

MINUTES
ARKANSAS NATURAL RESOURCES COMMISSION
January 15, 2025

The regular meeting of the Arkansas Natural Resources Commission (ANRC) was held in person and via zoom on Wednesday January 15, 2025, at 9:00 a.m. 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 Eddie Glover, Commissioner Neal Anderson, Commissioner Bruce Leggitt, and Commissioner Mike McDermott, Commissioner Roy Reaves, Commissioner Will Brewer and Commissioner JoAnne Bush attended via zoom.

Staff members in attendance included: Chris Colclasure, Natural Resources Director; Christy Raatz, Administrative Analyst; Debby Dickson, Water Development Section Manager; Blake Forrest, Groundwater Section Supervisor; Tate Wentz, Water Resources Section Manager; Matthew Brooks, Engineer Supervisor; Randy Polk, Engineer; Whit Montague, Engineer Supervisor; Fred Wiedower, Deputy Chief Fiscal Officer; Tanner Thomas, Attorney of Department of Agriculture; Wes Ward, Secretary of Department of Agriculture; Alex Johnson, Deputy Secretary 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: November 20, 2024

Upon motion by Mr. Will Brewer, seconded by Mr. Roy Reaves, the Commission unanimously approved the minutes of the meeting held on November 20, 2024.

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

General Agency

- **Water Plan** – The US Army Corps of Engineers, Memphis District is currently in the process of selecting a contactor for Phase II, of the State Water Plan. The contractor was selected based on scope of work that was prepared from Phase I, along with our input. In addition, we are working to submit planning assistance to states funding request for funding to complete all of Phase II. We are also in the process of scheduling focus group meetings in February and March for Water Quality, Water Demands, and Flooding.
- **Levee Project** – We continue to work with the US Army Corps of Engineers on the levee inventory project. The current effort is focused on identifying and confirming levees not already identified in the National Inventory of Dams. A total of 34 potential levees in 47 counties were identified through review of LiDAR data. The consultant is contacting county officials and levee districts to confirm these levees as well as identify possible additional structures. Initial outreach efforts included emails and letters to county judges and clerks. The consultant is currently focusing on phone interviews and targeted face-to-

face interviews. The outreach effort is expected to continue through June 2025. We are assisting with additional contact information for levee districts based on the levee reports submitted that have been submitted to us.

- **Alliance Project** – We are expanding the Alliance Project into Lee County. We will be working directly with the St. Francis County Conservation District to work with producers in Lee County. We also intend on promoting the program, through our partner, during the winter production meetings that are scheduled across the state. 7 counties Arkansas, Drew, Lincoln, Jefferson, St. Francis, Lee, and Cleveland Counties.
- **Feral Hogs**- We are currently working on a strategic plan for feral hogs. This will be a multi-agency approach and an opportunity to assess the progress that we have made to date and set a path for the future.
- **Lowest Crop Per Drop Irrigation Contest** – I recently participated as a judge to the Lowest Crop Per Drop program administer by Dr. Chris Henry with the University of Arkansas Cooperative Extension. They continuously prove that producers, when focused on water conservation, can maintain high yields with minimal inches of irrigation water. Some folks in the rice contact achieved 13 bushels per inch of water. Many used less than 12 inches of irrigation water across the growing season. It is quite impressive what Chris and his team and the producers that compete can accomplish when they are focused on conserving water.
- **Turnover** – we have experienced a high amount of turnover recently. We currently have eight vacancies in the Division. We have had some that advanced their careers outside the Department, we have had shuffling inside the division, and we continue to experience retirements. In fact, we have been going through a generational turnover for some time. In the spirit of retirements, I have two employees that have retired or about to retire that I would like to recognize today that combined have 71 years of experience.
 - **Sue Filat Alami**- Sue retired December 31st with 34 years of service for the state. Sue was in charge of our Wetland and Riparian Tax Credit Program and was the Quality Control Officer for the Nonpoint Source Program.
 - **Randy Polk**- is set to retire on January 31. Randy has 37 years of service to our division. Randy is an engineer that has faithfully served our water development section helping communities with water project engineering review and support.

FINANCIAL ASSISTANCE REPORT – Mr. Fred Wiedower, Deputy Chief Fiscal Officer of the Department of Agriculture, presented the financial assistance report dated December 31, 2024.

LEGAL: Tanner Thomas, Attorney for the Department of Agriculture, briefly reported on the Water Plan Compliance Hearing that was held on December 18, 2024. Also, we have sent out two consent agreements on water well contractors on potential violations. Waiting on responses from that. Legislation session has started there are already a handful of bills that involve water and water related issues maybe one or two well issues. Discuss these with your Representatives and Senators if you would like to know more about these.

REIMBURSEMENT OPTIONS:

Upon motion by Mr. Eddie Glover, seconded by Mr. William Anderson, the Commission unanimously approved option 1.

Every state board may ... authorize expenses reimbursement for each board member for performing official board duties. The expenses reimbursement shall not exceed the rate established for state employees. These expenses shall include travel expenses such as:

Mileage:\$0.52/mile

Lodging:

Standard:\$110/night

Hot Springs: \$114/night

Meals/incidentals* (overnight stays only):

Standard: \$51.00/day

Hot Springs: \$51.00/day

*Meals and incidentals include costs such as parking and telephone charges, etc.

Note: The meals and incidentals amount above is reflective of first and last day of travel, which by rule is reduced by 25%. The listed rate is consistent with standard commission meetings.

STATE REVOLVING FUND BOND RESOLUTION:

Upon motion by Mr. William Anderson, seconded by Mrs. Joanne Bush, the Commission unanimously approved the following state revolving fund bond resolution.

WATER RESOURCES DEVELOPMENT SECTION

Upon motion by Mr. Bruce Leggitt, seconded by Mr. Roy Reaves, the Commission unanimously approved the following staff recommendations for project financial assistance:

Ms. Debra Dickson, Water Development Section Manager, presented staff recommendations for the referenced project below requesting financial assistance and additional funding from the Clean Water State Revolving Loan Fund (CWSRF), Drinking Water State Revolving Loan Fund (DWSRF), Water Development Fund (WDF), Water, Sewer, and Solid Waste Fund (WSSW), and General Obligation Bond program (CGO).

FINANCIAL ASSISTANCE:

Gravel Ridge Sewer Improvement District #213 (Gravel Ridge)

Pulaski County

Purpose: Sewer Collection System Rehabilitation

Project Description

Gravel Ridge is required by the Arkansas Department of Environmental Quality Consent Administrative Order #22-030 to submit a comprehensive Sanitary Sewer Flow Monitoring and Infiltration and Inflow (I/I) Study which identifies I/I sources, estimates I/I, and creates a plan and milestone schedule for reducing I/I.

The proposed project will include a Sanitary Sewer Evaluation Study (SSES) and I/I study to identify the I/I sources and create a plan and milestone schedule for reducing I/I in the sewer collection system. The project will also rehabilitate the existing sewer collection system to reduce I/I sources identified in the SSES. Other proposed work will include manhole rehabilitation, cured-in-place-piping (CIPP), pipe bursting for increasing sewer main size and capacity including point repairs of small sections of the existing gravity sewer main.

Project Financial Information

The funding recommendation will be made that Gravel Ridge increase their sewer rates by 79% to \$52.55, their current rates are \$29.36, 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 the Gravel Ridge is \$55,497. Gravel Ridge listed the customer base for this project at 1,489. Gravel Ridge has two loans with the Commission and is current on their payments.

Estimated Project Cost

Construction:	\$1,539,441
Contingencies	329,500
Engineering – Planning, Design & Construction	315,880
Engineering-Inspection	105,500
Legal	50,000
Administrative	0
Other: Legal	50,000
Other:	0
Capitalized Interest During Construction	49,128
Total Estimated Capital Cost:	2,439,449
Less:	0
3% Origination Fee	73,183
Total ANRC Funding Requested:	\$2,512,632

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$2,512,632 (which includes a 3% origination fee of \$73,183), 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 (\$251,263.00) 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 Mount Ida

Montgomery County

Purpose: Sewer Plant Rehabilitation

Project Description

The proposed project will rework the piping and the configuration of the pumps to make the plant easier to operate and improve the quality of control of the plant. All three pumps are from different manufacturers and sizes. The headworks will be replaced with a unit sized for the flow and will include a manual bar screen for redundancy. The UV system is aged and in need of replacement and a remote monitoring system will be installed.

Project Financial Information

The funding recommendation will be made that Mount Ida increase their sewer rates by 50% to \$28.88, their current rates are \$19.25, 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 Mount Ida is \$41,387. Mount Ida listed the customer base for this project at 600. Mount Ida has four loans with the Commission and is current on their payments.

Estimated Project Cost

Construction:	\$440,000
Contingencies	44,000
Engineering – Planning, Design & Construction	42,350
Engineering-Inspection	20,570
Legal	12,976
Administrative	0
Other:	0
Other:	0
Capitalized Interest During Construction	9,256
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Total Estimated Capital Cost:	569,152
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Less:	0
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3% Origination Fee	17,074
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Total ANRC Funding Requested:	\$586,226

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$586,226 (which includes a 3% origination fee of \$17,074), 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 (\$58,623.00) 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.

North Crossett Utilities (NCU)

Ashley County

Purpose: Meter Upgrade Project

Project Description

The proposed project will replace all the existing manual read water meters with new cellular read ultrasonic meters. The new water meters are far more accurate than the existing manual reads. In addition, the ability to read the meters from the office by use of the cellular radios will allow the personnel that are current physically reading meters each month to be re-tasked for more beneficial activities. The new water meters will also provide the utility and customers with alerts for leaks, excessive usage among other data via a web portal. Previous water meter upgrade projects have shown to also help in accounting for water loss as many of the old existing meters were not registering accurately, especially on low flows.

Project Financial Information

NCU current rates of \$18.00 appear sufficient at this time and no rate increase appears to be needed, this is 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 Crossett is \$40,439. NCU listed the customer base for this project at 1,251. NCU has one loan with the Commission.

Estimated Project Cost

Construction:	\$650,000
Contingencies	65,000
Engineering – Planning, Design & Construction	57,200
Engineering-Inspection	28,600
Legal	14,275
Administrative	0
Other:	0
Other:	0
Capitalized Interest During Construction	9,116
Total Estimated Capital Cost:	824,191
Less:	0
3% Origination Fee	24,725
Total ANRC Funding Requested:	\$848,916

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$848,916 (which includes a 3% origination fee of \$24,725), 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 (\$84,892.00) 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 Ola

Yell County

Purpose: Water Main Replacement & Pump Station Upgrade

Project Description

A portion of the system supplies water by using a pump station. One of these booster pump stations is over 30 years old. Recently one of the two pumps in the station failed and caught fire and cannot be repaired. An inspection of the station was completed, and the deterioration and damage to the station is such that it is not feasible to just replace the pumps due to the age and condition of the power supply and controls. This project will include installation of a new booster pump station with variable frequency drive controls and remove the old station once completed

Project Financial Information

The funding recommendation will be made that Ola increase their water rates by 9% to \$29.21, their current rates are \$26.80, 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 Ola is \$51,643. Ola listed the customer base for this project at 571. Ola has three loans with the Commission and is current on their payments.

Estimated Project Cost

Construction:	\$255,000
Contingencies	25,500
Engineering – Planning, Design & Construction	26,648
Engineering-Inspection	12,622
Legal	10,127
Administrative	0
Other:	0
Other:	0
Capitalized Interest During Construction	3,576
Total Estimated Capital Cost:	333,473
Less:	0
3% Origination Fee	10,004
Total ANRC Funding Requested:	\$343,477

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$343,477 (which includes a 3% origination fee of \$10,004), in the form of a loan from the Water Development 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 (\$34,348.00) 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 Eureka Springs

Carroll County

Purpose: Emergency Funding Request

Project Description

This emergency request is to reimburse the city for repair and resolution of a leak in the existing sludge storage basin. The funds will be used to prepare a separate unused tank for use as a temporary sludge storage basin. This will allow the existing tank to be de-watered, cleaned, repaired, modified to bypass the potentially failed underground piping.

The Executive Director, with Chairman approval, authorized emergency funding in an amount up to \$100,000, on November 20, 2024. This authority is permitted under current rule Title 5, Section 502.2, Subpart B. Furthermore, any emergency disbursements made pursuant to this provision shall be reported to the Commission as a whole at its next regularly scheduled meeting.”

Project Financial Information

The funding recommendation is conditioned that Eureka Springs increase their sewer rates by 91% to \$60.81, their current rates are \$31.84, 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 the Eureka Springs is \$37,936. Eureka Springs listed the customer base for this project at 1,945. Eureka Springs has one loan with the Commission.

No funding has been disbursed for this project.

Estimated Project Cost

Construction:	\$100,000
Contingencies	0
Engineering – Planning, Design & Construction	0
Engineering-Inspection	0
Legal	0
Administrative	0
Other:	0
Other:	0
Capitalized Interest During Construction	0
<hr/> Total Estimated Capital Cost:	<hr/> 100,000
Less:	0
<hr/> 3% Origination Fee	<hr/> 0
Total ANRC Funding Requested:	\$100,000

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$100,000.00 and waive the 3% origination fee, in the form of a loan from the Water Development 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 (\$10,000.00) 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 Eureka Springs
Carroll County**

Purpose: Wastewater Treatment Plant Improvements

Project Description

The city’s proposed Corrective Action Plan (CAP) includes recommendations for new screenings and grit removal systems, cleaning both sequencing batch reactors (SBR) of rocks and other debris, and new aerated storage for waste activated sludge. Additional needs include rebuilding or replacing the existing belt filter press, new chemical feed systems, chemical storage, dewatered sludge storage, a full stocking of spare parts for all treatment equipment, and demolition and disposal of existing abandoned treatment units to provide space on site for construction staging and new work. The project will maintain the 0.9 million gallons per day (MGD) design average daily flow and 3.25 MGD peak hydraulic capacity. The project will not impact nutrient removal capabilities specifically but will ensure that screenings including rocks and grit do not continue to enter the plant and cause disruption of pumping and other systems. This should increase the quality of the wastewater in the SBR treatment and improve other treatment capabilities. Treatment efficiency may also be improved by removal of the accumulation of rocks and debris.

Project Financial Information

The funding recommendation will be made that Eureka Springs increase their sewer rates by 173% to \$86.92, their current rates are \$31.84, 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 the Eureka Springs is \$37,936. Eureka Springs listed the customer base for this project at 1,945. Eureka Springs has one loan with the Commission.

Estimated Project Cost

Construction:	\$4,160,000
Contingencies	1,000,000
Engineering – Planning, Design & Construction	570,000
Engineering-Inspection	240,000
Legal	20,000
Administrative	10,000
Other:	0
Other:	0
Capitalized Interest During Construction	0
<hr/> Total Estimated Capital Cost:	<hr/> 6,000,000
Less:	0
<hr/> 3% Origination Fee	<hr/> 180,000
<hr/> Total ANRC Funding Requested:	<hr/> \$6,180,000

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$6,180,000.00 (which includes a 3% origination fee of \$180,000.00), 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 (\$618,000.00) 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.

Washington County on behalf of Horsebend Property Owners Association

Washington County

Purpose: Wastewater Treatment Plant (WWTP) Rehabilitation, Phase I

Project Description

There is an immediate need for rehabilitating the existing WWTP. The existing rehab will be considered Phase 1 of the project. There is an overarching goal to regionalize wastewater treatment. Phase 2 will be presented in a separate funding application and would connect to Fayetteville's gravity collection system.

Approximately two (2) miles of force main will be required for Phase 2. Wastewater from residential housing is collected in a conventional gravity sewer system and flows to the first of three (3) primary tanks in series, the first being 12,210 gallons, the second being 12,930 gallons, and the third being 15,260 gallons. The primary tanks provide a minimum 72-hour hydraulic retention time, and the final tank is equipped with a Bio tube filter. The primary tank effluent then gravity flows into one (1) 12,570-gallon recirculation tank. The recirculation tank capacity is 97% of the daily design flow. The effluent from the filtration pods is either directed to the recirculation tank or to the 3,290-gallon dosing tank. The dosing tank capacity is 26% of the recirculation tank capacity. The dosing tank pumps the effluent on an alternating basis to two drip zones

Project Financial Information

The funding recommendation will be made that Horsebend POA increase their sewer rates by 60% to \$96.00, their current rates are \$60.00, 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 Washington County is \$56,610. Horsebend POA listed the customer base for this project at 51. Horsebend does not have any outstanding loans with the Commission.

Estimated Project Cost

Construction:	\$100,000
Contingencies	15,000
Engineering – Planning, Design & Construction	15,000
Engineering-Inspection	10,000
Legal	10,000
Administrative	0
Other:	0
Other:	0
Capitalized Interest During Construction	0
Total Estimated Capital Cost:	150,000

Less:	0
3% Origination Fee	4,500
Total ANRC Funding Requested:	\$154,500

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$154,500.00 (which includes a 3% origination fee of \$4,500.00), 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 (\$15,450.00) 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.

North Crossett Utilities (NCU)

Ashley County

Purpose: Sewer Lift Station

Project Description

The proposed project will construct a second wet well at lift station site to facilitate better pump operations, construct flood protection around the site to prevent inundation during extreme wet conditions, replace existing pumps with new pumps, power supply, and addition of VFD controls with remote monitoring and operation capabilities, and add backup power for uninterrupted operation during bad weather events.

Project Financial Information

NCU will be required to raise their sewer rates by 127% to \$49.26, their current rates of \$21.70, this is 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 Crossett is \$40,439. NCU listed the customer base for this project at 1,251. NCU has one loan with the Commission.

Estimated Project Cost

Construction:	\$297,500
Contingencies	29,750
Engineering – Planning, Design & Construction	28,634
Engineering-Inspection	13,908
Legal	10,782
Administrative	0
Other:	0
Other:	0
Capitalized Interest During Construction	4,172
Total Estimated Capital Cost:	384,746
Less:	0
3% Origination Fee	11,542
Total ANRC Funding Requested:	\$396,288

Executive Director's Recommendation

Recommend the commission approve an amount up to \$396,288 (which includes a 3% origination fee of \$11,542), 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 (\$39,629.00) 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 Yellville

Marion County

Purpose: Wastewater Collection and Treatment Improvements

Project Description

The city's existing sanitary sewer collection system is in very poor condition. The reoccurring sanitary sewer overflows (SSOs) have and will continue to negatively impact the lives of the residents of Yellville. If the issues in the system go untreated, the raw sewage could reach the nearby bodies of water and greatly affect the water quality. If that were to happen, it would impact the immediate surrounding areas and the entire county. A significant decrease in the creek's water quality could halt all the activities the residents and tourists enjoy. Tourism, especially related to Crooked Creek, is a significant factor in Yellville's and the nearby cities' economy. In addition to the SSOs occurring near such an important body of water, the manholes at four of these locations are on streets in residential or commercial areas. The proximity to people's homes and workplaces could greatly impact the overall growth of the city and its economy.

The city replaced approximately 2,860 linear feet of damaged pipe and thirteen (13) manholes in 2022 to reduce inflow and infiltration issues in their system. Although those improvements have helped mitigate some of the issues in the city's system, other improvements to the system are still necessary to fully eliminate and correct those issues. These include improvements to the existing collection system, improvements to two existing lift stations, and improvements to the existing wastewater treatment plant.

This phase of the project is for design and engineering of the construction project. The City of Yellville has received an earmark through the Congressionally directed spending via the Environmental Protection Agency.

Project Financial Information

Yellville will be required to raise their sewer rates by 32% to \$37.87, their current rates of \$28.69, this is 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 Yellville is \$31,759. Yellville listed the customer base for this project at 523. Yellville has no loans with the Commission.

Estimated Project Cost

Construction:	\$0
Contingencies	0
Engineering – Planning, Design & Construction	373,000
Engineering-Inspection	0
Legal	0
Administrative	0
Other:	0
Other:	0
Capitalized Interest During Construction	0
Total Estimated Capital Cost:	373,000
Less:	0
3% Origination Fee	11,090
Total ANRC Funding Requested:	\$384,190

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$384,190 (which includes a 3% origination fee of \$11,090), 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 (\$38,419) 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 Bentonville

Benton County

Purpose: Additional Funding - Water Resource Recovery Facility (WRRF) Improvements

Project Description

This project consists of a Capital Improvement Plan to repair/replace failing/obsolete infrastructure and process intensification to increase capacity to accommodate growth in the served basin through 2045, essentially doubling the plant's current capacity from 4 million gallons per day (MGD) to 8 MGD.

The Capital Improvement Plan includes the following:

1. Repair/Replacement of Clarifier No. 1.
2. Installation of tertiary filters: The WRRF discharges to Town Branch Creek which has a total maximum daily load for phosphorus.
3. Replace obsolete ultraviolet disinfection.
4. Provide effluent pumping.
5. Relocate and improve electrical service.
6. Construct digester valve vaults.

7. Administration building/lab improvements.
8. Ancillary improvements.

The Process Intensification includes the following:

1. New headworks to accommodate increased flows and primary screening.
2. Expand anoxic basins to include new aerobic selector basin on each existing train and convert existing selectors to mixed liquor fermenter.
3. Aeration basin modifications which upgrade the existing rotor motors and increase the rotor submerged depth to increase the standard oxygen transfer rate.
4. Surface wasting in aeration basins will be added to improve settling characteristics
5. Density baffles will be added in clarifiers due to higher density sludge to eliminate density currents and retain the dense floc.
6. Dual use filters will be added to help handle peak flows from wet weather events.

The project was approved for funding with a loan in an amount up to \$97,759,381.00, from the Arkansas Clean Water State Revolving Loan Fund program in June 2023. Bentonville is requesting an additional \$55,000,000, for this project. These additional funds are based on the Guaranteed Maximum Price submitted by the project’s construction manager at risk, Crossland Heavy Construction, the cost was higher than anticipated during the development of the Preliminary Engineering Report, these funds are necessary to complete the project.

Project Financial Information

This funding recommendation is based on the City of Bentonville increasing wastewater rates to \$58.35 for 4,000 gallons of usage, their current monthly bill is \$39.16. The current three-year (20120-2022) average Median Household Income (MHI) for the City of Bentonville is \$81,422. The City of Bentonville does not have any outstanding loans with the Commission.

Estimated Project Costs

	Previously Approved	Additional Funding	Total Project Cost
Construction:	\$75,585,000	\$55,000,000	\$130,585,000
Contingencies	9,157,000	0	9,157,000
Engineering – Planning, Design & Construction	6,504,000	0	6,504,000
Engineering-Inspection	3,252,000	0	3,252,000
Legal	20,000	0	20,000
Administrative	0	0	0
Other:	0	0	0
Other:	0	0	0
Estimated Capitalized Interest During Construction	3,241,381	0	3,241,381
Other: 3% Issuance Fee	0	0	0
Total Estimated Capital Cost:	\$97,759,381	\$55,000,000	\$152,759,381

Executive Director’s Recommendation

Recommend the commission approve additional funding in an amount up to \$55,000,000, in the form of a loan, in total an amount up to \$152,759,381, to the City of Bentonville from the Clean 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 (\$15,275,938) 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.

NUTRIENT REDUCTION STRATEGY PRESENTATION: - Tate Wentz, Water Recourses Chief, began by explaining what hypoxia is and how it affects the water. He stated hypoxia is low dissolved oxygen. Aquatic organisms like 5 to 7 mg per liter concentration of dissolved oxygen, but hypoxia is 0 to 3 mg per liter of dissolved oxygen. Too many nutrients in water cause green algae to bloom. The Mississippi River Basin flows down into the Gulf of Mexico carrying nutrients wherein we see large-scale algal blooms. As those decay, microorganisms eat the algae and decompose it which then consumes the oxygen. This is causing the hypoxia zone. This is seasonal its usually in the summertime and this is not unusual to all large water deltas across the globe. So, all the 12 states have a representative task force, as Secretary Ward he is our new hypoxia task force. He is now serving as the states task force member. In 2014, NRD had our first nutrient reduction strategy. In 2022, we presented the draft nutrient reduction strategy to you. Part of this had defined focus areas of watersheds across the states where we needed to work, clear goals and strategies and work with our partners Department of Environment Quality to develop the point source strategies and the nonpoint source strategies here at the Natural Resources Division. In those focus watersheds we statical exercises with the Arkansas Waters Resources Center to say that we have confidence where we have enough water quality data to make the determination on nutrient trends. Where we have enough data to make the physical determination, grouping those into tier 1. Teir 2, watersheds are those watersheds where we think we have enough data, nutrient trends are going down, but we want to collect more data to be sure what we are seeing in the data that we have confidence in. Teir 3 is not a focus, we have enough data to make that determination that nutrient trends are not to a point where we are concerned about water quality end points. Teir 4, is likely not focus but wouldn't hurt to collect more data but what we are seeing is nutrient concentrations are not indicative of something that we are anticipating being a water quality issue.

Commissioner Glover asked what makes something be a tier 1 or tier 4, we are talking about nutrients coming off the ground? Tate replied that the state what we fund through the non-point source program and the HUC fund through their ambient water quality monitoring. We look at that and we analyze that across the state so based off how many monitoring stations are in a single watershed will dictate how much water quality data is available. Then we take that back and analyze it to make a determination is it statistically confidant. Where we see those orange watersheds, we have quite a bit of water quality monitoring data and what it is telling us that we probably need to reduce nutrients in those watersheds. Commissioner Glover then asked why does Lake Conway have more nutrient problems than Maumelle? Tate replied, its really about water quality availability. So, where we have more data, we can be more confident that what we are seeing that what we are seeing in instream concentration. Director Colclasure added that some of it is land use. If you look at massive landscapes that are forested, there is not a lot going on those landscapes. Tate said that what is happening on the landscape is will dictate the runoff. We work

with our partners at NRCS to implement voluntary conservation practices to help keep those soils and nutrients on the land.

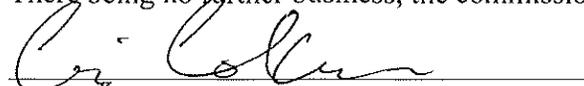
ACTIVITY REPORTS

Activity reports were presented by, Jaysson Funkhouser, Corps of Engineers; Jeanette Hale, AACD; Stacie Wassell, DEQ and Amanda Mathis, USDA.

OTHER

ADJOURN

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



Chris Colclasure
Director

3/13/25
Date