

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

January 8, 2015

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, January 8, 2015, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Mr. Eddie Powell, Chair
Dr. Roby Robertson, Vice Chair
Mr. Anthony Kendall, Secretary/Treasurer
Ms. Carmen Smith, Commissioner
Mr. John Braune, Commissioner
Ms. Marie-Bernarde Miller, Commissioner
Mr. Jay Hartman, Commissioner

CAW Staff in Attendance:

Mr. Graham Rich, P.E., Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Robert Hart, P.E., Technical Services Officer
Mr. Tad Bohannon, Chief Legal Counsel
Mr. Jeff Mascagni, Chief Financial Officer
Ms. Becky Wahlgreen, Chief Administrative Officer
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. John Tynan, Director of Customer Relations & Public Affairs
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source
Mr. Darrell Boggs, Director of Distribution
Mr. Randy Easley, Director of Water Quality & Operations
Mr. Kevin Hall, Director of Environmental Health & Safety
Mr. Allen Vincent, Director of Information Services
Ms. Raven Lawson, Watershed Protection Manager
Ms. Samantha Williams-Davis, Communications Assistant
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. Greg Ramon, CEO, Little Rock Wastewater
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Ms. Ruth Bell, League of Women Voters of Pulaski County
Mr. Barry Haas, Ratepayer
Mr. Gary Heathcott, Heathcott Associates Advertising Agency
Mr. Ray Vogelpohl, Property Owner, Lake Maumelle Watershed
Mr. Mark White, Jr., Property Owner, Lake Maumelle Watershed
Ms. Lori White, Property Owner, Lake Maumelle Watershed
Mr. Butch Penny, Property Owner, Lake Maumelle Watershed

Ms. Barbara Penny, Property Owner, Lake Maumelle Watershed
Mr. Mark White, Sr., Property Owner, Lake Maumelle Watershed
Ms. Judy White, Property Owner, Lake Maumelle Watershed

CALL MEETING TO ORDER

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Miller, the minutes of the December 11, 2014 Regular Meeting were unanimously approved.

OLD BUSINESS

Conservation Easement Purchase

Mr. Tynan presented an agreement with Ray and Theresa Vogelpohl, subject to Board approval, for the purchase of a conservation easement on 295.25 acres in the Lake Maumelle Watershed for \$738,125, payable in three installments of approximately one-third each year plus interest at the rate of 3% per annum. The protected property includes approximately 1 mile of undeveloped frontage on the Maumelle River, with areas of mature hardwood forests, soils of importance to water quality, and a variety of flora that contribute to water quality. Through the conservation easement, CAW will prohibit future development of the property for approximately 22% of the price of fee-simple ownership. In addition to preventing future residential, commercial, or industrial development on the property, the easement also limits timber removal, limits construction of additional buildings, limits certain farming activities, prohibits mining, and establishes limitations and/or prohibitions on other activities that may be detrimental to water quality.

Discussion ensued.

Upon a motion duly made by Commissioner Smith, and seconded by Commissioner Robertson, after due consideration and discussion, the agreement for the purchase of a conservation easement on 295.25 acres in the Lake Maumelle Watershed was unanimously approved.

NEW BUSINESS

Presentation on Safety Metrics

The presentation on Safety Metrics will be postponed until the February 12 Board Meeting.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Kendall, and seconded by Commissioner Miller, after due consideration and discussion, the following contract was unanimously approved:

- a. Renew annual contract with the USGS to monitor streamflows and water quality at Lake Maumelle and Lake Winona. USGS streamflow and monitoring work at the lakes has been ongoing since 1989. CAW's direct cost for the contract is \$383,262. The overall monitoring effort is valued at \$471,912 and includes an additional USGS contribution of \$75,300 and some in-kind CAW labor. This is the first of three extension options.

Upon a motion duly made by Commissioner Robertson, and seconded by Commissioner Hartman, after due consideration and discussion, the following contract was unanimously approved:

- b. Renew annual software maintenance contract with Azteca Systems, Inc. of Sandy, Utah in the amount of \$68,000. Azteca is the software provider of CAW's CityWorks Computer Maintenance Management System (CMMS). CityWorks is used to process all work performed on the distribution system and water treatment plants.

DEPARTMENT UPDATES

Customer Relations and Public Affairs

Mr. Tynan provided an update on utility public affairs and customer relations.

Watershed

Ms. Lawson provided an update on matters pertaining to the watershed.

Regionalism

Mr. Kimbrow provided an update on matters pertaining to regionalism.

Finance

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

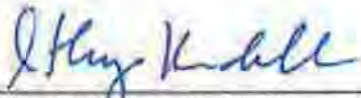
BOARD BRIEFING

Mr. Rich provided an update on the following:

- Lake Maumelle is down 1.2 feet and Lake Winona is down 3.4 feet.
- Jacksonville Water is currently taking the minimum of 2MGD required under its Wholesale Water Contract with CAW. Jacksonville Water still owes CAW an outstanding balance. We will know more regarding the outstanding balance after Jacksonville Water meets on January 28. If there is no resolution by the next CAW Board Meeting, Mr. Rich recommended CAW move forward with collection proceedings.

ADJOURNMENT

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



Anthony Kendall, Secretary/Treasurer

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

February 12, 2015

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, February 12, 2015, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Mr. Eddie Powell, Chair
Mr. Anthony Kendall, Secretary/Treasurer
Ms. Carmen Smith, Commissioner
Mr. John Braune, Commissioner
Ms. Marie-Bernarde Miller, Commissioner
Mr. Jay Hartman, Commissioner

Attended by Phone:

Dr. Roby Robertson, Vice Chair

CAW Staff in Attendance:

Mr. Graham Rich, P.E., Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Tad Bohannon, Chief Legal Counsel
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. John Tynan, Director of Customer Relations & Public Affairs
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source
Mr. Darrell Boggs, Director of Distribution
Mr. Terry Bice, Assistant Director of Distribution
Mr. Randy Easley, Director of Water Quality & Operations
Mr. Kevin Hall, Director of Environmental Health & Safety
Mr. Robert Martin, Safety Specialist
Mr. Ben West, Distribution Foreman
Mr. Alan Dickey, Instrument Technician II
Mr. David London, Distribution Maintenance Supervisor
Mr. Ronnie Bankston, Treatment Plant Supervisor
Mr. Don Murphree, Treatment Plant Operator
Ms. Samantha Williams-Davis, Communications Assistant
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Ms. Virginia Hillman, Mayor, City of Sherwood
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Mr. Barry Haas, Ratepayer

Ms. Caitlin Vestal, Heathcott Associates Advertising Agency
Mr. Jack Truemper, Senior Vice President, Stephens, Inc.
Mr. Jake Short, General Manager, Jacksonville Water Works
Mr. Larry Wilson, Vice Chair, Jacksonville Water Works Board of Commissioners

CALL MEETING TO ORDER

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

EMPLOYEE RECOGNITION

Mr. Rich introduced Mr. Robert Martin, Safety Specialist, who presented the 2014 John Robinson Award for Safety to Mr. Don Murphree, Treatment Plan Operator. 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 Hartman and seconded by Commissioner Braune, the minutes of the January 8, 2015 Regular Meeting were unanimously approved.

OLD BUSINESS

Jacksonville Water Works

Mr. Rich updated the Board on the outstanding balance owed to CAW by Jacksonville Water Works. CAW billed Jacksonville Water Works for the contract minimum 3MGD in August and September 2014, but Jacksonville Water Works only paid for the quantity of water that it actually used.

Mr. Bohannon presented a Resolution authorizing staff to file a declaratory judgment action for determination of the status of the Wholesale Water Contract between CAW and Jacksonville Water Works and to proceed with efforts for the collection of past due amounts due from Jacksonville Water Works.

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

Mr. Wilson requested a joint meeting between members of CAW Board and staff and Jacksonville Water Works Board and staff to discuss and resolve this issue.

Discussion ensued.

Upon a motion duly made by Commissioner Kendall, and seconded by Commissioner Smith, after due consideration and discussion, the Resolution was postponed and will be presented for consideration at the March Board Meeting. Commissioner Miller abstained from the vote.

NEW BUSINESS

Bond Coverage Ratio

Mr. Mascagni presented CAW's bond coverage guidelines as compared to similarly situated utilities, discussed the potential impact changes in the current guidelines could have on future debt issues, recommend adjustments to CAW's "Capital Financing, Debt Management and

Fiscal Responsibility Guidelines”, and stated that no action was required at this meeting. He said the policy guideline will be presented for consideration at the March Board Meeting.

Presentation on Safety Metrics

Mr. Hall provided a presentation to the Board covering a number of safety metrics, how those metrics have trended over the last several years, and how 2014 turned out to be an excellent year for CAW’s safety efforts.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Kendall, and seconded by Commissioner Smith, after due consideration and discussion, the following contract was unanimously approved:

- a. A contract in an amount not to exceed \$198,400 with Raftelis Financial Consulting to perform the Rate Study & Water Quality and Operations Efficiency Study. CAW solicited Statement of Qualifications from interested firms to obtain the services of a Rate Consultant. Raftelis Financial Consulting was selected as the top rated firm. It has performed similar studies for CAW in the past and its work has been very satisfactory. Preliminary findings will be presented at the September Board Meeting and the final findings will be presented for consideration at the November Board Meeting.

Upon a motion duly made by Commissioner Hartman, and seconded by Commissioner Braune, after due consideration and discussion, the following contract was approved on a 6-1 vote. Commissioners voting aye were: Chair Powell, Vice Chair Robertson, Commissioners Hartman, Smith, Miller, and Braune. Commissioner Kendall voted nay.

- b. A contract in an amount not to exceed \$59,000 with Kleinschmidt Associates for recreation management planning around Lake Winona and Lake Maumelle. Over the past several years, staff has received requests from various local stakeholders desiring additional recreational opportunities in the watersheds. Presently there are limited recreational activities in the watershed; however, additional public access could provide certain benefits in the form of public education about the importance of watersheds.

Upon a motion duly made by Commissioner Kendall, and seconded by Commissioner Smith, after due consideration and discussion, the following contract was unanimously approved:

- c. A contract in the amount of \$552,325.75 with J. R. Fox Company, Inc. for the installation of approximately 4,015 linear feet of 2-inch PVC and 2,110 linear feet of 3-inch PVC in the Hillcrest area. Bids were opened on January 27, 2015, and while several contractors took out plans, J. R. Fox Company, Inc. was the sole bidder.

Upon a motion duly made by Commissioner Braune, and seconded by Commissioner Miller, after due consideration and discussion, competitive bidding requirements were waived. Upon a motion duly made by Commissioner Braune, and seconded by Commissioner Hartman, after due consideration and discussion, the following contract was unanimously approved:

- d. The purchase of Allen-Bradley controllers in the amount of \$58,147.87 from Keathley-Patterson Industrial, Inc. The electronic equipment that controls individual filter operations at the Jack H. Wilson Water Treatment Plant is deteriorating and beyond its useful life. Due to accumulated staff knowledge and proven reliability, CAW has

standardized its specifications with Allen-Bradley controllers. Keathley-Patterson Industrial, Inc. is the only vendor authorized to warrant Allen-Bradley controllers in the State of Arkansas; therefore, staff recommends waiving competitive bidding requirements.

Upon a motion duly made by Commissioner Smith, and seconded by Commissioner Kendall, after due consideration and discussion, the following contract was unanimously approved:

- e. The purchase of water meters in the estimated amount of \$518,017.80 from multiple vendors. Sealed bids were opened January 22, 2015 for various sizes and types of water meters. Bids were received from five (5) bidders with Neptune Technology, Badger Meter, Mueller Systems, and HD Supply submitting the low bids depending on the specific item.

DEPARTMENT UPDATES

Customer Relations and Public Affairs

Mr. Tynan provided an update on utility public affairs and customer relations.

Watershed

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

Regionalism

Mr. Kimbrow provided an update on matters pertaining to regionalism.

Finance

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

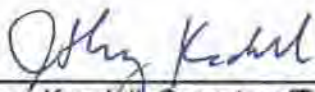
BOARD BRIEFING

Mr. Rich provided an update on the following:

- Lake Maumelle is down 1.2 feet and Lake Winona is down 3.8 feet.
- CAW was awarded 2015 Best Tasting Drinking Water by AWW&WEA Central District.

ADJOURNMENT

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



Anthony Kendall, Secretary/Treasurer

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

March 12, 2015

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, March 12, 2015, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Mr. Eddie Powell, Chair
Dr. Roby Robertson, Vice Chair
Mr. Anthony Kendall, Secretary/Treasurer
Ms. Carmen Smith, Commissioner
Mr. John Braune, Commissioner
Ms. Marie-Bernarde Miller, Commissioner
Mr. Jay Hartman, Commissioner

CAW Staff in Attendance:

Mr. Graham Rich, P.E., Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Tad Bohannon, Chief Legal Counsel
Mr. Robert Hart, P.E., Technical Services Officer
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. John Tynan, Director of Customer Relations & Public Affairs
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source
Mr. Terry Bice, Director of Distribution
Mr. Randy Easley, Director of Water Quality & Operations
Ms. Raven Lawson, Watershed Protection Manager
Ms. Liz Tuck-Rowan, Purchasing Manager
Mr. David London, Maintenance Supervisor
Mr. Jay Ginn, Industrial Electrician
Ms. Samantha Williams-Davis, Communications Assistant
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette
Ms. Sarah Campbell, Reporter, Jacksonville Leader
Mr. Kurt Heinze, EIT, CEM, LEED Green Associate, CLEARResult
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Mr. Sal Pappalardo, Jacksonville Water Works
Mr. Gary Heathcott, President, Heathcott Associates
Mr. Paul Strickland, P.E., Garver Engineers

CALL MEETING TO ORDER

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

SERVICE PIN AWARD

Chair Powell presented a pin to Commissioner Hartman, commemorating his ten years of service on the Board and thanked him for his service.

EMPLOYEE RECOGNITION

Chair Powell recognized Mr. Bohannon for one year of service.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, the minutes of the February 12, 2015 Regular Meeting were unanimously approved.

OLD BUSINESS

Jacksonville Water Works

Mr. Rich updated the Board on the continuing negotiations with Jacksonville Water Works related to their Wholesale Water Contract and recommended an additional 30 days to continue negotiations.

Adopt a Resolution Establishing a Debt Service Coverage Ratio Policy

Mr. Mascagni requested Board approval of a Resolution adopting a Debt Service Coverage Ratio Policy. The policy will set a Debt Service Coverage Ratio stretch goal, target, and floor for the purposes of maintaining or improving bond ratings, establishing rates, and making transfers in or out of the Rate Stabilization Account.

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

NEW BUSINESS

Check Presentation 2014 Entergy Solution Arkansas Program

Mr. Luther stated as part of its sustainability efforts, CAW participated in the 2014 Entergy Solutions Arkansas program, as administered by CLEAResult. CAW's replacement of older light fixtures at the Jack H. Wilson Treatment Plant is expected to reduce its energy consumption by approximately 512,000 kilowatt-hours per year. For reducing its usage, Commissioner Hartman, representing Entergy Arkansas, presented CAW an incentive check in the amount of \$82,045.39.

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. Pursuant to CAW's contract with the City of Hot Springs, Hot Springs will pay CAW \$25,742.85 for Hot Springs' 20 MGD.

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

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Kendall, and seconded by Commissioner Braune, after due consideration and discussion, the following contract was unanimously approved:

- a. A contract in the amount of \$1,319,060 with the Arkansas Highway and Transportation Department (AHTD) for installation of a 20-inch water main on the new Broadway Bridge. The AHTD bid documents included specifications, drawings, and a bid form for the replacement main. Massman Construction Company was the apparent low bidder. AHTD subsequently approved Massman as the contractor and issued a Notice to Proceed in November 2014. Massman's bid for the waterline work was \$1,319,060. The construction of the new water main will be under contract with AHTD with payment being made directly to AHTD in October 2015.

Upon a motion duly made by Commissioner Robertson, and seconded by Commissioner Miller, after due consideration and discussion, the following purchase was unanimously approved:

- b. The purchase of an adjustable variable frequency drive (VFD), spare parts, and training from Evans Enterprises in the amount of \$143,990.25. The VFD will enable pump 6 in station 1B to operate at variable speeds and maintain pressure in the intermediate system when Tank 2 is out of service for cleaning, painting or repairs. The VFD will replace a Magna Drive unit that was installed in 2000. The Magna Drive unit has become unreliable and has had several failures.

Upon a motion duly made by Commissioner Robertson, and seconded by Commissioner Hartman, after due consideration and discussion, the following purchase was unanimously approved:

- c. The purchase of three (3) crew truck-cab chassis' and one (1) dump truck chassis from Truck Centers of Arkansas in the amount of \$285,172 and three (3) service bodies from HilBilt Sales in the amount of \$66,769.08, for a total of \$351,941.08. These new trucks will replace three (3) 14-year old crew trucks purchased in 2001 and a 20-year old dump truck purchased in 1995.

DEPARTMENT UPDATES

Customer Relations and Public Affairs

Mr. Tynan provided an update on utility public affairs and customer relations.

Watershed

Ms. Lawson provided an update on matters pertaining to the watershed.

Regionalism

Mr. Kimbrow had no updates to provide on matters pertaining to regionalism.

Finance

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

BOARD BRIEFING

Mr. Rich stated Lake Maumelle is over one foot above spillway and Lake Winona is over by half a foot.

EXECUTIVE SESSION

Upon a motion duly made by Commissioner Smith, and seconded by Commissioner Robertson, the Board went into executive session with Graham Rich and Robert Hart for the purpose of discussing the most recent vulnerability assessment.

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

Upon a motion duly made by Chair Powell, and seconded by Commissioner Miller, the Board went into executive session with Graham Rich for the purpose of evaluating the job performance of an employee.

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

ADJOURNMENT

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



Anthony Kendall, Secretary/Treasurer

RESOLUTION 2015-01

A RESOLUTION ADOPTING A DEBT SERVICE COVERAGE RATIO STRETCH GOAL, TARGET AND FLOOR FOR THE PURPOSES OF MAINTAINING OR IMPROVING CENTRAL ARKANSAS WATER'S BOND RATING, ESTABLISHING RATES, AND MAKING TRANSFERS IN OR OUT OF THE RATE STABILIZATION ACCOUNT; AND PRESCRIBING OTHER MATTERS RELATING THERETO

WHEREAS, the documents governing the outstanding bonds of Central Arkansas Water require that Central Arkansas Water maintain a minimum debt service coverage ratio of 1.2 to 1; and

WHEREAS, Central Arkansas Water establishes rates to meet a target debt service coverage ratio in excess of that minimum amount in order to maintain a strong credit rating, resulting in significant interest cost savings for the benefit of the ratepayers; and

WHEREAS, the Board of Commissioners of Central Arkansas Water established a Rate Stabilization Account pursuant to Resolution 2010-13; and

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

1. CAW establishes the following debt service coverage ratios: Stretch – 2.0 to 1; Target – 1.9 to 1; and Floor – 1.75 to 1.
2. The Target debt service coverage ratio shall be utilized when establishing budgets, monitoring annual expenditures vs revenues during each fiscal year and modeling rates.
3. When the debt service coverage ratio at the end of the most recent fiscal year is in excess of the Stretch debt service coverage ratio, Central Arkansas Water shall transfer from the general revenue fund to the Rate Stabilization Account an amount sufficient to reduce the debt service coverage ratio for such fiscal year to the Stretch Goal. Nothing herein shall prohibit the Board of Commissioners from authorizing the transfer of additional funds from the general revenue fund to the Rate Stabilization Account in any given year.
4. When the debt service coverage ratio at the end of the most recent fiscal year is less than the Floor debt service coverage ratio, Central Arkansas Water shall transfer from the Rate Stabilization Account to the general revenue fund an amount sufficient to increase the debt service coverage ratio to the Floor debt service coverage ratio. Nothing herein shall prohibit the Board of Commissioners from authorizing the transfer of additional funds from the Rate Stabilization Account to the general revenue fund in any given year.
5. This Resolution shall be in effect immediately upon its adoption.

ADOPTED: March 12, 2015

Attest:



Tony Kendall, Secretary/Treasurer

APPROVED:



Eddie Powell, Chair

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

April 9, 2015

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, April 9, 2015, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Mr. Eddie Powell, Chair
Dr. Roby Robertson, Vice Chair
Mr. Anthony Kendall, Secretary/Treasurer
Ms. Carmen Smith, Commissioner
Mr. John Braune, Commissioner
Ms. Marie-Bernarde Miller, Commissioner
Mr. Jay Hartman, Commissioner

CAW Staff in Attendance:

Mr. Graham Rich, P.E., Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Robert Hart, P.E., Technical Services Officer
Ms. Becky Linker, Chief Administrative Officer
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Terry Bice, Director of Distribution
Mr. Randy Easley, Director of Water Quality & Operations
Ms. Raven Lawson, Watershed Protection Manager
Mr. Todd Fisher, Finance Manager
Ms. Deena Coston, Controller
Mr. Tom Wray, P.E., Senior Engineer
Ms. Margaret Scott, Human Resources Specialist
Ms. Samantha Williams-Davis, Communications Assistant
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. Jack Truemper, Senior Vice President, Stephens, Inc.
Ms. Savanna Baxter, Associate, Rose Law Firm
Mr. Randy Milligan, Managing Partner, Thomas & Thomas, L.L.P.
Ms. Robin Scott, Audit Senior Manager, Thomas & Thomas, L.L.P.
Ms. Ruth Bell, League of Women Voters of Pulaski County
Ms. Caitlin Vestal, Heathcott Associates
Ms. Mary Carol Poole, Paschall Strategic Communications
Ms. Shada Roberts-Tanner, CDM Smith

CALL MEETING TO ORDER

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

EMPLOYEE RECOGNITION

Ms. Linker recognized Ms. Scott for her hard work and extreme attention to detail in collecting I-9 Employment Eligibility Verification forms and documentation which validates a new employee is authorized to work in the United States. CAW received a clean audit which was performed by The Department of Homeland Security, as well as special recognition for having had the cleanest audit the Homeland Security Agents had seen in the four (4) years they had been conducting audits.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Miller, the minutes of the March 12, 2015 Regular Meeting were unanimously approved.

OLD BUSINESS

Jacksonville Water Works

Mr. Rich updated the Board on the continuing negotiations with Jacksonville Water Works (JWW) related to their Wholesale Water Contract. He stated a resolution is tentatively in place to address the JWW outstanding balance and the reduction of their contract maximum from 12 MGD to 10 MGD. JWW Board plans to vote on this at the end of the month and we will bring this back to the CAW Board for approval at the May Board Meeting.

NEW BUSINESS

Adopt a Resolution Approving Notice of CAW's Intent to Issue Water Revenue Refunding Bonds

Mr. Mascagni introduced Mr. Truemper, Senior Vice President from Stephens, Inc. who made a presentation on the projected savings associated with refunding and refinancing of the Series 2010B bonds. The Board was asked to adopt a Resolution approving notice to the Cities of Little Rock and North Little Rock of the intent of CAW to issue Water Revenue Refunding Bonds.

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

Approve the 2014 Audit for CAW

Mr. Mascagni introduced Mr. Milligan, Managing Partner, from Thomas & Thomas, L.L.P who presented a review of the draft 2014 Comprehensive Annual Financial Report (CAFR) for CAW. The Board was asked to approve the 2014 CAFR.

Upon a motion duly made by Commissioner Robertson, and seconded by Commissioner Miller, after due consideration and discussion, the 2014 CAFR was unanimously approved.

Results of Water Utility Financial Information Survey

Every two years the Association of Metropolitan Water Agencies (AMWA) collects, compiles, and presents financial data on water utilities across the country. Mr. Mascagni made a presentation comparing CAW's position to the results from the 2014 survey. Consistent with previous AMWA survey comparisons, CAW compared favorably to the median of data provided by responding water utilities on numerous items including operating costs per capita, revenue per capita, past and future rate increases, and debt per capita.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Braune, and seconded by Commissioner Smith, after due consideration and discussion, the following contract was unanimously approved:

- a. The purchase of four (4) equipment transport trailers in the amount of \$63,340.00 from Kraftsman, Inc. Sealed bids were opened March 17, 2015 for the equipment transport trailers. Bids were received from six (6) bidders: Fiser Tractor, HilBilt, The Trailer Store, Kraftsman, Inc., Verde, and J. A. Riggs. Bid price includes delivery to the Clearwater Facility.

DEPARTMENT UPDATES

Engineering

Mr. Ferguson provided an update on matters pertaining to engineering.

Watershed

Ms. Lawson provided an update on matters pertaining to the watershed.

Finance

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

BOARD BRIEFING

Mr. Rich provided an update on the following:

- Lake Maumelle is half-foot above the spillway and Lake Winona is one-tenth of a foot above the spillway.
- An abbreviated version of CAW's Annual Stakeholders Meeting will be presented prior to the May Board Meeting.

EXECUTIVE SESSION

Upon a motion duly made by Commissioner Smith, and seconded by Commissioner Robertson, the Board went into executive session with Graham Rich to discuss a personnel matter.

Upon reconvening the regular session, a motion was duly made by Commissioner Smith, and seconded by Commissioner Robertson, to appoint the CEO and the Chair of CAW Board of Commissioners to complete the evaluation of Chief Legal Counsel. After due consideration and discussion, the appointment was unanimously approved.

Upon a motion duly made by Commissioner Smith, and seconded by Commissioner Kendall, the Board went into executive session to discuss a personnel matter.

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

ADJOURNMENT

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



Anthony Kendall, Secretary/Treasurer

RESOLUTION 2015-02

A RESOLUTION APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK OF THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE WATER REVENUE REFUNDING BONDS; 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”) has engaged Stephens Inc. as Financial Advisor, Rose Law Firm, a Professional Association, as Bond Counsel and Disclosure Counsel, and U.S. Bank National Association as Trustee for the continued issuance of bonds to finance its capital improvement program and to refund outstanding bonds, as appropriate; and

WHEREAS, CAW has previously issued its \$9,230,000 original principal amount Water Revenue Bonds, Series 2010B (the “Prior Bonds”); and

WHEREAS, CAW has determined that it is necessary to refund the Prior Bonds in order to achieve debt service savings; and

WHEREAS, CAW proposes to issue water revenue bonds in the aggregate principal amount not to exceed \$7,750,000 for the purpose of refunding the Prior Bonds, together with establishing a debt service reserve and paying the costs of issuing the bonds; and

WHEREAS, the Consolidation 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, the Board of Commissioners of CAW is adopting this resolution for the purpose of giving notice to the Cities and authorizing its Chief Financial Officer, together with the Financial Advisor and Bond Counsel and Disclosure Counsel, to prepare the forms of an Official Notice of Sale, Official Bid Form, and Preliminary Official Statement for presentation and approval by the Board of Commissioners at a later date;

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

Section 1. The Chief Executive Officer 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 refunding bonds in an amount not to exceed Seven Million Seven Hundred Fifty Thousand Dollars (\$7,750,000) for the purpose of refunding the Prior Bonds.

Section 2. The Chief Executive Officer is hereby instructed to schedule a public hearing on the issuance of the bonds.

Section 3. The Chief Financial Officer and the Chief Legal Counsel, together with the Financial Advisor and Bond Counsel and Disclosure Counsel, 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 4. Such preliminary actions as are determined to be necessary by the Chief Executive Officer, Chief Legal Counsel, and Chief Financial Officer are hereby authorized for the marketing of water revenue refunding bonds in order to provide sufficient funds for refunding the Prior Bonds; provided, however, that at such time as the Chief Executive 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 5. 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 the Financial Advisor and Bond Counsel and Disclosure Counsel, shall consider necessary or advisable in connection with this Resolution in order to prepare for the sale of the bonds.

Section 6. This Resolution shall be in effect upon its adoption and approval.

Section 7. A copy of this Resolution shall be filed in the corporate offices of CAW where it will be available for public inspection.

ADOPTED: April 9, 2015

ATTEST:



Anthony Kendall, Secretary/Treasurer

APPROVED:



Eddie Powell, Chair

CERTIFICATE

STATE OF ARKANSAS)
) ss
COUNTY OF PULASKI)

I, Anthony Kendall, Secretary/Treasurer of the Board of Commissioners of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2015-02 of the Board of Commissioners of Central Arkansas Water, entitled: A RESOLUTION APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK OF THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE WATER REVENUE REFUNDING BONDS; 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 April 9, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of April, 2015.



Anthony Kendall, Secretary/Treasurer

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

May 14, 2015

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, May 14, 2015, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Mr. Eddie Powell, Chair
Dr. Roby Robertson, Vice Chair
Mr. Anthony Kendall, Secretary/Treasurer
Ms. Carmen Smith, Commissioner
Mr. John Braune, Commissioner
Ms. Marie-Bernarde Miller, Commissioner

Attended by Phone:

Mr. Jay Hartman, Commissioner

CAW Staff in Attendance:

Mr. Graham Rich, P.E., Chief Executive Officer
Mr. Tad Bohannon, Chief Legal Counsel
Mr. Robert Hart, P.E., Technical Services Officer
Ms. Becky Linker, Chief Administrative Officer
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Dale Kimbrow, Manager of Planning, Regionalism & Future Water Source
Mr. John Tynan, Director of Customer Relations & Public Affairs
Mr. Allen Vincent, Director of Information Services
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Randy Easley, Director of Water Quality & Operations
Ms. Jane Hurley, Assistant Director of Water Quality
Ms. Raven Lawson, Watershed Protection Manager
Ms. Deena Coston, Controller
Mr. Tom Wray, P.E., Senior Engineer
Mr. Robert Martin, Safety Specialist
Ms. Samantha Williams-Davis, Communications Assistant
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Ms. Emily Walkenhorst, Reporter, Arkansas Democrat-Gazette
Ms. Sarah Campbell, Reporter, Jacksonville Leader
Ms. Mary Carol Poole, Paschall Strategic Communications
Ms. Tanya Whitlock, CJRW
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Mr. Norvell Plowman, Citizen

CALL MEETING TO ORDER

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

EMPLOYEE RECOGNITION

Mr. Easley recognized Ms. Hurley for receiving the AWEA 2015 James Bailey Memorial Educator of the Year Award. This honor is awarded to an Arkansan who strives to inspire fellow Arkansans, with an enthusiasm and desire to protect the state's water environment, understand environmental issues, and further environmental education

Ms. Hurley recognized Mr. Martin for receiving the AWEA 2015 Safety Professional of the Year Award. This honor is awarded to a safety professional that has shown excellence in improving or increasing the awareness of safety in a utility/city.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Smith, the minutes of the April 9, 2015 Regular Meeting were unanimously approved.

OLD BUSINESS

Jacksonville Water Works

Mr. Rich presented a new Wholesale Water Contract with Jacksonville Water Works (JWW) for Board consideration and highlighted a few key points:

- JWW will pay the outstanding balance owed (minus penalties and late charges)
- Year round monthly minimum will be 1.79 MGD
- Contract term is ten (10) years

Upon a motion duly made by Commissioner Robertson, and seconded by Commissioner Smith, after due consideration and discussion, the Wholesale Water Contract with JWW was unanimously approved.

NEW BUSINESS

Appointment of Nominating Committee for 2015 – 2016 Officers

Chair Powell appointed Commissioner Braune, to chair a committee to nominate officers for the 2015 - 2016 term beginning July 1. He asked Commissioner Braune to report back at the June Board Meeting.

Appointment of Nominating Committee for Appointment/Reappointment of Commissioner

Chair Powell said that Commissioner Miller's term expires on June 30, 2015. He asked Commissioner Braune to chair a committee to recommend the reappointment of Commissioner Miller or an appointment to fill the Commission vacancy. Chair Powell asked Commissioner Braune to report back at the June Board Meeting.

CAW Policy of Non-discrimination on Matters Related to Employment, Delivery of Services, and Contracting

Mr. Bohannon presented a resolution establishing anti-discrimination policies.

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

Modify CAW Employee Saving Plan and Section 125 Cafeteria Plan to Recognize all Legal Marriages

Ms. Linker presented a resolution approving amendments to the CAW Employees Savings Plan and the CAW Section 125 Cafeteria Plan. The Resolution will also enable the CEO and CAO to establish the maximum unreimbursed medical/dental plan salary redirection amount for the Section 125 Cafeteria Plan.

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

Renew Grass Farm Lease

Mr. Bohannon presented a new Turf Grass Farm Lease Agreement with Winrock Grass Farm, Inc., for a two-year lease commencing January 1, 2016, with one two-year option to extend, for approximately 115 acres of the 956 acre grass farm previously purchased by CAW.

Upon a motion duly made by Commissioner Miller, and seconded by Commissioner Braune, after due consideration and discussion, the Turf Grass Farm Lease Agreement was unanimously approved.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Kendall, and seconded by Commissioner Braune, after due consideration and discussion, the following contract was unanimously approved:

- a. Approve a contract in the amount of \$244,925 with KAJACS Contractors to relocate approximately 800 feet of 12-inch water main and 1300 feet of 8-inch water main. The work is required due to an Arkansas Highway Transportation Department (AHTD) project to replace the Arch Street Bridge that crosses the Union Pacific railroad tracks. AHTD will reimburse CAW approximately \$130,000 of this amount due to CAW having "prior rights" in some areas of this project.

Upon a motion duly made by Commissioner Robertson, and seconded by Commissioner Smith, after due consideration and discussion, the following contract was unanimously approved:

- b. A contract in the amount of \$479,725 with KAJACS Contractors to relocate approximately 1500 feet of 16-inch water main, 1100 feet of 12-inch water main, and 1000 feet of 6-inch water main. The work is required due to a City of North Little Rock project to construct an overpass across the Union Pacific railroad tracks at the east end of East McCain Boulevard and Fairfax Drive.

Upon a motion duly made by Commissioner Smith, and seconded by Commissioner Miller, after due consideration and discussion, the following contract was unanimously approved:

- c. A contract in the amount of \$488,224.22 with J.R. Fox Company to construct a new

booster station in the North Little Rock High Pressure Zone. This pressure zone is without any elevated water storage and depends on one or more pumps running continuously to maintain pressure. Currently two booster pump stations serve this zone but the system demand has reached the maximum capacity of these two stations. The new booster station will provide system redundancy and is required for continued growth and fire service demands.

DEPARTMENT UPDATES

Customer Relations and Public Affairs

Mr. Tynan provided an update on utility public affairs and customer relations.

Watershed

Ms. Lawson provided an update on matters pertaining to the watershed.

Regionalism

Mr. Kimbrow provided an update on matters pertaining to regionalism.

Finance

Mr. Mascagni provided a year-to-date financial update on utility operations. He also stated CAW was awarded the Government Finance Officers Association Distinguished Budget Presentation Award for the sixth consecutive year. He acknowledged Ms. Coston, the Finance Department, and all the Directors, for their efforts in attaining this designation.

Ms. Coston provided the annual report on CAW's Red Flag Policy as required by federal law.

BOARD BRIEFING

Mr. Rich stated Lake Maumelle is one and half-foot above the spillway and Lake Winona is three-tenths of a foot above the spillway.


EXECUTIVE SESSION

Upon a motion duly made by Commissioner Smith, and seconded by Commissioner Miller, the Board went into executive session to discuss a personnel matter.

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

ADJOURNMENT

Upon a motion duly made by Commissioner Smith, and seconded by Commissioner Miller, the meeting was adjourned.



Anthony Kendall, Secretary/Treasurer

RESOLUTION 2015-03

RESOLUTION APPROVING AMENDMENTS TO THE CENTRAL ARKANSAS WATER EMPLOYEES SAVINGS PLAN AND THE CENTRAL ARKANSAS WATER SECTION 125 CAFETERIA PLAN TO COMPLY, IN GOOD FAITH, WITH THE UNITED STATES SUPREME COURT DECISION OF UNITED STATES V. WINDSOR, REVENUE RULING 2013-17, NOTICE 2014-19 AND TECHNICAL RELEASE NO. 2013-04, AND TO AUTHORIZE MAXIMUM ANNUAL SALARY REDIRECTION UNDER THE UNREIMBURSED MEDICAL/DENTAL PLAN; AND PRESCRIBING OTHER MATTERS RELATED THERETO.

WHEREAS, Central Arkansas Water maintains the Central Arkansas Water Employees Savings Plan (the "Savings Plan") and the Central Arkansas Water Section 125 Cafeteria Plan (the "Cafeteria Plan") for the benefit of its employees; and

WHEREAS, Central Arkansas Water desires to amend the Savings Plan and the Cafeteria Plan to adopt certain provisions to comply, in good faith, with the United States Supreme Court decision of *United States v. Windsor*, Revenue Ruling 2013-17, Notice 2014-19 and Technical Release No. 2013-04 (collectively, the "Guidance") and to make other administrative changes to the Cafeteria Plan.

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

1. Central Arkansas Water amends its Central Arkansas Water Employees Savings Plan to be generally effective as of June 26, 2013, for the purpose of including in the definition of "spouse" a marriage of same-sex individuals that is validly entered into in a state whose laws authorize the marriage of two individuals of the same sex to be recognized, even if the individuals are domiciled in a state that does not recognize the validity of same-sex marriages and for other purposes as set forth in the Amendment attached as Exhibit A hereto

2. Central Arkansas Water amends its Central Arkansas Water Section 125 Cafeteria Plan to be generally effective as of June 26, 2013, for the purpose of including in the definition of "spouse" a marriage of same-sex individuals that is validly entered into in a state whose laws authorize the marriage of two individuals of the same sex to be recognized, even if the individuals are domiciled in a state that does not recognize the validity of same-sex marriages and for other purposes as set forth in the Amendment attached as Exhibit B hereto

3. Central Arkansas Water amends its Central Arkansas Water Section 125 Cafeteria Plan effective as of May 14, 2015, to enable the CEO and the CAO to establish the maximum unreimbursed medical/dental plan salary redirection amount each year as set forth on the Amendment attached as Exhibit B hereto

4. The Chief Executive Officer and the Chief Administrative Officer are authorized and directed to execute all documents, instruments and certificates required or necessary to carry

out the foregoing resolution and take all other actions necessary or desirable in connection with the foregoing resolution.

The foregoing resolutions have been duly adopted by the Board of Commissioners of Central Arkansas Water at a meeting of the Board of Commissioners of Central Arkansas Water held on May 14, 2015.

Attest:

APPROVED:



Anthony Kendall, Secretary/Treasurer



Eddie Powell, Chair

Exhibit A

CENTRAL ARKANSAS WATER EMPLOYEES SAVINGS PLAN

GOOD FAITH AMENDMENT PURSUANT TO THE *UNITED STATES V. WINDSOR* AND REVENUE RULING 2013-17

This Amendment is adopted by Central Arkansas Water (the "Employer") for the **CENTRAL ARKANSAS WATER EMPLOYEES SAVINGS PLAN** (the "Plan"). The Employer hereby amends and modifies the Plan to be generally effective as of June 26, 2013, to comply, in good faith, with the United States Supreme Court decision of *United States v. Windsor*, Revenue Ruling 2013-17, Notice 2014-19 and Technical Release No. 2013-04 (collectively, the "Guidance").

The provisions of this Amendment shall override and supersede the provisions of the Plan and the subsequent amendment and restatement of the Plan for the Pension Protection Act of 2006 or any other amendment or restatement of the Plan, if later, to the extent such provisions are inconsistent with the provisions of this Amendment, unless the provisions of this Amendment are restated or otherwise become obsolete. This Amendment is intended as good faith compliance with the Guidance and any required provisions of the Guidance that are not otherwise included in this Amendment and are inconsistent with the Plan's provisions shall be incorporated herein by reference and made a part of this Amendment. All other terms and provisions of the Plan shall remain in full force and effect and Central Arkansas Water hereby ratifies and confirms the Plan as amended herein.

SECTION 1. DEFINITION OF SPOUSE

Section 1.50 of the Plan is hereby amended to read as follows:

"1.50 **"Spouse"** means the person that is legally married to the Employee under the laws of the jurisdiction in which the marriage was established. For this purpose, a marriage of same-sex individuals that is validly entered into in a state whose laws authorize the marriage of two individuals of the same sex shall be recognized, even if the individuals are domiciled in a state that does not recognize the validity of same-sex marriages. In addition, individuals (whether part of an opposite-sex or same-sex couple) who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under state law that is not denominated as a marriage under the laws of that state are not recognized as married for purposes of this Plan."

SECTION 2. DESIGNATION OF BENEFICIARY

Section 7.4 of the Plan is hereby amended to read as follows:

"7.4 Payment of Death Benefits. On the death of the Participant, the Death Benefits shall be paid to the Participant's Surviving Spouse (as defined in Section 9.1). Notwithstanding the foregoing, if there is no Surviving Spouse, or, if a Surviving Spouse

has made a Qualified Election (as defined in Section 9.1) to waive a Qualified Preretirement Survivor Annuity, or, if the Surviving Spouse has consented in a manner conforming to a Qualified Election and this is a profit sharing plan which is not required to offer a Qualified Preretirement Survivor Annuity (as provided in Section 9.1), then the Death Benefit shall be paid to the Beneficiary or Beneficiaries designated by the Participant pursuant to Section 7.3 above. If a payment would otherwise be made to a Beneficiary or Beneficiaries designated by the Participant, but the designated Beneficiary or Beneficiaries (including all contingent Beneficiaries designated by the Participant) fail to survive the Participant, any Death Benefit shall be payable as set forth in Section 7.3(a) above as if the Participant had not designated a Beneficiary.

Notwithstanding the definition of Spouse in Section 1.50 and the definition of Surviving Spouse in Section 9.1, for purposes of Section 7.3 and this Section 7.4, spousal consent to waive any applicable spousal death benefits and to designate another Beneficiary or Beneficiaries is not required from a Spouse that is legally separated from the Participant.

If any Beneficiary who is alive on the date of the Participant's death dies before receiving a distribution from the Plan of the entire Death Benefit to which he or she is entitled, the balance of the Death Benefit will be distributed to the Beneficiary's beneficiary in accordance with Section 7.3(b) above."

Executed this 14 day of May, 2015.

CENTRAL ARKANSAS WATER

By: 
Eddie Powell, Chair

Exhibit B

CENTRAL ARKANSAS WATER SECTION 125 CAFETERIA PLAN

I. GOOD FAITH AMENDMENT PURSUANT TO THE *UNITED STATES V. WINDSOR* AND REVENUE RULING 2013-17

This Amendment is adopted by Central Arkansas Water (the "Employer") for the **CENTRAL ARKANSAS WATER SECTION 125 CAFETERIA PLAN** (the "Plan"). The Employer hereby amends and modifies the Plan to be generally effective as of June 26, 2013, to comply, in good faith, with the United States Supreme Court decision of *United States v. Windsor*, Revenue Ruling 2013-17, Notice 2014-19 and Technical Release No. 2013-04 (collectively, the "Guidance").

ARTICLE I – DEFINITIONS

SECTION 1.26. DEFINITION OF SPOUSE is amended as follows:

"1.26 **"Spouse"** means the person that is legally married to the Employee under the laws of the jurisdiction in which the marriage was established. For this purpose, a marriage of same-sex individuals that is validly entered into in a state whose laws authorize the marriage of two individuals of the same sex shall be recognized, even if the individuals are domiciled in a state that does not recognize the validity of same-sex marriages. In addition, individuals (whether part of an opposite-sex or same-sex couple) who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under state law that is not denominated as a marriage under the laws of that state are not recognized as married for purposes of this Plan."

The provisions of this Amendment shall override and supersede the provisions of the Plan and any other amendment or restatement of the Plan to the extent such provisions are inconsistent with the provisions of this Amendment, unless the provisions of this Amendment are restated or otherwise become obsolete. This Amendment is intended as good faith compliance with the Guidance and any required provisions of the Guidance that are not otherwise included in this Amendment and are inconsistent with the Plan's provisions shall be incorporated herein by reference and made a part of this Amendment. All other terms and provisions of the Plan shall remain in full force and effect and Central Arkansas Water hereby ratifies and confirms the Plan as amended herein.

II. AMENDMENT REGARDING DETERMINATION OF MAXIMUM ANNUAL SALARY REDIRECTION UNDER THE UNREIMBURSED MEDICAL/DENTAL PLAN

This Amendment is adopted by Central Arkansas Water ("Employer") for the **CENTRAL ARKANSAS WATER SECTION 125 CAFETERIA PLAN** (the "Plan"). The Employer hereby amends and modifies the Plan to be effective as of May 14, 2015.

ARTICLE IV – BENEFITS

SECTION 4.1 BENEFIT OPTIONS – (1) is amended as follows:

(1) Unreimbursed Medical/Dental Plan - maximum Salary Redirection amount to be determined by the Chief Executive Officer and the Chief Administrative Officer each year, not to exceed the maximum annual contribution limit established by the IRS for that year.

ARTICLE VI – UNREIMBURSED MEDICAL/DENTAL PLAN

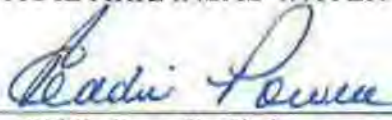
SECTION 6.4 LIMITATION ON ALLOCATIONS – SECTION 6.4 is amended as follows:

Notwithstanding any provision contained in this Unreimbursed Medical/Dental Plan to the contrary, the allocation to the Health Care Reimbursement Fund by a Participant in or on account of any Plan Year may not exceed the maximum amount determined by the Chief Executive Officer and the Chief Administrative Officer each year, which may not exceed the maximum annual contribution limit established by the IRS for that year.

The provisions of this Amendment shall override and supersede the provisions of the Plan and any other amendment or restatement of the Plan to the extent such provisions are inconsistent with the provisions of this Amendment, unless the provisions of this Amendment are restated or otherwise become obsolete. All other terms and provisions of the Plan shall remain in full force and effect and Central Arkansas Water hereby ratifies and confirms the Plan as amended herein.

Executed this 14 day of May, 2015.

CENTRAL ARKANSAS WATER

By: 
Eddie Powell, Chair

RESOLUTION 2015-04

A RESOLUTION TO DECLARE THE POLICY OF CENTRAL ARKANSAS WATER ON FACTORS NOT TO BE CONSIDERED IN HIRING; TO DECLARE THE POLICY ON HARASSMENT; TO DECLARE THE POLICY ON THE NON-DISCRIMINATORY PROVIDING OF SERVICES; TO DECLARE THE POLICY ON THE NON-DISCRIMINATORY PROVIDING OF EMPLOYEE BENEFITS; TO DECLARE THE POLICY ON COMPANIES WITH WHICH CENTRAL ARKANSAS WATER CONTRACTS; AND PRESCRIBING OTHER MATTERS RELATING THERETO

WHEREAS, the company values of Central Arkansas Water ("CAW") declare that "UNITY" is important and that CAW will appreciate diversity and value the difference that each individual brings to any situation; and

WHEREAS, the company values of CAW also declare that "RESPECT" is important and that CAW will treat others with high regard, fairness and consideration; and

WHEREAS, CAW is committed to a positive, inclusive, and respectful environment that embraces the full spectrum of human attributes, perspectives, and disciplines and it recognizes that a community rich in diversity affords every member equal respect; and

WHEREAS, CAW is committed to embracing diversity and inclusion of all people to obtain their assistance in our journey as a world class utility; and

WHEREAS, CAW's diversity mission desires to create an environment that unites our co-workers through recognizing and appreciating our similarities and differences; and

WHEREAS, pursuant to the Policies and Procedures of CAW, it is the policy of CAW not to discriminate in its employment and personnel practices because of a person's race, color, religion, sex, national origin, age, disability, veteran's status or any other status protected by law; and

WHEREAS, CAW has been committed to maintaining a work place free from all types of harassment or discrimination, including sexual harassment or harassment based on a person's race, color, religion, national origin, age, disability, veteran's status or any other status protected by law; and

WHEREAS, as a matter of practice, CAW does not discriminate in its employment policies or tolerate harassment or discrimination within the work place based on a person's *creed, marital status, sexual orientation, gender identity, genetic information, or political opinions or affiliation*; and

WHEREAS, CAW seeks to ensure that its employees with responsibility for hiring and supervising employees do not discriminate against potential or current employees because of the race, color, *creed*, religion, sex, national origin, age, disability, veteran's status, *marital status*,

sexual orientation, gender identity, genetic information, political opinions or affiliation, or any other status protected by law of the potential or current employee; and

WHEREAS, CAW seeks to ensure that it maintains a workplace free from all types of harassment or discrimination, including sexual harassment or harassment based on a person's race, color, *creed*, religion, sex, national origin, age, disability, veteran's status, *marital status, sexual orientation, gender identity, genetic information, political opinions or affiliation, or any other status protected by law; and*

WHEREAS, CAW seeks to ensure that its employees with responsibility for contracting with vendors do not discriminate against vendors because of the race, color, *creed*, religion, sex, national origin, age, disability, veteran's status, *marital status, sexual orientation, gender identity, genetic information, political opinions or affiliation, or any other status protected by law of the vendor's owners or personnel; and*

WHEREAS, CAW seeks to ensure that its employees, in providing water services, do not discriminate because of the race, color, *creed*, religion, sex, national origin, age, disability, veteran's status, *marital status, sexual orientation, gender identity, genetic information, political opinions or affiliation, or any other status protected by law of the customer; and*

WHEREAS, CAW seeks to encourage businesses and firms with whom it does business to adopt employment practices and to make sales and provide services to the public without discrimination;

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

1. Central Arkansas Water shall not discriminate against employees or potential employees because of the race, color, *creed*, religion, sex, national origin, age, disability, veteran's status, *marital status, sexual orientation, gender identity, genetic information, political opinions or affiliation, or any other status protected by law of the employee or potential employee.*

2. Central Arkansas Water shall strive to maintain a work place free from all types of harassment or discrimination, including sexual harassment or harassment based on a person's race, color, *creed*, religion, sex, national origin, age, disability, veteran's status, *marital status, sexual orientation, gender identity, genetic information, political opinions or affiliation, or any other status protected by law.*

3. If Central Arkansas Water provides an employee benefit which is also available to or which provides a benefit for an employee's spouse, Central Arkansas Water shall endeavor to provide such employee benefit to all legally married couples (whether same-sex or opposite-sex) on the same basis. For purposes of employee benefits, a spouse shall mean the person that is legally married to a CAW employee (whether same-sex or opposite-sex) under the laws of the jurisdiction in which the marriage was established; provided, if the marriage was performed in a foreign nation, such marriage must also be recognized as valid by the State Department of the United States of America. A marriage of same-sex individuals that is validly entered into in a

state whose laws authorize the marriage of two individuals of the same sex shall be recognized, even if the individuals are domiciled in a state that does not recognize the validity of same-sex marriages. Individuals (whether part of an opposite-sex or same-sex couple) who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under state law that is not denominated as a marriage under the laws of that state are not recognized as married for the purposes of obtaining spousal benefits through CAW.

4. Central Arkansas Water shall not discriminate against vendors because of the race, color, *creed*, religion, sex, national origin, age, disability, veteran's status, *marital status*, *sexual orientation*, *gender identity*, *genetic information*, *political opinions or affiliation*, or any other status protected by law of the vendor's owners or personnel.

5. Central Arkansas Water shall not discriminate in the providing of water services because of the race, color, *creed*, religion, sex, national origin, age, disability, veteran's status, *marital status*, *sexual orientation*, *gender identity*, *genetic information*, *political opinions or affiliation*, or any other status protected by law of the customer.

6. All contracts providing goods and services to Central Arkansas Water shall contain a clause stating that the contracting party shall not discriminate in its employment practices or its provision of goods or services on the basis of race, color, *creed*, religion, sex, national origin, age, disability, veteran's status, *marital status*, *sexual orientation*, *gender identity*, *genetic information*, *political opinions or affiliation*. All bid and proposal requests for such contracts from Central Arkansas Water shall include notification of such a clause and the requirement that it be followed.

7. Central Arkansas Water staff shall revise all policies, manuals, handbooks, forms, contracts, and request for proposals or qualifications in a manner consistent with the requirements of this Resolution.

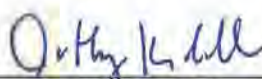
8. All resolutions, or part of the same, that are inconsistent with the provisions of this resolution, are hereby repealed to the extent of such inconsistency.

9. In the event any title, section, paragraph, item, sentence, clause, phrase or word of this resolution is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining portions of the resolution which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional were not originally a part of the resolution.

10. This Resolution shall be in effect immediately upon its adoption.

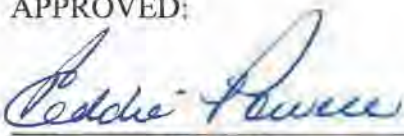
ADOPTED: May 14, 2015

Attest:



Anthony Kendall, Secretary/Treasurer

APPROVED:



Eddie Powell, Chair

Minutes of a Public Hearing
Central Arkansas Water

June 9, 2015

Central Arkansas Water (CAW), convened a public hearing at 2:00 p.m. on Tuesday, June 9, 2015, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

CAW Staff in attendance:

Mr. Graham Rich, Chief Executive Officer
Mr. Jeff Mascagni, Chief Financial Officer
Ms. Deena Coston, Controller
Ms. Kamika Gaines, Administrative Assistant

Also in Attendance:

Mr. Jack Truemper, Senior Vice President, Stephens, Inc.

CALL PUBLIC HEARING TO ORDER

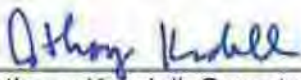
Mr. Mascagni called the public hearing to order at 2:18 p.m.

Mr. Mascagni stated the public hearing is held to receive public comments regarding the potential refunding of 2010B series bonds. The Board of Commissioners has determined that debt service savings may be realized through the refunding of its outstanding water revenue 2010B series bonds.

Mr. Rich then addressed those in attendance and asked for questions or comments. No discussion ensued.

ADJOURNMENT

Mr. Rich adjourned the meeting at 2:23 p.m.



Anthony Kendall, Secretary/Treasurer

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

June 11, 2015

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, June 11, 2015, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Mr. Eddie Powell, Chair
Dr. Roby Robertson, Vice Chair
Mr. Anthony Kendall, Secretary/Treasurer
Ms. Carmen Smith, Commissioner
Mr. John Braune, Commissioner
Ms. Marie-Bernarde Miller, Commissioner
Mr. Jay Hartman, Commissioner

CAW Staff in Attendance:

Mr. Graham Rich, P.E., Chief Executive Officer
Mr. Thad Luther, Chief Operating Officer
Mr. Tad Bohannon, Chief Legal Counsel
Mr. Robert Hart, P.E., Technical Services Officer
Ms. Becky Linker, Chief Administrative Officer
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Dale Kimbrow, Manager of Planning, Regionalism & Future Water Source
Mr. John Tynan, Director of Customer Relations & Public Affairs
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Randy Easley, Director of Water Quality & Operations
Mr. Tom Wray, P.E., Senior Engineer
Ms. Samantha Williams-Davis, Communications Assistant
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. Jack Truemper, Senior Vice President, Stephens, Inc.
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette
Ms. Kathy Wells, Greater Little Rock Neighborhoods
Ms. Carolyn Shearman, Sierra Club
Ms. Ruth Bell, League of Women Voters of Pulaski County
Mr. Barry Haas, Citizen
Ms. Mary Carol Poole, Paschall Strategic Communications
Ms. Margaret Powell, Citizen
Mr. Bernie Hochstetter, Citizen
Ms. Janelle Lilley, Reporter, KATV Channel 7
Mr. Chato Wilson, KATV Channel 7

CALL MEETING TO ORDER

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

EMPLOYEE RECOGNITION

Mr. Rich recognized Mr. Luther for 10 years of service.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Miller, the minutes of the May 14, 2015 Regular Meeting were unanimously approved.

OLD BUSINESS

Appointment of 2015-2016 Board Officers

Upon a motion duly made by Commissioner Braune and seconded by Commissioner Smith, after due consideration and discussion, the following Board Members were nominated and approved to serve as Board Officers for the 2015-16 term beginning July 1, 2015.

Dr. Roby Robertson – Chair
Mr. Tony Kendall – Vice Chair
Mr. Jay Hartman – Secretary/Treasurer

Appointment/Reappointment of Commissioner

Upon a motion duly made by Commissioner Braune and seconded by Commissioner Hartman, after due consideration and discussion, the reappointment of Commissioner Miller to a seven-year term was approved.

Water Revenue Refunding Bonds Refinance Update

Mr. Mascagni introduced Mr. Truemper, Senior Vice President with Stephens, Inc., who proceeded to update the Board on current market conditions, projected savings, and next steps associated with the potential refunding of Water Revenue Bonds Series 2010B. No action was required.

NEW BUSINESS

Presentation on 30-inch Main Break under I-430 River Bridge

Mr. Hart made a presentation on CAW's response to a 30-inch main break under the I-430 River Bridge. Increased flow in the Arkansas River from heavy rains in Arkansas and Oklahoma washed out a section of 30-inch pipe under the north end of the bridge. The Board thanked staff for the efforts and quick responses to avoid water quality issues or damage to additional critical infrastructure.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Robertson, and seconded by Commissioner Braune, after due consideration and discussion, the following contract was unanimously approved:

The third year of a three-year contract with the Insurance Center, Inc. in the amount of 247,860. The contract provides coverage for property, inland marine, crime, auto liability, director and officers, employment practices, professional liability, limited general liability, excess liability, and employed lawyer's liability. Coverage through June 2016 will be provided by Arch Insurance Company for \$244,227 and Philadelphia (employed lawyer's liability) for \$3,633.

Upon a motion duly made by Commissioner Hartman, and seconded by Commissioner Miller, after due consideration and discussion, the following contract was unanimously approved:

A professional services contract in the amount of \$80,000 with Crist Engineers, Inc. to evaluate the Arkansas River as an emergency raw water source.

Upon a motion duly made by Commissioner Robertson, and seconded by Commissioner Smith, after due consideration and discussion, the following contract was unanimously approved:

A contract to On-Line Construction in the amount of \$316,000 or, if On-Line is unable to fulfill the contract due to pending outside litigation, award to Smith Underground, Inc. in the amount of \$319,309.50 to relocate approximately 1,500 feet of a 12-inch water main on MacArthur Drive.

DEPARTMENT UPDATES

Customer Relations and Public Affairs

Mr. Tynan provided an update on utility public affairs and customer relations. In addition, Mr. Tynan stated that on May 13, numerous residents in the Maumelle Watershed filed a petition for incorporation as a municipality named Little Italy. The County Clerk certified 220 signatures on May 14 and notified the County Judge. The County Judge then scheduled a public hearing for July 13 at 2 p.m. Following the hearing the County Judge will determine if incorporation may proceed. If the effort is successful, areas within incorporated Little Italy will not be subject to County Subdivision Regulations or the Watershed Zoning Code and associated water quality protections. Organizers have stated that the core intent of incorporation is to "prevent annexation or controls leveraged by another city government" and "make decisions about town planning/development of the area, not by the Pulaski County Planning Board"

Discussion ensued.

The Board requested a Resolution, in opposition to the incorporation of Little Italy, be presented at the next Board meeting.

Water Quality & Operations

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

Regionalism

Mr. Kimbrow provided an update on matters pertaining to regionalism.

Finance

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

BOARD BRIEFING

Mr. Rich stated lake levels are very good. Lake Maumelle is four inches above full pool and Lake Winona is one and one-half inches below full pool.

ADJOURNMENT

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



Jay Hartman, Secretary/Treasurer

RESOLUTION 2015-05

A RESOLUTION RE-APPOINTING MS. MARIE-BERNARDE MILLER TO THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, AND FOR OTHER PURPOSES

WHEREAS, the term of Ms. Marie-Bernarde Miller, a member of the Board of Commissioners, Central Arkansas Water ("CAW Board"), expires on June 30, 2015; 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 Board of Directors of the City of Little Rock, Arkansas, and the City Council of the City of North Little Rock, Arkansas.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, THAT the remaining commissioners do hereby reappoint Ms. Miller to a seven-year term, 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, and that her term of office shall be through June 30, 2022.

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 be requested to confirm this appointment.

CERTIFICATE

I, Anthony Kendall, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners at a meeting held June 11, 2015.



Anthony Kendall, Secretary

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

July 9, 2015

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, June 11, 2015, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Dr. Roby Robertson, Chair
Mr. Anthony Kendall, Vice Chair
Mr. Jay Hartman, Secretary/Treasurer
Ms. Carmen Smith, Commissioner
Mr. John Braune, Commissioner
Ms. Marie-Bernarde Miller, Commissioner
Mr. Eddie Powell, Commissioner

CAW Staff in Attendance:

Mr. Graham Rich, P.E., Chief Executive Officer
Mr. Thad Luther, Chief Operating Officer
Mr. Tad Bohannon, Chief Legal Counsel
Mr. Robert Hart, P.E., Technical Services Officer
Ms. Becky Linker, Chief Administrative Officer
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Dale Kimbrow, Manager of Planning, Regionalism & Future Water Source
Mr. John Tynan, Director of Customer Relations & Public Affairs
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Kevin Hall, Director of Environmental Health & Safety
Mr. Jonathan Long, P.E., Senior Engineer
Ms. Raven Lawson, Watershed Protection Manager
Ms. Samantha Williams-Davis, Communications Assistant
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. Jack Truemper, Senior Vice President, Stephens, Inc.
Ms. M. Jane Dickey, Bond Counsel for CAW with Rose Law Firm
Ms. Savannah Baxter, Rose Law Firm
Mr. Jim Fowler, Rose Law Firm
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette
Mr. Aaron Benzing, P.E., Hawkins Weir Engineers, Inc.
Mr. Fred Oswald, P.E., Hawkins Weir Engineers, Inc.
Ms. Ruth Bell, League of Women Voters of Pulaski County
Mr. Barry Haas, Citizen
Mr. Bernie Hochstetter, Citizen
Mr. Matt Bryant, TV Photojournalist, KTHV Channel 11
Mr. Brian Emfinger, TV Photojournalist, KATV Channel 7

CALL MEETING TO ORDER

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

RECOGNITION OF PAST CHAIR

Chair Robertson thanked Commissioner Powell for his dedication to serving the utility and customers of Central Arkansas Water during his term as Chair.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Braune, the minutes of the June 11, 2015 Regular Meeting were unanimously approved.

OLD BUSINESS

Water Revenue Refunding Bonds Refinance Update

Mr. Mascagni introduced Ms. Dickey, Bond Counsel for CAW with Rose Law Firm. Ms. Dickey presented a Resolution authorizing the offering of CAW Refunding Water Revenue Bonds, Series 2015, for the purpose of refinancing the outstanding principal of the CAW Water Revenue Bonds, Series 2010B.

Mr. Truemper, Senior Vice President with Stephens, Inc. updated the Board on current market conditions, projected savings, and next steps associated with the potential refunding of Water Revenue Bonds Series 2010B.

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

NEW BUSINESS

Opposition to the Incorporation of Little Italy

Mr. Bohannon requested Board approval of a Resolution opposing the incorporation of the town of Little Italy in Pulaski County, AR. The Pulaski County subdivision and zoning regulations will be inapplicable within the territory encompassed by Little Italy if it successfully incorporates. The incorporation of Little Italy is not in the best interest of CAW or its ratepayers because of the potential significant impact on water quality within Lake Maumelle.

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

Proposed Consolidation of Maumelle Water Management (WMA)

Mr. Bohannon requested Board approval of a Resolution authorizing staff to take actions necessary to fully explore the consolidation of MWM into CAW. CAW will perform a feasibility study of the proposed consolidation and report to the Board and MWM the terms and conditions upon which CAW staff would recommend consummation of the proposed consolidation. Staff will present the results of the feasibility study to the Board in September. If MWM Board and this Board approve the consolidation, the two systems will consolidate on December 31, 2015.

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

Harassment, Discrimination and Diversity Sensitivity Training

Mr. Rich recused himself from participating in the discussion due to a conflict of interest and exited the Board Room. Mr. Rich is a member of Just Communities of Arkansas (JCA) Board of Directors.

A Request for Qualifications for the harassment/discrimination/diversity training was issued in May. Following our review panel's evaluation of the three responses received, Ms. Linker requested Board approval of a contract with JCA to perform Harassment, Discrimination and Diversity Sensitivity Training. JCA has performed similar training for CAW in the past and their work has been excellent. Negotiations with JCA are underway with final costs not expected to exceed \$35,000.

Upon a motion duly made by Commissioner Braune and seconded by Commissioner Powell, after due consideration and discussion, the contract was approved.

Mr. Rich re-joined the Board Meeting.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Hartman, and seconded by Commissioner Kendall, after due consideration and discussion, the following contract was unanimously approved:

A contract in the amount of \$380,261 with J.R. Fox Company to replace an aging 16-inch steel pipe under Cantrell Road with a new 16-inch ductile iron pipe installed inside a bored 30-inch encasement pipe.

Upon a motion duly made by Commissioner Smith, and seconded by Commissioner Miller, after due consideration and discussion, the following contract was unanimously approved:

A contract in the amount of \$636,575 with Diamond Construction, Inc. to replace approximately 3,700 linear feet of 12-inch asbestos-cement pipe, 250 linear feet of 8-inch cast iron pipe, and 275 linear feet of 6-inch cast iron pipe along East Roosevelt Road and Welch Street in Little Rock.

DEPARTMENT UPDATES

Customer Relations and Public Affairs

Mr. Tynan provided an update on utility public affairs and customer relations.

Water Quality & Operations

Ms. Lawson provided an update on matters pertaining to the watershed.

Regionalism

Mr. Kimbrow provided an update on matters pertaining to regionalism.

Finance

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

BOARD BRIEFING

Mr. Rich provided an update on the following:

- Read a letter from Sam Hilburn, Attorney, commending CAW employees for handling a trouble call.
- Lake Maumelle is two-tenth of a foot over the spillway and Lake Winona is one-tenth of a foot over the spillway.
- Strategic Planning updates will be given in December.

ADJOURNMENT

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



Jay Hartman, Secretary/Treasurer

RESOLUTION NO. 2015-06

RESOLUTION AUTHORIZING THE OFFERING OF NOT TO EXCEED \$8,000,000 CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 2015; APPROVING THE FORM OF AN OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM, AND PRELIMINARY OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE SALE OF THE BONDS.

