

**RESOLUTION NO. 2003 - 01**

A RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO ENTER INTO A WATER SUPPLY CONTRACT WITH THE SARDIS WATER ASSOCIATION PUBLIC WATER AUTHORITY; AND PRESCRIBING OTHER MATTERS RELATING THERETO

WHEREAS, Central Arkansas Water ("CAW") desires to sell, and the Sardis Water Association Public Water Authority ("Sardis") desires to buy, potable water; and

WHEREAS, CAW and Sardis desire to memorialize the terms and conditions of their agreement to sell and buy potable water;

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

Section 1. The Agreement by and between CAW and Sardis, in the form presented to this Board, for the sale of water by CAW to Sardis and other matters related thereto is hereby approved, each or any of the Chair, Secretary, Chief Executive Officer of the Chief Operations Officers is hereby authorized to execute such Agreement on behalf of CAW; and such approval of any amendment to the form presented to the board shall be conclusively evidenced by their execution and delivery of the same; and

Section 2. Each or any of the Chair, Secretary, Chief Executive Officer or Chief Operations Officers be and hereby are authorized and directed to execute all documents, instruments and certificates required or necessary to carry out the foregoing sections of this resolution and 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: January 23, 2003

ATTEST:

APPROVED:

\_\_\_\_\_  
Assistant Secretary

\_\_\_\_\_  
Francille Turbyfill, Chair

CERTIFICATE

STATE OF ARKANSAS     )  
  )  
COUNTY OF PULASKI    )

I, M. Jane Dickey, Assistant Secretary of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2003-01 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO ENTER INTO WATER SUPPLY CONTRACT WITH THE SARDIS WATER ASSOCIATION PUBLIC WATER AUTHORITY; AND PRESCRIBING OTHER MATTERS RELATING HERETO, adopted January 23, 2003.

IN WITNESS WHEREOF, I have hereunto set my hand this 23<sup>rd</sup> day of January 2003.

\_\_\_\_\_  
Assistant Secretary  
Board of Commissioners  
Central Arkansas Water

## RESOLUTION NO. 2003 – 02

A RESOLUTION STATING THAT PURSUANT TO ARK. CODE ANN. §21-9-301, THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER (THE "BOARD) IS IMMUNE FROM LIABILITY AND FROM SUIT FOR DAMAGES, AND NO TORT ACTION CAN LIE AGAINST THE BOARD BECAUSE OF THE ACTS OF ITS AGENTS AND EMPLOYEES; AND

WHEREAS, pursuant to Ark. Code Ann. §21-9-302, without waiving its governmental immunity, the Board is authorized to provide for hearing and settling tort claims against it; and

WHEREAS, it is the desire of the Board to establish a procedure whereby claimants may submit certain claims to be considered by the Board;

**NOW, THEREFORE, be it resolved by the Board of Commissioners, Central Arkansas Water, that a claims procedure is hereby established for Central Arkansas Water ("CAW"), subject to the terms and conditions set forth herein:**

**Section 1.** All claims shall be limited to damages proximately caused by a break in CAW facilities resulting in the escape of water from CAW facilities. The Board shall consider only claims based on negligence and the Board shall not consider claims based on strict liability. The Board shall not consider damages for pain and suffering, lost profits or other consequential damages.

**Section 2.** Claims shall be limited to uninsured claims. The Board shall not consider subrogation claims by insurance companies, or any person other than the real party in interest. Payments for claims shall not exceed \$150,000.

**Section 3.** A claimant shall prove that the claim is uninsured by submitting affidavits satisfactory to Central Arkansas Water establishing that (1) the claimant has no insurance; (2) claimant's insurer has denied coverage; or (3) if requested by Central Arkansas Water, the claimant has exhausted all remedies against insurers.

**Section 4.** The Board shall consider no claim until the claimant has exhausted all remedies against insurers, including the claimant's insurer. A claimant shall submit in writing proof that the claimant has exhausted all remedies against insurers.

**Section 5.** All claims shall be submitted within one year after the date of the event resulting in the alleged claim, even if remedies against insurers have not been exhausted as provided in paragraph 3.

**Section 6.** A claimant shall submit the claim in writing to the Chief Executive Officer, Central Arkansas Water, Post Office Box 1789, Little Rock, Arkansas 72203.

**Section 7.** Claimants shall be entitled to a hearing which shall be conducted by the Chief Executive Officer or Chief Operating Officer of Central Arkansas Water or other person designated by the Board, at the offices of Central Arkansas Water. A claimant may appear in person if requested and be represented by an attorney. In addition to

relying on his or her own technical and factual knowledge, the Executive Officer or Chief Operating Officer hearing the claim may accept and weigh any information that will assist him or her in determining the factual basis of the claim, and in administering the provisions of this claims procedure, and shall submit his or her findings in writing to the Board. The decision of the Board regarding the claim shall be final, and shall not be appealable. A Chief Executive Officer or Chief Operating Officer or member of the Board ("Commissioner") may be disqualified for cause, and ex parte communication with any Commissioner by a claimant or any person on the claimant's behalf is prohibited, and shall be grounds for denial of a claim.

**Section 8.** If a claim is a small claim or involves an emergency situation, the Chief Executive Officer or Chief Operating Officer of Central Arkansas Water may, at his or her discretion, approve payment thereof, not to exceed \$20,000 for such damages. For purposes of this claims procedure, (1) emergency situation shall mean circumstances where the claimant, as the proximate result of the event resulting in the claim as described in paragraph 1, has incurred extraordinary expenses, whether insured or not, and (2) a small claim is one not exceeding \$20,000, whether insured or not. If damages are paid pursuant to this paragraph, the payment shall not be evidence of any responsibility or liability for payment of any other damages, and the remaining damages alleged in the claim, if any, shall be considered under the procedure set out herein.

**Section 9.** Upon, and as a condition to, payment of any damages pursuant to a claim, or payment of damages in an emergency situation, the Board shall be entitled, as its option, to (1) be subrogated to the claimant's claim against any third party, including but not limited to an insurer denying policy coverage, or (2) be assigned claimant's claim with the agreement of full cooperation by the claimant, and the right to enforce the claim in claimant's name. A claimant shall execute all documents necessary to carry out this provision upon receipt of any payment by Central Arkansas Water.

**Section 10.** Except as provided herein, the Board does not waive any privilege or immunity provided it by the laws of the United States of America, and the laws of the State of Arkansas.

**Section 11.** This Resolution shall be in effect upon its adoption and approval.

\* \* \* \* \*

CERTIFICATE

I, M. Jane Dickey, Assistant Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Assistant 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 its regular meeting held April 10, 2003.

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Alma Williams, Secretary

**Central Arkansas Water**

**Resolution 2003-03**

WHEREAS, Mr. James Toler Harvey, Chief Executive Officer of Central Arkansas Water, recently earned the distinction of *2002 Arkansas Business Executive of the Year*; and

WHEREAS, this prestigious statewide award presented by Arkansas Business Publishing Group and the business community is in recognition of the outstanding leadership that Jim has demonstrated and the success he has achieved over the past 18 months with the merger of Little Rock Municipal Water Works and the North Little Rock Water Department; and

WHEREAS, the honor is doubly noteworthy in that Jim is the first chief officer of a quasi-governmental entity to receive this distinction in the award program's 15-year history; and

WHEREAS, Jim has directed and achieved highly commendable progress toward the attainment of the primary objectives of the merger and, in the process, has helped the water utility to build unprecedented levels of inter-local cooperation and inter-governmental relations; and

WHEREAS, he has done an outstanding job of integrating and maintaining efficiencies in utility operations and human resources, while at the same time fostering a culture of teamwork, dedication, and pride among the CAW employee team, improving the level of service to customers, and maintaining the utility's record of exemplary regulatory compliance, exceptional customer service, and high system integrity and dependability; and

WHEREAS, CAW is entrusted with the vital responsibility of providing safe and dependable drinking water for more than 360,000 people in the Little Rock-North Little Rock metropolitan area; and

WHEREAS, Jim's achievement of the *Arkansas Business Executive of the Year Award* reflects CAW's overall commitment of service to customers and the utility's mission of being a World Class water utility.

THEREFORE, BE IT RESOLVED THAT THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, DOES HEREBY commend Mr. James Toler Harvey for his outstanding performance as Chief Executive Officer of Central Arkansas Water during the past year and a half and congratulate him on his selection as *2002 Arkansas Business Executive of the Year*.

FURTHER, IT IS DIRECTED THAT a copy of this resolution be included in the official Minutes of the Board of Commissioners and a copy be presented to Mr. Harvey.

**CERTIFICATE**

I, Alma Williams, 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 it regular meeting held on the 13th day of March 2003.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
**Francille Turbyfill, Chair**

\_\_\_\_\_  
**Craig Wood, Vice Chair**

\_\_\_\_\_  
**Alma Williams, Secretary**

\_\_\_\_\_  
**M. Jane Dickey, Assistant Secretary**

\_\_\_\_\_  
**Eddie Powell, Commissioner**

\_\_\_\_\_  
**Dr. Thomas W. Rimmer, Commissioner**

\_\_\_\_\_  
**Claude B. Wilson, P.E., Commissioner**

## **RESOLUTION 2003-04**

WHEREAS, the Board of Commissioners, Central Arkansas Water, is responsible for ensuring a safe and dependable drinking water supply for more than 360,000 people in Pulaski and Saline counties, Arkansas; and

WHEREAS, during the summer months, the utility experiences extreme stress on the pumping and pipeline delivery system due to a high demand for water for routine household, commercial, and industrial usages, as well as lawn and landscape irrigation; and

WHEREAS, certain facilities must operate at or above capacity to maintain adequate water pressure and service to customers at the varied elevations within the distribution system; and

WHEREAS, operating at or above maximum capacity results in low pressure and adversely affects service to customers; and

WHEREAS, utility staff has determined that the most extreme stress on the delivery system occurs between the hours of 5:30 a.m. and 7:30 a.m. on weekdays and is caused primarily by high irrigation demand and further has determined that the implementation of peak demand management practices and changes in customers' irrigation times would help the water utility to better control when periods of maximum usage occur; and

WHEREAS, the only alternative is the costly investment in additional facilities to handle the high demand; and

WHEREAS, the Board of Commissioners has determined that having customers avoid irrigation between the hours of 5:30 a.m. and 7:30 a.m. on weekdays and instead water between the hours of 3:30 a.m. and 5:30 a.m. would be beneficial to all customers and to the operation of the entire distribution system; and

WHEREAS, the Board of Commissioners has partnered with the University of Arkansas Cooperative Extension Service and Pulaski County Cooperative Extension Service in this effort to ensure that the alterations in watering times do not adversely affect the health of lawns and landscaped areas; and

WHEREAS, the mutual objective of the program is to educate customers on peak demand management and proper watering techniques and effect a change in current irrigation patterns.

THEREFORE, BE IT RESOLVED THAT THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, DOES HEREBY direct the implementation of a peak demand management program and request that sprinkler account customers voluntarily alter their watering times to eliminate the extreme stress caused on the delivery system by lawn irrigation during periods of peak demand.

FURTHER, IT IS DIRECTED THAT a copy of this resolution be included in the official Minutes of the Board of Commissioners.

**CERTIFICATE**

I, Alma Williams, 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 its regular meeting held on the 10th day of April 2003.

ATTEST:

APPROVED:

\_\_\_\_\_  
Alma Williams, Secretary

\_\_\_\_\_  
Francille Turbyfill, Chair



**Resolution 2003-05**

WHEREAS, the Board of Commissioners, Central Arkansas Water (CAW), is responsible for ensuring a safe, dependable, and adequate supply of drinking water for more than 360,000 people in Pulaski and Saline counties, Arkansas; and

WHEREAS, it has been determined that CAW will need an additional source to supplement the supply in Lake Maumelle and Lake Winona by the year 2015; and

WHEREAS, the Board has determined that it is in the best interest of CAW customers to seek additional surface water resources for long-term domestic and municipal use; and

WHEREAS, working in partnership with other entities in the Mid-Arkansas region for the mutual benefit and common good of the region is the most effective and economical approach to achieving the future-source goals of CAW; and

WHEREAS, area municipalities and water user groups have organized and incorporated the Mid-Arkansas Water Alliance for the purpose of jointly requesting allocations from existing reservoirs.

THEREFORE, BE IT RESOLVED THAT THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, DOES HEREBY authorize CAW to become a member of the Mid-Arkansas Water Alliance.

FURTHER, IT IS DIRECTED THAT a copy of this resolution be included in the official Minutes of the Board of Commissioners.

**CERTIFICATE**

I, Alma Williams, 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 it regular meeting held June 12, 2003.

ATTEST:

APPROVED:

\_\_\_\_\_  
Alma Williams, Secretary

\_\_\_\_\_  
Francille Turbyfill, Chair

**RESOLUTION 2003-06**

A RESOLUTION APPOINTING MS. FRANCILLE TURBYFILL TO THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, AND FOR OTHER PURPOSES

WHEREAS, the term of Ms. Francille Turbyfill, a member of the Board of Commissioners, Central Arkansas Water ("CAW Board"), expires on June 30, 2003; 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 approval 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 appoint Ms. Turbyfill to a seven-year term, subject to approval 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 will be July 1, 2003, through June 30, 2010.

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 approve this appointment.

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**CERTIFICATE**

I, Alma Williams, 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 its regular meeting held June 12, 2003.

\_\_\_\_\_  
Alma Williams, Secretary

**RESOLUTION 2003-07**

A RESOLUTUION TO DESIGNATE LAKE WARDENS FOR CENTRAL  
ARKANSAS WATER; AND FOR OTHER PURPOSES

WHEREAS, the City of Little Rock and the City of North Little Rock have created Central Arkansas Water as a public body corporate and politic under the Consolidated Waterworks Authorization Act, Act 982 of the 83<sup>rd</sup> Arkansas General Assembly, codified at Arkansas Code Annotated §§ 25-20-301 et seq (the "Act"), and have consolidated the ownership and operation of their municipal water utilities in Central Arkansas Water; and

WHEREAS, Arkansas Code Annotated § 25-20-315 of Act 982 states that any public body created under the Act shall have the same powers as a municipally owned waterworks system to use its properties for recreational purposes, subject to any restrictions applying to a municipally owned system, as set forth in Title 14, Chapter 234, Subchapter 4 of Arkansas Code Annotated; and

WHEREAS, The Board of Commissioners, Central Arkansas Water, created under the Act, is the "operating authority" for Lake Maumelle and Lake Winona in accordance with Title 14, Chapter 234, Subchapter 4; and

WHEREAS, Arkansas Code Annotated § 14-234-407 allows the "operating authority" to designate employees of the utility as wardens to enforce the rules and regulations of the operating authority (the "Rules and Regulations").

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER that Dennis Yarbrow, Supervisor of Water Sources; Rodney Johnson, Supervisor, Lake Winona; Billy Zulpo, Ranger; and Richard Hennings, Ranger are designated as "wardens" for Lake Maumelle and Lake Winona and have the authority to enforce the rules and regulations.

**CERTIFICATE**

I, Thomas W. Rimmer, 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 as its regular meeting held July 24, 2003.

\_\_\_\_\_  
Secretary

|                        |
|------------------------|
| APPROVED BY COMMISSION |
| Date: 9-4-03           |

RESOLUTION 2003-08

A RESOLUTION TO ESTABLISH A SCHEDULE OF RATES FOR CENTRAL ARKANSAS WATER; TO FIX THE EFFECTIVE DATE FOR THESE RATES; AND FOR OTHER PURPOSES

WHEREAS, the City of Little Rock and the City of North Little Rock have 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 have 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, the Consolidation Agreement further directed that the Commission shall propose an equalizing schedule of water rates, to take effect beginning January 1, 2002, or as soon thereafter as practicable, which shall be based on a Rate Study; shall equalize water rates among similarly-situated classes of customers throughout the City of Little Rock and the City of North Little Rock over a reasonable period of time not to exceed ten (10) years; and shall provide sufficient funds for the accomplishment of the Improvement Agendas, and

WHEREAS, Carter-Burgess, Inc., CAW's rate consultant, completed the Rate Study and made recommendations on the equalizing schedule of rates to meet the requirement of the Consolidation Agreement, and

WHEREAS, the Board of Commissioners, by Resolution 2001-09, accepted the findings of the Rate Study and adopted the equalizing schedule of rates recommended in the Rate Study, and

WHEREAS, the Board of Commissioners, pursuant to the methodology to equalize rates among similarly-situated classes of customers throughout the City of Little Rock and the City of North Little Rock set forth in Section 5 of Rate Schedule No. 1 contained in Resolution 2001-09, finds that it is necessary now to establish specific rates for similarly-situated customer classes within each City and eliminate all existing declining block rates applicable to customer classes within each City, and

WHEREAS, the Board of Commissioners 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, CENTRAL ARKANSAS WATER THAT RATE SCHEDULE NO. 1 OF CENTRAL ARKANSAS WATER SHALL BE AMENDED AND RESTATED, AS FOLLOWS:

RATE SCHEDULE NO. 1  
OF  
CENTRAL ARKANSAS WATER

**Section 1.** The following schedule of rates hereby is established by Central Arkansas Water for Domestic, Commercial, Industrial, and Sprinkler customer classes inside or outside of

the corporate limits of the City of Little Rock ("LR"), Arkansas, and whose water service meters are located south of the Arkansas River.

Effective Dates

This schedule shall become effective for water billed on or after January 1, 2004, and January 1, 2005, as hereinafter set forth.

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 Central Arkansas Water 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.

Minimum Monthly Charge

The Minimum Monthly Charge includes payment for the first 200 cubic feet (cf) of water used.

| METER SIZE<br>(diameter) | 2004 – LITTLE ROCK<br>MINIMUM MONTHLY CHARGE |          | 2005 – LITTLE ROCK<br>MINIMUM MONTHLY CHARGE |          |
|--------------------------|--|----------|--|----------|
|                          | EFFECTIVE JANUARY 1, 2004                    |          | EFFECTIVE JANUARY 1, 2005                    |          |
|                          | INSIDE                                       | OUTSIDE  | INSIDE                                       | OUTSIDE  |
| 5/8"                     | \$4.00                                       | \$5.80   | \$4.40                                       | \$6.20   |
| 3/4"                     | \$5.17                                       | \$7.52   | \$5.68                                       | \$8.04   |
| 1"                       | \$7.33                                       | \$10.63  | \$8.07                                       | \$11.37  |
| 1 1/2"                   | \$12.44                                      | \$18.04  | \$13.69                                      | \$19.29  |
| 2"                       | \$20.11                                      | \$29.21  | \$22.12                                      | \$31.23  |
| 3"                       | \$37.22                                      | \$54.24  | \$40.94                                      | \$57.98  |
| 4"                       | \$60.56                                      | \$88.07  | \$66.61                                      | \$94.15  |
| 6"                       | \$119.44                                     | \$173.46 | \$131.39                                     | \$185.43 |
| 8"                       | \$190.00                                     | \$276.04 | \$209.00                                     | \$295.07 |
| 10"                      | \$272.22                                     | \$395.26 | \$299.44                                     | \$422.52 |
| 12"                      | \$496.67                                     | \$720.70 | \$546.33                                     | \$770.41 |

Additional Monthly Charge

In addition to the Minimum Monthly Charge, the following rates shall apply to the amount of water used in excess of 200 cubic feet per month:

| CUSTOMER CLASS | RATES                           |                                  | RATES                           |                                  |
|----------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|
|                | EFFECTIVE JANUARY 1, 2004       |                                  | EFFECTIVE JANUARY 1, 2005       |                                  |
|                | INSIDE LR CHARGES \$ PER 100 CF | OUTSIDE LR CHARGES \$ PER 100 CF | INSIDE LR CHARGES \$ PER 100 CF | OUTSIDE LR CHARGES \$ PER 100 CF |
| DOMESTIC       | \$0.81                          | \$1.27                           | \$0.85                          | \$1.27                           |
| COMMERCIAL     | \$0.68                          | \$1.04                           | \$0.73                          | \$1.10                           |
| INDUSTRIAL     | \$0.61                          | \$0.75                           | \$0.66                          | \$0.81                           |
| SPRINKLER      | \$0.81                          | \$1.27                           | \$0.85                          | \$1.27                           |

### Nonresident Consumers

The term "outside city" used in the foregoing rates refers to any consumer except the City of Little Rock and Master-metered Customers receiving service outside the municipal boundaries and to nonresident consumers and Master-metered Customers who purchase water within the municipal boundaries, which water then is transported to a point outside the municipal boundaries for use or resale.

### Private Fire Service

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

|   | RATES                     |            | RATES                     |            |
|---|---------------------------|------------|---------------------------|------------|
|   | EFFECTIVE JANUARY 1, 2004 |            | EFFECTIVE JANUARY 1, 2005 |            |
|   | INSIDE LR                 | OUTSIDE LR | INSIDE LR                 | OUTSIDE LR |
| FIRE HYDRANTS   | \$59.50                   | \$89.25    | \$59.50                   | \$89.25    |
| FIRE CONNECTION MINIMUM CHARGE                          | \$69.00                   | \$103.50   | \$69.00                   | \$103.50   |
| AUTOMATIC SPRINKLER SYSTEM MINIMUM CHARGE (1,000 HEADS) | \$69.00                   | \$103.50   | \$69.00                   | \$103.50   |
| ADDITIONAL HEADS, EACH AT                               | \$0.07                    | \$0.11     | \$ 0.07                   | \$0.11     |
| STANDPIPE 1 1/4" (OR SMALLER) DIAMETER, EACH            | \$13.50                   | \$20.25    | \$13.50                   | \$20.25    |
| 1 1/2" DIAMETER, EACH                                   | \$21.00                   | \$31.50    | \$21.00                   | \$31.50    |
| 2" DIAMETER, EACH                                       | \$34.50                   | \$51.75    | \$34.50                   | \$51.75    |
| 2 1/2" DIAMETER, EACH                                   | \$69.00                   | \$103.50   | \$69.00                   | \$103.50   |

**Section 2.** The following schedule of rates hereby is established by Central Arkansas Water for Domestic, Commercial, Industrial, and Sprinkler customer classes inside or outside of the corporate limits of the City of North Little Rock ("NLR"), Arkansas, and whose water service meters are located north of the Arkansas River.

### Effective Dates

This schedule shall become effective for water billed on or after January 1, 2004, and January 1, 2005, as hereinafter set forth.

### 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 Central Arkansas Water 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.

Minimum Monthly Charge

The Minimum Monthly Charge includes payment for the first 200 cubic feet of water used.

| METER SIZE<br>(diameter) | 2004 – NORTH LITTLE ROCK<br>MINIMUM MONTHLY CHARGE |          | 2005 – NORTH LITTLE ROCK<br>MINIMUM MONTHLY CHARGE |          |
|--------------------------|--|----------|--|----------|
|                          | EFFECTIVE JANUARY 1, 2004                          |          | EFFECTIVE JANUARY 1, 2005                          |          |
|                          | INSIDE   | OUTSIDE  | INSIDE   | OUTSIDE  |
| 5/8"                     | \$4.77   | \$6.39   | \$4.77   | \$6.39   |
| 3/4"                     | \$6.15   | \$8.24   | \$6.15   | \$8.24   |
| 1"                       | \$8.75   | \$11.72  | \$8.75   | \$11.72  |
| 1 1/2"                   | \$14.79  | \$19.81  | \$14.79  | \$19.81  |
| 2"                       | \$23.98  | \$32.14  | \$23.98  | \$32.14  |
| 3"                       | \$44.36  | \$59.44  | \$44.36  | \$59.44  |
| 4"                       | \$72.15  | \$96.68  | \$72.15  | \$96.68  |
| 6"                       | \$142.70   | \$191.22 | \$142.70   | \$191.22 |
| 8"                       | \$241.36   | \$323.42 | \$241.36   | \$323.42 |
| 10"                      | \$347.50   | \$465.65 | \$347.50   | \$465.65 |
| 12"                      | \$632.88   | \$848.06 | \$632.88   | \$848.06 |

Additional Monthly Charge

In addition to the Minimum Monthly Charge, the following rates shall apply to the amount of water used in excess of 200 cubic feet per month:

|            | RATES                                  |   | RATES                                  |   |
|------------|--|---|--|---|
|            | EFFECTIVE JANUARY 1, 2004              |   | EFFECTIVE JANUARY 1, 2005              |   |
|            | INSIDE NLR<br>CHARGES<br>\$ PER 100 CF | OUTSIDE NLR<br>CHARGES<br>\$ PER 100 CF | INSIDE NLR<br>CHARGES<br>\$ PER 100 CF | OUTSIDE NLR<br>CHARGES<br>\$ PER 100 CF |
| DOMESTIC   | \$1.41                                 | \$1.92                                  | \$1.39                                 | \$1.90                                  |
| COMMERCIAL | \$1.37                                 | \$1.87                                  | \$1.35                                 | \$1.84                                  |
| INDUSTRIAL | \$0.80                                 | \$0.96                                  | \$0.78                                 | \$0.96                                  |
| SPRINKLER  | \$1.41                                 | \$1.92                                  | \$1.39                                 | \$1.90                                  |

Nonresident Consumers

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

Private Fire Service

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

|  | RATES                     |                | RATES                     |                |
|--|---------------------------|----------------|---------------------------|----------------|
|  | EFFECTIVE JANUARY 1, 2004 |                | EFFECTIVE JANUARY 1, 2005 |                |
|  | INSIDE<br>NLR             | OUTSIDE<br>NLR | INSIDE<br>NLR             | OUTSIDE<br>NLR |
| FIRE HYDRANTS  | \$61.70                   | \$82.68        | \$61.70                   | \$82.68        |
| FIRE CONNECTION<br>MINIMUM CHARGE                                | \$71.55                   | \$95.88        | \$71.55                   | \$95.88        |
| AUTOMATIC<br>SPRINKLER SYSTEM<br>MINIMUM CHARGE<br>(1,000 HEADS) | \$71.55                   | \$95.88        | \$71.55                   | \$95.88        |
| ADDITIONAL HEADS,<br>EACH AT                                     | \$0.07                    | \$0.09         | \$0.07                    | \$0.09         |
| STANDPIPE<br>1 1/4" (OR SMALLER)<br>DIAMETER, EACH               | \$14.00                   | \$18.76        | \$14.00                   | \$18.76        |
| 1 1/2" DIAMETER,<br>EACH   | \$21.78                   | \$29.19        | \$21.78                   | \$29.19        |
| 2" DIAMETER, EACH  | \$35.78                   | \$47.95        | \$35.78                   | \$47.95        |
| 2 1/2" DIAMETER,<br>EACH   | \$71.55                   | \$95.88        | \$71.55                   | \$95.88        |

**Section 3.** The following schedule of rates hereby is established by Central Arkansas Water for Master-metered Customers.

Master-metered Customers

All outside Central Arkansas Water customers purchasing water through a master meter shall pay a Minimum Monthly Charge as found in Section 1 for the first 200 cubic feet of water used and an additional amount determined by the following rates for all water used in excess of 200 cubic feet per month, effective the dates stated.

|  | RATES                     |         |
|--|---------------------------|---------|
|  | EFFECTIVE JANUARY 1, 2004 |         |
|  | \$ PER 100 CF             |         |
| Customers taking any<br>water from 6:01 a.m. to<br>9:59 p.m. | \$0.704                   | \$0.704 |
| Customers taking all<br>water from 10 p.m. to 6<br>a.m.      | \$0.515                   | \$0.515 |

**Section 4.** The following schedule of rates hereby is established by Central Arkansas Water for Raw Water Customers.



## Raw Water Customers

All outside Central Arkansas Water customers purchasing raw water shall pay a Minimum Monthly Charge as found in Section 1 for the first 200 cubic feet of water used and an additional amount determined by the following rates for all water used in excess of 200 cubic feet per month, effective the dates stated:

|                    | RATES                     | RATES                     |
|--------------------|---------------------------|---------------------------|
|                    | EFFECTIVE JANUARY 1, 2004 | EFFECTIVE JANUARY 1, 2005 |
|                    | \$ PER 100 CF             | \$ PER 100 CF             |
| Raw Water Customer | \$0.30                    | \$0.30                    |

**Section 5.** Central Arkansas Water has established the following methodology to equalize water rates among similarly-situated classes of customers within and throughout the City of Little Rock and the City of North Little Rock.

The rate equalization process is intended to gradually eliminate differences in water rates between similarly-situated classes of customers within the City of Little Rock and the City of North Little Rock during the time period of January 1, 2002, through June 30, 2011. The process shall be based upon a regional cost-of-service rate methodology and occur in two phases:

Phase I: During the time period of January 1, 2002, to December 31, 2006, CAW will increase customer water rates within the City of Little Rock toward recovery of the actual cost-of-service to such customers, and when practical, will decrease customer water rates within the City of North Little Rock toward recovery of the actual cost-of-service for such customers. Beginning January 1, 2004, CAW will establish specific rates for each customer class within the City of Little Rock and City of North Little Rock and eliminate all declining block rates applicable to customers within each City.

Phase II: During the time period of January 1, 2007, to December 31, 2010, CAW will continue to increase customer water rates within the City of Little Rock, as CAW's cost-of-service increases. Customer water rates within the City of North Little Rock will remain unchanged until such rates equal CAW's actual cost-of-service to such customers. By July 1, 2011, the water rates of similarly-situated classes of customers within the City of Little Rock and the City of North Little Rock shall be identical. Water rates applicable to all other CAW customers will reflect the actual cost-of-service for such customers but will not equal the rates applicable to CAW customers within the City of Little Rock and the City of North Little Rock.

**Section 6.** Bills for service shall be rendered and paid monthly, with the exception of payments for private fire service. Payments for private fire service shall be due in semi-annual installments in advance on the first (1st) day of January and July of each year.

**Section 7.** 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 discontinued. In such event, CAW may levy a reconnection charge.

**Section 8. Repealer.** All resolutions, ordinances, and parts of ordinances establishing rate schedules for water or water services supplied or to be supplied by the City of Little Rock through its former municipal water works and the City of North Little Rock through its former municipal water department are repealed, as of the effective date of the schedule herein established.

**Section 9. 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 10. Definitions.** The customer classes described in the Additional Monthly Charge subsection of new Sections 1 and 2 of Rate Schedule No. 1 shall be defined as follows:

"Domestic" 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-domestic customer that does not fit the definition of an Industrial Class customer.

"Industrial" shall mean any commercial 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 industrial water service described in (i) above shall be assigned to the Industrial Class for the calendar year beginning the following January.

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

### **CERTIFICATE**

I, Tom Rimmer, 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 its regular meeting held September 4, 2003.

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Secretary

RESOLUTION 2003-09

**A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A  
SUPPLEMENTAL TRUST INDENTURE, AND PRESCRIBING OTHER  
MATTERS RELATING THERETO**

WHEREAS, Central Arkansas Water, a body politic and corporate, (“CAW”) created pursuant to the Consolidated Waterworks Authorization Act, Act No. 982 of the Acts of Arkansas of 2001, as amended, and pursuant to a Consolidation Agreement entered into by and between the cities of Little Rock and North Little Rock, Arkansas dated as of March 5, 2001, as amended by a First Amendment to Consolidation Agreement dated as of June 30, 2001 (collectively, the “Agreement”) is being operated, managed, and maintained by the Central Arkansas Water Board of Commissioners (the “Commission”); and

WHEREAS, the Board of Commissioners of the Little Rock Municipal Water Works (the “Little Rock Board”) entered into that certain Reserve Fund Trust Agreement dated as of December 30, 1983 (the “Little Rock Agreement”) in accordance with Act 542 of the Acts of Arkansas of 1983 (the “Act”) to create a trust estate (the “Little Rock Principal”) for the purposes set for the in the Little Rock Agreement (the “Little Rock Improvements”); and

WHEREAS, the North Little Rock Water Commission (the “North Little Rock Board”) entered into that certain Reserve Fund Trust Agreement dated as of May 26, 1988 (the “North Little Rock Agreement”) in accordance with Act to create a trust estate (the “North Little Rock Principal”) for the purposes set for the in the North Little Rock Agreement (the “North Little Rock Improvements”); and

WHEREAS, the Little Rock Agreement, in accordance with the Act, provides that Little Rock Principal may be disbursed to the trustee for bonds issued to finance Little Rock Improvements; and

WHEREAS, the North Little Rock Agreement, in accordance with the Act, provides that North Little Rock Principal may be disbursed to the trustee for bonds issued to finance North Little Rock Improvements; and

WHEREAS, CAW issued its \$22,000,000 Water Revenue Bonds, Series 2002, dated October 1, 2002, pursuant to a Master Trust Indenture by and between CAW and Metropolitan National Bank, as Trustee, dated as of October 1, 2002 (the “Master Trust Indenture”) and a Supplemental Trust Indenture by and between CAW and Metropolitan National Bank, as Trustee, dated as of October 1, 2002 (the “2002 Supplemental Trust Indenture”); and

WHEREAS, the Master Trust Indenture authorizes the creation of multiple supplemental trust indentures whereby CAW can provide for payment of the costs of additions, improvements and extensions to the water collection, holding, treatment, and distribution system currently owned, operated and managed by CAW, plus future additions thereto; and

WHEREAS, on August 6, 2003, by Resolution No. 2003-01, the Little Rock Board directed Regions Bank, as trustee under the Little Rock Agreement, to disburse the Little Rock Principal to Metropolitan National Bank, as trustee, under the Master Trust Indenture and a Supplement Trust Indenture to be adopted by the Board of Commissioners of CAW; and

WHEREAS, on August 18, 2003, by Resolution, the North Little Rock Board directed US Bank, as trustee under the North Little Rock Agreement, to disburse the North Little Rock Principal to CAW; and

WHEREAS, the Board of Commissioners of CAW needs to authorize the issuance of a new Supplemental Trust Indenture under the Master Trust Indenture which shall establish the terms and conditions by which the Little Rock Principal and the North Little Rock Principal shall be accepted, held, managed, invested and disbursed;

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

**Section 1.** Under the authority of the Constitution and laws of the State of Arkansas, to prescribe the terms and conditions upon which the Little Rock Principal and the North Little Rock Principal shall be accepted, held, managed, invested and disbursed, the Chair of the Commission is hereby authorized and directed to execute and acknowledge a Series 2003 Supplemental Trust Indenture (the "Series 2003 Supplemental Indenture") under the Master Trust Indenture, and the Secretary of the Commission is hereby authorized and directed to execute and acknowledge the Series 2003 Supplemental Indenture, and the Chair and the Secretary of the Commission are hereby authorized and directed to cause the Series 2003 Supplemental Indenture to be accepted, executed and acknowledged by Metropolitan National Bank, as trustee (the "Trustee"). The Series 2003 Supplemental 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 2.** The Chair, the Secretary, the Chief Executive Officer, both of the Chief Operating Officers, and the Chief Financial Officer, 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 Series 2003 Supplemental Indenture, the delivery of the Little Rock Principal and the North Little Rock Principal to the Trustee, the performance of all obligations of CAW under the Series 2003 Supplemental Trust Indenture, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Authorizing Resolution. The Chair, the Secretary, Chief Executive Officer, both of the Chief Operating Officers, and the Chief Financial Officer are further authorized and directed, for and on behalf of CAW, 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 3.** The appointment of Metropolitan National Bank, Little Rock, Arkansas, to serve as trustee for the Series 2003 Supplemental Trust Indenture is hereby approved and ratified.

**Section 4.** This Authorizing Resolution shall be in effect from and after the date hereof.

ADOPTED: September 4, 2003

ATTEST:

\_\_\_\_\_  
Tom Rimmer, Secretary

\_\_\_\_\_  
Craig Wood, Chair

**CERTIFICATE**

I, Tom Rimmer, 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 its regular meeting held September 4, 2003.

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Secretary

## RESOLUTION 2003--10

### A RESOLUTION TO ESTABLISH A PLAN TO CONTINUE THE PROTECTION OF THE LAKE MAUMELLE WATERSHED

Whereas on July 31, 1992 the Little Rock Municipal Water Works Board of Commissioners determined by Resolution that it was necessary to protect the Lake Maumelle watershed from pollution and that lands within the watershed should be acquired to protect the public water supply; and

Whereas on October 16, 1998 the Little Rock Municipal Water Works Board of Commissioners by Resolution set forth a plan of action to protect the Lake Maumelle watershed; and

Whereas the Board of Commissioners of Central Arkansas Water desires to continue the protection of the Lake Maumelle watershed,

Now Therefore Be It Resolved by the Board of Commissioners of Central Arkansas Water that the following Lake Maumelle Watershed Protection Plan is hereby established:

**Section 1.** For watershed protection, the lake has been divided into two zones as depicted in Exhibit 1 to the resolution. A line has been established between Sections 1 and 2, T2N, R15W and Sections 11, 12, 13, 14, 23, 24, 25, 26, 35, 36 T3N, R15W. The northern and southern end of the line stops at the respective watershed boundary. Zone 1 is defined as watershed properties east of said line. Zone 2 is defined as all watershed property west of said line.

**Section 2.** The plan to be implemented for protection of each zone of Lake Maumelle shall be as follows:

#### Zone 1

Purchase all undeveloped land within the watershed with the exception of the watershed property in Section 1, T3N, R15 W.

Acquire, if deemed appropriate, houses when offered for sale by the land owner utilizing purchase and lease back agreements, management agreements or other owner use agreements when practical.

Obtain land use agreements on all watershed property within Zone 1 upon which houses are located that are not acquired.

#### Zone 2

Acquire a 300 foot buffer on critical streams as depicted on Exhibit 1. The acquisition of the buffer may be through a number of means including outright purchase, purchase and lease back agreements, management agreements, or other owner use agreements when practical.

Strive to obtain land use agreements with the property owners on property outside the 300 foot buffer and consider purchasing such property that is offered for sale.

Acquire, if deem appropriate, houses when offered for sale by the land owner utilizing purchase and lease back agreements, management agreements or other owner use agreements when practical.

Consider land use agreements upon which houses are located that are not acquired.

**Section 3.** Utilize enforcement of Arkansas Department of Health and Department of Environmental Quality regulations to protect the watershed and reservoir.

**Section 4.** Coordinate with City and County Planning Departments, Arkansas Department of Health and Department of Environmental Quality to review their permit applications within the watershed.

**Section 5.** Utilize injunctive powers when necessary to stop pollution.

**Section 6.** The Chief Executive Officer is directed to implement the Plan and to give implementation of the Plan the highest priority so that all watershed property in Zones 1 is acquired within three years from the date of this resolution and all watershed property in Zone 2 is acquired within five years of this resolution.

**Section 7.** The Chief Executive is directed to review the Watershed Protection Plan annually and make any adjustments that are warranted.

**Section 8.** A copy of this resolution shall be sent to each property owner known to Central Arkansas Water within Zones 1 and 2 and to each real estate firm known by Central Arkansas Water which handles property in the Lake Maumelle watershed.

**Section 9.** This resolution shall take effect upon its adoption and approval.

ADOPTED: September 04, 2003

ATTEST:

\_\_\_\_\_  
Tom Rimmer, Secretary

\_\_\_\_\_  
Craig Wood, Chair



**CERTIFICATE**

I, Tom Rimmer, 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 its regular meeting held September 4, 2003.

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Secretary

RESOLUTION 2003-11

**A RESOLUTION DECLARING PROPERTY NECESSARY AND VITAL TO THE FUNCTIONS OF CENTRAL ARKANSAS WATER, FORGIVING CERTAIN INDEBTEDNESS OF THE CITY OF LITTLE ROCK, ARKANSAS TO CENTRAL ARKANSAS WATER, AND PRESCRIBING OTHER MATTERS RELATING THERETO**

WHEREAS, Central Arkansas Water, a body politic and corporate, ("CAW") created pursuant to the Consolidated Waterworks Authorization Act, Act No. 982 of the Acts of Arkansas of 2001, as amended, and pursuant to a Consolidation Agreement entered into by and between the cities of Little Rock and North Little Rock, Arkansas dated as of March 5, 2001, as amended by a First Amendment to Consolidation Agreement dated as of June 30, 2001 (collectively, the "Agreement") is being operated, managed, and maintained by the Central Arkansas Water Board of Commissioners (the "Commission"); and

WHEREAS, on April 20, 1998, the Board of Commissioners of the Little Rock Municipal Water Works (the "Little Rock Board") declared as surplus 29 acres of land below the dam at Lake Maumelle as more specifically described on Exhibit A attached hereto and incorporated herein (the "Property"); and

WHEREAS, thereafter, no further action was taken to transfer the Property from "the City of Little Rock, Arkansas for the use and benefit of Little Rock Municipal Water Works" to "the City of Little Rock, Arkansas;" and

WHEREAS, the City of Little Rock, Arkansas transferred the Property to Central Arkansas Water by Quitclaim Deed, along with numerous other properties, on July 1, 2001; and

WHEREAS, the Board of Commissioners of Central Arkansas Water have determined that the Property is not surplus, but that it is vital and necessary for the continued operation, safety, security and maintenance of a major water supply source for CAW; and

WHEREAS, the City of Little Rock, Arkansas is indebted to CAW in the amount of \$27,243.32 for water previously supplied to the city;

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

**Section 1.** The Property is not surplus, as declared by the Board of Commissioners of the Little Rock Municipal Water Works, but such Property is vital and necessary to the continued operation, safety, security and maintenance of a major water supply source for Central Arkansas Water, Lake Maumelle.

**Section 2.** In consideration for and settlement of all claims of the City of Little Rock, Arkansas in and to the Property, the Chief Financial Officer, for and on behalf of CAW, is hereby authorized and directed to forgive \$27,243.32 in indebtedness owed by the City of Little Rock, Arkansas to CAW for water previously supplied to the City of Little Rock, Arkansas.

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

ADOPTED: September 4, 2003

ATTEST:

\_\_\_\_\_  
Tom Rimmer, Secretary

\_\_\_\_\_  
Craig Wood, Chair

**CERTIFICATE**

I, Tom Rimmer, 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 its regular meeting held September 4, 2003.

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Secretary