

SUPPLEMENTAL AGENDA

Suspension of the Rules Request
ALC/Performance Evaluation and Expenditure Review (PEER)
Subcommittee
Tuesday, August 23, 2022
9:00 a.m. - Room A, MAC

A. American Rescue Plan Act Request

Arkansas ARP Steering Committee Awards

1. Department of Finance and Administration-Disbursing Officer
2. Arkansas Game and Fish Commission-Lonoke Fish Hatchery
3. Arkansas Game and Fish Commission-Bayou Meto Wildlife
4. Department of Agriculture



STATE OF ARKANSAS
**Department of Finance
and Administration**

A
OFFICE OF THE SECRETARY
1509 West Seventh Street, Suite 401
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-2242
Fax: (501) 682-1029
www.arkansas.gov/dfa

August 22, 2022

Senator Jonathan Dismang, Co-Chair
Representative Michelle Gray, Co-Chair
Performance Evaluation & Expenditure Review Committee
Arkansas Legislative Council
State Capitol Building
Little Rock, AR 72201

RE: Supplemental Items

Dear Co-Chairs:

I respectfully request suspension of the rules by the committee for review the item attached. This item was received after the deadline for submission to your Performance Evaluation and Expenditure Review Committee, but we are requesting inclusion in this month's review.

Sincerely,


Larry W. Walther
Secretary



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF BUDGET
1509 West Seventh Street, Suite 402
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-1941
Fax: (501) 682-1086
www.arkansas.gov/dfa

August 22, 2022

Senator Jonathan Dismang, Co-Chair
Representative Michelle Gray, Co-Chair
Performance Evaluation & Expenditure Review Committee
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State Capitol Building
Little Rock, AR 72201

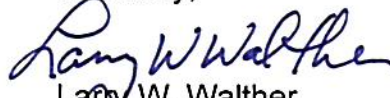
RE: FY 23 American Rescue Plan Act Request

Dear Co-Chairs:

Pursuant to Section 37 (02) of Act 199 of 2022, I am forwarding the attached American Rescue Plan Act request(s) that have received my approval as Chief Fiscal Officer of the State.

- Department of Finance and Administration Disbursing Officer – To provide reimbursements under Ark. Code Ann. §11-5-118 \$25,000
- Arkansas Game and Fish Commission – Lonoke Fish Hatchery External Water Reuse Project and Spawning Building \$5,000,000
- Arkansas Game and Fish Commission – Bayou Meto Wildlife Management Area Greentree Reservoirs Renovation \$15,000,000
- Department of Agriculture – To support water, wastewater/stormwater, and irrigation projects \$280,000,000

Sincerely,


Larry W. Walther
Cabinet Secretary

LWW
Attachment(s)

AMERICAN RESCUE PLAN ACT OF 2021 PROGRAM APPROPRIATION
AND PERSONNEL AUTHORIZATION REQUEST
SECTION 37 OF ACT 199 OF 2022

A.1

Agency: DFA Disbursing Officer Business Area Code: 0620
Program Title: Employee Vaccination Testing Reimbursement - § 11-5-118
Granting Organization: US Treasury CFDA #: 21.027
Effective Date of Authorization: Beginning: 08/26/2022 Ending: 12/31/2026
Purpose of Grant / Reason for addition or change (include attachments as necessary to provide thorough information):

Arkansas Code 11-5-118 allows for an "exemption for employees from mandates related to the coronavirus 2019 (COVID-19)." This exemption is related to vaccines. DFA has promulgated rules (see attached) that will allow for reimbursement to employees and employers for the cost of COVID-19 testing for those exempt employees.

This request is for appropriation to provide reimbursements under ACA 11-5-118 using ARPA funding approved for this purpose at the August 18, 2022 meeting of the ARPA Steering Committee.

American Rescue Plan Act Program Funding

Func. Area: ADMN Fund Code: FRP6209 Direct Funding: _____
Funds Center: _____ Internal Order/WBS Element: A 0620 ARPVACREIM-E Steering Comm. Approved: x
Continuation: _____

	Program Funding Amount
Regular Salaries	
Extra Help	
Personal Services Matching	
Operating Expenses	
Conference & Travel Expenses	
Professional Fees	
Capital Outlay	
Data Processing	
Grants and Aid (CI: 04)	25000
Other:	
Other:	
Total	\$ 25000



Anticipated Duration of Federal Funds: 12/31/2026

DFA IGS State Technology Planning	Date
Items requested for information technology must be in compliance with Technology Plans as submitted to DFA IGS State Technology Planning.	
* unclassified positions only	

Positions to be established: (list each position separately)

Org Unit	Pers Area	Pers SubArea	Cost Center	Position Number	Cmnt Item	Position Title	Class Code	Grade	Line Item Maximum *

State funds will not be used to replace federal funds when such funds expire, unless appropriated by the General Assembly and authorized by the Governor.

Approved by:  8/22/22  8-22-22 _____
Cabinet Secretary/Agency Director Date Office of Budget Date Office of Personnel Mgmt Date
K Bridges 08/19/22

DEPARTMENT OF FINANCE AND ADMINISTRATION
AMERICAN RESCUE PLAN DISTRIBUTION OF FUNDS FOR COVID-19 TESTING

OVERVIEW

Act 1115 of 2021 provides an exemption for employees in Arkansas from impending termination due to vaccination mandates. Codified as ACA 11-5-118, this legislation protects employees if their employer requires or is mandated to require vaccination or immunization for coronavirus 2019 (COVID-19) or its variants. The law outlines a specific exemption process and tasked the Department of Finance and Administration (DFA) with establishing rules regarding the method of distribution of funds from the American Rescue Plan Act of 2021 to employees and employers to cover the cost of testing. DFA promulgated an emergency rule on January 12, 2022. The legislation went into effect on January 14, 2022. DFA is required to report monthly to the Arkansas Legislative Council on distribution of these funds.

COVID-19 TESTING PROGRAM

The legislation calls for:

- 1) Timely distribution of funds to recipients within thirty (30) days;
- 2) Establishment of an option for distribution to an employer that chooses to receive funds for disbursement to employees; and
- 3) Verification and method of authentication of receipts that shall meet legislative auditing requirements, including without limitation the development of forms.

FORMS

DFA has created the following forms:

- 1) Contract and Grant Disclosure Form – this form is necessary to comply with Governor’s Executive Order 98-04
- 2) Form for Submission of Reimbursement Claims – this form will gather information necessary to implement the reimbursement claim component of the COVID-19 Testing Program while adhering to the reporting requirements for subrecipient awards under the American Rescue Plan Act of 2021, Final Rule.
- 3) Form for Requesting Distribution of Funds to Employer for COVID-19 Testing and for Monthly Reporting – this form will be used by employers to disburse funds to their employees to cover the cost of COVID-19 testing which is not covered by the employee’s health benefit plan. The employer would be a subrecipient and is required to submit documentation that will be used to meet the monitoring, oversight, and reporting requirements under the American Rescue Plan of 2021, Final Rule.
- 4) American Rescue Plan Act required documentation
 - a. Subrecipient Agreement
 - i. Acceptance Certification
 - b. Authorized Agent Form
 - c. Proposed Testing Roster Form
 - d. Completed Testing Roster Form
 - e. Employee Separation Roster Form

PROCESS FOR SUBMITTING CLAIMS

Under the Program, an employer or employee may submit a claim for reimbursement to cover the cost

of COVID-19 testing not covered by the employee's health benefit plan on the form(s) provided by the DFA for that purpose. The employer or employee shall denote on the form(s) whether the employer or the employee is the Claimant to be reimbursed.

In addition to the properly completed form(s), the Claimant shall provide the original, or a digitally scanned copy, of the invoice, receipt, or other document(s) evidencing that the test was conducted, the name of each employee tested, the cost of COVID-19 testing, the name of the manufacturer of each COVID-19 test, the United States Food and Drug Administration ("FDA") emergency use authorization number for each test, and a paycheck stub for the most recent pay period for each employee tested, and with all documents submitted in legible format.

By both signing the form(s), the employer and employee shall certify that the information provided on the form(s) and all documents submitted with their reimbursement claim are true, accurate, and complete. Upon receipt of the documents and the properly completed form(s), the DFA - Disbursing Officer shall issue funds to the Claimant within thirty (30) days.

OPTION FOR DISTRIBUTION OF FUNDS TO AN EMPLOYER

An employer that chooses to receive funds for disbursement to employees to cover the cost of COVID-19 testing not covered by the employee's health benefit plan shall submit a request for funding on the form(s) provided by DFA for that purpose.

The employers shall be required to submit the following forms:

- a. Contract and Grant Discloser Form
- b. Subrecipient Agreement and Acceptance Certificate
- c. Proposed Testing Roster
- d. Other documentation – including receipts, invoices or other documents evidencing testing

The Department will determine the amount of funds to be provided to an employer, for disbursement to employees to cover the cost of testing, based upon the information provided on the form(s) and the proposed testing roster.

MONTHLY REPORTING REQUIREMENTS

An employer that receives funds to distribute to employees for COVID-19 testing shall report monthly to DFA on form(s) provided for that purpose. In addition to providing the properly completed form(s), an employer shall provide the original, or a digitally scanned copy, of invoices, receipts, or other documents evidencing that each test was conducted, name of each employee tested, the cost of COVID-19 testing, the name of the manufacturer of each COVID-19 test, the FDA emergency use authorization number for each test, and a paycheck stub for the most recent pay period for each employee tested with all documents submitted in in legible format.

An employer that receives funds to distribute to employees for COVID-19 testing shall provide on a monthly basis an updated proposed testing roster, a completed testing roster, and an employee separation roster on the form(s) provided by DFA.

By signing the form(s), the employer shall certify that the information provided on the form(s) and all documents submitted with the form(s) are true, accurate, and complete.

