

**MINUTES**  
**ARKANSAS NATURAL RESOURCES COMMISSION**  
**September 18, 2024**

The regular meeting of the Arkansas Natural Resources Commission (ANRC) was held in person and via zoom on Wednesday September 18, 2024, at 8:04 a.m. at the Arkansas Department of Agriculture, 1 Natural Resources Drive, Little Rock, AR 72205.

Commissioners in attendance were as follows: Chairman Eddie Glover, Commissioner Neal Anderson, Commissioner William Anderson, Commissioner JoAnne Bush, Commissioner Bruce Leggitt, and Commissioner Mike McDermott. Vice Chairman Jamie Burr, Commissioner Roy Reaves, and Commissioner Will Brewer were unable to attend.

Staff members in attendance included: Chris Colclasure, Natural Resources Director Christy Raatz, Administrative Analyst, Debby Dickson, Water Development Section Manager, Leah Johannes, Program Fiscal Manager, Dewania Coleman, Program Fiscal Manager, Megan Perkins, Conservation Program Coordinator, Mary Elizabeth Lea, Agriculture Program Specialist, Blake Forrest, Groundwater Section Supervisor, Tate Wentz, Water Quality Section Manager, Inoussa Zaki, Chief Fiscal Officer, Tanner Thomas, Attorney of Department of Agriculture, Wes Ward, Secretary of Department of Agriculture.

A list of guests is attached to the minutes.

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

**APPROVAL OF MINUTES: July 17, 2024**

*Upon motion by Mr. Bruce Leggitt, seconded by Mr. William Anderson, the Commission unanimously approved the 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** – We completed Phase I of the water plan working in conjunction with our partners at the US Army Corps of Engineers, Michael Baker International and Olson/FTN and Associations. We delivered the products from Phase I (work plan, schedule and costs) to the Governor. We are now working on Phase II, which will include again working with the Corps and contractor selection. We should have a contractor in place by November. Our plan is to start some of the public input components as early as October related to water supply and infrastructure.
- **Alliance Project** – We went live on the Alliance Project **and started accepting applications on August 21. The application period will close September 25.** We are implementing the program in Arkansas, Drew, Lincoln, Jefferson, St. Francis, and Cleveland Counties. To date we have received 141 applications. Under the program producers will be eligible to receive \$100/acre for implementing conservation practices.
  - Targets under the program include:

- Cropland Acres 74,384
  - Pasture/Range Acres 30,310
  - Animal Units 22,707
- **ASA Visit** – Assistant Secretary of the Army for Civil Works, Michael Conner, was here in Arkansas to tour the Irrigation Projects in August, which you all will see today. The US Army Corps of Engineers is a major partner of ours and it was great to have such a high-level position in Arkansas. My takeaway from his visit was that he was impressed that Arkansas was thinking ahead and trying to solve its water issues before it hits critical mass. He was complimentary of the level of partnerships we have in the state around the groundwater issue.
- **Days Creek Mitigation Bank** – We are moving much closer to finalizing our sale of the Day’s Creek Mitigation Bank to the Arkansas Department of Transportation. We have both agreed on a purchase price of \$2,000,000 (4,505.22) for the 443.93 acres in Miller County. The property is tied to an old mitigation program that was dissolved in 2017. The Department of Transportation can use the available wetland and stream credits for their highway work. It’s a win-win situation.
- **JoAnne Bush was inducted into the Arkansas’ Women’s Hall of Fame in August** – She is one of the longest-serving municipal officers in the state. She began her career in 1973 in her hometown of Lake Village as city clerk. In 1991, she was elected the city's first female mayor, a position she held for 28 years. Since retiring as mayor, she has worked as a field representative for the Arkansas Municipal League serving several Delta counties.

**FINANCIAL ASSISTANCE REPORT** – Mr. Inoussa Zaki, Chief Fiscal Officer of the Department of Agriculture presented the financial assistance report dated August 31, 2024.

**LEGAL:** Tanner Thomas, Attorney of Department of Agriculture reported on:

- Two new water authorities that were approved by the Secretary of State, Van Buren and Wildwood.
- The legal staff drafted a consent agreement on Young’s Custom Construction, LLC. They met with the Water Well Committee earlier and the owner has agreed to the consent agreement and the two penalties of \$250. Waiting on approval for a consent agreement for past due water well reports that need to be submitted.
- There has been requests to have the Commission review decision to approve an expansion project proposed by Central Arkansas Water around Maumelle.  
Mr. Colclasure has the authority to approve under the Arkansas Water Plan and under the rules of the Commission, after the applicant has gone through the right requirements; notice for their own water systems, report to other water systems and comment. For public reporting, we put it in the Arkansas Democrat Gazette, any agreed part under Title 1 and Title 6 of the Commission’s rule can request a review by the Commission to see if Mr. Colclasure approves, or not. This is governed by the Arkansas Administrative Procedures Act, and it will have to be a hearing before the Commission hears it. The suggestion for the hearing in the afternoon of the next regularly scheduled Commission meeting before the end of the year. It gives them reasonable time for any individuals to provide legal counsel, obtain legal counsel, and obtain evidence. The issues brought up by the individual in these areas would be that we comply with the public notice requirements. There was a question about whether Central Arkansas Water had properly notified water systems in

their area and that's one big issue that made it little bit finer. He believes since Central Arkansas Water did acquire some assets, water association there is an issue Title 6 on certain things in notification requirements when you've acquired underwater systems assets. This is what Mr. Thomas ascertained from these complaints.

