

EXHIBIT C

APPROVED MARCH 2, 2020

MEETING MINUTES

SENATE COMMITTEE ON CITY, COUNTY, AND LOCAL AFFAIRS HOUSE COMMITTEE ON CITY, COUNTY, AND LOCAL AFFAIRS MEETING JOINTLY

Monday, January 13, 2020

The Senate and House Interim Committees on City, County, and Local Affairs met on Monday, January 13, 2020, at 9:00 a.m., Room MAC A, Little Rock, Arkansas.

Committee members present: Senators Gary Stubblefield, Co-Chair; Gary Leding, Vice-Chair; Alan Clark, and Terry Rice. Representatives Lanny Fite, Co-Chair; Frances Cavanaugh, Cameron Cooper, Carol Dalby, Cary Deffenbaugh, Jana Della Rosa, David Fielding, Lee Johnson, Marcus Richmond, and Johnny Rye

Other members present: Senators Jonathan Dismang, Trent Garner, and Kim Hammer Representatives Fred Allen, Stan Berry, Karilyn Brown, Bruce Cozart, Jim Dotson, Kenneth Ferguson, Vivian Flowers, Jack Ladyman, Roger Lynch, Austin McCollum, Stu Smith, James Sorvillo, Dwight Tosh, Danny Watson, and Carlton Wing

The meeting was called to order by Senator Stubblefield.

Motion to Consider Approval of the December 10, 2019, Meeting Meetings [Exhibit C]

Representative Love made a motion to approve the meeting minutes of December 10, 2019. The motion was seconded by Senator Leding, and without objection, the motion carried.

Discussion Concerning Arkansas Allowing Refugees and Legal Immigrants into the State

The Honorable Asa Hutchinson, Governor, State of Arkansas, was recognized and spoke about his decision to support the resettlement of a limited number of refugees from war-torn countries into Arkansas. Currently, there are only refugees in Washington County, however, the mayors of Springdale and Fayetteville have submitted letters indicating their willingness to accept refugees. He stated after being briefed on the security checks by the Department of Homeland Security (DHS) and examining the process at the Department of State (DOS) and the Arkansas resettlement agency, he felt confident in the high standard of security checks. He stated he opposed the mass relocation of Syrian refugees coming to Arkansas four years ago, due to his concerns with the security and lack of information that was available to him.

The organization Canopy, which is associated with Lutheran Immigration Services and Catholic Charities, assists immigrants with the transition. The number of current and future refugees in the state are 52 in 2017; 57 in 2018; 54 in 2019; and 20 in 2020 (currently there are 5). No state funds are used in the resettlement. The funds come from federal and private donations. The fiscal cost analysis through the Trump administration found that refugees contributed \$63 billion more in state and federal taxes than they

received between 2005 and 2014. Most of the refugees find a job within the first three months. After 90 days they can apply for the same public assistance available to any other person who is here legally.

A fiscal cost analysis by the Trump administration found that refugees contributed \$63 billion more in state and federal taxes than they received between 2005 and 2014.

Governor Hutchinson stated America was founded on immigrants, and that Arkansas is a welcoming state, and we have benefited from Vietnamese refugees who fled communism and a war-torn country. Wherever they come from, we benefit from their energy and devotion to freedom. If we say no, we lose the talent, entrepreneurship, and humanity of those who love America.

After a brief discussion, the committee made the following requests:

- Physical Cost Analysis, the Governor referenced, from President Trumps' administration concerning the net positive impact to the economy of \$16.9 billion as a result of refugees paying taxes, employment, and their work
- A copy of the consent letters from Judge Joseph Woods and the Mayors of Springdale and Hot Springs authorizing refugees
- Information Sheet from Canopy, referenced by the Governor, listing the refugees in the State in 2019 and future refugees in 2020

Discussion of Paron-Owensville Water Authority (POWA) Contract with Central Arkansas Water (CAW)

Mr. Ryan Benefield, Deputy Director, Arkansas Department of Agriculture, Natural Resources Division (ANRC), and Ms. Debby Dickson, Fiscal Manager, ANRC, were recognized.

