

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

January 13, 2022

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, January 13, 2022, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Mr. Jim McKenzie, Chair  
Mr. Jay Hartman, Commissioner

**Via Teleconferencing:**

Ms. Kandi Hughes, Commissioner  
Dr. Jay Barth, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner

**Absent:**

Mr. Kevin Newton, Vice Chair  
Mr. Anthony Kendall, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. David Johnson, General Counsel  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Ms. Sharon Sweeney, Compliance Manager  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Mary Dyson, Executive Assistant

**CAW Staff via Teleconferencing:**

Ms. Chelsea Boozer, Government Affairs Manager  
Mr. Danny Dunn, Director of Distribution  
Ms. Tamika Edwards, Special Advisor to the CEO on Diversity, Equity, Inclusion, & Engagement  
Mr. Doug Farler, Operations Manager  
Mr. Todd Fisher, Finance Manager  
Mr. Doug Graham, Optimization Manager  
Ms. Julia Hargrove, Administrative Assistant  
Mr. Alex Harper, GIS Manager  
Ms. Tatiana Herrington, Director of Human Resources  
Ms. Jane Hurley, Education and Outreach Specialist  
Mr. Andrew Pownall, P.E., Senior Engineer  
Mr. David Sharp, Customer Service Manager  
Ms. Linda Smith, Sustainability/Facilities Manager

Mr. Sam Zehtaban, Director of Water Production

**Also, in Attendance:**

Mr. Aaron M. Benzing, P.E., Hawkins-Weir Engineers, Inc.  
Mr. Evan Ged, Hazen and Sawyer  
Mr. Ken Hall, P.E., Hazen and Sawyer

**Also, in Attendance via Teleconferencing:**

Ms. Ruth Bell, League of Women Voters of Pulaski County  
Mr. Dee Brown, P.E., Brown Engineering, LLC.  
Ms. Elizabeth Crafton, Hazen and Sawyer  
Mr. Jim DeWolfe, Hazen and Sawyer  
Mr. Joe Fleming, USGS  
Mr. Barry Haas, Citizen  
Mr. Tyler Hudson, P.E., Hazen and Sawyer  
Mr. Jordan Johnson, JPJ Consulting, LLC.  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Mr. Drew Westerman, USGS

**CALL TO ORDER**

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

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Barth, the minutes of the December 16, 2021, Regular Meeting were unanimously approved.

**PUBLIC COMMENT PERIOD**

No comments.

**NEW BUSINESS**

**Resolution Amending CAW's 457(b) Plan**

Mr. Mascagni requested Board approval of a Resolution amending CAW's 457(b) Plan to permit the inclusion of two additional benefits to the Plan for CAW employees permitted under § 457(b) of the Internal Revenue Code: a Roth IRA deferral option and an in-service, non-hardship distributions option.

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

**Jack H. Wilson Water Treatment Plant Condition Assessment & Process Evaluation Study**

Mr. Weindorf and Mr. Ged from Hazen and Sawyer presented a summary of recommendations for rehabilitation and improvements to the Jack H. Wilson Water Treatment Plant. Discussion ensued. No action required.

**Lake Maumelle Reservoir Monitoring Update**

Mr. Weindorf and Mr. Hall from Hazen and Sawyer updated the Board on the reservoir conditions and an algae bloom event that occurred in late November and early December 2021. Discussion ensued. No action required.

### **CONTRACTS/PURCHASES**

#### **USGS Contract for the 2022 Streamflow and Water Quality Monitoring Work Plan**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hartman, after due consideration and discussion, an annual contract with USGS in the amount of \$467,399.00 to monitor stream flows and water quality at Lake Maumelle and Lake Winona, was unanimously approved.

#### **Jack H. Wilson Pump Station No. 1A Rehabilitations and Improvements Construction Engineering Contract – Phase 2**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Hughes, after due consideration and discussion, a professional services contract with Garver Engineers, Inc. in the amount of \$111,508.00 to perform construction services for Pump Station No. 1A Rehabilitation and Improvements – Phase 2, was unanimously approved.

### **DEPARTMENT UPDATES**

#### **Operations**

Mr. Weindorf provided an update on operations of the Perla Water and Wastewater Systems.

#### **Finance**

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

### **BOARD BRIEFING**

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

### **EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Hartman, the Board met in Executive Session to discuss the annual review of the CEO.

Upon reconvening the regular session, a motion duly made by Commissioner Barth and seconded by Commissioner Smith, a 4% increase to the CEO's base salary, a one-time 2% inflation pay bonus, and a one-time 4% merit pay bonus, for extraordinary performance during 2021, was unanimously approved.

