

ARKANSAS NATURAL RESOURCES COMMISSION
April 5, 2024

The special meeting of the Arkansas Natural Resources Commission (ANRC) was held via Zoom on Friday April 5, 2024, at 2 p.m.

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

Staff members in attendance included: Chris Colclasure, Director; Ryan Benefield, Deputy Director; Matthew Brooks, Engineer Supervisor of Water Resources Section; Megan Perkins, Conservation Program Coordinator; Mary Elizabeth Lea, Agriculture Program Specialist; Tate Wentz, Water Quality Section Manager; Jay Whisker, State Water Engineer Supervisor; Cynthia Edwards, Deputy 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: February 28, 2024

Upon motion by Ms. JoAnne Bush, seconded by Mr. William Brewer, the Commission unanimously approved the minutes of the meeting held on February 28, 2024.

CONSERVATION DISTRICT FINAL RULE AMENDMENTS – Ms. Megan Perkins, Conservation Program Coordinator of NRD, presented the final amendments to the Title II rules. These amendments were presented at the January 17 meeting. These amendments reflect changes that were made legislatively in the 2023 Legislative Session. In that meeting the Commission approved to move forward in the rules process. The next step was to publish the rule publicly for 30 days for public written comment. There was a public hearing held at the Department of Agriculture for oral comment. For this meeting, the next step in the process the Commission needs to approve the final rule, which is the same rule that was presented at the January 17 meeting. Once approved, it will go to the Legislature for their review and approval and then it will be filed with Secretary States office.

Upon motion by Mr. William Anderson, seconded by Ms. JoAnne Bush, the Commission approved the conservation district final rule amendments, with a 6 to 2 vote.

Commissioner Reaves asked about section 201.3 E local funds, why is it limited to the fiscal year request? Ms. Perkins responded that is the existing language in the rule that's not changing. I would have to go back to see if that is legislatively dictated or if that is in the rule. Commissioner Reaves noted some districts that have a done a good job managing their funds, have money from prior years that they have done, and this is their funds. They didn't come from the state. There are things that they generated locally and in prior years. Those are not state funds and in my opinion, they should have no access to it.

Commissioner Reaves asked for a brief overview of what happens if a district fails. What happens to any assets they have? Ms. Perkins replied that I'm not sure of, as far as what the rule would allow, or what the law would allow on that I would have to do some research on that. Commissioner Reaves asked is that covered in these rule changes? Ms. Perkins responded no. That doesn't have any impact on the rule changes. But anything that's marked in red or a line through is a change to the rule. Any wording that is left as it is, is the rule as it stands and will continue to stand. Director Colclasure added we only changed what really changed in legislation. We can take all the comments for future rule changes and go in and go beyond what the legislature changed in the law. But we just need to expedite this process because the law changed, and the rule needs to reflect what changed in the law. This is all we were doing other than cleanup and changing the agency's name due to transformation. We're not a standalone agency anymore. This is really all we were trying to accomplish in this. We understand that there are some other things that probably toned to change in the rules, but we just needed to go ahead and do this to satisfy what changed legislatively. Commissioner Reaves asked what is the urgency and why are we having a special meeting just for this? Director Colclasure replied there is urgency because state agencies have a certain amount of time to promulgate the rules after the legislative session. So, we need to have all these promulgated really by the end of the fiscal year, which is June. Commissioner Reaves responded okay; this is April. Ms. Perkins added this still has a legislative process to go through, these rules still must go in front of the legislature for their approval and sometimes it will take a bit of time to get on their agenda. Director Colclasure added when we started this process, we had to state why we were changing the rules and we did that on all of our documents, based on the two legislative changes. Commissioner Leggitt asked why are we changing the rules? Director Colclasure responded because of the legislative session. Commissioner Leggitt replied why did the session change the rules in the first place. Director Colclasure said we're not getting into that part. As a state agency, if there's law change, we have to make sure that the rule is in compliance with the law. Commissioner Bush asked at some point, can we come back to this. Director Colclasure said yes, you bet we can. We have the ability to go through the rule process whenever we want to. It's a lengthy process and must comply with the law.

Commissioner Reaves pointed out in section 207.3 the word funds was strike through, and that was confusing, the sentence was not complete.

