

ARKANSAS NATURAL RESOURCES COMMISSION

May 15, 2024

The regular meeting of the Arkansas Natural Resources Commission (ANRC) was held in person and via zoom on Wednesday May 15, 2024, at 9:37 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, Vice Chairman Jamie Burr, Commissioner Neal Anderson, Commissioner JoAnne Bush, Commissioner Bruce Leggitt, and Commissioner Roy Reaves, Commissioner William Anderson and Commissioner Will Brewer were both unable to attend.

Staff members in attendance included: Chris Colclasure, Director; Ryan Benefield, Deputy Director; Christy Raatz, Administrative Analyst, Debby Dickson, Water Development Section Manager, Matthew Brooks, Engineer Supervisor of Water Resources Section, Leah Johannes, Program Fiscal Manager; Dewania Coleman, Program Fiscal Manager, Megan Perkins, Conservation Program Coordinator; Mary Elizabeth Lea, Agriculture Program Specialist; Tate Wentz, Water Quality Section Manager; Whit Montague, Dam Safety Supervisor, Jay Whisker, State Water Engineer Supervisor; Inoussa Zaki, Chief Fiscal Officer, Corey Seats, Chief Attorney of Department of Agriculture, Tanner Thomas, Attorney of Department of Agriculture, Sherry Seiffert, Attorney, 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: April 5, 2024

Upon motion by Mr. Jamie Burr, seconded by Ms. JoAnne Bush, the Commission unanimously approved the minutes of the meeting held on April 5, 2024.

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

General Agency

- **Budget** - Our agency budget for FY 25, starting July 1, passed through the fiscal session with no changes.
- **General Obligation Bond Work Plan** – We conducted a \$30 million-dollar general obligation bond sale yesterday for water, wastewater, and irrigation. Ryan Benefield will present the two resolutions.
- **Red River Compact Commission Meeting** – Several of us were in Lone Wolf Oklahoma attending the Red River Compact Commission meeting, which is an established compact between Oklahoma, Arkansas, Texas, and Louisiana focused on water quantity and water quality. While there, we also toured a large irrigation project constructed in the 1940's by the Bureau of Reclamation. The constructed lake Altus on the North Fork of the Red River to supply irrigation water supply to 48,000 acres, flood control and municipal water supply.

They have a 221-mile lateral distribution system and 26 miles of drains. The operations is controlled by the Lugert-Altus Irrigation District.

- **2023 Groundwater Report** – We finished the final edits to the 2023 groundwater report, and it will soon be published on the agency website and available for public dissemination.
- **Alliance Project** - We have executed agreements with 7 conservation districts. The districts are in the process of hiring technicians. As of this week we should have 4 of the 7 technicians hired. We intend to implement the program in: Jefferson, Arkansas, Drew, Lincoln, St. Francis, Craighead, and Cleveland Counties. Under the program producers will be eligible to receive \$100/acre for implementing climate smart practices (\$15 million over three years). We will target 800-1,000 producers across the 6-7 counties.
 - Targets under the program include:
 - Cropland Acres 74,384
 - Pasture/Range Acres 30,310
 - Animal Units 22,707
- **Water Plan** – We continue to work with the US Army Corps of Engineers, Michael Baker International and Olson/FTN and Associations to update the State Water Plan. To date, we have conducted 7 public meetings across the state to gather public input as part of Phase 1. We will now focus our attention to finalizing the programmatic work plan, schedule, and cost estimates for phase 2, which is the actual drafting of the update.
- **Levee Study** – We signed our paperwork with the US Army Corps of Engineers for the levee inventory project and submitted our match funding (\$250k). In addition, Governor Sanders and the Commissioner of State Lands, Tommy Land, executed an agreement for cost sharing the project. We appreciate their assistance and support. Next steps will be for the Corps of Engineers to start the contracting process in hopes of having a contract in place by late September.
- **Ryan Benefield** – Ryan Benefield will be leaving us after 9 years with the agency to accept a position outside of the agency. His last day will be June 7, 2024. Ryan has been a valuable part of our team and will be very difficult to replace.

FINANCIAL ASSISTANCE REPORT – Mr. Inoussa Zaki, Chief Fiscal Officer of the Department of Agriculture presented the financial assistance report dated April 30, 2024.

LEGAL: Corey Seats, chief attorney with Department of Agriculture reported there has been three new water authority applications in the past month, the newest being in Van Buren, two bond were released for the City of Mountainburg, and Grand Prairie, and a going review of PPA matching funds for water associations for Bayou Meto and Grand Prairie, between the Department of Agriculture and the Crop of Engineers.

GENERAL OBLIGATIONS BOND SERIES RESOLUTION – Mr. Ryan Benefield, Deputy Director presented taxable series A for \$17,000,000 and nontaxable series B for \$13,000,000 resolutions authorizing the sale of State of Arkansas Water, Waste Disposal, and Pollution Abatement Facilities General Obligation Bonds (CGO).

Upon motion by Mr. Roy Reaves, seconded by Mr. Jamie Burr, the Commission unanimously approved the general obligation bond taxable series A resolution for \$17,000,000.

Commissioner Reaves asked is it totally reversed for irrigation? Mr. Benefield responded yes, this pot of funds, the way we sold it, it came out of the hundred million of the three hundred million that can go for irrigation.

Upon motion by Mr. Roy Reaves, seconded by Ms. JoAnn Bush, the Commission unanimously approved the general obligation bond nontaxable series B resolution for \$13,000,000.

Commissioner Reaves asked wouldn't you always sell nontaxable if you had the opportunity. Mr. Benefield replied we would, we can't use the funds for the irrigation projects and sell them nontaxable, they have to be sold taxed.

Commissioner Bush asked this is for wastewater and water. Mr. Benefield replied it will. The \$13,000 000, will be the main part of our match. We have the additional funds from the Federal IJJ our match requirements year 3, 4 and 5 have gone up, so a good portion of this will provide match. We have put some projects in here, that can't meet all the federal requirements, they will pay a higher rate, but we can still loan them money.

Commissioner Bush asked if any more funding is coming for water or sewer projects. Director Colclasure replied not that I'm aware of right now. We will see what will happen in the future. We are given the infrastructure investment and jobs act funds every year; we have two more years we will see that. That will be the principle forgiveness funds you will make a discussion on later this year.

CONSERVATION DISTRICT RULES DISCUSSION – Ms. Megan Perkins, Conservation Program Coordinator presented the clean copy amendments to Title II per the request of the Commission from the April 5, 2024 meeting. The amendments are in the last step, to go before the Legislature for review and approval. The meeting is scheduled for May 30. After the approval it will be filed with the Secretary States office.

Commissioner Reaves voiced his concerns about the conservations district being done away with completely in the near future. Commissioner Bush responded what would the upside of that. Commissioner Reaves replied it would save the State money. Commissioner Reaves continued there are some districts in trouble and need help. We have some other districts that are strong and have money. The districts that are strong, don't want to return the money to the State. All the districts are needed, there's probably some consolidations that is needed, to take care of some weak sisters. It's a difficult time and a lot of concerns.

Commissioner Bush asked are we doing anything to promote. Director Colclasure responded I think the fear is, we are doing something to get rid of districts and I'm not aware of any effort to get rid of the districts, and I'm not sure where its coming from. I think with efficiencies and anything else like that you have to look at where are the weak districts, where are the districts that would probably be better served by consolidating with someone else, like we do with water systems. But right now, there has not been effort to mandate that or anything else. For districts to consolidate they would need to agree upon it.

Commissioner Bush ask Commissioner Reaves do you think they would be opposed to that. Commissioner Reaves replied the weak sisters would be opposed, but overall, I don't think there is opposition to consolidation.