### **ADJOURNMENT**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Hughes, the meeting was adjourned at 4:29 p.m.

  
\_\_\_\_\_  
Jay Barth, Secretary/Treasurer  
Board Minutes  
January 13, 2022

**RESOLUTION 2022-01**

**A RESOLUTION TO AUTHORIZE THE ADOPTION OF AN AMENDMENT TO CENTRAL ARKANSAS WATER'S § 457(b) PLAN; AND FOR OTHER PURPOSES**

WHEREAS, in 2005, the Board of Commissioners of Central Arkansas Water ("CAW") authorized the entering of a deferred compensation plan for employees in accordance with § 457(b) of the Internal Revenue Code ("Plan"); and

WHEREAS, by the terms of the Plan, each full-time CAW employee may establish an account with the Plan's recordkeeper and fund the account with pretax earnings; and

WHEREAS, the Plan offers an important long-term benefit for employees of CAW, and more than one-third (1/3) of CAW's full-time employees participate in the Plan; and

WHEREAS, on occasion since 2005, the Board of Commissioners has authorized administrative changes to the Plan; and

WHEREAS, a proposed amendment to the Plan would provide access to two additional benefits for CAW employees permitted under § 457(b) of the Internal Revenue Code: a Designated Roth Account deferral option, and an in-service, non-hardship distribution option at age 59½ ("Amendment"); and

WHEREAS, staff of CAW recommends that the Board of Commissioners authorizes the adoption of the Amendment.

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

Section 1. The Board of Commissioners authorizes the adoption of the Amendment.

ADOPTED: [January 13, 2022]

Attest:

APPROVED:

  
\_\_\_\_\_  
Jay Barth, Secretary/Treasurer

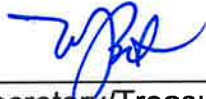
  
\_\_\_\_\_  
Jim McKenzie, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Jay Barth, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2022-01 of the Resolutions of Central Arkansas Water, titled: **A RESOLUTION TO AUTHORIZE THE ADOPTION OF AN AMENDMENT TO CENTRAL ARKANSAS WATER'S § 457(b) PLAN; AND FOR OTHER PURPOSES**, adopted January 13, 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of January 2022.



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Jay Barth, Secretary/Treasurer  
Central Arkansas Water

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

February 10, 2022

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, February 10, 2022, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Mr. Jim McKenzie, Chair  
Mr. Jay Hartman, Commissioner  
Ms. Carmen Smith, Commissioner  
Mr. Anthony Kendall, Commissioner

**Via Teleconferencing:**

Ms. Kandi Hughes, Commissioner  
Dr. Jay Barth, Secretary/Treasurer  
Mr. Kevin Newton, Vice Chair

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. David Johnson, General Counsel  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Chelsea Boozer, Government Affairs Manager  
Ms. Linda Smith, Sustainability/Facilities Manager  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Mary Dyson, Executive Assistant

**CAW Staff via Teleconferencing:**

Mr. Alex Harper, GIS Manager  
Mr. Andrew Pownall, P.E., Senior Engineer  
Mr. Bryan Rupar, Land Conservation Coordinator  
Ms. Cynthia Edwards, Director of Finance  
Mr. Danny Dunn, Director of Distribution  
Mr. Doug Graham, Optimization Manager  
Ms. Lauren Schallhorn, Controller  
Ms. Samantha Williams-Davis, Communications specialist & Brand Manager  
Ms. Tamika Edwards, Special Advisor to the CEO on Diversity, Equity, Inclusion, & Engagement  
Mr. Todd Fisher, Finance Manager

**Also, in Attendance:**

Mr. Hector Gonzalez, Government Affairs Manager, El Paso Water

Mr. Joseph Flaherty, AR Dem-Gaz

**Also, in Attendance via Teleconferencing:**

Mr. Barry Haas, Citizen  
Mr. Jordan Johnson, JPJ Consulting, LLC.  
Mr. Paul Strickland, P.E., Garver Engineers  
Ms. Ruth Bell, League of Women Voters of Pulaski County

**CALL TO ORDER**

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

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, the minutes of the January 13, 2022, Regular Meeting were unanimously approved.

**PUBLIC COMMENT PERIOD**

No comments.

**NEW BUSINESS**

**Presentation on El Paso Water's success in obtaining federal grants to meet a multitude of utility needs.**

Mr. Gonzalez made a presentation on El Paso Water's impressive record of obtaining federal grants year-after-year for various utility projects and discussed how CAW, with the necessary commitment of resources, might improve its chances for increased federal funding. Discussion ensued. No action required.

**Resolution of Intent and Resolution of Signatory Authority for CAW to obtain funds through the State Revolving Fund Loan Program**

Mr. Mascagni requested Board approval of a Resolution of Intent and a Resolution of Signatory Authority for CAW to obtain funds in an amount not to exceed \$4 million through the Drinking Water State Revolving Fund Loan Program administered by Arkansas Natural Resources Commission (ANRC) for the purpose of completing Jack H. Wilson Pump Station No. 1A Rehabilitations and Improvements - Phase 2.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Kendall, after due consideration and discussion, both Resolutions were unanimously approved.

**Resolution of Intent and Resolution of Signatory Authority for CAW as Receiver of the City of Perla's Water and Wastewater Systems to obtain funds through ANRC**

Mr. Mascagni requested Board approval of a Resolution of Intent and a Resolution of Signatory Authority for CAW as Receiver of the City of Perla's water and wastewater systems to obtain funds in an amount not to exceed \$3 million through ANRC for the purpose of improving the Perla water and wastewater systems and refinancing Perla water and wastewater systems outstanding debts.

