

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

January 10, 2019

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, January 10, 2019, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Ms. Carmen Smith, Chair  
Ms. Kandi Hughes, Vice Chair  
Mr. Eddie Powell, Secretary/Treasurer  
Dr. Roby Robertson, Commissioner  
Mr. Jay Hartman, Commissioner  
Mr. Anthony Kendall, Commissioner  
Mr. Jim McKenzie, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Jeremy Sparks, Chief Innovation Officer  
Ms. Glenda Bunch, Director of Human Resources  
Mr. Blake Weindorf, P.E., Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Chelsea Odle, Media Specialist  
Ms. Samantha Williams-Davis, Communications Specialist and Brand Manager

**Also in Attendance:**

Mr. Jordan Johnson, JPJ Consulting, LLC  
Ms. Rachel Herzog, AR Democrat-Gazette  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Mr. Barry Haas, Citizen  
Mr. Jim Lindsey, Citizen

**CALL MEETING TO ORDER**

Chair Smith called the meeting to order at 2:00 p.m.

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Robertson, the minutes of the December 20, 2018, Regular Meeting were unanimously approved.

## **CONTRACTS/PURCHASES**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Powell, after due consideration and discussion, an annual contract with USGS to monitor streamflows and water quality at Lake Maumelle and Lake Winona in the amount \$378,049 was unanimously approved.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hartman, after due consideration and discussion, a construction contract with KAJACS Contractors in the amount of \$898,000 to replace approximately 5,000 linear feet of water mains in the City of Maumelle was unanimously approved.

## **DEPARTMENT UPDATES**

### Finance

Mr. Mascagni provided a year-to-date financial update on utility operations.

### Water Quality

Mr. Easley provided an update on matters pertaining to the watershed.

## **BOARD BRIEFING**

Mr. Bohannon provided an update on several matters to the Board.

## **EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Powell, the Board went into Executive Session with Mr. Bohannon to discuss the Board vacancy.

Upon reconvening the regular session, a motion was duly made by Commissioner McKenzie and seconded by Commissioner Kendall, to interview candidates, Dr. Jay Barth and Carolyn Shearman, for the Board vacancy was unanimously approved.

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Kendall, the Board went into Executive Session to discuss a personnel matter.

Upon reconvening the regular session, Chair Smith stated that no action was taken.

## **ADJOURNMENT**

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Kendall, the meeting was adjourned.



\_\_\_\_\_  
Eddie Powell, Secretary/Treasurer

Minutes of a Special Called Meeting  
Board of Commissioners  
Central Arkansas Water

February 4, 2019

The Board of Commissioners of Central Arkansas Water (CAW) convened in a Special Called meeting at 8:00 a.m. Monday, February 4, 2019, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

Ms. Carmen Smith, Chair  
Ms. Kandi Hughes, Vice Chair  
Mr. Eddie Powell, Secretary/Treasurer  
Dr. Roby Robertson, Commissioner  
Mr. Anthony Kendall, Commissioner  
Mr. Jim McKenzie, Commissioner  
Mr. Jay Hartman, Commissioner

**CAW Staff in attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Douglas Shackelford, Director of Public Affairs & Communications  
Ms. Mary Dyson, Management Secretary

**Also in Attendance:**

Ms. Carolyn Shearman, Board Applicant  
Dr. Jay Barth, Board Applicant  
Mr. Jordan Johnson, JPJ consulting, LLC  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Mr. Barry Haas, Citizen

**CALL MEETING TO ORDER**

Commissioner Robertson called the meeting to order at 8:20 a.m.

**OLD BUSINESS**

Commissioner Robertson announced that each candidate would be asked identical questions from the Board and that there might also be follow-up questions a Commissioner might have in response to the candidates' comments.

The Board interviewed each candidate individually in the following order:

Ms. Carolyn Shearman  
Dr. Jay Barth

## **EXECUTIVE SESSION**

After the interviews of the candidates were concluded, upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hughes, the Board went into Executive Session with Mr. Bohannon to discuss the Board vacancy.

Upon reconvening the regular session, Chair Smith stated that the eight resumes received from Little Rock residents for the Board vacancy showed varied backgrounds and remarkable talents and commitment to their community on the part of the applicants.

The Board had the difficult task of narrowing down the eight applicants to two excellent choices for interviews.

The two candidates we spoke with today were very impressive in their interviews – the Board could not have made a mistake in choosing either of the finalists.

While in Executive Session, the Board discussed the interviews and qualifications of each finalist.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Powell, a Resolution recommending Dr. Jay Barth to fill the position on the CAW Board of Commissioners to be vacated by Dr. Roby Robertson effective July 11, 2019, was unanimously approved.

## **ADJOURNMENT**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Powell, the meeting was adjourned.



\_\_\_\_\_  
Eddie Powell, Secretary/Treasurer

**RESOLUTION NO. 2019-01**

**A RESOLUTION APPOINTING DR. JAY BARTH TO THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, AND FOR OTHER PURPOSES**

WHEREAS, the term of Dr. Roby Robertson, a member of the Board of Commissioners, Central Arkansas Water ("CAW Board"), ended on June 30, 2018;

WHEREAS, the Consolidation Agreement specifically provides that each CAW Board member "shall serve until his or her successor is elected and qualified"; and

WHEREAS, Dr. Robertson remained on the CAW Board after the expiration of his term at the request of the remaining CAW Board members; and

WHEREAS, it is the duty of the remaining commissioners to nominate and appoint a commissioner when a vacancy occurs on the CAW Board, subject to confirmation by the Board of Directors of the City of Little Rock, Arkansas, and the City Council of the City of North Little Rock, Arkansas.

WHEREAS, the CAW Board accepted letters of interest from individuals interested in serving on the CAW Board; and

WHEREAS, after reviewing the letters of interest from all applicants, the CAW Board has reached an unanimous recommendation; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CAW BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER** that the Commissioners authorized to vote on the matter do hereby appoint Dr. Jay Barth to serve the remainder of a seven-year term ending June 30, 2025, effective as of July 11, 2019, subject to confirmation by the duly elected and qualified members of the Board of Directors of the City of Little Rock and the City Council of the City of North Little Rock.

**BE IT FURTHER RESOLVED THAT** the Board of Directors of the City of Little Rock and the City Council of the City of North Little Rock are hereby requested to confirm this appointment.

ADOPTED: February 4, 2019

ATTEST:

  
\_\_\_\_\_  
Eddie Powell, Secretary/Treasurer

APPROVED:

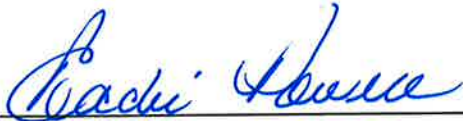
  
\_\_\_\_\_  
Carmen Smith, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Eddie Powell, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2019-01 of the Resolutions of Central Arkansas Water, entitled: **RESOLUTION APPOINTING DR. JAY BARTH TO THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, AND FOR OTHER PURPOSES**, adopted February 4, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of February, 2019.



Eddie Powell, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

February 14, 2019

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, February 14, 2019, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Ms. Carmen Smith, Chair  
Ms. Kandi Hughes, Vice Chair  
Mr. Eddie Powell, Secretary/Treasurer  
Dr. Roby Robertson, Commissioner  
Mr. Jay Hartman, Commissioner  
Mr. Anthony Kendall, Commissioner  
Mr. Jim McKenzie, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. David Johnson, General Counsel  
Mr. Jeremy Sparks, Chief Innovation Officer  
Ms. Glenda Bunch, Director of Human Resources  
Ms. Cynthia Edwards, Controller  
Mr. Blake Weindorf, P.E., Director of Distribution  
Mr. Danny Dunn, Assistant Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Dale Kimbrow, Manager of Planning, Regionalism, & Future Water Source  
Mr. Randy Easley, Director of Water Quality  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Chelsea Odle, Media Specialist  
Ms. Samantha Williams-Davis, Communications Specialist and Brand Manager  
Ms. Mary Dyson, Management Secretary

**Also in Attendance:**

Mr. Jordan Johnson, JPJ Consulting, LLC  
Mr. Don Morrow, Military Outreach Director, ESGR  
Mr. Jonathan Lupton, Senior Planner, Metroplan  
Ms. Rachel Herzog, AR Democrat-Gazette  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Mr. Jim Lindsey, Citizen

## **CALL MEETING TO ORDER**

Chair Smith called the meeting to order at 2:00 p.m.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Powell, the minutes of the January 10, 2019, Regular Meeting and February 4, 2019 Special Called Meeting were unanimously approved.

## **NEW BUSINESS**

### **Presentation of the Employer Support of the Guard and Reserve (ESGR) Patriot Award**

Mr. Sparks introduced Mr. Don Morrow, Military Outreach Director, Employer Support of the Guard and Reserve. Mr. Morrow presented the Patriot Award (certificate and lapel pin) to Mr. Bohannon. An individual can receive the Patriot Award only when their employee, serving in the National Guard or Reserve, nominates them. Mr. Sparks nominated Mr. Bohannon for the award.

### **Presentation on Population Demographics**

Mr. Bohannon made a brief presentation focusing on the future, what is changing in water, and planning for 2030, and beyond. Mr. Bohannon introduced Mr. Jonathan Lupton, Senior Planner for Metroplan. Mr. Lupton made a presentation on past metropolitan area population trends and predictions for the future, as well as anticipated population changes and how those changes might impact water usage and distribution requirements.

### **Approve Payments to Retain DeGray Lake Right of First Refusal**

Mr. Kimbrow requested Board approval of a payment in the amount of \$154,426.20 to the Ouachita River Water District (ORWD) and the Corps of Engineers to retain the Right of First Refusal for 120 MGD from DeGray Lake. The City of Hot Springs will pay its pro-rata share of \$25,742.85 to CAW for the right to 20 MGD; therefore, CAW's net payment will be \$128,683.35.

Upon a motion duly made by Commissioner Kendall, and seconded by Commissioner Robertson, after due consideration and discussion, the payment to ORWD and the Corps of Engineers was unanimously approved.

### **Resolution Approving Alternative Procedure of Competitive Sealed Bidding for Acquisition of Insurance Brokerage Services, Insurance, and Other Employee Benefit Programs**

Mr. Sparks requested permission to waive competitive bidding – award based only on price – as Staff investigates alternatives to the current employee benefits programs, including health, dental, life, and disability insurance policies, and other benefit programs. A recommendation on employee benefits will be presented to the board later this year.

Upon a motion duly made by Commissioner Powell, and seconded by Commissioner Hughes, after due consideration and discussion, the Resolution, as amended, was unanimously approved.



Resolution Approving Alternative Procedure of Competitive Sealed Bidding for Acquisition of Electricity Generated by Solar or Other Green Generating Source

Mr. Bohannon requested permission to waive competitive bidding as Staff explores opportunities to purchase "green power" from providers. CAW Staff has explored opportunities to construct green power generation facilities to be owned and operated by CAW, the potential to purchase green power from third parties has come to light but there are many factors, other than price, that may be relevant.

Commissioner Hartman recused himself from this discussion and vote due to a potential conflict of interest.

Upon a motion duly made by Commissioner McKenzie, and seconded by Commissioner Kendall, after due consideration and discussion, the Resolution, as amended, was approved.

**DEPARTMENT UPDATES**

Finance

Ms. Edwards provided a year-to-date financial update on utility operations.

Distribution

Mr. Dunn provided an update on matters pertaining to Distribution.

**BOARD BRIEFING**

Mr. Bohannon provided an update on several matters to the Board.

**EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Kendall, the Board went into Executive Session to discuss a personnel matter.

Upon reconvening the regular session, Chair Smith stated that no action was taken.

**ADJOURNMENT**

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hughes, the meeting was adjourned.



Eddie Powell, Secretary/Treasurer

**RESOLUTION NO. 2019-02**

**RESOLUTION APPROVING ALTERNATIVE PROCEDURE OF  
COMPETITIVE SEALED BIDDING FOR ACQUISITION OF  
INSURANCE BROKERAGE SERVICES, INSURANCE, AND OTHER  
EMPLOYEE BENEFIT PROGRAMS; AND PRESCRIBING OTHER  
MATTERS RELATING THERETO**

WHEREAS, Arkansas law (Ark. Code Ann. § 14-58-303) provides that Central Arkansas Water ("CAW") shall purchase "all supplies, apparatus, equipment, materials, and other things requisite for public purposes" by competitive bidding unless waived by the Board of Commissioners where "this procedure is deemed not feasible or practical"; and

WHEREAS, according to Ark. Code Ann. 14-58-304, the provisions of Ark. Code Ann. 14-58-303 apply to the purchase of all types of insurance; and

WHEREAS, the Board of Commissioners has requested CAW staff to review alternatives for the current health insurance and other employee benefits and make a recommendation to the Board prior to the renewal or award of the health insurance and other employee benefits programs to be offered to CAW employees for calendar year 2020; and

WHEREAS, the purchase of insurance brokerage services, health insurance, and other employee benefits has become so complex and the development of comprehensive bidding specifications so broad when considering the various alternatives, sophistication, and experience provided by the respondents, and the wide range of benefits available to the utility and its employees that competitive bidding is neither feasible nor practical; and

WHEREAS, the Board of Commissioners has determined that it is in the best interest of the utility and the ratepayers to acquire insurance brokerage services, health insurance, and other employee benefits through the process of sealed competitive proposals;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER:**

Section 1. The Board of Commissioners finds that the procurement of services contemplated by this Resolution is an exceptional situation in which competitive bidding is neither feasible nor practical.

Section 2. The purchase of insurance brokerage services, health insurance, and other employee benefits shall be accomplished using "Competitive Sealed Proposals" as defined herein.

Section 3. "Competitive Sealed Proposals" means a method of procurement which involved, but is not limited to:

- a) Solicitation of proposals through a request for proposals;
- b) Submission of cost or pricing data from the offer where required;
- c) Discussions with the responsible offeror whose proposal is determined to be the most advantageous considering price and evaluation factors set forth in the request for proposals;
- d) An award made to the responsible offeror whose proposals is determined to be the most advantageous considering price and evaluation factors set forth in the request for proposals.

Section 4. Publication of the request for proposals shall be given in the same manner as is required for invitations for competitive bidding.

Section 5. The request for proposals shall indicate the relative importance of price and other evaluation factors.

Section 6. Discussions may be conducted with responsible offers who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements.

Section 7. Regardless of the final price, an award can only be made by this Board of Commissioners, not CAW staff, and the Board of Commissioners, may make such award to the responsible offeror whose proposal is determined to be the most advantageous to CAW, its employees, and its ratepayers, taking into consideration price, the evaluation factors set forth in the request for proposals, and the results of any discussions conducted with responsible offerors.

Section 8. The request for proposals may be cancelled at any time for any reason, or all of the responses to the request for proposals may be rejected at any time for any reason by the Board of Commissioners, the Chief Executive Officer or the Purchasing Manager.

Section 9. This Resolution shall be in effect upon its adoption and approval.

ADOPTED: February 14, 2019

ATTEST:

  
\_\_\_\_\_  
Eddie Powell, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Carmen Smith, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Eddie Powell, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2019-02 of the Resolutions of Central Arkansas Water, entitled: **RESOLUTION APPROVING ALTERNATIVE PROCEDURE OF COMPETITIVE SEALED BIDDING FOR ACQUISITION OF INSURANCE BROKERAGE SERVICES, INSURANCE, AND OTHER EMPLOYEE BENEFIT PROGRAMS; AND PRESCRIBING OTHER MATTERS RELATING THERETO**, adopted February 14, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of February 2019.

  
\_\_\_\_\_  
Eddie Powell, Secretary/Treasurer  
Board of Commissioners, Central Arkansas Water

**RESOLUTION NO. 2019-03**

**RESOLUTION APPROVING ALTERNATIVE PROCEDURE OF  
COMPETITIVE SEALED BIDDING FOR ACQUISITION OF ELECTRICITY  
GENERATED BY SOLAR OR OTHER GREEN GENERATING SOURCE;  
AND PRESCRIBING OTHER MATTERS RELATING THERETO**

WHEREAS, Arkansas law (Ark. Code Ann. § 14-58-303) provides that Central Arkansas Water ("CAW") shall purchase "all supplies, apparatus, equipment, materials, and other things requisite for public purposes" by competitive bidding unless waived by the Board of Commissioners where "this procedure is deemed not feasible or practical"; and

WHEREAS, the purchase of electricity generated by solar or other green generating source is highly complex and the development of comprehensive bidding specifications so broad when considering the various alternatives, sophistication, and experience provided by the respondents, and the wide range of benefits available to the utility that comprehensive bidding is neither feasible nor practical; and

WHEREAS, the Board of Commissioners has determined that it may be in the best interest of the utility and the ratepayers to acquire electricity generated by solar or other green generating sources through the process of sealed competitive proposals;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF  
COMMISSIONERS, CENTRAL ARKANSAS WATER:**

Section 1. The Board of Commissioners finds that the procurement of services contemplated by this Resolution is an exceptional situation in which competitive bidding is neither feasible nor practical.

Section 2. The purchase of electricity generated by solar or other green generating source, may be accomplished using the Request for Proposals presented to the Board of Commissioners at this meeting using for "Competitive Sealed Proposals" as defined herein.

Section 3. "Competitive Sealed Proposals" means a method of procurement which involved, but is not limited to:

- a) Solicitation of proposals through a request for proposals;
- b) Submission of cost or pricing data from the offer where required;
- c) Discussions with the responsible offeror whose proposal is determined to be the most advantageous considering price and evaluation factors set forth in the request for proposals;
- d) An award made to the responsible offeror whose proposals is determined to be the most advantageous considering price and evaluation factors set forth in the request for proposals.

Section 4. Publication of the request for proposals shall be given in the same manner as is required for invitations for competitive bidding.

Section 5. The request for proposals shall indicate the relative importance of price and other evaluation factors.

Section 6. Discussions may be conducted with responsible offers who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements.

Section 7. Regardless of the final price, an award can only be made by the Board of Commissioners, not CAW staff, and the Board of Commissioners may make such award to the responsible offeror whose proposal is determined to be the most advantageous to CAW and its ratepayers, taking into consideration price, the evaluation factors set forth in the request for proposals, and the results of any discussions conducted with responsible offerors.

Section 8. The request for proposals may be cancelled at any time for any reason, or all of the responses to the request for proposals may be rejected at any time for any reason by the Board of Commissioners, the Chief Executive Officer or the Purchasing Manager.

Section 9. This Resolution shall be in effect upon its adoption and approval.

ADOPTED: February 14, 2019

ATTEST:

  
\_\_\_\_\_  
Eddie Powell, Secretary/Treasurer

APPROVED:

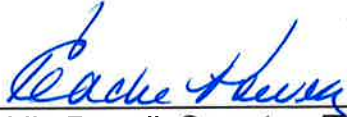
  
\_\_\_\_\_  
Carmen Smith, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Eddie Powell, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2019-03 of the Resolutions of Central Arkansas Water, entitled: **RESOLUTION APPROVING ALTERNATIVE PROCEDURE OF COMPETITIVE SEALED BIDDING FOR ACQUISITION OF ELECTRICITY GENERATED BY SOLAR OR OTHER GREEN GENERATING SOURCE; AND PRESCRIBING OTHER MATTERS RELATING THERETO**, adopted February 14, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of February 2019.