Commissioner Reaves asked Director Colclasure what authority do you have when a district is not performing well. Director Colclasure responded the only authority we have is to hold funds from them and that's it. Commissioner Reaves asked and are you doing that. Director Colclasure replied we are not. Ms. Perkins added we are not holding funds from districts that are struggling, but if reports aren't turned in on time, we do not issue funds a till those reports are completed. Per rule, per law those reports have to be turned in to be eligible for the funds. That is where we are holding funds now, but we help them along the way to get that funding.

Commissioner Reaves asked what do we do to help them solve the real problem. He gave an example when the conservation board at Pope County didn't have the money to pay their director, they went and found other sources of income. Director Colclasure responded the board, as the governing body took that on, as an initiative We don't have the capacity to do that, to help that board do those things. It's really the board that needs to make that discussion. Commissioner Reaves responded sometimes a board needs to be nudged. Director Colclasure agreed.

FY 2025 CONSERVATION DISTRICT LINE-ITEM FUNDING – Ms. Megan Perkins, Conservation Program Coordinator of NRD, recommended the FY25 available line-item funding, \$901,872.00 to be distributed equally to each of the 75 conservation districts.

Upon motion by Mr. Roy Reaves, seconded by Mr. Bruce Leggitt, the Commission unanimously approved the funding for FY2025 Line-Item.

NONPOINT SOURCE MANAGEMENT PLAN PRESENTATION – Mr. Tate Wentz, Water Quality Section Manager of NRD, gave updates on Nonpoint source management plan for 2024-2029.

- **Update Timeline:**
 - The contract was finalized in November 2021.
 - NPS stakeholders were notified in July 2022 and 2023.
 - Drafts for review were distributed to NPS stakeholders on March 22, 2024.
 - On April 5, 2024, the Natural Resources Commission requested an update and review extension.
 - NPS stakeholders technical review ends June 3, 2024.
- **Updating Priority Watersheds:**
 - Impairments
 - Designated Use Impact
 - Biotic Impact
 - Potential Human Exposure
 - Urban/Suburban Population
 - Impervious Area
 - Economic Activity
 - Cropland
 - Livestock and Pasture

- Unpaved Roads
- Forestry
- Adjacent State Priority
- **Updating the 2018-2023 Plan included:**
 - Reducing repetition of information.
 - Removing details about most programs and providing hyperlinks to allow readers to obtain additional information at their discretion.
 - Providing a summary of progress on 2018-2023 Plan goals, objectives, and milestones in 2024-2029 Plan Appendix E.
- **Program Goals and Objectives:**
 - Increase elements of sustainability and climate resiliency.
 - Increase projects and impacts underserved and disadvantaged communities.
 - Increase promotion of protective measures ensure high quality waters remain intact.
 - Emphasize priority watersheds and EPA accepted 9-element plans.
 - Projects that identify sub-watersheds for measurable NPS reductions.
 - Strengthen education, outreach, and involvement to increase advocacy.
 - Review and evaluate projects for NPS Success Stories.

WATER RESOURCES DEVELOPMENT SECTION –Ms. Debra Dickson, Water Development Section Manager, presented a new funding opportunity for sewer overflow and stormwater reuse municipal grant program (OSG). Arkansas has been allocated just over \$1.9 million for the new OSG grant program. This grant will provide funding to a municipality or municipal entity for planning, design, and construction of treatment works to intercept, transport, control, treat or reuse municipal combined sewer overflows, and sanitary sewer.

Commissioner Burr asked if this grant is for the cities who identify as having issues regarding sewer, and sanitary and it not going to pay for smoke testing to determine the issues. Ms. Dickson replied it could help with that, and help planning and designing which would include smoke testing.

Commissioner Bush asked but the deadline is closed. Ms. Dickson responded for this year, yes. In the next few months, this fall she will put in a request for the next grant announcement, around \$300,000 we can apply for.

Commissioner Leggitt asked do you have a mailing list. Ms. Dickson replied yes, it will on our website. Also, there is a sign up on the home page of Department's website and on home page of the division's website where you can sign up to receive notifications of new announcements.

Ms. Dickson also presented staff recommendations for financial assistance and change in funding from the Arkansas Drinking Water State Revolving Loan Fund (DWSRF), Water Development Fund (WDF), Clean Water Revolving Loan Fund (CWSRF), Water Sewer and Solid Waste Fund (WSSW), and General Obligation Bond Fund (CGO).

SEWER OVERFLOW AND STORMWATER REUSE MUNICIPAL GRANT PROGRAM (OSG) FINANCIAL ASSISTANCE:

Upon motion by Ms. JoAnne Bush, seconded by Mr. Neal Anderson, the Commission unanimously approved the following staff recommendations for financial assistance for the OSG program.

City of Arkansas City

Desha County

Project: Drainage Improvements

Project Description

The proposed project will mitigate chronic and reoccurring flooding in Arkansas City. This flooding causes hazardous environmental and sanitation conditions, contributes to property damage, and degrades the standard of living of the citizens. Two (2) 36" backwater check valves would be installed on the final culverts leaving Arkansas City, which would eliminate backwater from Boggy Bayou backing up into the City. A stormwater pump station and force main 1 piping would be installed to transfer stormwater out of the City's watershed. Currently flooding causes sanitary sewer overflows, hydraulic overloading of the City's wastewater system, sewer backups into residences, and raw sewage overflows along the ground. This project will significantly reduce those issues and includes installation of 3 storm water lift stations and force mains to pump the drainage over the Mississippi River Levee from within the city to the Mississippi River flood plain, Install backwater flap valves to prevent Chicot Bayou from backing up into and flooding the city and clear vegetation from drainage ditch to allow for adequate drainage, minimizing sewer collection inflow/infiltration by maximizing storm-water drainage and increasing storage capacity.

Project Financial Information

The median household income for Arkansas City is \$34,239. The City of Arkansas City will be required to provide additional funding to complete the project, or the project scope may be reduced to reflect the approved grant funds. A change in scope request will be required prior to any reduction in scope.

Estimated Project Costs

Construction:	\$1,823,740
Contingencies	182,374
Engineering – Planning, Design & Construction	182,374
Engineering – Inspection	91,187
Legal Fees	45,593
Administrative	182,374
Capitalized Interest during Construction	0
Issuance fee (3%)	0
Other: Easements & Acquisition	45,593
Other: Permitting	54,713
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Total Estimated Capital Cost:	\$2,607,948
Applicant Contribution	2,207,948
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ANRC funding requested	\$400,000

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$400,000 in a grant to the City of Arkansas City from the Sewer Overflow and Storm Water Reuse Municipal Grant.

Benton County

Project: Drainage Manual 2024

Project Description

Benton County serves approximately 284,336 citizens. This project will establish drainage and retention criteria in the unincorporated areas of Benton County thereby preventing ground pollutants from entering waterways via runoff, instead allowing the water to filtrate through the soil.

Project Financial Information

This funding recommendation is based on the county increasing rates if necessary to meet grant requirements. The current three year (2018-2021) average Median Household Income (MHI) for Benton County is \$76,887. Benton County has no loans with ANRC.

Estimated Project Costs

Construction:	\$0
Contingencies:	0
Engineering – Planning and Development:	137,000
Engineering-Inspection:	0
Administrative:	0
Capitalized Interest during Construction:	0
Issuance fee (3%):	0
Other:	0
Other: Legal	0
Issuance Fee	0
<hr/> Total Estimated Capital Cost:	<hr/> \$137,873

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$137,873 in a grant from the Sewer Overflow and Storm Water Reuse Municipal Grant program.