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Barth, after due consideration and discussion, both Resolutions were unanimously approved.

Resolution Authorizing Purchase of Real Property in Lake Maumelle Watershed - Funded with Proceeds from Green Bonds

Ms. Lawson requested Board approval of a Resolution authorizing the purchase of four parcels of real property comprising a total of 189 acres located in the Lake Maumelle Watershed from the Payne Living Trust of which Forrest Edward Payne, Ph.D. and Carolyn Sue Payne are co-trustees for a total purchase price of \$660,800.00 plus closing costs (approximately \$3,500 per acre).

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

Presentation on Act 605 of 2021 Requirements for Commissioner Training

Mr. Bohannon made a presentation on Act 605 of 2021 that requires 8 hours of Commissioner training before December 31, 2022, and requested input from the Board on how they would like to comply with that requirement. Discussion ensued. No action required.

Presentation on the Components of Rate Making and the Impacts of Capital Replacements and Improvements

Mr. Bohannon made a presentation on the components of rate making and the impacts of capital replacements and improvements and requested input from the Board on the issues presented as part of the 2050 strategic planning process. Discussion ensued. No action required.

Resolution to Waive Competitive Bidding and Authorize the Purchase of New Vehicles within the 2022 Financial Plan during the Current Market Disruption

Mr. Weindorf requested Board approval of a Resolution to waive competitive bidding and authorize the purchase of new vehicles within the 2022 Financial Plan through various manufacturers authorized dealer networks, but to require informal quotes or bids for similar vehicles, and to authorize the Chief Executive Officer to execute any agreement necessary to participate in government fleet programs and other available sources during the current market disruption to allow continued replacement of vehicles within the fleet management plan in support of operations throughout the utility.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hartman, after due consideration and discussion, the Resolution, by which the Board found that competitive bidding for the procurement of vehicles during Fiscal year 2022 was neither feasible nor practical and by which the Board waived the requirements of competitive bidding for such purposes, was unanimously approved.

**CONTRACTS/PURCHASES**

Purchase Crane Truck

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Newton, after due consideration and discussion, the purchase of a new crane truck with hydraulic telescopic crane and air compressor from Summit Truck Equipment in the amount of \$232,814.00, was unanimously approved.

Paron-Owensville Standpipe Tank Painting and Modifications



Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hartman, after due consideration and discussion, a construction contract with Leher Painting Enterprises, Inc. in the amount of \$618,777.00 for the painting and improvements of five (5) Paron-Owensville water storage standpipe tanks, was unanimously approved.

#### 2-Inch Galvanized Water Main Replacements in Little Rock – Phase 1

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hartman, after due consideration and discussion, a construction contract with J.R. Fox Company in the amount of \$1,085,746.84 to replace approximately 6,400 linear feet of existing water mains identified as being very problematic and high maintenance in two separate areas in Little Rock, was unanimously approved.

#### 16-Inch Water Main Relocations along Gill Street/Hwy 10 Bridge

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Kendall, after due consideration and discussion, a construction contract with District Utility Construction, LLC. in the amount of \$1,220,286.10 to relocate approximately 1,300 linear feet of existing water mains that conflict with proposed construction within the ArDOT's future Gill Street/Hwy 10 bridge replacement project, was unanimously approved.

#### Five Large Capacity Pump and Motor Pairs

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, after due consideration and discussion, the purchase of three (3) large capacity 9,000 GPM 400 HP Pump and Motor Pairs from Haynes Pump and Process in the amount of \$747,555.00; and the purchase of two (2) large capacity 4,500 GPM 350 HP Pump and Motor Pairs from Instrument and Supply, Inc. in the amount of \$353,850.00, was unanimously approved. The pumps will be installed as part of the Jack H. Wilson Pump Station No. 1A Rehabilitations and Improvements – Phase 2.

### **BOARD BRIEFING**

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

### **ADJOURNMENT**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Kendall, the meeting was adjourned at 4:22 p.m.

  
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Jay Barth, Secretary/Treasurer

**RESOLUTION NO. 2022-02**

**A RESOLUTION DELARING THE INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN EXPENDITURES TOWARD THE WILSON WATER TREATMENT PLANT PUMPING STATION #1A PROJECT NOT TO EXCEED \$4,000,000, AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF A BOND ISSUE; APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE WATER REVENUE BONDS; APPROVING SETTING A DATE FOR A PUBLIC HEARING ON THE ISSUANCE OF THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

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

WHEREAS, CAW proposes to design, construct, and equip improvements to its Jack H. Wilson Treatment Plant Pumping Station #1A (the "Improvements") that will consist of engineering and construction activities necessary to rehabilitate, improve operational efficiency and effectiveness, and extend the functional life of the 58-year-old pumping facility plant; and

WHEREAS, CAW does not have funds on hand to pay the costs of the Improvements and the expenses related thereto; and

WHEREAS, CAW proposes to obtain funds to accomplish the Improvements, to pay bond expenses and fund interest during construction from the issuance of bonds; and

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

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

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

Section 1. CAW hereby declares its official intent and reasonable expectation to reimburse itself for original expenditures paid from its general or operating funds that are used in designing, constructing and equipping the Improvements between the date that is sixty (60) days prior to the date of this Resolution and the date the Bonds (as hereinafter defined) are issued, plus a de minimis amount and preliminary expenditures,

with the proceeds of bonds in the principal amount of not to exceed Four Million Dollars (\$4,000,000) (the "Bonds").