Commissioner Reaves noted my concern is that we're almost disassociating ourselves in any kind of supervision from the districts. But also, we want to control them. What we wind up with if a district is not performing well, we don't really have any way to correct it. If a district is performing well, we want to control it. So, it doesn't make sense, things like funding. In our district, we're well funded because of things we did outside of state funds.

WATER RESOURCES DEVELOPMENT SECTION – Ryan Benefield, Deputy Director of NRD, presented staff recommendations for additional financial assistance from the Clean Water Revolving Loan Fund (CWSRF), Arkansas Drinking Water State Revolving Loan Fund (DWSRF) and General Obligation Bond Fund (CGO).

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

Commissioner Bush asked will all these be at 4%? Deputy Director Benefield responded yes, they would generally be at the current rates, for whichever fund that we approve them out of. Generally, we put entities into those two federal programs which have a lower rate. But in some cases, the projects may have started not doing federal requirements and so we had to put them in a state program, at a slightly higher rate when they did not meet all the federal requirements, but generally it'll be a prevailing rate for the additional dollars.

Commissioner Bush asked are they able to pay this loan back at the interest rate? Deputy Director Benefield responded we work with each of them. They've all requested these funds, and we've let them know that we would be making this presentation. We only have loan funds right now. We have principal forgiveness in November. So yes, they do know their loan funds. We haven't completely completed the underwriting. There's two things that happen with the city right now is one is they have all these grant dollars. They don't want to lose the grants that have already been awarded and they need to go construction. We've gotten a request from the cities or the systems for these increase funds. Commissioner Bush asked what will be available in November for loan forgiveness? Deputy Director Benefield responded we only allocate what we call principal forgiveness dollars, which is what we get out of the federal program. The Commission allocates all the dollars we have at that time. We have way more projects that qualify and request than you have funds. We can only do principal forgiveness for what we call new money that we get each year at the beginning of the federal fiscal year. Right now, what we have available are loan funds.

Commissioner Bush asked has any entity lost their funding because they do not meet the deadline of reporting of March 31? Deputy Director Benefield answered no., We have had some folks decline funding and we have a little bit we can allocate but so far, we're still working with entities. Some of these needed these additional dollars before they could meet that requirement. We did not want to pull their ARPA funds because they needed these additional dollars. There's some that are working through some final permitting issues with some other agencies. At this point, we're trying to work with everyone we can, to move forward. Any decision to pull ARPA dollars will be made by the director at a time in the future. We have not done that yet. We do have a few that probably are lagging so far behind or haven't made enough progress. We are working with everyone as best we can before we move those dollars on. We did do a survey of all the wait list projects, because if we were to move dollars on, we need to make sure that those projects can move forward. We're working through getting those responses back now. Commissioner Bush asked did you say you have had some ARPA funds returned? Deputy Director Benefield responded, yes. We have two things that occurred so far. We had some projects come in under budget. They do not utilize all their funds. We authorized the very first one on the wait list, but that project has subsequently declined the funding. We do have a little over a million dollars right now that we will be allocating, but it's not enough funds right now to fund a full project. We are looking to see if we can combine that with some additional returned dollars to fund a full project on the waiting list. Commissioner Bush asked if you work one on one with them? Deputy Director Benefield responded we will. As soon as we get enough funds to move to additional ones on the wait list. Commissioner Bush asked

do you intend to report back after you've gotten several funded to the Commission? Deputy Director Benefield responded yes; we'll make sure we do one in May.

INCREASE IN FINANCIAL ASSISTANCE:

**City of Amity
Clark County**

Project: Water System Improvements, DW-192

Project Description

The City of Amity, Arkansas, has retained A.L. Franks Engineering to provide and make recommendations on improving the city's water system. The proposed project includes constructing a new 150,000-gallon elevated water storage tank, 750 feet of 8-inch water main, installing electrical/SCADA, and sandblasting/recoating the exterior and interior of the existing 100,000-gallon elevated storage tank.

Project Financial Information

The current average monthly residential water bill based on 4,000 gallons of usage is \$46.97. The Median Household Income for Amity is \$30,860. Initial Rate Burden Factor is 1.82. The required rate increase and final rate burden factor will be calculated during underwriting.

