
MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

Conway, Arkansas
Tuesday, 12:00 pm
July 25, 2023

On this date the City Council of the City of Conway, Arkansas met in a *special session*. The following members being a quorum were present and acting: Councilman Hawkins, Councilman Ledbetter, Councilwoman Mehl, Councilwoman Webb, Councilman Jones, and Councilwoman Isby. Also, present and acting: Mayor Bart Castleberry, City Attorney Charles Finkenbinder, City Clerk Michael Garrett. Councilwoman Tucker and Councilman Grimes was absent.

Call to Order: Mayor Bart Castleberry

Roll Call: Michael O. Garrett, City Clerk

A. New Business

1. Ordinance adopting rules and regulations concerning data center and noise disturbance within the City of Conway.

O-23-55

Mayor Castleberry addressed the Council stating that he was aware that there are concerns statewide regarding this issue with regard to the noise created by such data centers, the electricity usage, and possible water consumption. He told them that new state laws will go into effect on August 1st. Brett Carroll, Conway Corporation, addressed the Council stating that there is a lot of discussion regarding crypto mining presently. He told them that the position on this subject is very similar among all of the Associations of Municipal Power in the State. He said that these types of businesses are very portable, and they are huge consumers of electricity. He added that the cost of electricity in Arkansas in general is relatively low, which makes the state attractive to businesses for which 90% of their costs is electricity. He explained to the Council what that looked like. He said that when Conway Corp did their recent rate studies, they added things like line extension policies to afford some protection for the utility. He discussed the potential impact on the transmission grid and the economic impacts of such businesses. Councilman Hawkins talked about data centers and their lack of job creation and tax revenue. Mr. Carroll said that there may communities that need extra revenue and these businesses could provide that but for Conway Corp, it is considered too risky and exposes their customers to risk. There was discussion about the noise emanating from the structure housing the data center at Bono. Charles Finkenbinder, City Attorney called the Council's attention to a fact sheet regarding the contents of the Ordinance, which he said was written with the assistance of the Arkansas Municipal League. He said that Faulkner County had passed a similar ordinance last week. He went over with the Council the definitions and regulations in the Ordinance. Councilman Jones asked if the City would be able to measure the noise level per the regulations as stated. Spencer Clawson, Director of Code Enforcement told the Council that the City does not currently have such equipment. There was discussion about contracting with a third party to accomplish this. Mr. Clawson explained to the Council the types of citations that could be issued for noise violations. Mr. Finkenbinder clarified points of the Ordinance regarding the City's ability to enforce the noise violation issues. Mayor Castleberry suggested that the Planning Department be added to the requirement for submission of design submittal by such a data center. Councilwoman Webb stated that if Conway Corp charged the data centers for their electrical infrastructure on the front end, she felt that would be helpful in discouraging such a business from establishing in Conway. There was discussion about whether there were zoning requirements for such businesses. Brandon Martinez addressed the Council and was helpful in describing the activities of the data centers. He spoke in opposition to allowing such data centers to be established in Conway. Mayor Castleberry asked if there was anyone else that would like to speak to the matter. There was no further discussion. Councilwoman Isby made a motion to waive the three readings and Councilwoman Mehl seconded it. The motion carried 6-0. Councilwoman Mehl made a motion to adopt the Ordinance with the emergency clause and Councilwoman Isby seconded it. Councilman Jones made a motion to amend the Ordinance to require any notice, studies, or requirements for data centers to be submitted to the Mayor *or his or her designee* and Councilwoman Isby seconded it. The motion carried 6-0. Councilman Ledbetter made a motion to amend the amended Ordinance, Article 5, paragraph 1, by striking out "*by a third party*

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acoustic engineer", and Councilwoman Isby seconded it. The motion carried 6-0. The Clerk called the roll with the following voting "Aye": Councilman Hawkins, Councilman Ledbetter, Councilman Jones, Councilwoman Webb, Councilwoman Isby, and Councilwoman Mehl. The Ordinance with the emergency clause passed 6-0.

Adjournment-----

PASSED this 25th day of July 2023

APPROVED:

Mayor Bart Castleberry

City Clerk Michael O. Garrett