Director Colclasure added once we set up the hearing date, we will poll everybody, and make sure they are available, we will try to do it in conjunction with the November Commission meeting.

**BRUSHY CREEK PUBLIC WATER AUTHORITY** - Mr. Tanner Thomas, Attorney of Department of Agriculture presented the Commission with the articles of dissolution from Water Authority Corporation Act of the State of Arkansas for the dissolution of the Brushy Island Public Water Authority. Brushy Island Water Authority has been conveyed to Central Arkansas Water. Under Arkansas Code four 35111, the Arkansas Natural Resources Commission has the authority to dissolve a public water authority when requested. The water authority may be dissolved upon filing articles of dissolution with the approval in writing by the Commission. The approved by the permission with articles of dissolution shall also be filed with the Secretary of State. Upon dissolution, any assets of a water authority remaining after payment of claims and liabilities of the water authority shall be transferred to another water authority with approval of the Commission or to the State of Arkansas or subdivision in the statement with the Commission.

*Upon motion by Mr. Neal Anderson, seconded by Ms. JoAnn Bush, the Commission unanimously approved the dissolution of the Brushy Creek Public Water Authority.*

Commissioner Neal Anderson asked if the year 2023 was correct or does it need to be this year? Mr. Thomas believed it was submitted last year. Director Colclasure added, it was submitted in December of last year. We received it in January. We held it because at the time we did not have our full legal team on board. Once we got a legal team, it was overlooked, a till recently. We reached out to the parties involved and let them know that it be on the next agenda for the September Commission.

Commissioner Bush asked on the signature page, the president and two board members had signed, does that constitute a majority vote? Director Colclasure answered we will have to check on that. They are part of Central Arkansas Water. Central Arkansas Water sent us the request with their articles of dissolution and its be reviewed by CAWS. He believes this is a formality.

**GROUNDWATER OVERVIEW** – Mr. Blake Forrest, Groundwater Section Supervisor, provided some background on the Grand Prairie region, its hydrogeology and water well level trends. The Grand Prairie is in the Mississippi River alluvial plains. The White and Arkansas rivers form the boundary around it. Mr. Forrest discussed the characteristics of the clay layer that underlines much of the area and discussed the groundwater water level decline by presenting water level data from the present day back to the early 20<sup>th</sup> century.

Chairman Glover asked would this overview apply to the irrigation projects? Mr. Forrest responded Yes that groundwater is depleted severely in the area and that the irrigation projects are going to provide surface water to areas where there is groundwater shortage. These areas are

running out of groundwater, some are out completely, they are having to drill deep and it's not very cost effective to pump water anymore.

Commissioner Neal Anderson asked has anyone done a study on the effects of the thousands of acres of reservoirs that's been built and are using groundwater and how much that's affected the water table? Mr. Forrest responded not to his knowledge. Commissioner Neal Anderson stated the only other problem there is the irrigation systems will let them keep water in those instead of using what they have. Then they have to go to their wells. It would be interesting to see what the federal government's money that went to build the reservoir and tailwater recovery and all that sort of thing has affected that bottom. Mr. Forrest added it is hard to quantify because there's so many factors and we don't have all the data, but that the Arkansas Research Service (ARS), the USDA, and USGS are trying to do study some of these impacts with the Arkansas Groundwater Initiative, but no findings have been published at this time.

**IRRIGATION PROJECT UPDATE** – Ms. Megan Perkins, Conservation Program Coordinator, gave an update on the irrigation projects.

- Bayou Meto Basin project covers 863,712 acres in Arkansas, Prairie, Lonoke, Jefferson and Pulaski counties. This project is designed to protect and preserve the alluvial and sparta aquifers. It has the water supply component in it and its flood control and waterfowl management. It's designed to include channel improvements, pumping station and includes figures for that waterfowl management. Current work through the NRCS PL-566 funds, there has been Indian Bayou cleanout, total cleanout is approximately 37 miles with 16 miles of it being completed. Canal 1000 3.2 is expected to start construction or award contract for construction next year, upon completion of real estate acquisition. It will be three miles of canal construction, five siphon structures, turnouts and three stilling wells. Wabaseka Bayou cleanout is approximately 33 ½ miles of clean out. Highway 16 and 165 bridges are expected to be completed in the next couple of months. This will be part of phase one of Bayou Meto and the completion will include approximately 100,000 acres in that area.

Loans and Grants	
Arkansas Dept of Agriculture	\$95,058,239
U.S. Army Corps of Engineers	\$171,859,026
USDA-NRCS (PL-566/RCPP)	\$40,470,288/\$800,000
ARPA	\$5,000,000

- Grand Prairie project covers 362,662 acres in Arkansas, Prairie, Lonoke, and Monroe counties. This project is mainly an AG water supply project. The current work, the first seven miles of phase one canal are completed from the regulating reservoir to highway 63. Energy is working on the electrical substation and CJ Mahan is working on the pump station. They are the contractor working through the rear procurement for that through a contractor, the Corps of Engineers. There is seven county road crossing that will be constructed as part of phase one, two state highway bridges, highway 70 and highway 63. These will go out to bid upon the completion of some utility relocations. Phase one consists of approximately 12 miles of primary irrigation distribution canal and seven miles of have

been completed. Also, in phase one is about 30 miles of pipeline that should be completed this year, weather dependent. Phase one water delivery is expected in 2026, which will deliver water to approximately 50,000 acres.