Estimated Project Costs

Construction:	\$2,211,000
Contingencies	191,100
Engineering – Planning, Design & Construction	197,880
Engineering – Inspection	76,440
Legal Fees	10,000
Administrative	0
Capitalized Interest during Construction	6,700
Issuance fee (3%)	0
Other:	0
Other:	0
<hr/> Total Estimated Capital Cost:	<hr/> \$2,693,120
USDA – RD Loan	
USDA – RD Grant	
ARPA Grant/ANRC Loans	-2,393,120
<hr/> ANRC additional funding requested	<hr/> \$300,000

Executive Director's Recommendation

Recommend the Commission approve an amount up to \$300,000 in a loan to the City of Amity from the Drinking Water State Revolving Fund. This is a conditional approval based on the city supplying all required documentation, the project being underwritten and the city implementing any required rate increases.

Authorize the executive director of the division the discretionary authority to increase the amount of financial assistance to the applicant for bid overruns by an amount up to 10% of the total commission funding amount (\$92,581) 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 Danville
Yell County

Project: Dale Scott Water Treatment Upgrade Project

Project Description

The City of Danville is located in Yell County. The Dale Scott Water Treatment Plant is located near the Petit Jean River within the city limits of Danville. This project benefits more citizens than just Danville residents. It provides water to a large portion of Yell County. The project also serves Havana, Belleville, NE Yell County Water Association, and Tri-County. This project would improve water quality and quantity for current customers as well as the local poultry industry. This upgrade would also allow the poultry industry to grow and expand in the future. These plant enhancements and water quality improvements are contingent on the funding of this application.

The Danville System, as described above, currently serves an estimated population of 15,718 people, as well as a number of commercial customers, including the Wayne Farms Plant in Danville and several chicken growers in the surrounding area. Danville has two water plants: the Cedar Piney Plant and the Dale Scott Plant. The Dale Scott plant is located within the city limits of Danville and draws its water from the Petit Jean River. The current poultry industry is planning on expanding their operations and developing additional poultry producing houses. These improvements are needed to produce more water to these plants.

The Dale Scott Plant was constructed in 1996 and has a production capacity of 2.0 MGD. The intake is from the Petit Jean River under an agreement with the U.S. Army Corps of Engineers (USACE) from Blue Mountain Lake. One part of this proposed project will be to increase that contract amount with the USACE. Increasing the amount of water to the served area will allow the addition of more industry for this area. Allowing for more jobs and the production of more poultry products for this industry.

During the dry periods of recent years, the system has struggled to keep pace with the demand. There is an extreme need to increase the amount of water and improve the water quality that the Dale Scott Plant can produce. This production will allow the utility to keep up with not only the domestic demand, but the pending increase of demand from current area chicken industry and the future chicken industry growth. The NE Yell County Water Association is also wanting to explore the possibility of getting more water from the Danville System and are themselves making upgrades to their systems.

The Dale Scott Plant equipment is aged and in need of repairs. The cost of the repairs to the facility makes the proposed replacement of the plant a viable option instead of trying to just repair the aged equipment. Pictures of the plant have been included for your use.

Another component of the project is to improve the Petit Jean River water intake structure. This will allow the utility to meet increased demand while also addressing deficiencies in the current structure. The ability to increase water production and quality with this proposed project will allow area residents and industry to grow successfully. The success of this project’s funding will allow for future development and expansion of the area and increase the ability to serve the current customers, the current industry, and additional customers to the system.

Project Financial Information

This funding recommendation is based on The City of Danville maintaining its current rate structure of \$23.94 for 4,000 gallons of usage. The rate burden factor is 0.55%. The current three year (2018-2021) average Median Household Income (MHI) for the City of Danville is \$46,911. The City of Danville has two loans with ANRC and is current on its payments.

Due to recent increases in construction cost the final estimate for this project came in substantially higher. Total ANRC funding requested is \$4,733,438. The Commission previously approved \$1,116,105 in American Rescue Plan Act (ARPA) funds at the December 2022 meeting.

Estimated Project Costs

Construction:	\$4,311,746
Contingencies:	129,352
Engineering – Planning and Development:	186,000
Engineering-Inspection:	90,000
Administrative:	0
Capitalized Interest during Construction:	0
Issuance fee (3%):	108,520
Other: Preliminary Engineering	0
Other: Legal	16,340
Less: ARPA	(1,116,105)
<hr/> Additional Funding Request:	<hr/> \$3,725,853

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$3,725,853 (including a 3% issuance fee) in a loan from the Arkansas Water, Waste Disposal, and Pollution Abatement Facilities General Obligation Bond Fund.

In addition, authorize the executive director of the commission 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 (\$361,733) 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 DeValls Bluff
Prairie County**

Project: Safe Drinking Water, Schedule 2 – Water Treatment Plant – DW-403

Project Description

This project is for constructing a new water treatment plant. It will include two new wells for raw water production into a single induce draft aerator, then by gravity into a new baffled reaction contact detention tank. It will be pumped into two new high service pumps through ten-inch diameter pressure filters directly into the water distribution system, filling the existing 75,000-gallon and 150,000-gallon elevated water storage tank. The city will be constructing an additional 150,000-gallon elevated water storage tank.

Project Financial Information

The current average monthly residential water bill based on 4,000 gallons of usage is \$29.00. The Median Household Income for DeValls Bluff is \$22,163. Initial Rate Burden Factor is 1.57. The required rate increase and final rate burden factor will be calculated during underwriting.

Estimated Project Costs

Construction:	\$2,704,435
Contingencies	245,000
Engineering – Planning, Design & Construction	195,388
Engineering – Inspection	101,063
Legal Fees	18,395
Administrative	12,000
Capitalized Interest during Construction	0
Issuance fee (3%)	0
Other: Land	20,000
Other:	0
Less: Previously Approved Funding	3,041,846
Additional Funding Requested:	\$138,000

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$138,000 in a loan to the City of DeValls Bluff from the Drinking Water State Revolving Fund. This is a conditional approval based on the city supplying all required documentation and this project being underwritten, and the city implementing any required rate increases.

Authorize the executive director of the commission 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 \$317,985 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 Foreman
Little River County**

Project: Water Line Replacement and Improvements – DW-285

Project Description

This project replaces old water lines constructed of Asbestos Cement, Steel, and Cast Iron with PVC. This project also adds seven new customers. The City of Foreman has had numerous leaks and failures of the old water mains. The estimates of the age of the troublesome water mains are in excess of 70 years. This project includes installing 27,785 LF of 6" PVC water main along with necessary valves, hydrants, water meters, bores, and miscellaneous accessories. Repairing these mains will greatly assist the city in reducing water loss and expenses due to the high cost of purchasing water from Little River County Rural County Development Authority.

Project Financial Information

The current average monthly residential water bill based on 4,000 gallons of usage is \$52.67. The Median Household Income for Foreman is \$26,010. Initial Rate Burden Factor is 2.42. The required rate increase and final rate burden factor will be calculated during underwriting.

Estimated Project Costs

Construction:	\$1,120,665
Contingencies	92,067
Engineering – Planning, Design & Construction	75,955
Engineering – Inspection	40,509
Legal Fees	5,821
Administrative	0
Capitalized Interest during Construction	0
Issuance fee (3%)	6,000
Other: Laboratory, Review Fee & Advertising	3,983
Other:	0
Less: Previously Approved Funding	1,139,000
<hr/> Additional Funding Requested:	<hr/> \$206,000

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$206,000, (including a 3% issuance fee) in a loan to the City of Foreman from the Water Development Fund. This is a conditional approval based on the city supplying all required documentation and this project being underwritten, and the city implementing any required rate increases.

Authorize the executive director of the commission 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 \$134,500 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 Luxora
Mississippi County**

Project: Water System Improvements – DW-039

Project Description

The water throughout the distribution system has a higher iron level than the treated water leaving the water treatment facility. This would indicate that a heavy iron build-up has occurred in the distribution system throughout its lifetime. The majority of the system is reported to be comprised of old cast iron/ductile and asbestos-cement lines. The proposed project includes replacing the old distribution system piping network with new PVC pipe. In addition to the new distribution piping, the city intends to replace service lines, up to and including the service meters. The system has a high unaccounted-for water level, replacement of the water mains to eliminate leaks and the replacement of the water meters will result in a more accurate account for water and should significantly reduce the unaccounted-for water.

