs were established by the U.S. Environmental Protection Agency (EPA). The Clean Water SRF provides a low interest source of financing for a wide range of wastewater treatment infrastructure projects. The Drinking Water SRF provides low interest financing for infrastructure improvements that are needed to protect public health and ensure compliance with drinking water standards. Communities across Arkansas can request financing through the SRF to improve or expand their water and wastewater systems at a lower interest rate than other financing options. This savings is then passed on to the rate payers in those communities.

The Infrastructure Investment and Jobs Act (IIJA) was enacted on November 15, 2021, these funds supplement the base SRF programs. The Drinking Water SRF has three separate funding opportunities under IIJA, general supplemental, emerging contaminants, and lead service line replacement and the Clean Water SRF has two funding opportunities under IIJA, general supplemental and emerging contaminants. A key priority under IIJA is to ensure that disadvantaged communities benefit equitably from this investment in water infrastructure.

ADA-NRD must apply annually for capitalization grants from the Environmental Protection Agency for each program each year including IJJA. As a condition of the capitalization grant the State of Arkansas is required to provide 10% to 20% State matching funds. The level of matching funds varies by program.

A total of \$13,905,200 of the series 2022B GO bond proceeds was reserved for SRF state match. The Commission approved a grant for \$8,058,800 from the Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Fund (GO Bond) in December 2022 for estimated FFY2022 EPA capitalization grant state match requirements leaving \$5,846,400 for future state match requirements.

Estimated State Match

EPA FFY 2023 Capitalization Grant – CWRLF	\$4,907,000
*Required 20% State Match for CWRLF	981,400
EPA 2023 General BIL Grant CWRLF	\$13,635,000
*Required 10% State Match CWRLF	1,363,500
Required 20% Capitalization State Match for CWRLF	981,400
Required 10% General BIL State Match for CWRLF	1,363,500
Total State Match for CWRLF	\$2,344,900
EPA 2023 Capitalization Grant - DWSRF	\$5,912,000
*Required 20% State Match for DWRLF	1,182,400
EPA 2023 General BIL Gants-DWRLF	\$25,209,000
*Required 10% State Match for DWRLF	2,520,900
Required 20% State Match for DWSRF	1,182,400
Required 10% General BIL State Match for DWSRF	2,520,900
Estimated Total State Match DWRLF	\$3,703,300
Total State Match for CWRLF & DWRLF (FFY 2023)	\$6,048,200

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$5,846,400 as a grant to Arkansas Natural Resources Commission from the Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Fund.

Upon motion by Mr. Neal Anderson, seconded by Mr. Eddie Glover, the Commission unanimously approved the following staff recommendations for Water, Sewer Solid Waste Fund (WSSW).

**City of Biscoe
Prairie County**

Project: Water and Wastewater Improvements

Project Description

The commission approved a grant in an amount up to \$5,172,450 from the Arkansas Water, Waste Disposal, and Pollution Abatement Facilities General Obligation Bond Fund at the December 2022 commission meeting. Arkansas Department of Transportation (ARDOT), the City of Biscoe (City) and the Natural Resources Division (NRD) have met several times to discuss the project scope and funding. As a result, ARDOT will fund and manage the project for the improvements related to the White River rest area and the City will manage the project for the improvements related to the City's water and wastewater system improvements.

They serve customers within the incorporated City of Biscoe and the immediate surrounding areas. The water system has been in continuous service since 1965. The system consists of a water supply well, a water treatment plant, an elevated storage tank and water distribution lines. Due to the age of the system, it is in extremely bad condition with major corrosion and structural defects. The raw water well pump and the two high service pumps need being replaced. All the metal parts of the water treatment plant exhibit serious corrosion issues and require major repairs and or replacement. There is also need for an additional water supply well to supplement the existing 56-year-old well and provide redundancy and backup for the city's water supply. The proposed water system improvements will provide upgrades to the water treatment and storage facilities to accommodate the existing system customers and ensure major outages will be avoided. The improvements will also provide services to the ARDOT White River rest area which is currently lacking those services.

The wastewater collection system and treatment plant have been in service since 1995 providing domestic wastewater service to its customers. It consists of a treatment plant, six pumping stations, and collection lines. The existing pumping facilities have operated continuously for 26 years with the necessary maintenance that has been required to keep them operating. The useful life of the pumping station has been exceeded which results in the constant need of major maintenance on all the system's pumping equipment components. The Arkansas Department of Transportation (ARDOT) operates a rest area on Interstate 40 at the White River, approximately three miles West of Biscoe. The rest area does not currently have potable water or wastewater facilities. ARDOT has made inquiries to Biscoe about the possibility of providing the required water and wastewater services. Biscoe is willing to furnish the services provided funding for the project can be secured. It is proposed to replace all pumping and control equipment in the six existing pumping stations in the wastewater collection system. The existing wells will remain in service with all the existing pumps and piping being removed and replaced. The new control panels will include manual transfer switches for connection to the proposed trailer mounted portable generator.

Project Financial Information

The current average monthly residential water bill based on 4,000 gallons of usage is \$29.00. The current average residential wastewater bill based on 4,000 gallons of usage is \$28.00 The entity will not be required to increase its water or wastewater rates but will be required to complete a rate study compliant with Act 605. The current three-year (2017-2019) average Median Household

Income (MHI) provided by UALR for Biscoe is \$44,021. The entity listed its customer base for this project at 250. Biscoe has no outstanding loans with ANRC.

Estimated Project Costs

Category	ARDOT	BISCOE	Total Estimated Project Cost
Construction:	3,478,800	2,039,003	\$5,517,822
Contingencies:	347,880	105,000	\$452,880
Engineering – Planning:	278,304	79,121	\$357,425
Engineering – Inspection:	173,940	44,506	\$218,446
Legal Fees:	0	15,200	\$15,200
Administrative:	0	0	\$ 0
Capitalized Interest:	0	0	\$ 0
Other:	0	0	\$ 0
Total Estimated Capital Cost	\$4,278,924	\$2,282,830	\$6,561,773

Executive Director’s Recommendation

Recommend the commission change the grant from an amount up to \$5,172,450 from the Arkansas Water, Waste Disposal, and Pollution Abatement Facilities General Obligation Bond Fund to a grant from Water, Sewer Solid Waste fund in an amount up to \$2,282,830. If approved, the executive director will establish any necessary terms and conditions.

Authorize the executive director of the commission division the discretionary authority to increase the amount of financial assistance to the applicant for bid overruns by an amount up to 10% of the commission funding amount \$228,283 without returning to the commission for approval. Such increase in financial assistance shall be granted only after consultation with the commission chairman. Any financial assistance increases pursuant to this section shall be reported to the commission in its entirety at the next regularly scheduled commission meeting.

DE-OBLIGATION OF FUNDS:

Upon motion by Mr. Neal Anderson, seconded by Mr. Roy Reaves, the Commission unanimously approved the following staff recommendations for de-obligation of funds.

Mrs. Debby Dickson reported on the below referenced funds to be de-obligated from the Arkansas Drinking Water State Revolving Loan Fund (DWSRF).

Town of Reed (01273-DWSRF-F) \$45,466.00
 De-obligate funds in the amount of \$45,466.00 that were approved in March 2020 from the Arkansas Drinking Water State Revolving Loan Fund (DWSRF). Project is complete.

Wright Pastoria WA Meters (01324-DWSRF-L) \$356,460.00
 De-obligate funds in the amount of \$356,460.00 that were approved in November 2020 from the Arkansas Drinking Water State Revolving Loan Fund (DWSRF). Project is complete.

Wright Pastoria WA Improvements (01320-DWSRF-L) \$64,650.00
De-obligate funds in the amount of \$64,650.00 that were approved in November 2020 from the Arkansas Drinking Water State Revolving Loan Fund (DWSRF). Project is complete.

GENERAL OBLIGATION BOND SERIES RESOLUTION: Ryan Benefield, Deputy Director reported on series resolution authorizing the issuance and sale of \$43,000,000 state of Arkansas water, waste disposal and pollution abatement facilities general obligation bonds. \$30,000,000 that could be used for irrigation projects, and \$13,000,000 allocated for match for other projects.

Upon motion by Mr. Neal Anderson, seconded by Mr. Roy Reaves, the Commission unanimously approved the general obligation bond series resolution.