City of Calico Rock

Izard County

Project: Wastewater Infiltration Reduction

Project Description

The City of Calico Rock is in Izard County and serves approximately 507 users. These users include residents of Calico Rock and the Town of Pineville. Calico Rock treats all wastewater generated by the existing users at the existing wastewater treatment facility. The existing wastewater treatment facility is an extended aeration activated sludge treatment facility. This facility consists of aeration tanks, clarifiers, sludge digester tanks, a sludge holding pond, chlorine disinfection, and de-chlorination. The existing wastewater treatment facility has a capacity of 250,000 GPD.

The Calico Rock wastewater collection system consists of a combination gravity and pressure collection system. The wastewater collection system that provides service to Pineville is a vacuum collection system. Calico Rock experiences large amounts of infiltration during rainfall events. The Calico Rock wastewater treatment facility has an average flow of approximately 40,000 GPD during normal operations. During rainfall events the flow will increase to approximately 120,000 GPD due to infiltration of rainwater into the system.

The city has several old brick manholes that experience infiltration during rainfall events. These manholes are a major source of the infiltration. The proposed project includes the replacement of five of the existing manholes. These five manholes are at locations that have high infiltration during rain events. The replacement of these five brick manholes with concrete manholes will help reduce infiltration into the collection system.

Project Financial Information

This funding recommendation is based on the city increasing rates if necessary to meet grant requirements. The current three year (2018-2021) average Median Household Income (MHI) for the City of Calico Rock is \$36,806. The City of Calico Rock has two loans with ANRC and is current on its payments.

Estimated Project Costs

Construction:	\$40,000
Contingencies:	4,000
Engineering – Planning and Development:	5,000
Engineering-Inspection:	1,000
Administrative:	0
Capitalized Interest during Construction:	0
Issuance fee (3%):	0
Other:	0
Other:	0
Issuance Fee	0
Total Estimated Capital Cost:	\$50,000

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$50,000 in a grant from the Sewer Overflow and Storm Water Reuse Municipal Grant program.

City of Gentry

Benton County

Project: Wastewater Infiltration Reduction

Project Description

The City of Gentry is in Benton County and serves approximately 1,750 customers. Smoke testing and closed-circuit television inspections of the system identified 45 public sector and 88 private sector points of inflow and infiltration (I&I), contributing an estimated 654 gallons per minute to the system during wet-weather events. The city’s wastewater treatment plant was designed to treat

0.50 million gallons per day (MGD). With the I&I impact there is a risk of under-treated wastewater being discharged from the plant.

The city is currently repairing or replacing the I&I sources on the public system and is requesting funds to address the I&I sources in the private sector. The project will also include the installation of six permanent wastewater flow meters in key manholes throughout the gravity sewer system.

Project Financial Information

This funding recommendation is based on the city increasing rates if necessary to meet grant requirements. The current three year (2018-2021) average Median Household Income (MHI) for the City of Gentry is \$51,750. The City of Gentry has no loans with ANRC and is current on its payments. Gentry will be required to provide additional funding to complete the project, or the project scope may be reduced to reflect the approved grant funds. A change in scope request will be required prior to any reduction in scope.

Estimated Project Costs

Construction:	\$162,230
Contingencies:	16,223
Engineering – Planning and Development:	17,845
Engineering-Inspection:	5,657
Administrative:	0
Capitalized Interest during Construction:	2,275
Issuance fee (3%):	0
Other:	0
Other:	0
Less: Applicant Contribution	154,230
<hr/> Total Estimated Capital Cost:	<hr/> \$50,000

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$50,000 in a grant from the Sewer Overflow and Storm Water Reuse Municipal Grant program.

City of Highland

Sharp County

Project: Wastewater Infiltration Reduction

Project Description

The City of Highland is in Sharp County and serves approximately 615. The City of Highland currently treats all wastewater produced by its users. The city currently has three lift stations, a wastewater treatment facility, a short section of gravity sewer, and a pressure sewer collection system with 615 individual grinder stations.

The City of Highland collection system was constructed in 2005. The City of Highland’s collection system is a pressure sewer collection system with grinder pumps installed at each house or commercial facility. At the time of construction of Highland’s collection system, the local hospital and school had a privately owned wastewater collection system and treatment facility. As part of

the project, the City of Highland took over operation and maintenance of the privately owned collection system. The privately owned collection system consisted of approximately 8,000 feet of pressure sewer lines serving the school and approximately 2,800 feet of gravity sewer line that served the hospital. This gravity sewer line is a major source of infiltration for the Highland system and is the only gravity line on the system. The hospital stopped operating shortly after Highland took over operation and maintenance of the gravity sewer line. This sewer line currently provides service to two commercial users, one commercial user has a simple grinder station that provides sewer service, and one is connected directly to the gravity system.

The City of Highland is proposing to construct a 3" force main to replace the existing gravity sewer line and install a simplex grinder station to serve the commercial user currently connected directly to the gravity line. This proposed 3' force main will provide sewer service to the two existing commercial users, will provide adequate capacity for future growth, and allow the city to abandon the existing gravity sewer line and eliminate infiltration from the gravity line. Once the gravity line is abandoned and removed from service, the entire Highland collection system will be pressure sewer and subject to minimum infiltration.

Project Financial Information

This funding recommendation is based on the city increasing rates if necessary to meet grant requirements. The current three year (2018-2021) average Median Household Income (MHI) for the City of Highland is \$42,969. The City of Highland has one loan with ANRC and is current on its payments. Highland will be required to provide additional funding to complete the project, or the project scope may be reduced to reflect the approved grant funds. A change in scope request will be required prior to any reduction in scope.

Estimated Project Costs

Construction:	\$56,750
Contingencies:	5,675
Engineering – Planning and Development:	7,075
Engineering-Inspection:	0
Administrative:	0
Capitalized Interest during Construction:	0
Issuance fee (3%):	0
Other:	0
Other: Legal	0
Issuance Fee	0
<hr/> Total Estimated Capital Cost:	<hr/> \$69,500

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$69,500 in a grant from the Sewer Overflow and Storm Water Reuse Municipal Grant program.

**Benton County of behalf of Illinois River Watershed Partnership
 Benton and Washington Counties
 Project: Stormwater Quality Improvements in the Illinois River Watershed**

Project Description

Benton County is sponsoring this application from the Illinois River Watershed Partnership. The primary goal is to reduce total suspended solids (TSS) and nutrient loads into designated impaired sub-watersheds through improvements in design and function of stormwater conveyance infrastructure with particular focus on detention and retention ponds in the watershed. This project will fund retrofitting detention and retention ponds, including removal of concrete low flow channels in some locations, construction of pocket rain gardens, forebays, berms to slow flow and increase infiltration, retrofitting of outfall structure orifice plates for 6-month and 1-year storm events, and installation of naturalized plantings to improve filtering and ultimately water quality at the outfall and downstream. Common detention pond design criteria discharge stormwater at velocities above the critical flow (critical) for streambank stability causing excessive erosion and sedimentation in the receiving stream channel (EPA, 2020, Goodrich et al, 2014). Through increased retention time and bioremediation, sediment and nutrient loading will be directly reduced within the pond and downstream channel stability will be improved, reducing streambank erosion, and sediment and nutrient loading in the watershed.

Project Financial Information

The current three year (2018-2021) average Median Household Income (MHI) for the Benton County is \$76,887.

Estimated Project Costs

Construction:	\$329,658
Contingencies:	32,966
Engineering – Planning and Development:	31,730
Engineering-Inspection:	15,412
Administrative:	26,266
Capitalized Interest during Construction:	0
Issuance fee (3%):	0
Other:	0
Other: Water Quality Monitoring	2,968
Issuance Fee	0
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Total Estimated Capital Cost	\$439,000
Less: Applicant Contribution	39,000
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Total Estimated Capital Cost:	\$400,000

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$400,000 in a grant from the Sewer Overflow and Storm Water Reuse Municipal Grant program.