Project Financial Information

The current average monthly residential water bill based on 4,000 gallons of usage is \$15.28. The Median Household Income for Luxora is \$25,577. Initial Rate Burden Factor is 0.76. The required rate increase and final rate burden factor will be calculated during underwriting.

Estimated Project Costs

Construction:	\$3,697,416
Contingencies	357,503
Engineering – Planning, Design & Construction	285,105
Engineering – Inspection	150,000
Legal Fees	0
Administrative	0
Capitalized Interest during Construction	0
Issuance fee (3%)	26,900
Other: Laboratory, Review Fee & Advertising	3,983
Other: Railroad Permitting	0
Less: Previously Approved Funding	3,597,859
<hr/> Additional Funding Requested:	<hr/> \$923,048

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$923,048 (including a 3% issuance fee) in a loan to the City of Foreman from the Arkansas Water, Waste Disposal, and Pollution Abatement Facilities General Obligation Bond Fund. This is a conditional approval based on the city supplying all required documentation and this project being underwritten, and the city implementing any required rate increases.

Authorize the executive director of the commission 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 \$92,304 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 Rison

Cleveland County

Project: Water System Improvements, DW-120

Project Description

The proposed project will include the following: Replacement of the water distribution system within the city's center, replacing failing components. The preferred option utilizes ductile iron and HDPE piping, 300 new saddle and corps will be installed, new 3/4" or 1" service line will be installed for the new saddle and corps.

These materials will replace the old, leaky distribution system reducing Rison's lost water to leakage. This will reduce the city's O&M expenses through pumping less water that is ultimately lost due to leakage. Per the Arkansas Department of Health Sanitary Survey in 2021, unaccounted water for the system totaled 55%.

Project Financial Information

The current average monthly residential water bill based on 4,000 gallons of usage is \$30.60. The Median Household Income for Rison is \$26,600. Initial Rate Burden Factor is 1.38. The required rate increase and final rate burden factor will be calculated during underwriting.

Estimated Project Costs

Construction:	\$,3,835,620
Contingencies	243,562
Engineering – Planning, Design & Construction	219,000
Engineering – Inspection	122,000
Legal Fees	63,500
Administrative	60,900
Capitalized Interest during Construction	25,619
Issuance fee (3%)	0
Other: PER, ER, Cult Survey	26,500
Other: Permits, Surveys, LMI Hookups	106,081
Total Estimated Capital Cost:	\$4,702,782
USDA – RD Loan	0
USDA – RD Grant	0
ARPA Grant/ANRC Funds	-3,302,382
Additional Funding Requested	\$1,400,000

Executive Director's Recommendation

Recommend the Commission approve an amount up to \$1,400,000 in a loan to the City of Rison from the Drinking Water State Revolving Fund. This is a conditional approval based on the city supplying all required documentation, the project being underwritten and the city implementing any required rate increases.

Authorize the executive director of the commission 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 (\$320,238) 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 Stuttgart
Arkansas County

Project: Stuttgart Wastewater Facility Improvements

Project Description

Stuttgart, an agricultural community located in the delta region of Southeast Arkansas, has a current population of approximately 9,000 residents. Many important industries to the entire delta region are in Stuttgart that support agriculture, such as Riceland and Producers Rice Mill, Inc.

The existing wastewater treatment facility has been in service for over 30 years and has reached the end of its useful life. Additional future nutrient parameters will be more difficult to meet at the treatment plant due to the agricultural industry's process water containing elevated nutrient loading. Current treatment steps are centered around primary clarification and attached growth biological processes. Future nutrient requirements and the current ability to meet permit limits indicate that a suspended growth biological reactor should be installed for biological nutrient removal and BOD/TSS reduction.

Presently, Stuttgart is under a Consent Administrative Order (CAO) with the Arkansas Division of Environmental Quality, CAO LIS 21-035. Stuttgart's consulting engineer, PMI, has prepared and received approval of a Corrective Action Plan detailing necessary steps to regain compliance with current limits and future nutrient limits.

Project Financial Information

The current average monthly residential sewer bill based on 4,000 gallons of usage is \$22.35. The Median Household Income for Stuttgart is \$44,744. Initial Rate Burden Factor is 0.59. The required rate increase and final rate burden factor will be calculated during underwriting.