  
\_\_\_\_\_  
Eddie Powell, Secretary/Treasurer  
Board of Commissioners, Central Arkansas Water

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

March 14, 2019

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, March 14, 2019, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Ms. Carmen Smith, Chair  
Mr. Eddie Powell, Secretary/Treasurer  
Dr. Roby Robertson, Commissioner  
Mr. Jay Hartman, Commissioner  
Mr. Anthony Kendall, Commissioner  
Mr. Jim McKenzie, Commissioner

**Absent:**

Ms. Kandi Hughes, Vice Chair

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Jeremy Sparks, Chief Innovation Officer  
Ms. Glenda Bunch, Director of Human Resources  
Mr. Danny Dunn, Assistant Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Dale Kimbrow, Manager of Planning, Regionalism, & Future Water Source  
Mr. Randy Easley, Director of Water Quality  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Mr. Robert Martin, Safety Specialist  
Ms. Brandi Coleman, Safety Specialist  
Mr. Justin Redmon, Water Distribution Specialist III  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Jane Hurley, Education and Outreach Specialist  
Ms. Chelsea Odle, Media Specialist  
Mr. Ben West, Distribution Foreman  
Mr. Stephen Sullivan, Distribution Foreman  
Ms. Samantha Williams-Davis, Communications Specialist and Brand Manager  
Ms. Mary Dyson, Management Secretary

**Also in Attendance:**

Mr. Jordan Johnson, JPJ Consulting, LLC  
Ms. Rachel Herzog, AR Democrat-Gazette



Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Carolyn Shearman, Friends of the Ouachita Trail

### **CALL MEETING TO ORDER**

Chair Smith called the meeting to order at 2:00 p.m.

### **COMMISSIONER RECOGNITION**

Chair Smith presented a one-year service pin to Commissioner McKenzie, and thanked him for his service to the utility.

### **EMPLOYEE RECOGNITION**

Chair Smith presented a five-year service pin to Mr. Bohannon. Chair Smith said that the Board has a good relationship with Mr. Bohannon and she hopes it continues for many years to come.

Mr. Bohannon introduced Mr. Robert Martin, Safety Specialist, who presented the 2018 John Robinson Award for Safety to Mr. Justin Redmon, Water Distribution Specialist III. The John Robinson Award for Safety is awarded annually for excellence in workplace safety.

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Kendall, the minutes of the February 14, 2019, Regular Meeting were unanimously approved.

### **NEW BUSINESS**

#### **Transfer of Funds to Rate Stabilization Account**

Mr. Mascagni requested Board approval to transfer \$2,000,000 into the Rate Stabilization Account.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner McKenzie, after due consideration and discussion, the transfer of \$2,000,000 into the Rate Stabilization Account was unanimously approved.

### **CONTRACTS/PURCHASES**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Kendall, after due consideration and discussion, a contract with Paladino Painting Co., LLC in the amount \$320,725 to apply a sweat-resistant coating on the existing water pipes located in the west-half of the Jack H. Wilson Water Treatment Plant pipe gallery was unanimously approved.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hartman, after due consideration and discussion, a construction contract with Diamond Construction Company in the amount \$684,000 to replace approximately 2,700 linear feet of 16-inch water mains identified as being very problematic and high maintenance along Rebsamen Park Road in Little Rock was unanimously approved.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Kendall, after due consideration and discussion, a construction contract with On-Line Construction in the amount \$626,910 to replace approximately 2,200 linear feet of 8-inch water mains identified as being very problematic and high maintenance in the Pulaski Heights area of Little Rock was unanimously approved.

### **DEPARTMENT UPDATES**

#### **Human Resources – Employee Development**

Mr. Shackelford provided an overview of the AWWA/WEF Utility Management Conference, which is the second largest AWWA event, with over 1,000 attendees. He then introduced Ms. Chelsea Odle, Media Specialist, Mr. Ben West and Mr. Stephen Sullivan, both Distribution Foreman, and each one provided an overview of the Young Professionals Summit, attended by young leaders in the water industry.

#### **Finance**

Mr. Mascagni provided a year-to-date financial update on utility operations.

### **BOARD BRIEFING**

Mr. Bohannon provided an update on several matters to the Board.

### **EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner McKenzie, the Board went into Executive Session to discuss a personnel matter.

Upon reconvening the regular session, a motion duly made by Commissioner Kendall and seconded by Commissioner McKenzie, to increase Mr. Bohannon's base pay by three percent, retroactive to January 1, 2019, was unanimously approved.

### **ADJOURNMENT**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner McKenzie, the meeting was adjourned.



\_\_\_\_\_  
Kandi Hughes, Vice Chair

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

April 11, 2019

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, April 11, 2019, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Ms. Carmen Smith, Chair  
Ms. Kandi Hughes, Vice Chair  
Dr. Roby Robertson, Commissioner  
Mr. Anthony Kendall, Commissioner  
Mr. Jim McKenzie, Commissioner

**Telephonic:**

Mr. Jay Hartman, Commissioner

**Absent:**

Mr. Eddie Powell, Secretary/Treasurer

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Ms. Cynthia Edwards, Controller  
Mr. Jeremy Sparks, Chief Innovation Officer  
Ms. Glenda Bunch, Director of Human Resources  
Mr. Blake Weindorf, Director of Distribution  
Mr. Danny Dunn, Assistant Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Bob Arthur, P.E., Senior Engineer  
Mr. Dale Kimbrow, Manager of Planning, Regionalism, & Future Water Source  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Allen Vincent, Director of Information Services  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Chelsea Odle, Media Specialist  
Ms. Mary Dyson, Management Secretary

**Also in Attendance:**

Mr. Jordan Johnson, JPJ Consulting, LLC  
Mr. Corey Jennings, Partner, BKD  
Ms. Lauren Schallhorn, Senior Associate, BKD  
Ms. Ruth Bell, League of Women Voters of Pulaski County

Ms. Kathleen Oleson, League of Women Voters of Pulaski County

### **CALL MEETING TO ORDER**

Chair Smith called the meeting to order at 2:00 p.m.

### **CAW SPOTLIGHT AND HIVIP BEHAVIOR**

Mr. Bohannon stated CAW made the April 2019 cover of the American Water Works Association Opflow magazine. The magazine features an article, "Leak Detection - Satellite Imaging Technology Helps Utilities Reduce Nonrevenue Water", written by Chelsea Odle, Media Specialist, and Randall Pinkerton, WDS II, is pictured on the cover.

Mr. Bohannon shared the HIVIP Behavior of the week, "Train until you can explain it to others".

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Hughes, the minutes of the March 14, 2019, Regular Meeting were unanimously approved.

### **NEW BUSINESS**

#### **Approve the 2018 Audit for CAW**

Mr. Corey Jennings and Ms. Lauren Schallhorn, from BKD presented a review of the draft 2018 Comprehensive Annual Financial Report (CAFR) for CAW. Mr. Mascagni asked the Board to approve the 2018 CAFR.

Upon a motion duly made by Commissioner McKenzie, and seconded by Commissioner Hughes, after due consideration and discussion, the 2018 CAFR was unanimously approved.

#### **Acquisition of Insurance Broker Services, Insurance, and Other Employee Benefit Programs**

Ms. Bunch requested Board approval of McGriff Insurance Services, a Brokerage Agency, to assist the utility with a comprehensive review of CAW's employee benefits package.

Upon a motion duly made by Commissioner Hughes, and seconded by Commissioner McKenzie, after due consideration and discussion, McGriff Insurance Services was approved.

Chair Smith abstained from the vote due to a potential conflict of interest.

### **CONTRACTS/PURCHASES**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Robertson, after due consideration and discussion, the purchase of two (2) crew trucks w/service bodies and two (2) dump trucks w/dump beds from Doggett Freightliner in the amount \$438,756 was unanimously approved.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner McKenzie, after due consideration and discussion, a contract with Frank Elder Well Supply, Inc. in the amount of \$109,132.65 to decommission and abandon wells formerly used by Maumelle Water Management was unanimously approved.

## **DEPARTMENT UPDATES**

### **Distribution**

Mr. Weindorf provided an update on matters pertaining to Distribution.

### **Finance**

Mr. Mascagni provided a year-to-date financial update on utility operations.

## **BOARD BRIEFING**

Mr. Bohannon provided an update on several matters to the Board.

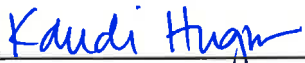
## **EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Kendall, the Board went into Executive Session with Mr. Bohannon to discuss a personnel matter.

Upon reconvening the regular session, Chair Smith stated that no action was taken.

## **ADJOURNMENT**

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Robertson, the meeting was adjourned.



\_\_\_\_\_  
Kandi Hughes, Vice Chair

Minutes of a Public Hearing  
Central Arkansas Water

April 25, 2019

Central Arkansas Water (CAW), convened a public hearing at 3:00 p.m. on Thursday, April 25, 2019, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**CAW Staff in attendance:**

Mr. Jeff Mascagni, Chief Financial Officer  
Ms. Mary Dyson, Management Secretary

**CALL MEETING TO ORDER**

Mr. Mascagni called the Public Hearing to order at 3:00 p.m.

Mr. Mascagni stated that the public hearing was held to hear comments on the proposed new rate schedule beginning June 1, 2019 through December 31, 2022. There were no comments or questions.

**ADJOURNMENT**

Mr. Mascagni adjourned the meeting at 3:05 p.m.

  
\_\_\_\_\_  
Kandi Hughes, Vice Chair

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

May 16, 2019

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, May 16, 2019, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Ms. Carmen Smith, Chair  
Ms. Kandi Hughes, Vice Chair  
Dr. Roby Robertson, Commissioner  
Mr. Anthony Kendall, Commissioner  
Mr. Jim McKenzie, Commissioner

**Telephonic:**

Mr. Eddie Powell, Secretary/Treasurer

**Absent:**

Mr. Jay Hartman, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Ms. Cynthia Edwards, Controller  
Mr. Jeremy Sparks, Chief Innovation Officer  
Ms. Glenda Bunch, Director of Human Resources  
Mr. Blake Weindorf, Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Dale Kimbrow, Manager of Planning, Regionalism, & Future Water Source  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Chelsea Odle, Media Specialist  
Ms. Mary Dyson, Management Secretary

**Also in Attendance:**

Dr. Jay Barth, Incoming Commissioner  
Mr. Jordan Johnson, JPJ Consulting, LLC  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Carolyn Shearman, Friends of the Ouachita Trail

## **CALL MEETING TO ORDER**

Chair Smith called the meeting to order at 2:00 p.m.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner McKenzie, the minutes of the April 11, 2019, Regular Meeting and April 25, 2019, Public Hearing were unanimously approved.

## **NEW BUSINESS**

### **Resolution Reappointing Eddie Powell as a Commissioner from North Little Rock**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hughes, after due consideration and discussion, the Resolution reappointing Commissioner Powell to a seven-year term beginning July 1, 2019, was unanimously approved.

### **Appointment of 2019-2020 Officers**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hughes, after due consideration and discussion, the Board Officers for the 2019-2020 term beginning July 1, 2019, was unanimously approved.

Ms. Kandi Hughes – Chair  
Mr. Eddie Powell – Vice Chair  
Mr. Jim McKenzie – Secretary/Treasurer

### **Presentation on AWWA Benchmarking Survey**

Mr. Luther discussed CAW's participation in the American Water Works Association (AWWA) Benchmarking Performance Indicator Survey and stated the survey is a great opportunity to learn how CAW compares to other utilities.

### **Resolution to Establish Central Arkansas Water Retirement Plan Committee Charter**

Mr. Mascagni requested Board approval of a Resolution to establish CAW Retirement Plan Committee Charter that spells out the duties and responsibilities of the Committee.

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner McKenzie, after due consideration and discussion, the Resolution to establish Central Arkansas Water Retirement Plan Committee Charter was unanimously approved.

## **CONTRACTS/PURCHASES**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hughes, after due consideration and discussion, a construction contract with Hart Contractors in the amount of \$350,000 to demolish and cleanup the site of the former Maumelle Water Treatment Plant was unanimously approved.



## **DEPARTMENT UPDATES**

### **Finance**

Mr. Mascagni provided a year-to-date financial update on utility operations and Ms. Edwards provided the annual report on CAW's Red Flag Policy, as required by federal law.

## **BOARD BRIEFING**

Mr. Bohannon provided an update on several matters to the Board.

## **ADJOURNMENT**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Robertson, the meeting was adjourned.



Eddie Powell, Secretary/Treasurer

**RESOLUTION 2019-04**

**A RESOLUTION RE-APPOINTING MR. EDDIE POWELL TO THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER AND FOR OTHER PURPOSES**

WHEREAS, the term of Mr. Eddie Powell, a member of the Board of Commissioners of Central Arkansas Water ("CAW Board"), expires on June 30, 2019; and

WHEREAS, by law it is the duty of the remaining Commissioners to nominate and appoint a Commissioner when a vacancy occurs on the CAW Board, subject to confirmation by the City Council of the City of North Little Rock, Arkansas, and the Board of Directors of the City of Little Rock, Arkansas.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER THAT** the remaining Commissioners do hereby reappoint Mr. Eddie Powell to a seven-year term, subject to confirmation by the duly elected and qualified members of the City Council of the City of North Little Rock and the Board of Directors of the City of Little Rock, and that his term of office shall be through June 30, 2026.

**BE IT FURTHER RESOLVED THAT** the City Council of North Little Rock and the Board of Directors of Little Rock are hereby requested to confirm this appointment.

ADOPTED: May 16, 2019

Attest:

APPROVED:

  
\_\_\_\_\_  
Kandi Hughes, Vice Chair

  
\_\_\_\_\_  
Carmen Smith, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Kandi Hughes, Vice Chair of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2019-04 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION RE-APPOINTING MR. EDDIE POWELL TO THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER AND FOR OTHER PURPOSES**, adopted May 16, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of May, 2019.



\_\_\_\_\_  
Kandi Hughes, Vice Chair  
Central Arkansas Water Board of Commissioners

**RESOLUTION NO. 2019-05**

**RESOLUTION TO ESTABLISH CENTRAL ARKANSAS WATER  
RETIREMENT PLAN COMMITTEE CHARTER; AND PRESCRIBING  
OTHER MATTERS RELATING THERETO**

WHEREAS, Central Arkansas Water maintains the Central Arkansas Water 401(a) Employee Savings Plan and the Central Arkansas Water 457(b) Deferred Compensation Plan; and

WHEREAS, the Board of Commissioners has previously formed and appointed members to the Retirement Plan Committee (the "Committee") and delegated certain duties and authority to the Committee.

**NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF  
COMMISSIONERS, CENTRAL ARKANSAS WATER, THAT:**

Section 1. Central Arkansas Water hereby adopts the Central Arkansas Water Retirement Plan Committee Charter (the "Charter") spelling out duties and responsibilities of the Committee;

Section 2. Central Arkansas Water hereby delegates such duties and responsibilities to the Committee pursuant to the Charter;

Section 3. The appointed members of the Committee are hereby authorized and directed to do all acts necessary or appropriate to oversee and administer the Central Arkansas Water 401(a) Employee Savings Plan and the Central Arkansas Water 457(b) Deferred Compensation Plan.

Section 4. All Resolutions, or part of the same, that are inconsistent with the provisions of this Resolution, are hereby repealed to the extent of such inconsistency.

Section 5. This Resolution shall be in effect immediately upon its adoption.

ADOPTED: May 16, 2019

ATTEST:

APPROVED:



Kandi Hughes, Vice Chair



Carmen Smith, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Kandi Hughes, Vice Chair of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2019-05 of the Resolutions of Central Arkansas Water, entitled: **RESOLUTION TO ESTABLISH CENTRAL ARKANSAS WATER RETIREMENT PLAN COMMITTEE CHARTER; AND PRESCRIBING OTHER MATTERS RELATING THERETO**, adopted May 16, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of May 2019.

  
\_\_\_\_\_  
Kandi Hughes, Vice Chair  
Board of Commissioners, Central Arkansas Water

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

June 13, 2019

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, June 13, 2019, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Ms. Carmen Smith, Chair  
Ms. Kandi Hughes, Vice Chair  
Mr. Eddie Powell, Secretary/Treasurer  
Dr. Roby Robertson, Commissioner  
Mr. Anthony Kendall, Commissioner  
Mr. Jim McKenzie, Commissioner  
Mr. Jay Hartman, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Ms. Cynthia Edwards, Controller  
Mr. Jeremy Sparks, Chief Innovation Officer  
Ms. Glenda Bunch, Director of Human Resources  
Mr. Blake Weindorf, P.E., Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Dale Kimbrow, Manager of Planning, Regionalism, & Future Water Source  
Mr. Randy Easley, Director of Water Quality  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Bob Arthur, P.E., Senior Engineer  
Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Elizabeth Tuck-Rowan, Purchasing Manager  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Chelsea Odle, Media Specialist  
Ms. Mary Dyson, Management Secretary

**Also in Attendance:**

Ms. Mary Robertson, Citizen  
Mr. Jordan Johnson, JPJ Consulting, LLC  
Mr. Doug Wilson, Insurance Center, Inc.  
Mr. Jack Truemper, Senior Vice President, Stephens, Inc.  
Ms. Leigh Ann Biernat, CPA, Senior Vice President, Stephens, Inc.  
Mr. Dee Brown, P.E., Brown Engineers  
Ms. Rachel Herzog, AR Democrat-Gazette  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Mr. Joel Anderson, Citizen

## **CALL MEETING TO ORDER**

Chair Smith called the meeting to order at 2:00 p.m.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Powell, the minutes of the May 16, 2019, Regular Meeting were unanimously approved.

## **NEW BUSINESS**

### **Resolution Commending Commissioner Roby Robertson**

The Board expressed sincere appreciation to Commissioner Robertson for his distinguished service to CAW and its customers and honored him for his contributions to the Board and utility.

Commissioner Robertson stated it was an honor to work with CAW Staff and Board Members and thanked them for their hard work and dedication.

### **Solar Project Presentation**

Mr. Bohannon made a short presentation on the status of various solar projects currently being explored by the Utility.

## **CONTRACTS/PURCHASES**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Robertson, after due consideration and discussion, a three-year contract for business insurance coverage with the Insurance Center in the amount of \$317,672 was unanimously approved.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hughes, after due consideration and discussion, a construction contract with Gene Summers Construction in the amount of \$595,481 to relocate approximately 1,950 linear feet of existing water main located through the Episcopal Collegiate School was unanimously approved.

## **DEPARTMENT UPDATES**

### **Finance**

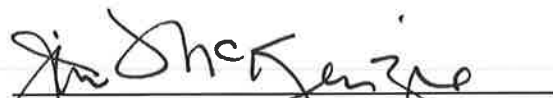
Mr. Mascagni provided a year-to-date financial update on utility operations.

