

**MINUTES
WATER PROVIDER LEGISLATIVE TASK FORCE**

NOVEMBER 8, 2017

The Water Provider Legislative Task Force met Wednesday, November 8, 2017 at 1:30 p.m. in Room 151, State Capitol, Little Rock, Arkansas.

Legislative Task Force members present: Senators Alan Clark, Co-Chair, Ronald Caldwell, and Scott Flippo. Representatives Tim Lemons, Co-Chair, Justin Boyd, and Fredrick Love.

Non-Legislative Task Force members present: Mark Bennett, Jack Critcher, County Judge Rick Davis, Jennifer Enos, Tom Fox, Barry Haas, Dale Kimbrow, Jean Noble, designee for Alexandra Johnston, Dennis Sternberg, Jeffery Stone, and Barry Weathers.

Other members present: Senator Stephanie Flowers. Representatives Andy Davis, Mickey Gates, David Hillman, Monte Hodges, Steve Hollowell, and Mark Lowery.

Call to Order

Senator Clark called the meeting to order.

Opening Comments by Co-Chairs

Senator Clark reminded members about the rule the Task Force adopted at its first meeting, which states that individuals presenting testimony as a grievance or complaint will be sworn in under oath. He advised that the testimony being presented today is considered as a complaint or a grievance.

Motion for Consideration of Approval of Minutes for October 11, 2017 [Exhibit C]

A motion to approve the minutes of the October 11, 2017 Task Force meeting was made by Representative Lemons and seconded by Senator Caldwell. The motion carried.

Discussion of Issues Related to Declining Populations Faced By Rural Communities Trying to Maintain Water and Wastewater Systems and Infrastructure

Rob Parkman, Water Superintendent, Carl Frien, Water Commissioner, and Brad Wingfield, Engineer, PMI Engineers, City of Brinkley were sworn in under oath by Senator Clark.

Mr. Parkman gave an overview of issues the Brinkley Water Department is experiencing:

- Decrease in population from 5,000 down to 2,800
- Decreasing customer base from 3,000 down to 1,800
- Water system constructed in the 1950s with the majority of the sewer lines built out of concrete and are now collapsing
- Repayment of a loan by CoBank for \$8,000 to repair 3,200 feet of sewer line
- Repayment of a loan from the Arkansas Natural Resources Commission for \$1.3 million to pay for the recent downsizing of Brinkley's wastewater plant

Mr. Parkman told Task Force members that a rate increase has been imposed on customer's water bills to help pay for the current sewer repair project. The average increase in a customer's bill was between \$6.00 and \$7.00. The rate increase was difficult for many of Brinkley's citizens who are on fixed incomes or receive financial assistance.

Mr. Parkman, who is a licensed water operator, highlighted three water systems: East Monroe County Water System, United Water, and the Wheatley Water Department:

- The East Monroe and the Wheatley Water Department are in relatively good condition
- The United Water system is served by an elevated storage tank which is in very poor condition. A recent repair to the tank showed that the bottom of the tank will collapse in a matter of time

Mr. Parkman consulted with Brad Wingfield, an engineer with PMI Engineering, about the storage tank issue. Mr. Wingfield advised that a specific type of water pump could be placed at United Water's pumping station to serve its customers. The estimated cost of the pump is \$100,000.00, which would be a much less expensive solution than constructing a new storage tank. Mr. Parkman recommended that the United Water system's water commissioners purchase the pump. He told Task Force members that United Water buys its water from Brinkley.

Task Force members discussed specific issues with Mr. Parkman, Mr. Wingfield, and Water Commissioner Carl Frien:

- The Brinkley Water System owns its water treatment plant and provides water to the Wheatley Water Department, the East Monroe County Water System, and United Water
- The Brinkley Water system has water lines in three counties, Monroe, Woodruff, and St. Francis. There is no other water treatment plants exist within a feasible distance to join with Brinkley to create a regional system

The Arkansas Public Service Commission (PSC) has jurisdiction only over privately-owned water utilities and no jurisdiction over water associations or municipally-owned systems. The one private water utility currently operating in Arkansas is Liberty Water Utilities, which provides water in Jefferson County

Task Force members Dennis Sternberg, Chief Executive Officer, Arkansas Rural Water Association (ARWA), and Mark Bennett, Chief of Water Development, Arkansas Natural Resources Commission (ANRC), discussed small community water associations that are struggling:

- Data from the U.S. Census lists Monroe, Phillips, Lee, and Woodruff Counties as having the lowest income levels in Arkansas
- Liberty Utilities has contacted the ANRC regarding negotiations underway to purchase a water system in Arkansas. Mr. Sternberg has visited the water system facility that is in negotiation with Liberty Utilities
- The ANRC hopes the purchase will be successful and will allow them to maintain water service to the citizens in the area
- ARWA provides training and technical assistance to water and wastewater systems throughout the state

Senator Clark asked Task Force members and today's presenters to consider whether or not legislation would be helpful to require maintenance of water and wastewater systems with oversight provided by the state.

Mayor Dorothy Cooper, City of Turrell, was sworn in under oath by Senator Clark. Mayor Cooper told Task Force members there are 660 citizens in Turrell. She described problems with their water and wastewater systems:

- Inadequate drainage system
- Water hydrant that has continuously leaked for eight years

- Ditches that are filled with water throughout the year because of the leaking hydrant
- An inoperable water storage tank with an estimate of \$2 million to repair
- City sewer pond has a breach and an inoperable pump
- A twenty-five foot water line that has been leaking for over a month

Mayor Cooper explained that as the incoming President of the Arkansas Black Mayors Association she has spoken with mayors throughout the state. She has learned that many small communities are experiencing similar problems with aging and inadequate infrastructure, plus facing a significant lack of funding. Mayor Cooper thanked Mark Bennett for working with her town to obtain a grant to buy a pneumatic tank pump and a generator to fill the water tank.

Task Force members discussed the safety issues caused by the condition of Turrell's water storage tank. The tank has not been inspected in nine years because its base is not stable, making it unsafe to climb. ANRC has asked ARWA to inspect the tank. ARWA refused to allow its staff to inspect the tank because it does not have safety climbing attachments. ARWA requested a privately-owned tank company to provide the inspection, but the company refused because of safety issues.

Task Force members discussed the requirement of audits and the resource information that is available to water and wastewater systems throughout the state. Mark Bennett said the statutes require either an audit or an agreed procedure to be filed with Arkansas Legislative Audit. Unfortunately, many small communities have not complied with the requirement. The ANRC is unable to provide assistance to systems who have not filed a completed audit. Jeffery Stone, Arkansas Department of Health (ADH), told Task Force members that the ADH conducts inspections every three years to monitor the sanitation levels of water systems as a public health protection feature. Dennis Sternberg, ARWA, told Task Force members the ARWA provides resource information to every utility in the state. The United States Department of Agriculture (USDA) Department of Rural Development is the primary funding source, with the majority of the state's funding being channeled through ANRC.

Task Force members discussed developing a method to assess all the state's water and wastewater systems, including the financial and physical condition of each system, as a recommendation to be included in the final report of the Task Force.

Mayor Sherman Smith, City of Earle, was sworn in under oath by Senator Clark. Mayor Smith provided an overview of the issues in his community. He said Earle has experienced a decline in population from 3,600 down to 2,400 residents. He also stated that the city's wastewater system and lines are eroding and will have to be repaired or replaced in the near future. Danny Clark, Earle Water Superintendent, told Task Force members that Earle is in a unique position. The water lines were replaced three years ago with funding from the Federal Emergency Management Agency (FEMA) following a tornado that struck the community. However, the sewer lines have not been replaced and are completely eroded. With the decline in population and limited funding, the city is having difficulties maintaining its sewer system, and may even need to upgrade the entire system.

Mayor Zola Hudson and Malcolm Scott, Water Superintendent, City of Altheimer, Mayor Myra Edwards, City of Wabbaseka, Mayor Cleveland Hatch and William Tibbett, Water Superintendent, City of Humphrey were sworn in under oath by Senator Clark. Mark Bennett told Task Force members that the ANRC is working with all three municipalities regarding their sewer and water projects at the request of the Southeast Arkansas Planning and Development District. He

requested the Task Force Co-Chairs ask the cities to elaborate on the work they are doing to form a regional system for their communities.

Mayor Hudson gave highlights of issues in Altheimer:

- Declining population from 1,100 down to 984 with only 300 customers receiving water and sewer service
- Difficulties maintaining daily municipal water and sewer operations on a reduced income base due to a loss of revenue
- Municipal employees have not received a salary increase in over ten years
- Repayment of a loan from ANRC which has a \$12,000 payment due at the end of 2017 with only \$2,996 in revenue as of October 31, 2017
- To maintain water and sewer service, Mayor Hudson currently has to rely on the city's general funds to supplement the water and sewer budget

Mayor Hudson introduced Malcolm Scott, Altheimer Water Superintendent, who described the poor condition of the town's water system infrastructure. Mr. Scott explained that the major problem is a water storage tank that dates back to 1925 with a current capacity of only 40%. Other infrastructure issues include leaking water lines and a deficient water pump. Mayor Hudson said her main focus is establishing a cooperative regional water system for all three towns.

Mayor Edwards gave an overview of issues Wabbaseka is experiencing. He also outlined the regional project the three towns are working on with the Southeast Arkansas Planning and Development District:

- Wabbaseka has 129 water and sewer customers and has recently imposed two rate increases to enable continuation of water service
- Malcolm Scott, Altheimer Water Superintendent, and William Tibbitt, Humphrey Water Superintendent, along with Wabbaseka are working together to maintain service to the area.
- Mayor Hatch described the water system in Humphrey, which was built in 2004. The water lines are old and deteriorating, causing continual leaks. An estimated costs to replace the water lines is \$1 million.

Task Force members discussed the number of water and wastewater systems that currently exist in Arkansas and the number of members of the ARWA. There are 700 community water systems statewide. 596 water and wastewater systems participate in the ARWA.

Members discussed recommendations for the Task Force to consider:

- Compile a comprehensive list of the state's water and wastewater systems and list the types of problems being experienced by local systems
- Create Best Practices guidance for the systems

Senator Clark said the Task Force should prepare a resolution to be sent to the U.S. Arkansas Congressional delegation. This topic will be included in a future agenda. The discussion will focus on a request that the budget of the U.S.D.A. Department of Rural Development not be cut.

Senator Clark advised Task Force members that there will be no meeting in December. Members will receive notification of the next scheduled meeting. There being no further business, the meeting adjourned at 3:30 p.m.