Estimated Project Costs

Construction:	\$11,614,000
Contingencies	2,086,000
Engineering – Planning, Design & Construction	823,093
Engineering – Inspection	425,738
Legal Fees	20,000
Administrative	0
Capitalized Interest during Construction	289,501
Issuance fee (3%)	0
Other:	0
Other:	0
Total Estimated Capital Cost:	\$15,258,332
USDA – RD Loan	0
USDA – RD Grant	0
ARPA Grant/ANRC Funding	12,911,332
Additional funding requested	\$2,347,000

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$2,347,000 in a loan to the City of Stuttgart from the Clean Water State Revolving Fund. This is a conditional approval based on the city supplying all required documentation and this project being underwritten, and the city implementing any required rate increases.

Authorize the executive director of the commission 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 \$1,025,833 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.

**Southwest Arkansas Water Facilities Board of Hempstead County
Hempstead County**

Project: Water System Improvements & Extensions DW-507, DW-508, & DW-509

Project Description

Bois D'Arc Water Extension, Spring Hill Water System Extension - Phase 3 and water treatment plan improvements including replacing existing pressure reducer stations with new ones to properly operate the system and maintain water pressure (Hwy 73W, CR 10, & Hwy 195). Repair of SCADA monitors at standpipes in Gurnsey and Saratoga and the master meter in Spring Hill to monitor water levels and assist operation and pressure in the system. Improvements to tank mixers and other water system improvements are planned.

Project Financial Information

The current average monthly residential water bill based on 4,000 gallons of usage is \$70.74. The Median Household Income for Hempstead County is \$39,949. Initial Rate Burden Factor is 2.12. The required rate increase and final rate burden factor will be calculated during underwriting.

Estimated Project Costs

Construction:	\$4,788,046
Contingencies	404,705
Engineering – Planning, Design & Construction	322,752
Engineering – Inspection	166,941
Legal Fees	20,000
Administrative	0
Capitalized Interest during Construction	56,759
Issuance fee (3%)	0
Other: Land Acquisition/Easements	29,556
Other: Laboratory, Permits & Fees	19,000
Total Estimated Capital Cost:	\$5,807,759
USDA – RD Loan	0
USDA – RD Grant	0
ARPA Grant/ANRC Funding	-5,607,759

Additional funding requested

\$200,000

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$200,000 in a loan to the Southwest Arkansas Water Facilities Board of Hempstead County from the Drinking Water State Revolving Fund. This is a conditional approval based on the city supplying all required documentation and this project being underwritten, and the city implementing any required rate increases.

Authorize the executive director of the commission 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 \$164,451 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 West Fork
Washington County**

Project: Homestead Addition Subdivision Wastewater Improvements, WW-152

Project Description

The Homestead Addition Subdivision is located approximately 1/4 mile north of the West Fork city limits in Washington County in Northwest Arkansas, as shown in Figure 1 attached. The subdivision currently consists of 79 single family residences and will soon be at its full buildout of 80 single family residences. It is served by a decentralized wastewater treatment facility and a drip irrigation disposal system located in the northeast corner of the subdivision. Each residence has its own Septic Tank Effluent Pump (STEP) system which pumps into a common low pressure force main system which in turn connects to the on-site wastewater treatment facility. The drip irrigation disposal system consists of six separate drip zones. The system has a No-Discharge Permit (No. 5135-WR-3) through the Arkansas Department of Environmental Quality (DEQ) with an expiration date of November 30, 2023. It was constructed approximately 17 years ago and is rapidly nearing the end of its design life.

The Arkansas Department of Energy and Environment Division of Environmental Quality performed a reconnaissance inspection of the subdivision’s wastewater system in March 2021 and determined that the system needed major repairs in order to maintain compliance with its No Discharge Permit. Violations noted in the inspection included wastewater surfacing and ponding in several areas throughout the drip fields. Runoff from the drip fields can enter a small unnamed tributary to the north as well as the storm water collection system for the subdivision. The unnamed tributary and the subdivision’s storm water collection system discharge into the West Fork White River located less than 1/2 mile west of the subdivision. The West Fork White River flows into Beaver Lake, which is the primary source of drinking water for Northwest Arkansas. In addition, numerous residences in the subdivision have experienced failures of the individual septic tanks and/or pumps due to improper construction and installation methods. With the existing system’s severe issues and need for major repairs, the threat to the environment will only continue to increase.

The City of West Fork recently completed a major sewer improvement project to send all their wastewater to the City of Fayetteville for treatment. The city's 15-inch gravity sewer and lift station are in close proximity to Homestead Addition and were sized to handle the full buildout flows from Homestead Addition as per the April 2019 Final Facility Plan. The City of West Fork has agreed to accept wastewater flows from Homestead Addition and will serve as the Project Sponsor if grant funding is received for this project. As shown in Figure 3 attached, the proposed project consists of a completely new gravity sewer system to serve Homestead Addition and connect to the existing 15-inch West Fork gravity sewer main. Approximately 4,500 feet of 8-inch sewer will be required along with approximately 10,000 feet of 4-inch service lines extending from the mains to each residence. Once constructed, the existing treatment facility, drip irrigation system, and individual STEP systems at each residence would be decommissioned. The total estimated project cost of \$2,240,000 includes construction, treatment facility and STEP system decommission, engineering, surveying, land acquisition, contingency, and payoff of the existing bond for the treatment facility. The Homestead Addition was awarded \$1,120,000 in ARPA grant funds (50% of the total project cost), therefore an additional \$1,120,000 is being requested in ANRC principal forgiveness.

Project Financial Information

The current average monthly residential sewer bill based on 4,000 gallons of usage is \$87.00. The Median Household Income for Washington County is \$52,380. Initial Rate Burden Factor is 1.99. The required rate increase and final rate burden factor will be calculated during underwriting.

Estimated Project Costs

Construction:	\$2,270,000
Contingencies	280,000
Engineering – Planning, Design & Construction	205,000
Engineering – Inspection	85,000
Legal Fees	20,000
Administrative	10,000
Capitalized Interest during Construction	0
Issuance fee (3%)	0
Other: Existing Debt on WWTP to be paid Off	220,000
Other:	0
<hr/>	
Total Estimated Capital Cost:	\$3,090,000
USDA – RD Loan	0
USDA – RD Grant	0
ARPA Grant	-2,240,000
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Additional Funding Request	\$850,000

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$850,000 in a loan to the City of West Fork from the Clean Water State Revolving Fund.

Authorize the executive director of the commission 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 (\$197,000) 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.

OTHER

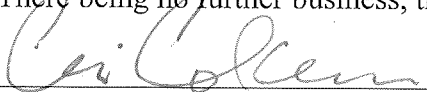
Commissioner Burr asked Tate Wentz, Water Quality Section Manager, for a nonpoint source update; that's currently under public comment and just give an overview, and a timeline. Mr. Wentz responded we did release a 30-day stakeholder technical review of our five-year nonpoint source management plan. This is the guiding roadmap for the state for five-year implementation of the nonpoint source pollution abatement program, which is delegated by US EPA to the State of Arkansas. This is a pretty technical document, but it is how we recommend guiding the 319 funds with the nonpoint source dollars for the next five years for the state. This document was emailed out to the nonpoint source stakeholder work group for technical review and a 30-day review. The document is on our website. The review period will close May 3. At the May commission meeting we can give an update on the technical comments received by stakeholders and suggested revisions to the document and path forward with EPA.

Commissioner Burr wants to extend the timeline for public comment and allow the Commission to hear what is within the technical aspects of this plan. This is an important five-year plan to the state, and I think the Commission should understand what the potential implications are prior to public comment closing so that we can ensure if the Commission have anything to say that it's embodied in that public comment as well.


Director Colclasure asked Mr. Wetz it's not a formal 30-day public comment period. Mr. Wetz answered, this is not a true public comment period. This is a state technical stakeholder review. Under the Clean Water Act and federal delegation, we are not technically required to do a formal public comment period. This is because this is a pretty technical document. We're asking technical stakeholders. We could do an extension if that is the recommendation of the Commission. Director Colclasure asked when is it due. Mr. Wentz responded May 3. Director Colclasure clarified, when do we need to get the final version to EPA. Mr. Wentz answered we don't have a final due date; we do have a current extension. The previous plan was May 2018 to 2023. We've already received an extension through this review period from Region 6. We do have a window. We don't actually have a final due date other than calendar year 2024. The discussion of this will put on the May's agenda.

ADJOURN

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



Chris Colclasure
Director



Date