

**DRAFT MINUTES
JOINT INTERIM COMMITTEE ON ENERGY
Fort Smith Chamber of Commerce
612 Garrison Avenue, Fort Smith, Arkansas
Thursday, June 1, 2017**

The Joint Interim Committee on Energy met at 3:00 p.m. Thursday, June 1, 2017, at the Fort Smith Chamber of Commerce, 612 Garrison Avenue, Fort Smith, Arkansas.

Committee members present: Senators Bryan King, Co-Chair; Scott Flippo, Vice-Chair; Eddie Joe Williams, and Gary Stubblefield. Representatives Rick Beck, Co-Chair; Ken Henderson, Vice-Chair; James J. Sorvillo, Steve Hollowell, Danny Watson, and Jeff Williams.

Alternate members present: Representatives Charlotte Douglas, Ron McNair, and Matthew Pitsch.

Also attending: Representatives Marcus Richmond, Laurie Rushing, Trevor Drown, Charlene Fite, George McGill, Justin Boyd, Vivian Flowers, and Fred Allen.

Senator King called the meeting to order.

Senator King and Representatives McGill and Boyd welcomed members and guests.

Mr. Patrick Weeks, President and CEO, U.S. Marshals Museum, was recognized and noted, the museum doors will open September 24, 2019, the 230th anniversary of the U.S. Marshal Service creation. The 50,000 square foot facility will be state of the art. The \$58.6 million funding goal is 60% achieved.

Mr. Weeks said the U.S. Marshal Service is known for frontier work they did during the cowboy era. It currently captures more serious criminal offenders every year than other law enforcement agencies combined. Its duties include protecting federal courthouses and the federal judiciary, witness protection security, federal inmate transport, running fugitive task-forces, and helping out local, county, and state law enforcement when asked.

CONSIDERATION TO APPROVE RESPECTIVE MINUTES [EXHIBITS C1, C2, C3, C4]

Senator E. Williams made a motion to approve the September 26, September 27, October 5, and October 6, 2016, meeting minutes. The motion was seconded by Senator Flippo, and the motion carried.

CONSIDERATION OF MOTION TO AUTHORIZE CO-CHAIRS TO APPROVE SPECIAL EXPENSES INCURRED BY THE COMMITTEE [EXHIBIT D]

Senator E. Williams made a motion to authorize co-chairmen to approve special expenses of the committee. The motion was seconded by Senator Flippo, and the motion carried.

UPDATE ON FLOODING DISASTER ISSUES – ARKANSAS DEPARTMENT OF EMERGENCY MANAGEMENT [PowerPoint Presentation]

Mr. Scott Bass, Response & Recovery Division Director, Arkansas Department of Emergency Management (ADEM), was recognized and he introduced Ms. Jodi Lee, ADEM's Recovery Branch Manager. Mr. Bass noted the flooding event occurred April 26-May 19, 2017. The State Disaster Declaration is authorized by the governor, under A.C.A. code 12-75-107.

There are three types of disaster declarations:

- 1.) State - authorized by the Governor
- 2.) Small Business Administration (SBA) - authorized by the SBA Administrator
- 3.) Federal - Requested by the Governor and approved by the President

Arkansas is asking for a federal disaster declaration including the Federal Individual Assistance (IA) Grant Program and the Federal Public Assistance (PA) Grant Program.

The grant matching funds (cost share) are as follows:

- State IA Program - 100% State Cost Share
- Federal IA Program - 100 % Federal Cost Share for Housing Assistance
- 75% Federal and 25% Cost share for Other Needs Assistance
- State PA Program - 35% State Cost Share and 65% Local (Applicant) Cost Share
- Federal PA Program - 75% Federal Cost Share and 25% Local (Applicant) Cost Share
Allows volunteer hours as in-kind match for emergency work.

The Governor's Disaster Fund totals \$13.25 million annually including \$5 million for disaster recovery (\$2 million for Individual Assistance and \$3 million for Public Assistance). The state's cost shares are paid from this \$5 million.

Mr. Bass presented a chronology of the storms and associated State Emergency Operation Center's (SEOC) activation levels. Requests for state resources go through the SEOC. Governor Hutchinson issued a statewide state of emergency April 30 and ultimately 37 counties were declared disaster areas through May 12th. County judges first decide the disaster is above and beyond their control and make that known to ADEM whose director and governor make the disaster declaration.

Mr. Bass outlined the response efforts and noted the impacts.

There were 217 flood water rescues and 10 fatalities. Recorded preliminary damage assessments include several boil orders, 66,000 plus power outages, hundreds of roads and bridges collapsed, 640 households evacuated and 6 tornados. He noted damage is measured in buildings by water level: major damage is 18" - 48", and considered destroyed is 48" - higher.

In response to Representative Beck's question about agricultural damage, Mr. Bass said that is coordinated through the U.S. Department of Agriculture (USDA). Those that received agricultural damages should go through their county Farm Service Agency.

Senator King said there has been a change in the federal disaster declaration so that the city or county is responsible for 25% (rather than 12.5% and the state paying 12.5%). He asked Mr. Bass to explain the increase.

Mr. Bass noted, in the past eight years, there have been 20 federal disasters, and the Governor's Disaster Fund has paid out \$53 million. Arkansas is behind \$17-18 million in paying that. With this event, Arkansas is \$20 million behind. The decision was made for the betterment of the program and budgetary reasons. Senator King said a 12.5% increase is going to be hard for smaller counties to fund. Governor Hutchinson's request letter for a major disaster is expected to be sent to President Trump June 5th.

Mr. Bass said volunteers doing the emergency work, such as removing debris, will count as a savings toward contracting cost versus labor hours. The Department of Correction uses prisoners during an event clean up. Prisoners are allowed to work on private property with a Governor-declared disaster. Many instances allow for prisoners to fill sand bags at the prison facility for pick up.

In the Committee discussion, Senator Stubblefield asked, "Who would not be an eligible applicant?"

Mr. Bass said, the person would have to be within boundaries of the declared disaster county. Generally, it depends on whether they have insurance. If their insurance covers all their expenses, they will be denied federal assistance. Arkansas homeowners applying for federal assistance are 91% uninsured for a flood. A community has to participate in the National Flood Insurance Program in order for a citizen or business to get flood insurance at a reasonable cost. Flood Plain Management also comes into play as a disqualifier of obtaining flood insurance, because buildings must be built to a certain standard, baseline elevation, etc.

Representative Williams noted natural disasters, flooding etc. don't pay attention to county lines. When buildings are built, if flooding occurs in a county and spills over into another county with a dozen homes in another county with damage, what assistance is available to the dozen homes?

Mr. Bass said the federal program does not do contiguous counties, but the SBA does do contiguous counties, so they may be able to apply for a SBA loan. Eligibility depends on the level of damage. The county line is the cut off for regulations for federal assistance. ADEM works with local merchant managers and volunteers to find assistance for them.

Senator King asked if ADEM has employees in all 75 counties and said that ADEM has a lot of unfilled positions statewide. Mr. Bass said every county has an emergency management director and works with the county judge. He said ADEM has 100 positions with 25-30 open positions to allow for temporary hiring during disasters.

OTHER BUSINESS

Representative Beck said they are planning a coal trip to Wyoming, so if House Committee members are interested, they are to contact him.

Senator King explained the trip applies to Energy Committee members. The trip will be paid differently now than in the past. The trip will be paid out of the Committee budget instead of by lobbyists. It is a first because it is not a conference, but for information gathering. He noted there will be another future trip to focus on alternative energy sources.

Representative McGill introduced Tim Allen, Fort Smith Chamber of Commerce President who thanked everyone for coming to Fort Smith.

With no further business, the meeting adjourned at 4:03 p.m.