Agency:Arkansas Game and Fish CommissionBusiness Area Code:0080

Program Title:Lonoke Fish Hatchery External Water Reuse Project and Spawning Building

Granting Organization:AMERICAN RESCUE PLAN ACT OF 2021CFDA #:

Effective Date of Authorization:Beginning:07/01/2022Ending:06/30/23

Purpose of Grant / Reason for addition or change (include attachments as necessary to provide thorough information):

This two-part project aims to significantly reduce the Lonoke Fish Hatchery's annual groundwater consumption through the construction of infrastructure that would allow the reuse of the water used for fish production instead of single-use. By developing water recirculating capabilities in the spawning building, the estimated impact on the Sparta aquifer would be a reduction of 141.9 million gallons of water annually based on the ability to reuse water with 90% efficiency. The estimated allowable project cost: \$2,000,000. In addition, upgrades to the outdoor hatchery ponds, including water reuse infrastructure and water storage capability, would further reduce our water use footprint by an estimated 430.1 million gallons annually pumped from the Sparta aquifer based on a reuse rate of 80% efficiency. The estimated Project cost: \$3,000,000.

American Rescue Plan Act Program Funding

Func. Area:REC

Funds Center:

Fund Code:

Internal Order/WBS Element:

Direct Funding:

Steering Comm. Approved:08/18/2022

Continuation:

	Program Funding Amount
Regular Salaries	
Extra Help	
Personal Services Matching	
Operating Expenses	
Conference & Travel Expenses	
Professional Fees	
Capital Outlay	
Data Processing	
Grants and Aid (CI: 04)	
Other:	5,000,000
Other:	
Total	\$5,000,000

Anticipated Duration of Federal Funds:

06/30/2024

DFA IGS State Technology PlanningDate

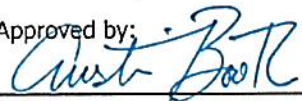
Items requested for information technology must be in compliance with Technology Plans as submitted to DFA IGS State Technology Planning.

Positions to be established: (list each position separately)

Org Unit	Pers Area	Pers SubArea	Cost Center	Position Number	Cmnt Item	Position Title	Class Code	Grade	Line Item Maximum *

State funds will not be used to replace federal funds when such funds expire, unless appropriated by the General Assembly and authorized by the Governor.


Approved by:



Cabinet Secretary/Agency Director

8/19/22

Date



Office of Budget

8-22-22

Date

Office of Personnel Mgmt

Date

CAR

6

Chris Racey
Chief of Staff

Ben Batten
Deputy Director



Brad Carner
Deputy Director

Spencer Griffith
Deputy Director

Arkansas Game and Fish Commission

Austin Booth
Director

August 18, 2022

Larry W. Walther, Secretary
Department of Finance and Administration
1509 W. 7th St. Suite 401
Little Rock AR, 72205

Dear Secretary Walther,

Pursuant to Section 38 of Act 997 of 2021, I am requesting the consideration of the attached appropriation requests for two ARPA-funded projects approved by the steering committee on August 18th. These projects include:

Bayou Meto WMA GTR Renovation

\$15,000,000 for the renovation of approximately 13,000 acres of Greentree reservoirs (GRT) in the Bayou Meto Wildlife Management Area (WMA) that have been negatively impacted by prolonged flooding. This appropriation will be utilized for infrastructure renovations that will enhance water flow. These critical infrastructure renovations are essential to allow AGFC to manage water better and enhance drainage within the GTRs, particularly during the summer growing season, thus improving deteriorated forest health conditions to ensure the long-term sustainability of the world-renowned Greentree public land waterfowl hunting opportunities within the state. The long-term health and sustainability of these remnant bottomland hardwood forests are essential to sustaining public land waterfowl hunting opportunities for over 40,000 individuals annually, with an estimated financial benefit of \$70 million annually to local communities across Arkansas. In addition, these unique habitats support a host of other terrestrial and aquatic species, which provide significant wildlife viewing and other hunting opportunities beyond just waterfowl hunting opportunities.

Lonoke Fish Hatchery External Water Reuse Project and Spawning Building Water Reuse Project

\$5,000,000 to modernize how water is used, captured, and then reused at the Lonoke Fish Hatchery and would also increase the efficiency and capacity for fish production. By developing water recirculating capabilities in the spawning building, the estimated impact on the Sparta aquifer will be a reduction of 141.9 million gallons of water annually based on the ability to reuse water with 90% efficiency. This is equivalent to the water use of 3,698 "average" Arkansas water users. Upgrades to the outdoor hatchery ponds, including water reuse infrastructure and water storage capability, will further reduce our water use footprint by an estimated 430.1 million gallons annually pumped from the Sparta aquifer based on a reuse rate of 80% efficiency. This is equivalent to the average consumption of 11,117 Arkansans.

Thank you for your consideration.

Sincerely,

Austin Booth
Director
Arkansas Game and Fish Commission



Project Name: Lonoke Fish Hatchery External Water Reuse Project and Spawning Building Water Reuse Project

Project Status: Design phase underway

- Approved budget for design = \$350,000
- Current budget for construction = \$0

Project Description: The Joe Hogan Fish Hatchery located in Lonoke, AR is both the largest and the oldest facility in the AGFC fish culture system. This facility produces an average of 9-10 million fish annually, including catfish, Florida bass, and

baitfish. The proposed project includes the following: 1. Modernization of the 19,200 square foot indoor fish spawning/holding building including enhanced water reuse/recirculation capabilities. 2. Upgrades to the existing outdoor water supply/drain lines to include a water recapture/reuse system and a water storage pond for a 200-acre warm water culture facility.

Spawning building water reuse/recirculation project: This project consists of the construction of a 19,200 sq. ft. modernized indoor production facility that will provide for the complete re-use of water in this new facility. Currently, the groundwater used in two existing buildings for hatching, rearing, and holding fish is used in a one-pass system where the groundwater flows out of the building to the drainage ditches at the same rate that it is pumped in. The current designs for this new indoor facility include all the necessary components for a 100% water reuse system, including a settling basin, mechanical filtration system for the removal of solids, a sterilization system, and all the necessary piping so that each culture unit can drain into this system, go through the necessary treatments, and will then be available for additional use throughout the facility.

Outdoor hatchery water recapture/reuse project: This project consists of the construction of a water storage reservoir that many of the hatchery's 77 ponds will be able to drain into. The Lonoke Hatchery is solely dependent on groundwater for filling ponds and as those ponds are drained during harvest operations, that water flows off the hatchery through a series of underground piping into adjacent ditches. This renovation project will provide a system that will allow for ponds being drained to flow to an on-site storage reservoir. This captured surface water can then pass through a filtration system and a system of valves and pumps that will provide an alternative water source for filling all hatchery ponds and greatly reduce (80% reuse) the hatchery's dependence on groundwater.

Project Goals and Impacts: This project aims to increase the sustainability of the water use associated with fish production at the Arkansas Game and Fish Commission's Lonoke Fish Hatchery. As a state conservation agency, it is important that we lead by example when it comes to water sustainability. In this case that includes reducing our impact on groundwater use by minimizing our withdrawals and maximizing our reuse of water on the facility to the extent possible. Currently, the hatchery utilizes groundwater brought to the surface through

wells. This water is used for fish production and then leaves the hatchery property through a system of ditches. The aim of this two-part project is to greatly reduce the annual consumption of groundwater through the construction of infrastructure that would allow the reuse of the water used for fish production instead of single-use.

The proposed project would modernize how water is used, captured, and then reused in the facility and would also increase the efficiency and capacity for fish production. Groundwater is an extremely critical resource to the state, and is relied upon by Arkansas for drinking water, agriculture, and aquaculture. By utilizing water recirculating capabilities in the spawning building, the estimated impact on the Sparta aquifer would be a reduction of 141.9 million gallons of water annually based on the ability to reuse water with 90% efficiency. This is equivalent to the water use of 3,698 “average” Arkansas water users. Upgrades to the outdoor hatchery ponds including water reuse infrastructure and water storage capability would further reduce our water use footprint by an estimated 430.1 million gallons annually pumped from the Sparta aquifer based on a reuse rate of 80% efficiency. This is equivalent to the average consumption of 11,117 Arkansans.

County: Lonoke

Congressional District: Rick Crawford (1)

AR Representative District Name and number: Roger D. Lynch (14)

AR Senate District Name and number: Jonathan Dismang (28)

Justification of project:

- a) Benefit to Arkansans - The surrounding Lonoke County and the city of Lonoke, AR, a socially disadvantaged rural community, draw their water from four wells that pump from the Sparta Sand Aquifer. They also purchase treated water from Grand Prairie Regional Water whose sources are five wells that pump from the Sparta Sand Aquifer to two water treatment facilities. Grand Prairie also purchased water from the City of Stuttgart, whose source for water is four wells that pump from the Quaternary System and Sparta Aquifers to two Water Treatment Plants.

AR Natural Resources Division states: “It is important to realize that groundwater levels continue to decline in areas with the highest water use for both the Mississippi River Valley alluvial aquifer and the Sparta aquifer. Arkansas is withdrawing groundwater from the alluvial and Sparta/Memphis aquifers in eastern and southern Arkansas at a rate far above that which is estimated to be sustainable. So long as water-use from these aquifers continues to exceed sustainable yield, this water resource will continue to be depleted.”

Lonoke County and surrounding cities will be positively impacted by the modernized water reuse capabilities of the Joe Hogan hatchery. Again, recirculation and reuse both indoor and outdoor will help decrease the water drawn from the Sparta Aquifer by a total of 572 million gallons annually.