City of Malvern Water Works

Hot Springs County

Project: Sewer System Rehabilitation Phase 3

Project Description

The City of Malvern Water Works is in Hot Springs County and serves approximately 10,867. The purpose of this project is to continue the sewer system rehabilitation efforts that applicant is

currently engaged in. These efforts are focused on rehabilitating aging sewer infrastructure including gravity sewers, manholes, and pump stations to reduce stormwater inflow and infiltration (I&I) which is a major cause for the recurring sanitary sewer overflows (SSOs).

This project priority is to eliminate the recurring SSOs at the intersection of Laurel and Davis and the intersection of Kelly St and Morzett St. The Arkansas Department of Energy and Environment (ADEE) has proposed a consent administrative order (CAO) to enforce corrective actions in these areas. During wet weather events, sewage from these SSOs enters Town Creek, posing public health concerns.

Project Financial Information

This funding recommendation is based on the city increasing rates if necessary to meet grant requirements. The current three year (2018-2021) average Median Household Income (MHI) for the City of Malvern is \$34,880. The City of Malvern has two loans with ANRC and is current on its payments. The City of Malvern will be required to provide additional funding to complete the project, or the project scope may be reduced to reflect the approved grant funds. A change in scope request will be required prior to any reduction in scope.

Estimated Project Costs

Construction:	\$3,750,000
Contingencies:	609,418
Engineering – Planning and Development:	300,000
Engineering-Inspection:	250,000
Administrative:	15,000
Legal	20,000
Capitalized Interest during Construction:	55,582
Issuance fee (3%):	0
Other:	0
Other:	0
Issuance Fee	0
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Total Estimated Capital Cost:	\$5,000,000
Less Applicant Contribution	4,600,000
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Total ANRC funding	\$400,000

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$400,000 in a grant from the Sewer Overflow and Storm Water Reuse Municipal Grant program.

City of Mount Ida

Montgomery County

Project: Sanitary Sewer Evaluation Study (SSES)

Project Description

The City of Mount Ida is in Montgomery County and has a population of approximately 1,600 people. The existing collection system has several pump stations and miles of collection piping. The amount of flow coming from the collection system is over the amount of flow that should be

being generated and is often several times the expected flow. The overage is believed to be caused by the infiltration and inflow (I&I) into the collection system. The proposed project is to perform a detailed Sanitary Sewer Evaluation Study (SSES) for the City of Mount Ida.

The proposed SSES will include, but not be limited to, the following:

- Smoke testing of all mains
- Televising of all locations that are not capable of smoke testing
- Evaluation of conditions of all list stations, including pump tests
- Overall evaluation of entire system
- Detailed report of all data acquired, including cost estimates of needed repairs, mapping of system and all results shown on system maps

The SSES, once completed, will be used to develop phasing for the repairs and applying for the needed funding.

Project Financial Information

The City of Mount Ida’s current monthly bill is \$17.00. The initial rate burden factor is 0.50%., The current three year (2018-2021) average Median Household Income (MHI) for the City of Mount Ida is \$40,744. The City of Mount Ida has two loans with ANRC and is current on its payments.

Estimated Project Costs

Construction:	\$0
Contingencies:	0
Engineering – Planning and Development:	0
Engineering-Inspection:	0
Administrative:	0
Capitalized Interest during Construction:	0
Issuance fee (3%):	0
Other: SSES	40,000
Other: Legal	0
Total Estimated Capital Cost:	\$40,000

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$40,000 in a grant from the Sewer Overflow and Storm Water Reuse Municipal Grant program.

Watershed Conservation Resource Center

Washington County

Project: Little Sandy Creek Restoration

Project Description

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

project is restoring Little Sandy Creek in the Springdale and Johnson areas. To be eligible for the Sewer Overflow and Storm Water Reuse Municipal Grant funding an eligible entity such as a municipality or county must sponsor the project.

Project Financial Information

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

Estimated Project Costs

Construction:	\$940,000
Contingencies:	40,000
Engineering – Planning and Development:	70,800
Engineering-Inspection:	39,200
Administrative:	0
Legal	10,000
Capitalized Interest during Construction:	0
Issuance fee (3%):	0
Other:	0
Other:	0
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Total Estimated Capital Cost:	\$1,100,000
Applicant Contribution	700,000
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Total ANRC funding	400,000

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$400,000 in a grant from the Sewer Overflow and Storm Water Reuse Municipal Grant conditional on the applicant finding an eligible sponsor entity such as a municipality or county. WCRC will be required to provide additional funding to complete the project, or the project scope may be reduced to reflect the approved grant funds. A change in scope request will be required prior to any reduction in scope.

In addition, 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 (\$40,000) 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.

FINANCIAL ASSISTANCE:

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

Community Water System Public Water Authority

Cleburne County

Project: Edgemont Pump Station

Project Description

The Community Water System Public Water Authority (CWS) is in Cleburne County. CWS operates a ten million gallon per day (10-mgd) water treatment plant on Greers Ferry Lake in Greers Ferry. CWS serves a population of approximately 76,000. The retail system serves a population of approximately 18,000 and the Faulkner Cleburne wholesale system serves a population of approximately 58,000. Edgemont Pump Station serves the areas of Fairfield Bay, City of Shirley, and the Lexington/Hwy 110 retail areas. The existing pump station was built in the early 1970's and needs replacement. There are mechanical issues with the two available pumps. Structural issues include a small footprint and a flat roof in need of replacement. Capacity issues include the station running most of the day during peak usage times. This project proposes to replace the existing pump station with a new pump station that is to provide additional pumping capacity. The new pump station will be built adjacent to the site of the existing pump station.

Project Financial Information

This funding recommendation is based on Community Water System PWA increasing rates to \$52.16 for 4,000 gallons of usage, their current monthly bill is \$42.75. The initial rate burden factor is 1.06%, the projected rate burden factor is 1.29%. The current three year (2018-2021) average Median Household Income (MHI) for the Cleburne County is \$48,400. The CWS has one loan with ANRC and is current on its payments.

Estimated Project Costs

Construction:	\$1,158,000
Contingencies:	116,000
Engineering – Planning and Development:	46,000
Engineering-Inspection:	0
Administrative:	0
Capitalized Interest during Construction:	0
Issuance fee (3%):	0
Other: ADH Review Fee	500
Other: Legal	4,500
<hr/> Total Estimated Capital Cost:	<hr/> \$1,325,000

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$1,325,000 in a loan from the Drinking Water State Revolving Loan 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 (\$132,500) 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 Emerson
Howard County
Project: Water Tank Improvements

Project Description

The City of Emerson has retained A.L. Franks Engineering to evaluate and make recommendations on the water system. The proposed project consists of water tank improvements. The improvements will consist of but not limited to blast and recoating the interior and exterior, overflow extension with splashpad, install riser pump with separate inlet/outlet, replace existing roof hatch and vent, and furnish and install a backup generator at the well.

Project Financial Information

This funding recommendation is based on the city increasing rates to \$67.43 for 4,000 gallons of usage. The initial rate burden factor is 0.70%, the projected rate burden factor will be 1.70%. The current three year (2018-2021) average Median Household Income (MHI) for the City of Emerson is \$47,500. The City of Emerson has two loans with ANRC and is current on its payments.

Estimated Project Costs

Construction:	\$927,500
Contingencies:	92,750
Engineering – Planning and Development:	85,000
Engineering-Inspection:	37,100
Administrative:	0
Legal	20,000
Capitalized Interest during Construction:	13,008
Issuance fee (3%):	0
Other:	0
Other:	0
Issuance Fee	0
Total Estimated Capital Cost:	\$1,175,358

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$1,175,388 in a loan from the Drinking Water State Revolving Loan 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 (\$117,538) 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 Hardy Water Works
Sharp & Fulton Counties
Project: Emergency Funding Request, Wastewater System

Project Description

The City of Hardy is in Sharp and Fulton Counties. This emergency request is to reimburse the city for the installation of two pumps to replace failed pumps. The SCADA system has been hit by two separate storms in the last twelve months. This system detects leaks in the water and wastewater systems. When leaks are detected, an alarm is activated. We can no longer monitor either system for leaks. This request is for replacement parts to fix the aerator in the sewer system treatment plant. On April 19, 2024, after consultation with the Chairman, the Director conditionally approved the request from Hardy for up to \$100,000 in emergency loan funding. The city has not submitted invoices for reimbursement.

Project Financial Information

The City of Hardy will submit a complete funding application and implement any required rate increase. It is standard procedure is to document, based on the information provided, that each entity has the ability to fund debt service, O & M, and depreciation reserve at 110% coverage to allow for any unforeseen shortages in projected revenues or overages in projected O & M. With that said, should it be determined, at any point, during the term of this loan that the rates are not sufficient in covering the required debt service, operation and maintenances costs, including the required maintenance of the depreciation reserve fund, the city will be required to increase the rates. Please note, we recommend reviewing the Revenue, O & M and Debt Service annually to determine if a rate increase is necessary.

The current three-year (2018-2020) average Median Household Income (MHI) provided by UALR for Hardy, Arkansas is \$33,173. The current customer base for this project is 450. The City of Hardy currently has one loan with ANRC and is current on their payments.

With current residential rates of \$6.20 (4,000 gallons of usage) per month per user, the affordability criteria/rate burden factor (RBF) equals 0.22%.

Estimated Project Costs

Construction	\$100,000
Contingencies	0
Engineering – Planning, Design & Construction	0
Legal Fees	0
Administrative	0
Estimated Capitalized Interest during Construction	0
Issuance fee (3%)	0
<hr/> Total Estimated Capital Cost:	<hr/> \$100,000

Executive Director’s Recommendation

Recommend the commission approve a loan in an amount up to \$100,000 from the Water Development Fund and waive the 3% issuance fee for this emergency funding.

The Mayor of Hardy, Mr. Barnes was present and gave a quick summary of the request for emergency funds and thanked the Commission for the funding considerations. The Commission thanked Mayor Barnes for being present.

City of Haynes Water Works

Lee County

Project: Emergency Funding Request, Wastewater System

Project Description

The City of Haynes is in Lee County. This emergency request is to reimburse the city for the repairing collapsing sewer pipes, rebuild ground structure and installation erosion control system. On April 5, 2024, after consultation with the Chairman, the Director conditionally approved the request from PCSFB for up to \$40,000 in emergency loan funding. The city has not yet submitted invoices for reimbursement.

Project Financial Information

The City of Haynes has not yet submitted a complete funding application. The city has agreed to implement a rate increase if current revenue is insufficient. They will be required to increase rates by at least \$2.18 per user to cover the debt service on this loan. It is standard procedure is to document, based on the information provided, that each entity has the ability to fund debt service, O & M, and depreciation reserve at 110% coverage to allow for any unforeseen shortages in projected revenues or overages in projected O & M. With that said, should it be determined, at any point, during the term of this loan that the rates are not sufficient in covering the required debt service, operation and maintenances costs, including the required maintenance of the depreciation reserve fund, the city will be required to increase the rates. Please note, we recommend reviewing the Revenue, O & M and Debt Service annually to determine if a rate increase is necessary.

The current three-year (2018-2020) average Median Household Income (MHI) provided by UALR for Haynes, Arkansas is \$36,563. The current customer base for this project is 122. The City of Haynes currently has one loan with ANRC and is current on their payments.

Estimated Project Costs

Construction	\$40,000
Contingencies	0
Engineering – Planning, Design & Construction	0
Legal Fees	0
Administrative	0
Estimated Capitalized Interest during Construction	0
Issuance fee (3%)	0
Total Estimated Capital Cost:	\$40,000

Executive Director’s Recommendation

Recommend the commission approve a loan in an amount up to \$40,000 from the Water Development Fund and waive the 3% issuance fee for this emergency funding.

City of Hot Springs

Garland County

Project: City of Hot Springs Lead Line Inventory and Investigation

Project Description

The project consists of completing all the work required to bring the City of Hot Springs (38,114 pop.) to compliance with the Revised Lead and Copper rule by October 2024. To facilitate this goal, several individual steps must take place.

Currently, the city is in the process of developing an initial service line inventory. Of the over 39,000 parcels with building information, approximately 16,000 have been identified to fall in a date range prior to 1986, which would require further investigation as to rule out lead in the service lines.

For the service locations that cannot be determined through home age or records, a representative will be required to physically inspect the service line on both sides of the meter to rule out the possibility of lead. The information must then be organized into a service line inventory to comply with the Lead Service Line Inventory requirement.

Once the lines are inventoried, a construction project will commence to begin removal of lead service lines within the system, beginning with the locations at highest risk for lead exposure.

This project will bring the city of Hot Springs up to compliance with the new requirements set forth in the revised rule.

Project Financial Information

The current average monthly water and sewer bill for Hot Springs is \$28.27 based on 4,000 gallons of usage. Hot Springs will not be required to raise rates. The rate burden factor is 0.91%. Hot Springs has three loans with ANRC and is current on its payments.

Estimated Project Costs

Construction:	\$3,000,000
Contingencies	300,000
Engineering – Planning, Design & Construction	300,000
Engineering – Inspection	150,000
Legal Fees –	0
Administrative	0
Capitalized Interest during Construction	0
Issuance fee (3%)	0
Other – Health Department Fee	0
<hr/> Total Estimated Capital Cost:	<hr/> \$3,750,000

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$1,912,500 in a loan and a loan with principal forgiveness in an amount up to \$1,837,500 to the City of Hot Springs from the Drinking Water State Revolving Fund. Allocation between loan and principal forgiveness is contingent on eligibility for the lead service line funding.

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 \$375,000, 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. If approved, the Executive Director will establish any necessary combined annual borrower rates and additional terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

City of Magnolia

Columbia County

Project: Lake Columbia Intake

Project Description

The City of Magnolia is in Columbia County and has a population of approximately 11,000 people. The City of Magnolia cannot utilize the full capacity of the water treatment plant due to increased manganese levels during summer months. The city relies on existing wells to supplement raw water supply to meet demands. This project will provide aeration to reduce manganese levels near and around the raw water intake structure in Lake Columbia that feeds the Magnolia Water Treatment Plant.

Project Financial Information

This funding recommendation is based on the City of Magnolia making a rate increasing rates to \$20.62 for 4,000 gallons of usage. The initial rate burden factor is 0.63%, the projected rate burden factor will be 0.7455%. The current three year (2018-2021) average Median Household Income (MHI) for the City of Magnolia is \$34,815. The City of Magnolia has one loan with ANRC and is current on its payments.

Estimated Project Costs

Construction:	\$488,500
Contingencies:	48,800
Engineering – Planning and Development:	42,700
Engineering – Inspection:	20,740
Administrative:	0
Legal	0
Capitalized Interest during Construction:	0
Issuance fee (3%):	0
Other: AIS/Davis Bacon requirements	7,500
Other: Preliminary Engineering Report	5,000
Total Estimated Capital Cost:	\$613,240

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$613,240 in a loan with principal forgiveness from the Drinking Water State Revolving Loan Emerging Contaminant 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 (\$61,324) 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.

Phillips County Sewer Facilities Board

Phillips County

Project: Emergency Funding Request, Wastewater System

Project Description

Phillips County Sewer Facilities Board (PCSFB) is located at 446 Phillips Road in Lexa, Phillips County. Beginning on or about February 14, 2024, the two primary pumps at the wastewater pumping station failed that serves the Barton-Lexa School District. Emergency pumps were installed to serve as a temporary solution. The three other pumping stations are in similar condition and in need of repair and replacement. The emergency funds are for clearing clogged sewer lines, pump replacement, and sludge removal. On April 5, 2024, after consultation with the Chairman, the Director conditionally approved the request from PCSFB for up to \$100,000 in emergency loan funding. The PCSFB has submitted invoices and received reimbursement for \$17,442.50 in eligible project costs.

Project Financial Information

Phillips County Sewer Facilities Board users current sewer bill for 4,000 gallons of usage is 23.60, they will need to raise their rates by at least estimated \$5.44, per user. PCSFB has not yet submitted a complete funding application. PCSFB has agreed to implement a rate increase if current revenue is insufficient. However, standard procedure is to document, based on the information provided, that each entity has the ability to fund debt service, O & M, and depreciation reserve at 110% coverage to allow for any unforeseen shortages in projected revenues or overages in projected O & M. With that said, should it be determined, at any point, during the term of this loan that the rates are not sufficient in covering the required debt service, operation, and maintenances costs, including the required maintenance of the depreciation reserve fund, the city will be required to increase the rates. Please note, we recommend reviewing the Revenue, O & M and Debt Service annually to determine if a rate increase is necessary.

The current three-year (2018-2020) average Median Household Income (MHI) provided by UALR for Phillips County, Arkansas is \$32,235. The current customer base for this project is 735. PCFSB currently has one loan with ANRC and is current on all payments.

With current residential rates of \$23.60 (4,000 gallons of usage) per month per user, the affordability criteria/rate burden factor (RBF) equals 0.88%.

Estimated Project Costs

Construction	\$100,000
Contingencies	0
Engineering – Planning, Design & Construction	0
Legal Fees	0
Administrative	0
Estimated Capitalized Interest during Construction	0

Issuance fee (3%)	0
Total Estimated Capital Cost:	\$100,000

Executive Director’s Recommendation

Recommend the commission approve a loan in an amount up to \$100,000 from the Water Development Fund and waive the 3% issuance fee for this emergency funding.

Mr. John Edwards, Executive Director of Phillips County Sewer Facilities board was present and gave a quick summary of the request for emergency funds and thanked the Commission for the funding considerations. The Commission thanked Mr. Edwards for being present.

Commissioner Bush asked about the rate study and how it impacted the customers. Mr. Edwards replied they haven’t had their public hearing yet, it’s going to be a challenge because the base rate is \$23 for the first thousand, then the rate full in for the next thousand is \$12.

**City of Poyen
Grant County
Project: Water Service Line Inventory & Replacement**

Project Description

The project consists of completing all work necessary to make the City of Poyen (361 pop.) compliant with the revised EPA Lead and Copper rule by October 2024. To meet this goal, several individual steps must take place.

Currently, the city does not have a robust inventory of meter locations or service types in a georeferenced format, and a survey of all system meters must be performed to develop an initial inventory. Once surveying is complete, a list of service line types and conditions must be generated on both the customer side and utility side of each meter. Field work exposing and observing the service line on each side of the meter will be required. Information about each meter will be documented and used to develop a comprehensive service line system inventory in accordance with the requirements of the revised Lead and Copper rule.

Once the service line inventory is complete, a construction project will be implemented to remove and replace any lead lines and/or deteriorating galvanized lines. As the existing mains are primarily galvanized and in need of replacement, a new main will be required to allow the service connections to be replaced. It is expected that up to 50% of the existing mains in the system will require replacement to allow the service lines to be repaired within compliance of the Revised Lead and Copper Rule. It is expected that up to 50% of the existing mains in the system will require replacement to allow the service lines to be replaced within compliance of the Revised Lead and Copper Rule.

This project will bring the city in compliance with the revised EPA lead and copper rule, improve the quality of the drinking water system and ensure the health and safety of the residents of Poyen.

Project Financial Information

This funding recommendation is based on The City of Poyen increasing rates to \$27.59 for 4,000 gallons of usage, their current monthly bill is \$18.64. The initial rate burden factor is 0.41%, the projected rate burden factor will be 0.61%. The current three year (2018-2021) average Median Household Income (MHI) for the City of Poyen is \$54,688. The City of Poyen does not have any outstanding loans with ANRC.

Estimated Project Costs

Construction:	\$800,000
Contingencies	80,000
Engineering – Planning, Design & Construction	100,000
Engineering – Inspection	60,000
Legal Fees –	0
Administrative	0
Capitalized Interest during Construction	0
Issuance fee (3%)	0
Other – Lead Service Line Inventory	100,000
Other –	0
Total Estimated Capital Cost:	\$1,140,000

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$581,400 in a loan and \$558,600 in principal forgiveness-lead service line to the City of Poyen from the Drinking 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 \$114,000 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. If approved, the executive director will establish any necessary combined annual borrower rates and additional terms and conditions including the requirement to establish and maintain a depreciation reserve fund.

City of Poyen
Grant County

Project: 150,000 Gallon Elevated Water Storage Tank Project

Project Description

The City of Poyen is in Western Grant County and has a population of approximately 361 people. The current 50,000-gallon water storage tank does not meet Arkansas Department of Health (ADH) recommended minimum storage capacity. The current average daily consumption is approximately 67,000 gallons per day. The existing water storage tank has significant deficiencies as noted by ADH regarding the overflow pipe. In addition, the tank needs repainting. It is the city's preference to construct a new elevated tank with adequate volume rather than continue to invest in a tank that is not large enough for the system. The project will directly benefit the city by maintaining stable pressures in the main zone. The tank will greatly improve the redundancy & reliability of the system. The volume of storage added with this project ensures the system

maintains the minimum of 24 hours of available emergency storage recommended per ADH. In addition, the project will increase the available fire protection available to users in the system, potentially resulting in decreased ISO insurance premiums.

Project Financial Information

This funding recommendation is based on The City of Poyen making a rate increasing rates to \$24.98 for 4,000 gallons of usage, their current monthly bill is \$18.64. The initial rate burden factor is 0.41%, the projected rate burden factor will be 0.55%. The current three year (2018-2021) average Median Household Income (MHI) for the City of Poyen is \$54,688. The City of Poyen does not have any outstanding loans with ANRC.

Estimated Project Costs

Construction:	\$1,017,000
Contingencies:	143,000
Engineering – Planning and Development:	101,700
Engineering-Inspection:	50,000
Legal	20,000
Administrative:	15,000
Other:	0
Other:	0
Issuance fee (3%):	0
Capitalized Interest during Construction:	22,184
<hr/> Total Estimated Capital Cost:	<hr/> 1,368,884
Less: Applicant Contribution	684,442
<hr/> Requested Loan Amount	<hr/> \$684,442

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$684,442 in a loan from the Drinking Water State Revolving Loan Fund.

In addition, 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 (\$68,444) 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 Poyen

Grant County

Project: Wastewater Treatment Facility Improvements Project

Project Description

The City of Poyen is located in Western Grant County. The wastewater treatment facility (WWTF) collects and treats wastewater for the entire population of Poyen. They have reported twenty (20) effluent violations of NPDES Permit AR0048455. The Arkansas Department of Energy and Environment Division of Environmental Quality (DEQ) requested that Poyen develop a Corrective

Action Plan (CAP) to identify and resolve the issues resulting in permit violations. As a result of the violations, Poyen was placed under a Consent Administrative Order (CAO) LIS 22-002 on February 8, 2022.

The purpose of the project is to design and construct a new effluent pump station and meter vault downstream of the chlorine disinfection structure at the WWTF. This will prevent water from backing up in the facility, allow for proper effluent discharge, metering, and provide a location for improved sampling.

Project Financial Information

This funding recommendation is based on The City of Poyen making a rate increasing rates to \$66.60 for 4,000 gallons of usage, their current monthly bill is \$23.90. The initial rate burden factor is 0.52%, the projected rate burden factor will be 1.46%. The current three year (2018-2021) average Median Household Income (MHI) for the City of Poyen is \$54,688. The City of Poyen does not have any outstanding loans with ANRC.

Estimated Project Costs

Construction:	\$600,000
Contingencies:	60,000
Engineering – Planning and Development:	60,000
Engineering-Inspection:	45,000
Administrative:	0
Capitalized Interest during Construction:	8,415
Issuance fee (3%):	0
Other: Preliminary Engineering	0
Other: Legal	14,000
Total Estimated Capital Cost:	\$787,415

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$787,415 in a loan from the Clean Water State Revolving Loan 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 (\$78,741) 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 Springdale Water & Sewer Commission

Washington & Benton Counties

Project: Water Treatment Facility Improvements Project

Project Description

The City of Springdale’s Water & Sewer Commission is located in Washington and Benton Counties. The project includes approximately 22,000 linear feet of 48-inch water transmission

pipng to convey water from the Beaver Water District Western Corridor Pumping Station to the City of Springdale’s distribution system.

Based on recent hydraulic modeling and growth projections, system pressures in certain areas of southwest Springdale under maximum pressure day demand conditions in 2025 are projected to be at or below 20 psi. The proposed 48-inch transmission pipeline, including ancillary valves and piping will be constructed to convey water from the new Beaver Water District Western Corridor pump station to the western area of Springdale’s distribution system. Distribution modeling indicates that the intended plan will alleviate low system pressures.

Project Financial Information

This funding recommendation is based on the City of Springdale increasing rates to \$23.94 for 4,000 gallons of usage, their current monthly bill is \$21.38. The initial rate burden factor is 0.46%, the projected rate burden factor will be 0.51%. The current three year (2018-2021) average Median Household Income (MHI) for the City of Springdale is \$57,144. The City of Springdale has four loans with ANRC and is current on its payments.

Estimated Project Costs

Construction:	\$44,000,000
Contingencies:	4,400,000
Engineering – Planning and Development:	3,509,000
Engineering-Inspection:	1,815,000
Administrative:	0
Legal	20,000
Capitalized Interest during Construction:	1,234,200
Issuance fee (3%):	0
Other:	0
Other:	0
<hr/> Total Estimated Capital Cost:	<hr/> \$54,978,200
Less Applicant Contribution	4,978,200
<hr/> Total ANRC funding	<hr/> 50,000,000

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$50,000,000 in a loan from the Drinking Water State Revolving Loan Fund.

In addition, 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 (\$5,000,000) 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.

City of Tull

Grant County

Project: Highway 190 Pump Station Modifications

Project Description

The City of Tull is located in Western Grant County and has a population of approximately 1,987 people. The existing Highway 190 Pump Station is located at the intersection of Highway 190 and Kentner Road in Saline County and pumps to the Bauxite Cutoff tank on Bauxite Cutoff Road. The existing pump station was built in 2006 with a firm capacity of 350 gallons per minute (GPM). Increasing water demand requires larger pumps to upgrade the pump station to a 550 GPM capacity. Motor starters will be replaced and moved to a separate room in the pump station building. The on-site flow meter in the yard is unreliable and in need of replacement. Minor piping modifications inside the pump station and outside in the yard are required to facilitate the installation of larger pumps.

Project Financial Information

This funding recommendation is based on The City of Tull increasing rates to \$38.42 for 4,000 gallons of usage. The initial rate burden factor is 0.75%, the projected rate burden factor is 0.77%. The current three year (2018-2021) average Median Household Income (MHI) for the City of Tull is \$59,844. The City of Tull has two outstanding loans with ANRC and is current on its payments.

Estimated Project Costs

Construction:	\$235,000
Contingencies:	23,500
Engineering – Planning and Development:	24,558
Engineering-Inspection:	11,632
Administrative:	0
Capitalized Interest during Construction:	2,197
Issuance fee (3%):	9,216
Other: ADH Review Fee	500
Other: Legal	9,819
<hr/> Total Estimated Capital Cost:	<hr/> 316,422

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$316,422 (including 3% issuance fee) in a loan from the Water, Sewer, and Solid Waste Fund.

In addition, authorize the executive director the discretionary authority to increase the amount of financial assistance to the applicant for bid overruns by an amount up to 10% of the commission funding amount (\$31,642) 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.

**White River Regional Irrigation Water Distribution District
Prairie County**

Project: Grand Prairie Demonstration Project

Project Description

The White River Regional Irrigation District (WRID) is applying for financing for real estate and right-of-way; utility relocations; purchase materials to construct and install 400 concrete boxes for county road crossings; add funding to existing ARPA funds for the Arkansas Department of Transportation to construct 63 and 70 crossings; and match Natural Resources Conservation Service (NRCS) funding. The estimated cost of phase 1 was \$82 million of which \$48 million is included in signed agreements with NRCS. Phase 2 estimated cost is about \$35 million. WRID and NRCS have a signed agreement for approximately \$14 million in federal funds requiring a local match.

The Grand Prairie Demonstration Project is in portions of Prairie, Lonoke, Arkansas, and Monroe Counties. The current work and majority of these specific funds requested on this application will accomplish work in the northern 25% of the project in Prairie County and contains the conveyance network that 100% of the water that will flow thru to points south. The larger project will service approximately 300,000 total acres and includes about 1,400 tracts of land. The area is heavily irrigated, with about 250,000 acres of irrigated cropland composed of 90,000 acres of rice, 140,000 acres of soybeans, and 20,000 acres of corn or other crops.

This area is the center of Arkansas' greatest ground water decline. Current pumping is accelerating usage of the Sparta aquifer which is the Industrial and Drinking Water Supply. Several published studies, as well as the State Water Plan, show that pumping is not sustainable with current and projected water use.

Construction was started in 2000 by the Corps of Engineers, NRCS, the State of Arkansas, and WRRID with on farm work as we moved toward converting to surface water sources. To date, approximately 350 farms (about half of what's needed) have been converted to significant surface water use with on farm storage and tailwater capture and water re-use.

A pumping plant started in 2004, is nearly complete and Entergy is beginning the construction to deliver power to the Pumping Station by the Spring of 2025. Pipelines are in place that connect the pumping station to a completed regulating reservoir. About 10 miles of canal is substantially complete with efforts underway to accept and convey river water to about 40,000 acres of irrigated lands. Agreements have been signed between the local sponsors and USDA NRCS totaling about \$61 million to construct the primary canal system from the existing regulating reservoir near DeValls Bluff to the Hazen Airport, about 12 miles, with additional funds available in signed agreements for an additional 7 miles of canal west of the Hazen airport. When this phase of work is completed, more than 40,000 acres of irrigated cropland can be serviced. Phase 2, beginning at the Hazen airport and continuing west, and south an additional 7 miles is being designed with construction starting in 2024.

Estimated Project Costs

Construction:	\$45,840,000
Contingencies	0
Engineering – Planning, Design & Construction	150,000
Engineering – Inspection	300,000
Legal Fees	60,000
Administrative	500,000

Capitalized Interest during Construction	0
Issuance fee (3%)	0
Other: Easements & Acquisition	7,650,000
Other: Permitting	0
Total Estimated Capital Cost:	\$54,500,000
Federal Funding (USACE & NRCS)	39,500,000
ANRC funding requested	\$15,000,000

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$15,000,000 from the Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Fund and waive the 3% Issuance fee.

In addition, 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 (\$1,500,000) 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.

Ms. Megan Perkins gave a quick update on funding request and a brief update, construction of the electric substation has started, it will power the pump station that has been without power. This is estimated to be completed by early 2025. The Crop of Engineers is in the process of entering into a contract with the reprocurement to finish the pump station. This is estimated to be completed around the same time the substation in early 2025. The NRCS funds are working on cannels and pipelines that go to the Hazen airport and just west the airport. Once this is completed, the pump station will be finished.

Commissioner Reaves asked why sell only \$17,000,00 in bonds when you know you are going to turn around and use \$15,000,000 on one project. Ms. Perkins replied we don’t want to pay interest on large amounts of money, that’s going to sit around and accrue interest before we need to use it. Director Colclasure added we understand what is needed for the next 12 months or so and we will sell more bonds in the next fiscal year. Ms. Dickerson added we are limited on what we can use those funds for based on state requirement. Those funds are housed at the Treasury, and the rate of return is minimum.

CHANGE IN FUNDING SOURCE:

City of DeValls Bluff

Prairie County

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

Change in Funding Source

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.

This project was previously approved for ARPA funding in December 2022 and an additional \$138,000 in funding was approved in April of 2023. This request is to change the funding source approved at the April Commission meeting from Drinking Water State Revolving Loan fund to Water Development Fund. An additional \$4,140 has been added to the previous approval for the 3% fee.

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:	\$2,662,435
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%)	4,140
Other: Land	20,000
Other:	0
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Total Estimated Capital Cost	\$3,258,421
Less: Previously Approved Funding	3,116,281
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Additional Funding Requested:	\$142,140

Executive Director’s Recommendation

Recommend the commission approve an amount up to \$142,140 (including a 3% origination fee) in a loan to the City of DeValls Bluff from the Water, Sewer, and Solid Waste 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 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 \$325,842 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.

**Calhoun County Water Association
Calhoun County**

Change in Funding Source

Project: Calhoun County Water Association Water System Expansion

Project Description

Calhoun County has a population of 4,739 and the Calhoun County Water Association (CCWA) currently has 733 customers connected to its water system. CCWA was originally incorporated in 1997 and the system’s water supply well and water storage tanks were constructed in 2005.

Currently, the most urgent need for the CCWA water system is to expand service into two areas of the county where the residents are currently using private wells to obtain their water or purchasing containerized water. Many of the wells are 50 to 60 years old and most of them have poor quality water and it will dry up in the summer months.

The proposed project will include the installation of approximately 30 miles of water main and 100 new water service connections. The proposed project is in the northwest and southern portions of Calhoun County.

This project was previously approved for Drinking Water State Revolving Loan Funds in June of 2023. It was awarded loan and principal forgiveness funds from the Drinking Water State Revolving Loan fund. Acceptance of these funds required conversion to a public water authority, which the Association has decided not to pursue. Instead, the Association has requested to change the funding source from Drinking Water State Revolving Loan Funds to Water Development Fund. Calhoun County WA has been informed that this change will cause them to forfeit the principal forgiveness funds and they have agreed to this forfeiture. An additional \$67,038 has been added to the previous approval for the 3% fee.

Project Financial Information

The current average monthly residential water bill based on 4,000 gallons of usage is \$34.50. The entity will be required to increase its water rates by 70% to \$58.65 and will be required to complete a rate study compliant with Act 605. The current three-year (2017-2019) average Median Household Income (MHI) provided by UALR for Calhoun County is \$46,960. The entity listed its customer base for this project at 733. Calhoun County has no outstanding loans with ANRC.

Estimated Project Costs

Construction:	\$2,394,180
Contingencies	239,418
Engineering – Planning, Design & Construction	190,936
Engineering – Inspection	98,760
Legal Fees	18,334
Administrative	0
Capitalized Interest during Construction	27,981
Issuance fee (3%)	67,038
Other:	0
Other:	0
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Total Estimated Capital Cost:	3,036,647
Applicant Contribution	735,000
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ANRC funding requested	\$2,301,647

Executive Director’s Recommendation

Recommend the Commission approve an amount up to \$2,301,647 (including a 3% origination fee) in a loan to the Calhoun County Water Association from the Water Development Fund.

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 commission funding amount \$230,165 without returning to the commission for approval. Such increase in financial assistance shall be granted only after consultation with the commission chairman. Any financial assistance increases pursuant to this section shall be reported to the commission in its entirety at the next regularly scheduled commission meeting.

DE-OBLIGATION OF FUNDS

Recipient	Agreement # or Project #	Commission Date	Amount Approved (Up to)	Amount De-Obligated	Fund	Comments
Arkadelphia	02333-CW-L	6/22/2023	\$1,917,030.00	\$1,917,030.00	CWSRF	City declining funding.
Beebe	02474-CW-L	1/17/2024	\$3,999,730.00	\$3,999,730.00	CWSRF	City declining funding.
Caldwell	02451-WDF-L	11/15/2023	\$181,521.02	\$181,521.02	WDF	City declining funding.
Clarendon	02405-CW-L	11/15/2023	\$2,482,700.00	\$2,482,700.00	CWSRF	City declining funding.
Clarendon	02411-CW-F	11/15/2023	\$7,457,100.00	\$7,457,100.00	CWSRF	City declining funding.
England	02413-CW-L	11/15/2023	\$4,265,260.00	\$4,265,260.00	CWSRF	City declining funding.
Junction City	02284-CW-L	6/22/2023	\$433,230.00	\$433,230.00	CWSRF	City declining funding.
Junction City	02285-CW-F	6/22/2023	\$144,410.00	\$144,410.00	CWSRF	City declining funding.

Recipient	Agreement # or Project #	Commission Date	Amount Approved (Up to)	Amount De-Obligated	Fund	Comments
Lost Bridge Village SID No. 1 & No. 2	01310- CWRLF-L	9/16/2020	\$1,692,821.00	\$11,473.41	CWSRF	Project Complete
Mountain Home	02385-CGO- L	9/20/2023	\$7,210,000.00	\$7,210,000.00	CGO	City declining funding.
Mountain View	01393- DWSRF-L	12/2/2022	\$10,054,475.00	\$10,054,475.00	DWSRF	City declining funding.

Mountain View	01392-CWSRF-F	12/2/2022	\$12,618,575.00	\$12,618,575.00	CWSRF	City declining funding.
Parkers Chapel PWA	02350-WSSW-L	6/22/2023	\$355,580.00	\$355,580.00	WSSW	City declining funding.
Smackover	02417-CW-L	11/15/2023	\$1,697,933.00	\$1,697,933.00	CWSRF	City declining funding.
Taylor	01280-CWRLF-L	5/20/2020	\$1,633,114.00	\$102,488.65	CWSRF	Project Complete

ACTIVITY REPORTS

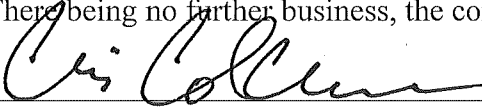
Activity reports were presented by, Dr. Laura Ruhl-Whittle, U.S. Geological Survey (USGS), Stacie Wassell, Division of Environmental Quality (DEQ), Jaysson Funkhouser, US Army Corps of Engineers (USACOE), and Mike Hamilton, UA Cooperative Extension.

OTHER

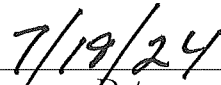
Commissioner JoAnne Bush is to be inducted into the Arkansas Women’s of Hall of Fame.

ADJOURN

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



 Chris Colclasure
 Director



 Date