Loans and Grants	
Arkansas Dept of Agriculture	\$118,839,876
U.S. Army Corps of Engineers	\$188,433,621
USDA-NRCS PL-566	\$75,279,857
ARPA	\$5,000,000

Chairman Glover asked has there been problems, or do you see future problems? It seems that problems haven't risen on acquiring land or on the cooperated arrival. Ms. Perkins responded that has been the responsibility of the local sponsor of the district boards by Bayou Mato and White River. They both saw construction happening as federal funds came into play and started working through. They started messaging and meeting with the landowners in the area because these projects have stop and go for several years. People tend to lose a little faith in those times, but when they started seeing the construction and the progress of it, their confidence grew in it. With the current water situation, when it comes to depression, the deeper the wells, the expense of water, people want to know when it's coming to me. Commissioner William Anderson added, with him on the White River Irrigation District Board they have not had any problems attaining land to build the channel so far.

- Ouachita River project is a successful diversion project in south Arkansas. It was determined by a critical groundwater area in Union County and local group got together to see how they could address the issue. There was a lot of industrial use with the water and very similarly to these projects, there is a pump station that has been built to carry that water into the area and they've seen a significant water level change in the last ten years. There was an \$65 million infrastructure investment that the Union County Water Conservation Board invested with federal partners as well.

Commissioner Leggett is the Ouachita River part of the pumping station that sends the water to energy? Ms. Perkins responded yes.

**WATER WELL COMMITTEE** – Commissioner McDermott, Chairman of Water Well Construction Committee, reported on the quarterly meeting that was held July 31, 2024. The next Committee meeting will be held October 16, 2024.

Complaints/Inspections:

- Division staff conducted 2 rig inspections, visited 6 water well contractors and trained 2 on how to use the map to find well information. In addition, staff assisted landowners with finding well information.
- Staff is working with Department of Agriculture IT staff to create an online testing portal for Water Well licensing.
- William Young of Young's Custom Service was invited to attend the committee meeting via Zoom on violations of not turning in well reports, not having a registered operator on the jobsite, and having two unpermitted rigs. The Committee recommended he be fined

\$250 for not turning in well reports and \$250 for not having a registered operator on the jobsite. Mr. Young has since submitted several well reports and registered the two additional rigs.

- Jacob Davis of Davis Water Well was invited to attend the committee meeting via registered mail due to complaints from landowners of charging a \$4,000 deposit and then failing to construct a well in a reasonable amount of time. Mr. Davis has turned in very few well reports and is only licensed to do drilling but advertises as doing both drilling and pump installation. A warning letter was mailed to Mr. Davis stating the complaints and that he could be turned over to law enforcement for some of the alleged violations, and that he submits all well reports and that further complaints may result in fines and revocation of his licenses. As of this date, he has not renewed his licenses.

#### New Applicants:

- 2 new driller applicants were registered; 5 Pump Installer applicants were registered; 2 driller apprentice applicants and 4 pump installer apprentice applicants were approved.
- The Committee approved a request to waive the 5-year license requirement to supervise an apprentice as requested by Brandon Jackson of Arkansas Filtration Systems. Mr. Jackson was a registered apprentice for 11 years and he has held his pump installer registration for 3-1/2 years.

#### Recommendations to the Arkansas Natural Resources Commission:

- Request a motion to approve a waiver for Brandon Jackson, Arkansas Filtration Systems, of a 5-year supervisor rule with all his years of experience being licensed with Arkansas Water Well.
- Request a motion to approve the two fines of \$250 each for Young's Custom Service for not turning in well reports and not having a registered operator on the jobsite.

***Upon motion by Mr. Neal Anderson, seconded by Mr. William Anderson, the Commission unanimously approved the waiver of the five-year disqualification for Brandon Jackson and restate his license and the \$500 fine for Young's Custom Service.***

Commissioner McDermott requested a new committee member be added to Water Well Construction Committee. He nominated David Gilbert from Mena. Mr. Gilbert owns and operates Gilbert's Hard Rock Drilling.

***Upon motion by Ms. JoAnn Bush, seconded by Mr. Mike McDermott, the Commission unanimously approved David Gilbert, an additional committee member to be added to the Water Well Construction Committee.***

Commissioner Bush asked about Jacob Davis and the \$4,000 deposit, did he construct the wells that he accepted a deposit for? The follow Commissioners answered we don't think so. Commissioner Bush followed up with what is the repercussion. Mr. Forrest answered Mr. Davis did end up refunding the landowner the \$4,000 in this case.

## **WATER RESOURCES DEVELOPMENT SECTION**

*Upon motion by Mr. Neal Anderson seconded by Ms. JoAnne Bush, the Commission unanimously approved the following staff recommendations for financial assistance, change in scope and additional funding.*

Ms. Debra Dickson, Water Development Section Manager, presented staff recommendations for the referenced project below requesting financial assistance and change in terms from the Clean Water Revolving Loan Fund (CWSRF), Arkansas Drinking Water State Revolving Loan Fund (DWSRF) and Water Development Fund (WDF).