## **BOARD BRIEFING**

Mr. Bohannon provided an update on several matters to the Board.

## **ADJOURNMENT**

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Powell, the meeting was adjourned.

  
Jim McKenzie, Secretary/Treasurer

# In Honor and Appreciation

## Commissioner Dr. Roby Robertson

### Resolution 2019-06

WHEREAS, Dr. Roby Robertson began his distinguished service on the Central Arkansas Water Board of Commissioners on December 09, 2004, and provided exemplary vision and leadership for the Board and Central Arkansas Water; and

WHEREAS, his extensive knowledge, insight, and dedication has been integral to the Board in its public-policy decisions and governance of the water utility; and


WHEREAS, Dr. Robertson was committed to maintaining the utility's world-class standing in water quality, affordability, service, and system integrity; and

WHEREAS, he was integral in addressing and formulating sound public policy on the challenging issues of watershed management and future water source to ensure the utility continues to meet the water supply needs of the central Arkansas area.

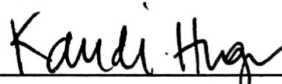
**NOW, THEREFORE, BE IT RESOLVED THAT** the Board of Commissioners of Central Arkansas Water, hereby does express sincere appreciation to Dr. Robertson for his distinguished service to Central Arkansas Water and its customers and honor him for his contributions to the Board and utility.

\* \* \* \* \*

We, Carmen Smith, Kandi Hughes, Eddie Powell, Jay Hartman, Anthony Kendall, and Jim McKenzie as members of the Board of Commissioners of Central Arkansas Water, hereby do certify that the above and foregoing is a correct copy of the Resolution adopted on this 13th day of June, 2019.



Carmen Smith, Chair



Kandi Hughes, Vice Chair



Eddie Powell, Secretary/Treasurer



Jay Hartman, Commissioner



Anthony Kendall, Commissioner



Jim McKenzie, Commissioner



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

July 11, 2019

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, July 11, 2019, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Ms. Kandi Hughes, Chair  
Mr. Jim McKenzie, Secretary/Treasurer  
Mr. Anthony Kendall, Commissioner  
Mr. Jay Hartman, Commissioner  
Ms. Carmen Smith, Commissioner  
Dr. Jay Barth, Commissioner

**Telephonic:**

Mr. Eddie Powell, Vice Chair

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Jeremy Sparks, Chief Innovation Officer  
Ms. Glenda Bunch, Director of Human Resources  
Mr. Blake Weindorf, P.E., Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Randy Easley, Director of Water Quality  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Shirley Tucker, Receptionist  
Mr. Matthew Smith, Engineering Summer Intern  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Chelsea Odle, Media Specialist  
Ms. Mary Dyson, Management Secretary

**Also, in Attendance:**

Mr. Jordan Johnson, JPJ Consulting, LLC  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Mr. Jim Lindsey, Citizen  
Ms. Morgan Carrico, Citizen

**CALL MEETING TO ORDER**

Chair Hughes called the meeting to order at 2:00 p.m.

## **EMPLOYEE PRESENTATION**

Ms. Tucker made a short presentation on HIVIP and how the weekly HIVIP Behavior Statement motivates her.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, the minutes of the June 13, 2019, Regular Meeting were unanimously approved.

## **NEW BUSINESS**

### **Presentation on Methodology to Recover the Capital Costs of Installing Public Water Mains**

Mr. Bohannon updated the Board on the methodology to recover the capital costs of installing public water mains in lieu of permitting installation of private service lines.

## **CONTRACTS/PURCHASES**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Smith, after due consideration and discussion, a construction contract with Max Foote Construction Co., LLC. in the amount of \$26,711,000 for major renovation and improvements to the Ozark Point Water Treatment Plant was unanimously approved.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Barth, after due consideration and discussion, Amendment No. 2 to the existing engineering services contract with Carollo Engineers in the amount of \$1,495,139 to provide construction phase engineering services for the Ozark Point Water Treatment Plant project was unanimously approved.

## **DEPARTMENT UPDATES**

### **Finance**

Mr. Mascagni provided a year-to-date financial update on utility operations.

## **BOARD BRIEFING**

Mr. Bohannon provided an update on several matters to the Board.

## **ADJOURNMENT**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hartman, the meeting was adjourned at 3:35 p.m.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

Minutes of a Special Called Meeting  
Board of Commissioners  
Central Arkansas Water

July 25, 2019

The Board of Commissioners of Central Arkansas Water (CAW) convened in a special called meeting at 9:00 a.m. on Thursday, July 25, 2019, telephonically, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Telephonic:**

Ms. Kandi Hughes, Chair  
Mr. Jim McKenzie, Secretary/Treasurer  
Mr. Anthony Kendall, Commissioner  
Mr. Jay Hartman, Commissioner  
Ms. Carmen Smith, Commissioner  
Dr. Jay Barth, Commissioner

**Absent:**

Mr. Eddie Powell, Vice Chair

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Chelsea Odle, Media Specialist  
Ms. Mary Dyson, Management Secretary

**CALL MEETING TO ORDER**

Chair Hughes called the meeting to order at 9:01 a.m.

**NEW BUSINESS**


**Resolution Authorizing Acquisition of a Right to Purchase Property and Authorizing the Purchase of Property**

Mr. Bohannon requested Board approval of a Resolution authorizing the acquisition of a right to purchase 73.95 acres to be used for off-site solar facilities for \$98,300 and authorizing the purchase of the property for \$533,000, plus that portion of the closing costs assigned to buyer, less the \$30,000 escrow deposit, for a total acquisition cost of \$ \$601,300 plus applicable closing costs, subject to a buy-back provision at full cost if the property is not used for solar facilities by CAW.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Barth, after due consideration and discussion, the Resolution was approved on a 4-1 vote. Those Commissioners voting aye were: Chair Hughes, Commissioners McKenzie, Kendall, and Smith. Commissioner Hartman voted nay. Commissioner Barth's vote was not recorded due to lost telephonic communication.

**ADJOURNMENT**

Chair Hughes adjourned the meeting at 9:27 a.m.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

## RESOLUTION 2019-07

### **A RESOLUTION AUTHORIZING ACQUISITION OF A RIGHT TO PURCHASE PROPERTY AND AUTHORIZING THE PURCHASE REAL PROPERTY IN CABOT, ARKANSAS TO BE USED FOR SOLAR FACILITIES; AND FOR OTHER PURPOSES**

WHEREAS, on or about February 9, 2018, Cardinal Land Investors, LLC (the "Assignor") entered into a Real Estate Offer and Acceptance Agreement (the "Purchase Agreement") for the purchase of approximately seventy-three and 95/100 (73.95) acres of real property in Cabot, Arkansas (the "Property") from Jon Hodoway and Ashley Hodoway Fussell (the "Sellers") for the purchase price of Five Hundred and Thirty Three Thousand Dollars (\$533,000.00) (the "Property Purchase Price"); and

WHEREAS, the Assignor paid a Thirty Thousand Dollar (\$30,000) initial escrow deposit which shall be credited against the Property Purchase Price and the Assignor has paid an additional Sixty-Eight Thousand Three Hundred Dollars (\$68,300.00) to extend the closing date of the purchase of the Property; and

WHEREAS, General Counsel of Central Arkansas Water ("CAW") has negotiated the terms and conditions of an Assignment of Offer and Acceptance (the "Assignment"), transferring the right to acquire the Property from Assignor to CAW; and

WHEREAS, CAW desires to acquire the Assignor's right to acquire the Property subject to the terms and conditions of the Assignment to maintain the opportunity to utilize the Property for the location of a solar power facility; and

WHEREAS, purchase of the Property is subject to approval of the Board of Commissioners of Central Arkansas Water (the "Commission"); and

WHEREAS, the Commission, based upon the recommendations of staff, has determined that it is in the best interest of CAW and its ratepayers to acquire the right to purchase the Property from the Assignor; and

WHEREAS, the Commission, based upon the recommendation of staff, has determined that it is in the best interest of CAW and its ratepayers to purchase the Property from the Sellers.

**NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER:**

Section 1. The purchase of right to acquire the Property upon and in accordance with the terms of the Assignment and the purchase of the Property upon and in accordance with the terms of the Purchase Agreement are hereby approved, and the Chief Executive Officer of CAW is authorized to execute the Assignment.

Section 2. Each of the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer is hereby authorized and directed, as necessary or required, to deliver the purchase price and to execute and acknowledge documents as necessary to complete assignment of the right to purchase the Property from the Assignor to CAW in accordance with the terms of the Assignment.

Section 3. Each of the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer is hereby authorized and directed, as necessary or required, to deliver the Purchase Price and to execute and acknowledge documents as necessary to complete the purchase of the Property in accordance with the terms of the Purchase Agreement.

Section 4. In the event CAW does not enter into a contract with Assignor for the installation and maintenance of solar energy facilities with Assignor and Assignor exercises its rights to acquire the Property from CAW, each of the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer is hereby authorized and directed, as necessary or required, to deliver a deed to the Property to Assignor in exchange for the purchase price set forth in the Assignment as contemplated in the Assignment.

Section 5. This Resolution shall be in effect upon its adoption and approval.

Section 6. A copy of this Resolution shall be filed in the administrative offices of CAW, where it will be available for public inspection.

ADOPTED: [July 25, 2019]

Attest:

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

  
\_\_\_\_\_  
Kandi Hughes, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Jim McKenzie, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2019-07 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION AUTHORIZING ACQUISITION OF A RIGHT TO PURCHASE PROPERTY AND AUTHORIZING THE PURCHASE REAL PROPERTY IN CABOT, ARKANSAS TO BE USED FOR SOLAR FACILITIES; AND FOR OTHER PURPOSES**, adopted July 25, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of July 2019.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

**CENTRAL ARKANSAS WATER**  
**MINUTES OF PUBLIC HEARING**  
**REGARDING ISSUANCE OF \$37,000,000**  
**IN MAXIMUM PRINCIPAL AMOUNT OF**  
**WATER REVENUE BONDS**

**August 13, 2019**

The meeting was called to order by Jeff Mascagni, Chief Financial Officer, Central Arkansas Water, who presided at the meeting. He stated that a public hearing was scheduled to be held at 2:00 p.m. at the James T. Harvey Administration Building of Central Arkansas Water located at 221 East Capitol Avenue in Little Rock, Arkansas. The public hearing was held to hear comments on the question of Central Arkansas Water issuing \$37,000,000 in maximum principal amount of water revenue bonds for the purpose of (a) financing the costs of acquiring, constructing and equipping improvements to the water system operated by Central Arkansas Water, including particularly, without limitation, the Ozark Point Water Treatment Plant Project (the "Project"), (b) refunding outstanding bonds heretofore issued to finance planning and design costs of the Project, (c) funding capitalized interest, and (d) paying expenses of issuing the bonds.


Mr. Mascagni stated that notice of a public hearing had been given by publication at least 10 days prior to the date hereof in a newspaper of general circulation in the cities of Little Rock and North Little Rock, Arkansas. He observed that the time for the public hearing had arrived and declared the public hearing to be open.

Mr. Mascagni then addressed those in attendance and asked for questions or comments. There were no comments or questions.

After allowing time for comments and questions, Mr. Mascagni declared the public hearing closed.

CERTIFICATE

The undersigned, Secretary/Treasurer of Central Arkansas Water, hereby certifies that the foregoing is a true and perfect written record of a public hearing held at 2:00 p.m. on the 13th day of August, 2019, which now appears in the records of the Central Arkansas Water in Little Rock, Arkansas.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

August 15, 2019

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, August 15, 2019, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Ms. Kandi Hughes, Chair  
Mr. Jim McKenzie, Secretary/Treasurer  
Mr. Anthony Kendall, Commissioner  
Mr. Jay Hartman, Commissioner  
Ms. Carmen Smith, Commissioner  
Dr. Jay Barth, Commissioner

**Absent:**

Mr. Eddie Powell, Vice Chair

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Jeremy Sparks, Chief Innovation Officer  
Ms. Glenda Bunch, Director of Human Resources  
Mr. Vince Guillet, Special Project Manager  
Mr. Blake Weindorf, P.E., Director of Distribution  
Mr. Chris Shahan, Distribution Supervisor  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Andrew Pownall, P.E., Senior Engineer  
Mr. Randy Easley, Director of Water Quality  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Doug Farler, Production Manager  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Chelsea Odle, Media Specialist  
Ms. Mary Dyson, Management Secretary

**Also, in Attendance:**

Mr. Jordan Johnson, JPJ Consulting, LLC  
Ms. Rachel Herzog, AR Democrat-Gazette  
Mr. Taylor Marshall, Friday Eldridge & Clark  
Mr. Jon Harrison, VIP2 Founder  
Mr. Cole Rodgers, McGriff Insurance Services  
Mr. Justin Spencer, McGriff Insurance Services  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County

## **CALL MEETING TO ORDER**

Chair Hughes called the meeting to order at 2:00 p.m.

## **COMMISSIONER RECOGNITION**

Chair Hughes presented Commissioner Kendall with a pin commemorating his 15-years of service on the Board. Chair Hughes thanked Commissioner Kendall for his service.

## **EMPLOYEE RECOGNITION**

Mr. Bohannon recognized Mr. Jeremy Sparks for 1-year of service as Chief Innovation Officer.

## **EMPLOYEE PRESENTATION**

Mr. Shahan made a short presentation on HIVIP and how the weekly HIVIP Behavior Statement motivates him and the Distribution staff.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, the minutes of the July 11, 2019, Regular Meeting were unanimously approved, and the minutes of the July 25, 2019 Special Called Meeting were unanimously approved as amended.

## **OLD BUSINESS**

### **Resolution Authorizing the Issuance of Water Revenue Bonds**

Mr. Mascagni requested Board approval of a Resolution authorizing the issuance of a water revenue bond in the maximum principal amount of \$37,000,000 to finance the cost of capital improvements at the Ozark Point Water Treatment Plant.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Barth, after due consideration and discussion, the Resolution was unanimously approved.

## **NEW BUSINESS**

### **VIP2 Presentation**

Jon Harrison updated the Board on his work with CAW to develop a high-performing, innovative, values-driven, informed, and passionate (HIVIP) work culture.

### **Total Compensation Update**

Mr. Sparks updated the Board on the status of total compensation review of CAW's employee benefits package. Mr. Sparks stated that he will be back at the September board meeting for additional discussion and will ask for approval at the October board meeting.

Update Status on Pinnacle Project

Mr. Guillet updated the Board on the status of Pinnacle Project, the Customer Information System replacement project.

**CONTRACTS/PURCHASES**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hartman, after due consideration and discussion, a contract with Township Builders, Inc. in the amount of \$768,760 to remove a low water Maumelle River crossing, reduce riverbank and riverbed erosion, and construct a new elevated crossing that improves access to the Forest Legacy Property and allows fish passage was unanimously approved.

**DEPARTMENT UPDATES**

Finance

Mr. Mascagni provided a year-to-date financial update on utility operations.

**BOARD BRIEFING**

Mr. Bohannon provided an update on several matters to the Board.

**ADJOURNMENT**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, the meeting was adjourned at 4:06 p.m.

  
Carmen Smith, Acting Secretary/Treasurer

RESOLUTION NO. 2019- 08

A RESOLUTION AUTHORIZING THE ISSUANCE OF A WATER REVENUE BOND FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF CAPITAL IMPROVEMENTS TO THE WATER SYSTEM OF CENTRAL ARKANSAS WATER; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, Central Arkansas Water (the "Issuer") owns a water system consisting of water collection, holding, treatment and distribution facilities (the "System"); and

WHEREAS, the Issuer was created by the Cities of Little Rock and North Little Rock, Arkansas (the "Cities") pursuant to the Consolidated Waterworks Authorization Act codified as A.C.A. §§25-20-301 et seq. (the "Authorizing Legislation"); and

WHEREAS, the Board of Commissioners of the Issuer has determined that extensions, betterments and improvements to the System (the "Improvements") are necessary in order to make the services of the System adequate for the needs of the Issuer's customers; and

WHEREAS, the Improvements include particularly, without limitation, the Ozark Point Water Treatment Plant Project; and

WHEREAS, the Issuer has issued and outstanding its Water Revenue Bond (Ozark Point Water Treatment Plant Project), Series 2018A (the "Series 2018A RLF Bond") for the purpose of financing the planning and design phase of the Improvements; and

WHEREAS, it is in the best interest of the Issuer to refund the Series 2018A RLF Bond with long term financing; and

WHEREAS, in order to refund the Series 2018A RLF Bond and to finance the balance of the costs of the Improvements, including bond issuance costs and interest during construction, the Issuer is making arrangements for the sale of a bond in the maximum principal amount of \$37,000,000 to the Arkansas Development Finance Authority, as purchaser (the "Bondholder"), at a price of par for a bond pursuant to a Bond Purchase Agreement (the "Agreement") among the Issuer, the Bondholder and the Arkansas Natural Resources Commission ("Natural Resources"), which has been presented to and is before this meeting; and

WHEREAS, in addition to the Series 2018A RLF Bond, the Issuer has the following outstanding issues of revenue bonds: Refunding Water Revenue Bond, Series 2010A (2009 ANRC Project) (the "Series 2010A Bond"), Water Refunding Revenue Bonds, Series 2010C (Watershed Protection Project) (the "Series 2010C Bonds"), Water Revenue Bond, Series 2011A (Wye Mountain Extension Project) (the "Series 2011A Bond"), Capital Improvement Water Revenue Bonds, Series 2012A (the "Series 2012A Bonds"), Refunding Water Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), Refunding Water Revenue Bonds, Series 2015 (the "Series 2015 Bonds"), Refunding Water Revenue Bonds, Series 2016 (the "Series 2016 Refunding Bonds"), Acquisition and Construction Water Revenue Bonds (Maumelle Water System Acquisition Project), Series 2016 (the "Series 2016 Maumelle Bonds"), Water Revenue Bond (Wilson Pump Station #1A Project), Series 2017A (the "Series 2017A Bond"), Water Revenue Bond, Series 2018A (the "2018A Centennial Bond") and Capital Improvement Water Revenue Bonds, Series 2018B (the "2018B Bonds"); and

WHEREAS, the Issuer is authorized under the provisions of Amendment No. 65 to the Arkansas Constitution and the Authorizing Legislation to issue and sell the bond; and

WHEREAS, the Issuer has given notice to the Cities and held a public hearing, both in accordance with the Consolidation Agreement dated as of March 1, 2001 by and among the Cities, the Board of Commissioners of the Little Rock Municipal Water Works and the Board of Commissioners of the North Little Rock Water Department (the "Consolidation Agreement"); and

WHEREAS, the Issuer is required to pay to the Arkansas Development Finance Authority, as servicer (the "Authority"), a financing fee equal to 1% per annum of the outstanding principal amount of the bond for the period described herein (the "Financing Fee");

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Central Arkansas Water:

Section 1. The following terms used in this Resolution shall have the following meanings unless the context requires otherwise:

"Accrued Debt Service" means, as of any date of calculation, the amount of Debt Service that has accrued with respect to the bond or any Parity Debt, as applicable, calculating the Debt Service that has accrued with respect to the bond or Parity Debt as an amount equal to the sum of (a) the interest on the bond or Parity Debt that has accrued and is unpaid and that will have accrued by the end of the then current calendar month, and (b) that portion of the principal of the bond or Parity Debt payable within the 12 month period following the date of calculation of the bond or Parity Debt that would have accrued (if deemed to accrue in the same manner as interest accrues) by the end of the then current calendar month.