- b) ARPA funding statutory and regulatory criteria - In the Treasury Department's Final Rule [31 CFR Part 35 RIN1505-AC77] on the use of Coronavirus State and Local Fiscal Recovery Funds it states that ARPA provides that SLRF funds may be used "[t]o make necessary investments in water, sewer, or broadband infrastructure". The Treasury determined that the types of water and sewer projects that were authorized under the interim final rule by reference to existing Environmental Protection Agency (EPA) programs would in all cases be necessary investments given the conditions applicable to such EPA Programs. This includes the Clean Water State Revolving Fund (CWSRF) Program. The Final Rule states that eligible uses of the CWSRF are eligible uses of SLFRF in the water and sewer infrastructure category. This includes a broad range of projects that improve drinking water infrastructure, such as building or upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines. With respect to clean water and wastewater infrastructure, the interim final rule provided that recipients may use SLFRF funds to construct publicly owned treatment infrastructure, manage and treat stormwater or subsurface drainage water, and facilitate water reuse, among other uses. The document also references measures to conserve and reuse water including subsurface drainage water (groundwater) as a measure of green infrastructure investments and improvements to climate change resiliency.
- c) Clean Water State Revolving Fund Eligibility - In order to help justify this project's potential positive impacts on the sustainability of groundwater use, its eligibility for inclusion in the Clean Water State Revolving fund guidelines from the EPA was consulted. This document states in the Groundwater Protection and Restoration section that, "Eligible groundwater projects include those that protect and restore the aquifers. This includes pump and treat projects, aquifer recharge projects, and projects that decrease aquifer withdrawals through rainwater harvesting, water conservation, or water reuse."

Total Eligible Project cost: \$5,000,000

Spawning Building Eligible Project Cost: \$2,000,000

Component Breakdown:

- 1) Design and Engineering: \$200,000
- 2) Construction: \$1,800,000

Hatchery Water Re-use Eligible Project Cost: \$3,000,000

Component Breakdown:

- 1) Design and Engineering: \$300,000

2) Construction: \$2,700,000

Estimated timeline of completion: 2022 - 2024.

-7/1/22-2/6/23 - Engineering and Design

-10/17/22-3/31/23 - Permitting

-2/6/23-4/3/23 - Request for Proposals

-4/4/23-5/2/23 - Contracting phase

-5/3/23-6/27/24 - Construction phase

-6/27/24 - Project Completion

Agency: Arkansas Game and Fish CommissionBusiness Area Code: 0080

Program Title: Bayou Meto WMA GTR Renovation

Granting Organization: AMERICAN RESCUE PLAN ACT OF 2021CFDA #: _____

Effective Date of Authorization: _____Beginning: 07/01/2022Ending: 06/30/2023

Purpose of Grant / Reason for addition or change (include attachments as necessary to provide thorough information):

The proposed project would renovate water control structures and the infrastructure needed to manage water in Bayou Meto Wildlife Management Area's seven greentree reservoirs (GTRs). This will greatly benefit tree health and the regeneration of red oak species which are a key food resource for wintering waterfowl. Red oaks have been hit hard by the prolonged flooding and in turn are being replaced by less desirable tree species or habitat. Alterations to water control structures will be extensive and will need detailed engineering to determine the best alternative to renovate then GTRs. Additionally, the proposed work here will benefit the state's water resources by: 1) filtering and trapping nutrient loads, 2) reducing sediment and other non-point source pollution, 3) mitigating peak stormwater flows downstream, and 4) storing flood water.

American Rescue Plan Act Program Funding

Func. Area: RECFund Code: _____Direct Funding: _____

Funds Center: _____Internal Order/WBS Element: _____Steering Comm. Approved: 8/1/8/2022

Continuation: _____

	Program Funding Amount
Regular Salaries	
Extra Help	
Personal Services Matching	
Operating Expenses	
Conference & Travel Expenses	
Professional Fees	
Capital Outlay	
Data Processing	
Grants and Aid (CI: 04)	
Other:	15,000,000
Other:	
Total	\$ 15,000,000

Anticipated Duration of Federal Funds: 06/30/2029

DFA IGS State Technology PlanningDate
Items requested for information technology must be in compliance with Technology Plans as submitted to DFA IGS State Technology Planning.

Positions to be established: (list each position separately)

Org Unit	Pers Area	Pers SubArea	Cost Center	Position Number	Cmnt Item	Position Title	Class Code	Grade	Line Item Maximum *

State funds will not be used to replace federal funds when such funds expire, unless appropriated by the General Assembly and authorized by the Governor.

Approved by: 8/19/228-22-22

Cabinet Secretary/Agency DirectorDateOffice of BudgetDateOffice of Personnel MgmtDate

Chris Racey
Chief of Staff

Ben Batten
Deputy Director



Brad Carner
Deputy Director

Spencer Griffith
Deputy Director

Arkansas Game and Fish Commission

Austin Booth
Director

August 18, 2022

Larry W. Walther, Secretary
Department of Finance and Administration
1509 W. 7th St. Suite 401
Little Rock AR, 72205

Dear Secretary Walther,

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Bayou Meto WMA GTR Renovation

\$15,000,000 for the renovation of approximately 13,000 acres of Greentree reservoirs (GRT) in the Bayou Meto Wildlife Management Area (WMA) that have been negatively impacted by prolonged flooding. This appropriation will be utilized for infrastructure renovations that will enhance water flow. These critical infrastructure renovations are essential to allow AGFC to manage water better and enhance drainage within the GTRs, particularly during the summer growing season, thus improving deteriorated forest health conditions to ensure the long-term sustainability of the world-renowned Greentree public land waterfowl hunting opportunities within the state. The long-term health and sustainability of these remnant bottomland hardwood forests are essential to sustaining public land waterfowl hunting opportunities for over 40,000 individuals annually, with an estimated financial benefit of \$70 million annually to local communities across Arkansas. In addition, these unique habitats support a host of other terrestrial and aquatic species, which provide significant wildlife viewing and other hunting opportunities beyond just waterfowl hunting opportunities.

Lonoke Fish Hatchery External Water Reuse Project and Spawning Building Water Reuse Project

\$5,000,000 to modernize how water is used, captured, and then reused at the Lonoke Fish Hatchery and would also increase the efficiency and capacity for fish production. By developing water recirculating capabilities in the spawning building, the estimated impact on the Sparta aquifer will be a reduction of 141.9 million gallons of water annually based on the ability to reuse water with 90% efficiency. This is equivalent to the water use of 3,698 "average" Arkansas water users. Upgrades to the outdoor hatchery ponds, including water reuse infrastructure and water storage capability, will further reduce our water use footprint by an estimated 430.1 million gallons annually pumped from the Sparta aquifer based on a reuse rate of 80% efficiency. This is equivalent to the average consumption of 11,117 Arkansans.

Thank you for your consideration.

Sincerely,

Austin Booth
Director
Arkansas Game and Fish Commission



Project Name: Bayou Meto WMA GTR Renovation – Phase I

Project Status: Design phase underway

- Approved budget for design = \$350,000
- Budget for construction = \$0

Short Project Description: This 33,832-acre Wildlife Management Area (WMA) has approximately 13,000-acres within 7 greentree reservoirs (GTRs) to provide critical wintering waterfowl habitat and waterfowl hunting opportunities.

Prolonged flooding within this WMA throughout the year is resulting in significant impacts to forest health conditions, jeopardizing both the long-term sustainability of this valuable habitat and the sustainability of the recreational opportunities the WMA provides.

Project Need: Major infrastructure renovations are needed to enhance water flows through this WMA. Current rainfall events, coupled with stormwater runoff from Jacksonville, Sherwood and other communities into Bayou Meto is causing prolonged flooding. Current infrastructure is inadequate and cannot evacuate water leading to declining forest health conditions within this vitally important remnant bottomland hardwood forest. The bottomland hardwood forests (BLH) forests found at Bayou Meto WMA are in significant health decline morphologically indicated by basal swelling, extensive epicormic branching, crown dieback and even death. Renovations are needed to replumb water control structures allowing for increased drainage, specifically during the spring and summer. Levees will be altered allowing for additional water to flow off the WMA improving red oak regeneration within the forest complex.

Project Goals: The proposed project would renovate water control structures and the infrastructure needed to manage water in the GTRs. This will greatly benefit tree health and the regeneration of red oak species which are a key food resource for wintering waterfowl. Red oaks have been hit hard by the prolonged flooding and in turn are being replaced by less desirable tree species or scrub / shrub habitat. Alterations to water control structures will be extensive and will need detailed engineering to determine the best alternative to renovate the GTRs. Additionally, the proposed work here will benefit the state's water resources by: 1) filtering and trapping nutrient loads, 2) reducing sediment and other non-point source pollution, 3) mitigating peak stormwater flows downstream, *and* 4) storing flood water.

County: Arkansas and Jefferson

Congressional District: Rick Crawford (1)

AR Representative District Name and number: Roger Lynch (14) and Ken Ferguson (16)

AR Senate District Name and number: Stephanie Flowers (25)

Justification of project:

- a) Benefit to Arkansans - These critical infrastructure renovations are essential to allow AGFC to better manage water and enhance drainage within the GTRs particularly during the summer growing season thus improving deteriorated forest health conditions to ensure the long term sustainability of the world-renowned greentree public land waterfowl hunting opportunities within the state. The long-term health and sustainability of these remnant bottomland hardwood forests is essential to sustaining public land waterfowl hunting opportunities for over 40,000 individuals annually with an estimated financial benefit of \$70 million annually to local communities across Arkansas. In addition, these unique habitats support a host of other terrestrial and aquatic species which provide significant wildlife viewing and other hunting opportunities beyond just waterfowl hunting opportunities.
 - b) ARPA funding statutory criteria - This project will address declining forest conditions that are occurring in some of the most biodiverse forest ecosystems in Arkansas. Ecosystem services that are benefitted are - flood mitigation, sediment reduction, NPS pollution reduction and management of stormwater. The proposed project will promote climate resiliency in our bottomland hardwood forests. AGFC's system of wildlife management areas provide recreational opportunities that improve mental health for people by providing low-cost recreational opportunities such as hunting, fishing, wildlife watching, hiking, and camping.
-

Project cost: \$15,000,000

Estimated timeline of completion: 2022 - 2029 complete.

