



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  
<http://www.dfa.arkansas.gov>

Jan. 8, 2020

Sen. Bruce Maloch, Co-Chair  
Rep. DeAnn Vaught, Co-Chair  
PEER Subcommittee, Arkansas Legislative Council  
315 State Capitol Building  
Little Rock, AR 72201

Dear Senator Maloch and Representative Vaught,

This letter is to update the PEER Subcommittee of the Arkansas Legislative Council on efforts to conclude hog farming operations within the watershed of the Buffalo National River. These efforts were supported in part by a release of funding from the Rainy Day Fund pursuant to Arkansas Legislative Council approval in the summer of 2019.

Attached to this letter, please note the schedule detailing expenditures incurred by Arkansas state agencies in establishing the conservation easement and mitigating potential future environmental impacts. This report includes expenses incurred by the Arkansas departments of Parks, Heritage and Tourism and Energy and Environment.

Costs paid by the Department of Parks Heritage and Tourism are attributed to negotiations with property owners and creation of the conservation easement. The department currently anticipates incurring no additional costs associated with the easement.

The Department of Energy and Environment exercised an existing contract with Harbor Environmental, Inc., to perform an initial assessment of the property. The initial assessment is complete, and the Department of Energy and Environment is now procuring a contract with a separate vendor to fully mitigate any potential future environmental impact to the watershed.

That contract has been released for bid, and the Department of Energy and Environment is finalizing the terms of the contract with the lowest responsive bidder. I anticipate updating the subcommittee with the terms of that contract, as well as any payments made as a result of it, as this process continues.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jake Bleed".

Jake Bleed  
Administrator

Summary of Costs Associated with Conservation Easement,  
Buffalo National River Watershed

**Amount Deposited in Escrow:**

Governor's Rainy Day Fund	\$3,700,000
Division of Arkansas Heritage	\$1,500,000
Nature Conservancy	\$1,000,000
Accrued Interest	\$40,641.91
Escrow Fees Contributed by Department of Heritage	\$6,250
<b>Total Amount Deposited in Escrow</b>	<b>\$6,246,892</b>

**Amount Deducted From Escrow:**

Escrow Fees Paid on behalf of C&H Farms	\$6,250
Escrow Fees Paid on behalf of State	\$6,250
Payment of C&H Mortgage Obligations	\$2,394,168.00
Payment to C&H Hog Farms Inc.	\$3,840,224
<b>Total Amount Withdrawn from Escrow</b>	<b>\$6,246,892</b>

**Additional Costs:**

Title insurance and filing fees paid by Department of Parks, Heritage and Tourism	\$12,180
Harbor Environmental, Inc. paid by the Department of Energy & Environment	\$71,621