"Debt Service" means, for any particular Fiscal Year with respect to the bonds or Parity Debt, as applicable, an amount equal to the sum of all principal and interest (net of any interest subsidy with respect to the bond or Parity Debt paid or payable to or for the account of the Issuer by any governmental body or agency) payable during such Fiscal Year calculated on the assumption that the bond or the Parity Debt, on the day of calculation cease to be outstanding by reason of, but only by reason of, payment or defeasance.

"Depreciation Fund" means the Depreciation Trust Fund maintained by the Issuer.

"Fiscal Year" means the annual accounting period of the System as from time to time in effect, initially a period commencing on January 1 of each calendar year and ending on the next succeeding December 31.

"Grant Aid" means any grants in aid made to the Issuer by the federal government, the State, or either or both of the Cities, or any federal subsidy legally available to pay the principal of or interest on the bond, the Parity Debt, the Series 2016 Maumelle Bonds or other Subordinated Indebtedness.

"Long Term Debt Surcharge Revenues" means 100% of the collections of the long term debt surcharge levied by the Issuer pursuant to Resolution 2015-15, as amended by Resolution 2016-06, for collection within the Maumelle water system service area.

"Operation and Maintenance Costs" means all actual operation and maintenance costs related to the System incurred by the Issuer in any particular Fiscal Year or period to which said term is applicable or charges made therefor during such Fiscal Year or period, including amounts reasonably required to be set aside in reserves for items of Operation and Maintenance Costs, the payment of which is not then immediately required. Operation and Maintenance Costs include, but are not limited to, amounts paid by the Issuer for improvement, repair, replacement, or acquisition of any item of equipment related to the System; salaries and wages, employees' health, hospitalization, pension, and retirement expenses; fees and expenses for services, materials, and supplies; rents; administrative and general expenses; insurance expenses; fiduciaries' fees and expenses and other agents' fees and expenses; legal, engineering, accounting, financing, and municipal advisory fees and expenses, and fees and expenses of other consulting and technical services; training of personnel; taxes; payments in lieu of taxes and other governmental charges; costs of utilities services and other auxiliary services; and any other current expenses or obligations required to be paid by the Issuer under the provisions of this Resolution or by law, all to the extent properly allocable to the System. Such Operation and Maintenance Costs do not include depreciation or obsolescence charges or reserves therefor; amortization of intangibles or other bookkeeping entries of a similar nature; interest charges and charges for the payment of principal, or amortization, of bonded or other indebtedness of the Issuer, or costs, or charges made therefor; or losses from the sale, abandonment, reclassification, revaluation, or other disposition of any properties.

"Parity Debt" means the Series 2010A Bond, the Series 2010C Bonds, the Series 2011A Bond, the Series 2012A Bonds, the Series 2014 Bonds, the Series 2015 Bonds, the Series 2016 Refunding Bonds, the Series 2017A Bond, the Series 2018A Centennial Bond, the Series 2018B Bonds and any future debt obligations of the Issuer incurred in compliance with Section 22(b) of this Resolution and secured and payable on a parity of security with the bond.

"Rate Covenant Requirement" has the meaning specified in Section 7(a) hereof.

"Rate Stabilization Account" means the account created under that name by the RSA Resolution.

"Revenue Fund" means the fund by that name heretofore created into which Revenues are deposited.

"Revenues" means all revenues, fees, income, rents, and receipts derived by the Issuer from the System, including without limitation any proceeds of the Issuer from the sale of any property of the System permitted under this Resolution, including the proceeds of any insurance covering business interruption loss. Revenues also include all interest, profits, or other income derived from the investment of any moneys held pursuant to this Resolution, and any trust indenture securing the Parity Debt, the Series 2016 Maumelle Bonds or other Subordinated Indebtedness and required to be paid into the Revenue Fund and the proceeds of any interest subsidy with respect to the bond, Parity Debt, Series 2016 Maumelle Bonds or other Subordinated Indebtedness paid to or for the account of the Issuer by any governmental body or agency. Revenues shall not include: (a) Grant Aid; (b) proceeds received on insurance resulting from casualty damage to assets of the System; (c) rentals or other charges derived by the Issuer under and pursuant to a lease or leases relating to Special Purpose Facilities; (d) the proceeds of sale of the bond, the Parity Debt, the Series 2016 Maumelle Bonds or other Subordinated Indebtedness, or other obligations issued for System purposes; (e) the proceeds of the Watershed Protection Fee; or (f) franchise fees. From and after the Stabilized Net Revenues Adjustment Date, the preceding sentence within the definition of "Revenues" shall read as follows: Revenues shall not include (a) Grant Aid; (b) proceeds received on insurance resulting from casualty damage to assets of the System; (c) rentals or other charges derived by the Issuer under and pursuant to a lease or leases relating to Special Purpose Facilities; (d) the proceeds of sale of the bond, Parity Debt, Subordinate Indebtedness (excluding the Series 2016 Maumelle Bonds) or other obligations issued for System purposes; (e) the proceeds of the Watershed Protection Fee; (f) franchise fees; or (g) Special Debt Retirement Charge Revenues.

"RSA Resolution" means Resolution 2010-03 adopted by the Issuer on May 13, 2010, establishing the Rate Stabilization Account and providing for its terms and conditions.

"Short-Term Indebtedness" means all indebtedness incurred or assumed by the Issuer, with respect to the System, for any of the following: (a) payments of principal and interest with respect to money borrowed for an original term, or renewable at the option of the Issuer, for a

period from the date originally incurred, of one year or less; (b) payments under leases having an original term, or renewable at the option of the lessee for a period from the date originally incurred, of one year or less; and (c) payments under installment purchase contracts having an original term of one year or less.

"Special Debt Retirement Charge Indebtedness" shall mean bonds, notes or other forms of indebtedness that are secured solely by Special Debt Retirement Charge Revenues and from any reserves established only to secure such bonds, notes or other forms of indebtedness. From and after the Stabilized Net Revenue Adjustment Date, the Series 2016 Maumelle Bonds are included within the definition of Special Debt Retirement Charge Indebtedness.

"Special Debt Retirement Charge Revenues" shall mean Revenues collected from a special charge to customers in a defined service area of the System that are used solely to retire Special Debt Retirement Charge Indebtedness.

"Special Purpose Bonds" means (i) such other bonds, notes or other interest bearing obligations to which a portion of the Revenues are pledged, and the proceeds of which are used to finance the design, acquisition, and construction of facilities or projects as the Issuer shall by resolution designate as a Special Purpose Facility, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds as contemplated and permitted by Section 22(d) of this Resolution, or (ii) such other bonds to which the Watershed Protection Fee is pledged and the proceeds of which are used to finance the acquisition of land within the watershed of Lake Maumelle or the design, acquisition, and construction of facilities or projects as the Issuer shall by resolution deem necessary or advisable for protection of water quality within Lake Maumelle.

"Special Purpose Facility" means (a) additional water sources, including but not limited to, a new lake; or (b) such other facilities or projects as the Issuer shall by resolution designate as a Special Purpose Facility, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds of the Issuer as contemplated and permitted by Section 22(d) of this Resolution.

"Stabilized Net Revenues" means, for any period, an amount equal to all of the Revenues received during such period less Operation and Maintenance Costs during such period, less amounts transferred into the Rate Stabilization Account pursuant to authorization by the Issuer, plus amounts transferred out of the Rate Stabilization Account pursuant to authorization by the Issuer.

"Stabilized Net Revenues Adjustment Date" means the first date on which (i) the Series 2010C Bonds, the Series 2012A Bonds, the Series 2014 Bonds and the Series 2015 Bonds are fully paid or defeased and (ii) the 2010A Bond and the Series 2011A Bond are either paid in full or the owners of the Series 2010A Bond and the Series 2011A Bond have agreed to release any



Special Debt Retirement Charge Revenues from the pledge in favor of the Series 2010A Bond and the Series 2011A Bond.

"Subordinate Indebtedness" shall mean the Series 2016 Maumelle Bonds and other bonds, notes, or other forms of indebtedness, the payment of the principal of or interest or redemption premium on which are payable solely from moneys after payment of all periodic obligations hereunder or under the provisions of any Parity Debt.

"Water Consultant" means any firm, corporation, or individual, including but not limited to registered professional engineers and certified public accountants, who are experienced in the administration, financial affairs, maintenance, construction, or operation of potable water collection treatment, and distribution facilities, appointed and paid by the Issuer, who: (a) is in fact independent and not under the domination of the Issuer; (b) does not have any substantial interest, direct or indirect, in the Issuer; and (c) is not connected with the Issuer as an officer or employee but who may be regularly retained to make annual or other periodic reports to the Issuer.

"Watershed Protection Fee" means the fee designated as such on each customer's water bill that by resolution of the Issuer is dedicated toward funding the Issuer's Watershed Management Program, which includes land purchases, water quality monitoring, and other measures to protect the Issuer's drinking water supply lakes from potential sources of pollution.

Section 2. The sale to the Bondholder of a bond from the Issuer in the maximum principal amount of \$37,000,000 at a price of par and otherwise subject to the terms and provisions hereafter in this Resolution set forth in detail be, and is hereby approved and the bond is hereby sold to the Bondholder. The Chairman is hereby authorized and directed to execute and deliver the Agreement on behalf of the Issuer and to take all action required on the part of the Issuer to fulfill its obligations under the Agreement. The Agreement is hereby approved in substantially the form submitted to this meeting with such changes as may be approved by the Chairman of the Issuer, his execution to constitute complete evidence of such approval.

Section 3. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly the Authorizing Legislation, Central Arkansas Water Revenue Bond (Ozark Point Water Treatment Plant Project), Series 2019A (the "bond") is hereby authorized and ordered issued in the maximum principal amount of \$37,000,000 the proceeds of the sale of which will be used to refund the Series 2018A RLF Bond, finance costs of the Improvements, pay expenses incidental thereto, fund interest during construction and pay expenses of issuing the bond.

The bond shall be dated the date of delivery to the Bondholder. The bond shall bear interest at the rate of 1.50% per annum based upon a 360-day year of twelve consecutive 30-day months. Interest shall be payable each April 15 and October 15 after the Bond is issued.

Principal shall be payable in installments on October 15, 2023 and on each April 15 and October 15 thereafter until the unpaid principal is paid in full as follows:

Date	Principal	Date	Principal
Oct 15, 2023	\$718,592.00	Oct 15, 2033	\$921,262.00
Apr 15, 2024	727,574.00	Apr 15, 2034	932,777.00
Oct 15, 2024	736,669.00	Oct 15, 2034	944,437.00
Apr 15, 2025	745,877.00	Apr 15, 2035	956,242.00
Oct 15, 2025	755,201.00	Oct 15, 2035	968,195.00
Apr 15, 2026	764,641.00	Apr 15, 2036	980,298.00
Oct 15, 2026	774,199.00	Oct 15, 2036	992,552.00
Apr 15, 2027	783,877.00	Apr 15, 2037	1,004,959.00
Oct 15, 2027	793,675.00	Oct 15, 2037	1,017,520.00
Apr 15, 2028	803,596.00	Apr 15, 2038	1,030,240.00
Oct 15, 2028	813,641.00	Oct 15, 2038	1,043,117.00
Apr 15, 2029	823,812.00	Apr 15, 2039	1,056,157.00
Oct 15, 2029	834,109.00	Oct 15, 2039	1,069,359.00
Apr 15, 2030	844,535.00	Apr 15, 2040	1,082,725.00
Oct 15, 2030	855,092.00	Oct 15, 2040	1,096,260.00
Apr 15, 2031	865,780.00	Apr 15, 2041	1,109,963.00
Oct 15, 2031	876,603.00	Oct 15, 2041	1,123,837.00
Apr 15, 2032	887,560.00	Apr 15, 2042	1,137,885.00
Oct 15, 2032	898,655.00	Oct 15, 2042	1,152,109.00
Apr 15, 2033	909,888.00	Apr 15, 2043	1,166,530.00

The bond will be registered as to both principal and interest, payable to the Bondholder, or registered assigns, as set forth hereinafter in the bond form, and shall be numbered R-1.

Payment of principal and interest shall be by check or draft mailed to the Bondholder at its address shown on the bond registration books of the Issuer which shall be maintained by the Secretary of the Issuer as Bond Registrar, without presentation or surrender of the bond (except upon final payment) and such payments shall discharge the obligation of the Issuer to the extent thereof. The Secretary of the Issuer shall keep a payment record and make proper notations thereon of all payments of principal and interest.

Payment of principal and interest shall be in any coin or currency of the United States of America which, as at the time of payment, shall be legal tender for the payment of debts due the United States of America. When the principal of and interest on the bond have been fully paid, it shall be canceled and delivered to the Secretary of the Issuer.

Section 4. The bond shall be executed on behalf of the Issuer by the Chairman and Secretary of the Issuer and shall have impressed thereon the seal of the Issuer. The bond is not a general obligation of the Issuer but is a special obligation, the principal of and interest on which,

and Financing Fee in connection therewith, are secured by a pledge of and are payable from Stabilized Net Revenues. The pledge of Stabilized Net Revenues is on a parity with the pledge in favor of the Parity Debt. The pledge of Stabilized Net Revenues is senior to the pledge in favor of the Series 2016 Maumelle Bonds. It is understood and agreed that from and after the Stabilized Net Revenues Adjustment Date, that there will not be included in the definition of Revenues any Special Debt Retirement Charge Revenues and such Special Debt Retirement Charge Revenues shall be released from the pledge of this Resolution on the Stabilized Net Revenues Adjustment Date. The bond and interest thereon shall not constitute an indebtedness of the Issuer within any constitutional or statutory limitation.

Section 5. The bond shall be in substantially the following form and the Chairman and Secretary of the Issuer are hereby authorized and directed to make all the recitals contained therein:

(form of single registered bond)

UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
CENTRAL ARKANSAS WATER  
WATER REVENUE BOND  
(OZARK POINT WATER TREATMENT PLANT PROJECT),  
SERIES 2019A

No. R-1

\$37,000,000

KNOW ALL MEN BY THESE PRESENTS:

That the Central Arkansas Water (the "Issuer"), for value received, hereby acknowledges itself to owe and promises to pay to the Arkansas Development Finance Authority, or registered assigns, solely from the special fund provided as hereinafter set forth, the principal sum of

THIRTY SEVEN MILLION DOLLARS  
(or the total principal amount outstanding as reflected  
by the Record of Payment of Advances attached hereto)

with interest on the unpaid balance of the total principal amount at the rate of 1.50% per annum based upon a 360 day year and twelve consecutive 30 day months. The principal and interest shall be payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America.

Interest on the unpaid balance of the total principal amount shall be payable on \_\_\_\_\_ 15, 202\_\_ and on each April 15 and October 15 thereafter. Principal shall be payable in installments on October 15, 2023 and on each April 15 and October 15 thereafter until the unpaid principal is paid as follows:

<u>Date</u>	<u>Amount</u>
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(There will be inserted the schedule  
set forth in Section 3 of this Resolution.)

Payments of the principal and interest installments due hereon shall be made, except for final payment, without presentation and surrender of this bond, directly to the registered owner at his address shown on the bond registration book of the Issuer maintained by the Secretary of the Issuer as Bond Registrar, and such payments shall fully discharge the obligation of the Issuer to the extent of the payments so made.

This bond is issued for the purpose of refunding the Issuer's Water Revenue Bond (Ozark Point Water Treatment Plant Project), Series 2018A and providing financing of the costs of extensions, betterments and improvements to the Issuer's water system, consisting of collection, holding, treatment and distribution facilities (the "System"), interest during construction and costs of authorizing and issuing this bond, and is issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 25, Chapter 20, Subchapter 3 of the Arkansas Code of 1987 Annotated, and pursuant to Resolution No. 2019-08 of the Issuer, duly adopted and approved on the 15th day of August, 2019 (the "Authorizing Resolution"). Reference is hereby made to the Authorizing Resolution for the details of the nature and extent of the security and of the rights and obligations of the Issuer and the registered owner of this bond.

This bond may be assigned with the written approval of the Arkansas Natural Resources Commission ("Natural Resources"), and in order to effect such assignment the assignor shall promptly notify the Secretary of the Issuer by registered mail, and the assignee shall surrender this bond along with a written approval of Natural Resources to the Secretary of the Issuer for transfer on the registration records. Every assignee shall take this bond subject to all payments and prepayments of principal and interest (as reflected by the Payment Record maintained by the Secretary of the Issuer), prior to such surrender for transfer.

This bond may be prepaid at the option of the Issuer from funds from any source, in whole but not in part, at any time on and after April 15, 2029, at a prepayment price equal to the principal amount outstanding, plus accrued interest to the prepayment date. Notice shall be given of such prepayment to the owner of this bond or registered assigns at least 90 days prior to the prepayment date. Such notice shall be in writing mailed to the address of the owner of this bond or registered assigns at the address as reflected on the bond registration books of the Secretary of the Issuer.

This bond does not constitute an indebtedness of the Issuer within any constitutional or statutory limitation or provision and shall not constitute and indebtedness of, or pledge the faith and credit of, the State of Arkansas or the Cities of Little Rock and North Little Rock, Arkansas within the meaning of any constitutional provisions or limitations. This bond is a special obligation payable solely from the revenues derived from the operation of the System. In this regard, the pledge of Stabilized Net Revenues is on a parity with the pledge of Stabilized Net Revenues to the Parity Debt identified in the Authorizing Resolution. The pledge of Stabilized Net Revenues is subject to reduction to the extent and on and after the date set forth in the Authorizing Resolution. A sufficient amount of Stabilized Net Revenues to pay principal and interest has been duly set aside and pledged as a special fund for that purpose, identified as the "ADFA Bond Fund," in the Authorizing Resolution. The Issuer has fixed and has covenanted and agreed to maintain rates for use of the System which shall be sufficient at all times to at least provide for the payment of the reasonable expenses of operation and maintenance of the System, provide for the payment of the principal of and interest on all the outstanding bonds to

which System revenues are pledged as the same become due, to establish and maintain any required debt service reserves and to provide a depreciation fund, all as set forth in the Authorizing Resolution.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State to exist, happen and be performed precedent to and in the issuance of this bond do exist, have happened and have been performed in regular and due time, form and manner as required by law; that this bond does not exceed any constitutional or statutory limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this bond, as provided in the Authorizing Resolution.

IN WITNESS WHEREOF, Central Arkansas Water has caused this bond to be executed in its name by its Chairman and Secretary, thereunto duly authorized, and its corporate seal to be affixed, all as of the 15th day of August, 2019.