AMERICAN RESCUE PLAN ACT OF 2021 PROGRAM APPROPRIATION
AND PERSONNEL AUTHORIZATION REQUEST
SECTION 37 OF ACT 199 OF 2022

A.4

Agency: Arkansas Department of Agriculture Business Area Code: 9901

Program Title: American Rescue Plan Act of 2021, Water Related Projects, Wastewater and Stormwater Projects, Irrigation Projects

Granting Organization: 117th Congress of the United States CFDA #: 12.027

Effective Date of Authorization: Beginning: 07/01/2022 Ending: 06/30/2024

Purpose of Grant / Reason for addition or change (include attachments as necessary to provide thorough information):

Water, Wastewater and Stormwater Projects

- \$270 million of the requested funding would be used to fund a grant program that would mirror the state’s existing implementation of EPA’s Clean Water State Revolving Fund and EPA’s Drinking Water State Revolving Fund. Each submitted project would be evaluated and scored according to established criteria. A proposed \$5,000,000 cap per project will be implemented to spread the funding across the state.

Irrigation Projects

- \$5 million is requested for the Grand Prairie Area Demonstration Project, a comprehensive water management project designed to protect and preserve the Alluvial and Sparta aquifers. The project allows the continued irrigation of agricultural crops and reduces further depletion of groundwater aquifers. Funding would be used to match federal funds for the completion of the electric substation. The current funding provided by the USACE for the substation is \$13 million with a 35% cost share of approximately \$5,000,000.
- \$5 million is requested for the Bayou Meto Basin Project, a comprehensive water management system designed to protect and preserve the Alluvial and Sparta aquifers through the diversion of excess water from the Arkansas river via a delivery system made up of pump stations, new canals, existing streams, and pipelines to the water depleted areas. In addition to providing an agricultural water supply, the project is designed to include channel improvements and a pumping station to reduce flooding. Funding would be used to match federal funds on the cleanout of Wabbaseka Bayou.

American Rescue Plan Act Program Funding

Func. Area: COMM Fund Code: Direct Funding:

Funds Center: Internal Order/WBS Element: Steering Comm. Approved: X

Continuation:

	Program Funding Amount
Regular Salaries	
Extra Help	
Personal Services Matching	
Operating Expenses	
Conference & Travel Expenses	
Professional Fees	
Capital Outlay	
Other: Water Related Projects	\$135,000,000.00
Other: Wastewater and Stormwater Related Projects	\$135,000,000.00
Other: White River Irrigation District – Irrigation Project	\$5,000,000.00
Other: Bayou Meto Water Management District – Irrigation Project	\$5,000,000.00
Total	\$280,000,000.00

Anticipated Duration of Federal Funds: 12/31/2026

DFA IGS State Technology Planning **Date**
Items requested for information technology must be in compliance with Technology Plans as submitted to DFA IGS State Technology Planning.

Positions to be established: (list each position separately)

Org Unit	Pers Area	Pers SubArea	Cost Center	Position Number	Cmnt Item	Position Title	Class Code	Grade	Line Item Maximum *

State funds will not be used to replace federal funds when such funds expire, unless appropriated by the General Assembly and authorized by the Governor.

Approved by:

Way W. W. 8-18-22 8-22-22

Cabinet Secretary/Agency Director Date Office of Budget Date Office of Personnel Mgmt Date

 8/22/2022



Water and Other Infrastructure Projects Working Group American Rescue Plan Act Steering Committee

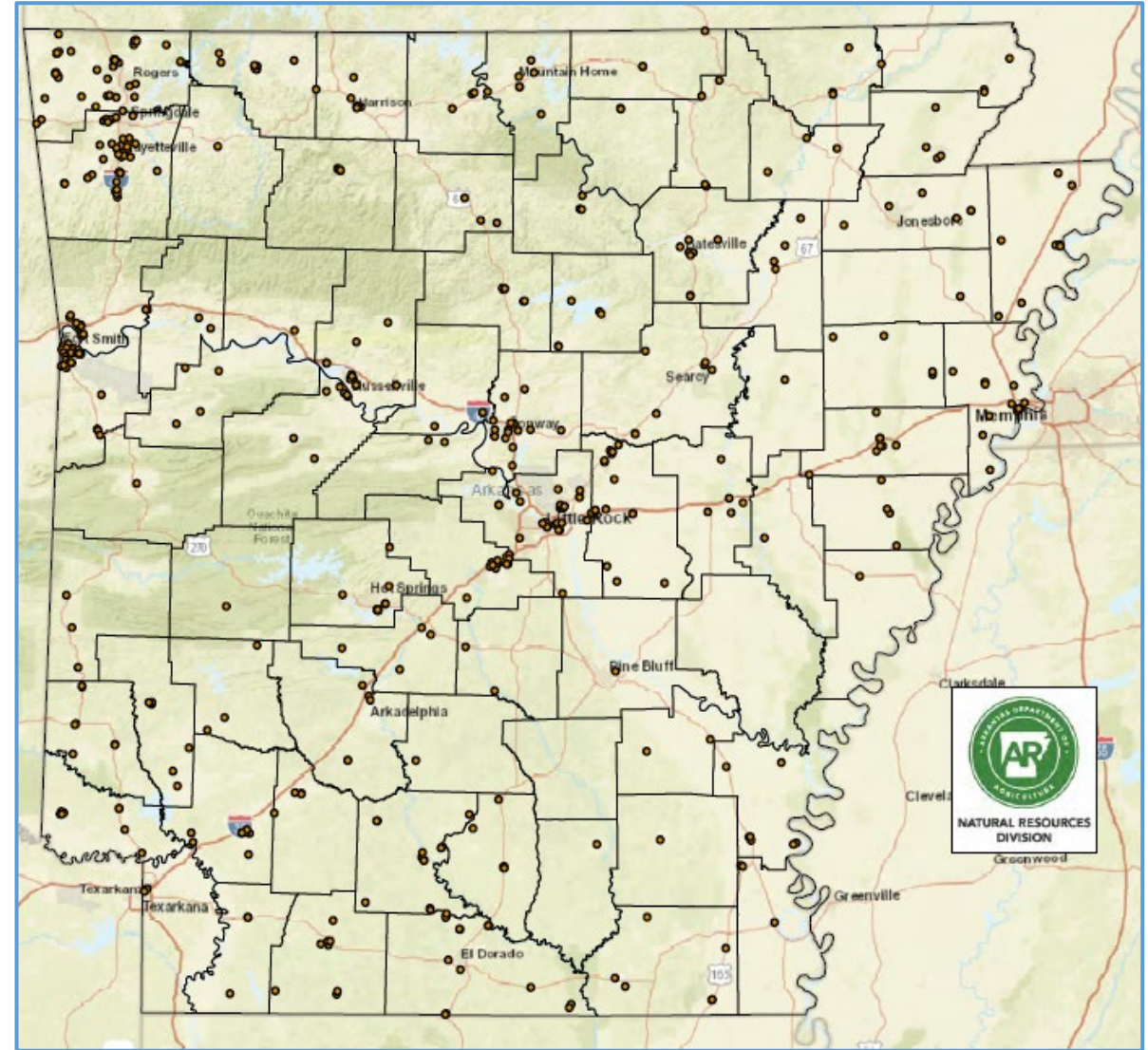
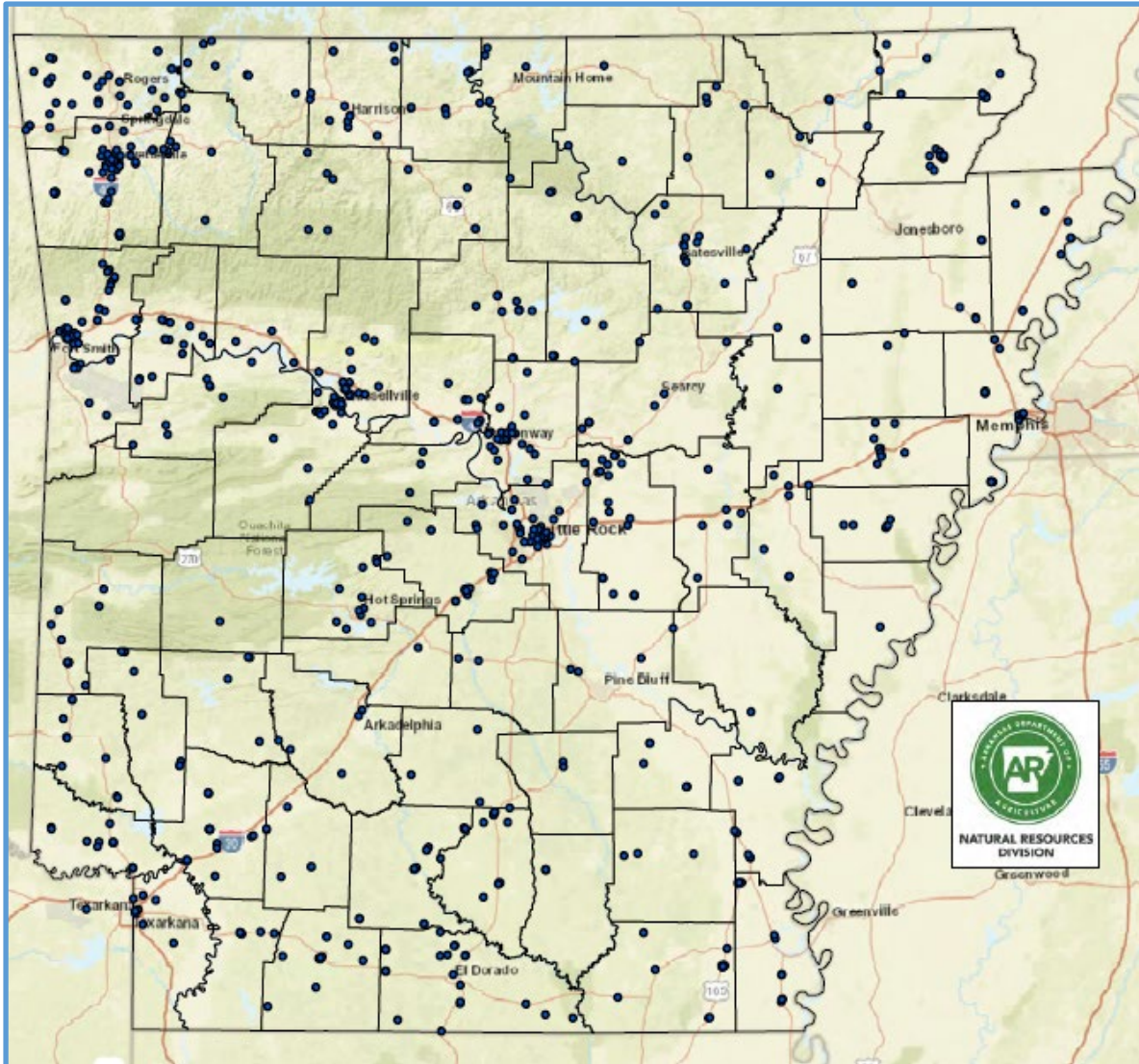
Water and Other Infrastructure Projects Working Group

- Members
 - Wes Ward, Secretary, Department of Agriculture, *Chair*
 - Major General Kendall Penn, Secretary, Department of the Military
 - Solomon Graves, Secretary, Department of Corrections
 - Dr. Jose Romero, Secretary, Department of Health
 - Jami Cook, Secretary, Department of Public Safety
 - Becky Keogh, Secretary, Department of Energy and Environment
 - Steve Eggensperger, Governor's Liaison for Military and Public Safety, *Ex-officio*
 - Mary Robin Casteel, Chief Legal Counsel to the Governor, *Ex-officio*
- Needs Survey
 - July 12, 2021 – July 15, 2021 - Initial Targeted Stakeholder Needs Survey -
 - July 26, 2021 – August 13, 2021 - Full Statewide Water Infrastructure needs survey
 - 3 Webinars
 - July 29, 2021
 - August 4, 2021
 - August 11, 2021
- August 31, 2021: Working Group Final Report Submitted

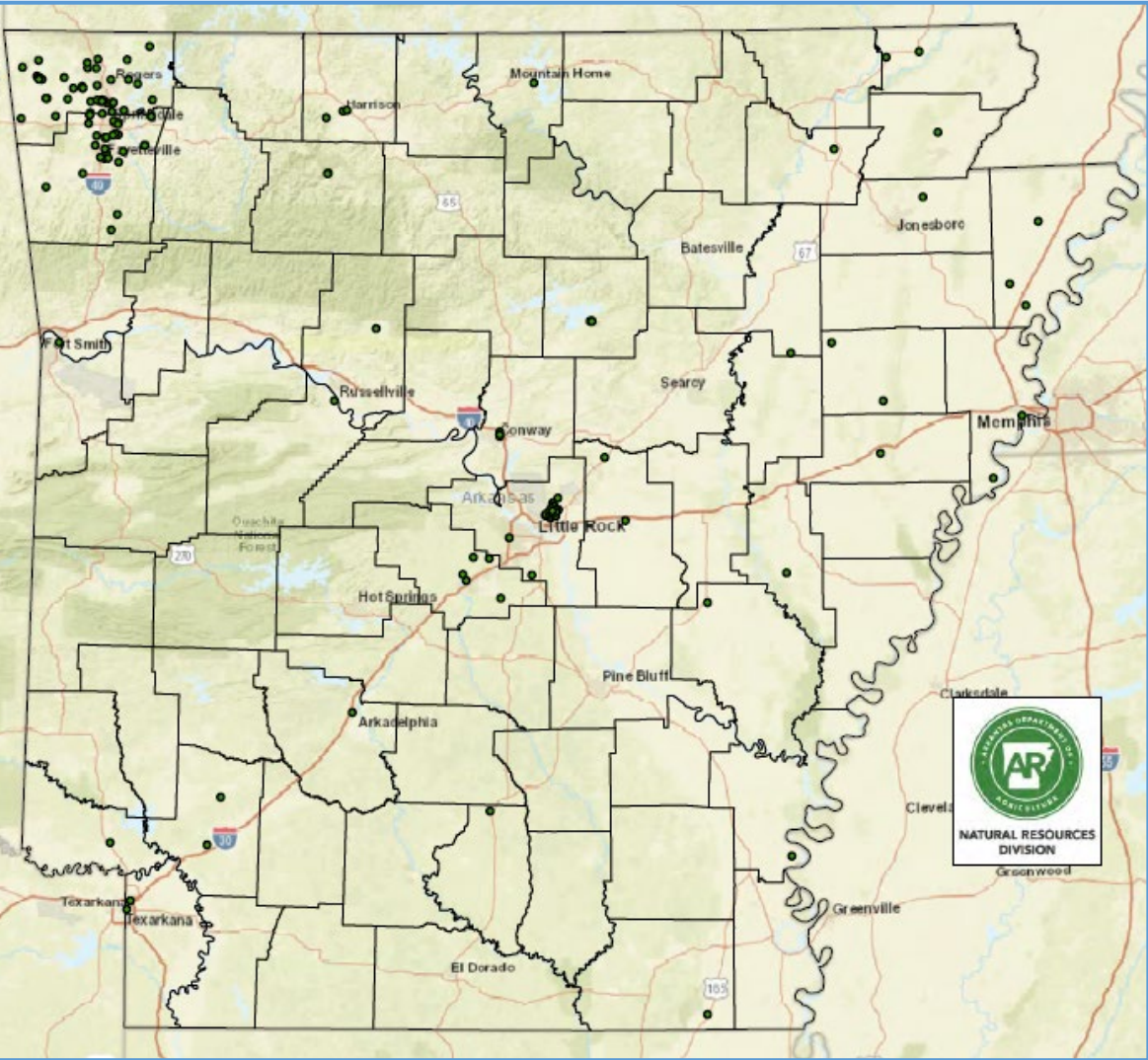


Project Type	Water	Wastewater	Stormwater	Dam/Levee	Mixed Project	Total
Total	\$2,926,970,868	\$1,924,023,078	\$308,970,698	\$3,140,750	\$104,188,150	\$5,267,293,543
Projects Submitted	728	503	151	3	32	1417
Projects Submitted Without Costs	2	5	10	0	1	18
Average Project Costs	\$4,031,640	\$3,863,500	\$2,191,282	\$1,046,917	\$3,360,908	\$3,765,042
Median Project Cost	\$879,200.00	\$1,575,000.00	\$600,000.00	\$100,000.00	\$1,000,000.00	N/A
Projects willing to cost share a portion of the project cost	400	299	114	1	23	837
Percentage of projects willing to cost share a portion of the project	55%	59%	75%	33%	72%	59%
The project has undergone review by the State Water and Wastewater Advisory Committee (WWAC)	79	64	1	0	1	145
The project has been approved for funding	50	59	8	0	2	119
Final engineering plans are completed for the project	77	79	14	0	4	174
The project is already under construction	24	19	5	1	2	51
The purpose of the proposed project is to correct noncompliance with a state or federal rule	90	170	5	1	5	271
Percentage of projects intended to correct noncompliance with a state or federal rule	12%	34%	3%	33%	16%	19%
Average Months to Complete Project After Bidding	13	15	13	11	19	N/A
Median Months to Complete Project After Bidding	12	12	10	11	16	N/A