Representative Fite thanked Mr. Benefield and Ms. Dickson for attending the meeting to answer questions pertaining to the sale of Paron-Owensville Water Authority to Central Arkansas Water (CAW) and the audit issue, noting that Paron-Owensville has not had an audit since 2014. Mr. Benefield confirmed annual audits are required to be filed under the bond agreement with Paron-Owensville, and ANRC is required to receive a copy. The only remedy under the statute is too fine a facility \$1,000 if an audit is not filed. The ability for ANRC to enforce the fine is onerous to accomplish, as this is an ineffective tool to get someone to file an audit. Moreover, ANRC does not provide financial assistance to a system/facility that is not up to date with their audits. However, ANRC did not issue a fine to Paron-Owensville nor does it check monthly to see if the facilities are filing audits.

Representative Fite requested from ANRC any correspondence over the last five years with Paron-Owensville Water Authority.

Mr. David Johnson, General Counsel, CAW, and Ms. Jamie Mullins, Office Manager/Board Secretary/Plant Operator, POWA, Mr. Kurt Malone, Board President, POWA, were recognized. Representative Fite expressed the committee's concerns with Paron-Owensville Water Authority debt increasing by 62% and the probability of the average water bill increasing by \$60 per month in a low income area. This is a concern, especially without a process taking place with the surrounding water providers to have an opportunity in which to place a bid.

Mr. Johnson confirmed all audits will be in place by June. He explained that one of the provisions in the contract requires Paron-Owensville Water Authority to complete the audits. If they fail to complete the audits and bring them up to date, the contractor for CAW has the option to walk away.

In response to Paron-Owensville Water Authority not providing an opportunity for other systems or the Saline Water Authority to submit bids, Ms. Mullins stated, the systems were aware of the feasibility study with the CAW in June. Another meeting was held in September to discuss the issue and the systems were informed of a deadline to provide a proposal. According to Ms. Mullins, no other system provided proposals by the deadline except for CAW. Regarding the non-filing of audits for the past five years, Ms. Mullins stated her duties had expanded and there were time constraints. Also, the Arkansas Rural Water Association no longer had funding to assist them with rate studies for audits. Ms. Mullins noted the 2015 audit was submitted to the Legislative Audit division last week and she is working to ensure that everything else is current.

Mr. Malone concurred with Ms. Mullins statements and added that he met with Mr. Jason Temple, a Board Member for Saline Water Authority. Information was provided to Mr. Temple regarding the process for the feasibility study to merge with CAW, and he was informed that other bids would be accepted by the December 1, 2019, deadline, as a decision would be made by December 31. According to Mr. Malone, the Saline Water Authority did not submit a proposal by the aforementioned deadline, however, on December 6, a Saline Water Authority representative contacted Mr. Malone about submitting a proposal for the company after the proposal deadline. All providers had six months to submit their proposals.

Representative Fite requested that Paron-Owensville Water Authority submit to committee staff the letter from ANRC concerning annual audits.

Mr. Dickie Kentner, Board Chairman, Salem Water, was recognized to give testimony. He stated he attended today's meeting because some of the residents in Paron would like to get their water association, back, noting and that his problems are with Paron-Owensville. Mr. Kentner reported, Salem and Southwest water users make up the Water Users Board, which consists of 12,000-13,000 customers. According to Mr. Kentner, Salem Water was not aware of a proposal deadline and assumed proposals were still being accepted. After a meeting was held with Paron-Owensville, the attorney representing Salem Water mailed their proposal offer to Paron-Owensville. The offer was rejected by Paron-Owensville, as Mr. Kentner was informed CAW had the best offer.

There being no further business, the meeting adjourned at 10.46 a.m.