CENTRAL ARKANSAS WATER

ATTEST”

By Kauli Ha  
Chairman

J. D. McCarz  
Secretary  
(SEAL)

[A Registration Certificate and Record of Payment of Advances shall be attached to the bond.]

Section 6. The Issuer has heretofore fixed water rates by Resolution No. 2015-15, adopted October 8, 2015, Resolution No. 2016-06, adopted February 11, 2016, Resolution No. 2017-10, adopted September 14, 2017, Resolution No. 2018-13, adopted December 20, 2018 and Resolution No. 2018-14, adopted December 20, 2018. Reference is hereby made to such Resolutions for the details thereof and other provisions pertaining thereto, which water rates are hereby confirmed and continued as provided therein. The rates in effect for water service at this time shall not be reduced without the prior written consent of Natural Resources and the Bondholder.

Section 7. (a) In order to assure full and continuous performance of the covenants contained herein with a margin for contingencies and temporary unanticipated reduction in Revenues, the Issuer covenants and agrees to establish, fix, prescribe, continue, and collect (directly or through leases, use agreements or other agreements, or licenses or resolutions) rates

and charges for the sale of water furnished by the Issuer which, together with other income, are reasonably expected to yield available Revenues at least equal to the Rate Covenant Requirement for the forthcoming Fiscal Year. The term "Rate Covenant Requirement" shall mean: Stabilized Net Revenues at least equal to the sum of (A) 120% of the Debt Service for the forthcoming Fiscal Year for the bond and any Parity Debt and (B) 100% of the amounts, if any, required by the terms and conditions for any Parity Debt to be deposited into applicable debt service reserve funds for such Parity Debt during the forthcoming Fiscal Year.

(b) If the annual financial statements relating to Revenues disclose that during the period covered by such financial statements the Stabilized Net Revenues were not at least equal to the Rate Covenant Requirement, the Issuer shall not be in default under this Section if, (1) within 60 days after the date of delivery of such financial statements the Issuer obtains recommendations from a Water Consultant as to the revision of the rates, charges, and fees necessary to produce Stabilized Net Revenues at least equal to the Rate Covenant Requirement and (2) the Issuer, on the basis of such recommendations, revises the schedule of rates, charges, and fees insofar as is practicable and revises Operation and Maintenance Costs so as to produce Stabilized Net Revenues at least equal to the Rate Covenant Requirement.

(c) The Issuer has previously authorized, by the RSA Resolution, the creation of a separate fund of the Issuer designated as the Rate Stabilization Account in order to even out fluctuations in Revenues and help to alleviate the need for short-term adjustments. Moneys in the Rate Stabilization Account will be transferred as determined from time to time by the Issuer. The Issuer may make payments into the Rate Stabilization Account and make withdrawals from the Rate Stabilization Account as provided in the RSA Resolution and as provided in Section 19. For purposes of defining Stabilized Net Revenues, amounts deposited into the Rate Stabilization Account shall decrease Revenues for the Fiscal Year for which they are deposited, and amounts withdrawn from the Rate Stabilization Account shall increase Revenues for the Fiscal Year for which they are withdrawn. Credits to or withdrawals from the Rate Stabilization Account that occur within 90 days after the end of a Fiscal Year may be treated as occurring within such Fiscal Year. The Issuer shall transfer moneys held within the Rate Stabilization Account to the Revenue Fund at such time and in such amounts as may be necessary to pay Operation and Maintenance Costs and to provide Revenues to enable the Issuer to satisfy any of its obligations under this Resolution or as required by any Parity Debt or Subordinated Indebtedness.

(d) Until such time as the Issuer has issued debt secured by the Watershed Protection Fees, the Issuer may include the revenue generated by the Watershed Protection Fees when making the calculations required by this Section.

**Section 8.** Subject to the limitations of the Consolidation Agreement, the Issuer has, and will have so long as the bond is outstanding, good, right, and lawful power to own the System and to fix and collect rates, fees, and other charges in connection with the distribution and sale of potable water to its customers. No revenue producing facility or service of the System shall be leased, furnished, or supplied free, but shall always be leased, furnished, or

supplied so as to produce Revenues, provided that the Issuer reserves the right (a) to lease, furnish, or supply, free of charge, any such facility or service to the extent that such action does not materially adversely affect the Issuer's ability to perform the Issuer's obligations under this Resolution, and (b) to adjust the rates, fees, and charges of the System in a manner such that the anticipated aggregate Revenues resulting after the adjustments shall not materially differ from the Revenues anticipated prior to the adjustments.

Section 9. The Issuer will not create, or permit the creation of, any new pledge, lien, charge, or encumbrance upon the Stabilized Net Revenues after the date hereof except as provided in or permitted by this Resolution.

Section 10. Subject to the provisions of the Consolidation Agreement, so long as the bond is outstanding, except as otherwise provided herein, the Issuer will not sell, lease, or otherwise dispose of all or a substantial part of the System, provided, however, that, to the extent permitted by law, the Issuer may lease or make contracts or grant licenses for the operation of, or grant easements or other rights with respect to, any part of the System if such lease, contract, license, easement, or right does not impede or restrict the operation of the System by the Issuer. The Issuer may, however, from time to time, sell, exchange, or otherwise dispose of any machinery, fixtures, apparatus, tools, instruments, or other movable property or any real property acquired by it, if the Issuer shall determine that such property is no longer needed in connection with the operation and maintenance of the System and the proceeds of any such disposition shall be applied to the replacement of the property so sold or disposed of or the acquisition of property of equal or greater value or shall be deposited into the Revenue Fund.

Section 11. The Issuer will operate the System continuously in an efficient and economical manner, to the extent practicable under then existing conditions. The Issuer will at all times maintain, preserve, and keep the System in good repair, working order, and condition so that the operating efficiency thereof will be of high character. The Issuer will cause all necessary and proper repairs and replacements to be made so that the business carried on in connection with the System may be properly and advantageously conducted at all times in a manner consistent with prudent management and the so that rights and security of the owner of the bond may be fully protected and preserved.

Section 12. All Revenues shall be promptly deposited by the Issuer to the credit of the Revenue Fund, and the Long Term Debt Surcharge Revenues shall be deposited into the Long Term Debt Surcharge Revenue Account in the Revenue Fund.

Section 13. The Operation and Maintenance Costs shall be paid by the Issuer from time to time as they become due and payable as a first charge on the Revenue Fund.

Section 14. (a) After paying the Operation and Maintenance Costs as they become due, there shall be paid as a second charge on the Revenue Fund, from amounts on deposit in the Revenue Fund, into an account of the Issuer in a special fund to be created by the Bondholder



and designated "Series 2019A" (the "ADFA Bond Fund") for the purpose of paying the principal of and interest on the bond the amounts specified in (b) below.

(b) There shall be deposited from proceeds of the bond or, at the direction of the Issuer, from moneys in the Revenue Fund, into the ADFA Bond Fund on each April 15 and October 15 after the bond is issued and delivered until April 15, 2023, the interest due on the bond on such dates. Commencing on each April 15 and October 15 thereafter, there shall be deposited from money or into the AFDA Bond Fund, an amount equal to the principal and interest on of the bond then due.

(c) All moneys in the ADFA Bond Fund shall be used solely for the purpose of paying the principal of and interest on the bond and the Issuer shall automatically receive a credit for the amount of such Issuer Funds on hand in the ADFA Bond Fund and available for the payment of any principal and interest currently due on an interest or principal payment date irrespective of whether the Bondholder has applied or caused to be applied such funds on that date for such purpose.

(d) The bond shall be specifically secured by a pledge of all Stabilized Net Revenues required to be placed into the ADFA Bond Fund. This pledge in favor of the bond is hereby irrevocably made according to the terms of this Resolution, and the Issuer and its officers and employees shall execute, perform and carry out the terms thereof in strict conformity with the provisions of this Resolution.

(e) Also as a second charge on the Revenue Fund, there shall be paid from amounts on deposit in the Revenue Fund the amounts required to be paid monthly into the bond funds established for any Parity Debt.

(f) If there are not sufficient moneys to satisfy the requirements of this Section 14 with respect the bond and all Parity Debt, all moneys available for distribution among such Parity Debt and the bond shall be distributed on a pro rata basis to the deficient bond funds; such distribution to be determined by multiplying the amount available for distribution by the proportion that the deficiency for each bond series bears to the total deficiency for all bond series.

Section 15. As a third charge on the Revenue Fund, there shall be paid monthly from moneys in the Revenue Fund into the debt service reserve funds established for the benefit of any Parity Debt, in the event that there are draws from the debt service reserve funds established for the benefit of any Parity Debt to pay principal of or interest on any outstanding Parity Debt, the amount, if any, required to restore the balance in the debt service reserve funds established for the benefit of Parity Debt in 12 consecutive monthly payments to the reserve requirements established with respect to Parity Debt, as applicable; provided that if there are not sufficient moneys to satisfy the requirements of this subsection with respect to all series of Parity Debt bond issues, all moneys available for distribution among such series of Parity Debt bonds shall

be distributed on a pro rata basis to the deficient debt service reserve accounts by the proportion that the deficiency for each series of bond issues bears to the total deficiency for all such accounts.

Section 16. There shall be paid monthly as a fourth charge on the Revenue Fund from moneys in the Revenue Fund the Financing Fee and all other financing fees in connection with Parity Debt, to the Authority. The Financing Fee shall be payable on each date interest on the bond is due and shall be calculated on the same basis as interest on the bond. The payment of the Financing Fee is expressly made subordinate to the payment of the principal of and interest on the bond and the Parity Debt.

Section 17. As a fifth charge on the Revenue Fund, but only to the extent of moneys available in the Long Term Debt Surcharge Account in the Revenue Fund, the various deposits and transfers required by the indenture securing the Series 2016 Maumelle Bonds, including deposits and transfers to the bond fund and debt service reserve fund established for the benefit of the Series 2016 Maumelle Bonds. From and after the Stabilized Net Revenues Adjustment Date, moneys in the Long-Term Debt Surcharge Account (i) shall only be used to make deposits and transfers to the bond fund and debt service reserve fund established for the benefit of the Series 2016 Maumelle Bonds and (ii) shall no longer be subject to the lien and pledge securing the bond.

Section 18. As a sixth charge on the Revenue Fund, there shall be paid monthly from moneys in the Revenue Fund into the Depreciation Fund, an amount calculated as follows: a flat three percent (3%) of water consumption-based revenues and private fire service revenues (including wholesale revenues). The Depreciation Fund shall be used for replacements and repairs to the System.

Section 19. Moneys in the Revenue Fund in excess of the amounts required to be transferred monthly pursuant to Sections 13 through 18 of this Resolution may be utilized by the Issuer for any lawful System purpose, including deposits to the Rate Stabilization Account pursuant to Section 7. Money in the Rate Stabilization Account shall be used as provided in the RSA Resolution.

Section 20. The Issuer shall assure that (i) not in excess of 10% of the proceeds of the bond is used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the bond during the term thereof is, under the terms of the bond or any underlying arrangement, directly or indirectly secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed moneys used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the proceeds of the bond are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the bond during the term thereof is, under the terms of the bond or any underlying arrangement,

directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of proceeds of the bond used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Improvements.

The Issuer shall assure that not in excess of 5% of the proceeds of the bond are used, directly or indirectly, to make or finance a loan to persons other than state or local governmental units.

As used in this Section, "Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

The Issuer covenants that it will not enter into any wholesale water contracts with non-governmental entities or modify existing wholesale water contracts with non-governmental entities if such contracts or modifications of existing contracts will cause a violation of this Section.

Section 21. The principal and interest installments shall be prepayable prior to maturity as provided in the bond form in Section 5 hereof.

Section 22. (a) As long as the bond is outstanding, the Issuer shall not issue or attempt to issue any bonds having or claimed to be entitled to a priority of lien on Revenues or Stabilized Net Revenues over the lien securing the bond.

(b) The Issuer may issue additional revenue bonds on a parity with the lien on Stabilized Net Revenues in favor of the bond provided that either there is no event of default with respect to the bond or any outstanding Parity Debt; and either

(1) The average annual Stabilized Net Revenues for the immediately preceding two calendar years exceed an amount equal to not less than the sum of (i) 120% of the average annual debt service of the bond and the outstanding Parity Debt, and (ii) the maximum annual debt service on the proposed Parity Debt. Until such time as the Issuer has issued debt secured by the Watershed Protection Fees, the Issuer may include the revenue generated by the Watershed Protection Fees when computing Stabilized Net Revenues under this Section; or

(2) The additional revenue bonds are being issued to refund any outstanding Parity Debt if the refunded Parity Debt is defeased on the date of delivery of the refunding Parity Debt and if the annual debt service of the refunding Parity Debt does not exceed the annual Debt Service of the Parity Debt in any Fiscal Year by more than \$5,000; or

(3) The additional revenue bonds constitute Short-Term Indebtedness and if immediately after incurrence of such Short-Term Indebtedness the outstanding principal amount of all Short-Term Indebtedness does not exceed 10% of budgeted net Revenues (Revenues less Operation and Maintenance Costs) of the System as shown on the annual budget for the current Fiscal Year.

(c) From and after the Stabilized Net Revenues Adjustment Date, the Issuer may issue or incur Special Debt Retirement Charge Indebtedness that is not Subordinate Indebtedness on the date issued or incurred.

(d) (1) The Issuer may issue Special Purpose Bonds for the purpose of financing or refinancing the cost of (i) Special Purpose Facilities in accordance with subsection (d)(2) or (ii) those matters that may be funded by the Watershed Protection Fee in accordance with subsection (d)(3).

(2) The Special Purpose Bonds referred to in this subsection shall be payable as to principal, redemption premium, if any, and interest solely from rentals or other charges derived by the Issuer under and pursuant to a lease or leases relating to the Special Purpose Facilities entered into by and between the Issuer, as lessor, and such person, firm, or corporation, either public or private, as shall lease the Special Purpose Facilities from the Issuer. Before any Special Purpose Facilities shall be constructed or acquired by the Issuer under this subsection, the Issuer shall adopt a resolution describing in reasonable detail the Special Purpose Facilities to be constructed or acquired by the Issuer, authorizing the issuance of the Special Purpose Bonds to finance the cost of construction or acquisition of such Special Purpose Facilities and prescribing the rights, duties, remedies, and obligations of the Issuer and the holders, from time to time, of such Special Purpose Bonds. In addition, no such Special Purpose Bonds shall be issued by the Issuer to finance Special Purpose Facilities unless:

(A) there shall have been filed with the Issuer a Water Consultant's Certificate stating that:

(i) the estimated rentals or other charges to be derived by the Issuer under and pursuant to the lease or other agreement relating to the Special Purpose Facilities will be at least sufficient to pay the principal of and interest on such Special Purpose Bonds as and when the same become due and payable, all costs of operating and maintaining such Special Purpose Facilities not paid for by the lessee thereof, and all sinking fund, reserve, or other payments required by the resolution authorizing the Special Purpose Bonds as the same become due; and

(ii) the acquisition or construction and operation of such Special Purpose Facilities will not adversely affect the ability of the System to produce Stabilized Net Revenues at least equal to the Rate Covenant Requirement; and

(B) the Issuer has entered into a lease which shall be for a term at least as long as the period during which such Special Purpose Bonds are outstanding and unpaid and which shall provide for annual payments to the Issuer, in addition to all rentals and other charges for the use of the Special Purpose Facilities, of ground rent in an amount which is determined by the Issuer to be a fair and reasonable rental for the land on which said Special Purpose Facilities are situated.

(3) The Special Purpose Bonds referred to in this subsection shall be payable as to principal, redemption premium, if any, and interest solely from Watershed Protection Fees. No such Special Purpose Bonds shall be issued by the Issuer to finance projects that may be funded by the Watershed Protection Fee unless there shall have been filed with the Issuer a Water Consultant's Certificate stating that the Watershed Protection Fees to be derived by the Issuer on an annual basis will be at least sufficient to pay the principal of and interest on such Special Purpose Bonds as and when the same become due and payable, and all sinking fund, reserve, or other payments required by the resolution authorizing the Special Purpose Bonds as the same become due.

(4) In the event the Issuer desires to issue Special Purpose Bonds secured by the revenue streams referred to in both subsections (d)(2) and (3), the Issuer shall comply with the requirements of both subsections (d)(2) and (3).

(e) The Issuer may issue Subordinate Indebtedness without limit as to amount.

Section 23. It is covenanted and agreed by the Issuer with the Bondholder, the Authority and Natural Resources that it will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State and by this Resolution, including, without limitation, the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, segregating Revenues and applying them to the respective funds maintained pursuant to the this Resolution.

The Issuer covenants and agrees that the Bondholder shall have the protection of all the provisions of the Authorizing Legislation, and that the Issuer will diligently proceed to enforce those provisions to the end of the Bondholder realizing fully upon its security. And, if the Issuer shall fail to proceed within 30 days after written request shall have been filed by the Bondholder, the Bondholder may proceed to enforce all such provisions.

If there be any default in the payment of the principal of or interest on the bond, or if the Issuer defaults in any ADFA Bond Fund requirement or in the performance of any of the other covenants contained in this Resolution, the Bondholder may, by proper suit, compel the performance of the duties of the officials of the Issuer under the laws of the State. In the case of a default in the payment of the principal of and interest on the bond, the Bondholder may apply in a proper action to a court of competent jurisdiction for the appointment of a receiver to administer the System on behalf of the Issuer and the Bondholder with power to charge and

collect (or by mandatory injunction or otherwise to cause to be charged and collected) rates sufficient to provide for the payment of the expenses of operation, repair and maintenance and to pay the bond and interest outstanding and to apply Revenues in conformity with this Resolution. When all defaults in principal and interest payments have been cured, the custody and operation of the System shall revert to the Issuer. No remedy herein conferred upon or reserved to the Bondholder is intended to be exclusive of any other remedy or remedies herein provided or provided by law, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or given by law. No delay or omission of the Bondholder to exercise any right or power accrued upon any default shall impair any such right or power or shall be construed to be a waiver of any default or an acquiescence therein; and every power and remedy given by this Resolution to the Bondholder may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon. Any costs of enforcement of the bond or of any provision of this Resolution, including reasonable attorney's fees, shall be paid by the Issuer. The Authority may enforce all rights and exercise all remedies available to the Bondholder in the event the Financing Fee is not paid when due.

Nothing herein contained shall permit the levy of any attachment or execution upon any of the properties of the Issuer, nor shall any properties of the Issuer be subject to forfeiture by reason of any default hereunder, it being expressly understood and agreed by the Bondholder by the acceptance of the bond that the rights of the Bondholder are limited and restricted to the use and application of Revenues, funds and other moneys, securities and funds pledged under this Resolution.