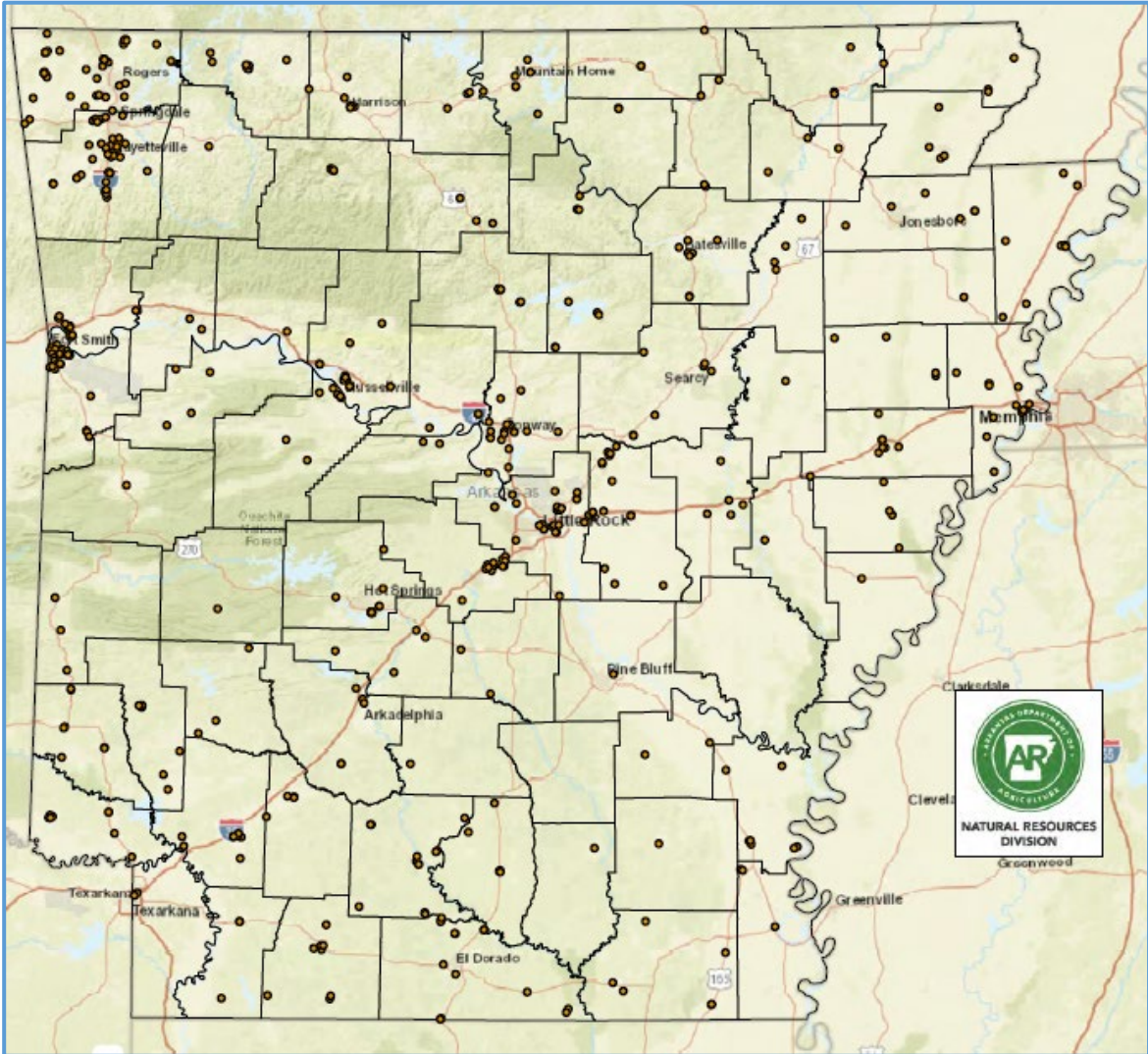




This map includes projects submitted under the needs survey to address stormwater, floodplain, nonpoint source pollution, dams, levees and related projects



This map includes projects submitted under the needs survey that listed multiple project types including wastewater, drinking water and stormwater



*Locations are approximate based on needs survey submission

Water Infrastructure Needs – State Government

- **Department of Human Services - \$1,221,250 Total**
 - Arkadelphia Human Development Center \$225,000
 - Arkansas Health Center \$49,250
 - Booneville Human Development Center \$500,000
 - Lewisville Juvenile Treatment Center \$21,000
 - Mansfield Juvenile Treatment Center \$16,000
- **Department of Military - \$6,850,000 Total**
 - Water tower at Fort Chaffee \$3,200,000
 - Water tower at Camp Robinson \$3,000,000
 - Wastewater Treatment Plant Upgrade \$100,000
 - Water line upgrade \$550,000
- **Department of Corrections – \$22,805,300 Total**
 - Division of Community Correction Misc. Projects - \$755,300
 - Division of Correction Water and Wastewater Projects - \$22,050,000.
- **Department of Veterans Affairs - \$700,000 Total**
 - Wells for irrigation at both Arkansas State Veterans Cemeteries - \$700,000.
- **Department of Parks, Heritage, and Tourism - \$6,500,000 Total**
 - Lake Dardanelle - South Campground Septic Upgrades - Yell County \$50,000
 - Lake Fort Smith - Marina & Day Use Pump Station Equip Replacement; Area A Pump Station Repairs & Equip Replacement; Inspect & Repair Dining Hall Sewer Line \$135,000
 - Mammoth Spring - Welcome Center Pump Station Equipment Replacement \$35,000
 - Millwood Lake - WWTP Piping and Equipment Replacement; 3 - WW Pump Stations Equipment Replacement \$110,000

Cost estimates across the Departments
total \$ 38,076,550



Additional Projects Submitted (August 2021)

- Arkansas Game and Fish Commission - \$58.4 Million
 - Lake Conway Dam Renovation (\$5,000,000)
 - Lonoke Fish Hatchery Spawning Expansion (\$6,000,000)
 - Lake Greenlee Water Control Repair (\$800,000)
 - Tri-County Lake Water Control Gate Replacement (\$500,000)
 - Hogue Lake Levee Repair and Control Valve Repair (\$800,000)
 - Lake Elmdale Spillway Repair (\$500,000)
 - Centerton Fish Hatchery Renovation (\$7,000,000)
 - Hurricane Lake North Greentree Reservoir Renovation (\$5,000,000)
 - Black River Greentree Reservoir Renovation (\$7,000,000)
 - Shirley Bay Greentree Reservoir Renovation (\$5,200,000)
 - Bayou Meto Greentree Reservoir Renovation (\$15,000,000)
 - Petit Jean Greentree Reservoir Renovation (\$4,000,000)
 - Galla Creek Greentree Reservoir Renovation (\$600,000)
- Grand Prairie Farming and Water Company - \$25 Million



Funding Recommendation

Funding Categories/Projects	GRANT ALLOCATION RECOMMENDATIONS
Drinking Water Related Projects	\$135,000,000
Wastewater Treatment and Collection / Stormwater Related Projects	\$135,000,000
White River Irrigation District – Irrigation Project	\$5,000,000
Bayou Meto Water Management District – Irrigation Project	\$5,000,000
Arkansas Game and Fish Commission – Bayou Meto Wildlife Management Area	\$15,000,000
Arkansas Game and Fish Commission – Joe Hogan Fish Hatchery	\$5,000,000
TOTAL	\$300,000,000



Proposed Water / Wastewater Grant Program Considerations

- Grant Program to be administered by the Arkansas Department of Agriculture through the Arkansas Natural Resources Commission and will be for Public entities
 - DWSRF Rule Chapter 15 – Section 1507.1 Entities eligible for assistance under the Safe Drinking Water Program. The loans made available under the Fund may be obtained for an eligible Project by any duly constituted and existing political subdivision of the State, including but not limited to counties, cities, towns and municipalities, and by any duly constituted special purpose improvement district, rural development authority, rural waterworks facilities boards, public facilities board, regional water distribution district, and by any duly qualified and existing public trust or authority, individually or as agent, representative or instrumentality of any political subdivision, or other Eligible Entity described above.
- Eligible Projects include a broad range of water and sewer projects, including those eligible under the EPA's Clean Water State Revolving Fund, EPA's Drinking Water State Revolving Fund, and certain additional projects, including a wide set of lead remediation, stormwater infrastructure, and aid for private wells and septic units.
 - Projects will be determined for eligibility consistent with the Clean Water and Drinking Water State Revolving Fund (SRF) Guidance from the U.S. Environmental Protection Agency.
- Maximum Grant Amount - \$5,000,000 per entity for each project type.
- Minimum Cost Share Requirement: The cost share required for drinking water and wastewater collection and treatment projects proposed under this program will be subject to the following percentages based on the median household income for the city(ies) and/or County(ies) served by the proposed project and according to the following chart:
 - 2020 Median Household Income (MHI) for Arkansas Approx. \$49,475/Year
 - MHI < \$30,000 – 0% cost share
 - MHI \$30,000 - \$50,000 – 25% cost share
 - MHI >\$50,000 – 50% cost share



Proposed Evaluation Criteria

Project Evaluation Criteria	Points Possible	Performance Measure
1. Provides Water Supply Benefits	10	Reduction in groundwater use.
	5	Percentage of project area implementing water use efficiency or conservation best management practices
2. Drinking Water Quality Improvements	10	Water quality violations requiring immediate action. Contaminant Level (MCL) violations as well as lead Action Level exceedances.
	5	Improvement to water quality parameters primarily deemed aesthetic rather than having significant health ramifications.
3. Consolidates or restructures a public water system	10	Project will result in the regionalization or consolidation of water systems
	5	Project will extend public water to underserved areas from an existing water system
4. Provides benefits and avoid adverse impacts to financial distressed or disadvantaged communities	5	Median household income for the city(ies) and/or County(ies) served by the proposed project <\$36,000
	5	County(ies) served by the project has a population decline > 5% during the previous decade
	5	Percentage of project benefitting disadvantaged communities
	5	Current Average 4,000-gal water bill/median Household Income
5. Address Noncompliance with State or Federal Laws/Rules	5	Facility has received inspections that show noncompliance or are under a State or Federal enforcement order.
6. Cost effectiveness	10	Standardized unit cost indicator measuring cost per unit of benefit
	5	Dual Use Projects. - Projects that incorporate new or inventive measures to improve additional infrastructure within the community
7. Project readiness	10	Phase of project development
8. Modernizes system and improvements in instrumentation or improves cybersecurity	5	Project will enhance operational and maintenance programs for long term through instrumentation upgrades and remote sensing and/or the project is designed to improve cybersecurity of the water system

Project Evaluation Criteria	Points Possible	Performance Measure
1. Provide water quality benefits	15	Volume of water treated.
	10	Amount of reduced Infiltration and Inflow
2. Extent to which the project reduces Nutrients	7	Project is designed to specifically treat and remove nutrients.
	3	Project will result in an indirect reduction in nutrients
3. Project Location in relation to the 303d list, source water protection areas or Watershed with a Watershed Management Plan	5	Project will result in water quality improvements to an impaired waterbody on the 303d list.
	5	Percent of the project located in a recognized source water protection area.
	5	Project is located within a watershed with an EPA accepted Watershed Management Plan developed in accordance with Section 319 of the Clean Water Act
4. Consolidates or restructures a public wastewater system	10	Project will result in the regionalization or consolidation of wastewater systems
	5	Project will extend wastewater to underserved areas from an existing wastewater system
5. Provides benefits and avoid adverse impacts to financial distressed or disadvantaged communities	5	Median household income for the city(ies) and/or County(ies) served by the proposed project <\$36,000
	5	County(ies) served by the project has a population decline > 5% during the previous decade
	5	Percentage of project benefitting disadvantaged communities
	5	Current Average 4,000-gal water bill/median Household Income
6. Address Noncompliance with State or Federal Laws/Rules	5	Facility has received inspections that show noncompliance, are under a State or Federal enforcement order, or are listed on the EPA Significant Non-compliance List
7. Cost effectiveness	10	Standardized unit cost indicator measuring cost per unit of benefit
	5	Dual Use Projects. - Projects that incorporate new or inventive measures to improve additional infrastructure within the community
8. Project readiness	10	Phase of project development
9. Modernizes system and improvements in instrumentation or improves cybersecurity	5	Project will enhance operational and maintenance programs for long term through instrumentation upgrades and remote sensing and/or the project is designed to improve cybersecurity of the water system



Proposed Water / Wastewater Grant Program Schedule

ALC Funding Approval	Time Allowed	August 26, 2022
Application Period Opens*		August 26, 2022
Applications Due	50 Days	October 14, 2022
Applications Reviewed and Scored	21 Days	November 3, 2022
ANRC Commission Meeting	6 days	November 9, 2022
Entity Certification of All Funds Approved	<180 Days	May 17, 2023
Construction Start Date Deadline	December 31, 2023	December 31, 2023
Construction Complete Deadline	December 31, 2026	December 31, 2026

** The Arkansas Department of Agriculture anticipates holding seven meetings across the state during the application period to assist communities in completing the application for funding.*

Existing Water and Wastewater Funding Programs

- The Arkansas Department of Agriculture Provides funding to water, wastewater, stormwater and solid waste facilities through 2 Federal and 3 State programs.
- Funding Awarded Last 3 Years

Year	Grant/Principal Forgiveness	Low Interest Loans	Total	Communities Served
FY 2020	\$17,660,937	\$139,086,468	\$156,747,405	53
FY 2021	\$20,678,314	\$133,879,865	\$154,558,179	63
FY 2022	\$3,063,040	\$163,951,903	\$167,014,943	24
Total	\$41,402,291	\$436,918,236	\$478,320,527	140



Current Lending Rates through Existing Programs

CWSRF & DWSRF

1.00%* for up to 10 years

1.75%* for up to 20 years

2.25%* for up to 30 years

*A 1% loan servicing fee is included in the rates above

Both CWSRF & DWSRF are required to have lending rates below market.

WDF, WSSW & GO BOND

2.10% for up to 10 years

2.55% for up to 20 years

2.85% for up to 30 years

*GO interest rates may vary based on general obligation bond issuance(s).

In addition, a 3% loan origination fee will be due upon loan closing. This fee can be paid from loan proceeds.



Estimated Future Funding Through Existing Programs and IIJA

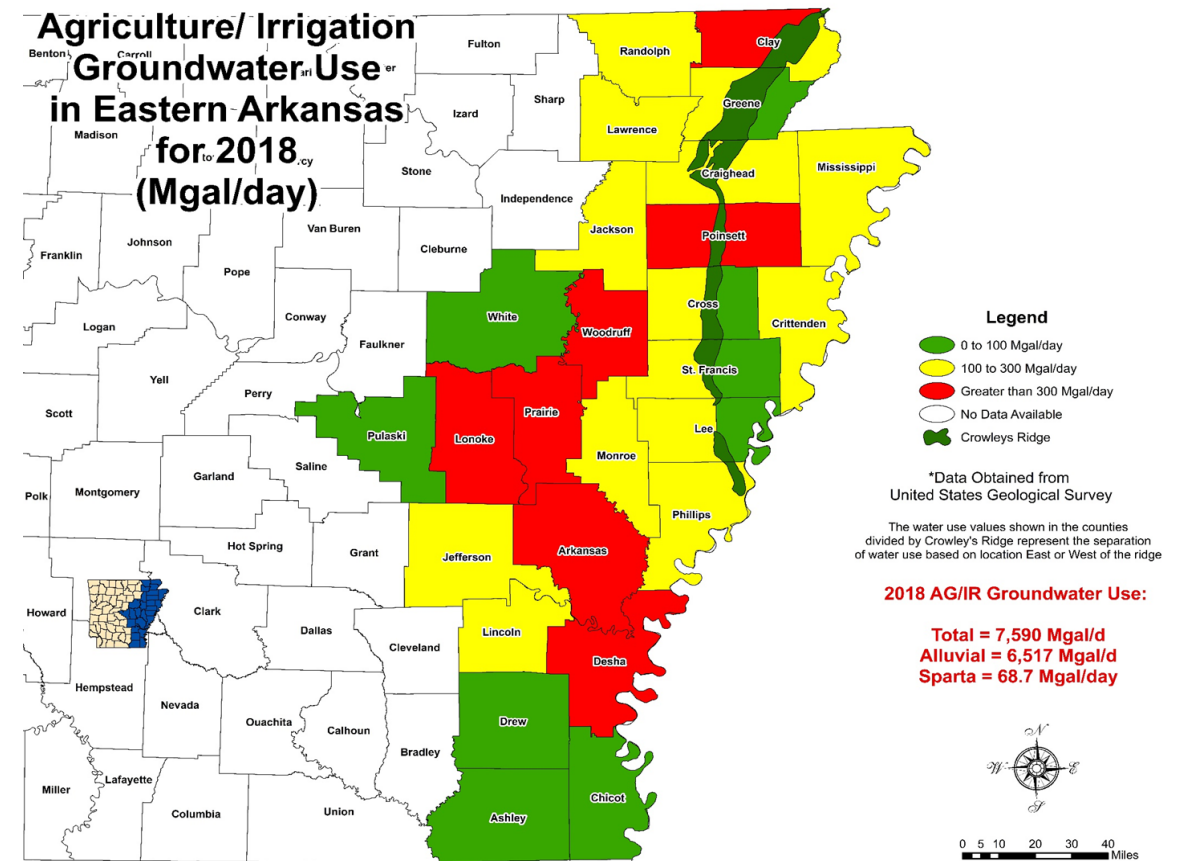
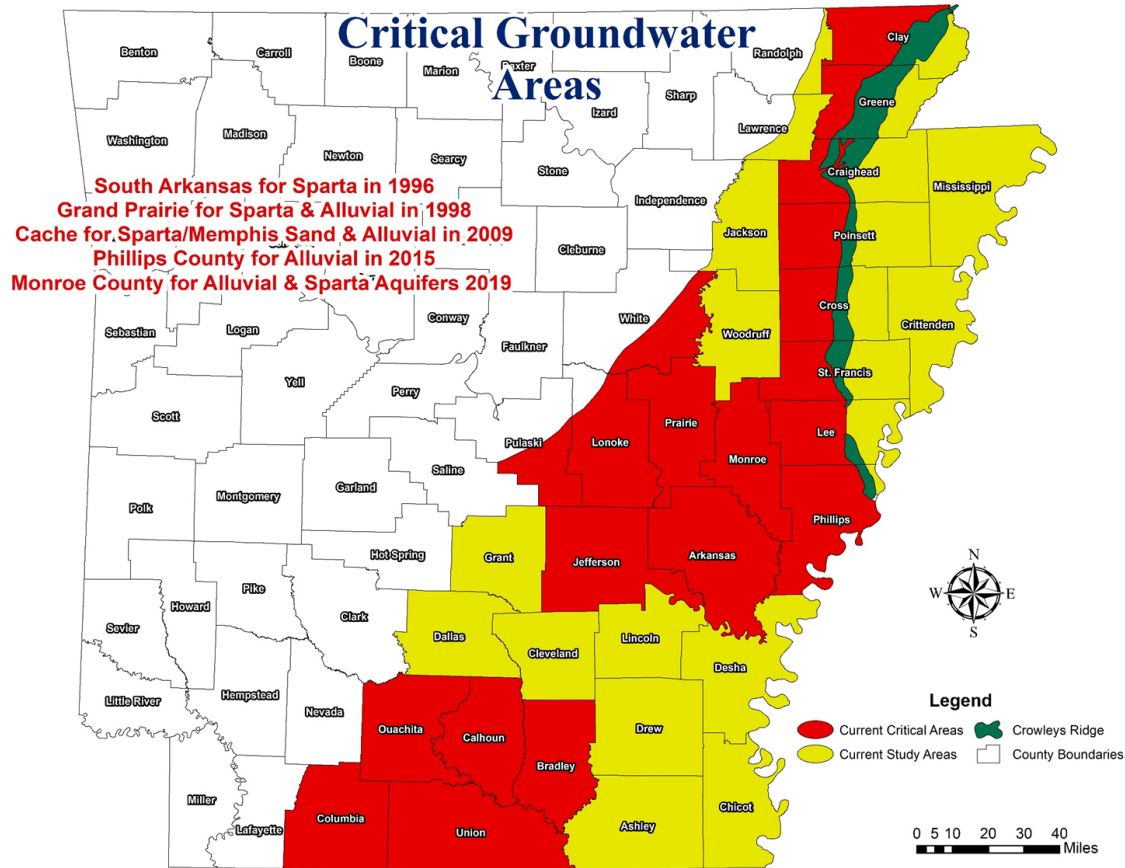
FFY	Base Program	Base program Principle Forgiveness	IIJA Supplemental	IIJA Supplemental Principle Forgiveness	Total Funding	Total Principal Forgiveness
FFY 2022	\$ 24,121,000.00	\$ 3,498,180.00	\$ 38,752,000.00	\$ 18,988,480.00	\$ 62,873,000.00	\$ 22,486,660.00
FFY 2023	\$ 24,121,000.00	\$ 3,498,180.00	\$ 42,536,034.00	\$ 22,107,802.00	\$ 66,657,034.00	\$ 25,605,982.00
FFY 2024	\$ 24,121,000.00	\$ 3,498,180.00	\$ 46,418,751.00	\$ 24,010,333.00	\$ 70,539,751.00	\$ 27,508,513.00
FFY 2025	\$ 24,121,000.00	\$ 3,498,180.00	\$ 50,282,151.00	\$ 25,903,399.00	\$ 74,403,151.00	\$ 29,401,579.00
FFY 2026	\$ 24,121,000.00	\$ 3,498,180.00	\$ 50,282,151.00	\$ 25,903,399.00	\$ 74,403,151.00	\$ 29,401,579.00
Total	\$ 120,605,000.00	\$ 17,490,900.00	\$ 228,271,087.00	\$ 116,913,413.00	\$ 348,876,087.00	\$ 134,404,313.00

**Estimates based on previous federal year appropriations or funding of the national state revolving fund programs and awarded Arkansas federal funds.*

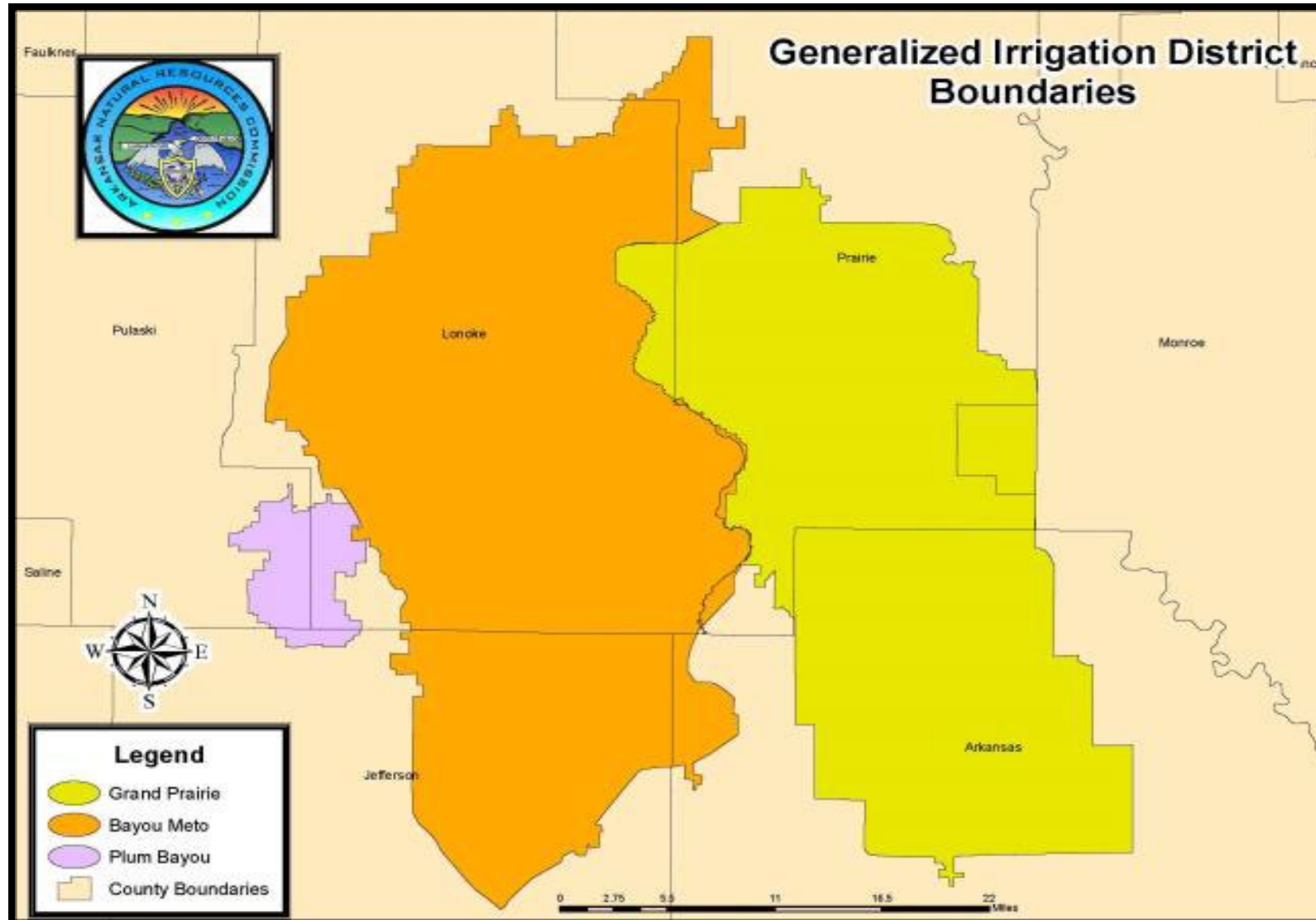
***In addition to the amounts listed above Arkansas will receive approximately \$285,000,000 in additional funds dedicated to Lead Service Line Replacement and Emerging Contaminants.*



Critical Groundwater Areas & Groundwater Use in Eastern Arkansas



Large Water Delivery Projects Under Construction



Bayou Metro
265,561 acres of
irrigated cropland

Grand Prairie
247,556 Acres
of irrigated
cropland

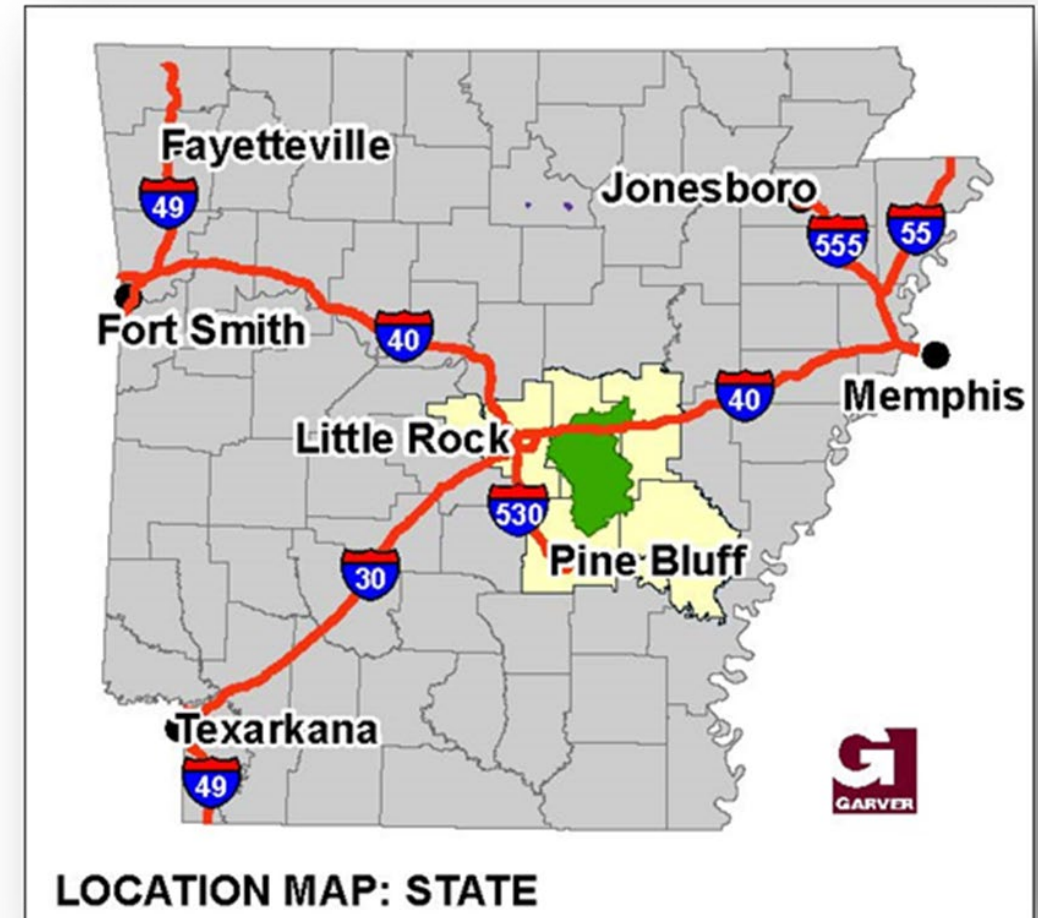
Bayou Metro

Grand Prairie



Bayou Meto Water Management District – Irrigation Project

- The Bayou Meto Basin Project is designed to protect and preserve the Alluvial and Spart aquifers through the diversion of excess water from the Arkansas River via a delivery system made up of pump stations, new canals, existing streams, and pipelines to the water depleted areas. In addition to providing an agricultural water supply, the project is designed to include channel improvements and a pumping station to reduce flooding.
- Project Area
 - Arkansas, Prairie, Lonoke, Jefferson, and Pulaski Counties
 - 863,712 acres of Land Area
 - 265,561 acres of Irrigated Cropland
- American Rescue Plan Funding
 - \$5 million: Funding would be used to construct 10 pumping stations for water delivery.



White River Irrigation District – Irrigation Project

- Grand Prairie Area Demonstration Project is a comprehensive water management plan designed to protect and preserve the Alluvial and Sparta aquifers. The project allows the continued irrigation of current agricultural crops and reduces further depletion of groundwater aquifers.
- Project Area:
 - Arkansas, Prairie, Lonoke, and Monroe Counties
 - 362,662 Acres of Land Area
 - 247,556 Acres of Irrigated Cropland
- American Rescue Plan Funding
 - \$5 million: Funding would be utilized to construct 5 county road crossings over a 10-mile canal segment that is under construction as Phase 1 of the Grand Prairie Project.