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

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

Section 3. The Chief Executive Officer of CAW 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 the Bonds, in an amount not to exceed \$4,000,000, for the purpose of financing the Improvements, funding interest during construction and paying expenses of issuing the Bonds.

Section 4. The Chief Financial Officer of CAW is hereby instructed to schedule and hold a public hearing on the issuance of the Bonds.

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

Section 6. A copy of this Resolution with original signatures shall be furnished by the Chief Financial Officer of CAW to the Director of the Arkansas Natural Resources Commission.

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

ADOPTED: [February 10, 2022]

ATTEST:

APPROVED:

  
\_\_\_\_\_  
Jay Barth, Secretary Treasurer

  
\_\_\_\_\_  
Jim McKenzie, Chair



**RESOLUTION NO. 2022-03**

**A RESOLUTION DESIGNATING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER, THE CHIEF OPERATING OFFICER, AND THE CHIEF FINANCIAL OFFICER OF CENTRAL ARKANSAS WATER TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH THE DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM ADMINISTERED BY THE ARKANSAS NATURAL RESOURCES COMMISSION FOR THE JACK H. WILSON WATER TREATMENT PLANT PUMPING STATION NO 1A PROJECT.**

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

WHEREAS, CAW has determined that it will be necessary to issue water revenue bonds in an aggregate principal amount not to exceed \$4,000,000 for the purposes of acquiring and constructing improvements to the Jack H. Wilson Water Treatment Plant Pumping Station No. 1A, including particularly, without limitation, pump and motor replacement and electrical upgrades, in order to improve the operational efficiency and effectiveness and extend the functional life of the 58-year-old pumping facility (collectively, the "Improvements"); and

WHEREAS, proceeds of the bonds will be used to finance engineering costs for the Improvements, the costs of issuing the bonds and interest during construction;

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

Section 1. That C. Tad Bohannon, as Chief Executive Officer, is hereby authorized and directed to make application for assistance under the Drinking Water State Revolving Fund Loan Program (the "Program") administered by the Arkansas Natural Resources Commission ("ANRC").

Section 2. That in the event C. Tad Bohannon is unavailable, Blake Weindorf, as Chief Operating Officer, is hereby authorized to execute a bond purchase agreement with ANRC and the Arkansas Development Finance Authority ("ADFA"), once such agreement is approved by the Commission, for and on behalf of CAW.

Section 3. That Blake Weindorf, as Chief Operating Officer, is hereby authorized to execute, for and on behalf of CAW, such other documents and certificates as may be required by ANRC (i) for participation in the Program, or (ii) to satisfy CAW's obligations under the bond purchase agreement with ANRC and ADFA, once such agreement is approved by the Commission.

Section 4. That Jeff Mascagni, as Chief Financial Officer, is hereby authorized to execute, for and on behalf of CAW, such other documents and certificates as may be required by ANRC (i) for participation in the Program, or (ii) to satisfy CAW's obligations under the bond purchase agreement with ANRC and ADFA, once such agreement is approved by the Commission.

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


Section 6. This Resolution shall be in effect from and after the date of its adoption.

ADOPTED: [February 10, 2022]

ATTEST:

  
\_\_\_\_\_  
Jay Barth, Secretary Treasurer

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Chair

CERTIFICATE

STATE OF ARKANSAS     )  
  ) ss  
COUNTY OF PULASKI     )

I, Jay Barth, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2022-03 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION DESIGNATING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER, THE CHIEF OPERATING OFFICER, AND THE CHIEF FINANCIAL OFFICER OF CENTRAL ARKANSAS WATER TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH THE DRINKING WATER SRF LOAN PROGRAM ADMINISTERED BY THE ARKANSAS NATURAL RESOURCES COMMISSION FOR THE WILSON WATER TREATMENT PLANT PUMPING STATION #1A PROJECT**, adopted February 10, 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of February 2022.



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

**RESOLUTION NO. 2022-04**

**A RESOLUTION APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK DECLARING THE INTENT OF CENTRAL ARKANSAS WATER AS RECEIVER TO ISSUE WATER REVENUE BONDS; APPROVING SETTING A DATE FOR A PUBLIC HEARING ON THE ISSUANCE OF THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

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

WHEREAS, CAW has been appointed as Receiver of the Perla Water and Sewer System (the "Perla System") pursuant to an Order of the Circuit Court of Hot Spring County, Arkansas (the "Court") in a case styled Gregory v. Adams, et al, Case No. 30CV-21-366; and

WHEREAS, pursuant to a further Order of the Court, CAW, as Receiver, has been authorized to borrow funds and receive grant funds in order to replace the water meters of the Perla System, to repair and rehabilitate the Perla System, and to refinance indebtedness of the Perla System (the "Project"); and

WHEREAS, CAW has determined that it will be necessary as Receiver, to borrow up to \$3,000,000 to comply with the Order of the Court after taking its account grants to be received from the Arkansas Natural Resources Commission for such purposes; and

WHEREAS, the borrowed funds would be evidenced by the issuance of revenue bonds and would pay costs of the borrowing and interest during construction; and

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

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

Section 1. The Chief Executive Officer of CAW is hereby instructed to give notice to the governing bodies of the Cities of Little Rock and North Little Rock that CAW as Receiver intends to issue the revenue bonds (the "Bonds"), in an amount not to exceed \$3,000,000, for the purpose of financing the Project, funding interest during construction and paying expenses of issuing the Bonds.

Section 2. The Chief Financial Officer of CAW is hereby instructed to schedule and hold a public hearing on the issuance of the Bonds.



Section 3. A copy of this Resolution shall be filed in the administrative offices of CAW, where it will be available for public inspection.

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

ADOPTED: [February 10, 2022]

ATTEST:

  
\_\_\_\_\_  
Jay Barth, Secretary Treasurer

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Chair



**RESOLUTION NO. 2022-05**

**A RESOLUTION DESIGNATING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER, THE CHIEF OPERATING OFFICER, AND THE CHIEF FINANCIAL OFFICER OF CENTRAL ARKANSAS WATER TO EXECUTE CERTAIN DOCUMENTS AS COURT APPOINTED RECEIVER FOR THE PERLA WATER AND SEWER SYSTEM IN CONNECTION WITH SRF LOAN PROGRAMS ADMINISTERED BY THE ARKANSAS NATURAL RESOURCES COMMISSION.**

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

WHEREAS, CAW has been appointed as Receiver of the Perla Water and Sewer System (the "Perla System") pursuant to an Order of the Circuit Court of Hot Spring County, Arkansas (the "Court") in a case styled Gregory v. Adams, et al, Case No. 30CV-21-366; and

WHEREAS, pursuant to a further Order of the Court, CAW, as Receiver, has been authorized to borrow funds and receive grant funds in order to replace the water meters of the Perla System, to repair and rehabilitate the Perla System, and to refinance indebtedness of the Perla System; and

WHEREAS, CAW has determined that it will be necessary as Receiver, to borrow up to \$3,000,000 to comply with the Order of the Court after taking its account grants to be received from the Arkansas Natural Resources Commission ("ANRC") for such purposes; and

WHEREAS, the borrowed funds would pay costs of the borrowing and interest during construction;

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

Section 1. That C. Tad Bohannon, as Chief Executive Officer, is hereby authorized and directed to make application, for and on behalf of CAW as Receiver, for assistance under the Drinking Water State Revolving Fund Loan Program and the Clean Water State Revolving Fund Loan Program administered by ANRC (the "Programs").

Section 2. That in the event C. Tad Bohannon is unavailable, Blake Weindorf, as Chief Operating Officer, is hereby authorized to execute bond purchase agreements with ANRC and the Arkansas Development Finance Authority ("ADFA"), once such agreements are approved by the Commission, for and on behalf of CAW as Receiver.

Section 3. That Blake Weindorf, as Chief Operating Officer, is hereby authorized to execute, for and on behalf of CAW, as Receiver, such other documents and certificates as may be required by ANRC (i) for participation in the Programs, or (ii) to satisfy CAW's obligations under the bond purchase agreements with ANRC and ADFA, as Receiver, once such agreements are approved by the Commission.

Section 4. That Jeff Mascagni, as Chief Financial Officer, is hereby authorized to execute, for and on behalf of CAW, as Receiver, such other documents and certificates as may be required by ANRC (i) for participation in the Programs, or (ii) to satisfy CAW's obligations under the bond purchase agreements with ANRC and ADFA, as Receiver, once such agreements are approved by the Commission.

Section 3. A copy of this Resolution shall be filed in the administrative offices of CAW, where it will be available for public inspection.

Section 5. This Resolution shall be in effect from and after the date of its adoption.

ADOPTED: [February 10, 2022]

ATTEST:

  
\_\_\_\_\_  
Jay Barth, Secretary Treasurer

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Chair



## **RESOLUTION 2022-06**

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

WHEREAS, Lake Maumelle is the primary raw water source for Central Arkansas Water ("CAW") and its nearly five hundred thousand (500,000) customers; and

WHEREAS, Lake Maumelle produces eighteen billion (18,000,000,000) gallons of pristine raw water every year for the service of such customers; and

WHEREAS, the management of this natural resource is a core function of CAW, and the abatement of widespread development in the Lake Maumelle Watershed is critical to its long-term preservation; and

WHEREAS, the purchase by CAW of real property in the Lake Maumelle Watershed is a continuous endeavor of CAW in the furtherance of that goal; and

WHEREAS, CAW has negotiated terms of a real estate offer and acceptance agreement for the purchase of approximately one hundred eight-nine (189) acres of real property in the Lake Maumelle Watershed ("Property") from THE PAYNE LIVING TRUST ("Seller"), of which Forrest Edward Payne, Ph.D. and Carolyn Sue Payne are the sole cotrustees, for a total purchase price of SIX HUNDRED SIXTY THOUSAND EIGHT HUNDRED and 00/100 DOLLARS (\$660,800.00) ("Purchase Price"); and

WHEREAS, the purchase is subject to approval of the Board of Commissioners of CAW ("Commission"); and

WHEREAS, the Commission, based upon the recommendations of staff, determines that the purchase of Property serves the best interests of CAW and its ratepayers and supports the Commission's long-term goal of ensuring the highest quality of raw water in Lake Maumelle.

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

Section 1. The purchase of the Property upon and in accordance with the terms as negotiated is hereby approved.

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

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

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

ADOPTED: [February 10, 2022]

Attest:

APPROVED:

  
\_\_\_\_\_  
Jay Barth, Secretary/Treasurer

  
\_\_\_\_\_  
Jim McKenzie, Chair





## RESOLUTION 2022-07

### **A RESOLUTION TO FIND THE REQUIREMENTS OF COMPETITIVE BIDDING FOR THE PROCUREMENT OF NEW VEHICLES IS NEITHER FEASIBLE NOR PRACTICAL AND TO WAIVE SUCH REQUIREMENTS OF COMPETITIVE BIDDING WITHIN THE 2022 FINANCIAL PLAN**

WHEREAS, the continuing COVID-19 global pandemic has detrimentally affected the availability of new vehicles necessary for the daily operations of Central Arkansas Water ("CAW"); and

WHEREAS, new vehicles are available at a discounted rate directly from various manufacturers' authorized dealer networks through government fleet programs; and

WHEREAS, not all dealers are part of an authorized network, and using government fleet programs and other programs ensures consistent pricing and offers additional benefits such as technician training, access to available inventories statewide, increased warranties, and discounts on diagnostics software and parts; and

WHEREAS, dealers do not have pricing prior to an ordering window, which is often not open long enough to complete a formal competitive bidding procedure, and the pricing that would be submitted in the bidding process will be the same through a government fleet program; and

WHEREAS, authorizing procurement through government fleet programs without competitive bidding will allow the Purchasing Section to place orders within short ordering windows, procure existing inventory when available, obtain quotes quickly from different manufacturers based on the specific needs of a department, and ensure staff has the equipment needed to maintain a high level of services to CAW customers; and

WHEREAS, Arkansas law requires each public body of cities of the first-class including CAW to employ a formal competitive bidding procedure for each procurement of goods and services of which the public body's expenditure exceeds \$35,000; and

WHEREAS, Arkansas law permits the governing body of such public body to waive the requirements of competitive bidding in exceptional situations where such formal competitive bidding procedure is deemed not feasible or practical.

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

Section 1: On account of the existing market disruption as well as the benefits of alternative sourcing to CAW and its ratepayers, the Board of Commissioners of CAW ("Commission") finds that the employing of a formal competitive bidding procedure for the procurement of new vehicles is neither feasible nor practical.

Section 2: The Commission hereby waives the requirements of competitive bidding for the procurement of new vehicles within the 2022 financial plan.

Section 2: This Resolution shall be in effect immediately upon its adoption.

Section 3: A copy of this Resolution shall be filed in the administrative offices of CAW, where it will be available for public inspection.

ADOPTED: [February 10, 2022]

Attest:

APPROVED:

  
\_\_\_\_\_  
Jay Barth, Secretary/Treasurer

  
\_\_\_\_\_  
Jim McKenzie, Chair



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

March 10, 2022

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, March 10, 2022, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Mr. Jim McKenzie, Chair  
Mr. Kevin Newton, Vice Chair  
Mr. Jay Hartman, Commissioner  
Ms. Carmen Smith, Commissioner  
Mr. Anthony Kendall, Commissioner

**Via Teleconferencing:**

Dr. Jay Barth, Secretary/Treasurer

**Absent:**

Ms. Kandi Hughes, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. David Johnson, General Counsel  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Mr. Danny Dunn, Director of Distribution  
Ms. Chelsea Boozer, Government Affairs Manager  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Allen Vincent, Director of Information Services  
Mr. Jeff Eades, Network Administrator  
Mr. Terry Frazier, Director of Customer Service  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Mary Dyson, Executive Assistant

**CAW Staff via Teleconferencing:**

Mr. Alex Harper, GIS Manager  
Mr. Bryan Rugar, Land Conservation Coordinator  
Mr. Doug Farler, Operations Manager  
Mr. Doug Graham, Optimization Manager  
Ms. Jane Hurley, Education and Outreach Specialist  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Ms. Lauren Schallhorn, Controller  
Mr. Sam Zehtaban, Director of Water Production

Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Tatiana Herrington, Director of Human Resources  
Mr. Todd Fisher, Finance Manager

**Also, in Attendance:**

Mr. Joseph Flaherty, AR Dem-Gaz

**Also, in Attendance via Teleconferencing:**

Mr. Barry Haas, Citizen  
Mr. Jordan Johnson, JPJ Consulting, LLC.  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Mr. Sam Stein, Citizen

**CALL TO ORDER**

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

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, the minutes of the February 10, 2022, Regular Meeting were unanimously approved.

**PUBLIC COMMENT PERIOD**

No comments.

**NEW BUSINESS**

**Presentation on Bond Revenue Coverage and Rate Stabilization Account**

Mr. Mascagni made a presentation on Bond Revenue Coverage for 2021 and impact to Rate Stabilization. Discussion ensued. No action required.

**Resolution Affirming the Debt Surcharge to CAW Customers within the Ridgefield Service Territory**

Mr. Mascagni stated that on June 10, 2021, the Board adopted Resolution 2021-14 establishing a not-to-exceed debt surcharge for future CAW customers within the Ridgefield service territory and requested Board approval of a Resolution that fixes the debt surcharge at a monthly payment of \$146 per customer until debts are paid in full.

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

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

Mr. Mascagni requested Board approval of a Resolution approving notice to the Cities of Little Rock and North Little Rock of CAW's intent to issue Water Revenue Refunding Bonds if savings warrant.

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

Resolution to Permit Revisions to the Lease Agreement for Establishment and Long-Term Operation of Maumelle River Wildlife Management Area

Ms. Lawson requested Board approval of a Resolution to permit revisions to the Lease Agreement for Establishment and Long-Term Operation of Maumelle River Wildlife Management Area between CAW and the Arkansas Game and Fish Commission.

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

**CONTRACTS/PURCHASES**

Purchase Two (2) New Dump Trucks and One (1) New Crew Truck

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hartman, after due consideration and discussion, the purchase of two (2) dump trucks with dump beds and one (1) crew truck in the amount of \$301,054.00 from Doggett Freightliner, was unanimously approved.

Ozark Point Water Treatment Plant Clearwell Painting and Modifications Change Order No. 3 – Phase 1

Upon a motion duly made by Commissioner Newton and seconded by Commissioner Smith, after due consideration and discussion, a change order with Blastco Texas, Inc. in the amount of \$119,071.87 to address additional work recommended due to changed conditions found or exposed during the painting of Clearwell 3 and 4 at Ozark Point Water Treatment Plant, was unanimously approved.

2-Inch Galvanized Water Main Replacements in Little Rock – Phase 2

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, after due consideration and discussion, a construction contract with M.C. Communications in the amount of \$1,215,769.92 to replace approximately 6,100 linear feet of existing water mains identified as being very problematic and high maintenance, was unanimously approved.

Ridgefield Estates Water Main Replacement

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hartman, after due consideration and discussion, a construction contract with Boyles Constructions, Inc. for water main replacements in the Ridgefield Estates Subdivision in the amount of \$1,541,053.85, was unanimously approved.

Network Storage Equipment

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Newton, after due consideration and discussion, the purchase of network storage equipment in the amount of \$282,692.98 from Presidio, was unanimously approved.

**DEPARTMENT UPDATES**

Finance

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

## **BOARD BRIEFING**

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

## **EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, the Board met in Executive Session with Staff to discuss CAW's cyber security efforts. Upon completion of the cyber security discussion, the Board met in Executive Session with Mr. Bohannon to discuss a personnel matter.

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

## **ADJOURNMENT**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hartman, the meeting was adjourned at 5:41 p.m.



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Jay Barth, Secretary/Treasurer

**RESOLUTION 2022-08**

**A RESOLUTION TO ESTABLISH A FIXED DEBT SURCHARGE EFFECTIVE JUNE 1, 2022, FOR CUSTOMERS OF CENTRAL ARKANSAS WATER WHO RESIDE WITHIN THE AREA THAT CURRENTLY CONSTITUTE RIDGEFIELD PROPERTY OWNERS ASSOCIATION'S SERVICE TERRITORY; AND FOR OTHER PURPOSES**

WHEREAS, on June 10, 2021, the Board of Commissioners of Central Arkansas Water ("Commission") adopted Resolution 2021-14 by which the Commission established a schedule of rates and maximum monthly surcharge of one hundred fifty dollars (\$150) for the payment of debt to be issued by the Commission by customers of Central Arkansas Water ("CAW") who reside in the area that constitutes Ridgefield Property Owner's Association's service territory for the purpose of funding capital improvements to the distribution system that serves such service territory; and

WHEREAS, in consideration of loan terms provided by the Arkansas Natural Resources Commission and bids received from contractors for such capital improvements within the real property that constitutes Ridgefield Property Owner's Association's current service territory, the Chief Financial Officer of CAW has determined that the appropriate fixed monthly debt surcharge payable by the CAW account of each customer who resides within such area beginning June 1, 2022, and continuing until such debt is paid in full is one hundred forty-six dollars \$146.

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

Section 1. Beginning June 1, 2022, and continuing until the debt issued by the Commission for capital improvements to the distribution system that serves the area that constitutes Ridgefield Property Owners Association's service territory is paid in full, the monthly surcharge payable by the CAW account of each customer who resides within such area shall be:

Surcharge	\$146
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Section 2. 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 3. This Resolution shall be in effect upon its adoption and approval.