## **FINANCIAL ASSISTANCE:**

### **Arkansas Environmental Training Academy**

**Project: Technical Assistance for Wastewater Operator Training**

#### **Project Description**

Technical assistance funds are made available under Section 603(k) of the Clean Water Act based on 2% of grant awards received by a state CWSRF after November 15, 2021: “A State may use an additional 2 percent of the funds annually awarded to each State under this subchapter for nonprofit organizations (as defined in section 1254(w) of this title) or State, regional, interstate, or municipal entities to provide technical assistance to rural, small, and tribal publicly owned treatment works (within the meaning of section 1254(b)(8)(B) of this title) in the State.”

EPA approved \$232,840 for wastewater system technical assistance in the FFY2022 IJJA/BIL capitalization grant award. In addition, EPA approved the proposed workplan for this technical assistance.

Small systems often struggle to locate and retain qualified, licensed operators for their wastewater systems. Funding this program using federal funds will provide additional support for operator licensing and training for small systems.

Arkansas Environmental Training Academy (AETA) provides quality training and educational programs to aid the management and operating staff to meet requirements of the EPA. The Academy will be partnering with the Department to provide training for wastewater operators statewide as required by Arkansas Rule #3 as the state mandated. AETA will offer a minimum of four classes per month for a period of 24 months.

The AETA has a system in place for the following:

- Course Identifier - the AETA has a system in place to provide a unique qualifier to all courses.
- Certificate of Completion - The AETA will issue a Certificate for all students who complete the mandatory training courses requires by Arkansas Rule #3.
- Course Roster - Rosters are produced for all AETA classes and will be submitted to ANRC in a digital or paper format as requested.
- Unique Qualifier – AETA Rosters contain the last four (4) digits of student SSN and first three letters of their last name.

The AETA proposes to provide a minimum of 4 classes per month. The AETA will offer:

- On-Campus/Zoom Classes
- Off-Campus Classes at training locations across the state
- Classes by Internet delivery

**Executive Director’s Recommendation**

Recommend the commission approve a grant in an amount up to \$232,840 to AETA from the Clean Water Revolving loan funds 2% Technical Assistance Set Aside.

**Newton County on Behalf of Compton Water Association**

**Newton County**

**Purpose: 100,000 Gallon Standpipe Rehabilitation**

**Project Description**

Compton Water Association (CWA) is a water utility system located in the unincorporated community of Compton, in northern Newton County, Arkansas. The proposed project will be at the 100,000-gallon standpipe located along Arkansas Highway 43.

The 100,000-gallon standpipe needs to be rehabilitated to meet current Arkansas Department of Health standards. The rehabilitation will include sandblasting and painting on both the interior and exterior, extending the overflow pipe to within 1.5 feet of the ground, installing a flap valve at the end of the overflow pipe with #24 mesh corrosion-resistance screening, installing a dynamic mixing system extending halfway up the tank, installing an additional manway 180 degrees from the existing manway, and replacing the existing screening and seals in the roof hatch and vent with corrosion resistant #24 mesh screening.

The CWA was allocated \$241,950.00, in American Rescue Plan Act (ARPA) funds. This request is to fund the 25% cost share.

**Project Financial Information**

The funding recommendation will be made that CWA increase their water rates by 22% to \$118.16, their current rates are \$96.85, 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 the Newton County is \$54,011. CWA listed the customer base for this project at 348. CWA currently has no loans with ANRC.

**Estimated Project Costs**

	<b>Project Cost</b>
Construction:	\$245,000
Contingencies	24,500
Engineering – Planning, Design & Construction	25,000
Engineering-Inspection	12,000
Legal	9,973
Administrative	4,982
Other:	0
Estimated Capitalized Interest During Construction	1,145

Other: 3% Issuance Fee	2,420
Total Estimated Capital Cost:	325,020
Less: American Rescue Plan Act	( <u>\$241,950</u> )
Total ANRC Funding Requested:	\$83,070.00

**Executive Director’s Recommendation**

Recommend the Commission approve an amount up to \$83,070.00 (including a 3% issuance fee of \$2,420.00), 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 (\$32,502.00) 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.

**Newton County on Behalf of Nail-Swain Water Association**

**Newton County**

**Purpose: Rehabilitation of Nail-Swain Standpipe (Fallsville Tank)**

**Project Description**

Nail-Swain Water Association (NSWA) is a water utility system located in Newton County, Arkansas. The proposed project will be at the Fallsville Tank in the Water Association's system, which is located along Arkansas Highway 16 approximately 12 miles southwest of the unincorporated community of Nail.

Inspections of the Water Association's tanks have noted necessary improvements such as extensions of the overflow pipe and the mixing system's riser pipe. Additionally, the Arkansas Department of Health's comments from their review of the project's Water Wastewater Advisory Council application included recommendations to improve or replace the existing float cable system at the tank as well as improvements to the existing roof vent.

In addition to the recommended improvements above, the Fallsville Tank needs to be further rehabilitated in order to meet current Arkansas Department of Health standards. The rehabilitation will include sandblasting and painting on both the interior and exterior, installing a flap valve at the end of the overflow pipe with #24 mesh corrosion-resistant screening, installing a mixing system, installing an additional manway 180 degrees from the existing manway, and replacing the existing screening and seals in the roof hatch with corrosion-resistant #24 mesh screening.

The NSWA was awarded is \$215,325.00, in American Rescue Plan Act (ARPA) funds. This request is to fund the 25% cost share that is an ARPA requirement.

**Project Financial Information**

The funding recommendation will be made that NSWA increase their water rates by 28% to \$86.89, 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 the

Newton County is \$54,011. NSWA listed the customer base for this project at 379. NSWA currently has no loans with ANRC.

**Estimated Project Costs**

	<b>Project Cost</b>
Construction:	\$222,000
Contingencies	21,150
Engineering – Planning, Design & Construction	23,000
Engineering-Inspection	10,000
Legal	9,625
Administrative	0
Other: Miscellaneous	0
Other:	0
Capitalized Interest During Construction	1,550
Other: 3% Issuance Fee	2,160
<b>Total Estimated Capital Cost:</b>	<b>289,485</b>
<b>Less: American Rescue Plan Act</b>	<b>(\$215,325)</b>
<b>Total ANRC Funding Requested:</b>	<b>\$74,160</b>

**Executive Director’s Recommendation**

Recommend the Commission approve an amount up to \$74,160.00 (including a 3% issuance fee of \$2,160.00), 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 (\$28,948.00) 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.

**Newton County on Behalf of Nail-Swain Water Association**

**Newton County**

**Purpose: Rehabilitation of Nail-Swain Standpipe (Nail Tank)**

**Project Description**

Nail-Swain Water Association (NSWA) is a water utility system located in Newton County, Arkansas. The proposed project will be at Nail Tank in the Water Association's system, which is located near the unincorporated community of Nail, along Arkansas Highway 16.

Inspections of the Water Association's tanks have noted necessary improvements such as extensions of the overflow pipe and the mixing system's riser pipe. Additionally, the Arkansas Department of Health's comments from their review of the project's Water Wastewater Advisory Council application included recommendations to improve or replace the existing float cable system at the tank as well as improvements to the existing roof vent.

In addition to the recommended improvements above, the Nail Tank needs to be further rehabilitated in order to meet current Arkansas Department of Health standards. The rehabilitation will include sandblasting and painting on both the interior and exterior, installing a flap valve at the end of the overflow pipe with #24 mesh corrosion-resistant screening, installing a mixing system, installing an additional manway 180 degrees from the existing manway, and replacing the existing screening and seals in the roof hatch with corrosion-resistant #24 mesh screening.

The NSWA was awarded is \$215,325.00, in American Rescue Plan Act (ARPA) funds. This request is to fund the 25% cost share that is an ARPA requirement.

**Project Financial Information**

The funding recommendation will be made that NSWA increase their water rates by 28% to \$86.89, 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 the Newton County is \$54,011. NSWA listed the customer base for this project at 379. NSWA currently has no loans with ANRC.

**Estimated Project Costs**

	<b>Project Cost</b>
Construction:	\$222,000
Contingencies	21,150
Engineering – Planning, Design & Construction	23,000
Engineering-Inspection	10,000
Legal	9,625
Administrative	0
Other: Miscellaneous	0
Other:	0
Capitalized Interest During Construction	1,550
Other: 3% Issuance Fee	2,160
<b>Total Estimated Capital Cost:</b>	<b>289,485</b>
<b>Less: American Rescue Plan Act</b>	<b>(\$215,325)</b>
<b>Total ANRC Funding Requested:</b>	<b>\$74,160</b>

**Executive Director’s Recommendation**

Recommend the Commission approve an amount up to \$74,160.00 (including a 3% issuance fee of \$2,160.00), 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 (\$28,949.00) 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.

**CHANGE IN SCOPE AND ADDITIONAL FUNDING**

## **Central Arkansas Water (CAW)**

### **Pulaski County**

**Purpose: Additional Funding - Jack H. Wilson Water Treatment Plant Renewal and Resiliency 2023**

#### **Project Description**

The Wilson Water Treatment Plant (WTP) Renewal and Resiliency Project includes approximately \$150 million worth of improvements, summarized in the recent 2021 comprehensive engineering report/study which documents condition and remaining useful life of the WTP and includes significant capital improvement recommendations to renew the plant as well as increase performance and plant optimization. The Wilson Water Treatment Plant is essential to Central Arkansas Waters's operations, and therefore critical to the supply of drinking water to about 500,000 people, or 1 in every 6 Arkansans. It is the largest water treatment plant in the state. This project involves improvements to rehabilitate the plant, restore its efficiency and effectiveness, and increase its functional life. The Wilson Plant is approaching 70 years old and has equipment that has been well maintained, but is at the end of its useful life, as well as components in need of structural rehabilitation.

The Wilson WTP Renewal and Resiliency Project will renew the plant while increasing its optimization to allow it to continue to provide high-quality water for decades to come. Construction of the plant rehabilitation and improvements should complete by the end of 2027. This application is for the construction phase of the project for approximately \$150,000,000.

The improvements and rehabilitation of Wilson WTP will allow CAW operational efficiencies and resilient treatment capacity to continue regionalism and consolidation efforts and to maintain its current supply of high-quality surface water to its existing wholesale users across eight counties. CAW delivered just over 18 billion gallons of high-quality drinking water in 2021 to a population of nearly 500,000. The Wilson WTP is an essential component of the CAW system needed to supply the entire system. Also, improvements and rehabilitation of Wilson WTP will allow CAW operational efficiencies and resilient treatment capacity to allow CAW to pursue expansion into future undeserved areas.

Throughout the past year of this project's design phase, significant rise in construction costs due to ongoing inflation and increasing equipment expenses was noted. Despite efforts to implement value engineering, reduce the project scope where possible, and optimize the design to reuse more of the existing structures at the water treatment plant, the estimated construction cost-including engineering inspection, capitalized interest, and closing costs-has now escalated to approximately \$230,000,000. Currently, the project is scheduled to reach 90% design in October 2024, with the approval of a Guaranteed Maximum Price (GMP) anticipated by January 2025, followed by the commencement of construction.

#### **Project Financial Information**

The funding recommendation will be made that Central Arkansas Water make rate adjustments as needed to fund the additional debt service requirements. The current three year (2019-2021) average Median Household Income (MHI) provided by UALR for the City of Little Rock is

\$54,011. Central Arkansas Water listed the customer base for this project at 156,000. Central Arkansas Water has thirteen loans and is current on all payments and audit requirements.

**Estimated Project Costs**

	<b>Previously Approved</b>	<b>Additional Funding</b>	<b>Total Project Cost</b>
Construction:	\$133,950,00	62,050,000	196,000,000
Contingencies	6,550,000	6,230,000	12,780,000
Engineering – Planning, Design & Construction	0	0	0
Engineering-Inspection	4,400,000	3,435,000	7,835,000
Legal	100,000	(30,000)	70,000
Administrative	0	0	0
Other	0	0	0
Other:	0	0	0
Estimated Capitalized Interest During Construction	5,000,000	8,315,000	13,315,000
Other: 3% Issuance Fee	0	0	0
<b>Total Estimated Capital Cost:</b>	<b>150,000,000</b>	<b>80,000,000</b>	<b>230,000,000</b>

**Executive Director’s Recommendation**

Recommend the Commission approve additional funding in an amount up to \$80,000,000.00, in a loan, in total a loan in an amount up to \$230,000,000.00, to Central Arkansas Water 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 (\$23,000,000.00) 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 Helena-West Helena**

**Phillips County**

**Purpose: Change in Scope - Water System Rehabilitation 2024**

**Project Description**

The City of Helena-West Helena is in Phillips County and has a drinking water system population of 5,500. The purpose of this project is to rehabilitate the drinking water system. This project was approved by the Commission in February of 2024. Since approval it has been determined that the scope needs to be expanded to include the following items:

Helena System:

1. Main operating Valves
2. Filter Media
3. Electrical and pneumatic systems upgrade or replacement
4. Repair the roof at treatment plant
5. Rehabilitate existing wells,

6. New well site and additional well(s)
7. Distribution system rehab or replacement (Mains and service lines) ARPA applications DW-247 and DW-248

West Helena System:

1. Distribution system rehab or replacement (Mains and service lines) ARPA application
2. Possible Lead Service Line replacements
3. Repairs to filter room and offices,
4. Repair the roof at Clearwell
5. Rehabilitate existing wells
6. New well site and additional well(s)
7. Distribution system rehab or replacement (Mains and service lines) ARPA applications DW 247 and DW-248

The project was approved for funding with a loan in an amount up to \$11,000,000 from the Arkansas Drinking Water State Revolving Loan Fund program in February of 2024. This request is for an increase in the scope of the previously approved project, no additional funds have been requested.

**Project Financial Information**

This funding recommendation is based on The City of Helena-West Helena increasing drinking water rates to \$39.82 for 4,000 gallons of usage, their current monthly bill is \$25.20. The initial rate burden factor is 1.18%, the projected rate burden factor is 1.86%. The current three year (2018-2021) average Median Household Income (MHI) for the City of Helena-West Helena is \$25,735. The City of Helena-West Helena has five outstanding loans with ANRC, not including this one, including two emergency loans for the water system and is current on all payments.

**Estimated Project Costs**

	<b>Total Project Cost</b>
Construction:	\$ 9,467,372
Contingencies	946,737
Engineering – Planning, Design & Construction	755,023
Engineering-Inspection	390,529
Legal	20,000
Administrative	22,000
Other:	0
Other:	0
Estimated Capitalized Interest During Construction	398,339
Other: 3% Issuance Fee	0
<hr/>	
Total Estimated Capital Cost:	12,000,000
Less: Applicant Contribution	<b>(1,000,000)</b>
<hr/>	
Total ANRC Funding Requested:	\$11,000,000

**Executive Director’s Recommendation**

Recommend the Commission approve this change in scope, adding the additional scope detailed above to the existing project scope

**Lonoke White Public Water Authority**

**Cleburne County**

**Purpose: Change in Scope – Highway 107 Improvements**

**Project Description**

Lonoke White Public Water Authority (Lonoke White) is in the City of Quitman, Cleburne County. It supplies drinking water to eight members including: Grand Prairie Bayou Two PWA, Furlow PWA, Mid-Arkansas Utilities PWA, Vilonia Waterworks, Beebe Water and Sewer, Jacksonville Waterworks, Ward Water and Sewer, and Austin Public Works. Mountain Top Water is currently the only wholesale customer and Southwest White County Water Public Water Authority is planning a connection in the future. The estimate that their 101,000 people in their service area.

In January of 2023, the Commission approved Lonoke White’s funding application for the Highway 107 Tank Phase (A). It was decided to change in type of tank from an elevated storage tank to a ground storage tank. This change significantly reduced to the project cost. Lonoke White is requesting a change in scope to add a new water transmission project. The scope of the water transmission project will be determined after a preliminary engineering study has been completed.

The commission approved a loan in an amount up to \$12,970,441, in Drinking Water Revolving Loan Funds.

**Project Financial Information**

This funding recommendation is contingent on Lonoke White making adequate rate adjustments to cover debt service requirements The current three year (2018-2021) average Median Household Income (MHI) for Cleburne County is \$44,479. Lonoke White has one loan with ANRC and is current on its payments.

**Estimated Project Costs**

	<b>Total Project Cost</b>
Construction:	\$10,707,980
Contingencies	1,070,798
Engineering – Planning, Design & Construction	692,346
Engineering-Inspection	479,317
Legal	20,000
Administrative	0
Other:	0
Other:	0
Estimated Capitalized Interest During Construction	0
<b>Total Estimated Capital Cost:</b>	<b>\$12,970,441</b>

**Executive Director’s Recommendation**

Recommend the Commission approve this change in scope, adding the transmission line to the existing project scope

**City of Magazine**

**Logan County**

**Purpose: Additional Funding - Wastewater Collection and Treatment Rehabilitation**

**Project Description**

The City of Magazine is in Logan County and has a wastewater system population of 391. The purpose of this project is to rehabilitate the wastewater collection and treatment systems. This includes replacing 6,525 linear feet of 8” gravity sewer pipe and rehabilitate 80 manhole covers in the collection system. The treatment plant rehabilitation will consist of installing an automatic screen before the lift station, installing influent flow measurement equipment, installing aeration equipment in the lift station, replacing the clarifier, replacing the chlorine disinfection system with a Peracetic Acid (PAA) system, rehabilitating the intermittent sand filters, rehabilitating the sludge filter beds, and replacing the effluent flow measurement equipment.

During design it was determined the secondary treatment unit was beyond rehabilitation and needed to be replaced. A sequencing batch reactor package plant was determined to be the most cost-effective solution to provide advanced biological treatment and meet permit requirements.

The project was approved for funding with a loan in an amount up to \$1,007,931.50 and a loan with principal forgiveness in an amount up to \$335,931.50 from the Arkansas Clean Water State Revolving Loan Fund program in June 2023. The decision to add a Sequencing Batch Reactor (SBR) plant required updated cost estimate. Magazine is requesting an additional \$2,046,080, for total project cost of \$3,389,806, to award and complete this project.

**Project Financial Information**

This funding recommendation is based on The City of Magazine increasing wastewater rates to \$91.52 for 4,000 gallons of usage, their current monthly bill is \$44. The initial rate burden factor is 1.35%, the projected rate burden factor is 2.80%. The current three year (2018-2021) average Median Household Income (MHI) for the City of Magazine is \$39,174. The City of Magazine does not have any outstanding loans with ANRC.

**Estimated Project Costs**

	<b>Previously Approved</b>	<b>Additional Funding</b>	<b>Total Project Cost</b>
Construction:	\$1,091,666	\$1,662,270	\$2,753,937
Contingencies	109,166	166,227	275,393
Engineering – Planning, Design & Construction	87,060	132,566	219,627
Engineering-Inspection	45,031	68,569	113,600
Legal	8,311	12,655	20,965
Administrative	0	0	0
Other: ADH & ADEQ Fee	2,492	3,793	6,284
Other:	0	0	0
Estimated Capitalized Interest During Construction	0	0	0

Other: 3% Issuance Fee	0	0	0
<b>Total Estimated Capital Cost:</b>	<b>1,343,726</b>	<b>2,046,080</b>	<b>3,389,806</b>

**Executive Director’s Recommendation**

Recommend the Commission approve additional funding in an amount up to \$2,046,080.00, in the form of a loan, in total amount up to \$3,053,875.50, and a loan with principal forgiveness in an amount up to \$335,931.50, to the City of Magazine 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 (\$338,980.00) 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.

**Mountain Top Suburban Improvement District No. 66**

**Garland County**

**Purpose: Additional Funding – Sewer Improvements**

**Project Description**

The Mountain Top Suburban Improvement District No. 66 (District) is in Garland County and has a wastewater system population of 67. The wastewater treatment plant is old and in need of replacement, it is under an enforcement order due to non-compliance issues. The proposed project is to install a high-capacity plant to serve the District and approximately 2.4 miles along Highway 7.

The project was awarded \$1,661,526.75, in American Rescue Plan Act (ARPA) in December of 2022, the District had a 25% cost share requirement. In June of 2023 they were awarded a loan in the amount of \$128,460.50, and a loan with principal forgiveness in the amount of \$385,381.50 from the Clean Water State Revolving Loan Fund. The bids came back higher than originally estimated. The district is requesting an additional \$570,000, to award and complete this project.

**Project Financial Information**

This funding recommendation is based on the district increasing wastewater rates to \$144.56 for 4,000 gallons of usage, their current monthly bill is \$90.92. The initial rate burden factor is 2.41%, the projected rate burden factor is 3.82%. The current three year (2018-2021) average Median Household Income (MHI) for Garland County is \$45,358. The district does not have any outstanding loans with ANRC.

**Estimated Project Costs**

	<b>Previously Approved</b>	<b>Additional Funding</b>	<b>Total Project Cost</b>
Construction:	\$1,761,600	\$442,955	\$2,164,555
Contingencies	172,160	44,296	216,456
Engineering – Planning, Design & Construction	130,438	43,853	174,291
Engineering-Inspection	37,875	9,745	47,620

Legal	51,648	13,289	64,937
Administrative	51,648	13,289	64,937
Other: Easements	10,000	2,573	12,573
Other:	0	0	0
Estimated Capitalized Interest During Construction	0	0	0
Other: 3% Issuance Fee	0	0	0
<b>Total Estimated Capital Cost:</b>	<b>2,215,369</b>	<b>570,000</b>	<b>2,785,369</b>
<b>Less: Applicant Contribution</b>	<b>(40,000)</b>	<b>0</b>	<b>(40,000)</b>
<b>Total ANRC Funding Requested:</b>	<b>\$2,175,369</b>	<b>\$570,000</b>	<b>\$2,745,369</b>

**Executive Director’s Recommendation**

Recommend the commission approve additional funding in an amount up to \$570,000.00, in the form of a loan, in total a loan in an amount up to \$698,460.50 and a loan with principal forgiveness in an amount up to \$385,381.50, to the Mountain Top Suburban Improvement District No. 66 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 (\$274,536.00) 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.

**Tri-County Regional Water Distribution District**

**Pope County**

**Purpose: Additional Funding - Wastewater Collection and Treatment Rehabilitation**

**Project Description**

The Tri-County Regional Water Distribution District is in Pope County and has a drinking water system population of 8,101. The purpose of this project is to construct 6,900 linear feet of 16” polyethylene distribution waterline. It is also for replacing 16,800 linear feet of 6” asbestos cement waterline with 8” polyethylene waterline.

The commission approved an amount up to \$3,631,835.00, as a loan from the Clean Water State Revolving Loan Fund (CWSRF) at the June 2023 commission meeting. However, the construction bid received is \$363,183.00, higher than expected. As allowed in the June 2022, approval, Tri-County Regional Water Distribution District requested that the executive director, with consultation with the Chairman, increase the amount of financial assistance to the applicant for bid overruns by \$363,185.00, to fund the low bid. This request was approved on August 28, 2024. This brings the total estimated project costs to \$3,995,018.00.

**Estimated Project Costs**

	<b>Previously Approved</b>	<b>Additional Funding</b>	<b>Total Project Cost</b>
Construction:	\$2,959,466	\$363,183	\$3,322,649
Contingencies	295,947	0	295,947

Engineering – Planning, Design & Construction	188,582	0	188,582
Engineering-Inspection	115,388	0	115,388
Legal	71,452	0	71,452
Administrative	0	0	0
Other: ADH Review Fee	1,000	0	1,000
Other:	0	0	0
Estimated Capitalized Interest During Construction	0	0	0
Other: 3% Issuance Fee	0	0	0
<b>Total Estimated Capital Cost:</b>	<b>3,631,835</b>	<b>0</b>	<b>3,995,018</b>
<b>Less: Applicant Contribution</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total ANRC Funding Requested:</b>	<b>\$3,631,835</b>	<b>\$363,183</b>	<b>\$3,995,018</b>

**Executive Director’s Recommendation**

There is no Commission action needed, this summary is provided to report the action taken by the Director, with consultation of the Chairman, to approve the additional funding as authorized by the commission.

**DE-OBLIGATION OF FUNDS**

Recipient	Agreement # or Project	Commission Date	Amount Approved (up to)	Amount De-Obligated	Fund	Reason for De-obligation
Arkansas City	02457-WDF-L	06/22/2023	2,766,771.58	2,766,771.58	WDF	Declining funding
Diamond City	02335-CW-L	06/22/2023	2,274,360.00	2,274,360.00	CWSRF	Declining funding
North Garland Co.	02445-DW-L	11/15/2023	13,458,911.25	13,458,911.25	DWSRF	Declining funding
North Garland Co.	02446-DW-L	11/15/2023	4,486,303.75	4,486,303.75	DWSRF	Declining funding
Parthenon WA	02450-WSSW-L	11/15/2023	65,920.00	65,920.00	WSSW	Declining funding
Freedom PWA	02468-DW-L	1/17/2024	1,535,455.00	1,535,455.00	DWSRF	Declining funding
Poyen	02497-CW-L	07/17/2024	787,415.00	787,415.00	CWSRF	Declining funding
Arkadelphia	02392-DW-L	09/22/2023	4,250,000.00	4,250,000.00	DWSRF	Declining funding

**STATE REVOLVING FUND MATCH**

*Upon motion by Ms. JoAnn Bush seconded by Mr. Neal Anderson, the Commission unanimously approved the resolution to reimburse expenditures from the capital improvement revenue bonds.*

Ms. Debra Dickson, Water Development Section Manager, presented on a resolution expressing the intent of the Arkansas Natural Resources Commission to reimburse expenditures pertaining to

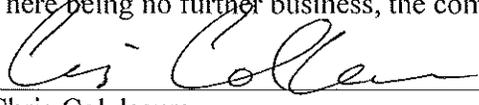
certain capital improvements from the proceeds of capital improvement revenue bonds to be issued by the Arkansas development finance authority.

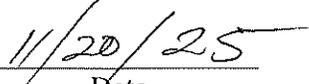
**OTHER**

The Director and staff of Natural Resources took the commissioners on an excursion to tour the Marion Berry pumping station, the Bayou Meto project, the Grand Prairie pumping station, and the Grand Prairie irrigation project after the meeting.

**ADJOURN**

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

  
\_\_\_\_\_  
Chris Colclasure  
Director

  
\_\_\_\_\_  
Date