

RESOLUTION NO. 2014-01

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 \$22,000,000 original principal amount Water Revenue Bonds, Series 2004 (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 \$15,000,000 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 Fifteen Million Dollars (\$15,000,000) 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, together with the Financial Advisor and Bond Counsel and Disclosure Counsel, is 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 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 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: March 13, 2014

ATTEST:



Dr. Roby Robertson, Secretary/Treasurer

APPROVED:



Marie-Bernarde Miller, Chair

CERTIFICATE

STATE OF ARKANSAS)
) ss
COUNTY OF PULASKI)

I, Dr. Roby Robertson, 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 2014-01 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 March 13, 2014.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of March, 2014.



Dr. Roby Robertson, Secretary/Treasurer

RESOLUTION 2014-02

A RESOLUTION RE-APPOINTING MR. ANTHONY KENDALL TO THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, AND FOR OTHER PURPOSES

WHEREAS, the term of Mr. Anthony Kendall, a member of the Board of Commissioners, Central Arkansas Water ("CAW Board"), expires on June 30, 2014; 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 Mr. Kendall 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 his term of office shall be through June 30, 2021.

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, Dr. Roby Robertson, 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 12, 2014.



Dr. Roby Robertson, Secretary

RESOLUTION NO. 2014-03

RESOLUTION AUTHORIZING THE OFFERING OF NOT TO EXCEED \$15,000,000 CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 2014; 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 \$22,000,000 original principal amount Water Revenue Bonds, Series 2004 (the “Prior Bonds”); and

WHEREAS, 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, for the purpose of accomplishing the Refunding, establishing a debt service reserve, and paying the costs of issuance of bonds, CAW intends to issue not to exceed \$15,000,000 to refunding water revenue bonds; and

WHEREAS, pursuant to the direction of the Board of Commissioners of CAW (the “Commission”), CAW’s Chief Financial Officer or, if the office of Chief Financial Officer is vacant, the Acting Chief Financial Officer or the Assistant 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 2014 (the “Bonds”). The Bonds shall be offered for sale in the aggregate principal amount of not to exceed \$15,000,000 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. 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 3. 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 4. 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 5. 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 6. 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 7. This resolution shall be in effect from and after the date of its adoption.

ADOPTED: June 12, 2014

ATTEST:

APPROVED:



Dr. Roby Robertson, Secretary/Treasurer



Eddie Powell, Vice Chair

RESOLUTION NO. 2014-04

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$10,850,000 CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 2014, FOR THE PURPOSE OF FINANCING THE COSTS OF REFUNDING CENTRAL ARKANSAS WATER'S OUTSTANDING WATER REVENUE BONDS, SERIES 2004; 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 \$22,000,000 original principal amount Water Revenue Bonds, Series 2004 (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 March 13, 2014, 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, 2014, a notice of public hearing on the question of issuing revenue bonds and thereafter, on June 10, 2014, held a public hearing, as advertised; and

WHEREAS, pursuant to the authority granted in Commission Resolution No. 2014-03, after due advertisement of an Official Notice of Sale, \$12,740,000 (or such lesser amount as shall be sufficient to accomplish the purpose for which issued) of Refunding Water Revenue Bonds, Series 2014, dated July 1, 2014 (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 2024, inclusive, were duly offered for sale on July 9, 2014; and

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

| Bidder | True Interest Cost |
|-------------------------------|--------------------|
| Hutchinson Shockey Erley & Co | 2.047719% |
| TD Securities | 2.058393 |
| J.P. Morgan Securities LLC | 2.123340 |
| Piper Jaffray | 2.129717 |
| Bank of America Merrill Lynch | 2.160144 |
| Morgan Stanley & Co, LLC | 2.169787 |
| Crews & Associates, Inc. | 2.248886 |

WHEREAS, pursuant to the authority granted in Commission Resolution No. 2014-03, the bid submitted by Hutchinson Shockey Erley & Co (the “Purchaser”), has been accepted by the Chief Financial Officer of CAW and the principal amount of the Bonds reduced to \$10,850,000 and the purchase price reduced to \$12,505,942.30, 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 \$10,850,000 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 Bond, Series 2010A; Revenue Bonds, Series 2010B (General Improvements Project); Refunding Revenue Bonds, Series 2010C (Watershed Protection Project); Water Revenue Bond, Series 2011A (Wye Mountain Extension Project); Refunding Water Revenue Bonds, Series 2011B; and Capital Improvement Water Revenue Bonds, Series 2012A. 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 July 1, 2014, 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 June 24, 2014, holding of the public hearing on June 10, 2014, 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 July 1, 2014, 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 July 1, 2014, 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. This resolution shall be in effect from and after the date of its adoption.

APPROVED July 10, 2014.

ATTEST:



Anthony Kendall, Secretary/Treasurer

APPROVED:



Eddie Powell, Chair

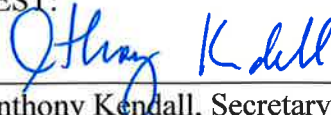
CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Anthony Kendall, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2014-04 of the Board of Commissioners of Central Arkansas Water, entitled: RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$10,850,000 CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 2014, FOR THE PURPOSE OF FINANCING THE COSTS OF REFUNDING CENTRAL ARKANSAS WATER'S OUTSTANDING WATER REVENUE BONDS, SERIES 2004; 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 10, 2014.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of July, 2014.

ATTEST:



Anthony Kendall, Secretary/Treasurer

RESOLUTION 2014-05

A RESOLUTION AUTHORIZING AND APPROVING TWO AMENDMENTS TO THE AGREEMENT BETWEEN CENTRAL ARKANSAS WATER AND THE MID-ARKANSAS WATER ALLIANCE.

WHEREAS, Central Arkansas Water ("CAW") operates a water system which serves Central Arkansas and its inhabitants; and

WHEREAS, on September 10, 2009, an agreement (the "Allocation Agreement") was entered into by and among the Mid-Arkansas Water Alliance, a nonprofit corporation organized and existing under the laws of the State of Arkansas ("MAWA"), the City of Cabot, Arkansas, Conway Corporation, Conway County Regional Water Distribution District, Community Water System, the City of Lonoke, Arkansas, Grand Prairie Bayou Two Public Facilities Board of Lonoke County, Arkansas, the City of Ward, Arkansas, North Pulaski Waterworks Association, the City of Jacksonville, Arkansas, and Central Arkansas Water (collectively, the "Members"); and

WHEREAS, the Allocation Agreement assigns the Members' individual shares of the 2.476 percent joint-use storage space in Greers Ferry Lake (the "Storage Allocation") pursuant to a Water Storage Agreement (the "Water Storage Agreement") between MAWA and the United States of America; and

WHEREAS, it has been determined that it is in the best interest of CAW that CAW enter into an amendment to the Allocation Agreement ("Amendment No. 1 to the Allocation Agreement") with MAWA whereby CAW approves the sale of the City of Lonoke's .80724 Membership Share in the Storage Allocation to the Lonoke/White Public Water Authority; and

WHEREAS, it has been determined that it is in the best interest of CAW that CAW enter into a second amendment to the Allocation Agreement ("Amendment No. 2 to the Allocation Agreement") with MAWA, whereby CAW approves the change in the legal status of the Grand Prairie Bayou Two Public Facilities Board, a public facilities board created pursuant to Arkansas Code Annotated § 14-13-101 *et seq.*, to the Grand Prairie Bayou Two Public Water Authority, a public water authority created pursuant to Arkansas Code Annotated § 4-35-201 *et seq.*, and the assignment of the Grand Prairie Bayou Two Public Facilities Board's 1.61448 Membership Share to the Grand Prairie Bayou Two Public Water Authority.

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

Section 1. Amendment No. 1 to the Allocation Agreement, in substantially the form presented at the meeting at which this Resolution is addressed, is hereby approved, and Eddie Powell, as Chair of the Commission, is authorized to execute Amendment No. 1 to the Allocation Agreement on behalf of CAW, with such changes as may be approved by the Chair

consistent with Amendment No. 1 to the Allocation Agreement presented and the terms of this Resolution.

Section 2. Amendment No. 2 to the Allocation Agreement, in substantially the form presented at the meeting at which this Resolution is addressed, is hereby approved, and Eddie Powell, as Chair of the Commission, is authorized to execute Amendment No. 2 to the Allocation Agreement on behalf of CAW, with such changes as may be approved by the Chair consistent with Amendment No. 2 to the Allocation Agreement presented and the terms of this Resolution.

Section 3. The Chief Executive Officer, Chief Operating Officer or Chief Legal Counsel is authorized to execute such other writings and take such other action as may be appropriate to carry out the terms of this Resolution.

Section 4. It has been found that Amendments No. 1 and No. 2 to the Allocation Agreement is plainly in the interest of CAW and that their execution is essential to the development of a future supply of water to be made available pursuant to the Allocation Agreement. Therefore, this Resolution, being necessary for the preservation of the public health and safety, shall be in effect on its adoption.

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

ADOPTED this 10th day of July, 2014.

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 2014-05 of the Board of Commissioners of Central Arkansas Water, entitled: **A RESOLUTION AUTHORIZING AND APPROVING TWO AMENDMENTS TO THE AGREEMENT BETWEEN CENTRAL ARKANSAS WATER AND THE MID-ARKANSAS WATER ALLIANCE**, adopted July 10, 2014.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of July, 2014.



Anthony Kendall, Secretary/Treasurer

RESOLUTION 2014-06

RESOLUTION AUTHORIZING PURCHASE OF PROPERTY, AND OTHER MATTERS RELATED THERETO

WHEREAS, Central Arkansas Water (“CAW”) has entered into a Real Estate Offer and Acceptance Contract dated July 29, 2014 (the “Contract”) to purchase approximately 41.2 acres of property within the Lake Maumelle Watershed (the “Property”) from Canterbury Park Limited Partnership (the “Seller”) for the purchase price of \$401,700 plus payment of Seller’s closing costs not to exceed \$25,000 (the “Purchase Price”); and

WHEREAS, the Contract is subject to approval of the Board of Commissioners of Central Arkansas Water (the “Commission”); and

WHEREAS, the Commission, based upon the recommendations of staff, has determined that it is in the best interest of CAW and its ratepayers to acquire the 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.

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 14, 2014.

Attest:



Anthony Kendall, Secretary

APPROVED:



Eddie Powell, Chair

RESOLUTION 2014-07

RESOLUTION APPROVING LEASE AGREEMENT WITH JOLLY ROGERS MARINA, INC.

WHEREAS, Central Arkansas Water currently leases a portion of the property around Lake Maumelle to Jolly Rogers Marina, Inc. ("Jolly Rogers") for operation of a marina on Lake Maumelle; and

WHEREAS, Central Arkansas Water is currently conducting a complete review of the recreational activities permitted on, in and around Lake Maumelle and Central Arkansas Water is in the process of developing a new recreational plan for the lake; and

WHEREAS, Central Arkansas Water recognizes that it may take some time to implement any changes to or from current recreational uses in, on and around the lake

WHEREAS, the existing lease with Jolly Rogers is currently expected to expire on September 30, 2014; and

WHEREAS, Central Arkansas Water desires for Jolly Rogers to continue with its operation of a marina on Lake Maumelle while CAW completes development of the new recreational plan for the lake and begins implementation of any changes called for by the new recreational plan; and

WHEREAS, Central Arkansas Water desires to enter into a lease with Jolly Rogers for a period of ten (10) years, terminable at any time by Central Arkansas Water with six (6) months advance notice, subject to the terms and conditions of the lease agreement (the "Jolly Rogers Marina Lease Agreement"), a form of which has been presented to Central Arkansas Water Board of Commissioners at this meeting.

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

1. The Jolly Rogers Marina Lease Agreement, substantially in the form submitted to and before the Commission at this meeting, is hereby adopted and approved.

2. The Chief Operating Officer is authorized and directed to execute the Jolly Rogers Marina Lease Agreement.

3. The Chief Executive Officer, the Chief Executive Officer and the Chief Legal Counsel are each authorized and directed to take such other actions and approve such other documents as are, in their judgment, necessary and appropriate in order to carry out the purposes of this Resolution and take all other actions necessary or desirable in connection with this Resolution.

4. This Resolution shall be in effect from and after the date of its adoption.

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 September 11, 2014.

Attest:

APPROVED:



Tony Kendall, Secretary/Treasurer



Eddie Powell, Chair

RESOLUTION 2014-08

RESOLUTION APPROVING LEASE AGREEMENT WITH GRANDE MAUMELLE SAILING CLUB, INC.

WHEREAS, Central Arkansas Water currently leases a portion of the property around Lake Maumelle to Grande Maumelle Sailing Club, Inc. ("GMSC") for operation of a sailboat dock and other sailing related operations on Lake Maumelle; and

WHEREAS, Central Arkansas Water is currently conducting a complete review of the recreational activities permitted on, in and around Lake Maumelle and Central Arkansas Water is in the process of developing a new recreational plan for the lake; and

WHEREAS, Central Arkansas Water recognizes that it may take some time to implement any changes to or from current recreational uses in, on and around the lake

WHEREAS, the existing lease with GMSC is currently expected to expire on September 30, 2014; and

WHEREAS, Central Arkansas Water desires for GMSC to continue with its operations on Lake Maumelle while CAW completes development of the new recreational plan for the lake and begins implementation of any changes called for by the new recreational plan; and

WHEREAS, Central Arkansas Water desires to enter into a lease with GMSC for a period of ten (10) years, terminable at any time by Central Arkansas Water with six (6) months advance notice, subject to the terms and conditions of the lease agreement (the "GMSC Lease Agreement"), a form of which has been presented to Central Arkansas Water Board of Commissioners at this meeting.

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

1. The GMSC Lease Agreement, substantially in the form submitted to and before the Commission at this meeting, is hereby adopted and approved.

2. The Chief Operating Officer is authorized and directed to execute the GMSC Lease Agreement.

3. The Chief Executive Officer, the Chief Executive Officer and the Chief Legal Counsel are each authorized and directed to take such other actions and approve such other documents as are, in their judgment, necessary and appropriate in order to carry out the purposes of this Resolution and take all other actions necessary or desirable in connection with this Resolution.

4. This Resolution shall be in effect from and after the date of its adoption.

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 September 11, 2014.

Attest:

APPROVED:



Tony Kendall, Secretary/Treasurer



Eddie Powell, Chair

RESOLUTION 2014-09

RESOLUTION TO ESTABLISH POLICIES THAT FORM THE BASIS FOR RATE DESIGN AND WATER SERVICE PRICING

WHEREAS, 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, is given responsibility for owning, managing, operating, and maintaining the water supply, treatment and distribution systems for the cities of Little Rock and North Little Rock (the “Cities”), as well as many surrounding communities; and

WHEREAS, subject to the terms and conditions of the Consolidation Agreement, dated as of March 5, 2001, and implemented July 1, 2001, the Board of Commissioners of CAW (the “Board”) is vested with the authority to establish water rates for CAW’s customers within the Cities, historically referred to as “inside city rates”; and

WHEREAS, pursuant to state law, specifically, Ark. Code Ann. § 25-20-308(b), the Board is fully vested with the authority to establish water rates for water sales and related services to all customers, whether retail or wholesale, located outside the jurisdictions of the Cities, on such terms as the Board may deem just and reasonable, historically referred to as “outside city rates” or “wholesale rates”, as applicable.

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

1. The water rates and ancillary fee structure for providing surplus water to wholesale customers shall be established utilizing a “cost of service” methodology, following industry accepted cost of service rate setting standards for water utilities, with a utility-basis approach, rather than a cash-needs approach, providing the customers within the Cities a reasonable rate of return, recognizing that CAW is a tax-exempt governmental entity, for the capital contributed by the Cities to CAW’s water system and the investment risks assumed by the customers within the Cities to provide sufficient infrastructure to assure the wholesale customers of a reasonably reliable water supply.
2. The water rates and ancillary fee structure for providing water to retail customers who are not residents of the Cities shall be established in accordance with applicable Arkansas law, including specifically Ark. Code Ann. § 25-20-308(b) which states, “[s]ales of water and extensions of services . . . may be made at such rates and on such other terms as the board of commissioners may deem just and reasonable, and the rates need not be the same as the rates charged customers within the jurisdictions of the public body’s participating public agencies.”
3. The water rates and ancillary fee structure for providing water to retail customers who are residents of the Cities shall be established utilizing a “cost of service” methodology, following industry accepted cost of service rate setting standards for water utilities, with a cash-needs approach.

4. In accordance with Ark. Code. Ann. § 14-234-214, the water rates for inside city and outside city customers must be adequate to:
 - (a) pay the principal of and interest on all revenue bonds and revenue promissory notes as they severally mature;
 - (b) make such payments into a revenue bond sinking fund as may be required by resolution or trust indenture;
 - (c) provide an adequate depreciation fund to cover the cost of anticipated capital replacement needs;
 - (d) pay the estimated cost of operating and maintaining the system; and
 - (e) provide sufficient debt service coverage to meet all outstanding bond and trust indenture requirements.

5. When determining any water rates, whether inside city, outside city, or wholesale, the Board and CAW staff may consider whether it is appropriate to utilize a “base-extra capacity method” within the methodologies set forth above to accurately assign the cost associated with peak demand usage to those customers causing the utility to significantly exceed average load conditions.


6. When establishing customer classes within any water rate, whether inside city, outside city or wholesale, the Board and CAW staff shall assign costs to classes of customers in a cost-responsive and industry accepted manner so that the applicable rates closely meet the cost of providing service to such customer classes using the methodologies set forth above, based on the relevant factors for providing water service to each customer class, including but not limited to the following:
 - (i) characteristics;
 - (ii) location;
 - (iii) demand patterns;
 - (iv) utility manpower requirements;
 - (v) anticipated repair and replacement costs;
 - (vi) impact on water quality and supply preservation; and
 - (vii) development, operation, maintenance and replacement of any specific facilities necessary to serve any particular class or classes of customers.

7. Notwithstanding the parameters set forth in paragraph 6 above, the Board and CAW staff shall also consider methods to reduce rates and provide assistance to aid low-income residential inside city customers, recognizing that the lost income realized by any reduction in rates for low-income residential inside city customers must be paid by other customers.

8. The capital improvement costs to expand the water facilities to serve future customers should be borne by those future customers, to the extent practical.
9. The design of rates to recover the cost of service should support the sustainability of water resources.
10. This Resolution shall be in effect from and after the date of its adoption.

ADOPTED: November 13, 2014

Attest:



Tony Kendall, Secretary/Treasurer

APPROVED:



Eddie Powell, Chair

RESOLUTION 2014-10

A RESOLUTION TO ESTABLISH A SCHEDULE OF RATES FOR WHOLESALE-METERED CUSTOMERS OF CENTRAL ARKANSAS WATER; 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 Consolidation Agreement between the City of Little Rock and the City of North Little Rock vested the authority to establish water rates in the Board of Commissioners of Central Arkansas Water; and

WHEREAS, Raftelis Financial Consultants, Inc., CAW’s rate consultants, have completed a Rate Study and made recommendations on the schedule of rates for Wholesale-Metered Customers of CAW; and

WHEREAS, the Board of Commissioners of CAW finds that the rates established herein are adequate to meet the revenue requirements that include the cost of operating and maintaining the system, as well as funding for needed capital improvements.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER THAT THE RATE SCHEDULE OF CENTRAL ARKANSAS WATER ADOPTED BY RESOLUTION 2012-07 WITH RESPECT TO THE RATES CHARGED WHOLESALE-METERED CUSTOMERS OF CENTRAL ARKANSAS WATER SHALL BE AMENDED, AND A NEW SEPARATE RATE SCHEDULE FOR WHOLESALE-METERED CUSTOMERS SHALL BE ADOPTED, AS FOLLOWS:

WHOLESALE-METERED CUSTOMER RATE SCHEDULE OF CENTRAL ARKANSAS WATER

Section 1. A “Wholesale-Metered Customer” is any entity regulated by the Arkansas Department of Health as a “public water system” purchasing water from Central Arkansas Water pursuant to a written agreement for the purchase and sale of surplus water. Any public water system acquiring water from Central Arkansas Water without a written agreement for the purchase and sale of surplus water shall be charged the rates applicable to the “outside the city” Commercial customer class, as established in accordance with Section 10 of Resolution 2012-07, as amended from time to time.

Section 2. All water used shall be measured through meters. The size of each meter shall be determined by Central Arkansas Water commensurate with its estimate of the amount of water to be used by the Wholesale-Metered Customer. One cubic foot of water is equal to 7.48 gallons weighing 62.5 pounds avoirdupois.

Section 3. The following schedule of rates is hereby established by the Board of Commissioners of Central Arkansas Water for Wholesale-Metered Customers of Central Arkansas Water, whether such Wholesale-Metered Customers are located within or without the political boundaries of any retail area served by Central Arkansas Water.

Minimum Monthly Charge

| METER SIZE (diameter) | MINIMUM MONTHLY CHARGE |
|--------------------------|---------------------------|
| | EFFECTIVE JANUARY 1, 2016 |
| 2" or smaller | \$ 38.54 |
| 3" | \$ 71.27 |
| 4" | \$ 115.93 |
| 6" | \$ 229.29 |
| 8" | \$ 387.82 |
| 10" | \$ 558.37 |
| 12" | \$ 1,016.94 |

Volumetric Charge

In addition to the Minimum Monthly Charge, Wholesale-Metered Customers shall pay an additional amount determined by the following rates for all water used per month on or after the stated effective date.

| TIME WATER IS TAKEN | EFFECTIVE |
|----------------------------------------------------------------------------------------|---------------|
| | 1/1/2016 |
| | \$ PER 100 CF |
| ON PEAK: Customers taking any water from 4:01 am to 8:59 pm and/or 5:01pm to 9:59pm | \$ 1.31 |
| OFF PEAK: Customers taking all water from 10:00 pm to 4:00 am and/or 9am to 5pm | \$ 1.15 |

Section 4. The Watershed Protection Fee, levied pursuant to Section 3 of Resolution 2012-07, as amended from time to time, shall not apply to the sale of water by CAW to Wholesale-Metered Customers at the wholesale meter(s), but instead each Wholesale-Metered Customer shall pay the Watershed Protection Fee based on the number of individually metered customers (at each applicable meter size) of the Wholesale-Metered Customer as well as those of any subsequent wholesale purchasers from the Wholesale-Metered Customer. Wholesale-Metered Customers obtaining less than one hundred percent (100%) of their total supply from CAW will pay only a proportional share of the Watershed Protection Fee based on the percentage of water supplied by CAW compared to the total amount of water utilized by the Wholesale-Metered Customer each month. Wholesale-Metered Customers shall report each month the total metered consumption and number of active meters by size. Wholesale-Metered Customers may pass the

Watershed Protection Fee through directly to its customers or include it in their rates. Each Wholesale-Metered Customer must assure that each and every wholesale customer of the Wholesale-Metered Customer is paying the applicable amount of Watershed Protection Fees each month in accordance with the requirements of and calculations provided for in this Section 4.

Section 5. Bills for service shall be rendered and paid monthly in accordance with the terms and conditions of the agreement for the purchase and sale of surplus water between CAW and the Wholesale-Metered Customer.

Section 6. A penalty of ten percent (10%) shall be added to a Wholesale-Metered 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 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.

Section 7. Section 3 of this Resolution shall become effective January 1, 2016. All other Sections of this Resolution shall become effective immediately upon adoption of this Resolution by the Board of Commissioners of Central Arkansas Water.

Section 8. All portions of Resolution 2012-07 in conflict with or superseded by this Resolution are hereby repealed, as of the effective date of applicable portions of this Resolution.

Section 9. 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.

ADOPTED: November 13, 2014

Attest:

APPROVED:



Tony Kendall, Secretary/Treasurer



Eddie Powell, Chair

RESOLUTION 2014-11

A RESOLUTION FINDING A NECESSITY FOR THE ACQUISITION OF AN EASEMENT OVER AND ACROSS CERTAIN LAND ENABLING COMPLETION OF A PIPELINE RELOCATION PROJECT; DECLARING SUCH ACQUISITION FOR A PUBLIC PURPOSE; AUTHORIZING CONDEMNATION OF AN EXCLUSIVE WATER LINE EASEMENT OVER AND ACROSS SAID LAND; AND PRESCRIBING OTHER MATTERS RELATING THERETO

WHEREAS, Central Arkansas Water (“CAW”) is in the process of relocating a water distribution main adjacent to MacArthur Drive as part of a highway relocation project (the “Project”); and

WHEREAS, CAW staff have attempted to obtain an easement more specifically described on Exhibit A attached hereto (collectively, the “Easement”) at the location shown on Exhibit B attached hereto through negotiation, but the owner of the railway line, Union Pacific Railroad Company (“UP”), has been unwilling to voluntarily grant the Easement to CAW on terms acceptable to both UP and CAW; and

WHEREAS, obtaining the Easement is critical for completion of the Project; and

WHEREAS, the Central Arkansas Water Board of Commissioners (the “Commission”) has been vested with the authority and responsibility for the proper operation, maintenance and improvement of CAW’s water treatment and distribution facilities; and

WHEREAS, Ark. Code Ann. § 25-20-309 provides that CAW “may acquire by the exercise of the power of eminent domain any real property that it may deem necessary for its purposes”; and

WHEREAS, the Commission has determined that the Project is necessary for its purposes and that it is in the best interest of the utility and its rate payers; and

WHEREAS, the Commission, upon the advice and recommendation of CAW’s engineering staff, has determined that it is necessary for CAW to acquire the Easement for completion of the Project; and

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

1. CAW has attempted to negotiate an easement acceptable to both UP and CAW for the Easement required by the Project in accordance with the laws of the State of Arkansas, but UP and CAW have been unable to agree upon the value of the land, the damages to be paid, or the terms and conditions of the Easement.

2. The acquisition of the Easement is necessary for the public purpose of constructing, owning, managing, operating, improving, extending, acquiring, reconstructing, equipping, and maintaining CAW’s consolidated waterworks treatment and distribution system.

3. C. Tad Bohannon, as Chief Legal Counsel for CAW (“CAW Counsel”), is hereby authorized and directed to prepare, file and prosecute to completion eminent domain proceedings to acquire the Easement in accordance with the laws and procedures of the State of Arkansas.

4. CAW Counsel is also authorized to obtain an order for immediate possession of the Easement in accordance with the laws and procedures of the State of Arkansas.

5. Notwithstanding the directions set forth in paragraph 3 above, in the event CAW and UP can reach an agreement as to the value and terms of the Easement, as determined acceptable by CAW’s Counsel and CAW’s Chief Operating Officer, CAW is authorized to accept such Easement, and dispense with or dismiss such eminent domain proceedings, as applicable.

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

ADOPTED: December 11, 2014

Attest:



Tony Kendall, Secretary/Treasurer

APPROVED:



Eddie Powell, Chair

EXHIBIT A

FORM DR-0404-B
REV. 10-9-2012
www.uprr.com

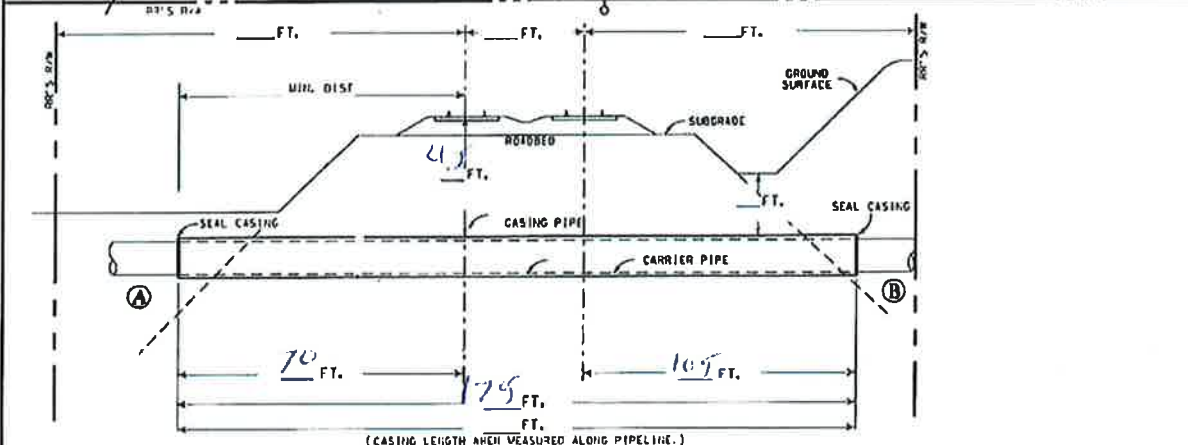
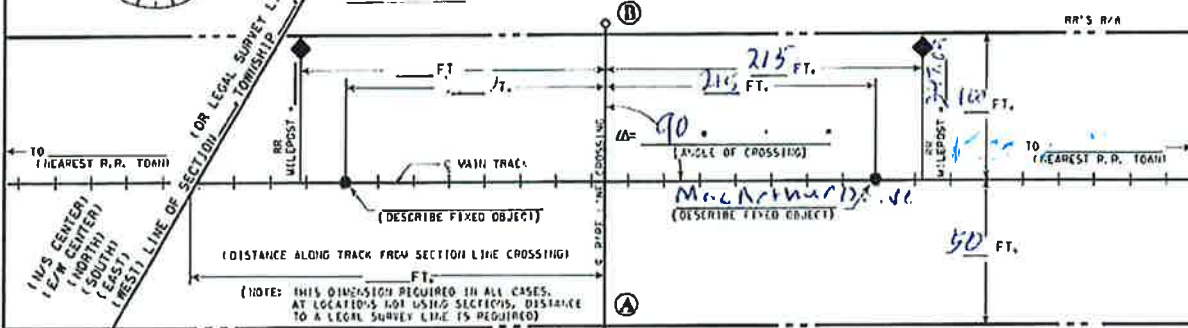
PLACE ARROW INDICATING NORTH
DIRECTION RELATIVE TO CROSSING



ENCASED NON-FLAMMABLE PIPELINE CROSSING

NOTE: ALL AVAILABLE DIMENSIONS MUST BE
FILLED IN TO PROCESS THIS APPLICATION.

NO SCALE



NOTE:
REFER TO AREMA VOLUME 1 PART 5 FOR REQUIREMENT RELATING TO PIPELINE CROSSINGS.

- A) IS PIPELINE CROSSING WITHIN DEDICATED STREET? YES; NO;
- B) IF YES, NAME OF STREET Parkway Dr
- D) DISTRIBUTION LINE X OR TRANSMISSION LINE _____
- C) CARRIER PIPE :
COMMODITY TO BE CONVEYED Water
OPERATING PRESSURE 102 PSI
WALL THICKNESS .25; DIAMETER 12; MATERIAL ROL;
- E) CASING PIPE :
WALL THICKNESS .438; DIAMETER 24; MATERIAL steel;
NOTE : CASING MUST HAVE 2" CLEARANCE BETWEEN GREATEST
OUTSIDE DIAMETER OF CARRIER PIPE AND INTERIOR DIAMETER OF
CASING PIPE. WHEN FURNISHING DIMENSIONS, GIVE OUTSIDE OF
CARRIER PIPE AND INSIDE OF CASING PIPE.
- F) METHOD OF INSTALLING CASING PIPE UNDER TRACK(S):
X DRY BORE AND JACK (WET BORE NOT PERMITTED) ;
TUNNEL ; OTHER _____
- G) WILL CONSTRUCTION BE BY AN OUTSIDE CONTRACTOR? YES; NO;
- H) DISTANCE FROM CENTER LINE OF TRACK TO NEAR FACE OF BORING AND
JACKING PITS WHEN MEASURED AT RIGHT ANGLES TO TRACK 18 [30" MIN.]
- I) APPLICANT HAS CONTACTED 1-800-336-9193,
U. P. COMMUNICATION DEPARTMENT, AND HAS DETERMINED FIBER
OPTIC CABLE DOES; DOES NOT ; EXIST IN VICINITY OF
WORK TO BE PERFORMED . TICKET NO. _____

EXHIBIT "A"

(FOR RAILROAD USE ONLY)
UNION PACIFIC RAILROAD CO.
Van Buren Sub
M. P. 347.05 E. S. 190+32+
ENCASED Water CROSSING AT
North Little Rock Pulaski AR
Central Arkansas Water
RR FILE NO. 2880 01 DATE 7/30/14

WARNING

IN ALL OCCASIONS, U. P. COMMUNICATIONS
DEPARTMENT MUST BE CONTACTED IN ADVANCE
OF ANY WORK TO DETERMINE EXISTENCE AND
LOCATION OF FIBER OPTIC CABLE.
PHONE 1 1-800-336-9193

EXHIBIT B