Section 24. When the bond has been executed and sealed as herein provided, it shall be delivered to the Bondholder upon payment of all or a portion of the purchase price in accordance with the Agreement. From the proceeds of the bond, the Series 2018A RLF Bond shall be paid in full. Sales proceeds in the amount necessary to make all or a portion of the semiannual interest and Financing Fee payments due on each April 15 and October 15 to and including April 15, 2023 shall be applied, unless otherwise directed by the Issuer, to the payment of Financing Fees and interest on the bond on such dates. The balance of the sale proceeds shall be deposited, as and when received, in a special account of the Issuer hereby created in a bank that is a member of the Federal Deposit Insurance Corporation and designated the "2019A Water Construction Fund" (the "Construction Fund"). The moneys in the Construction Fund shall be used for reimbursing the Issuer for the costs paid in planning and designing the Improvements, expenses incidental thereto and the expenses of issuing the bond approved in accordance with the Agreement. Payments from the Construction Fund shall be by check or voucher signed by a person designated by the Issuer, and drawn on the depository. Each such check or voucher shall briefly specify the purpose of the expenditure.

Section 25. The terms of this Resolution shall constitute a contract among the Issuer, the Bondholder and Natural Resources and no variation or change in the undertaking herein set forth shall be made while the bond is outstanding unless consented to in writing by the Bondholder and Natural Resources.

Section 26. The Issuer agrees that it will keep proper records, books and accounts relating to the operation of the System, which shall be kept separate from all other records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the operation of the System in accordance with generally accepted government accounting standards. Such books shall be available for inspection by the Bondholder and Natural Resources, or the agent or the representative of either, at reasonable times and under reasonable circumstances. The Issuer agrees to have its financial statements audited annually by an independent certified public accountant or the Legislative Joint Auditing Committee, Division of Legislative Audit of the State of Arkansas. The Issuer shall within 180 days after the end of each Fiscal Year file with the Authority and Natural Resources its annual audited financial statements. If the Issuer's audited financial statements are not available by such date, the Issuer shall file such audited financial statements with the Authority and Natural Resources within 60 days after receipt thereof by the Issuer.

Section 27. The Issuer covenants and agrees that it will maintain the System in good condition and operate it in an efficient manner and at reasonable cost. The Issuer agrees that, to the extent comparable protection is not otherwise provided to the satisfaction of the Bondholder and Natural Resources, it will insure, and at all times keep insured in a responsible insurance company or companies selected by the Issuer and authorized and qualified under the laws of the State to assume the risk thereof, all above-ground structures of the System against loss or damage thereto in amounts and against such risks as are customarily insured against in connection with similar facilities and undertakings as the System. In the event of loss, the proceeds of such insurance shall be applied solely toward the reconstruction, replacement or repair of the System, and in such event the Issuer will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement and repair work.

Section 28. The provisions of this Resolution are hereby declared to be separable, and if any provision shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of this Resolution.

Section 29. Reference in this Resolution to "Bondholder" shall include the original Bondholder or any registered assign thereof.

Section 30. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: August 15, 2019.

ATTEST:

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

(SEAL)

APPROVED:

  
\_\_\_\_\_  
Kandi Hughes, Chair

CERTIFICATE

The undersigned, Secretary of Central Arkansas Water, hereby certifies that the foregoing pages are a true and perfect copy of Resolution No. 2019- 08 , adopted at a regular session of the Board of Commissioners of Central Arkansas Water, held at the regular meeting place in the City of Little Rock, Arkansas at 2:00 o'clock p.m., on the 15th day of August, 2019.

GIVEN under my hand and seal on this 15th day of August, 2019.

  
\_\_\_\_\_  
Secretary

(SEAL)



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

September 12, 2019

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, September 12, 2019, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Mr. Jim McKenzie, Acting Chair  
Ms. Carmen Smith, Acting Secretary/Treasurer  
Mr. Jay Hartman, Commissioner  
Mr. Anthony Kendall, Commissioner  
Dr. Jay Barth, Commissioner

**Absent:**

Ms. Kandi Hughes, Chair  
Mr. Eddie Powell, Vice Chair

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. David Johnson, General Counsel  
Mr. Jeremy Sparks, Chief Innovation Officer  
Ms. Cynthia Edwards, Director of Finance  
Ms. Glenda Bunch, Director of Human Resources  
Mr. Blake Weindorf, P.E., Director of Distribution  
Mr. Danny Dunn, Assistant Director of Distribution  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Alex Harper, GIS Manager  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Mary Dyson, Management Secretary

**Also, in Attendance:**

Mr. Jordan Johnson, JPJ Consulting, LLC  
Ms. Morgan Carrico, JPJ consulting, LLC  
Ms. Rachel Herzog, AR Democrat-Gazette  
Mr. Cole Rodgers, McGriff Insurance Services  
Mr. Dee Brown, P.E., Brown Engineers  
Mr. Ben Rainwater, PhD, Brown Engineers  
Mr. Bill Halter, Scenic Hill Solar  
Ms. Carrie Kyhl, Scenic Hill Solar  
Mr. Joe White, Citizen  
Mr. Jim Lindsey, Citizen  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County

Mr. Barry Haas, Citizen

### **CALL MEETING TO ORDER**

Secretary McKenzie called the meeting to order at 2:00 p.m. and called for a moment of silence in remembrance of Commissioner Eddie Powell who passed away Wednesday, September 11.

### **PROCEDURAL MOTIONS**

#### **Motion to Appoint Acting Chair and Acting Secretary/Treasurer**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Kendall, given the absence of CAW's current Chair and Vice-Chair, the appointment of Secretary McKenzie as Acting Chair and Commissioner Smith as Acting Secretary/Treasurer for today's meeting was unanimously approved.

#### **Motion to Adopt Revised Agenda**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hartman, the revised agenda was unanimously approved.

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, the minutes of the August 15, 2019, Regular Meeting were unanimously approved.

### **EMPLOYEE PRESENTATION**

Mr. Dunn made a short presentation on HIVIP and how the weekly HIVIP Behavior Statement motivates him and the Distribution staff.

### **OLD BUSINESS**

#### **Presentation of Responses to 2020 Health Insurance Request for Proposals and Employee Survey**

Mr. Sparks presented information on the employee survey and recent responses to the Request for Proposals for group health insurance coverage. Mr. Sparks requested Board approval of a contract renewal for the 2020 group health insurance coverage with Health Advantage with a 5% increase to premiums, effective January 1, 2020. Dual offerings of coverage levels will be available to current employees and Retiree's over 65 will move to a separate plan. The Board asked Staff to present different ways to fund the HSA's (i.e. all at beginning of year, monthly, quarterly, or each pay period), at the October board meeting.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, the 2020 group health insurance contract with Health Advantage was unanimously approved.

#### **Update on Potential Energy Saving Projects**

Mr. Bohannon updated the Board on the status of various potential energy cost reduction strategies and requested Board approval of a Resolution authorizing staff to proceed with filing an Application to Construct Net-Metering Facilities with the Public Service Commission.

The motion to authorize staff to proceed with filing an Application to Construct Net-Metering Facilities with the Public Service Commission failed. Those Commissioner voting ayes were: Commissioners McKenzie, Smith, and Barth. Commissioner Kendall voted nay and Commissioner Hartman abstained due to a potential conflict of interest.

## **NEW BUSINESS**

### **Approve the Additional Audit for CAW Required Under Federal Funding Rules**

Ms. Edwards requested Board approval of an additional audit required by federal funding rules for CAW.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Barth, the additional audit was unanimously approved.

### **Update on Potential Growth Areas**

Mr. Bohannon updated the Board on the status of an engineering analyses underway to evaluate potential growth areas.

### **Short-Term Strategic Planning**

Mr. Bohannon updated the Board on the highlights from the "strategy session" that was held in May and continued discussion regarding short-term strategic planning.

### **Long-Range Strategic Plan Introduction**

Mr. Bohannon made a presentation to the Board on current long-range strategic issues and opened discussion to prepare for next month's longer discussion on long-range strategic planning.

### **Watershed Property Discussion**

Mr. Bohannon made a presentation to the Board regarding a recent proposal from Potlatch Deltic for the purchase of 881 acres over a two-year period.

Acting Chair McKenzie recommended that Tad continue negotiations and bring back to the Board once the price is acceptable.

### **Vacant Commissioner Position**

Mr. Bohannon led a short discussion relating to the appointment of a new Commissioner to fill the now vacant position for a resident from the City of North Little Rock.

## **DEPARTMENT UPDATES**

### **Finance**

Ms. Edwards provided a year-to-date financial update on utility operations.

## **BOARD BRIEFING**

Mr. Bohannon provided an update on several matters to the Board.

## EXECUTIVE SESSION

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Kendall, the Board went into Executive Session with Mr. Bohannon to discuss a personnel matter.

Upon reconvening the regular session, Acting Chair McKenzie stated that no action was taken.

## ADJOURNMENT

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hartman, the meeting was adjourned at 4:31 p.m.

  
Jim McKenzie, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

October 10, 2019

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, October 10, 2019, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Ms. Kandi Hughes, Chair  
Mr. Anthony Kendall, Vice Chair  
Mr. Jim McKenzie, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. David Johnson, General Counsel  
Mr. Jeremy Sparks, Chief Innovation Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Ms. Glenda Bunch, Director of Human Resources  
Mr. Blake Weindorf, P.E., Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Andrew Pownall, P.E., Senior Engineer  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Andrew McLemore, Laboratory Technician  
Mr. Alex Harper, GIS Manager  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Chelsea Odle, Media Specialist  
Ms. Mary Dyson, Management Secretary  
Mr. Stephen Sullivan, Leak Detection Specialist and Vessel, Leak Detection Dog

**Also, in Attendance:**

Ms. Rachel Herzog, AR Democrat-Gazette  
Mr. Cole Rodgers, McGriff Insurance Services  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Mr. Barry Haas, Citizen

**CALL MEETING TO ORDER**

Chair Hughes called the meeting to order at 2:00 p.m.

## **PROCEDURAL MOTIONS**

### **Motion to Appoint Vice Chair**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner McKenzie, the appointment of Commissioner Kendall to fill the Vice Chair vacancy was unanimously approved.

## **EMPLOYEE PRESENTATION**

Mr. McLemore made a short presentation on HIVIP and how the weekly HIVIP Behavior Statement motivates him at work and home.

Mr. Sullivan, Leak Detection Specialist and Vessel, Leak Detecting Dog, were introduced to the Board.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Barth, the minutes of the September 12, 2019, Regular Meeting were unanimously approved.

## **OLD BUSINESS**

### **Presentation on Funding Health Savings Account (HSA)**

Mr. Sparks presented information on the different ways for CAW to fund the HSA for the employees that elect a High Deductible Health Plan; and informed the Board that without objection from the Board CAW would fund the HSA quarterly.

## **NEW BUSINESS**

### **Resolution Authorizing Units included in Monthly Minimum Charge and Fixing Watershed Protection Fees**

Mr. Mascagni presented a revised Resolution to the Board the removed the proposed change in the number of volumetric units included in the monthly minimum charged. Mr. Mascagni then requested Board approval of the revised Resolution to fix the watershed protection fee for 5/8" and 3/4" diameter meters at \$0.75 for calendar year 2020, and at \$0.90 effective January 1, 2021.

Upon a motion duly made by Commissioner Smith and seconded by Commissioner McKenzie, the Resolution as revised was unanimously approved.

### **Presentation on Paron-Owensville Water Authority (POWA) Consolidation**

Mr. Bohannon made a presentation on CAW and POWA consolidation and requested Board approval to negotiate with POWA to finalize a consolidation agreement.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Kendall, the Resolution was unanimously approved.

### Resolution authorizing the Issuance of Water Revenue Bonds

Mr. Mascagni requested Board approval of a Resolution of Intent to issue water revenue bonds in the maximum principal amount of \$6,500,000 to finance consolidation with POWA.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hartman, the Resolution was unanimously approved.

### Resolution Authorizing the Issuance of Water Revenue Bonds

Mr. Mascagni requested Board approval of a Resolution of Intent to issue water revenue bonds in the maximum principal amount of \$18,500,000 to finance the cost of capital improvements in an unserved area of West Pulaski County around Ferndale.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Barth, the Resolution was unanimously approved.

### Resolution Authorizing Purchase of Property

Mr. Bohannon requested Board approval to purchase from the City of Little Rock Lot 3R at the southeast corner of Capitol Avenue and Cumberland Street in Little Rock, which includes the unoccupied Little Rock Police Department Downtown Patrol Service Center and adjoining small parking lot, in the amount of \$267,000.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Barth, the Resolution was unanimously approved.

### Long-Range Strategic Plan Introduction

Mr. Bohannon made a presentation to the Board on current long-range strategic planning issues.

## **CONTRACTS/PURCHASES**

### Water Main Relocation along Crystal Hill and Counts Massie Roads

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hartman a construction contract with Intrench USA, Inc. in the amount of \$434,129.12 to relocate water mains that conflict with planned road and drainage improvements along sections of Crystal Hill and Counts Massie Roads was unanimously approved.

### Phase 3 Water Main Relocation along Kanis Road

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Kendall a construction contract with Cisneros Family Construction in the amount of \$533,324.80 to relocate water mains that conflict with planned road and drainage improvements along Kanis Road from Bowman to Gamble Road was unanimously approved.

### Phase 3 Water Main Replacement North of I-40 and South of MacArthur Drive

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Kendall a construction contract with Diamond Construction in the amount of \$590,100 to replace water mains identified as being very problematic and high maintenance just north of I-40 and south of MacArthur Drive in North Little Rock was unanimously approved.

## **DEPARTMENT UPDATES**

### **Finance**

Mr. Mascagni provided a year-to-date financial update on utility operations.

## **BOARD BRIEFING**

Mr. Bohannon provided an update on several matters to the Board; including existing proposed solar power agreements. Discussion ensued. Upon a motion duly made by Commission Kendall and seconded by Commissioner McKenzie the Resolution to authorize staff to file an application to Construct Net-Metering Facilities with the Public Service Commission was approved. Commissioner Hartman abstained due to a potential conflict of interest.

## **ADJOURNMENT**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, the meeting was adjourned at 4:17 p.m.



Jim McKenzie, Secretary/Treasurer



**RESOLUTION 2019-09**

**A RESOLUTION TO FIX THE WATERSHED PROTECTION FEE**

WHEREAS, Resolution 2018-13 allows the Central Arkansas Water Board, in order to provide sufficient funding to acquire land to prevent degradation of the water quality within the water supply lakes, the ability to increase the Watershed Protection Fee to \$0.75 as of January 1, 2020, and to either \$0.75 or \$0.90 per month per 5/8" or 3/4" equivalent meter effective January 1, 2021.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER:**

Section 1. The watershed protection fee is fixed in accordance with table below:

METER SIZE (diameter)	METER CHARGE (effective 1/1/2020)	METER CHARGE (effective 1/1/2021)
5/8"	\$ 0.75	\$ 0.90
3/4"	\$ 0.75	\$ 0.90
1"	\$ 1.13	\$ 1.35
1 1/2"	\$ 1.88	\$ 2.25
2"	\$ 3.75	\$ 4.50
3"	\$ 6.00	\$ 7.20
4"	\$ 11.25	\$ 13.50
6"	\$ 18.75	\$ 22.50
8"	\$ 37.50	\$ 45.00
10"	\$ 60.00	\$ 72.00

Section 2. This Resolution shall be in effect upon its adoption and approval.

Section 3. A copy of this Resolution shall be filed in the corporate offices of Central Arkansas Water where it will be available for public inspection.

ADOPTED: October 10, 2019

Attest:

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

  
\_\_\_\_\_  
Kandi Hughes, Chair

CERTIFICATE

STATE OF ARKANSAS   )  
  )  
COUNTY OF PULASKI   )

I, Jim McKenzie, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2019-09 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION TO FIX THE WATERSHED PROTECTION FEE**, adopted October 10, 2019

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of October 2019.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

**RESOLUTION NO. 2019-10**

**A RESOLUTION APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE WATER REVENUE BONDS; TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF THE BOND ISSUE; APPROVING SETTING A DATE FOR A PUBLIC HEARING ON THE ISSUANCE OF THE BONDS; APPROVING THE PREPARATION OF AN OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM, AND PRELIMINARY OFFICIAL STATEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

WHEREAS, Central Arkansas Water ("CAW") is a consolidated municipal water system created and existing under the consolidated Waterworks Authorization Act, Act 982 of the 83<sup>rd</sup> General Assembly of the State of Arkansas; and

WHEREAS, Paron-Owensville Water Authority ("POWA") is a rural water system located in Saline County that includes a service area encompassing the towns and communities of Paron, Ford, Owensville, Reform, and Rubicon.

WHEREAS, CAW has determined that it will be necessary to issue water revenue bonds in an aggregate principal amount not to exceed \$6,500,000, in one or more series, for the purpose of acquiring the water system currently owned and operated by POWA and making capital improvements (collectively, the "Improvements") thereto, together with establishing one or more debt service reserves and paying the cost of issuing the bonds; and

WHEREAS, CAW proposes to obtain funds to accomplish the Improvements and to pay expenses from the issuance of one or more series of tax-exempt bonds through a public offering, a private placement, or use of one or more of the programs offered by the Arkansas Natural Resources Commission ("ANRC"); and

WHEREAS, CAW proposes to repay the bonds with rate revenues and proceeds of one or more debt surcharges to be imposed upon POWA customers, and not CAW's general revenues; and

WHEREAS, the agreement that created CAW requires at least one public hearing on any proposed bond issuance and requires that CAW give three months' notice to the governing bodies of Little Rock and North Little Rock; and

WHEREAS, CAW desires to declare its "official intent," within the meaning of United States Treasury Regulation §1.150-2, to issue tax-exempt bonds.

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER:**

Section 1. CAW hereby declares its official intent and reasonable expectation to reimburse itself for original expenditures paid from its general or operating funds that are used in designing, constructing and equipping the Improvements between the date that is sixty (60) days prior to the date of this Resolution and the date the Bonds (as hereinafter defined) are issued, plus a de minimis amount and preliminary expenditures, with the proceeds of tax-exempt POWA bonds in the principal amount of not to exceed Six Million Five Hundred Thousand (\$6,500,000) (the "POWA Bonds")

Section 2. CAW shall reimburse itself for the original expenditures from proceeds of the POWA Bonds within 18 months after the later of:

- (a) the date the original expenditure is paid, or
- (b) the date the project is placed in service, but in no event more than three (3) years after the original expenditure is paid.

Section 3. The POWA Bonds shall be repaid from both rate revenues and collection of one or more monthly surcharges to be placed on the bill to customers who connect to POWA's water system.

Section 4. General Counsel is hereby instructed to give notice to the governing bodies of the Cities of Little Rock and North Little Rock that CAW intends to issue water revenue bonds, in one or more series, in an amount not to exceed Six Million Five Hundred Thousand Dollars (\$6,500,000) for the purpose of acquiring the water system currently owned and operated by POWA and making capital improvements thereto, together with establishing one or more debt service reserves and paying the cost of issuing the POWA Bonds.

Section 5. The Chief Financial Officer is hereby instructed to schedule a public hearing on the issuance of the POWA Bonds.

