

MINUTES
ARKANSAS NATURAL RESOURCES COMMISSION
May 21, 2025

The regular meeting of the Arkansas Natural Resources Commission (ANRC) was held in person on Wednesday, May 21, 2025, at 9:30 am at the Arkansas Department of Agriculture, 1 Natural Resources Drive, Little Rock, AR 72205.

Commissioners in attendance were as follows: Chairman Jamie Burr, Vice Chairman William Anderson, Commissioner Neal Anderson, Commissioner Bruce Leggitt, and Commissioner Mike McDermott, Commissioner Joanne Bush, Commissioner David Gilbert. Commissioner Eddie Glover and Commissioner Will Brewer were unable to participate in the meeting.

Staff members in attendance included: Chris Colclasure, Natural Resources Division Director; Christy Raatz, Administrative Analyst; Tate Wentz, Water Resources Chief; Megan Perkins, Conservation Program Coordinator; Debby Dickson, Water Development Section Manager; Patrica Young, Administrative Specialist; Leah Johannes, Program Fiscal Manager; Whit Montague, Engineer Supervisor; Fred Wiedower, Deputy Chief Fiscal Officer; Amanda Andrews, Managing Attorney; Wes Ward, Secretary of Department of Agriculture; Alex Johnston, Chief of Staff Department of Agriculture.

A list of guests is attached to the minutes.

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

APPROVAL OF MINUTES: March 13, 2025

Upon motion by Mr. Neal Anderson, seconded by Mrs. Joanne Bush, the Commission unanimously approved the minutes of the meeting held on March 13, 2025.

CORRECTION OF MINUTES: July 17, 2024

Upon motion by Mrs. Joanne Bush, seconded by Mr. William Anderson, the Commission unanimously approved the correction of minutes of the meeting held on July 17, 2024.

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

General Agency

- **Water Plan** –Michael Baker International has started on the water quality and infrastructure components of the water plan. We are working with the Little Rock District Corps of Engineers directly on the Water Supply, Water Demand, Gap Analysis and Mitigation Strategy Components of the Plan. In line with the Governor Sanders executive order, we continue to focus on the outreach side, most recently in the form of focus group meetings and water plan presentations. Since the last commission in March, Tate Wentz and I have given four water plan presentations at various conferences and meetings. Over the last year, I have personally given 21 water plan presentations with

more on the schedule for this summer. We will also be planning some larger stakeholder events.

- **Bond Sale** – We are preparing for a \$25 million-dollar general obligation bond sale that will occur on June 25. We just went through our bond rating process and learned that the State’s Bond Rating for the General Obligation Bond program moved from AA to AA+, which should attract a better interest rate. As part of this upcoming bond sale, we will need a special meeting (virtual) on June 4 at 9:30am to approve a series resolution.
- **Irrigation Projects** - The irrigation projects continue to make good progress. Megan Perkins on our team really helps them navigate issues so that they continue to make progress. I will provide a couple of updates on each project:
 - **Grand Prairie:** Pump station construction continues and is going very well with contractor CJ Mahan Construction. The electrical substation is nearing completion by Entergy with the first phases of energization happening now. The HWY 63 and 70 bridge bids should be awarded by ARDOT in the coming weeks. Canal construction, pipeline installation, and county road crossing construction is ongoing by White River Irrigation District weather permitting. Expected water delivery is 2026 growing season to approximately 40k acres.
 - **Bayou Meto:** USACE expects to award the Canal 1000 Phase 3.2 contract July 31st. This contract will include 3 miles of canal, 5 siphons, 1 gravity turnout, and 2 pump turnouts with an expected completion of October 2027. Bayou Meto has awarded the contract to construct the Cole Deading Road bridge, and this is the final bridge to be constructed for phase 1 operation. The Bayou Meto Water Management District continues to work with NRCS on the clearing and snagging on bayous, construction of additional pumping plants, and associated distribution lines on Indian Bayou and Indian Bayou Ditch. The Bayou Meto Management District has also repaired and stabilized the Little Bayou Meto Pump Station. Phase 1 is expected to be completed in late 2027 and on farm water delivery will begin for the 2028 growing season for up to 90,000 acres.
- **Water Development** – We recently had our annual programmatic audit by EPA. This is where they review our Clean Water and Drinking Water State Revolving Fund Programs. I am happy to report that we had a very good report from them and learned that our program is one of the top in the county regarding pace, which is dollars being disbursed based on state allocations. Our Clean Water SRF was ranked 2nd in the nation and the Drinking Water Program was ranked 3rd in the nation. What this ultimately means is that when we are allocated funds, we get projects awarded, started, and constructed quickly in comparison to other states, which is testament to our water development staff.

FINANCIAL ASSISTANCE REPORT – Mr. Fred Wiedower, Deputy Chief Fiscal Officer of the Department of Agriculture, presented the financial assistance report dated April 30, 2025.

LEGAL: Amanda Andrews, Managing Attorney for the Department of Agriculture, briefly reported on FOIA requests. Since the last Commission meeting, the Department has received 10 requests that are related to the Natural Resources Division. Ms. Andrews also discussed new legislation. The Regular Session of the 95th General Assembly convened on January 13, 2025, and adjourned sine die on May 5, 2025. There are 13 new Acts that apply to or impact the Natural Resources Division. Of those Acts, 5 require changes to or new Rules and 1 requires the Commission to adopt a new policy related to meetings. Staff of the Natural Resources Division have begun drafting the necessary rules, and we expect to present those to the Commission at its next Regular Meeting. The Arkansas Attorney General recently issued an opinion stating that new laws without emergency clauses or with another specified effective date will become effective on August 5, 2025.

WATER RESOURCES DEVELOPMENT SECTION

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

Mrs. Debra Dickson, Water Development Section Manager, presented a recommendation for the referenced project below requesting financial assistance.

City of Sherwood

Pulaski County

Purpose: Five Mile Creek Sewer Interceptor Rehabilitation

Project Description

The City of Sherwood's sewer interceptor lines located in the Five Mile Creek Basin of its municipal satellite collection system need to be rehabilitated. The city seeks to rehabilitate its existing sewer interceptor lines in its Satellite Sewer System to reduce the amount of inflow and infiltration (I/I) and sanitary sewer overflows (SSOs) in their system during periods of wet weather and to comply with Division of Environmental Quality (DEQ) Consent Administrative Order LIS 08- 135.

The project includes cured-in-place pipe (CIPP) lining of the 24-inch and 30-inch sewer interceptor mains, cleaning and closed circuit television (CCTV) of the mains before the CIPP lining work, heavy cleaning and removal of solids and debris found inside the sewer interceptor mains, wastewater control and bypass pumping, and testing and CCTV of the sewer interceptor lines after the CIPP lining work is complete.

Project Financial Information

Sherwood will not need to increase rates, their current rates are \$39.37, based on 4,000 gallons a month of sewer usage. The current three-year (2019-2021) average Median Household Income (MHI) provided by UALR for Sherwood is \$68,919. Sherwood listed the customer base for this project at 6,144. Sherwood has two loans with the commission and is current on their payments.

Estimated Project Cost

Construction:	\$5,413,612
Contingencies	541,361

Engineering – Planning, Design & Construction	422,073
Engineering-Inspection	357,298
Legal	0
Administrative	0
Other: Surveying	119,099
Other:	0
Capitalized Interest During Construction	0
Total Estimated Capital Cost:	6,853,443
Less:	0
3% Origination Fee	205,603
Total ANRC Funding Requested:	\$7,059,046

Director’s Recommendation

Recommend the commission approve an amount up to \$7,059,046.00 (which includes a 3% origination fee of \$205,603.00), in the form of a loan from the General Obligation Bond Fund.

Authorize the executive director 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 (\$705,905.00) 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.

Nail-Swain Water Association

Newton County

Purpose: Water Association Service Truck

Project Description

The proposed project is to allow Nail- Swain to purchase a truck. The truck will be used for operational purposes, primarily to read meters but also for emergency response, repair leaks, install new meters and service, and additional water system work necessary for the Nail-Swain Water Association (NSWA) members.

Project Financial Information

NSWA will need to increase their rates to \$68.56, their current rates are \$67.88, based on 4,000 gallons a month of water usage. The current three-year (2019-2021) average Median Household Income (MHI) provided by UALR for Newton County is \$54,011. NSWA listed the customer base for this project at 379. NSWA currently has no loans with commission.

Estimated Project Costs

Other: Vehicle Purchase	\$39,842
Other: 3% Issuance Fee	1,195
Total ANRC Funding Requested:	\$41,037

Director’s Recommendation

Recommend the commission approve an amount up to \$41,037.00 (including a 3% issuance fee of \$1,195.00), in the form of a loan from the Water Development Fund.

Authorize the executive director with 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 (\$4,104.00) 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.

City of Weiner

Poinsett County

Purpose: Wastewater Sludge Holding Pond Renovations

Project Description

The existing sludge wasting ponds at the wastewater treatment facility have experienced erosion over time due to wave action in the pond. The National Pollutant Discharge Elimination System (NPDES) permit requires the system to maintain and repair these pond levees. The proposed project consists of the repair of the eroded areas on the levee and installation of riprap on the interior of the levee to prevent further erosion. The project will allow Weiner to continue to comply with NPDES requirements.

Project Financial Information

The funding recommendation will be made contingent on Weiner increasing their wastewater rates by 114% to \$31.29, their current rates are \$14.62, based on 4,000 gallons a month of wastewater usage. The current three-year (2019-2021) average Median Household Income (MHI) provided by UALR for Weiner is \$42,331. Weiner listed the customer base for this project at 413. Weiner has two loans with the commission and is current on their payments.

Estimated Project Cost

Construction:	\$238,375
Contingencies:	23,838
Engineering – Planning, Design & Construction:	24,910
Engineering-Inspection:	11,799
Legal:	9,871
Administrative:	0
Other:	0
Other:	0
Capitalized Interest During Construction:	1,671
<hr/> Total Estimated Capital Cost:	<hr/> 308,793
Less:	0
3% Origination Fee	9,264
<hr/> Total ANRC Funding Requested:	<hr/> \$318,057

Director’s Recommendation

Recommend the commission approve an amount up to \$318,057 (which includes a 3% origination fee of \$9,264), in the form of a loan from the Water, Sewer, Solid Waste Fund.

Authorize the executive director 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 (\$31,806) 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.

**City of Banks
Bradley County**

Purpose: Regionalization of Banks into Southeast Bradley County Public Water Authority

Project Description

The City of Banks is seeking a grant to pay off the wastewater system’s debt with the United States Department of Agriculture’s Rural Development loan. This will allow Banks to regionalize their water system with Southeast Bradley County Public Water Authority (SBC).

In July 2019, the commission approved \$505,323 in a loan with principal forgiveness to SBC to regionalize the Banks Water System. This project has progressed slowly but is now nearing complete agreement and a project start date. Currently the only roadblock to regionalization is the outstanding loan to USDA Rural Development. The city is currently on the fiscally distressed list, regionalization will provide a path for the city to be removed from the current fiscal distress list.

Project Financial Information

The current three-year (2020-2023) average Median Household Income (MHI) provided by UALR for Banks is \$63,750. Banks listed the customer base for this project at 120. Banks has no loans with the commission.

Estimated Project Cost

Construction:	\$0
Contingencies	0
Engineering – Planning, Design & Construction	0
Engineering-Inspection	0
Legal	0
Administrative	0
Other: USDA-RD Debt	95,383.61
Other:	0
Capitalized Interest During Construction	0
<hr/> Total Estimated Capital Cost:	<hr/> 0
Less:	0
3% Origination Fee	0
<hr/> Total ANRC Funding Requested:	<hr/> \$95,383.61

Director's Recommendation

Recommend the commission approve an amount up to \$95,383.61, in the form of a grant and waive the 3% origination fee from the Water, Sewer, Solid Waste Fund. Disbursement of approved funds is contingent on an executed agreement and implementation of regionalization of the Banks water system into the Southeast Bradley County Public Water Authority System. Southeast Bradley County Public Water Authority must own, operate and maintain the Banks system.

Arkansas Rural Water Association

Project: SFY 2026 Water 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 across the state. This technical assistance program is presently funded at \$125,000/year and ARWA is requesting that the funding level remain the same to operate this annual program.

Project Financial Information

The current three-year (2019-2022) average Median Household Income (MHI) provided by UALR for the State of Arkansas is \$52,644.

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

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: SFY 2026 Technical Assistance 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.

Perform a planned, in-depth, onsite inspection of the selected systems to include all existing and water and wastewater infrastructure. Provide lat/long of primary equipment for emergency response purposes.

Project Financial Information

The current three-year (2019-2022) average Median Household Income (MHI) provided by UALR for the State of Arkansas is \$52,644.

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

Director’s Recommendation

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

**City of Hampton
Calhoun County**

Purpose: Wastewater Collection Rehabilitation

Project Description

The proposed project is to clean and televise the existing collection system, repair major points of inflow and infiltration (I/I), and replace worn out pumps due to sand and grit entering the facilities through I/I.

The existing collection system has a significant I/I problem. During the wet season, any rainfall events more than ½-inch causes overflows within the collection system overloading the pumping facilities in the collection system. The system was installed in the late 1950's and early 1960's using a combination of Orangeburg and clay pipe which have reached the end of their life.

Project Financial Information

The current three-year (2020-2022) average Median Household Income (MHI) provided by UALR for Hampton is \$48,482. Hampton listed the customer base for this project at 1,181. Hampton has two loans with the commission and is current on their payments.

Estimated Project Cost

Construction:	\$1,842,000
Contingencies	184,200
Engineering – Planning, Design & Construction	130,000
Engineering-Inspection	60,000
Legal	0
Administrative	0
Other: BABA Compliance	5,000
Other: Regulatory Approval	500
Capitalized Interest During Construction	0

Total Estimated Capital Cost:	2,221,700
Less: Applicant Contribution	2,000,000
3% Origination Fee	0
Total ANRC Funding Requested:	\$221,700

Director’s Recommendation

Recommend the commission approve an amount up to \$221,700, in the form of a grant from the Sewer Overflow and Stormwater Reuse Municipal Grant Fund (OSG).

Authorize the executive director 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 (\$22,170) 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.

City of Haskell
Saline County

Purpose: Sanitary Sewer Evaluation Survey

Project Description

The City of Haskell is required by the Division of Environmental Quality Consent Administrative Order Legal Information System Number (DEQ CAO LIS) 19-023-003 to implement an inflow and infiltration (I/I) study and corrective action plan to address fluctuating flows and facilitate a efficient treatment process at their North Wastewater Plant. This project will address the I/I study requirement, identify I/I sources, and create a plan for reducing the I/I sources in the sewer collection system.

This project includes a Sanitary Sewer Evaluation Survey (SSES) of the entire City of Haskell wastewater collection system. The SSES will identify areas of the sewer collection system which are subject to I/I and compile any needed sewer collection system repairs and replacements into a future sewer collection system rehabilitation project.

Project Financial Information

The current three-year (2020-2022) average Median Household Income (MHI) provided by UALR for Haskell is \$92,061. Haskell listed the customer base for this project at 3,956. Haskell has two loans with ANRC and is current on their payments.

Estimated Project Cost

Construction:	\$387,500
Contingencies	38,750
Engineering – Planning, Design & Construction	120,000
Engineering-Inspection	0
Legal	0
Administrative	0
Other: BABA Compliance	0

Other: Regulatory Approval	0
Capitalized Interest During Construction	16,388
Total Estimated Capital Cost:	562,638
Less: Applicant Contribution	0
3% Origination Fee	0
Total ANRC Funding Requested:	\$562,638

Director’s Recommendation

Recommend the commission approve an amount up to \$562,638, in the form of a grant from the Sewer Overflow and Stormwater Reuse Municipal Grant Fund (OSG).

Authorize the executive director 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 (\$56,264) 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.

**Watershed Conservation Resource Center
Washington County**

Purpose: Implementation of Little Sandy Creek Restoration, Phase II

Project Description

Watershed Conservation Resource Center (WCRC) is in Washington County and services Northwest Arkansas. It is a non-profit founded 20 years ago and strives to protect, conserve, and restore natural resources by utilizing the watershed approach, environmental outreach, and providing planning and technical assistance to landowners, communities, and government.

This is an updated version of a previous fiscal year 2023 funding request made to the OSG program. The proposed project is in the City of Johnson along Little Sandy Creek, which currently poses threats to water and sewer infrastructure and is contributing significant sediment and nutrient loads into the Illinois River watershed through accelerated streambank erosion

This project includes construction of the stream restoration for Phase II, a 1,130-foot downstream portion of the creek not funded by the previous OSG grant.

Project Financial Information

This funding recommendation is based on the WCRC fulfilling the grant requirements. WCRC will be required to provide additional funding to complete the project, or the project scope may be reduced to reflect the approved grant funds. A change in scope request will be required prior to any reduction in scope.

Estimated Project Cost

Construction:	\$796,013
Contingencies	0
Engineering – Planning, Design & Construction	64,750

Engineering-Inspection	52,610
Legal	11,350
Administrative	0
Other:	0
Other:	0
Capitalized Interest During Construction	0
Total Estimated Capital Cost:	924,723
Less: Applicant Contribution	225,631
Less: Previous Grant #02513-OSG-G	400,000
Total ANRC Funding Requested:	\$299,092

Director’s Recommendation

Recommend the commission approve an amount up to \$229,092 in the form of a grant from the Sewer Overflow and Stormwater Reuse Municipal Grant Fund (OSG).

Authorize the executive director 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 (\$29,909) 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.

**Arkansas Energy and Environment, Division of Environmental Quality (DEQ)
Statewide**

Purpose: DEQ Per and Poly Fluoroalkyl Substance (PFAS) Pilot Program

Project Description

Through this multi-year pilot project, the Division of Environmental Quality (DEQ) will use a phased approach to evaluate potential sources of Per- and Polyfluoroalkyl Substances (PFAS) and determine the status and fate of PFAS in the state’s surface waters and drinking water.

Harmful PFAS pose urgent public health and environmental issues to communities across the United States. PFAS have been manufactured and used in a variety of industries in the United States and around the globe since the 1940s, and they are still being used today. Because of the duration and breadth of use, PFAS can be found in surface water, groundwater, soil, and air—from remote rural areas to densely populated urban centers. A growing body of scientific evidence shows that exposure at certain levels to specific PFAS can adversely impact human health and other living things. Despite these concerns, PFAS are still used in a wide range of consumer products and industrial applications.

Through this pilot project, DEQ seeks to obtain information about PFAS in Arkansas’s waters of the state. The sampling and analyses to be performed in this pilot project are not part of DEQ’s regular monitoring activities. DEQ will not be performing its regular monitoring activities as part of this pilot project. DEQ has set up this pilot project so that the analyses will be performed independently of and separately from the analyses performed by its water laboratory.

Estimated Project Cost

Initial Equipment Setup:	\$429,131
Personnel:	556,964
Consumables	306,371
Indirect charge	389,805
Travel:	123,150
Total ANRC Funding Requested:	\$1,805,421

Director’s Recommendation

Recommend the commission approve an amount up to \$1,805,421 in the form of a grant from the Drinking Water Revolving Loan Fund - Infrastructure and Investment Jobs Act - Emerging Contaminant Grant Set Aside Funds.

City of Cushman

Independence County

Purpose: Additional Funding - Water System Improvements

Project Description

The proposed project consists of the renovation of two booster stations. The renovation of Booster Station No. 1 includes the replacement of the pumps, replacement of the interior piping, renovation of the chlorination feed system, renovation of the electrical system, and installation of a generator. The renovation of Booster Station No. 2 includes the replacement of the pumps, replacement of the interior piping, renovation of the electrical system, and installation of a generator. The improvements consist of the cleaning and painting of the interior and exterior of the existing 100,000-gallon elevated water storage tank. The city has additional proposed project improvements consisting of the replacement of 31,000 linear feet of water service line, replacement of meter boxes, meter setters, the installation of blow offs on the existing system, installation of air release valves on the existing system, installation of a new telemetry system and upgrade to cellular read meters.

The project was approved for funding with an amount up to \$2,274,988.00 (Loan #02260-DW-L for \$568,747 and loan with principal forgiveness #02261-DW-F for \$1,706,241) from the Arkansas Drinking Water State Revolving Loan Fund program in June of 2023. Cushman is requesting an additional \$140,000.00 for this project due to bids coming in higher than estimated and these additional funds will allow them to award the contract.

Project Financial Information

The City of Cushman’s current water rates are \$66.70, for 4,000 gallons of usage, they will not be required to increase their water rates. The current three-year (2020-2022) average Median Household Income (MHI) for the City of Cushman is \$35,412. The City of Cushman does not have any outstanding loans with the commission.

Estimated Project Costs

	Previously Approved	Additional Funding	Total Project Cost
Construction:	\$1,797,600	\$140,000	\$1,937,600
Contingencies	179,760	0	179,760

Engineering – Planning, Design & Construction	187,647	0	187,647
Engineering-Inspection	88,981	0	88,981
Legal	15,000	0	15,000
Administrative	0	0	0
Other: Cultural Resource Survey	6,000	0	6,000
Other:	0	0	0
Estimated Capitalized Interest During Construction	0	0	0
Other: 3% Issuance Fee	0	0	0
Total Estimated Capital Cost:	\$2,274,988	\$140,000	\$2,414,988

Director’s Recommendation

Recommend the commission approve additional funding in an amount up to \$140,000.00, in the form of a loan, in total an amount up to \$2,414,988.00, to the City of Cushman from the Drinking Water State Revolving Fund.

Authorize the executive director 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 (\$241,498.00) 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.

City of Flippin

Marion County

Purpose: Additional Funding - Water System Improvements

Project Description

The City of Flippin purchases its water from the Marion County Regional Water System. The water storage for the system is provided by a single 250,000-gallon standpipe located in the southern portion of the city, which is reported by the Arkansas Department of Health (ADH) to have only 25,000-gallons of usable storage volume. At the present time, the two (2) biggest issues associated with the water system are the amount of unaccounted-for water (water loss) and the fact that the distribution system only has an approximate 1.9-hours of usable water storage capacity. The city would also like to replace the old, outdated distribution system with new water mains, valves, hydrants, and water meters. Most of the new water mains would be larger than the existing lines. The combination of these improvements will provide better water capacity and pressure throughout the distribution system. The replacement of the water mains would help to reduce the number of leaks that the system experiences each year. This would help to reduce the amount of unaccounted-for water, as well as decrease the O/M costs associated with the system. As part of the distribution replacement, new service lines would be run to the existing customers, including the replacement of the water meters. The new water meters would provide better accountability of water consumption by each customer, which would also help to decrease the amount of unaccounted-for water. The better accountability of water consumption might also increase the revenue seen by the water system.

The project was approved for funding with a loan in an amount up to \$7,969,036.00 (Loan #02229-DW- L for \$1,992,259 and Loan with principal forgiveness #02230-DW-F for \$5,976,777) from the Arkansas Drinking Water State Revolving Loan Fund program in June 2023. Flippin is requesting an additional \$2,500,000 for this project. These additional funds are needed due to bids coming in higher than estimated and will allow them to award the contract.

Project Financial Information

This funding recommendation is based on The City of Flippin increasing water rates to \$59.57 for 4,000 gallons of usage, their current monthly bill is \$45.82. The current three-year (2020-2022) average Median Household Income (MHI) for the City of Flippin is \$38,000. The City of Flippin does not have any outstanding loans with the commission.

Estimated Project Costs

	Previously Approved	Additional Funding	Total Project Cost
Construction:	\$6,412,045	\$2,500,000	\$8,912,045
Contingencies	641,205	0	641,205
Engineering – Planning, Design & Construction	511,361	0	511,361
Engineering-Inspection	264,497	0	264,497
Legal	20,000	0	20,000
Administrative	0	0	0
Other: Land Abstracting & Easements	10,000	0	10,000
Other: Railroad Permitting & Flagging	20,000	0	20,000
Estimated Capitalized Interest During Construction	89,928	0	89,928
Other: 3% Issuance Fee	0	0	0
Total Estimated Capital Cost:	\$7,969,036	\$2,500,000	\$10,469,036

Director’s Recommendation

Recommend the commission approve additional funding in an amount up to \$2,500,000, in the form of a loan, in total an amount up to \$10,469,036, to the City of Flippin from the Drinking Water State Revolving Fund.

Authorize the executive director 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 (\$104,690.00) 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.

City of Gillett

Arkansas County

Purpose: Additional Funding - 100,000 Gallon Elevated Tank

Project Description

Construct a new 100,000-gallon elevated water storage tank. The existing 50,000-gallon tank is in dire need of maintenance and does not meet the minimum storage capacity for average daily consumption.

This project will directly benefit the city by maintaining stable pressures. The tank will greatly improve the redundancy & reliability of the system. The volume of storage added with this project ensures the system maintains the minimum of 24 hours of available emergency storage recommended by the Arkansas Department of Health. In addition, the project will increase available fire protection available to users in the system, potentially resulting in decreased insurance service office problems.

The project was approved for funding with a loan in an amount up to \$1,260,000.00 (Loan #02431-DW-L \$630,000 and loan with principal forgiveness #02432-DW-F \$630,000), from the Arkansas Drinking Water State Revolving Loan Fund program in November of 2023. Gillett is requesting an additional \$448,000.00 for this project. These additional funds are needed due to bids coming in higher than estimated and will allow them to award the contract.

Project Financial Information

This funding recommendation is based on the City of Gillett increasing water rates to \$70.10 for 4,000 gallons of usage, their current monthly bill is \$33.70. The current three-year (2020-2022) average Median Household Income (MHI) for the City of Gillett is \$46,493. The City of Gillett does not have any outstanding loans with the commission.

Estimated Project Costs

	Previously Approved	Additional Funding	Total Project Cost
Construction:	\$920,000	\$448,000	\$1,368,000
Contingencies	138,000	0	138,000
Engineering – Planning, Design & Construction	92,000	0	92,000
Engineering-Inspection	50,000	0	50,000
Legal	20,000	0	20,000
Administrative	40,000	0	40,000
Other:	0	0	0
Other:	0	0	0
Estimated Capitalized Interest During Construction	0	0	0
Other: 3% Issuance Fee	0	0	0
Total Estimated Capital Cost:	\$1,260,000	\$448,000	\$1,708,000

Director’s Recommendation

Recommend the commission approve additional funding in an amount up to \$448,000.00, in the form of a loan, in total an amount up to \$1,708,000.00, to the City of Gillett from the Drinking Water State Revolving Fund.

Authorize the executive director 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 (\$170,800.00) 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.

RENEWAL OF DAM OPERATION PERMIT:

Mrs. Whit Montague, Engineer Supervisor/ P.E., presented on the renewal of dam operation permits.

Mrs. Montague discussed an initiative that was implemented recently to protect the infrastructure in the State of Arkansas, specifically focusing on the dams that are regulated by the State. This is the outcome of several years of looking at it, analyzing what would be the best way to deploy the strategy, looking at the need for it and finding out how we can create the biggest buy-in and reduce fears about the complexity and the funding.

CONSERVATION DISTRICT FUNDING:

Mrs. Megan Perkins, Conservation Program Coordinator, presented on the conservation district funding.

Mrs. Perkins discussed the FY 2026 conservation district line-item funding. For FY 2026 the amount available to distribute to conservation districts for line-item funding is \$915,000 after expenses for the employee dishonesty policy, worker's compensation insurance and a reserve for special projects are withheld. The Conservation Section staff recommend approval of the FY 2026 available line-item funding to be distributed equally on a quarterly basis to conservation districts that have submitted their district's operating plan in accordance with the commission's Title 2 rules. Any funding remaining after the expenses for the employee dishonesty policy, worker's compensation insurance, and special projects are satisfied, will be evenly distributed to the conservation districts.

ACTIVITY REPORTS

Activity reports were presented by Debbie Moreland, AACD, Jaysson Funkhouser, USACOE, Amanda Mathis, NRCS, and Jessica Sears, DEQ.

OTHER

Upon motion by Mr. David Gilbert, seconded by Mr. William Anderson, the Commission unanimously approved the Remote Attendance Policy, Act 505 of 2025.

Chris Colclasure, Natural Resources Division Director, discussed the Remote Attendance Policy as a result Act 505 of 2025.

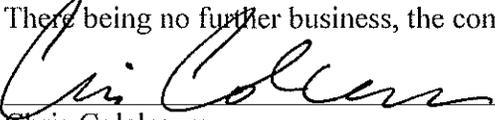
It is the policy of the Arkansas Natural Resources Commission that Members are permitted to attend meetings of the Commission remotely as provided by Act 505 of 2025, effective on August 4, 2025, and codified as Arkansas Code Annotated § 25-19-106(e). For a Member of the Commission who attends a meeting remotely to be counted for a quorum or to vote, the Commission shall:

1. At the beginning of the meeting, verify the identity of the Member attending remotely;
2. Allow other Members and members of the public, whether physically present at the meeting or attending the meeting remotely, at all times to:
 - a. Hear the Member attending remotely.
 - b. Observe or otherwise understand a vote of the Member attending remotely; and
 - c. Know the identity of the Member attending remotely when that Member is speaking or voting; and
3. Allow a member attending remotely to hear the other Members in attendance at the meeting and any public comment.

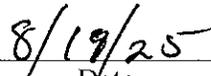
Any Member who attends a Commission meeting remotely, as provided by this policy, shall not receive mileage or per diem for attending the meeting.

ADJOURN

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



Chris Colclasure
Director



Date