CONSERVATION SECTION – Megan Perkins reported on the below appointments, reappointments, change of positions and director emeritus:

Appointments to Conservation District Boards

Cleburne County	Brain Ashlock
Cleveland County	Jason Boyd
Cleveland County	Terry Thompson
Independence County	Meagan Davis
Jefferson County	Dawn Render
Jefferson County	Stephen Orlicek
L’aigle Creek	Jamie Courtney
L’aigle Creek	Robert Murphy

Reappointments to Conservation District Boards

Calhoun County	Frank Stevenson
Independence County	Eddie Wagoner
Izard County	Gary Hutson
Lawrence County	Ray Moseley
Lonoke County	Billy Bennett
Mine Creek	Joe Martin
Montgomery County	Jonathan Rowland
Perry County	Donald Shamsie
Pike County	Johnny Hale
White County	Bradley Watkins

Positions Changes to Conservation District Boards

Carroll County	Chris Meador
Carroll County	Larry Harp

Director Emeritus to Conservation District Boards

Miller County	Barbara Sutton
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Miller County
Miller County

Nedra Turney
John Turner

Upon motion by Mrs. JoAnna Bush, seconded by Mr. Neal Anderson, the Commission unanimously approved the appointments, reappointments, changes in positions and director emeritus to Conservation District Boards.

FY2024 State Grants-to-Districts Funding

Ms. Perkins recommended 21 conservation districts and their 31 projects and quickbooks for all 75 conservation districts for grants-to-districts funding.

Upon motion by Mr. William Anderson, seconded by Mr. Bruce Leggitt, the Commission unanimously approved the funding for FY2024 State Grants-to-Districts.

FY2024 Line-Item Funding

Ms. Perkins recommended the FY24 available line-item funding, \$922,339 to be distributed equally to each of the 75 conservation districts.

Upon motion by Mr. Roy Reaves, seconded by Mr. William Anderson, the Commission unanimously approved the funding for FY2024 Line-Item.

REPORT OF THE DIRECTOR – Director Colclasure began by highlighting events occurring within the Arkansas Natural Resources Division (NRD):

General Agency

- We awarded 13 AURP projects totaling \$904,510 utilizing \$300,000 from the Unpaved Roads Funding and \$604,510 from #19 funding. (Sharp, Fulton, Greene, Hot Spring, Poinsett, Calhoun, Polk, Benton, Washington, Conway, Johnson, Searcy, and Pope.
- We secured contracts for bond counsel and financial advisor for conducting revenue bond sales in our State Revolving Fund Program. You approved the series resolution of \$43 million today in the General Obligation Bond Program. We also plan to sale \$120 million in revenue bonds to increase cash in the State Revolving Fund to meet increased borrowing demands. The SRF Bond Resolution will be coming to you for review and approval at the July meeting.
- ARPA Update: We have expensed \$13.2 million of the \$280 million. We continue work our legal team to develop agreements for all 157 projects.
- This fiscal year we have conducted 20 water plan compliance reviews and hearings. We had another 252 projects that were evaluated and determined to be exempt and two projects pending review and a decision.
- We have also issued Non-Riparian Permits, mostly for Energy Companies. We do have one pending permit for a withdraw from the Ouachita River by Saline Regional Public Water Authority. We have scheduled a public hearing next Tuesday in Benton to get input prior to the final permit decision.

- We continue to experience a generational turnover and frequent retirements. This month we had two long time employees retire from the Division. Mike Guess (Groundwater Section) with 30 years of employment and Alan Johnson (35 years). Alan is here today, and we will be presenting him his retirement plaque.

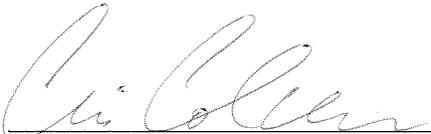
FINANCIAL ASSISTANCE REPORT - Mr. Fred Wiedower, Deputy Chief Fiscal Officer, presented the financial assistance report dated May 31, 2023. There were no questions.

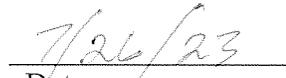
LEGAL – Mr. Wade Hodge briefly went over act 691, the consolidating agriculture boards and commissions, abolishing certain boards within the department of agriculture, and transferring the duties of certain boards within the department. Some of the changes include the readvisement of membership of the Commission to require two licensed water well contractors, terms go from 7 years to five years, this will go into effect at the next new appointment, and a water well subcommittee will need to be created, one of water well contractors will be chairman.

OTHER

ADJOURN

There being no further business, the commission unanimously agreed to adjourn the meeting.


Chris Colclasure
Director


Date