Section 6. If required, the Chief Financial Officer and General Counsel, working together with bond counsel, disclosure counsel, financial advisor, and trustee, are hereby instructed to prepare the forms of an Official Notice of Sale, Official Bid Form, and Preliminary Official Statement for presentation and approval by the Board at a later date.

Section 7. If required, such preliminary actions as are determined to be necessary by the Chief Executive Officer, General Counsel, and Chief Financial Officer are hereby authorized for the marketing of special revenue bonds in order to provide sufficient funds for acquiring the water system currently owned and operated by POWA and making capital improvements thereto, together with establishing one or more debt service reserves and paying the cost of issuing the POWA Bonds; provided, however, that at such time as the Chief Financial Officer may determine to be in the best interests of CAW, the final terms of the public sale of the bonds shall be submitted for approval by the Board of Commissioners of CAW, together with the proposed form of the Official Notice of Sale, Official Bid Form, and Preliminary Official Statement.

Section 8. The Chief Financial Officer may also provide a copy of this Resolution to ANRC to explore whether or not it is in the best interest of CAW to borrow from under a loan program administered by ANRC rather than borrow money pursuant to a public offering or private placement.

Section 9. The Board of Commissioners of CAW hereby authorizes and directs the Chief Executive Officer, Chief Legal Counsel, Chief Financial Officer, and other officers and employees of CAW to carry out or cause to be carried out all appropriate actions, to execute such other certificates or documents to evidence authority as authorized herein, and to take such other actions as they, in consultation with bond counsel, disclosure counsel, financial advisor, and trustee, shall consider necessary or advisable in connection with this Resolution in order to prepare for the sale of the bonds.

Section 10. This Resolution shall be in effect upon its adoption and approval.

Section 11. A copy of this Resolution shall be filed in the corporate offices of CAW where it will be available for public inspection.

ADOPTED: October 10, 2019

ATTEST:

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

  
\_\_\_\_\_  
Kandi Hughes, Chair



**RESOLUTION NO. 2019-11**

**A RESOLUTION APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE WATER REVENUE BONDS; TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF THE BOND ISSUE; APPROVING SETTING A DATE FOR A PUBLIC HEARING ON THE ISSUANCE OF THE BONDS; APPROVING THE PREPARATION OF AN OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM, AND PRELIMINARY OFFICIAL STATEMENT AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

WHEREAS, Central Arkansas Water ("CAW") is a consolidated municipal water system created and existing under the consolidated Waterworks Authorization Act, Act 982 of the 83<sup>rd</sup> General Assembly of the State of Arkansas; and

WHEREAS, residents residing in unserved areas of western Pulaski County have expressed a desire to obtain potable water for residences and businesses in the vicinity of Ferndale; and

WHEREAS, funding in an amount not to exceed \$18,500,000 is required to build the water infrastructure necessary to connect to CAW's distribution system and deliver a safe and dependable source of potable water to residences and businesses in west Pulaski County in and around the vicinity of Ferndale (collectively, the "Improvements") together with establishing one or more debt service reserves and paying the costs of issuing the bonds; and

WHEREAS, CAW proposes to obtain funds to accomplish the Improvements and to pay expenses from the issuance of one or more series of tax-exempt bonds through a public offering, a private placement, or use of one or more of the programs offered by the Arkansas Natural Resources Commission ("ANRC"); and

WHEREAS, CAW proposes to repay the bonds with proceeds of one or more debt surcharges to be imposed upon western Pulaski County customers connecting to the Improvements, and not CAW's general revenues; and

WHEREAS, the agreement that created CAW requires at least one public hearing on any proposed bond issuance and requires that CAW give three months' notice to the governing bodies of Little Rock and North Little Rock; and

WHEREAS, CAW desires to declare its "official intent," within the meaning of United States Treasury Regulation §1.150-2, to issue tax-exempt bonds.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER:**

Section 1. CAW hereby declares its official intent and reasonable expectation to reimburse itself for original expenditures paid from its general or operating funds that are used in designing, constructing and equipping the Improvements between the date that is sixty (60) days prior to the date of this Resolution and the date the Bonds (as hereinafter defined) are issued, plus a de minimis amount and preliminary expenditures, with the proceeds of one or more series of tax-exempt West Pulaski Bonds in the aggregate principal amount of not to exceed Eighteen Million Five Hundred Thousand (\$18,500,000) (the "West Pulaski Bonds")

Section 2. CAW shall reimburse itself for the original expenditures from proceeds of the West Pulaski Bonds within 18 months after the later of:

- (a) the date the original expenditure is paid, or
- (b) the date the project is placed in service, but in no event more than three (3) years after the original expenditure is paid.

Section 3. The West Pulaski Bonds shall be repaid from collection of one or more monthly surcharges to be placed on the bill to customers who connect to the Improvements.

Section 4. General Counsel is hereby instructed to give notice to the governing bodies of the Cities of Little Rock and North Little Rock that CAW intends to issue water revenue bonds, in one or more series, in an amount not to exceed Eighteen Million Five Hundred Thousand Dollars (\$18,500,000) for the purpose of designing, constructing, and equipping the Improvements, together with establishing one or more debt service reserves and paying the cost of issuing the West Pulaski Bonds.

Section 5. The Chief Financial Officer is hereby instructed to schedule a public hearing on the issuance of the West Pulaski Bonds.

Section 6. If required for issuance of one or more series of the West Pulaski Bonds, the Chief Financial Officer and General Counsel, working together with bond counsel, disclosure counsel, financial advisor, and trustee, are hereby instructed to prepare the forms of an Official Notice of Sale, Official Bid Form, and Preliminary Official Statement for presentation and approval by the Board at a later date.

Section 7. If required, such preliminary actions as are determined to be necessary by the Chief Executive Officer, General Counsel, and Chief Financial Officer are hereby authorized for the marketing of special revenue bonds in order to provide sufficient funds for design, construction, and equipping of the Improvements, together with establishing one or more debt service reserves and paying the cost of issuing the West Pulaski Bonds; provided, however, that at such time as the Chief Financial Officer may determine to be in the best interests of CAW, the final terms of the public sale of the bonds shall be submitted for approval by the Board of Commissioners of CAW, together with the proposed form of the Official Notice of Sale, Official Bid Form, and Preliminary Official Statement.



Section 8. The Chief Financial Officer may also provide a copy of this Resolution to ANRC to explore whether or not it is in the best interest of CAW to borrow from under a loan program administered by ANRC rather than borrow money pursuant to a public offering or private placement.

Section 9. The Board of Commissioners of CAW hereby authorizes and directs the Chief Executive Officer, General Counsel, Chief Financial Officer, and other officers and employees of CAW to carry out or cause to be carried out all appropriate actions, to execute such other certificates or documents to evidence authority as authorized herein, and to take such other actions as they, in consultation with bond counsel, disclosure counsel, financial advisor, and trustee, shall consider necessary or advisable in connection with this Resolution in order to prepare for the sale of the West Pulaski Bonds.

Section 10. This Resolution shall be in effect upon its adoption and approval.

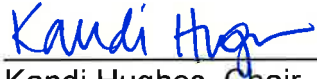
Section 11. A copy of this Resolution shall be filed with Secretary of CAW where it will be available for public inspection.

ADOPTED: October 10, 2019

ATTEST:

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

  
\_\_\_\_\_  
Kandi Hughes, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Jim McKenzie, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2019-11 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE WATER REVENUE BONDS; TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF THE BOND ISSUE; APPROVING SETTING A DATE FOR A PUBLIC HEARING ON THE ISSUANCE OF THE BONDS; APPROVING THE PREPARATION OF AN OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM, AND PRELIMINARY OFFICIAL STATEMENT AND PRESCRIBING OTHER MATTERS RELATING THERETO**, adopted October 10, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of October 2019.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

**RESOLUTION 2019-12**

**RESOLUTION AUTHORIZING PURCHASE OF PROPERTY; AND  
OTHER MATTERS RELATED THERETO**

WHEREAS, the Chief Executive Officer of Central Arkansas Water ("CAW") on behalf of CAW executed a contract with the City of Little Rock for the purchase by CAW from the City of Little Rock of Lot 3R, Block 40, of the Original City of Little Rock ("Property"), on which the unoccupied Little Rock Police Department Downtown Patrol Service Center and an adjacent small parking lot are situated; and

WHEREAS, execution of the contract entered by CAW and the City of Little Rock is contingent on the approval of the purchase of the Property by the Board of Commissioners; and

WHEREAS, the Board of Commissioners based upon the recommendations of staff has determined that acquiring the Property is in the best interest of CAW and its ratepayers.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF  
COMMISSIONERS OF CENTRAL ARKANSAS WATER THAT:**

Section 1. The contract between CAW and the City of Little Rock for the conveyance of the Property including the purchase price of TWO HUNDRED SIXTY-SEVEN THOUSAND and 00/100 DOLLARS (\$267,000.00) is hereby approved.

Section 2. Each of the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer is hereby authorized and directed, as necessary or required, to deliver the Purchase Price monies and to execute and acknowledge documents as necessary to consummate the transaction.

Section 3. This Resolution shall be in effect upon its adoption and approval.

Section 4. A copy of this Resolution shall be filed in the corporate offices of CAW where it will be available for public inspection.

ADOPTED: October 10, 2019

Attest:

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

  
\_\_\_\_\_  
Kandi Hughes, Chair

CERTIFICATE

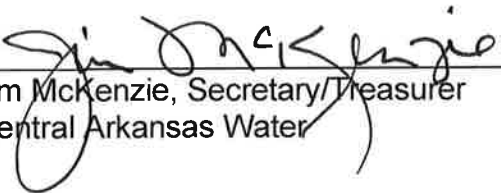
STATE OF ARKANSAS    )

)

COUNTY OF PULASKI    )

I, Jim McKenzie, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2019-12 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION AUTHORIZING PURCHASE OF PROPERTY, AND OTHER MATTERS RELATED THERETO**, adopted October 10, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of October 2019.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer  
Central Arkansas Water

## RESOLUTION 2019-13

### **A RESOLUTION AUTHORIZING STAFF TO PROCEED WITH FILING AN APPLICATION TO CONSTRUCT NET-METERING FACILITIES WITH THE PUBLIC SERVICE COMMISSION; AND FOR OTHER PURPOSES**

WHEREAS, on February 22, 2019, Central Arkansas Water (CAW), by public advertisement, requested interested parties to submit proposals for CAW to purchase "Electricity from Green Power Generation Sources" (RFP #CAW19-13); and

WHEREAS, CAW received three (3) responses to RFP#CAW19=13; and

WHEREAS, after review, at this time CAW staff believes that Scenic Hill Solar's proposal for 4.8 MW DC in Cabot, Arkansas, is the best of the three responses should CAW elect to proceed with the development of a solar power facility utilizing a third-party provider pursuant to a "power purchase agreement," "energy services agreement," or similar arrangement; and

WHEREAS, on July 25, 2019, the CAW Board of Commissioners authorized the purchase of approximately 73 acres in Cabot, Arkansas (the "Cabot Property") that might be used for construction of a solar field in that city; and

WHEREAS, on August 8, 2019, CAW purchased the Cabot Property; and

WHEREAS, filing an Application for Authority to Construct Net-Metering Facilities (the "Application") with the Public Service Commission is the next step in analyzing the feasibility and commercial reasonableness entering into a definitive contract for the provision of solar power to off-set CAW electricity demands; and

WHEREAS, submission of the Application will require the joint efforts of CAW and Scenic Hill Solar; and

WHEREAS, the Commission, based upon the recommendations of staff, has determined that it is in the best interest of CAW and its ratepayers to continue to explore opportunities for the development of solar power generation facilities.

### **NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER:**

Section 1. Through December 31, 2020, CAW shall work exclusively with Scenic Hill Solar for the development of a solar power generation facility to be financed, constructed, owned and operated by a third-party on the Cabot Property. Nothing herein shall prohibit or otherwise restrict CAW's ability to work with engineering firms hired by CAW to review and confirm plans, specifications, and other matters related to the facilities proposed by Scenic Hill Solar for the Cabot Property.

Section 2. CAW, including particularly each of the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer, is hereby authorized to proceed with filing of the Application with Public Service Commission; but nothing herein shall require the filing of the Application with the Public Service Commission should developments arise or conditions change such that the Chief Executive Officer deems continued exploration of a solar facility in Cabot, Arkansas, is not in the best interest of CAW or its ratepayers.

Section 3. Nothing herein shall require or otherwise obligate CAW to reimburse Scenic Hill Solar for any costs or expenses incurred in the preparation, development, submission, or prosecution of the Application.

Section 4. Nothing herein shall require or otherwise obligate CAW to proceed with development of a solar power facilities on the Cabot Property even if the Application is approved by the Public Service Commission.

Section 5. Nothing herein shall be deemed or interpreted to vary, modify, or otherwise change any of the terms or conditions of the Assignment of Offer and Acceptance previously executed by CAW enabling CAW to purchase the Cabot Property.

Section 6. CAW may also negotiate all necessary agreements for development of a solar power facility by Scenic Hill Solar, or a related single-purpose entity, but in no event shall for CAW to enter into such agreements without approval of the Board. Such agreements shall be brought back to this Board for consideration, and the approval of such agreements shall be subject to the approval by the Board, in its sole and absolute discretion. Neither Scenic Hill Solar, nor any of its related entities, shall be entitled to seek reimbursement for expenses or assert any other contractual rights based on any legal theories, including, but not limited to, detrimental reliance, or implied authority.

Section 7. This Resolution shall be in effect upon its adoption and approval.

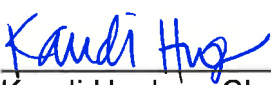
Section 8. A copy of this Resolution shall be filed in the administrative offices of CAW, where it will be available for public inspection.

ADOPTED: [October 10, 2019]

Attest:

  
Jim McKenzie, Secretary/Treasurer

APPROVED:

  
Kandi Hughes, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Jim McKenzie, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2019-13 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION AUTHORIZING STAFF TO PROCEED WITH FILING AN APPLICATION TO CONSTRUCT NET-METERING FACILITIES WITH THE PUBLIC SERVICE COMMISSION; AND FOR OTHER PURPOSES**, adopted October 10, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of October 2019.

  
Jim McKenzie, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

November 14, 2019

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, November 14, 2019, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Ms. Kandi Hughes, Chair  
Mr. Anthony Kendall, Vice Chair  
Mr. Jim McKenzie, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Jeremy Sparks, Chief Innovation Officer  
Ms. Cynthia Edwards, Director of Finance  
Ms. Glenda Bunch, Director of Human Resources  
Mr. Blake Weindorf, P.E., Director of Distribution  
Mr. Danny Dunn, Assistant Director of Distribution  
Mr. Andrew Pownall, P.E., Senior Engineer  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Robert Hart, P.E., Technical Project Specialist  
Mr. Alex Harper, GIS Manager  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Bruce Sullivan, Maintenance Technician  
Mr. Chris Marr, Industrial Electrician  
Mr. Chad Roberts, Industrial Electrician  
Mr. James Harris, Facilities Operator III  
Mr. Doug Graham, Optimization Manager  
Mr. Doug Farler, Production Manager  
Ms. Manessa Johnson, Lead Customer Service Representative  
Ms. Sharre Brooks, Human Resources Specialist  
Mr. Terry Frazier, Customer Service Assistant Supervisor  
Mr. Ben West, Foreman  
Ms. Angela McGee, Accounting Clerk II  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Chelsea Odle, Media Specialist  
Ms. Mary Dyson, Management Secretary



**Also, in Attendance:**

Ms. Rachel Herzog, AR Democrat-Gazette  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Mr. Barry Haas, Citizen  
Ms. Mary Carol Poole, Paschall Strategic Communications  
Mr. Bill Halter, Scenic Hill Solar  
Ms. Carrie Kyhl, Scenic Hill Solar

**CALL TO ORDER**

Chair Hughes called the meeting to order at 2:00 p.m.

**EMPLOYEE PRESENTATION**

Mr. Bohannon made a short presentation on HIVIP and the weekly HIVIP behavior.

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, the minutes of the October 10, 2019, Regular Meeting were unanimously approved.

**OLD BUSINESS**

Pegasus Pipeline Update

Mr. Bohannon reviewed the history of the pipeline with the Board and discussed initial reaction to the most recent news of Energy Transfer Partners intent to initiate testing on the Pegasus Pipeline for potential restart.

Insurance Enrollment Update

Mr. Sparks updated the Board on CAW employee responses to the 2020 benefit offering including a breakdown of health insurance elections.

Electric Supply and Solar Contract Negotiations Update

Mr. Bohannon provided a presentation on a recent tariff request filed by Entergy and updated the Board on the status of negotiations for a Solar Services Agreement.

**NEW BUSINESS**

Presentation of Draft 2020 Financial Plan

Mr. Mascagni presented a draft of the 2020 Financial Plan and stated that no action was required at this meeting. He stated that the final version of the plan would be presented for consideration at the December Board Meeting.

**CONTRACTS/PURCHASES**

Risk and Resiliency Assessment and Emergency Response Plan Update

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Barth, after due consideration and discussion, a contract not-to-exceed \$200,000 with Carollo Engineers to conduct a risk assessment and prepare an emergency response plan compliant with the requirements of the *American Water Infrastructure Act* was unanimously approved.

Annual Contract for Utility Locate Services

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hartman, after due consideration and discussion, a one-year service agreement extension with Arkansas Utility Protection Services, Inc. in the amount of \$441,000 was unanimously approved.

Purchase Various Sizes and Types of Water Meters

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hartman, after due consideration and discussion, a purchasing agreement with Neptune Technology to deliver meters on an as-needed basis in 2020 was unanimously approved. Estimate meter purchases in 2020 under this agreement are \$609,513.

Annual Purchase of Chemicals

Upon a motion duly made by Commission Barth and seconded by Commissioner Hartman, after due consideration and discussion, the following chemical purchases was unanimously approved.

Renewal of annual chemical contracts to the following companies:

<u>Company</u>	<u>Chemical</u>	<u>Bid Amount</u>
Vertex	Sodium Hypochlorite	\$ 340,000.00
Evoqua	25% Liquid Sodium Chlorite	\$ 254,650.00
Chemtrade Chemicals	Liquid Aluminum Sulfate	\$ 570,000.00
Harcros	15% Hydrochloric Acid	\$ 38,080.00

New annual chemical contracts to the following companies:

<u>Company</u>	<u>Chemical</u>	<u>Bid Amount</u>
Arkansas Lime	Quicklime	\$ 182,250.00
Arkansas Lime	Hydrated Lime	\$ 34,512.50
Univar USA	Calcium Hypochlorite Briquette	\$ 11,000.00
Vertex	Sodium Silicofluoride	\$ 63,040.00
Sterling Water	Bimetallic Glassy Phosphate	\$ 290,944.00
Brenntag Mid-South	Powdered Activated Carbon	\$ 20,400.00
Water Tech	Potassium Permanganate	\$ 84,000.00
Univar USA	Hydrofluorosilicic Acid	\$ 98,600.00

**DEPARTMENT UPDATES**

Finance

Ms. Edwards provided a year-to-date financial update on utility operations and recognized CAW's Finance Department for receiving the Government Finance Officers Association - Distinguished Budget Presentation Award for the tenth consecutive year. This award is the highest form of recognition in governmental budgeting.

## **BOARD BRIEFING**

Mr. Bohannon provided an update on several matters to the Board.


## **EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hartman, the Board went into Executive Session with Mr. Bohannon to review resumes and determine interviews for the Board vacancy.

Upon reconvening the regular session, Chair Hughes stated that we received five well-qualified candidates for the current Board vacancy. The Board selected two candidates to be interviewed at a Special Called Meeting on Monday, December 2, 2019.

## **ADJOURNMENT**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, the meeting was adjourned at 4:30 p.m.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

Minutes of a Special Called Meeting  
Board of Commissioners  
Central Arkansas Water

December 2, 2019

The Board of Commissioners, Central Arkansas Water (CAW), convened in a Special Called meeting at 2:00 p.m. Monday, December 2, 2019, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

Ms. Kandi Hughes, Chair  
Mr. Anthony Kendall, Vice Chair  
Mr. Jim McKenzie, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner

**CAW Staff in attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Douglas Shackelford, Director of Public Affairs & Communications  
Ms. Samantha Williams-Davis, Communications Specialist and Brand Manager  
Ms. Chelsea Odle, Media Specialist  
Ms. Mary Dyson, Management Secretary

**Also, in Attendance:**

Mr. Kevin Newton, Board Applicant  
Mr. Frank Bateman, Board Applicant  
Mr. Jordan Johnson, JPJ consulting, LLC  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Mary Carol Poole, Paschall Strategic Communications  
Mr. Barry Haas, Citizen

**CALL TO ORDER**

Chair Hughes called the meeting to order at 2:00 p.m.

**OLD BUSINESS**

The Board interviewed each candidate individually in the following order:

Mr. Kevin Newton  
Mr. Frank Bateman

**EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner McKenzie, the Board went into Executive Session with Mr. Bohannon to discuss the Board vacancy.

Upon reconvening the regular session, Chair Hughes stated that the five resumes we received for the current Board vacancy showed varied backgrounds and remarkable talents and commitment on the part of the applicants to their community.


The Board had the difficult task of narrowing down the five applicants to two excellent choices for interviews. The two candidates were very impressive in their interviews and the Board could not have made a mistake in choosing any of the finalists.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner McKenzie, Mr. Kevin Newton was nominated to fill the vacant position for a North Little Rock resident on the CAW Board of Commissioners.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Kendall, a Resolution appointing Mr. Kevin Newton to the CAW Board of Commissioners was unanimously approved.

### **ADJOURNMENT**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Kendall, the meeting was adjourned.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

December 12, 2019

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, December 12, 2019, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Ms. Kandi Hughes, Chair  
Mr. Anthony Kendall, Vice Chair  
Mr. Jim McKenzie, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Jeremy Sparks, Chief Innovation Officer  
Ms. Glenda Bunch, Director of Human Resources  
Mr. Blake Weindorf, P.E., Director of Distribution  
Mr. Allen Vincent, Director of Information Services  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Randy Easley, Water Resources Scientist  
Mr. Doug Farler, Production Manager  
Ms. Lauren Schallhorn, Controller  
Mr. Mark Stewart, Distribution Supervisor  
Mr. Robert Hart, P.E., Technical Project Specialist  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Chelsea Odle, Media Specialist  
Ms. Mary Dyson, Management Secretary

**Also, in Attendance:**

Ms. Rachel Herzog, AR Democrat-Gazette  
Mr. Paul Strickland, P.E., Garver Engineers  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Mr. Barry Haas, Citizen  
Mr. Bill Halter, Scenic Hill Solar  
Ms. Carrie Kyhl, Scenic Hill Solar

## **CALL TO ORDER**

Chair Hughes called the meeting to order at 2:00 p.m.

## **EMPLOYEE PRESENTATION**

Mr. Stewart made a short presentation on HIVIP and the weekly HIVIP behavior.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hartman, the minutes of the November 14, 2019, Regular Meeting were unanimously approved.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Barth, the minutes of the December 2, 2019, Special Called Meeting were unanimously approved.

## **OLD BUSINESS**

### **Approval of 2020 Financial Plan**

Mr. Mascagni requested Board approval of the 2020 Financial Plan that was presented to the Board in November.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner McKenzie, after due consideration and discussion, the 2020 Financial Plan was unanimously approved.

### **Solar Services Agreement**

Mr. Bohannon updated the Board on the status of negotiations for a Solar Services Agreement and requested Board approval to finalize contract negotiations with Scenic Hill Solar and to present the final contract at a Special Called Board Meeting next week.

Upon a motion duly made by Commissioner Barth and seconded by Commissioner McKenzie, after due consideration and discussion, recommendations for Staff to finalize contract negotiations with Scenic Hill Solar, on land already owned by CAW, was approved on a 5-0-1 vote. Commissioner Hartman abstained due to a potential conflict of interest.

### **Paron-Owensville Agreement**

Mr. Bohannon updated the Board on the status of Paron-Owensville and requested Board approval of the Water Consolidation Agreement and a Resolution adopting rates for customers within Paron-Owensville's service territory.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Smith, after due consideration and discussion, the Water Consolidation Agreement and Resolution was unanimously approved.

## **NEW BUSINESS**

### **Resolution Authorizing Purchase of Property in Lake Maumelle Watershed**

Ms. Lawson requested Board approval of a Resolution approving a contract for the purchase of 25.05 acres located in the Lake Maumelle Watershed for a purchase price of \$212,925 (\$8,500 per acre).

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Barth, after due consideration and discussion, the Resolution was unanimously approved.

## **CONTRACTS/PURCHASES**

### **Software Maintenance for CAW Customer Information System**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Smith, after due consideration and discussion, an annual software maintenance contract with Systems & Software (S&S) of Colchester, Vermont, in the amount of \$345,804.59 was unanimously approved.

### **Annual Contract for Asphalt Surface Repairs**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner McKenzie, after due consideration and discussion, a one-year contract extension with Redstone Construction Group, Inc. estimated at \$633,773.51 to perform asphalt restoration work was unanimously approved.

### **Annual Contract for Concrete Surface Repairs**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Barth, after due consideration and discussion, a contract with JCON, Inc. at an estimated cost of \$224,878.91 to perform concrete restoration work was unanimously approved.

### **USGS Contract for the 2020 Streamflow and Water Quality Monitoring Work Plan**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner McKenzie, after due consideration and discussion, an annual contract with USGS to monitor streamflows and water quality at Lake Maumelle and Lake Winona in the amount \$378,049 was unanimously approved.

## **DEPARTMENT UPDATES**

### **Finance**

Mr. Mascagni provided a year-to-date financial update on utility operations.

## **BOARD BRIEFING**

Mr. Bohannon provided an update on several matters to the Board.

## **EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner McKenzie, the Board went into Executive Session with staff to discuss CAW's vulnerability assessment.

Upon reconvening the regular session, Chair Hughes stated that no action was taken.




Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Kendall, the Board went into Executive Session to discuss a personnel issue.

Upon reconvening the regular session, Chair Hughes stated that no action was taken.

**ADJOURNMENT**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Kendall, the meeting was adjourned at 5:00 p.m.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

RESOLUTION 2019-14

**A RESOLUTION APPOINTING MR. KEVIN NEWTON TO THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, AND FOR OTHER PURPOSES**

WHEREAS, a vacancy exists for a member of the Board of Commissioners, Central Arkansas Water ("CAW Board"), who is a resident of North Little Rock, Arkansas; and

WHEREAS, by law it is the duty of the remaining commissioners to nominate and appoint a commissioner when a vacancy occurs on the CAW Board, subject to confirmation by the City Council of the City of North Little Rock, Arkansas, and the Board of Directors of the City of Little Rock, Arkansas.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER,** that the remaining commissioners do hereby appoint Mr. Kevin Newton to serve the remainder of a seven-year term ending June 30, 2026, subject to confirmation by the duly elected and qualified members of the City Council of the City of North Little Rock, Arkansas, and the Board of Directors of the City of Little Rock, Arkansas.

**BE IT FURTHER RESOLVED THAT** the City Council of the City of North Little Rock, Arkansas, and the Board of Directors of the City of Little Rock, Arkansas are hereby requested to confirm this appointment.

ADOPTED: December 2, 2019

ATTEST:

  
\_\_\_\_\_  
Jim McKenzie Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Kandi Hughes, Chair

**RESOLUTION 2019-15**

**A RESOLUTION TO ESTABLISH A SCHEDULE OF RATES FOR CENTRAL ARKANSAS WATER WITHIN THE PARON-OWNSVILLE WATER AUTHORITY OF THE STATE OF ARKANSAS SERVICE TERRITORY; TO FIX THE EFFECTIVE DATE FOR THESE RATES; AND FOR OTHER PURPOSES**

WHEREAS, on July 1, 2001, the City of Little Rock and the City of North Little Rock created Central Arkansas Water ("CAW") as a public body corporate and politic under the Consolidated Waterworks Authorization Act, Act 982 of the 83<sup>rd</sup> Arkansas General Assembly, and consolidated the ownership and operation of their municipal water utilities into CAW; and

WHEREAS, the Board of Commissioners of Central Arkansas Water is vested with the authority to establish water rates, subject to review by the governing bodies of both the City of Little Rock and the City of North Little Rock; and

WHEREAS, CAW has proposed consolidation of the water system owned and operated by Paron-Owensville Water Authority of the State of Arkansas ("POWA") into CAW's water system pursuant to a Water Consolidation Agreement to be approved by CAW and POWA (the "POWA Consolidation Agreement"); and

WHEREAS, the POWA Consolidation Agreement provides that CAW will adopt and charge POWA's existing rates commencing on the "Transition Date" (as defined in the POWA Consolidation Agreement) and that CAW will adopt and charge a debt surcharge sufficient to pay the cost of debt associated with the consolidation, but not greater than \$11.00 per month; and

WHEREAS, the Board of Commissioners finds that the rates to be established pursuant to this Resolution are adequate to meet the revenue requirements necessary for consolidation of POWA's water system into CAW's water system, including the cost of operating and maintaining POWA's water treatment plant and water system, as well as funding needed capital improvements.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER THAT THE FOLLOWING RATES AND DEBT SURCHARGES SHALL BE ADOPTED FOR CUSTOMERS WITHIN THE SERVICE TERRITORY ESTABLISHED BY THE PARON-OWNSVILLE WATER AUTHORITY OF THE STATE OF ARKANSAS:**

RATE SCHEDULE  
OF  
CENTRAL ARKANSAS WATER  
FOR CUSTOMERS WITHIN

## PARON-OWENSVILLE'S SERVICE TERRITORY

**Section 1.** The following schedule of rates is hereby established by Central Arkansas Water ("CAW") for all customers within the service territory established by Paron-Owensville Water Authority of the State of Arkansas ("POWA"):

### Effective Dates

This schedule shall become effective for water billed on or after the date POWA and CAW are consolidated as of the "Transition Date," unless otherwise amended or noted.

### Meter Measurement

Except for public and private fire services, all water used shall be measured through meters. The size of each meter shall be determined by CAW commensurate with its estimate of the amount of water to be used for the premises. POWA's existing meters and rates are expressed in 1,000 gallons and are billed accordingly. CAW's rates and meters are expressed in 100 cubic feet. As meters are replaced or new meters installed, a conversion ratio of 1 cubic foot of water to 7.48 gallons will be used.

### Minimum Monthly Charge

The Minimum Monthly Charge for all customers includes payment for the first 1,000 gallons of water used.

METER SIZE (diameter)	MINIMUM MONTHLY CHARGE
	Effective upon Consolidation
5/8"	\$ 24.34
3/4"	24.34
1"	44.68
1 1/2"	75.56
2"	122.54
3"	226.56
4"	368.51
6"	728.90
8"	1,232.94

### Additional Monthly Charge

In addition to the Minimum Monthly Charge, the following table of rates shall apply to the amount of water used in excess of 1,000 gallons per month effective and a five percent (5%) "reserve fee" charged on the total cost of the Minimum Monthly Charge and the volumetric charge imposed on each 1,000 gallons above the first 1,000 gallons included in the Minimum Monthly Charge:

Per 1,000 GALLONS BEYOND the FIRST 1,000 GALLONS	\$8.09
--	--------

Other Fees

Connection Fees	
Meter Deposit	\$75.00*
Same Side Meter Service Line	\$1,200.00
Off-Side Meter Service Line	\$1,200.00 + 25.00/ft road bore

\*Meter Deposit applies to 5/8" and 3/4" meters, CAW deposit guidelines will be applied for larger meter sizes.

**Section 3.** In addition to the Minimum Monthly Charges and other rates set forth above, CAW shall also assess debt surcharges, **not to exceed** \$11.00 per month on each 5/8" or 3/4" meter within the service territory established by POWA, and as set forth below for each larger meter size. The debt surcharges shall be in an amount sufficient to pay for the expenses identified in the POWA Consolidation Agreement, as established by the Chief Financial Officer, working together with CAW's Financial Advisor, and affirmed by the CAW Board of Commissioners. Each debt surcharge will continue until the debt associated with the respective surcharge is repaid.

<p><b>DEBT SURCHARGES</b> (Note that these are <b>not to exceed</b> amounts; actual amounts are expected to be less than those shown below)</p>
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METER SIZE (diameter)	TRANSITION
5/8"	\$11.00
3/4"	11.00
1"	20.19
1 1/2"	34.15
2"	55.38
3"	102.39
4"	166.54
6"	329.41
8"	557.20

**Section 4.** A penalty of ten percent (10%) shall be added to a customer bill not paid before the 20<sup>th</sup> day following the billing date. If a bill is not paid within 30 days after the billing date, service for the affected premise, or customer, may be disconnected. In such event, CAW may levy a reconnection charge in accordance with its existing service charge schedule for all CAW customers.

**Section 5.** This Resolution does not repeal CAW's Resolution 2018-13 establishing rates for CAW's customers other than those within the service territory established by POWA, but it is an addition to CAW's existing rates, as amended from time to time, creating a new rate class of customers and debt surcharges for customers within the service territory established by POWA. Unless specified in this Resolution, all other fees or ancillary charges assessed by CAW to its outside-city customers will apply to customers of POWA (using outside-city classifications, if applicable).

**Section 6. Severability.** The provisions of this Resolution are separable, and if any portion, section, provision, or phrase of this Resolution shall be declared invalid or unconstitutional, such action shall not affect the validity of the remainder of this Resolution.

**Section 7. This Resolution shall be in effect upon its adoption and approval.**

**Section 8.** A copy of this Resolution shall be filed in the corporate offices of CAW where it will be available for public inspection.

ADOPTED: December 12, 2019

ATTEST:

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

  
\_\_\_\_\_  
Kandi Hughes, Chair



**RESOLUTION 2019-16**

**A RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY IN THE LAKE MAUMELLE WATERSHED; AND FOR OTHER PURPOSES.**

WHEREAS, on or about November 4, 2019, Central Arkansas Water ("CAW") entered into a contract of sale ("Agreement") for the purchase of approximately Twenty-Five and 5/100 (25.05) acres of real property in the Lake Maumelle Watershed ("Property") from Keightley, LLC ("Seller") for the purchase price of Two Hundred Twelve Thousand Nine Hundred Twenty-Five and 00/100 Dollars (\$212,925.00) (the "Purchase Price"); and

WHEREAS, the Agreement is subject to approval of the Board of Commissioners of Central Arkansas Water ("Commission"); and

WHEREAS, the Commission, based upon the recommendations of staff, has determined that it is in the best interest of CAW and its ratepayers to acquire the Property for the Purchase Price to protect the water quality of Lake Maumelle.

**NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER:**

Section 1. The Agreement and the purchase of the Property upon and in accordance with the terms of the Agreement are hereby approved, and the actions of the Chief Executive Officer in executing the Agreement are hereby ratified in full.

Section 2. Each of the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer is hereby authorized and directed, as necessary or required, to deliver the Purchase Price and to execute and acknowledge documents as necessary to complete the purchase of the Property in accordance with the terms of the Agreement.

Section 3. This Resolution shall be in effect upon its adoption and approval.

Section 4. A copy of this Resolution shall be filed in the administrative offices of CAW, where it will be available for public inspection.

ADOPTED: December 12, 2019

Attest:

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

  
\_\_\_\_\_  
Kandi Hughes, Chair

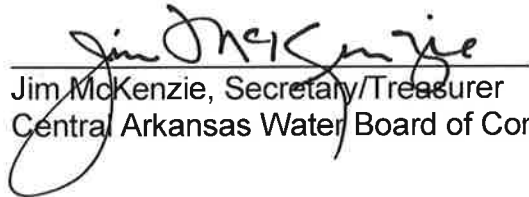


CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Jim McKenzie, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2019-16 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION AUTHORIZING PURCHASE OF REAL PROPERTY IN THE LAKE MAUMELLE WATERSHED; AND OTHER MATTERS RELATED THERETO**, adopted December 12, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of December 2019.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

Minutes of a Special Called Meeting  
Board of Commissioners  
Central Arkansas Water

December 20, 2019

The Board of Commissioners of Central Arkansas Water (CAW) convened in a special called meeting at 10:00 a.m. on Friday, December 20, 2019, telephonically, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Telephonic:**

Ms. Kandi Hughes, Chair  
Mr. Jim McKenzie, Secretary/Treasurer  
Mr. Anthony Kendall, Commissioner  
Mr. Jay Hartman, Commissioner  
Ms. Carmen Smith, Commissioner  
Dr. Jay Barth, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. David Johnson, General Counsel  
Mr. Blake Weindorf, P.E., Director of Distribution  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Mary Dyson, Management Secretary

**Also, in Attendance:**

Mr. Barry Haas, Citizen  
Mr. Bill Halter, Scenic Hill Solar  
Mr. Cooper Wade, Scenic Hill Solar

**CALL MEETING TO ORDER**

Chair Hughes called the meeting to order at 10:00 a.m.

**NEW BUSINESS**

**Energy Services Agreement with Scenic Hill Solar**

Mr. Bohannon requested Board approval of an Energy Services Agreement with Scenic Hill Solar for a period of 20-years with the option for two 5-year extensions to purchase power at a fixed rate of \$0.051 per kilowatt hour.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Barth, after due consideration and discussion, the Energy Services Agreement was approved on a 5-0-1 vote. Commissioner Hartman abstained due to a potential conflict of interest.

**Solar Site Lease Agreement with Scenic Hill Solar**

Mr. Bohannon requested Board approval of a Solar Site Lease Agreement with Scenic Hill Solar for a period co-terminus with the Energy Services Agreement between the same parties of 30 acres of a 73.95-acre parcel previously acquired by CAW in Lonoke County for this specific purpose.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Kendall, after due consideration and discussion, the Solar Site Lease Agreement was approved on a 5-0-1 vote. Commissioner Hartman abstained due to a potential conflict of interest.

**ADJOURNMENT**

Chair Hughes adjourned the meeting at 10:36 a.m.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer