

**Central Arkansas Water  
Water Revenue Bonds  
Series 2010A, 2010C, 2011A, 2012A, 2014, 2015, 2016 (Maumelle Water Acquisition  
Project), 2016 (Refunding), 2017A (Wilson Water Treatment Plant Project), 2018A  
(Woodcrest Land Acquisition), 2018B, and 2019A (Ozark Point Water Treatment Plant  
Project)**

**Annual Report  
Year Ended December 31, 2019**

*Customers.* As of December 31, 2019, the Central Arkansas Water (CAW) System served a total of 136,934 customer accounts. Such customers were classified as follows:

<u>Customer Type</u>	<u>2019</u>
Residential	118,354
Commercial	12,249
Large Volume	48
Sprinkler	3,976
Private Fire Service	2,295
Wholesale	9
Raw Water	3
	3
Total	136,934

*Addition or Deletion of Any Significant Group of Customers.* In early 2019, CAW signed letters of intent with the Paron-Owensville Public Water Authority (POWA) and the City of Shannon Hills (Shannon Hills) to explore the feasibility of merging the two water systems with CAW. In addition, CAW entered discussions with the West Pulaski Public Water Authority (West Pulaski) about taking a more significant role in extending water service to this unserved area of Pulaski County.

**West Pulaski:** Throughout 2019, CAW staff worked with local, state, and federal stakeholders of the West Pulaski project to move this project through the planning phases. Staff submitted the required questionnaires for the Environmental Protection Agency (EPA) Drinking Water State Revolving Loan Fund (DWSRF) to the Arkansas Department of Health in order to have the West Pulaski project placed on the State's priority list. In October 2019, the CAW Board of Commissioners (The CAW Board) passed a resolution of official intent to issue tax-exempt bonds in an amount not to exceed \$18.5 million to build the water infrastructure necessary to connect to CAW's distribution system and to deliver a safe and dependable source of potable water to residences and businesses in the West Pulaski project area. CAW staff has been coordinating a public education campaign in the project area, and in late 2019 reached the necessary number of customer commitments for the project to be viable. As of early 2020, work is underway to finalize grant funding areas for low income assistance to eligible potential new customers. Design work is well underway and the next steps are to develop a plan for timing the phases of the project build out in an efficient manner.

**Shannon Hills:** During 2019, CAW staff and consulting engineers worked to analyze the Shannon Hills water and wastewater systems to determine feasibility of merging the water system with CAW as well as CAW assuming operation of the Shannon Hills wastewater system. In early 2020, the final preliminary engineering report (PER) for the project was completed. CAW staff has held internal meetings as well as meetings with external stakeholders in

the project to review the PER findings and potential financial impacts of the project. At this time, the project remains under review with a decision to proceed pending further discussions in 2020.

**POWA:** In October 2019, the CAW Board passed a resolution of official intent to issue tax-exempt bonds in an amount not to exceed \$6.5 million to acquire the POWA water system and make necessary capital improvements to the water system. This debt shall be repaid with rate revenue and proceeds of one or more debt surcharges to be imposed on POWA customers, and not CAW's general revenues. On January 8th, 2020, CAW executed a consolidation agreement with POWA that will consolidate the two systems no later than June 1, 2020. As of early 2020, CAW and POWA staff are working through preparatory steps to meet the consolidation timeline. The CAW Board adopted the POWA rates into CAW's rate schedule along with a schedule of not to exceed debt surcharge amounts with Resolution #2019-15 on December 12, 2019. The POWA schedule of rates is presented below:

The following schedule of rates is hereby established by CAW for all customers within the service territory established by POWA. This schedule shall become effective for water billed on or after the date POWA and CAW are consolidated as of the "Transition Date," unless otherwise amended or noted.

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

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

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

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 and a five percent (5%) "reserve fee" charged on the total cost of the Minimum Monthly Charge and the volumetric charge imposed on each 1,000 gallons above the first 1,000 gallons included in the Minimum Monthly Charge:

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

Other Fees

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

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

In addition to the Minimum Monthly Charges and other rates set forth above, CAW shall also assess debt surcharges, not to exceed \$11.00 per month on each 5/8" or 3/4" meter within the service territory established by POWA, and as set forth below for larger meter size. The debt surcharges shall be in an amount sufficient to pay for the expenses identified in the POWA Consolidation Agreement, as established by the Chief Financial Officer, working together with CAW's Financial Advisor, and affirmed by The CAW Board. 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
5/8"	\$ 11.00
3/4"	11.00
1"	20.19
1 1/2"	34.15
2"	55.38
3"	102.39
4"	166.54
6"	329.41
8"	557.20

This rate schedule is in addition to CAW's existing rates, as amended from time to time, creating a new rate class of customers and debt surcharges for customers within the service territory established by POWA. Unless specified, all other fees or ancillary charges assessed by CAW to its outside-city customers will apply to customers of POWA (using outside-city classifications, if applicable).

[The remainder of this page intentionally left blank]

The Water System's top ten customers, based upon revenues produced during the twelve months ended December 31, 2019, were as follows:

<u>Customer</u>	<u>2019 Revenues</u>	<u>Percentage of Total 2019 System Revenues</u>	<u>Customer Type</u>
Jacksonville Water Works	\$ 1,647,510	2.43%	Wholesale
Bryant Water and Sewer	1,256,862	1.85%	Wholesale
Salem Water Alliance	1,171,906	1.73%	Wholesale
Cabot WaterWorks	242,877	0.36%	Wholesale
University of Arkansas for Medical Sciences	234,180	0.35%	Retail
Arkansas Department of Corrections	205,814	0.30%	Retail
3-M Company	193,430	0.29%	Retail
Kimberly-Clark	192,562	0.28%	Retail
Baptist Health System	166,929	0.25%	Retail
Shannon Hills Water Department	161,208	0.24%	Wholesale

*Usage.* The following table shows the Water System's water usage statistics for the year ended December 31, 2019:

<u>Year</u>	<u>Average Daily Use in Million Gallons</u>	<u>Maximum Day's Use in Million Gallons</u>
2019	59.6 MG	88.7 MG

*Water Rates.* On December 20, 2018, CAW adopted Resolution 2018-13 which amended CAW's rate schedules as set forth in Resolution 2014-10 and Resolution 2015-20, respectively. Resolution 2018-13 established new water rate schedules effective June 1, 2019, January 1, 2020, January 1, 2021 and January 1, 2022. A summary of the rates in place effective January 1, 2019 through January 1, 2022 follows:

Except for internal uses, 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. One cubic foot of water is equal to 7.48 gallons weighing 62.5 pounds avoirdupois.

The following schedule of rates is established by CAW for Residential, Commercial, Large Volume, and Irrigation customer classes inside and outside the corporate limits of the City of Little Rock (LR), Arkansas and the City of North Little Rock (NLR), Arkansas and whose water service meters are located both south (LR) and north (NLR) of the Arkansas River.

[The remainder of this page intentionally left blank]

### Minimum Monthly Charge

The Minimum Monthly Charge for all customers except public and private fire service.

METER SIZE	INSIDE CITY				
	MINIMUM MONTHLY CHARGE*				
(diameter)	1/1/2019	6/1/2019	1/1/2020	1/1/2021	1/1/2022
5/8"	\$ 7.85	\$ 7.85	\$ 7.85	\$ 7.85	\$ 7.85
3/4"	\$ 10.14	\$ 10.14	\$ 10.14	\$ 10.14	\$ 10.14
1"	\$ 14.41	\$ 14.41	\$ 14.41	\$ 14.41	\$ 14.41
1 1/2"	\$ 24.37	\$ 24.37	\$ 24.37	\$ 24.37	\$ 24.37
2"	\$ 39.52	\$ 39.52	\$ 39.52	\$ 39.52	\$ 39.52
3"	\$ 73.07	\$ 73.07	\$ 73.07	\$ 73.07	\$ 73.07
4"	\$ 118.85	\$ 118.85	\$ 118.85	\$ 118.85	\$ 118.85
6"	\$ 235.08	\$ 235.08	\$ 235.08	\$ 235.08	\$ 235.08
8"	\$ 397.64	\$ 397.64	\$ 397.64	\$ 397.64	\$ 397.64
10"	\$ 572.49	\$ 572.49	\$ 572.49	\$ 572.49	\$ 572.49
12"	\$ 1,042.65	\$ 1,042.65	\$ 1,042.65	\$ 1,042.65	\$ 1,042.65

\*Includes up to 200 cubic feet (CF)

METER SIZE	OUTSIDE CITY				
	MINIMUM MONTHLY CHARGE*				
(diameter)	1/1/2019	6/1/2019	1/1/2020	1/1/2021	1/1/2022
5/8"	\$ 10.28	\$ 10.28	\$ 10.28	\$ 10.28	\$ 10.28
3/4"	\$ 13.28	\$ 13.28	\$ 13.28	\$ 13.28	\$ 13.28
1"	\$ 18.87	\$ 18.87	\$ 18.87	\$ 18.87	\$ 18.87
1 1/2"	\$ 31.90	\$ 31.90	\$ 31.90	\$ 31.90	\$ 31.90
2"	\$ 51.73	\$ 51.73	\$ 51.73	\$ 51.73	\$ 51.73
3"	\$ 95.64	\$ 95.64	\$ 95.64	\$ 95.64	\$ 95.64
4"	\$ 155.58	\$ 155.58	\$ 155.58	\$ 155.58	\$ 155.58
6"	\$ 307.72	\$ 307.72	\$ 307.72	\$ 307.72	\$ 307.72
8"	\$ 520.51	\$ 520.51	\$ 520.51	\$ 520.51	\$ 520.51
10"	\$ 749.38	\$ 749.38	\$ 749.38	\$ 749.38	\$ 749.38
12"	\$ 1,364.83	\$ 1,364.83	\$ 1,364.83	\$ 1,364.83	\$ 1,364.83

\*Includes up to 200 Cubic feet (CF)

The CAW Board may, at any time by Resolution passed by a majority of the Board of Commissioners, elect to include up to 500 cubic feet of water in the Monthly Minimum Charge before the Volume Based Rates are applicable when adequate cash reserves and revenues are available to meet CAW's upcoming operating, maintenance, and capital expenditure requirements.

### Additional Monthly Charge

In addition to the Minimum Monthly Charge, the Table of Volume-Based Rates adopted by Resolution 2015-20 for calendar years 2019 and beyond (as set forth below) shall continue to apply to the amount of water (above the amount of water included in the Monthly Minimum Charge) delivered by CAW per month:

CUSTOMER CLASS	INSIDE CITY	INSIDE CITY	OUTSIDE CITY	OUTSIDE CITY
	\$ PER 100 CF 1 - 33	\$ PER 100 CF OVER 33	\$ PER 100 CF 1 - 33	\$ PER 100 CF OVER 33
RESIDENTIAL	\$ 1.71	\$ 2.22	\$ 2.73	\$ 3.57
COMMERCIAL	\$ 1.60	\$ 1.60	\$ 2.56	\$ 2.56
LARGE VOLUME	\$ 1.30	\$ 1.30	\$ 2.09	\$ 2.09
IRRIGATION	\$ 1.71	\$ 2.22	\$ 2.73	\$ 3.57

### Nonresident Consumers

The term "outside city" used in the foregoing rates refers to any consumer receiving water service outside the municipal boundaries of the City of Little Rock and the City of North Little Rock, and to nonresident consumers and Wholesale-Metered Customers who purchase water within the municipal boundaries for transport to a point outside the municipal boundaries for use or resale.

### Customer Classes

The customer classes described in the Additional Monthly Charge subsection above shall be defined as follows:

"Residential" shall mean all customers receiving water service at a single building or building unit that is owned, leased, or rented by one party, separately metered, and occupied as a residence.

"Commercial" shall mean all customers receiving water service at (i) a building containing two or more apartments or family units that are rented or leased to tenants as residences and are not separately metered; (ii) a building occupied by a retail or service business; (iii) a building owned or occupied by a public utility, a department of a municipality, or a state or federal governmental agency; or (iv) a non-residential customer that does not fit the definition of a Large Volume Class customer.

"Large Volume" shall mean any non-residential and non-irrigation customer (i) who uses at least 1,500,000 CF of water per meter during the 12-month period from September 1 to August 31; or (ii) who agrees to take or pay for a minimum of 125,000 CF of water per meter per month on an annual basis. Customers who qualify for Large Volume water service described in (i) above shall be assigned to the Large Volume Class for the calendar year beginning the following January.

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

"Raw Water Customers" shall mean all customers receiving raw (untreated) rather than potable water pursuant to a special arrangement with CAW.

"Wholesale-Metered Customer" shall mean any entity regulated by the Arkansas Department of Health as a "public water system" purchasing water from CAW pursuant to a written agreement for the purchase and sale of surplus water to which Wholesale rates apply. Any public water system acquiring water from CAW without a written agreement for the purchase and sale of surplus water shall be charged the rates applicable to the "outside the city" commercial class as established in accordance with Section 2 of Resolution 2018-13, as amended from time to time.

### Debt Surcharges

Resolution 2015-15, as amended by Resolution 2016-06, established a debt surcharge levied on accounts in the former Maumelle Water Management (MWM) service area which is pledged to the 2016 Maumelle Bonds. The 2016 Maumelle Bonds are junior and subordinate to CAW's other outstanding bond issues. The debt surcharges shall be in an amount sufficient to pay for the expenses identified in the Water Consolidation Agreement, dated as of October 13, 2015. Each debt surcharge will continue until the debt associated with the respective surcharge is repaid. Debt associated with the Short-Term Debt Surcharge was fully repaid and collection discontinued as of 12/31/2017. Debt Surcharges remaining in effect as of 1/1/2019 are as follows:

Meter Size (diameter)	Intermediate-Term Debt Surcharge	Long-Term Debt Surcharge
5/8"	\$4.92	\$15.67
3/4"	4.92	15.67
1"	25.09	79.92
1 1/2"	37.39	119.09
2"	50.18	159.83
3"	62.48	199.01
4"	75.28	239.75
6"	149.05	474.71
8"	251.89	802.25

### Private Fire Service

Private fire service connections for private premises shall pay the following annual fire service charges:

	RATES			
	EFFECTIVE JANUARY 1, 2019		EFFECTIVE JUNE 1, 2019	
	INSIDE	OUTSIDE	INSIDE	OUTSIDE
FIRE HYDRANTS	\$79.51	\$115.02	\$79.51	\$115.02
AUTOMATIC SPRINKLER SYSTEM MINIMUM CHARGE (1,000 HEADS)	92.20	133.38	92.20	133.38
ADDITIONAL HEADS, EACH	0.09	0.15	0.09	0.15
STANDPIPE 1 1/4" (OR SMALLER) DIAMETER, EACH	18.03	26.10	18.03	26.10
1 1/2" DIAMETER, EACH	28.07	40.59	28.07	40.59
2" DIAMETER, EACH	46.12	66.69	46.12	66.69
2 1/2" DIAMETER, EACH	92.20	133.38	92.20	133.38

### Wholesale Customers

The following schedule of rates is established by CAW for Wholesale-Metered Customers, whether such Wholesale-Metered Customers are located within or without the political boundaries of any retail area served by CAW, whose rates are determined in accordance with nationally accepted cost of service rate setting standards for the water industry.

Such Wholesale-Metered Customers shall pay a Minimum Monthly Charge as noted above based on meter size and an additional amount determined by the following volume based rates for all water delivered each month by CAW, effective as of January 1, 2019 and June 1, 2019.

	RATES FOR WHOLESALE-METERED CUSTOMERS	
TIME WATER IS TAKEN	EFFECTIVE 1/1/2019	EFFECTIVE 6/1/2019
	(\$ PER 100 CF)	(\$ PER 100 CF)
ON PEAK Customers taking any water from: 4:01 a.m. to 8:59 a.m and/or 5:01 p.m. to 9:59 p.m.	\$1.65	\$1.65
OFF PEAK Customers taking all water from: 10 p.m. to 4 a.m. and/or 9 a.m. to 5 p.m.	1.52	1.52

The above schedule of wholesale rates is applicable to Wholesale-Metered Customers who have not elected to enter into revised wholesale contracts under the provisions outlined in Resolution 2018-14. On December 20, 2018, the CAW Board approved Resolution 2018-14 which allows for revisions in wholesale contracts to a more populated rate classification to reward wholesale partners that rely on CAW for the vast majority of their wholesale water purchases and to reduce problematic usage peaking that occurs from time to time. As of 12/31/2019, six of CAW's wholesale customers have elected to enter into contract terms under the provisions of Resolution 2018-14.

#### Raw Water Customers

All CAW customers purchasing raw water shall pay the Minimum Monthly Charge as noted above based on meter size and an additional amount determined by the following rate for all water, effective as of the dates stated.

	RAW WATER RATES	
	EFFECTIVE 1/1/2019	EFFECTIVE 6/1/2019
	(\$ PER 100 CF)	(\$ PER 100 CF)
Raw Water Customer	\$0.66	\$0.66

#### Conservation Rate Discount

Inside City Residential accounts with a single house meter (no sprinkler meter) using 100, 200 or 300 CF of monthly usage shall be given a Conservation Rate Discount of 15%. The discount shall not apply to zero consumption billings. Total discounts amounted to approximately \$339,000 in 2019.

#### Billing Fee

Commencing 6/1/2019, each bill sent by CAW to any customer shall include a "billing fee" of \$1.92 per bill per month. The billing fee shall be reduced to \$1.42 per month for those who agree to receive electronic, rather than paper bills. And, following the implementation of the new customer information systems (expected to be completed in late 2020) and a change to the Paymentus payment system, the billing fee shall be reduced by up to an additional \$0.20 per month for those customers who agree to pay by recurring auto-draft each month. The billing fee shall be reduced by \$0.87 per month when the debt issued in 2018 to pay for the new customer information system is retired.

#### Watershed Protection Fee

The Watershed Protection Fee is added to the monthly bills of all customers. This fee is accumulated in a fund to be used for small land purchases, to service the debt on larger land purchases, and/or fund the administration of the Watershed Protection Program. If debt is incurred for any of the aforementioned purposes and the fee is pledged as

collateral or a source of repayment for the debt, then the fee will continue as necessary throughout the life of the debt to service debt repayment. The fee may be suspended should CAW deem it no longer necessary for the Watershed Protection Program. Fee charges totaled approximately \$1,323,000 in 2019.

The Watershed Protection Fee continued as implemented in 2009 until June 1, 2019, when the fee was increased from \$0.45 to \$0.60 per 5/8" or 3/4" equivalent meter as outlined in Resolution 2018-13. On October 10, 2019, the CAW Board passed Resolution 2019-09 which increased the Watershed Protection Fee to \$0.75 as of January 1, 2020 and \$0.90 per month per 5/8" or 3/4" equivalent meter effective January 1, 2021. The Watershed Protection Fees for all meter sizes are presented below:

METER SIZE (diameter)	WATERSHED PROTECTION FEE			
	1/1/2019	6/1/2019	1/1/2020	1/1/2021
5/8"	\$0.45	\$0.60	\$0.75	\$0.90
3/4"	0.45	0.60	0.75	0.90
1"	0.68	0.90	1.13	1.35
1 1/2"	1.13	1.50	1.88	2.25
2"	2.25	3.00	3.75	4.50
3"	3.60	4.80	6.00	7.20
4"	6.75	9.00	11.25	13.50
6"	11.25	15.00	18.75	22.50
8"	22.50	30.00	37.50	45.00
10"	36.00	48.00	60.00	72.00

The Watershed Protection Fee shall not apply to the Wholesale meters, but instead shall be passed through on the same basis of meter size to the individually-metered customers of the Wholesaler as well as those of any subsequent Wholesaler. Wholesalers obtaining less than 100% of their total supply from CAW will pay only a proportional share of the fee based on the percentage supplied by CAW. Wholesalers shall report each month the total metered consumption and number of active meters by size. Those wholesalers who elected to enter into contract terms mentioned on page 8 shall report active meters by size on an annual basis. Wholesalers may pass the fee through directly or include it in their rates.

*Rate Stabilization Account.* The Rate Stabilization Account was established to provide more stable retail water rates to customers and to assist CAW in its efforts to meet financial performance indicators and goals specified in bond covenants and monitored by various financial rating agencies. Deposits or withdrawals may be made up to and including the date ninety (90) days after the end of the fiscal year for which the deposit or withdrawal will be included in the net revenue calculation. A \$20,000,000 funding limit has been established on the account. At December 31, 2019, the account balance totaled approximately \$10,510,000.

*Billing Procedures, Penalties, Delinquency, and Uncollectible Accounts.* CAW's billing policy and procedures provide that bills for water services are rendered in the net amount due. Water bills, with the exception of private fire service, are due and payable monthly on or before the 20th day following the billing date stated on the water bill. Payments for private fire service are due in semi-annual installments in advance on the first (1st) day of January and July of each year. Any water bill not paid on or before the due date is considered delinquent and a penalty of 10% of the total current bill is assessed against the account. In the event that bills due for water service are not paid on or before the next billing date, a disconnect notice is sent with the following month's bill, stating that the previous balance must be paid by the due date of the accompanying bill to avoid service disruption. Should any delinquent bill remain unpaid, CAW issues a disconnect order 2-3 days following the due date of the second bill. The customer's deposit will be forfeited in an amount sufficient to cover the gross amount of the due bill. The forfeiture of the deposit will take place if the customer has not paid the delinquent bill plus all applicable service charges within seven (7) days after disconnection. In such event, CAW may levy a reconnection charge to restore

service. For Wholesale-Metered Customers, a penalty of ten percent (10%) shall be added to a Wholesale-Metered Customer bill not paid before the 20<sup>th</sup> day following the billing date. If a bill is not paid within 30 days after the billing date, service for the affected Wholesale-Metered Customer may be restricted, limited or even fully disconnected at CAW's discretion. In such event, CAW may levy a service charge for installation and removal of the device installed to restrict or limit flow or a reconnection charge in the case of disconnection.

The following table details account data for the Water System for the year ended December 31, 2019. An inactive account is written off after 90 days. When a customer with a written off balance returns to the Water System, any amount previously written off must be paid in full before service can be connected or reconnected.

<u>Year</u>	<u>System Revenues</u>	<u>Bad Debt Expense</u>	<u>Percentage</u>
2019	\$67,835,000	\$397,000	0.59%

*Projected Capital Expenditures.* CAW anticipates the cost of contemplated expansions and capital improvements to the Water System over the next five years to be as set forth in the following table. Said expansions and improvements are expected to be financed from a combination of sources, including (i) proceeds from the 2016 Maumelle Bonds; (ii) proceeds from Water Revenue Bonds Series 2017A; (iii) proceeds from Water Revenue Bonds Series 2018B; (iv) proceeds from Water Revenue Bonds Series 2019A (Ozark Point Water Treatment Plant Project); (v) proceeds from future tax-exempt debt; and (vi) cash funds generated by the Water System.

<u>Category of Improvement</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Totals</u>
Lake Maumelle Watershed Protection	\$1,135,000	\$885,000	\$885,000	\$885,000	\$735,000	\$4,525,000
Equipment and Services	6,341,130	3,936,000	4,518,000	4,057,000	3,684,500	22,536,630
Storage and Surge Tanks	50,000	460,000	960,000	1,027,500	400,000	2,897,500
Facilities Upgrades	26,568,335	14,586,274	5,140,000	3,547,500	16,380,000	66,222,109
Transmission Mains	5,380,000	300,000	1,005,000	—	1,000,000	7,685,000
Distribution Mains	<u>9,782,750</u>	<u>10,985,000</u>	<u>7,340,250</u>	<u>7,097,000</u>	<u>8,304,750</u>	<u>43,509,750</u>
Totals:	<u>\$49,257,215</u>	<u>\$31,152,274</u>	<u>\$19,848,250</u>	<u>\$16,614,000</u>	<u>\$30,504,250</u>	<u>\$147,375,989</u>

*Annual Audit of Central Arkansas Water for Year Ended December 31, 2019.* Attached is the annual audit of Central Arkansas Water for the years ended December 31, 2019 and 2018, as prepared by BKD, LLP, independent certified public accountants.