WHEREAS, Central Arkansas Water ("CAW") has engaged Stephens Inc. as Financial Advisor, Rose Law Firm, a Professional Association, as Bond Counsel and Disclosure Counsel, and U.S. Bank National Association as Trustee for the continued issuance of bonds to finance its capital improvement program and to refund outstanding bonds, as appropriate; and

WHEREAS, CAW has previously issued its \$9,230,000 original principal amount Water Revenue Bonds, Series 2010B (General Improvements Project) (the "Prior Bonds"); and

WHEREAS, CAW has determined that it is in the best interest of the utility and its ratepayers to refund the Prior Bonds in order to achieve debt service savings (the "Refunding"); and

WHEREAS, for the purpose of accomplishing the Refunding, establishing a debt service reserve, and paying the costs of issuance of the bonds, CAW intends to issue not to exceed \$8,000,000 in bonds; and

WHEREAS, pursuant to the direction of the Board of Commissioners of CAW (the "Commission"), CAW's Chief Financial Officer (the "Authorized Officer"), together with the Financial Advisor and Bond Counsel and Disclosure Counsel have prepared and presented for consideration at this meeting of the Commission the forms of an Official Notice of Sale, Official Bid Form, and Preliminary Official Statement; and

WHEREAS, upon the advice of the Authorized Officer, the Commission is now prepared to authorize the offering of bonds for sale and to approve the sale documentation as described in this resolution.

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

Section 1. The bonds shall be designated Central Arkansas Water Refunding Water Revenue Bonds, Series 2015 (the "Bonds"). The Bonds shall be offered for sale in the aggregate principal amount of not to exceed \$8,000,000 by electronic bids, at such time as may be approved by the Authorized Officer, upon advice of the Financial Advisor, at such location as may be provided for in the Official Notice of Sale. At such time and place, the Authorized Officer shall meet with the Financial Advisor to receive the bids. The Authorized Officer is hereby authorized to accept the bid providing the lowest "true interest cost" (as defined in the Official Notice of Sale) in the name of CAW if, upon

advice of the Financial Advisor, he shall determine to do so is in the best interest of CAW.

Section 2. Given that the timing for the offering the Bonds for sale and for accepting the bid providing the lowest "true interest cost" is critical for the successful sale of the Bonds, in the event the Authorized Officer is unavailable for whatever reason, either CAW's Chief Operating Officer or CAW's Chief Legal Counsel may perform the actions of the Authorized Officer set forth in the Sections 1, 4, 5, 6, and 7.

Section 3. The Official Notice of Sale and Official Bid Form, substantially in the forms exhibited to and before the Commission at the meeting at which this resolution is adopted, are hereby approved.

Section 4. The Preliminary Official Statement, substantially in the form exhibited to and before the Commission at the meeting at which this resolution is adopted, is hereby deemed "final," except for such terms and conditions as are determined by the sale and such other changes, omissions, insertions, and revisions as the Authorized Officer shall deem advisable, and the Preliminary Official Statement is hereby approved for use in connection with the sale of the Bonds.

Section 5. The Authorized Officer shall cause notice of the sale of the Bonds to be included as an upcoming sale in the competitive calendar published in *The Bond Buyer*.

Section 6. The Authorized Officer, after consultation with the Financial Advisor and Bond Counsel, is hereby authorized to distribute the Official Notice of Sale, Official Bid Form, and Preliminary Official Statement, with such changes and modifications as the Authorized Officer shall deem appropriate, to prospective bidders for the Bonds.

Section 7. The Authorized Officer is authorized to take such other actions and to approve such other documents as are, in his judgment, necessary or appropriate in order to provide for the sale of the Bonds on the date specified and accomplish the intent of this resolution.


Section 8. This resolution shall be in effect from and after the date of its adoption.

ADOPTED: July 9, 2015

ATTEST:


Jay Hartman, Secretary/Treasurer

APPROVED:


Roby Robertson, Ph.D., Chair

RESOLUTION NO. 2015-07

A RESOLUTION OPPOSING THE INCORPORATION OF THE TOWN OF LITTLE ITALY IN PULASKI COUNTY, ARKANSAS; AND PRESCRIBING OTHER MATTERS RELATED THERETO.

WHEREAS, the Little Italy Task Force has delivered a petition for Little Italy to become an official town in Pulaski County, Arkansas.

WHEREAS, the area to be encompassed within the town of Little Italy is in the Lake Maumelle watershed.

WHEREAS, the Little Italy Task Force estimates that about 380 people reside in the area to be included within the new town. The town will include about 8.8 square miles of real property, with a population density of 43.4 individuals per square mile. Among a comparison of Arkansas cities and towns with populations ranging from 200-403, Little Italy would be the second largest municipality in terms of geographic area but the second smallest in terms of population density of any town with this population.

WHEREAS, Lake Maumelle is the primary source for Central Arkansas Water and serves over 400,000 residents of central Arkansas with high quality water.

WHEREAS, the Pulaski County Quorum Court has adopted substantial subdivision and zoning regulations applicable within the Lake Maumelle watershed for the purpose of protecting the water quality of Lake Maumelle.

WHEREAS, the Little Italy business plan states that one of the objectives for incorporation is to prevent "controls leveraged by another city government."

WHEREAS, the Little Italy business plan states that the town does not want to be bound by the Pulaski County subdivision and zoning regulations.

WHEREAS, the Pulaski County subdivision and zoning regulations will be inapplicable within the territory encompassed by Little Italy if it successfully incorporates.

WHEREAS, Central Arkansas Water has invested significant time and resources in the protection of water quality in Lake Maumelle in furtherance of its public purpose as a municipal water system; and

WHEREAS, Central Arkansas Water continues to seek the protection and conservation of water quality within Lake Maumelle; and

WHEREAS, without assurances regarding the long-term protection of water quality and maintenance of the Pulaski County subdivision and zoning regulations, the incorporation and subsequent development of Little Italy could lead to the degradation of water quality in Lake Maumelle.

WHEREAS, TetraTech has calculated that the development of property within the proposed Little Italy occurring without the protections provided by the Pulaski County subdivision and zoning regulations and the associated land use and density restrictions could increase the phosphorus loading in Lake Maumelle by 225% per year.

WHEREAS, TetraTech has calculated that the development of property within the proposed Little Italy occurring without the protections provided by the Pulaski County subdivision and zoning regulations and the associated land use and density restrictions could require CAW to purchase an additional 3,500 acres of mitigation land to offset the negative impacts on water quality.

WHEREAS, expansion of the proposed Little Italy area within the Lake Maumelle watershed through annexation could further increase phosphorus loading and mitigation requirements.

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

Section 1. Central Arkansas Water hereby finds that the incorporation of Little Italy is not in the best interest of Central Arkansas Water or its ratepayers because it will substantially threaten water quality within Lake Maumelle thereby putting the health and safety of over 400,000 citizens of central Arkansas in jeopardy.

Section 2. Accordingly, for all of the reasons set forth above, Central Arkansas Water hereby opposes the incorporation of the town of Little Italy and request that the County Court deny the petition for incorporation of Little Italy unless Central Arkansas Water receives binding commitments from the property owners within proposed the Little Italy area that they will provide long-term protections for the preservation of water quality in Lake Maumelle.

Section 3. Except as otherwise limited by Section 3 above, the Chief Legal Counsel is directed to file written opposition to the incorporation of Little Italy with the County Court.

Section 4. Except as otherwise limited by Section 3 above, the Chief Legal Counsel is authorized and directed to attend any public hearing on the issue of incorporation of Little Italy and, on behalf of Central Arkansas Water and its 400,000 customers, to express such opposition, and further, to bring with him such witnesses and materials as deemed necessary to support this opposition.

Section 5. Each or any of the Chief Executive Officer, the Chief Legal Counsel, or the Director of Customer Relations and Public Affairs is hereby authorized and directed to do any and all things necessary to effect purpose of this Resolution, including, but not limited to the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by and within the purpose of this Resolution.

Section 6. That this Resolution shall be in full force and effect from and after its passage and approval.

The foregoing resolution has been duly adopted by the Board of Commissioners, Central Arkansas Water at a meeting of the Board of Commissioners, Central Arkansas Water held on July 9, 2015.

Attest:

APPROVED:



Jay Hartman, Secretary/Treasurer



Roby Robertson, Ph.D., Chair

RESOLUTION NO. 2015-08

RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER STAFF TO TAKE THOSE ACTIONS NECESSARY TO FULLY EXPLORE THE CONSOLIDATION OF MAUMELLE SUBURBAN IMPROVEMENT DISTRICT NO. 500 INTO CENTRAL ARKANSAS WATER; AND PRESCRIBING OTHER MATTERS RELATED THERETO.

WHEREAS, CAW is a consolidated municipal water system created and existing under the Consolidated Waterworks Authorization Act, Act 982 of the 83rd General Assembly of the State of Arkansas; and

WHEREAS, the Maumelle Suburban Improvement District No. 500, d/b/a Maumelle Water Management ("MWM"), owns and operations the water and wastewater systems for the area in and around the City of Maumelle, Arkansas (the "MWM Systems"); and

WHEREAS, CAW's water system currently has over 125,000 metered service connections, nearly 12,144,000 feet of water mains, 27 water storage tanks, 14,870 fire hydrants, 2 water supply lakes, two water treatment plants and 26 pump stations supply potable water on a retail or wholesale basis to over 450,000 citizens of central Arkansas ("CAW's System") with the capacity to provide approximately 157 million gallons of potable water per day and an average daily demand of 62 million gallons; and

WHEREAS, MWM is a suburban improvement district providing both water and wastewater services to residents and businesses located in and around the City of Maumelle; and

WHEREAS, MWM's water system currently has approximately 10,500 metered service connections, nearly 600,000 feet of water mains, two water storage tanks, 675 fire hydrants, 13 supply wells, a water treatment plant, and two booster pump station ("MWM's Water System"); and

WHEREAS, MWM's wastewater system currently has approximately 2,100 manholes, 30 sewer pumping stations and almost 500,000 feet of collection mains ("MWM's Wastewater System," which collectively with MWM's Water System may be referred to herein as "MWM's Systems"); and

WHEREAS, the Board of Commissioners of MWM recently accepted CAW's "Proposal to Study Consolidation Options" that enables CAW to explore ways in which CAW and MWM may consolidate operations and ownership of either (i) MWM's Systems or (ii) MWM's Water System into CAW's System to enable CAW to provide either retail water and wastewater services or only retail water service to the MWM's customers as part of CAW's System (the "Proposed Consolidation");

WHEREAS, CAW is willing to and MWM desires for CAW to perform a feasibility study of the Proposed Consolidation and report to this Commission and MWM the terms and conditions upon which CAW staff would recommend that CAW proceed with the consummation of the Proposed Consolidation; and

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

Section 1. The Commission desires to further explore the Proposed Consolidation and hereby request that CAW's staff continue and proceed with the feasibility study to explore the viability of the Proposed Consolidation, as well as the terms and conditions upon which the Proposed Consolidation should be recommended.

Section 2. Each or any of the Chief Executive Officer, the Chief Legal Counsel, the Chief Operating Officer, or the Chief Financial Officer is hereby authorized and directed to do any and all things necessary to effect purpose of this Resolution, including, but not limited to the hiring of engineering, rate and accounting assistance necessary to complete the feasibility study and the preparation of a Memorandum of Understanding for the Consolidation of Maumelle Water Management with Central Arkansas Water, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by and within the purpose of this Resolution.

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

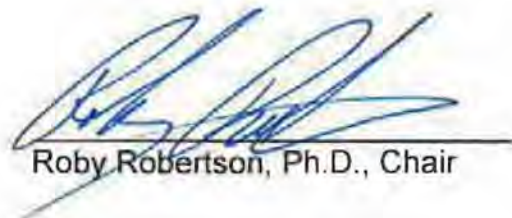
The foregoing resolution has been duly adopted by the Board of Commissioners, Central Arkansas Water at a meeting of the Board of Commissioners, Central Arkansas Water held on July 9, 2015.

Attest:



Jay Hartman, Secretary/Treasurer

APPROVED:



Roby Robertson, Ph.D., Chair

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

July 30, 2015

The Board of Commissioners of Central Arkansas Water (CAW), convened in a special called meeting at 2 p.m. on Thursday, July 30, 2015, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Dr. Roby Robertson, Chair
Ms. Carmen Smith, Commissioner
Ms. Marie-Bernarde Miller, Commissioner
Mr. Eddie Powell, Commissioner

Attended by Phone:

Mr. Anthony Kendall, Vice Chair
Mr. Jay Hartman, Secretary/Treasurer
Mr. John Braune, Commissioner

CAW Staff in Attendance:

Mr. Graham Rich, P.E., Chief Executive Officer
Mr. Thad Luther, Chief Operating Officer
Mr. Tad Bohannon, Chief Legal Counsel
Mr. Jeff Mascagni, Chief Financial Officer
Ms. Samantha Williams-Davis, Communications Assistant
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. Jack Truemper, Senior Vice President, Stephens, Inc.
Ms. Savannah Baxter, Rose Law Firm
Mr. Jim Fowler, Rose Law Firm
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette

CALL MEETING TO ORDER

Chair Robertson called the meeting to order at 2:04 p.m.

RESOLUTIONS

Water Revenue Refunding Bonds Refinance

Mr. Fowler, Bond Counsel for CAW with Rose Law Firm presented a Resolution for Board approval authorizing the issuance and sale of \$7,445,000 Refunding Water Revenue Bonds, Series 2015 for the purpose of refinancing the outstanding principal of the CAW Water Revenue Bonds, Series 2010B.

Mr. Truemper, Senior Vice President with Stephens, Inc. reported that CAW received a low bid of 2.39% True Interest Cost from City Securities Corp. on July 29, at 10 a.m. on the Refunding Water Revenue Bonds Series 2015, with an approximate annual savings of \$45,000 and a Net Present Value savings of 7.35%.

Mr. Mascagni requested Board approval of the Resolution authorizing the sale of the Refunding Water Revenue Bonds, Series 2015.

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

ADJOURNMENT

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



Jay Hartman, Secretary/Treasurer

RESOLUTION NO. 2015-09

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$7,445,000 CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 2015, FOR THE PURPOSE OF FINANCING THE COSTS OF REFUNDING CENTRAL ARKANSAS WATER'S OUTSTANDING WATER REVENUE BONDS, SERIES 2010B (GENERAL IMPROVEMENTS PROJECT); PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, AN ESCROW DEPOSIT AGREEMENT, AND A CONTINUING DISCLOSURE AGREEMENT; APPROVING THE OFFICIAL STATEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO

WHEREAS, Central Arkansas Water ("CAW") is a body politic and corporate, created pursuant to the Consolidated Waterworks Authorization Act of 2001, Ark. Code Ann. §§ 25-20-301 *et seq.* (the "Act"), and a Consolidation Agreement dated as of March 5, 2001, as amended, among the Cities of Little Rock and North Little Rock, Arkansas, the Board of Commissioners of the Little Rock Municipal Water Works, and the Board of Commissioners of the North Little Rock Water Department; and

WHEREAS, CAW has previously issued its \$9,230,000 original principal amount Water Revenue Bonds, Series 2010B (General Improvements Project) (the "Prior Bonds"); and

WHEREAS, the Board of Commissioners of CAW has determined that it is in the best interest of the utility and its rate payers to refund the Prior Bonds in order to achieve debt service savings (the "Refunding"); and

WHEREAS, pursuant to the Consolidation Agreement, CAW, by letter of its Chief Executive Officer dated April 10, 2015, notified the Cities of its intention to issue water revenue refunding bonds and neither City as of the date of this resolution has voted its disapproval of the issuance of the water revenue refunding bonds; and

WHEREAS, pursuant to the Consolidation Agreement and the Revenue Bond Act of 1987, as amended, Ark. Code Ann. §§ 19-6-601 *et seq.*, CAW caused to be published on May 22, 2015, a notice of public hearing on the question of issuing revenue bonds and thereafter, on June 9, 2015, held a public hearing, as advertised; and

WHEREAS, pursuant to the authority granted in Commission Resolution No. 2015-06, after due advertisement of an Official Notice of Sale, \$7,535,000 (or such lesser amount as shall be sufficient to accomplish the purpose for which issued) of Refunding Water Revenue Bonds, Series 2015, dated August 1, 2015 (the "Bonds"), bearing interest at the rate or rates per annum to be specified by the successful bidder, payable serially (or subject to sinking fund redemption) on October 1 in each of the years 2015 through 2030, inclusive, were duly offered for sale on July 29, 2015; and

WHEREAS, at said sale, pursuant to the Official Notice of Sale, the following bids were received:

Bidder	True Interest Cost
City Securities Corp.	2.398690
Raymond James & Associates, Inc.	2.449914
Hutchinson, Shockey, Erley & Co.	2.500129
Stifel, Nicolaus & Co., Inc.	2.544739
Crews & Associates, Inc.	2.569745
Wells Fargo Bank, National Association	2.572041
Ross, Sinclair & Associates, LLC	2.716316

WHEREAS, pursuant to the authority granted in Commission Resolution No. 2015-06, the bid submitted by City Securities Corp. (the "Purchaser"), has been accepted by the Chief Financial Officer of CAW and the principal amount of the Bonds reduced to \$7,445,000 and the purchase price reduced to \$7,456,096.48, plus accrued interest to the date of closing;

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

Section 1. Under the authority of the Constitution and laws of the State of Arkansas, including particularly the Act and the Consolidation Agreement, the sale of the Bonds to the Purchaser on the terms of its bid as set out above, is hereby in all respects ratified and approved, and accordingly the Bonds are hereby authorized and ordered to be sold and issued in the total principal amount of \$7,445,000 for the purpose of accomplishing the Refunding, establishing a debt service reserve, and paying the costs of issuing the Bonds. The Bonds are special obligations of CAW, payable solely from the net revenues of the Water System less amounts required to be used to make payments and deposits with respect to certain prior debt and less amounts transferred to and plus amounts transferred from CAW's Rate Stabilization Account (the "Stabilized Net Revenues"), and other amounts available under the Indenture identified and authorized in Section 2. The pledge of the Stabilized Net Revenues is made on a junior and subordinate basis to a prior pledge of net revenues of the Water System securing payments with respect to CAW's Water Revenue Bonds, Series 2007. The pledge of Stabilized Net Revenues securing the Bonds is made on a parity basis with the pledge of Stabilized Net Revenues securing payments with respect to CAW's Revenue Bonds, Series 2010A; Refunding Revenue Bonds, Series 2010C (Watershed Protection Project); Water Revenue Bonds, Series 2011A (Wye Mountain Extension Project); Refunding Water Revenue Bonds, Series 2011B; Capital Improvement Water Revenue Bonds, Series 2012A; and Refunding Water Revenue Bonds, Series 2014. CAW covenants not to issue additional indebtedness secured on a senior basis to the Bonds as to the revenues of the Water System. CAW reserves the right to issue parity debt secured on a parity basis with the Bonds and subordinated indebtedness secured on a junior basis to the Bonds under certain circumstances set forth in the Indenture. The Bonds do not constitute an indebtedness of the City of Little Rock, the City of North Little Rock, or the State of Arkansas within the meaning of any constitutional or statutory debt limitation or restriction.

Section 2. To prescribe the terms and conditions upon which the Bonds are to be executed, authenticated, delivered, issued, accepted, held, and secured, the Chair of the Commission is hereby authorized and directed to execute and acknowledge a Trust Indenture, dated as of August 1, 2015, by and between CAW and U.S. Bank National Association, as Trustee, and the Secretary of the Commission is hereby authorized and directed to execute and acknowledge the Indenture and the Chair and the Secretary of the Commission are hereby authorized and directed

to cause the Indenture to be accepted, executed, and acknowledged by the Trustee. The Indenture is hereby approved in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

Section 3. All actions heretofore taken by the Commission and officers of CAW in connection with the offering of the Bonds, including the preparation and distribution of the Official Notice of Sale, Official Bid Form, and the Preliminary Official Statement, dated July 23, 2015, holding of the public hearing on June 9, 2015, and acceptance of the bid received from the Purchaser are hereby in all respects ratified and approved.

Section 4. The Official Statement of CAW in the form presented at this meeting with such changes, omissions, insertions, and revisions as the Chief Financial Officer shall deem advisable is hereby authorized and approved and the Chair of the Commission and Chief Executive Officer of CAW shall sign and deliver such final Official Statement to the Purchaser for distribution to the owners of the Bonds and other interested persons.

Section 5. The Chair of the Commission and the Chief Executive Officer of CAW are hereby authorized and directed to execute, by manual or facsimile signature, and deliver the Bonds to or upon the direction of the Purchaser on behalf of CAW.

Section 6. The Escrow Deposit Agreement, dated as of August 1, 2015, by and between CAW and U.S. Bank National Association, as Escrow Trustee, in substantially the form submitted at this meeting, and the Continuing Disclosure Agreement of CAW, dated as of August 1, 2015, in substantially the form attached to the Official Statement, in each case with such modifications as shall be approved by the person executing the documents, his or her execution to constitute conclusive evidence of such approval, are hereby authorized and approved. The Chair or Secretary of the Commission or the Chief Executive Officer, Chief Operating Officer, or Chief Financial Officer of CAW are hereby authorized and directed to execute and deliver the Escrow Deposit Agreement and the Continuing Disclosure Agreement, and to cause the Escrow Deposit Agreement to be accepted and executed by the Escrow Trustee.

Section 7. The Chair and Secretary of the Commission and the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer of CAW, for and on behalf of CAW, are authorized and directed to do any and all things necessary to effect the execution and delivery of the Indenture, the Escrow Deposit Agreement, and the Continuing Disclosure Agreement; the execution, delivery, and distribution of the Official Statement; the execution and delivery of such other papers and documents necessary to effect the issuance of the Bonds; the performance of all obligations of CAW under the Indenture, the Escrow Deposit Agreement, and the Continuing Disclosure Agreement; the issuance, execution, sale, and delivery of the Bonds; and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this resolution, the Indenture, the Escrow Deposit Agreement, and the Continuing Disclosure Agreement. The Chair and Secretary of the Commission and the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer of CAW, for and on behalf of CAW, are further authorized and directed to execute all papers, documents, certificates, and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

Section 8. The Commission hereby declares its expectation and intention that bonds issued and to be issued by CAW during the calendar year 2015 will not exceed \$10,000,000 in principal amount, and the Commission hereby declares the Bonds to be “qualified tax-exempt obligations” within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.

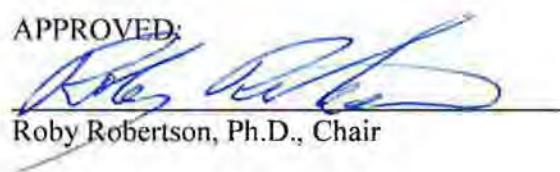
Section 9. This resolution shall be in effect from and after the date of its adoption.

APPROVED: July 30, 2015

ATTEST:


Jay Hartman, Secretary/Treasurer

APPROVED:


Roby Robertson, Ph.D., Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2015-09 of the Board of Commissioners of Central Arkansas Water, entitled: RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$7,445,000 CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 2015, FOR THE PURPOSE OF FINANCING THE COSTS OF REFUNDING CENTRAL ARKANSAS WATER'S OUTSTANDING WATER REVENUE BONDS, SERIES 2010B (GENERAL IMPROVEMENTS PROJECT); PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, AN ESCROW DEPOSIT AGREEMENT, AND A CONTINUING DISCLOSURE AGREEMENT; APPROVING THE OFFICIAL STATEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted July 30, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of July, 2015.

ATTEST: 
Jay Hartman, Secretary/Treasurer

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

August 13, 2015

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, August 13, 2015, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Dr. Roby Robertson, Chair
Mr. Anthony Kendall, Vice Chair
Mr. Jay Hartman, Secretary/Treasurer
Ms. Carmen Smith, Commissioner
Mr. John Braune, Commissioner
Ms. Marie-Bernarde Miller, Commissioner
Mr. Eddie Powell, Commissioner

CAW Staff in Attendance:

Mr. Graham Rich, P.E., Chief Executive Officer
Mr. Thad Luther, Chief Operating Officer
Mr. Tad Bohannon, Chief Legal Counsel
Mr. Robert Hart, P.E., Technical Services Officer
Ms. Becky Linker, Chief Administrative Officer
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Dale Kimbrow, Manager of Planning, Regionalism & Future Water Source
Mr. John Tynan, Director of Customer Relations & Public Affairs
Mr. Randy Easley, Director of Water Quality & Operations
Ms. Raven Lawson, Watershed Protection Manager
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Mr. Barry Haas, Citizen
Mr. Bernie Hochstetter, Citizen
Ms. Mary Carol Poole, Paschall Strategic Communications

CALL MEETING TO ORDER

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

SERVICE PIN AWARD

Chair Robertson presented a pin to Commissioner Smith, commemorating her five years of service on the Board, and thanked her for her service.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Miller, the minutes of the July 9, 2015 Regular Meeting were unanimously approved.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Powell, the minutes of the July 30, 2015 Special Called Meeting were unanimously approved.

OLD BUSINESS

Update on the Potential Consolidation of Maumelle Water Management (WMA)

Mr. Bohannon updated the Board on recent activities concerning the potential consolidation of MWM into CAW and stated the preliminary information looks good. Staff will present the results of the feasibility study to the Board in September. It is anticipated that if MWM Board and this Board approve the consolidation, the two systems will consolidate on January 1, 2016.

NEW BUSINESS

Resolution Authorizing Purchase of Property in Lake Maumelle Watershed

Mr. Bohannon requested Board approval of a Resolution authorizing the purchase of approximately 40 acres located in the Lake Maumelle Watershed. The purchase price plus additional expenses associated with access rights, environmental assessment, and an appraisal will make the total acquisition cost approximately \$55,000, or \$1,375 per acre.

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

Resolution Authorizing CAW to Advance Money to Wye Mountain Water Facilities Board (WMWFB)

Mr. Bohannon requested Board approval of a Resolution authorizing CAW to advance WMWFB approximately \$185,000 that will be added to the current amount owed CAW from the merger at 3.25% interest. WMWFB is in technical default on its 1998 Water Revenue Refunding and Construction Bonds. Redemption of the 1998 Bonds will eliminate WMWFB debt under default and save over \$100,000 in interest and fees.

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

DEPARTMENT UPDATES

Customer Relations and Public Affairs

Mr. Tynan provided an update on utility public affairs and customer relations.

Water Quality & Operations

Ms. Lawson provided an update on matters pertaining to the watershed.

Regionalism

Mr. Kimbrow provided an update on matters pertaining to regionalism.

Finance

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

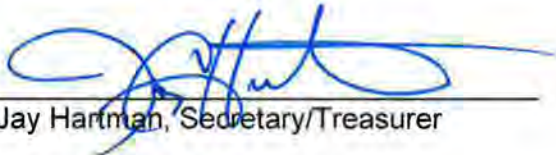
BOARD BRIEFING

Mr. Rich provided an update on the following:

- Lake Maumelle is 1 foot below the spillway and Lake Winona is 1.9 feet below the spillway.
- CAW received the Arkansas Recycling Coalition "Government Recycler of the Year Award" for our recycling efforts.

ADJOURNMENT

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



Jay Hartman, Secretary/Treasurer

RESOLUTION 2015-10

RESOLUTION AUTHORIZING PURCHASE OF PROPERTY, AND OTHER MATTERS RELATED THERETO

WHEREAS, Central Arkansas Water ("CAW") has entered into a Real Estate Contract (Lots and Acreage) (the "Contract") to purchase approximately 40 acres of property within the Lake Maumelle Watershed, more particularly described as the SE ¼ of the SE 1/4 , Section 11, Township 3 North, Range 16 West, Perry County Arkansas (the "Property"), from Janan S. Thompson (the "Seller") for the purchase price of \$46,000 plus ordinary closing costs (the "Purchase Price"); and

WHEREAS, the Contract is subject to CAW obtaining, at Seller's expense, satisfactory title insurance and obtaining, at CAW's expense, satisfactory access, environmental assessment and appraisal; and

WHEREAS, the Purchase Price, together with the expenses of access, environmental assessment, and appraisal estimated to be approximately \$55,000, or \$1,375 per acre; and

WHEREAS, the Board of Commissioners of Central Arkansas Water (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 water quality within Lake Maumelle.

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

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

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

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.


The foregoing Resolution has been duly adopted by the Board of Commissioners of Central Arkansas Water at a meeting of the Board of Commissioners of Central Arkansas Water held on August 13, 2015.

Attest:



Jay Hartman, Secretary/Treasurer

APPROVED:



Roby Robertson, Ph.D., Chair

RESOLUTION NO. 2015-11

RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO ADVANCE MONEY TO WYE MOUNTAIN WATER FACILITIES BOARD TO REDEEM 1998 BONDS; AND PRESCRIBING OTHER MATTERS RELATED THERETO.

WHEREAS, CAW is a consolidated municipal water system created and existing under the Consolidated Waterworks Authorization Act, Act 982 of the 83rd General Assembly of the State of Arkansas; and

WHEREAS, Wye Mountain Water Facilities Board ("Wye Mountain") is a public facilities board created and existing under Arkansas Code Annotated § 14-137-101 *et seq.*; and

WHEREAS, pursuant to an Agreement for Contribution of Assets and Assumption of Operations dated November 10, 2011, by and among CAW, Wye Mountain and the Arkansas Natural Resources Commission (the "Merger Agreement"), CAW has assumed control and operation of Wye Mountain's water system; and

WHEREAS, when CAW assumed control of Wye Mountain's water system, Wye Mountain was in technical default on its Water Refunding and Construction Revenue Bonds, Series 1998 (the "1998 Bonds") for failure to complete and submit annual audits in a timely manner; and

WHEREAS, Wye Mountain's water system shall become CAW's water system upon payment in full of all debt due under the Merger Agreement which debt includes the 1998 Bonds, an additional \$2,000,000 borrowed by Wye Mountain from ANRC in 2011 to finance the improvements necessary to connect to and become a part of CAW's water system, and all amounts due CAW under the Merger Agreement; and

WHEREAS, CAW has cured all of Wye Mountain's past defaults and has attempted to negotiate with the bond trustee, U.S. Bank, to move the Series 1998 Bonds from the trustee's default administration group to the trustee's non-default administration group; and

WHEREAS, U.S. Bank has refused to cooperate with CAW taking the position, "once in default, always susceptible for default;" and

WHEREAS, the financial burden imposed upon Wye Mountain by U.S. Bank's default administrative group is unreasonable and unnecessary; and

WHEREAS, the outstanding balance due on the 1998 Bonds is \$420,000 plus accrued and unpaid interest to the date of repayment; and

WHEREAS, Wye Mountain has approved using \$150,000 from their cash reserves together with approximately \$85,000 in bond reserves to redeem the 1998 Bonds; but Wye Mountain still needs approximately \$185,000 to redeem the 1998 Bonds in full; and

WHEREAS, the Merger Agreement authorized CAW to advance money on Wye Mountain's behalf at 3.25% interest for proper purposes; and

WHEREAS, by redeeming the 1998 Bonds early and paying CAW 3.25% interest on the \$185,000 advance, Wye Mountain will save over \$100,000 in interest and fees associated with the 1998 Bonds; and

WHEREAS, Wye Mountain will achieve an additional \$68,000 in interest savings by using the debt service cash flow savings from prepaying the 1998 Bonds to pay off other debt 3 years early; and

WHEREAS, CAW will achieve additional interest earnings on the \$185,000 advance of approximately \$31,500 over the next 7 years and 4 months, based on current investment earnings; and

WHEREAS, Wye Mountain will use the current 1998 Bonds monthly payment to pay all amounts due to CAW under this Resolution until paid in full

WHEREAS, Wye Mountain's Board of Commissioners approved this plan to redeem the 1998 Bonds in April 2015; and

WHEREAS, the Board of Commissioners of CAW believes that this plan to redeem the 1998 Bonds is in the best interest of Wye Mountain, Wye Mountain's customers – who are now and will be forever in the future CAW customers, and CAW.

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

Section 1. The Board of Commissioners of CAW authorizes the Chief Financial Officer to advance Wye Mountain the amount necessary to redeem the 1998 Bonds (which is approximately \$185,000) to be repaid at 3.25% interest from proceeds of the debt service charge levied on behalf of Wye Mountain in accordance with the terms, conditions, and intent of the Merger Agreement.

Section 2. The Chief Financial Officer is hereby instructed to give notice to the trustee of the 1998 Bonds that they will be redeemed and paid in full at the next available redemption date.

Section 3. The Board of Commissioners of CAW hereby authorizes and directs the Chief Executive Officer, the Chief Legal Counsel, and the Chief Financial Officer, 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 shall consider necessary or advisable in connection with this Resolution in order redeem the 1998 Bonds.

Section 4. This Resolution shall be in effect upon its adoption and approval.

Section 5. A copy of this Resolution shall be filed in the corporate offices of CAW where it will be available for public inspection.

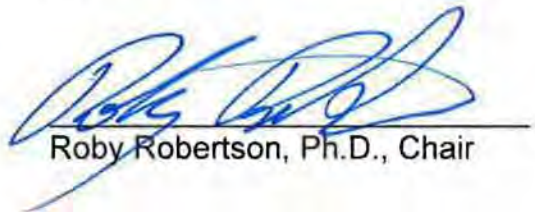
The foregoing Resolution has been duly adopted by the Board of Commissioners, Central Arkansas Water at a meeting of the Board of Commissioners, Central Arkansas Water held on August 13, 2015.

Attest:



Jay Hartman, Secretary/Treasurer

APPROVED:



Roby Robertson, Ph.D., Chair

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

September 10, 2015

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, September 10, 2015, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Dr. Roby Robertson, Chair
Mr. Anthony Kendall, Vice Chair
Mr. Jay Hartman, Secretary/Treasurer
Ms. Carmen Smith, Commissioner
Mr. John Braune, Commissioner
Ms. Marie-Bernarde Miller, Commissioner
Mr. Eddie Powell, Commissioner

CAW Staff in Attendance:

Mr. Graham Rich, P.E., Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Tad Bohannon, Chief Legal Counsel
Mr. Robert Hart, P.E., Technical Services Officer
Ms. Becky Linker, Chief Administrative Officer
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Dale Kimbrow, Manager of Planning, Regionalism & Future Water Source
Mr. John Tynan, Director of Customer Relations & Public Affairs
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Tom Wray, P.E., Senior Engineer
Mr. Kevin Hall, Director of Environmental Health & Safety
Mr. Terry Bice, Director of Distribution
Mr. Randy Easley, Director of Water Quality & Operations
Ms. Raven Lawson, Watershed Protection Manager
Ms. Samantha Williams-Davis, Communications Assistant
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. Mike Watson, Mayor, City of Maumelle
Mr. Barry Heller, General Manager, Maumelle Water Management
Mr. Jason Treece, Health Advantage
Mr. Aaron Benzing, P.E., Hawkins Weir Engineers, Inc.
Mr. Jake Sandhill, Reporter, Arkansas Democrat-Gazette
Mr. Paul Strickland, P.E., Garver Engineers
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Ms. Ruth Bell, League of Women Voters of Pulaski County
Mr. Bernie Hochstetter, Citizen
Ms. Mary Carol Poole, Paschall Strategic Communications

CALL MEETING TO ORDER

Chair Robertson 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 Miller, the minutes of the August 13, 2015 Regular Meeting were unanimously approved.

OLD BUSINESS

Presentation on the Feasibility Study and Potential Consolidation of Maumelle Water Management (WMA)

Mr. Bohannon presented the results of the feasibility study concerning the potential consolidation with MWM. Discussion ensued. Mr. Bohannon requested Board approval of a Resolution approving the draft of the Water Consolidation Agreement between CAW and MWM presented to the Board at the meeting.

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

NEW BUSINESS

Water Supply Contract Amendment between CAW and the City of Bryant

Mr. Rich requested Board approval of a Resolution amending the Water Supply Contract between CAW and the City of Bryant. The contract amendment increases the minimum and maximum purchase amounts. The minimum purchase of 750,000 gallons per day is amended to be 1,200,000 gallons per day. The maximum purchase of 3,100,000 gallons per day is amended to be 4,600,000 gallons per day. The maximum delivery rate of 2,155 gallons per minute is amended to be 3,194 gallons per minute. All terms and conditions of the Agreement not modified by this amendment remain in full force and effect.

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

2016 Health Insurance Renewal

Ms. Linker requested Board approval of a contract renewal for the 2016 group health insurance contract with Health Advantage with a 3.0% increase to premiums, with no change to current levels of coverage, effective January 1, 2016, subject to renewal by mutual agreement annually thereafter.

Commissioner Kendall abstained from this discussion and vote due to a conflict of interest.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Miller, after due consideration and discussion, the 2016 group health insurance coverage with Health Advantage was approved.

CONTRACTS/PURCHASE

Upon a motion duly made by Commissioner Powell, and seconded by Commissioner Braune, after due consideration and discussion, a contract in the amount of \$159,000 with Ketcher & Co. Roofing for replacing the roof at the James T. Harvey Administration Building was unanimously approved.

Upon a motion duly made by Commissioner Kendall, and seconded by Commissioner Hartman, after due consideration and discussion, a contract in the amount of \$613,719 with On-Line Construction for replacing approximately 8,800 linear feet of water main in the Dixie Addition was unanimously approved.

Upon a motion duly made by Commissioner Powell, and seconded by Commissioner Kendall, after due consideration and discussion, a contract in the amount of \$52,118 with Seltech, Inc. for the purchase of twenty-three (23) online turbidity monitoring equipment units for the Jack H. Wilson Treatment Plant was unanimously approved.

Commissioner Kendall recommended that we look at increasing the operating expense authorization limit for staff because it's been over fifteen (15) years since the \$50,000 limit was set.

DEPARTMENT UPDATES

Customer Relations and Public Affairs

Mr. Tynan provided an update on utility public affairs and customer relations.

Water Quality & Operations

Ms. Lawson provided an update on matters pertaining to the watershed.

Regionalism

Mr. Kimbrow had no updates on matters pertaining to regionalism.

Finance

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

BOARD BRIEFING

Mr. Rich provided an update on the following:

- Lake Maumelle is 1.7 feet below the spillway and Lake Winona is 3½ feet below the spillway.
- Provided a brief historical perspective on operating expenses.

ADJOURNMENT

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



Jay Hartman, Secretary/Treasurer

RESOLUTION NO. 2015-12

RESOLUTION DETERMINING THAT CONSOLIDATION WITH MAUMELLE WATER MANAGEMENT WOULD BE IN THE BEST INTEREST OF CENTRAL ARKANSAS WATER RATEPAYERS; APPROVING THE WATER CONSOLIDATION AGREEMENT BETWEEN CENTRAL ARKANSAS WATER AND MAUMELLE WATER MANAGEMENT; AUTHORIZING THE CHAIRPERSON TO EXECUTE SUCH AGREEMENT; DIRECTING CENTRAL ARKANSAS WATER STAFF TO PROCEED WITH CONSOLIDATION OF THE TWO WATER SYSTEMS IN ACCORDANCE WITH THE WATER CONSOLIDATION AGREEMENT (IF APPROVED BY MAUMELLE WATER MANAGEMENT); AND PRESCRIBING OTHER MATTERS RELATING THERETO

WHEREAS, on July 9, 2015, Board of Commissioners of Central Arkansas Water directed staff to proceed with a feasibility study to explore the viability of a possible consolidation of Maumelle Water Management's water system into Central Arkansas Water ("CAW"); and

WHEREAS, CAW staff has completed the feasibility study and the underlying engineering and financial analysis and has recommended to the Board of Commissioners that CAW offer consolidation of Maumelle Water Management's water system into CAW's water system.

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

Section 1. After study and upon the recommendations of staff, the Board of Commissioners of Central Arkansas Water determines that it is in the best interest of CAW, its ratepayers, and the public to offer Maumelle Water Management the opportunity to consolidate its water system into CAW's water system upon the terms and conditions set forth in the Water Consolidation Agreement, in the form presented to this Board (the "Agreement"),

Section 2. The Agreement is hereby approved, with those changes deemed necessary and agreed to by the Chair, Vice Chair, Chief Executive Officer, Chief Operations Officers, and Chief Legal Counsel.

Section 3. CAW is authorized to enter into the Contract, and either Dr. Roby Robertson, as Chair of the Board of Commissioners of CAW, or Tony Kendall, as Vice Chair of the Board of Commissioners of CAW, is authorized to execute the Contract on behalf of CAW.

Section 4. Each or any of the Chair, Vice Chair, Secretary Chief Executive Officer, Chief Operations Officers, or Chief Legal Counsel is hereby authorized and

to take all other actions necessary or desirable in connection with the foregoing sections of this resolution.

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

ADOPTED: September 10, 2015

ATTEST:



Jay Hartman, Secretary/Treasurer

APPROVED:



Dr. Roby Robertson, Chair

RESOLUTION NO. 2015-13

RESOLUTION APPROVING AMENDMENT TO WATER SUPPLY CONTRACT BETWEEN CENTRAL ARKANSAS WATER AND THE CITY OF BRYANT; AUTHORIZING THE CHAIRPERSON TO EXECUTE SUCH CONTRACT; AND PRESCRIBING OTHER MATTERS RELATING THERETO

WHEREAS, Central Arkansas Water ("CAW") and the City of Bryant ("Bryant") previously entered into a certain Water Supply Contract dated November 8, 2008 (the "Agreement"), for CAW to provide water to Bryant; and

WHEREAS, CAW and Bryant desire to amend the Agreement.

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

Section 1. The Amendment to Water Supply Contract by and between CAW and Bryant, in the form presented to this Board (the "Contract"), is hereby approved.

Section 2. CAW is authorized to enter into the Contract, and Dr. Roby Robertson, as Chair of the Board of Commissioners of CAW, is authorized to execute the Contract on behalf of CAW.

Section 3. Each or any of the Chair, Secretary, Chief Executive Officer, Chief Operations Officers, or Chief Legal Counsel is hereby authorized and directed to do any and all things necessary to effect the purpose of this Resolution and to take all other actions necessary or desirable in connection with the foregoing sections of this resolution.

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

ADOPTED: September 10, 2015

ATTEST:


Jay Hartman, Secretary/Treasurer

APPROVED:


Dr. Roby Robertson, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2015-13 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION APPROVING AMENDMENT TO WATER SUPPLY CONTRACT BETWEEN CENTRAL ARKANSAS WATER AND THE CITY OF BRYANT; AUTHORIZING THE CHAIRPERSON TO EXECUTE SUCH CONTRACT; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted September 10, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of September, 2015.



Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

October 8, 2015

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, October 8, 2015, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Dr. Roby Robertson, Chair
Mr. Anthony Kendall, Vice Chair
Mr. Jay Hartman, Secretary/Treasurer
Ms. Carmen Smith, Commissioner
Mr. John Braune, Commissioner
Ms. Marie-Bernarde Miller, Commissioner
Mr. Eddie Powell, Commissioner

CAW Staff in Attendance:

Mr. Graham Rich, P.E., Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Tad Bohannon, Chief Legal Counsel
Mr. Robert Hart, P.E., Technical Services Officer
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Dale Kimbrow, Manager of Planning, Regionalism & Future Water Source
Mr. John Tynan, Director of Customer Relations & Public Affairs
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Randy Easley, Director of Water Quality & Operations
Ms. Raven Lawson, Watershed Protection Manager
Ms. Deena Coston, Controller
Mr. Todd Fisher, Finance Manager
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. Jake Sandlin, Reporter, Arkansas Democrat-Gazette
Mr. Barry Haas, Audubon Society of Central Arkansas, Inc.
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Ms. Kathy Wells, Coalition of Greater Little Rock Neighborhoods
Mr. Bernie Hochstetter, Citizen
Ms. Mary Carol Poole, Paschall Strategic Communications

CALL MEETING TO ORDER

Chair Robertson 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 Braune, the minutes of the September 10, 2015 Regular Meeting were unanimously approved.

OLD BUSINESS

Consolidation with Maumelle Water Management (WMA)

Mr. Bohannon updated the Board on the consolidation with MWM. Mr. Bohannon requested Board approval of two Resolutions: one stating CAW's intent to issue bonds related to the consolidation with MWM and one adopting rates for customers within MWM's service territory during the Transition Period.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Miller, after due consideration and discussion, the Resolution stating CAW's intent to issue bonds related to the consolidation with MWM, was unanimously approved.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Powell, after due consideration and discussion, the Resolution adopting rates for customers within MWM's service territory during the Transition Period, was unanimously approved.

NEW BUSINESS

Presentation of Draft 2016 Financial Plan

Mr. Rich presented a brief summary on CAW's Operating Expenses.

Mr. Mascagni presented a draft of the 2016 Financial Plan and stated that no action was required at this meeting. He said that the final version of the plan would be presented for consideration at the November Board Meeting.

Proposed Increase in the Watershed Protection Fee

Mr. Haas, representing the Audubon Society of Central Arkansas along with the Sierra Club-Central Arkansas Group and Coalition of Greater Little Rock Neighborhoods, presented a request to increase the WPF by fifteen cents per month, from forty-five cents to sixty cents per month, to demonstrate ratepayer support for increased funding to acquire watershed land, secure conservation easements, and other water quality protection purposes. Discussion ensued.

Mr. Rich stated he would meet with Mr. Haas and members of supporting groups, before the November Board Meeting, to further discuss this request. No action was required at this meeting.

CONTRACTS/PURCHASE

Upon a motion duly made by Commissioner Smith, and seconded by Commissioner Miller, after due consideration and discussion, a contract in the amount of \$128,228 with Carollo Engineers to inspect the intake structures at Lake Winona, Lake Maumelle, and the Jackson Reservoir, was unanimously approved.

Upon a motion duly made by Commissioner Kendall, and seconded by Commissioner Braune, after due consideration and discussion, a total project cost in the amount of \$52,144.82 to install energy efficient LED light fixtures at the Clearwater Maintenance Facility was approved. All Electric Supply, Inc. submitted the lowest bid on the fixtures, \$38,947.32, and Eagle Electric submitted a low bid of \$13,197.50 for installation.

Commissioner Hartman abstained from this discussion and vote due to a conflict of interest.

DEPARTMENT UPDATES

Customer Relations and Public Affairs

Mr. Tynan provided an update on utility public affairs and customer relations.

Water Quality & Operations

Ms. Lawson provided an update on matters pertaining to the watershed.

Regionalism

Mr. Kimbrow had no updates on matters pertaining to regionalism.

Finance

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

BOARD BRIEFING

Mr. Rich provided an update on the following:

- Lake Maumelle is 2.8 feet below the spillway and Lake Winona is 5.5 feet below the spillway.
- Reiterate that we will ask for approval of the 2016 Financial Plan and tentatively plan to present rates for 2017, 2018, and 2019, at the November Board Meeting.

ADJOURNMENT

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



Jay Hartman, Secretary/Treasurer

RESOLUTION NO. 2015-14

A RESOLUTION APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK OF THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE SPECIAL REVENUE BONDS; 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") has determined that it will be necessary to issue special revenue bonds in an aggregate principal amount not to exceed \$30,000,000, in one or more series, for the purpose of acquiring the water system currently owned and operated by Maumelle Suburban Improvement District No. 500 of Pulaski County, Arkansas, d/b/a Maumelle Water Management ("MWM") and making capital improvements thereto, together with establishing one or more debt service reserves and paying the cost of issuing the bonds; and

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

WHEREAS, the Consolidation 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, the Board of Commissioners of CAW is adopting this resolution for the purpose of giving notice to the Cities and authorizing its Chief Financial Officer and Chief Legal Counsel, working together with the yet to be selected bond counsel, disclosure counsel, financial advisor, and trustee, to prepare the forms of an Official Notice of Sale, Official Bid Form, and Preliminary Official Statement for presentation and approval by the Board of Commissioners at a later date;

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

Section 1. The Chief Legal 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 special revenue bonds, in one or more series, in an amount not to exceed Thirty Million Dollars (\$30,000,000) for the purpose of acquiring the water system currently owned and operated by MWM and making capital improvements thereto, together with establishing one or more debt service reserves and paying the cost of issuing the bonds.

Section 2. The Chief Financial Officer is hereby instructed to schedule a public hearing on the issuance of the bonds.

Section 3. The Chief Financial Officer and the Chief Legal Counsel, working together with the yet to be selected 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 4. Such preliminary actions as are determined to be necessary by the Chief Executive Officer, Chief Legal 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 MWM and making capital improvements thereto, together with establishing one or more debt service reserves and paying the cost of issuing the 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 5. 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 the yet to be selected 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 6. This Resolution shall be in effect upon its adoption and approval.

Section 7. A copy of this Resolution shall be filed in the corporate offices of CAW where it will be available for public inspection.

ADOPTED: October 8, 2015

ATTEST:


Jay Hartman, Secretary/Treasurer

APPROVED:


Dr. Roby Robertson, Chair

RESOLUTION 2015-15

A RESOLUTION TO ESTABLISH A SCHEDULE OF RATES FOR CENTRAL ARKANSAS WATER WITHIN THE MAUMELLE WATER MANAGEMENT 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 83rd 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 Maumelle Suburban Improvement District No. 500 of Pulaski County, Arkansas, d/b/a Maumelle Water Management ("MWM") into CAW's water system pursuant to a Water Consolidation Agreement to be considered by MWM on October 13, 2015 (the "MWM Consolidation Agreement"); and

WHEREAS, the MWM Consolidation Agreement provides that CAW will adopt and charge MWM's existing rates during the "Transition Period" (as defined in the MWM Consolidation Agreement) and that CAW will adopt and charge MWM's customers debt surcharges sufficient to pay the cost of debt associated with the consolidation; 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 MWM's water system into CAW's water system, including the cost of operating and maintaining MWM's water system until it is connected with and incorporated into CAW's 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 MAUMELLE WATER MANAGEMENT:

RATE SCHEDULE OF CENTRAL ARKANSAS WATER FOR CUSTOMERS WITHIN MAUMELLE WATER MANAGEMENT'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 Maumelle Suburban Improvement District No. 500 of Pulaski County, Arkansas, d/b/a Maumelle Water Management ("MWM"):

Effective Dates

This schedule shall become effective for water billed on or after the date MWM and CAW are consolidated and continue throughout the "Transition Period," 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. MWM'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"	\$ 9.56
3/4"	9.56
1"	42.70
1 1/2"	85.42
2"	149.50
3"	331.02
4"	565.92
6"	1,120.52
8"	1,893.68

METER SIZE (diameter)	SPRINKLER ACCOUNT MINIMUM MONTHLY CHARGE
	Effective upon Consolidation
5/8"	\$ 11.07
3/4"	11.07
1"	49.57
1 1/2"	99.14
2"	173.49
3"	331.02
4"	565.92
6"	1,120.52
8"	1,893.68

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:

CUSTOMER CLASS	\$ PER 1,000 gallons (1,001 to 10,000 gallons)	\$ PER 1,000 gallons (10,001 to 20,000 gallons)	\$ PER 1,000 gallons (20,001 to 30,000 gallons)	\$ PER 1,000 gallons (30,001 + gallons)
NON-SPRINKLER	\$ 3.68	\$ 3.68	\$ 3.68	\$ 3.68
SPRINKLER	\$ 4.26	\$ 4.69	\$ 5.15	\$ 5.41

Upon completion of the Transition Period, CAW outside-city rates for the Minimum Monthly Charge and the volumetric additional monthly charges will commence.

Senior Discount

During the Transition Period, persons over the age of 65 years of age may receive a discount of \$3.00 per month on their monthly bill upon presentment of proof of age to the utility. Upon completion of the Transition Period, this discount will be discontinued.

Private Fire Services

There is no charge for private fire service connections during the Transition Period. Upon completion of the Transition Period, CAW outside-city rates for private fire service will commence.

Section 2. A **Watershed Protection Fee** of \$0.75 per month per meter will apply and be added to the monthly bill for all customers. The fee will accumulate to establish a fund that may be used for small land purchases, to service the debt on larger land purchases, and/or fund the administration of CAW's Watershed Protection Program. Funds from this fee may also be used for maintenance and development of MWM wells, wellhead protection, raw water collection system, and other expenses related to MWM or CAW water sources. This fee replaces the existing MWM Water Source Development and Protection Fee (WSD&P) charged by MWM. Upon completion of the Transition Period, the amount of this fee will change to be commensurate with the Watershed Protection Fee charged to all other CAW customers.

Section 3. In addition to the Minimum Monthly Charges and other rates set forth above, CAW shall also assess the debt surcharges, **not to exceed** the amounts set forth below, on each meter within the service territory established by MWM. The debt surcharges shall be in an amount sufficient to pay for the expenses identified in the MWM 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.

DEBT SURCHARGES					
(Note that these are not to exceed amounts; actual amounts are expected to be less than those shown below)					
METER SIZE (diameter)	TRANSITION	INTERMEDIATE (Series C)	LONG TERM		WASTEWATER BRIDGE (if needed)
			PURCHASE PRICE (Series A)	CAPITAL IMPROVEMENTS (Series B)	
5/8"	\$13.39	\$7.24	\$13.30	\$8.50	\$7.54
3/4"	13.39	7.24	13.30	8.50	7.54
1"	68.17	36.86	67.71	43.27	38.39
1 1/2"	102.25	55.29	101.56	64.91	57.58
2"	136.33	73.72	135.42	86.55	76.77
3"	170.42	92.15	169.27	108.18	95.96
4"	204.50	110.57	203.13	129.82	115.16
6"	404.91	218.94	402.19	257.04	228.01
8"	684.30	370.68	679.70	434.40	385.34

Series A and Series B may be combined in a single issue with a single debt surcharge, not to exceed to the total of the two surcharges listed.

Section 4. A penalty of ten percent (10%) shall be added to a customer bill not paid before the 20th 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 2012-07 establishing rates for CAW's customers other than those within the service territory established by MWM, but it is an addition to CAW's existing rates, as amended from time to time, creating a new rate class of customers during the Transition Period and debt surcharges for customers within the service territory established by MWM even after the Transition Period is completed. Unless specified in this Resolution, all other fees or ancillary charges assessed by CAW to its outside-city customers will apply to customers of MWM (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. Definitions. The customer classes described in Section 1 shall be defined as follows:

"Non-Sprinkler" shall mean all customers receiving water service for personal, commercial or industrial use.

"Sprinkler" shall mean all customers receiving separately-metered water service used exclusively for irrigation sprinkler systems or other outdoor purposes.

Section 8. This Resolution shall be in effect upon its adoption and approval.

Section 9. A copy of this Resolution shall be filed in the corporate offices of CAW where it will be available for public inspection.

ADOPTED: October 8, 2015

ATTEST:



Jay Hartman, Secretary/Treasurer

APPROVED:



Dr. Roby Robertson, Chair

CERTIFICATE

STATE OF ARKANSAS)
) ss
COUNTY OF PULASKI)

I, Jay Hartman, Secretary/Treasurer of the Board of Commissioners of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution #2015-15 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION TO ESTABLISH A SCHEDULE OF RATES FOR CENTRAL ARKANSAS WATER WITHIN THE MAUMELLE WATER MANAGEMENT SERVICE TERRITORY; TO FIX THE EFFECTIVE DATE FOR THESE RATES; AND FOR OTHER PURPOSES, passed by the Board of Commissioners at its regular meeting held October 8, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office on this 8th day of October, 2015.



Jay Hartman, Secretary/Treasurer

RESOLUTION NO. 2015-16

RESOLUTION APPROVING THE WASTEWATER CONSOLIDATION AGREEMENT BETWEEN CENTRAL ARKANSAS WATER, MAUMELLE WATER MANAGEMENT, AND THE NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE; AUTHORIZING THE CHAIRPERSON TO EXECUTE SUCH AGREEMENT; DIRECTING CENTRAL ARKANSAS WATER STAFF TO PROCEED IN ACCORDANCE WITH THE PREVIOUSLY APPROVED WATER CONSOLIDATION AGREEMENT AND THE WASTEWATER CONSOLIDATION AGREEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO

WHEREAS, on September 10, 2015, the Board of Commissioners of Central Arkansas Water approved a Water Consolidation Agreement with Maumelle Water Management ("MWM") that included provisions directing Central Arkansas Water to negotiate consolidation of MWM's wastewater system with a separate wastewater provider; and

WHEREAS, CAW has negotiated the Wastewater Consolidation Agreement presented to the Board of Commissioners of Central Arkansas Water today with MWM and the North Little Rock Wastewater Treatment Committee ("NLRWW"); and

WHEREAS, both MWM and NLRWW approved the proposed Wastewater Consolidation Agreement on November 10, 2015; and

WHEREAS, CAW staff recommends approval of the Wastewater Consolidation Agreement.

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

Section 1. After study and upon the recommendations of staff, the Board of Commissioners of Central Arkansas Water hereby approved the Wastewater Consolidation Agreement, in the form presented to this Board, with those changes deemed necessary and agreed to, if any, by the Chief Executive Officer, Chief Operations Officers, and Chief Legal Counsel.

Section 2. CAW is authorized to enter into the Wastewater Consolidation Agreement, and either Dr. Roby Robertson, as Chair of the Board of Commissioners of CAW, or Tony Kendall, as Vice Chair of the Board of Commissioners of CAW, is authorized to execute the Contract on behalf of CAW.

Section 3. Each or any of the Chair, Vice Chair, Secretary, Chief Executive Officer, Chief Operations Officers, or Chief Legal Counsel is hereby authorized and directed to do any and all things necessary to effect the purpose of this Resolution, to

take all other actions necessary or desirable in connection with the foregoing sections of this Resolution, and to proceed with all deliberate speed with the consolidation of MWM's water and wastewater systems with CAW and NLRWW, respectively.

Section 4. This Resolution shall be in effect upon its adoption and approval.

ADOPTED: November 12, 2015

ATTEST:



Jay Hartman Secretary/Treasurer

APPROVED:



Dr. Roby Robertson, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2015-16 of the Resolutions of Central Arkansas Water, entitled: **RESOLUTION APPROVING THE WASTEWATER CONSOLIDATION AGREEMENT BETWEEN CENTRAL ARKANSAS WATER, MAUMELLE WATER MANAGEMENT, AND THE NORTH LITTLE ROCK WASTEWATER TREATMENT COMMITTEE; AUTHORIZING THE CHAIRPERSON TO EXECUTE SUCH AGREEMENT; DIRECTING CENTRAL ARKANSAS WATER STAFF TO PROCEED IN ACCORDANCE WITH THE PREVIOUSLY APPROVED WATER CONSOLIDATION AGREEMENT AND THE WASTEWATER CONSOLIDATION AGREEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO**, adopted November 12, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of November, 2015.



Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners

RESOLUTION NO. 2015-17

RESOLUTION APPROVING THE FILING OF A CLASS-ACTION LAWSUIT AGAINST FRANK A. REICHL, GENERAL CHEMICAL CORPORATION AND OTHER CORPORATE DEFENDANTS FOR PRICE-FIXING, BID-RIGGING, AND CUSTOMER ALLOCATION, APPROVING THE ENGAGEMENT OF ROBERTS LAW FIRM, P.A., AS LEGAL COUNSEL; AND PRESCRIBING OTHER MATTERS RELATING THERETO

WHEREAS, October 27, 2015, the United States Department of Justice announced that Frank A. Reichl, a former executive of General Chemical Corporation plead guilty to price-fixing, bid-rigging, and customer allocation in the sale of liquid aluminum sulfate to municipal water utilities from 1997 to 2010; and

WHEREAS, Central Arkansas Water, and its predecessor, Little Rock Municipal Waterworks have purchased liquid aluminum sulfate from General Chemical Corporation between 1997 and 2010; and

WHEREAS, Central Arkansas Water staff deemed it necessary to move quickly to protect CAW's ability to recover damages for the benefit of its ratepayers from those individuals and corporate entities responsible for the price-fixing, bid-rigging, and customer allocation in the sale of liquid aluminum sulfate; and

WHEREAS, Central Arkansas Water staff determined that the Roberts Law Firm, P.A., a nationally recognized law firm, with vast experience in representing plaintiffs in anti-trust, class-action litigation, is the best organization available to represent Central Arkansas Water on this matter and that it had the ability to move quickly to file the complaint in federal court to protect Central Arkansas Water's interest; and

WHEREAS, the Roberts Law Firm, P.A., has agreed to pay all costs and expenses of the litigation, as well as represent Central Arkansas Water on a contingency fee basis, with the attorneys' fees and costs to be paid to be determined by the court; and

WHEREAS, Central Arkansas Water filed its Class Action Complaint on October 31, 2015, in the United States District Court for the District of New Jersey, Case No. 2:15-cv-07827-SRC-CLW (the "Complaint").

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

Section 1. Upon recommendation of staff and after due discussion, the Board of Commissioners of Central Arkansas Water hereby approves and affirms the filing of the Complaint and directs staff to proceed with the diligent protection of the ratepayers

and recovery of damages caused by the unlawful price-fixing, bid-rigging, and customer allocation in the sale of liquid aluminum sulfate by the defendants.

Section 2. The Board of Commissioners also approves the hiring of the Roberts Law Firm, P.A., to represent the interest of Central Arkansas Water and its ratepayers in this matter

Section 3. Chief Legal Counsel is hereby authorized and directed to do any and all things necessary to effect the purpose of this Resolution, and to take all other actions necessary or desirable in connection with the foregoing sections of this Resolution.

Section 4. This Resolution shall be in effect upon its adoption and approval.

ADOPTED: November 12, 2015

ATTEST:

APPROVED:



Jay Hartman, Secretary/Treasurer



Dr. Roby Robertson, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2015-17 of the Resolutions of Central Arkansas Water, entitled: **RESOLUTION APPROVING THE FILING OF A CLASS-ACTION LAWSUIT AGAINST FRANK A. REICHL, GENERAL CHEMICAL CORPORATION AND OTHER CORPORATE DEFENDANTS FOR PRICE-FIXING, BID-RIGGING, AND CUSTOMER ALLOCATION, APPROVING THE ENGAGEMENT OF ROBERTS LAW FIRM, P.A., AS LEGAL COUNSEL; AND PRESCRIBING OTHER MATTERS RELATING THERETO**, adopted November 12, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of November, 2015.



Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners

RESOLUTION NO. 2015-18

A RESOLUTION AUTHORIZING AND APPROVING THE SELECTION OF WRIGHT, LINDSEY & JENNINGS LLP, AS BOND COUNSEL FOR THE CENTRAL ARKANSAS WATER SPECIAL REVENUE BONDS TO BE ISSUED IN CONJUNCTION WITH THE ACQUISITION AND CONSOLIDATION OF MAUMELLE WATER MANAGEMENT'S WATER SYSTEM WITH AND INTO CENTRAL ARKANSAS WATER; AND FOR OTHER PURPOSES

WHEREAS, Central Arkansas Water ("CAW") has determined that selection of legal counsel to serve as bond counsel for the upcoming issuance of one or more series of special revenue bonds (the "Bonds") for the acquisition and consolidation of Maumelle Water Management's water system with and into Central Arkansas Water is necessary for financing the proposed transaction; and

WHEREAS, CAW staff solicited proposals for bond counsel from interested legal firms and in response thereto received proposals from: Friday, Eldredge & Clark, LLP, Williams & Anderson PLC, Rose Law Firm, Wright, Lindsey & Jennings LLP, Kutak Rock LLP, Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., and Bracewell & Giuliani LLP; and

WHEREAS, after careful and considered review of all proposals, Wright, Lindsey & Jennings LLP is hereby recommended to serve as bond counsel for the Bonds.

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

Section 1. Wright, Lindsey & Jennings LLP is hereby approved to serve as bond counsel for issuance of the Bonds, in accordance with the terms and conditions of the engagement letter presented to the Board at this meeting.

Section 2. The Chief Legal Counsel of CAW is hereby authorized to enter into the engagement letter with Wright, Lindsey & Jennings LLP to serve as bond counsel for issuance of the Bonds.

Section 3. This Resolution shall be in effect from and after the date hereof.

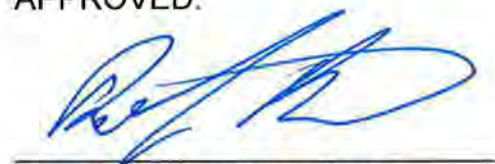
ADOPTED: November 12, 2015

ATTEST:

APPROVED:



Jay Hartman, Secretary/Treasurer



Dr. Roby Robertson, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2015-18 of the Resolutions of Central Arkansas Water, entitled: **RESOLUTION AUTHORIZING AND APPROVING THE SELECTION OF WRIGHT, LINDSEY & JENNINGS LLP, AS BOND COUNSEL FOR THE CENTRAL ARKANSAS WATER SPECIAL REVENUE BONDS TO BE ISSUED IN CONJUNCTION WITH THE ACQUISITION AND CONSOLIDATION OF MAUMELLE WATER MANAGEMENT'S WATER SYSTEM WITH AND INTO CENTRAL ARKANSAS WATER; AND FOR OTHER PURPOSES**, adopted November 12, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of November, 2015.



Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners

RESOLUTION NO. 2015-19

A RESOLUTION AUTHORIZING AND APPROVING THE SELECTION OF REGIONS BANK, LITTLE ROCK, ARKANSAS AS TRUSTEE FOR THE CENTRAL ARKANSAS WATER BONDS; AND FOR OTHER PURPOSES

WHEREAS, Central Arkansas Water ("CAW") has determined selection of a corporate trustee to serve as Trustee for its outstanding bonds, as well as upcoming bond issues, is a necessary and appropriate aspect of its financial program;

WHEREAS, CAW staff solicited proposals for Trustee from interested financial institutions and in response thereto received proposals from: US Bank, First Security Bank, Bank of Oklahoma, Centennial Bank, Regions Bank, and Simons First Trust Company;

WHEREAS, after careful and considered review of all proposals, Regions Bank is hereby recommended to serve as Trustee for the bonds.

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

Section 1. Regions Bank is hereby approved to serve as Trustee, in accordance with the terms and conditions of the agreement presented to the Board at this meeting.

Section 2. The Chief Financial Officer is hereby authorized to enter into the agreement with Regions Bank to serve as Trustee for CAW's bonds.

Section 3. This Resolution shall be in effect from and after the date hereof

ADOPTED: November 12, 2015

ATTEST:

APPROVED:



Jay Hartman, Secretary/Treasurer



Dr. Roby Robertson, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2015-19 of the Resolutions of Central Arkansas Water, entitled: **RESOLUTION AUTHORIZING AND APPROVING THE SELECTION OF REGIONS BANK, LITTLE ROCK, ARKANSAS AS TRUSTEE FOR THE CENTRAL ARKANSAS WATER BONDS; AND FOR OTHER PURPOSES**, adopted November 12, 2015

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of November, 2015.



Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners