

IN THE CIRCUIT COURT OF LONOKE COUNTY, ARKANSAS
THIRD DIVISION

IN THE MATTER OF THE
ESTABLISHMENT OF THE
BAYOU METO REGIONAL WATER
DISTRIBUTION DISTRICT

No. CIV 91-56

ORDER GRANTING PETITION TO EMPLOY ASSESSOR

On this day comes on for hearing the petition of the Board of Directors of the Bayou Meto Regional Irrigation Water District (the "District"), for an Order to amend the improvement project plan, and the Court, having considered the same, finds:

1. On February 4, 1991, a Petition to Establish a Public, Non-Profit Regional Water Distribution District was filed with this Court by the landowners within the boundaries of the District in compliance with Arkansas Code Annotated §§ 14-116-101 *et seq.* (the "Act"), and an Order Establishing the District was entered by this Court on November 21, 1991.

2. The Board of the District filed with this Court an Improvement Project Plan complying with the Act (the "Improvement Plan"), and on January 22, 2001, this Court held that the Improvement Plan was in the best interest of the owners of land within the proposed project area and approved the Improvement Plan.

3. After approval of the Improvement Plan, the District appointed an assessor and levied assessments. After all matters requiring approval of the Court were presented and approved in accordance with the Act, the case became dormant and was administratively closed.

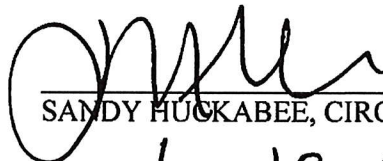
4. On June 10, 2020, the District petitioned the Court to reopen the case so that the District may submit its Petition to Amend the Improvement Project Plan and Employ an Assessor. On June 11, 2020, the Court entered its Order to reopen the case.

5. That the Court approves the appointment of Alan C. King as assessor for the District and directs Mr. King to file with this Court the oaths required by Arkansas Code Annotated §14-116-502(d)(1).

6. That the Assessor shall proceed with the reassessment in compliance with applicable requirements of Arkansas Code Annotated §§ 14-116-601 *et seq.*

7. That all required statutory notices relating to reassessment shall state that the Court's approval of the Amendment of the Improvement Plan is subject to completion of the statutory requirements necessary to reassess the portion of the land within the improvement project area for which the benefits of the Improvement Plan are increased by the Amendment.

It is therefore by the Court CONSIDERED, ORDERED and ADJUDGED that Alan C. King is approved as the assessor for the District subject to the conditions set forth herein.



SANDY HUCKABEE, CIRCUIT JUDGE
Date: 6-19-20

APPROVED:

MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, P.L.L.C.
425 West Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201-3525
(501) 688-8800
mallgood@mwlaw.com

By /s/ Michele Simmons Allgood
Michele Simmons Allgood, #95163

ATTORNEYS FOR THE DISTRICT

BAYOU METO



BAYOU METO BASIN FIRST AMENDMENT TO IMPROVEMENT PROJECT PLAN



1300 N. Center St., Suite 9
Lonoke, Arkansas 72086

June 2020

First Amendment to Bayou Meto Basin, Arkansas Improvement Project Plan

Purpose

This First Amendment to Improvement Project Plan establishes a phased approach to project construction, updates projected project costs, and updates the local financing plan.

2001 Estimated Projected Costs

In 2001, the Lonoke County Circuit Court established the Improvement Project Area and authorized the District to assess project benefits. The projected project cost at the time was \$180,000,000, with the non-federal share amount of \$63,000,000.

Updated Project Costs

The Bayou Meto Water Management District hired Garver Engineers to update the 2001 estimated project costs. Garver Engineers reviewed the US Army Corps of Engineers (the "Corps of Engineers") cost projections, applied construction contingency and inflation, and estimates the current project cost to be over \$750,000,000 if designed and built solely by the Corps of Engineers.

Phased Construction Approach

Garver Engineers identified five distinct construction phases necessary to complete the project. See Exhibit A. The first phase, "Phase 1," can receive water from the Marion Berry Pumping Plant with the construction of approximately three miles of canal. After improvement to bayous and ditches and the construction of pipelines to farms, Phase 1 will benefit between 92,000 and 98,000 acres centered on the Indian Bayou corridor (the "Phase 1 Area"). The estimated maximum cost of Phase 1 is \$174,100,000. If the Local Financing Plan below is implemented, Phase 1 will be complete and delivering benefits within six years.

Subsequent phases will be addressed in future amendments to the Improvement Project Plan.

Local Financing Plan

At the current projected cost, delivering water to the Phase 1 Area within six years requires up to \$71,000,000 federal financing through the Corps of Engineers, a minimum of \$26,000,000 in watershed program financing through the USDA-Natural Resources Conservation Service, and the remainder from loans through the Arkansas Department of Agriculture Division of Natural Resources to the Bayou Meto Water Management District.

The anticipated non-federal contribution for Phase 1 varies the agreed 65% federal and 35% non-federal cost share but is necessary to accelerate construction of a functional phase.

Garver Engineers, the Corps of Engineers, and USDA-Natural Resources Conservation Service will "value engineer" the project during final design to reduce cost.

To achieve a reasonable cost of delivered water, the State of Arkansas will pursue amendment of the Water Resource Conservation and Development Incentive Act to reduce the net assessment through income tax credits to landowners purchasing such water.

The amount of state loans will depend on value engineering during final design of Phase 1, the amount of federal investment, actual construction cost, and availability of state tax credits.

An increased assessment will be collected beginning the year when water is delivered to the property assessed, and will only apply to the Phase 1 Area.

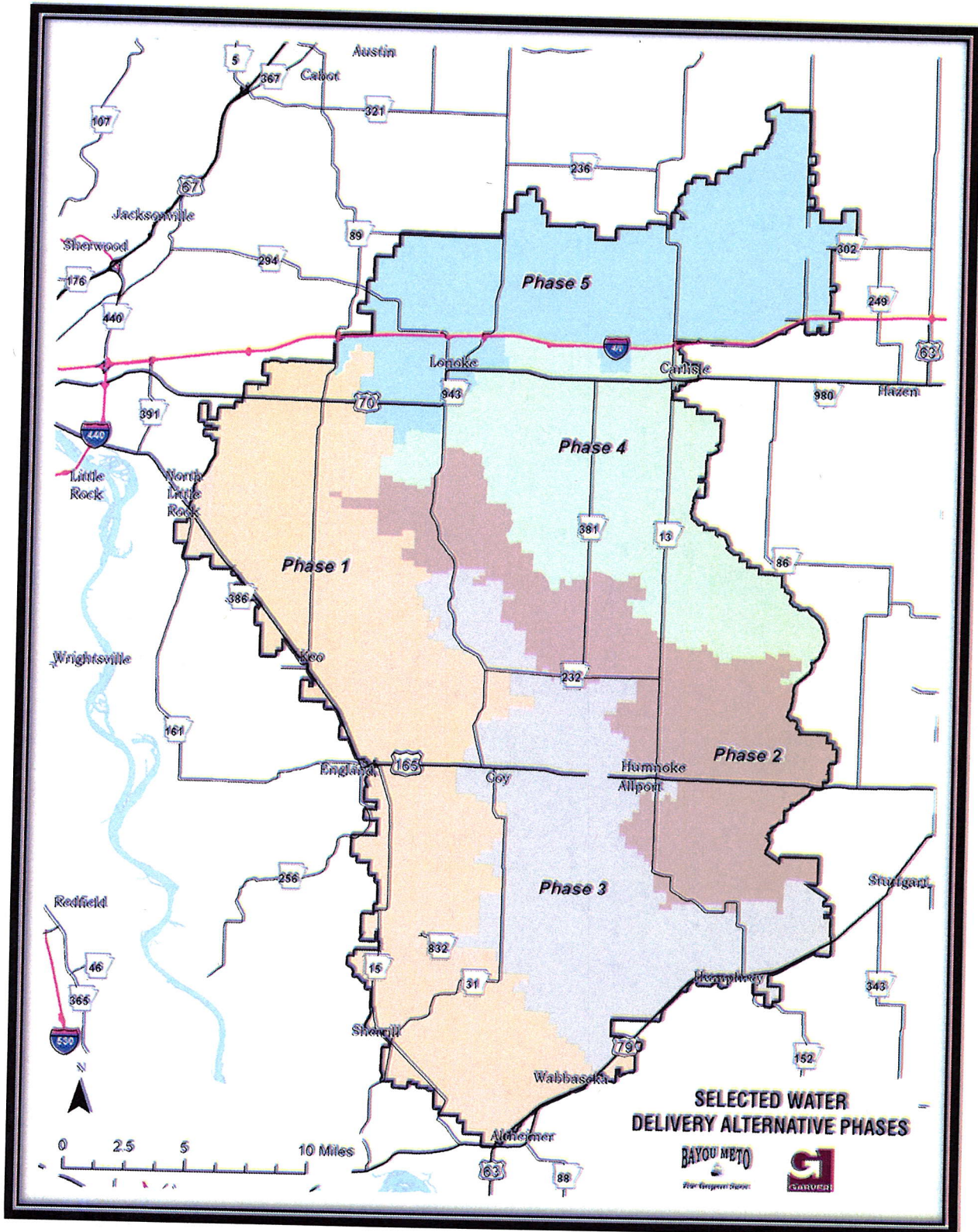
Anticipated Costs, Contributions, and Assessment

Maximum Estimated Project Cost	\$174,000,000
Anticipated Corp of Engineers Federal Contribution	(\$71,000,000)
Anticipated NRCS Federal Contribution	(\$26,000,000)
Anticipated Value Engineering Savings	(\$6,500,000)
Remaining Principal Amount	\$70,600,000
Interest on Principal Amount at 2.5% Over 30 Years	\$33,000,000
Maximum Annual Assessment	\$42/Benefited Acre
Target Net Assessment after State Tax Credit	\$30

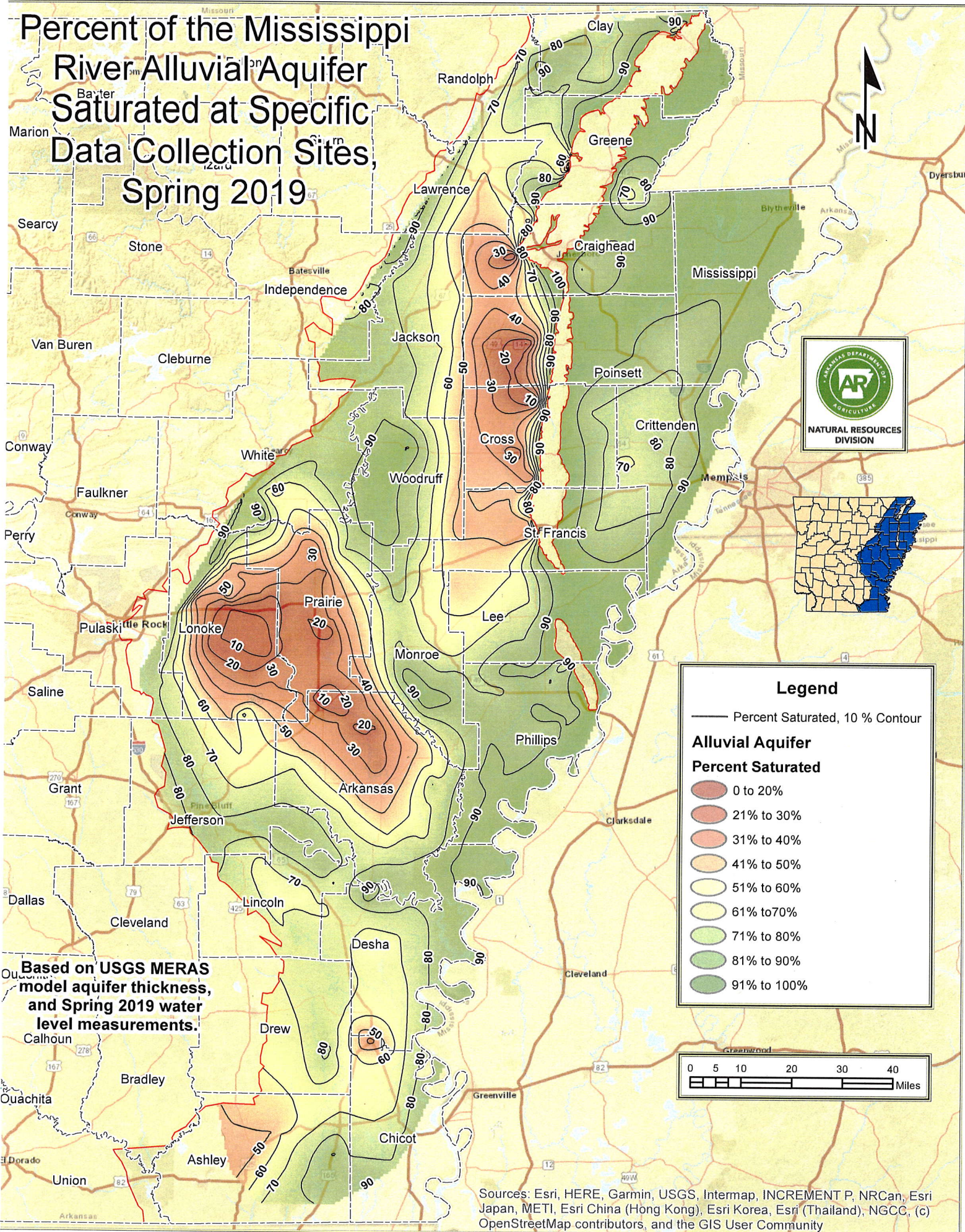
Water Sales

Assessments collected will be used primarily for repayment of loans used to finance design and construction of Phase 1. Operation and maintenance will be paid mainly through fees collected from the sale of water. Rates will be established by the District when final costs and cost apportionment are developed.

**EXHIBIT A
TO FIRST AMENDMENT
TO PROJECT IMPROVEMENT PLAN**



Percent of the Mississippi River Alluvial Aquifer Saturated at Specific Data Collection Sites, Spring 2019



Based on USGS MERAS model aquifer thickness, and Spring 2019 water level measurements.

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community