

## ARKANSAS NATURAL RESOURCES COMMISSION

July 17, 2024

The regular meeting of the Arkansas Natural Resources Commission (ANRC) was held in person and via zoom on Wednesday, July 17, 2024, at 9:40 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 William Anderson, Commissioner JoAnne Bush, Commissioner Mike McDermott, Commissioner Roy Reaves, and Commissioner Will Brewer. Commissioner Neal Anderson and Commissioner Bruce Leggitt attended virtual.

Staff members in attendance included: Chris Colclasure, Director, Christy Raatz, Administrative Analyst, Debby Dickson, Water Development Section Manager, Matthew Brooks, Engineer Supervisor of Water Resources Section, Leah Johannes, Program Fiscal Manager, Megan Perkins, Conservation Program Coordinator, Mary Elizabeth Lea, Agriculture Program Specialist, Nick Richardson, Environmental Program Coordinator, Bob Fowler, Environmental Coordinator, Blake Forrest, Groundwater Geology Supervisor, Whit Montague, Engineer Supervisor for Dam Safety and Floodplain Management, Supervisor, Jay Whisker, State Water Engineer Supervisor, Inoussa Zaki, Chief Fiscal Officer, Tanner Thomas, Attorney of Department of Agriculture, Cynthia Edwards, Deputy Secretary of Department of Agriculture, Wes Ward, Secretary of Department of Agriculture.

A list of guests is attached to the minutes.

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

Chairman Glover welcomed the new Commissioner Mike McDermott to the Commission.

### **APPROVAL OF MINUTES: May 15, 2024**

*Upon motion by Mr. Roy Reaves, seconded by Ms. JoAnne Bush, the Commission unanimously approved the minutes of the meeting held on May 15, 2024.*

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

#### **General Agency**

- **Irrigation Projects** - Grand Prairie - the U.S. Army Corps of Engineers (USACE) awarded an \$18 million contract to CJ Mahan Construction Company, LLC, for the Grand Prairie Pumping Station Project on June 21, 2024. The construction is estimated to take 19 months and will begin late summer/early fall. The completion of the pump station and ongoing canal work through the United States Department of Agriculture Natural Resources Conservation Service (USDA NRCS) will allow for the initial stages of water delivery to begin to approximately 40,000 irrigated acres. The White River Irrigation District is

holding their public hearings for the issuance of bonds related to their latest loan authority approval on July 23<sup>rd</sup> and 24<sup>th</sup>. We anticipate loan closing to take place in early August. The Bayou Meto Water Management District continues to acquire the necessary real estate for the construction of Canal 1000 Phase 3.2. All appraisals should be complete by early August. Contract award is anticipated to take place in Spring of 2024 for this phase of construction. The Bayou Meto district is also working on the beginning stages of the Wabbaseka cleanout with USDA NRCS completing some of the work and USACE the rest.

- **American Rescue Plan Act (ARPA) Funding** - The Department of Agriculture was awarded \$60 million in additional ARPA funding. \$5 million was directly awarded to the Rural Water Association for equipment. \$55 million will be used to complete projects that have demonstrated readiness on the ARPA waitlist. Those entities have received notification and will have 30 days to accept or reject the funds. We are putting emphasis on readiness because the funding has a very tight timeline to utilize the funding. We will have until September 30, 2026, to reallocate funds across projects. To date, of the 157 projects (\$270 million) that were awarded funding in 2022, 129 have executed their agreements with us, 43 of those projects are complete and fully disbursed and others are all in various stages of construction and some have been held up. We are monitoring each project and working with each entity in hopes of reaching completion.
- **Engineering** - We have experienced significant turnover in our engineering section within water resources development. For months we have been running at ½ capacity with only 2 out of 4 engineers. We have since made offers to two engineers who have accepted. One will start in July and the other in August. In the meantime, we have delegated some of the water projects to engineers in other programs to help get caught up.
- **Water Plan** – We continue to work with the USACE, Michael Baker International and Olson/FTN and Associations to update the State Water Plan. Jay will be providing an update later on the agenda. We are also giving presentations on the water plan; Jay Whisker has given several. I gave a presentation at the Municipal League Conference to the City, County, Local Affairs Committee, I have another to give tomorrow at the Agriculture, Forestry, and Water Conference tomorrow. Jay is giving presentation at Farm Bureaus Officers and Leaders conference next week.
- **Levee Study** - We are continuing to work with the USACE on the Levee Assessment project. We have a meeting this week to discuss next steps. As you recall, this project will conduct a statewide inventory of all levees. This will ultimately be component of the Water Plan. We hope to start the contracting process in September.

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

**LEGAL:** Tanner Thomas, Attorney of Department of Agriculture reported on the water authority issue, Cleveland County Public Water Authority and Spear County Public Water Authority have been converted by the Secretary of State's office and everything has been updated. The legal staff

has on enforcement compliance issues coming on, answering questions when needed. Two new Attorney General certifications for grant fundings have been approved, essentially granted permission letters or certification from them. One for the State Revolving fund in order to use those for pollution, leveraged monies in the revolving loans or sewage overflow, general water pollution, etc. and also the Safe Drinking Water fund. The Arkansas Department of Agriculture’s division may enter into capitalization grant agreements with the Environmental Protection Agency to accept capital capitalization awards made under Safe Drinking Water Act.

**WATER PLAN UPDATE** – Mr. Jay Whisker, State Water Engineer Supervisor gave an update on the Arkansas Water Plan. The Arkansas Water plan is a comprehensive program for the orderly development and management of the state’s water and related land resources. § 15-22-503(a). NRD has done four plans since 1939. When starting the new plan, NRD looked at 2014 plan to determine what need to be updated. There are seven key components to the plan; demands, water for everyone who’s drinking water, agriculture, industrial quantity for navigation, recreation and tourism, science and technology, the biggest one there is to find data gaps that we have and find sites for technology so we can fix those, infrastructure, ecological protection, NRD needs to make sure that the water is clean and good, good for everyone, fish and wildlife, water management, surface versus ground, irrigation for crops coming out of wells, and now trying to give them surface water, water administration, drought, allocation of excess surface water, and finally education. The funding is around \$3 to \$4 million.

The executive order was signed August 21<sup>st</sup> by the governor in 2023. The plan will be updated in two phases. Phase one was due in one year, August 21<sup>st</sup> of 2024. Currently on schedule, as planned. The process started with partnering with the Corps of Engineers because they have a planning system and grant program to split the cost 50/50. We held seven stakeholder meetings, gathering information from stakeholders. The main goal of phase one was gathering data. Phase two is seeing what do we need to change, what in the 2014 plan is good and what in the 2014 plan needs to change.

**FY 25 GRANTS TO DISTRICT**

*Upon motion by Mr. Jamie Burr, seconded by Mr. William Anderson, the Commission unanimously approved the following FY25 grants to district projects.*

Ms. Megan Perkins, Conservation Program Coordinator recommended 30 projects across 21 conservation districts for grants-to-district funding for a total of \$250,000. This program is to enhance the capability of districts to carry out conservation within their respective districts. Projects eligible for grant funding must carry out a resource enhancement, restoration or protections and must be new or in addition to projects the district is already involved with.

**Benton County Conservation District**

The Benton County Conservation District requested funds to purchase an Enviroscope to take to schools, conservation education camp, and other outreach activities to teach about non-point source pollution and the protection of drinking water sources.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$1,668.00	\$1,112.00	\$556.00

**Recommended Funding: \$1,112.00**

**Boone County Conservation District**

The Boone County Conservation District requested funds to assist in the treatment and ridding of public areas of the City of Harrison of poison hemlock, to replant these areas in pollinator habitats, and educating the public about poisonous and invasive plants in Boone County.

Total Project Amount	NRD Portion (2/3)	Local Match
\$5,000.00	\$3,333.33	\$1,667.67

**Recommended Funding: \$3,334.00**

**Boone County Conservation District**

The Boone County Conservation District requested funds for a District Technician to assist with the Water Quality Technician with completing nutrient management plans in Boone, Marion, and Baxter Counties; to perform outreach by giving presentations to county schools, library functions, field days, civic clubs, radio programs, and podcasts; assisting with research and development for possible National Water Quality Initiative project; providing technical assistance to H2Ozarks for a 319 project in Boone County; researching and preparing to being a watershed management plan for the Bull Shoals watershed with H2Ozarks as a partner.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$17,919.20	\$11,946.13	\$5,973.07

**Recommended Funding: \$11,974.00**

**Columbia County Conservation District**

The Columbia County Conservation District requested funds for year 2 monitoring study of water quality in freshwater ponds on a local farm in Ouachita County.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$37,500.00	\$25,000.00	\$12,500.00

**Recommended Funding: \$8,500.00**

**Conway County Conservation District**

The Conway County Conservation District requested funds for improved fencing for prescribed grazing and water quality. The project would provide landowners access to a gas-powered wire winder to assist with best management practices for prescribe grazing and water quality to replace barb wire fencing with solar powered electric fencing.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$2,110.00	\$1,046.67	\$703.33

**Recommended Funding: \$1,407.00**

**Conway County Conservation District**

The Conway County Conservation District requested funds for a water quality fencing project to provide landowners access to a gas-powered fence driver and spinning jenny to install electric fence to help with grazing management and water quality.

Total Project Amount	NRD Portion (2/3)	Local Match
\$2,081.22	\$1,387.48	\$693.74

**Recommended Funding: \$1,388.00**

**Conway County Conservation District**

The Conway County Conservation District requested funding for “Farm Fair” and agricultural career fair for high school students that will present students with a variety of agriculture career opportunities, introduce students to potential mentors, and knowledge of classes and courses need to obtain their agricultural career goals.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$2,100.00	\$1,400.00	\$700.00

**Recommended Funding: \$1,400.00**

**Conway County Conservation District**

The Conway County Conservation District requested funds for training for district employees to hold conservation education camps. The training will provide information on grant writing, approaching area businesses and agencies for support, and including and working with partnership agencies. The training would be open to conservation district employees and directors.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$1,628.45	\$1,085.63	\$542.82

**Recommended Funding: \$1,086.00**

**Crawford County Conservation District**

The Crawford County Conservation District requested funds for a grazing field day to demonstrate various conservation practices that are available to producers to promote best management practices and funding programs available through USDA NRCS.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$1,000.00	\$667.00	\$333.00

**Recommended Funding: \$667.00**

**Crawford County Conservation District**

The Crawford County Conservation District requested funds for a District Assistant to assist with a Crawford County Field Day, installation of new urban gardens and pollinator gardens, annual

Earth Day festival, outdoor classroom and youth programs, annual nut sale, and media relations through social media, newsletter, and articles in the local paper.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$23,042.45	\$15,361.63	\$7,680.82

**Recommended Funding: \$15,362.00**

**Crooked Creek Conservation District**

The Crooked Creek Conservation District requested funding for a monarch butterfly hatch and release project where the district will purchase kits for the three Marion County Schools from head start through 6<sup>th</sup> grade to give students a visual experience of the life cycle of a butterfly and provide an educational program to the students.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$850.00	\$566.67	\$283.33

**Recommended Funding: \$567.00**

**Crooked Creek Conservation District**

The Crooked Creek Conservation District requested funding for their “Bee Happy in the Bloom” project that will enable the district to keep their area schools, home schooled students, patrons, and bee keeping in Marion County with education and hands on, from pollinator garden flowers to bees for all to experience. This project will allow for the district to educate the public on the importance of pollinators.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$3,000.00	\$2,000.00	\$1,000.00

**Recommended Funding: \$2,000.00**

**Crooked Creek Conservation District**

The Crooked Creek Conservation District requested funds for a post driver to assist landowners in their district with fence building to implement best management practices. The district technician will be assisting landowners with the use of the equipment.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$1,600.00	\$1,066.67	\$533.33

**Recommended Funding: \$1,067.00**

**Cross County Conservation District**

The Cross County Conservation District requested funding for constructing and installing rice floats with game cameras, installation of soil moisture sensors, and installation of weather stations to educate and assist producers with the use and effectiveness of irrigation technologies.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$25,000.00	\$16,666.67	\$8,333.33

**Recommended Funding: \$8,000.00**

**Drew County Conservation District**

The Drew County Conservation District requested funding to conduct four field days with an assortment of topics to include urban agriculture, high tunnels, pasture, crop, forestry, invasive species (feral swine and callery pear).

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$20,315.15	\$13,543.15	\$6,771.22

**Recommended Funding: \$6,108.00**

**Fulton County Conservation District**

The Fulton County Conservation District requested funding for a Haybuster 107c seed drill to assist landowners in implementing practices with benefits to include soil erosion control, moisture conservation, and soil health improvement.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$40,000.00	\$26,666.67	\$13,333.33

**Recommended Funding: \$23,000.00**

**Garland County Conservation District**

The Garland County Conservation District requested funding for creating a public relations campaign to bring awareness to the local resource concern of water quality/stormwater in Garland County. The district will purchase outreach materials to be used at local events. The district will partner with the City of Hot Springs stormwater division to implement a scavenger hunt that includes looking for aquatic habitats' indicative of water quality along the Hot Springs Greenway Trail. They will work to promote best management practices for water quality through educational through presentations at local schools, conducting rain barrel workshops, participating in local trash clean up events, sponsoring storm drain painting, and developing public service announcements for our local radio stations and newspapers.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$12,000.00	\$8,000.00	\$4,000.00

**Recommended Funding: \$8,000.00**

**Greene County Conservation District**

The Green County Conservation District requested funding to provide needed equipment 10' or 12' no-till drill, education, and technical assistance to improve grazing operations in Greene County. The district will partner with the Arkansas Cattlemen's Association, Cooperative Extension Service, and the USDA NRCS to implement the project.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$25,000.00	\$16,666.67	\$8,333.33

**Recommended Funding: \$16,667.00**

**Hot Spring County Conservation District**

The Hot Spring County Conservation District requested funding for a no-till drill to assist landowners with conserving their natural resources by planting grasses and legumes to help control soil erosion, conserve ground moisture, improve soil health, decrease the use of herbicides, increase forage grazing, and improve air quality.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$24,875.00	\$16,583.33	\$8,291.67

**Recommended Funding: \$16,584.00**

**Hot Spring County Conservation District**

The Hot Spring County Conservation District requested funding to assist with the clearing of land for the location of the Malvern-Hot Spring County library. The district will assist with a prescribe burn on the 3-acre property and will follow up with the planting of native plants, build the walking trails, build an outdoor classroom, and provide education signage for the community.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$12,500.00	\$8,333.33	\$4,166.67

**Recommended Funding: \$8,334.00**

**Independence County Conservation District**

The Independence County Conservation District requested funding to host a small ruminant meeting to promote rotational grazing and provide information on ways to enhance their flocks and to host a meeting at a high tunnel to educate producers on the benefits of the utilization of the high tunnel.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$8,865.00	\$5,910.00	\$2,995.00

**Recommended Funding: \$5,910.00**

**Johnson County Conservation District**

The Johnson County Conservation District requested funding for “Covering New Ground” education and outreach through booths at fairs and festivals. This project will allow for the purchase of outreach materials so that the district can extend their outreach program throughout Johnson County.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
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\$2,400.00	\$1,600.00	\$800.00
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**Recommended Funding: \$1,600.00**

**Logan County Conservation District**

The Logan County Conservation District requested funding for the purchase of a litter sprayer to enhance the agricultural productivity and environmental management in the district. The spreader will reduce the application time and labor costs allowing farmers to utilize precision spreading ultimately minimizing nutrient runoff and promoting sustainable farming practices.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$40,200.00	\$26,800.00	\$13,400.00

**Recommended Funding: \$23,000.00**

**Perry County Conservation District**

The Perry County Conservation District requested funding for quarterly youth field and education days to include different types of conservation, forests, wildlife, water, pollution, agriculture, etc.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$3,100.00	\$2,066.67	\$1,033.33

**Recommended Funding: \$2,067.00**

**Poteau River Conservation District**

The Poteau River Conservation District requested funding for the purchase of a no-till drill to allow landowners to implement conservation practices on their farms.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$37,500.00	\$25,000.00	\$12,500.00

**Recommended Funding: \$23,000.00**

**Randolph County Conservation District**

The Randolph County Conservation District requested funding for the purchase of a no-till drill to increase pasture diversity, forage availability, and to extend grazing time by planting annual forages. This project will also make possible wildlife habitat establishment using native grasses.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$38,500.00	\$25,666.67	\$12,833.33

**Recommended Funding: \$23,000.00**

**Rich Mountain Conservation District**

The Rich Mountain Conservation District requested funding for the purchase of a no-till drill for landowners to plant various forage and hay crops into their existing pastures, to reduce soil erosion

by eliminating the need for tillage on the steep erosion prone soils, to reduce nutrient runoff by keeping live plant cover on fields during dormant times of year, and to improve soil health by keeping living plant cover year-round.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$25,000.00	\$16,666.67	\$8,333.33

**Recommended Funding: \$16,667.00**

**Sharp County Conservation District**

The Sharp County Conservation District requested funding for the purchase of a UTV/ATV all-purpose receiver spreader for fertilizer and seed application. The spreader would allow for small fields and areas that large equipment cannot access to be maintained resulting in less erosion and increased utilization for livestock and wildlife.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$440.00	\$293.33	\$146.67

**Recommended Funding: \$294.00**

**Sharp County Conservation District**

The Sharp County Conservation District requested funding for additional hours for an existing employee to educate and accelerate delivery of conservation equipment and programs to landowners in Sharp County.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$17,537.52	\$11,691.68	\$5,845.84

**Recommended Funding: \$11,692.00**

**Washington County Conservation District**

The Washington County Conservation District requested funding for a new part-time position for an emerging professional in public service. The position would be trained to perform on-farm interviews, take soil and poultry litter samples, and annotate field maps. They will also be introduced to government record keeping procedures and field office administrative tasking.

Total Project Amount	NRD Portion (2/3)	Local Match (1/3)
\$9,539.22	\$6,239.48	\$3,119.74

**Recommended Funding: \$6,240.00**

**WATER WELL COMMITTEE** – Mr. William Anderson, Chairman of Water Well Committee, reported on the quarterly meeting that was held June 25, 2024.

- Staff received a complaint against a licensed contractor claiming the contractor required a \$4,000 downpayment, then ceased communication without doing the work; this contractor also

does not turn in well reports. A request to appear before the Water Well Committee is being sent to this contractor.

- Staff sent a violation notice to a contractor found operating a drill rig without a registered person on site. This contractor also has not submitted well reports since 2015. A request to appear before the Water Well Committee to address these allegations is being sent to the contractor.
- A Committee meeting is scheduled for July 31<sup>st</sup> to accommodate these cases.
- Staff made several visits to an illegally drilled well in Clay County and found an unmarked, unregistered drill rig, trailer, and materials by a suspected Missouri contractor, but no operator was ever on site. Staff will continue to visit the surrounding area.
- Staff sent a violation notice to a contractor found doing pump work without a registered person on site and having an expired rig permit. A \$750 fine has been offered in lieu of a hearing as contractor has violated this rule in the past.
- Staff sent a warning letter to a contractor found operating a pump rig without a registered person on site. This contractor is known to follow the water well rules.
- The interactive tutorial for the water well construction report database is completed. One CEU credit hour will be granted to those who submit a certificate of completion for both tutorials on the webpage.
- Staff completed 3 weeks of continuous field work assisting with the Groundwater Protection and Management programs spring synoptic measurements. Natural Resources Division staff collected measurements from 120 wells.
- Staff conducted 22 rig inspections; all but one had a current rig permit.
- Staff visited 38 water well contractors and provided training to 10 on how to use the well report database.
- Staff discovered a 22-inch open well at ground level. The landowner was advised to cap the well to make it safe. A follow-up visit determined the landowner had covered the well.

#### Consideration of Applicants:

- Administrative Analyst Jackie Broach reported 11 driller applicants and 4 pump installer applicants applied for registration and passed their tests and received their registrations; and 8 driller apprentice applicants and 14 pump installer apprentice applicants who applied for and received their registrations.
- Staff received 4 out of state applications who have not yet tested. Staff receives many applications like these applicants who work out of many states drilling mostly monitoring wells and find it difficult to fly or drive to Little Rock to test. Online testing would benefit both in-state and out-of-state applicants who travel great distances to get registered faster with less cost and time to them. The committee recommended staff to pursue providing online testing.

#### Reciprocity Agreements:

- Staff received a response from Missouri regarding reciprocity with Arkansas. They responded that Arkansas does have reciprocity with Missouri, but Missouri is not afforded reciprocity with Arkansas because of Arkansas law annotated code 17-50-204(b)(4) requiring two (2) years' experience and must test.

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

- Request a motion to approve a waiver for Devin Waller of a five-year disqualification to work because of a past felony violation of the Uniform Controlled Substances Act. It has been 3 years since the offense and applicant has had no other offenses since. His employer appeared with him at the committee meeting and the committee and employer supports his employment.

*Upon motion by Mr. Roy Reaves, seconded by Mr. Jamie Burr, the Commission unanimously approved the waiver of the five-year disqualification for Devin Waller and restate his license.*

Chairman William Anderson recommended that the position of chairman should pass to Commissioner Mike McDermott, per the Act 691 of 2023, section 67, membership of the Arkansas Natural Resources Commission will require a minimum of one member being a licensed water well contractor under §17-50-201 et seq.

*Upon motion by Ms. JoAnne Bush, seconded by Mr. Will Brewer, the Commission unanimously approved the transfer of the chairman position from William Anderson to Mike McDermott.*

**SWIFT CURRENT PROGRAM** – Ms. Whit Montague, Engineer Supervisor for Dam Safety and Floodplain Management, presented the Swift Current Flood Mitigation Assistance (Swift Current) program. This program is in response to the May 25, 2024, flood-related presidentially declared disaster. The Federal Emergency Management Agency (FEMA) has made up to \$20 million available to reduce flood risk in NFIP-participating communities throughout Arkansas through its Swift Current program. Swift Current is funded by FEMA and administered through a partnership with the Arkansas Department of Agriculture’s Natural Resources Division.

The Swift Current effort focuses on the damage-repair cycle of repetitively flooded or substantially damaged properties, providing local communities with resiliency dollars as quickly and equitably as possible after a flood disaster event. FEMA will provide 75% - 100% of project costs based on flood insurance claims history and social vulnerability.

Eligible projects include property buyout, structure relocation, structure elevation, dry proofing of historical residential structures or non-residential structures, and non-structural retrofitting of existing buildings and facilities of properties insured through the National Flood Insurance Program (NFIP).

NFIP-participating communities are encouraged to apply on behalf of eligible property owners. The Natural Resources Division will begin accepting pre-applications from local communities June 10, 2024. The final date to submit a pre-application is September 30, 2024.

Commissioner Reaves asked if homeowners applying to the program were required to sell their homes or if they could withdraw their application at a later time. Ms. Montague stated that participation in the program is voluntary, and homeowners can always decline to sell their homes. Homeowners may withdraw from the program as late as closing, if they wish. However, they cannot be considered for the program if they do not apply before the cut-off date.

Commissioner Reaves asked for clarification regarding the application process, specifically regarding who submits the application and receives the grant. Ms. Montague stated that local

governments apply on behalf of individual property owners and are responsible for disbursement and management of the grant. Chairman Glover inquired about homeowners in unincorporated areas. Ms. Montague noted that counties can apply on behalf of those in unincorporated areas.

Commissioner Bush asked how the grant opportunity is to be advertised. Ms. Montague advised that all floodplain administrators, mayors, and judges had been contacted via email regarding Project Swift Current. Further, video conferences had been held with many of the NFIP-participating communities in Northwest Arkansas.

### **STATE REVOLVING FUND MATCH**

*Upon motion by Mr. Jamie Burr, seconded by Mr. William Anderson, the Commission unanimously approved the following state revolving fund match.*

Ms. Debra Dickson, Water Development Section Manager, presented staff recommendation for the referenced project below requesting state revolving fund match.

#### **Arkansas Natural Resources Commission**

**Project: Clean Water & Drinking Water State Revolving Loan Fund State Match**

#### **Project Description**

The Arkansas Department of Agriculture's Natural Resources Division administers the State Revolving Fund (SRF) programs. Both the Safe Drinking Water and Clean Water SRF programs were established by the U.S. Environmental Protection Agency (EPA). The Clean Water SRF provides a low interest source of financing for a wide range of wastewater treatment infrastructure projects. The Drinking Water SRF provides low interest financing for infrastructure improvements that are needed to protect public health and ensure compliance with drinking water standards. Communities across Arkansas can request financing through the SRF to improve or expand their water and wastewater systems at a lower interest rate than other financing options. This savings is then passed on to the rate payers in those communities.

The Infrastructure Investment and Jobs Act (IIJA) was enacted on November 15, 2021, these funds supplement the base SRF programs. The Drinking Water SRF has three separate funding opportunities under IIJA, general supplemental, emerging contaminants, and lead service line replacement and the Clean Water SRF has two funding opportunities under IIJA, general supplemental and emerging contaminants. A key priority under IIJA is to ensure that disadvantaged communities benefit equitably from this investment in water infrastructure.

The division must apply annually for capitalization grants from the Environmental Protection Agency for each program each year including IIJA. As a condition of the capitalization grant the State of Arkansas is required to provide 10% to 20% State matching funds. The level of matching funds varies by program.

A total of \$13,905,200 of the series 2022B Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bond Fund bond (GO Bond) proceeds was reserved for SRF state match.

The commission approved a grant for \$8,058,800 from the GO Bond in December 2022 for estimated Federal Fiscal Year 2022 EPA capitalization grant state match requirements leaving \$5,846,400 for future state match requirements.

**Estimated State Match**

EPA FFY 2023 Capitalization Grant – CWRLF	<b>\$4,907,000</b>
*Required 20% State Match for CWRLF	981,400
EPA 2023 General BIL Grant CWRLF	<b>\$13,635,000</b>
*Required 10% State Match CWRLF	1,363,500
Required 20% Capitalization State Match for CWRLF	981,400
Required 10% General BIL State Match for CWRLF	1,363,500
<u>Total State Match for CWRLF</u>	<b><u>\$2,344,900</u></b>
EPA 2023 Capitalization Grant - DWSRF	<b>\$5,912,000</b>
*Required 20% State Match for DWRLF	1,182,400
EPA 2023 General BIL Gants-DWRLF	<b>\$25,209,000</b>
*Required 10% State Match for DWRLF	2,520,900
Required 20% State Match for DWSRF	1,182,400
Required 10% General BIL State Match for DWSRF	2,520,900
<u>Estimated Total State Match DWRLF</u>	<b><u>\$3,703,300</u></b>
<u>Total State Match for CWRLF &amp; DWRLF (FFY 2023)</u>	<b><u>\$6,048,200</u></b>

**Executive Director’s Recommendation**

Recommend the commission approve an amount up to \$5,846,400 as a grant to the Arkansas Natural Resources Commission from the GO Bond fund.

**WATER RESOURCES DEVELOPMENT SECTION**

*Upon motion by Mr. Will Brewer, seconded by Ms. JoAnne Bush, the Commission unanimously approved the following staff recommendations for financial assistance and change in assistance.*

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

**FINANCIAL ASSISTANCE:**

**City of Ward  
Lonoke County**

**Project:       Rehabilitate Wastewater Collection System**

**Project Description**

The City of Ward is in Lonoke County and has a sewer system serving a population of 4,280. The proposed project is to upgrade existing failing vacuum sewer lines with a grinder pump and gravity collection system. This proposed project includes 52 homes and 1 apartment complex. This project will remove all the city’s homes using a dilapidated vacuum sewer system and ensure a more reliable and less costly to maintain wastewater system of gravity or grinder pump/force main lines.

**Project Financial Information**

This funding recommendation is based on the City of Ward increasing rates to \$34.50 for 4,000 gallons of usage, their current monthly bill is \$30.00. The initial rate burden factor is 0.58%, the projected rate burden factor is 0.67%. The current three year (2018-2021) average Median Household Income (MHI) for the City of Ward is \$62,231. The City of Ward does not have any outstanding loans with the commission.

**Estimated Project Costs**

Construction:	\$1,000,516
Contingencies:	100,000
Engineering – Planning and Development:	90,000
Engineering-Inspection:	43,000
Administrative:	3,877
Capitalized Interest during Construction:	14,032
Issuance fee (3%):	0
Other: Easements	25,000
Other: Legal	15,091
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Total Estimated Capital Cost:	\$1,291,516
Less: CDGB Grant	(500,000)
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ANRC Funding Request	\$791,516

**Executive Director’s Recommendation**

Recommend the commission approve an amount up to \$791,516 in a loan from the Clean 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 total project cost (\$129,151) 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 Clinton**

**Van Buren County**

**Project: Regionalization with Bee Branch**

**Project Description**

The Regionalization of Bee Branch Water into Clinton Water includes the following projects within the current Bee Branch System:

1. Waterline Replacements:
  - Clella Road: Replacement of approximately 8,000 linear feet of 3” waterline along Clella Road.
  - Harris Road: Replacement of approximately 13,200 linear feet of 2” waterline along Harris Road.
  - Niagra Road: Replacement of approximately 2,700 linear feet of 2” waterline along Niagra Road.
2. Tank Rehabilitations
  - Morgantown and East Mountain Tanks
3. Meter Replacement:
  - Replacement of approximately 1,425 manual meters with auto read meters.
4. Projects required by Clinton prior to Regionalization:
  - Rehabilitation of all Bee Branch Tanks – Morgantown and East Mountain Tanks were included above; additional tanks include 1 elevated tank and 3 standpipes.
5. Projects within Clinton’s current system:
  - Water Treatment Plant Raw Water Intake Raw Water Pump Encasement Replacement. This will replace the pump encasement at their intake on Greers Ferry Lake.
6. Combined Projects:
  - SCADA Updates: There will be one combined SCADA system for the combined entity after regionalization. System-wide mapping
  - EPAnet Hydraulic Model Development
  - System-Wide Master Planning and Capital Improvement Plan

**Project Financial Information**

This funding recommendation is based on the City of Clinton making adequate rate adjustments to cover debt service requirements. The current monthly bill is \$65.45. The initial rate burden factor is 2.02%. The current three year (2018-2021) average Median Household Income (MHI) for the City of Clinton is \$38,977. The City of Clinton has one loan with the commission and is current on its payments.

**Estimated Project Costs**

Construction:	\$6,030,000
Contingencies:	603,000
Engineering – Planning and Development:	480,892
Engineering-Inspection:	248,738
Administrative:	0
Capitalized Interest during Construction:	98,665
Issuance fee (3%):	0
Other: Preliminary Engineering	0



Other: Legal	30,069
Total Estimated Capital Cost:	\$7,491,364

**Executive Director’s Recommendation**

Recommend the commission approve an amount up to \$7,491,364 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 (\$749,136) 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 Malvern Water Works**

**Hot Springs County**

**Project: Water Service Line Inventory & Replacement**

**Project Description**

The City of Malvern Water Works is in Hot Spring County. This project consists of completing all work necessary to make the city 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 locating and identifying the service line material will be required. Excavation to expose and observe the service line on each side of the meter may also 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. Some of the existing mains are galvanized and in need of replacement. New mains may be required to allow the service connections to be replaced. It is expected that up to 25% 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.

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 Malvern.

**Project Financial Information**

This funding recommendation is based on The City of Malvern increasing rates to \$24.81 for 4,000 gallons of usage, their current monthly bill is \$22.55. The initial rate burden factor is 0.79%, the

projected rate burden factor will be 0.87%. The current three year (2018-2021) average Median Household Income (MHI) for the City of Malvern is \$34,046. The City of Malvern does not have any outstanding loans with ANRC.

**Estimated Project Costs**

Construction:	\$2,500,000
Contingencies:	250,000
Engineering – Planning and Development:	312,500
Engineering-Inspection:	187,500
Administrative:	0
Capitalized Interest during Construction:	0
Issuance fee (3%):	0
Other: Easements	1,000,000
Other:	0
<b>Total Estimated Capital Cost:</b>	<b>\$4,250,000</b>

**Executive Director’s Recommendation**

Recommend the commission approve an amount up to \$2,167,000 in a loan and \$2,083,000 in a loan in the form of principal forgiveness for components of the project eligible for Lead Service Line funding 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 (\$425,000) 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 Pyatt**

**Marion County**

**Project: Water System Improvements**

**Project Description**

The City of Pyatt is in Marion County and has a water system population of 700. The purpose of this project is to rehabilitate the Foster Street and the Anderson Flat water storage tanks. The Department of Health inspected these tanks in July of 2023, and identified issues that needed to be addressed. This rehabilitation will include replacing screen vents, overflow screens, and repair the float indicator systems.

**Project Financial Information**

This funding recommendation is based on The City of Pyatt increasing rates to \$79.48 for 4,000 gallons of usage, their current monthly bill is \$74.28. The initial rate burden factor is 1.65%, the projected rate burden factor is 1.76%. The current three year (2018-2021) average Median Household Income (MHI) for the City of Pyatt is \$54,107. The City of Pyatt does not have any outstanding loans with ANRC.

**Estimated Project Costs**

Construction:	\$372,000
Contingencies:	37,200
Engineering – Planning and Development:	50,220
Engineering-Inspection:	20,000
Administrative:	2,000
Capitalized Interest during Construction:	0
Issuance fee (3%):	0
Other: Preliminary Engineering	0
Other: Legal	2,000
<b>Total Estimated Capital Cost:</b>	<b>\$483,420</b>

**Executive Director’s Recommendation**

Recommend the commission approve an amount up to \$483,420 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 (\$48,342) without returning to the commission for approval. Such increase in financial assistance shall be granted only after consultation with the commission chairman. Any financial assistance increases pursuant to this section shall be reported to the commission in its entirety at the next regularly scheduled commission meeting.

**Arkansas Rural Water Association**

**Project: 2024 - 2025 Circuit Rider Grant**

**Project Description**

Arkansas Rural Water Association (ARWA) has been providing Training and Technical Assistance to water systems throughout the state of Arkansas since 1985 through funding provided by the Arkansas Natural Resources Commission.

ARWA has multiple technical assistance programs. This proposal is for the Association's continued funding assistance for a "Circuit Rider". The Circuit Rider is a trouble shooter, capable of providing the technical assistance necessary to help any water system, preferably under 10,000 population, with their infrastructure problems. The Circuit Rider would primarily provide assistance with operation, maintenance, management, and financial problems that plague the smaller systems in the State of Arkansas. This technical assistance program is presently funded at \$125,000/year and ARWA is requesting that funding level remain the same to operate this annual program.

**Project Financial Information**

The current three year (2019-2021) average Median Household Income (MHI) provided by UALR for the State of Arkansas is \$52,123.

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

**Executive Director’s Recommendation**

Recommend the commission approve an amount up to \$125,000 in a grant to ARWA from the Water Development Fund.

**Arkansas Rural Water Association**

**Project: 2024 - 2025 Public Water Systems Grant**

**Project Description**

Arkansas Rural Water Association (ARWA) has been providing training and technical assistance to water and wastewater systems throughout the state of Arkansas since 1985 through funding provided by the Arkansas Natural Resources Commission.

The technical assistance grant program works with public water systems in ten counties listed as Arkansas’ persistent poverty counties. These ten counties are selected for PWS (Public Water Systems) infrastructure surveys. A planned, in-depth, on-site inspection of the selected systems is performed to include all existing above ground water system infrastructures.

These water system infrastructure inspections are to determine the source of water, number and type of tanks, pump station’s voltage, horsepower, pump capacity, and if a system has interconnections with other PWS's. Additional inspection results determine the required power needs in KW (kilowatt) for emergency generators, the type of emergency electrical transfer switches and if a manual transfer switch or automatic transfer switch could be installed to make the PWS more resilient in a time of power outages. The inspections also determine the percent of monthly water loss for the last twelve months and to assist systems with water audits. This technical assistance program is presently funded at \$65,000/year and ARWA is requesting the funding level remain the same to operate this annual program.

**Project Financial Information**

The current three year (2019-2021) average Median Household Income (MHI) provided by UALR for the State of Arkansas is \$52,123.

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

**Executive Director’s Recommendation**

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

**CHANGE IN ASSSISTANCE:**

**City of McGehee**

**Desha County**

**Purpose: Additional Funding - Lift Station Improvements**

**Project Description**

The City of McGehee, has retained A.L. Franks Engineering to evaluate and make recommendations on improvements to the existing wastewater system. The proposed project will include removing and replacing enclosure, valves, pumps, piping, and associated appurtenances at Gum Street Lift Station. Along with removing and replacing enclosure, pumps, piping, and associated appurtenances at Mark Drive, Harold Street, Chickasaw Street, Cantrell Street, Thompson Street, and Ford Place Lift Stations, the project will include rehabbing a total of seven lift stations.

The project was approved for funding with a loan in an amount up to \$835,116 from the Clean Water State Revolving Loan Fund program at the commission meeting in June 2023. Due to increased cost in construction materials and labor, an updated cost estimate has been submitted. The city is requesting an additional \$200,000 for a total project cost of \$1,035,116 to award and complete this project.

**Project Financial Information**

This funding recommendation is based on the City of McGehee increasing rates to \$27.60 for 4,000 gallons of usage, their current monthly bill is \$23.79. The initial rate burden factor is 1.07%, the projected rate burden factor will be 1.24%. The current three year (2018-2021) average Median Household Income (MHI) for the City of McGehee is \$26,722. The City of McGehee does not have any outstanding loans with the commission.

<b><u>Estimated Project Cost</u></b>	<b>Previously Approved</b>	<b>Additional Funding</b>	<b>Total Project Cost</b>
Construction:	\$650,000	200,000	850,000
Contingencies	65,000	0	65,000
Engineering – Planning, Design & Construction	65,000	0	65,000
Engineering – Inspection	26,000	0	26,000
Administrative	0	0	0
Capitalized Interest during Construction	9,116		9,116
Other: Legal	20,000	0	20,000
Other:	0	0	0
<b>Total Estimated Capital Cost:</b>	<b>\$835,116</b>	<b>\$200,000</b>	<b>\$1,035,116</b>

**Executive Director’s Recommendation**

Recommend the commission approve additional funding in an amount up to \$200,000, in total an amount up to \$1,035,116, in a loan to the City of McGehee from the Clean Water State Revolving Fund.

Authorize the executive director the discretionary authority to increase the amount of financial assistance to the applicant for bid overruns by an amount up to 10% of the commission funding amount (\$103,511) 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.

**Runyan Acres Sewer Improvement District #211**

**Pulaski County**

**Purpose: Additional Funding - Wastewater Treatment Plant Improvements**

**Project Description**

The Runyan Acres’ wastewater treatment plant is out of compliance with its National Pollutant Discharge Elimination System (NPDES) permit limitations. In the period from August 31, 2018, to August 31, 2021, Runyan Acres has 90 effluent violations including 40 fecal coliform exceedances, 22 dissolved oxygen violations, 14 pH violations, 13 total suspended solids exceedances, and one nitrogen exceedance.

The existing aeration basin and clarifier has experienced extensive deterioration and erosion. The Biolac activated sludge basin is creating enough water movement to go underneath the concrete apron and erode the clay bank. The erosion is causing the concrete to become unstable and break off into the sludge basin in numerous places and expose the clay bank to further erosion. The clarifier is full of algae which is leading to algae sloughing off into the weir and trough of the clarifier.

The project was approved for funding with a loan in an amount up to \$8,931,412 from the Arkansas Clean Water State Revolving Loan Fund program in June 2023. An increased cost in construction materials and labor have led to an updated cost estimate. Runyan Acres is requesting an additional \$3,301,548 for total project cost of \$12,232,960 to award and complete this project.

**Project Financial Information**

This funding recommendation is based on Runyan Acres increasing rates to \$88.06 for 4,000 gallons of usage, their current monthly bill is \$74.00. The initial rate burden factor is 1.72%, the projected rate burden factor will be 2.05%. The current three year (2018-2021) average Median Household Income (MHI) for Pulaski County is \$51,951. Runyan Acres has two loans with the commission and is current on its payments.

<b><u>Estimated Project Cost</u></b>	<b>Previously Approved</b>	<b>Additional Funding</b>	<b>Total Project Cost</b>
Construction:	\$6,790,635	2,510,197	9,300,833
Contingencies	679,064	251,020	930,083
Engineering – Planning, Design & Construction	1,018,595	376,530	1,395,125
Engineering – Inspection	86,322	31,909	118,231
Administrative	0	0	0
Capitalized Interest during Construction	57,548	21,273	78,821
Other: Legal	40,283	14,891	55,174
Other: Issuance Fee	258,965	95,728	354,693
<b>Total Estimated Capital Cost:</b>	<b>\$8,931,412</b>	<b>\$3,301,548</b>	<b>\$12,232,960</b>

**Executive Director’s Recommendation**

Recommend the commission approve additional funding in an amount up to \$3,301,548 in a loan, resulting in a total loan in an amount up to \$12,232,960, to Runyan Acres Sewer Improvement District #211 from the Clean Water State Revolving Fund.

Authorize the executive director the discretionary authority to increase the amount of financial assistance to the applicant for bid overruns by an amount up to 10% of the commission funding amount (\$1,223,296) 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.

**Westwood Village Sewer Facilities Board  
Garland County**

**Purpose: Additional Funding - Sewer Improvements**

**Project Description**

The Westwood Village Subdivision was developed in approximately 1977 with the developer continuing to sell lots and building 11 houses over the following 10 years. The sewer collection and treatment system became the responsibility of the property owner’s association at the conclusion of building. Over time, the collection system has developed excessive infiltration and inflow that results in the sewer treatment plant becoming overloaded during wet weather periods. In addition, the plant has significantly deteriorated over the past 45 years of operation. During high flow periods solids are discharged to the sand filters resulting in clogged filters. This project will regionalize the system with City of Hot Spring, sending wastewater to the City of Hot Spring’s wastewater treatment plant.

The project was approved for funding with a grant from the American Rescue Plan Act (ARPA) in the amount \$1,472,338.50 in December of 2022 and a loan in an amount up to \$122,694.75 and a loan with principal forgiveness in an amount up to \$368,084.25 from the Arkansas Clean Water State Revolving Loan Fund program in June 2023. Due to increased costs in construction materials and labor bids were higher than expected. Westwood Village is requesting an additional \$470,000 for total project cost of \$2,433,118 to award and complete this project.

**Project Financial Information**

This funding recommendation is based on Westwood Village increasing rates to \$141.50 for 4,000 gallons of usage, their current monthly bill is \$50.00. The initial rate burden factor is 1.61%, the projected rate burden factor will be 4.56%. The current three year (2018-2021) average Median Household Income (MHI) for the Garland County is \$37,266. Westwood Village does not have any outstanding loans with ANRC.

<b><u>Estimated Project Cost</u></b>	<b>Previously Approved</b>	<b>Additional Funding</b>	<b>Total Project Cost</b>
Construction:	\$1,511,499.50	361,876	1,873,375.50
Contingencies	151,150	36,188	187,338
Engineering – Planning, Design & Construction	149,638	35,826	185,464
Engineering – Inspection	30,230	7,238	37,468
Administrative	45,300	10,846	56,146
Capitalized Interest during Construction	0	0	0
Legal	45,300	10,846	56,146

Other: City Connection Fees	20,000	4,788	24,788
Other: Permits	10,000	2,392	12,392
Total Estimated Capital Cost:	\$1,963,117.50	\$470,000	\$2,433,117.50

**Executive Director’s Recommendation**

Recommend the commission approve additional funding an amount up to \$470,000 in a loan, in total a loan in an amount up to \$592,694.75, to Westwood Village Sewer Facilities Board from the Clean Water State Revolving Fund.

Authorize the executive director the discretionary authority to increase the amount of financial assistance to the applicant for bid overruns by an amount up to 10% of the commission funding amount (\$243,312) 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 Calico Rock  
Izard County**

**Project: Water System Improvements**

**Project Description**

The commission approved a loan in an amount up to \$1,193,252 from the Drinking Water State Revolving Loan fund at the June 2023 commission meeting. The original project scope included the renovation of the existing elevated drinking water storage tank. Due to the age of the tank and extent of renovation needed, the city is requesting a change in project scope. The city is requesting to construct a new standpipe storage tank to replace the elevated tank instead of renovating the existing elevated tank.

**Project Financial Information**

The current average monthly residential water bill based on 4,000 gallons of usage is \$29.50. The entity will be required to increase its water rates by 55% to \$45.73. The current three-year (2019-2021) Median Household Income (MHI) provided by UALR for Calico Rock is \$43,259. The customer base for this project at 250. Calico Rock has no outstanding loans with ANRC.

**Estimated Project Costs**

Construction:	\$960,000
Contingencies	96,000
Engineering – Planning, Design & Construction	79,200
Engineering – Inspection	42,240
Legal Fees	15,812
Administrative	0
Capitalized Interest during Construction	0
Issuance fee (3%)	0
Other:	0



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Total Estimated Capital Cost: \$1,193,252

**Executive Director’s Recommendation**

Recommend the commission approve the change in scope, no change in funding.

**Conway Corporation**

**Faulkner County**

**Purpose: Additional Funding - Roger Q. Mills Water Treatment Plant**

**Project Description**

The Conway water system is operated by Conway Corporation and utilizes Brewer Lake as a source of drinking water for approximately 65,121 people living in and near Conway, Arkansas.

This project is necessary to treat cyanotoxins which has been found in Brewer Lake and is an emerging contaminant under EPA’s Contaminant Candidate List 5. Currently, treatment of cyanotoxins has been accomplished through an external activated carbon feed system at the Brewer Lake intake. Funding is requested to incorporate an activated carbon treatment process into the expansion of the Roger Q. Mills Jr. Water Treatment Plant to more effectively treat the cyanotoxins, specifically microcystins and cylindrospermopsin, found in testing by the Arkansas Division of Environmental Quality (DEQ) and through Conway Corp’s regular monitoring program conducted by the University of Central Arkansas (UCA).

This project will be integrated with SCADA monitoring and billing through AMI meter infrastructure, which Conway Corporation already utilizes. Conway Corporation maintains a staff of two cybersecurity professionals who utilize cutting edge technology, in addition to a staff of approximately 30 tech professionals. The daily monitoring of water-use will be leveraged against the contract surcharge amount to realize the best value for the customers.

Brewer Lake is a relatively shallow lake that receives runoff from a watershed that contains both forested and agricultural areas, making it vulnerable to cyanobacterial blooms that can impart cyanotoxins into the water. Samples taken by DEQ during blooms have detected mycrocystins in the lake water at levels higher than the Environmental Protection Agency (EPA) Health Advisory level for treated drinking water.

The 8 MGD water treatment plant expansion facilitates regionalization through a merger with the Beaverfork Public Water Association.

The commission approved an amount up to \$39,292,980 (\$31,835,880 in the form of a loan and \$7,457,100 in the form of a loan with principal forgiveness for emerging contaminant eligible components), at the June 22, 2023, commission meeting from the Drinking Water State Revolving Loan Fund. Conway Corporation opened bids on June 11, 2024, the low bid received was for \$45,277,000. This request is for additional funding to cover bid overruns, including 5% contingency, and additional bond counsel fees.

**Project Financial Information**

The current monthly water bill for Conway, based on 4,000 gallons of usage, is \$29.86. Conway Corp will not be required to increase its water rates. The current three year (2019-2021) average Median Household Income (MHI) provided by UALR for Conway is \$47,397. The current rate burden factor is 0.76%.

<u>Estimated Project Cost</u>	<b>Previously Approved</b>	<b>Additional Funding</b>	<b>Total Project Cost</b>
Construction:	31,442,281	5,984,020	37,426,301
Contingencies	3,144,128	2,263,850	5,407,978
Engineering – Planning, Design & Construction	2,507,522	0	2,507,522
Engineering – Inspection	1,296,994	0	1,296,994
Legal Fees	20,000	20,000	40,000
Servicing Fee	0	0	0
Capitalized Interest during Construction	881,955	0	881,955
<b>Total Estimated Capital Cost:</b>	<b>\$39,292,980</b>	<b>\$8,267,870</b>	<b>\$47,560,850</b>

**Executive Director’s Recommendation**

Recommend that the commission approve additional funding in a loan in an amount up to \$8,267,870 for Conway Corporation from the Drinking Water State Revolving Loan Fund.

Authorize the executive director the discretionary authority to increase the amount of financial assistance to the applicant for bid overruns by an amount up to 10% of the commission funding amount (\$4,756,085) 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**

**Purpose: Change in Scope to 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 that will include but are 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.

This project was approved by the Commission at its May 2024 meeting. The approved project was completed using Community Development Block Grant funds from Arkansas Economic Development Commission. During the commission application and funding process, the meter reading system failed, and the manufacturer of Emerson’s current meters has gone out of business. Emerson is requesting a change in scope from the water tank improvements to meter replacements and de-obligating excess funds.

The commission approved an amount up to \$1,175,358 for this project at the May 2024 meeting from the Drinking Water State Revolving Loan Fund. The city is requesting to de-obligate \$825,358, for total funding in an amount up to \$350,000.

**Project Financial Information**

The current monthly water bill for Emerson is \$27.75, based on 4,000 gallons of usage. Emerson will be required to raise rates to \$52.45. The current three year (2018-2020) average Median Household Income (MHI) provided by UALR for Emerson is \$47,500. The current rate burden factor is 0.70% and their projected rate burden factor is 1.32%.

<b><u>Estimated Project Costs</u></b>	<b>Previously Approved</b>	<b>Less De-obligation</b>	<b>Total Project Cost</b>
Construction:	927,500	651,307.55	276,192.45
Contingencies	92,750	65,130.76	27,619.24
Engineering – Planning, Design & Construction	85,000	59,688.56	25,311.44
Engineering – Inspection	37,100	26,052.30	11,047.7
Legal Fees	20,000	14,044.37	5,955.63
Servicing Fee	0	0	0
Capitalized Interest	13,008	9,134.46	3,873.54
<b>Total Estimated Capital Cost:</b>	<b>\$1,175,358</b>	<b>\$825,358</b>	<b>\$350,000</b>

**Executive Director’s Recommendation**

Recommend the commission approve reduction of funding, resulting in a loan in an amount up to \$350,000 from the Drinking Water State Revolving Loan fund.

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 Green Forest  
Carroll County**

**Purpose: Change in Scope Water System Improvements**

**Project Description**

This project proposes to improve the water distribution system by upgrading the metering system to a Hybrid AMI/AMR Smart Metering System, replacing a 10" waterline in and around the Tyson Facility in Green Forest that requires increasing maintenance due to leaks in the lines, and installing a western loop of the distribution system.

This project is necessary to reduce unaccounted for water through inaccurate manual read meters to increase system revenue through accurate measurement of water usage by customers, decrease operational and maintenance costs associated with reading meters and repairing leaks, and improve pressure and water quality in the area proposed to be looped.

The city’s engineer constructed a new rate schedule for the project. After discussions with the mayor and public works director, they have decided to reduce the scope of this project and de-obligate funds that will not be utilized.

At the July 12, 2023, commission meeting, the commission approved an amount up to \$4,043,143, for this project from the Drinking Water Revolving Loan Fund. They are requesting to de-obligate \$1,521,454.08 and the new loan will be for \$2,521,688.92.

**Project Financial Information**

The current monthly water bill for Green Forest is \$31.08, based on 4,000 gallons of usage. Green Forest will be required to raise rates to \$45.69. The current three year (2019-2021) average Median Household Income (MHI) provided by UALR for Green Forest is \$42,548. The current rate burden factor is 0.88% and their projected rate burden factor is 1.29%.

<b><u>Estimated Project Costs</u></b>	<b>Previously Approved</b>	<b>Less De-obligation</b>	<b>Total Project Cost</b>
Construction:	3,241,022.00	1,219,612.11	2,021,409.89
Contingencies	324,102.00	121,961.14	202,140.86
Engineering – Planning, Design & Construction	258,471.00	97,263.88	161,207.12
Engineering – Inspection	133,692.00	50,308.94	83,383.06
Legal Fees	19,265.00	7,249.51	12,015.49
Servicing Fee	0.00	0.00	0.00
Capitalized Interest	34,091.00	12,828.51	21,262.49
Other: Easement Acquisition	25,000.00	9,407.62	15,592.38
Other: AIS Certification	7,500.00	2,822.29	4,677.71
<b>Total Estimated Capital Cost:</b>	<b>\$4,043,143.00</b>	<b>\$1,521,454.00</b>	<b>\$2,521,689.00</b>

**Executive Director’s Recommendation**

Recommend the commission approve the change in scope and reduction of funding, resulting in a total loan amount up to \$2,521,689, from the Drinking Water State Revolving Loan fund.

**City of Junction City**

**Union County**

**Purpose: Additional Funding - Water System Improvements Project**

**Project Description**

The City of Junction City, located in Union County, has a drinking water system population of 280. The proposed project is to replace approximately 18,000 linear feet of six-inch water mains, 320 associated water meters, and ductile iron pipe in the system due to age and condition.

The project was approved for funding in an amount up to \$637,944.25 in a loan and an amount up to \$1,913,832.75 in a loan with principal forgiveness (total funding up to \$2,551,777) from the Drinking State Revolving Loan Fund program in June 2023. An increased cost in construction materials and labor have led to bid overruns. The city is requesting an additional \$250,000 for a total project cost of \$2,801,777 to award and complete this project.

The additional funding was approved by Chairman Glover after consultation with Director Colclasure on June 27, 2024. This approval is based on the 10% contingency approved by the commission in June 2023.

**Project Financial Information**

This funding recommendation is based on the City of Junction City increasing rates to \$62.13 for 4,000 gallons of usage, their current monthly bill is \$23.01. The initial rate burden factor is 0.90%, the projected rate burden factor will be 2.42%. The current three year (2018-2021) average Median Household Income (MHI) for the City of Junction City is \$30,775. The City of Junction City does not have any outstanding loans with the commission.

<b><u>Estimated Project Cost</u></b>	<b>Previously Approved</b>	<b>Additional Funding</b>	<b>Total Project Cost</b>
Construction:	\$2,051,000	250,000	2,301,000
Contingencies	205,100	0	205,100
Engineering – Planning, Design & Construction.	170,000	0	170,000
Engineering – Inspection	76,912	0	76,912
Administrative	0	0	0
Capitalized Interest during Construction	28,765	0	28,765
Other: Legal	20,000	0	20,000
Other:	0	0	0
<b>Total Estimated Capital Cost:</b>	<b>\$2,551,777</b>	<b>\$250,000</b>	<b>\$2,801,777</b>

**Executive Director’s Recommendation**

Recommend the commission approve additional funding an amount up to \$250,000 in a loan, in total a loan in an amount up to \$887,944.25, to the City of Junction City from the Drinking Water State Revolving Fund.

Authorize the executive director the discretionary authority to increase the amount of financial assistance to the applicant for bid overruns by an amount up to 10% of the commission funding amount (\$280,177) 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 McGehee  
Desha County**

**Purpose: Additional Funding Request - Water Improvements & WTP Building Repairs**

**Project Description**

The proposed project will include replacing approximately 7,045 feet of 3 and 4-inch diameter drinking water distribution linework and associated appurtenances. The proposed project will also include repairs to the existing Water Treatment Plant Building such as replacing doors and

hardware, cleaning and painting pipes and generator, and painting the building and electrical panels.

**Project Financial Information**

At the June 22, 2023, meeting the commission approved an amount up to \$652,012 for this project from the Drinking Water State Revolving Loan Fund.

The current monthly sewer bill for McGehee, based on 4,000 gallons of usage, is \$23.79. McGehee will not be required to raise rates. The current three year (2018-2020) average Median Household Income (MHI) provided by UALR for McGehee is \$26,722. The current rate burden factor is 1.07% of the current average MHI.

<b>Estimated Project Cost</b>	<b>Previously Approved</b>	<b>Additional Funding</b>	<b>Total Project Cost</b>
Construction:	500,000	150,000	650,000
Contingencies	50,000	0	50,000
Engineering – Planning, Design & Construction	55,000	0	55,000
Engineering – Inspection	20,000	0	20,000
Legal Fees	20,000	0	20,000
Servicing Fee	0	0	0
Capitalized Interest	7,012	0	7,012
<b>Total Estimated Capital Cost:</b>	<b>\$652,012</b>	<b>\$150,000</b>	<b>\$802,012</b>

**Executive Director’s Recommendation**

Recommend the commission approve additional funding in a loan in an amount up to \$150,000, resulting in a loan in an amount up to \$802,012, to the City of McGehee from the Drinking Water State Revolving Loan 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 (\$80,201) 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
Hope	02232-CW-L	06/22/2023	\$3,488,000.00	\$2,774,000.00	CWSRF	Project complete, deobligating unspent funding

Mayflower	02416-CW-L	11/15/2023	\$12,440,375.00	\$12,440,375.00	CWSRP	City declining funding
Conway County RWDD	02442-DW-L	11/15/2023	\$8,450,045.00	\$8,450,045.00	DWSRF	City declining funding
Humphrey	02435-DW-L	11/15/2023	\$1,113,083.00	\$1,113,083.00	DWSRF	City declining funding
Grange Calamine WA	02448-WF-L	12/02/2022	\$1,144,334.12	\$1,144,334.12	WDF	City declining funding
Massey Aleander Levee District	02375-WDF-L	07/17/2023	\$103,000.00	\$103,000.00	WDF	Levee District declined funding
Danville	02038-WSSW-L	08/11/2022	\$360,500.00	\$360,500.00	WSSW	City declining funding
Kensett	02453-WSSW-L	11/15/2023	\$439,849.14	\$439,849.14	WSSW	City declining funding

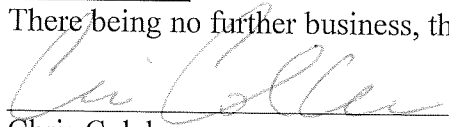
**ACTIVITY REPORTS**

Activity reports were presented by, Kristin Whittmore, Natural Resources Conservation Service (NRCS), Stacie Wassell, Division of Environmental Quality (DEQ), Debbie Moreland, Arkansas Association of Conservation Districts (AACD).

**OTHER**

**ADJOURN**

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

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

  
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 Date