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



ADOPTED: March 10, 2022

ATTEST:

  
\_\_\_\_\_  
Jay Barth, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Chair



## RESOLUTION 2022-09

**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 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, and Regions Bank, N.A. 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 \$17,515,000 original principal amount Water Revenue Bonds, Series 2012A (the "Series 2012A Bonds"); and

WHEREAS, CAW has determined that it may be possible to refund the Series 2012A 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 \$11,015,000 for the purpose of refunding the Series 2012A Bonds along 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 and General Counsel, working together with bond counsel, financial advisor, and trustee, to prepare the forms of an Official Notice of Sale, Official Bid Form, and Preliminary Official Statement for presentation and approval by the Board of Commissioners at a later date;

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

Section 1. The Chief 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 aggregate amount not to exceed XX Million Dollars (\$11,015,000) for the purposes of refunding the Series 2012A Bonds together with establishing a debt service reserve and paying the cost of issuing the bonds.

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

Section 3. The Chief Financial Officer and the General Counsel, working together with bond counsel, financial advisor, and trustee, are hereby instructed to prepare the forms of an Official Notice of Sale, Official Bid Form, and Preliminary Official Statement for presentation and approval by the Board at a later date.

Section 4. Such preliminary actions as are determined to be necessary by the Chief Executive Officer, General Counsel, and Chief Financial Officer are hereby authorized for the issuance and sale, on a public, private or negotiated basis, of parity bonds for the purposes of refunding certain outstanding revenue bonds; provided, however, that at such time as the Chief Financial Officer may determine to be in the best interests of CAW, the final terms of the 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, General Counsel, Chief Financial Officer, and other officers and employees of CAW to carry out or cause to be carried out all appropriate actions, to execute such other certificates or documents to evidence authority as authorized herein, and to take such other actions as they, in consultation with the bond counsel, financial advisor, and trustee, shall consider necessary or advisable in connection with this Resolution in order to prepare for the public, private or negotiated 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 10, 2022

ATTEST:

APPROVED:

  
\_\_\_\_\_  
Jay Barth, Secretary/Treasurer

  
\_\_\_\_\_  
Jim McKenzie, Chair



## RESOLUTION 2022-10

### **A RESOLUTION TO PERMIT REVISIONS TO THE LEASE AGREEMENT FOR ESTABLISHMENT AND LONG-TERM OPERATION OF MAUMELLE RIVER WILDLIFE MANAGEMENT AREA; AND FOR OTHER PURPOSES**

WHEREAS, on or about July 1, 2013, Central Arkansas Water (“CAW”) and the Arkansas Game and Fish Commission (“AGFC”) entered into Lease Agreement for Establishment and Long-Term Operation of Maumelle River Wildlife Management Area (“Agreement”) by which CAW and AGFC agreed to certain terms and conditions of AGFC’s management of certain real property of CAW in the Lake Maumelle watershed (“Subject Property”) and the general public’s use of Subject Property for the purposes of hunting, fishing, and other outdoor recreational activities; and

WHEREAS, among other matters, Agreement identifies with specificity Subject Property, establishes a hunting permit draw process and limitation, prohibits small game hunting in certain areas, prohibits camping, limits the power of boat engines operating in Sleepy Hollow to twenty-five (25) horsepower, and limits the lake hours during which boats may be operated in Sleepy Hollow; and

WHEREAS, in consideration of the collective experience of CAW and AGFC over the course of the term of Agreement of nearly nine (9) years to date, CAW and AGFC find that the following revisions (“Revisions”) to Agreement are in order:

- Increasing the acreage of Subject Property by 2,297 acres;
- Striking the cap on hunting permit draw;
- Identifying with specificity items that may be removed from Subject Property without a permit issued by CAW;
- Permitting camping in certain designated portions of Subject Property;
- Permitting squirrel, rabbit, furbearer, crow, quail, and dove hunting by nontoxic shot in a certain portion of Subject Property in which such hunting currently is not permitted;
- Increasing the sites from which canoes and kayaks may be launched;
- Increasing the portion of Subject Property in which canoes and kayaks may be operated;
- Striking the existing limitation in Subject Property of hours and dates in which boating and fishing is not permitted;
- Striking the existing limitation of twenty-five (25) horsepower on boat engines of boats that may launch at Sleepy Hollow; and

- Increasing the portion of Subject Property from which boats of lengths less than fourteen (14) feet may be launched.

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

Section 1. CAW may enter an amendment to Agreement by which CAW and AGFC adopt Revisions.

Section 2. 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 3. This Resolution shall be in effect upon its adoption and approval.

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

ADOPTED: March 10, 2022

ATTEST:

APPROVED:

  
\_\_\_\_\_  
Jay Barth, Secretary/Treasurer

  
\_\_\_\_\_  
Jim McKenzie, Chair





**CENTRAL ARKANSAS WATER**  
**MINUTES OF PUBLIC HEARING**  
**REGARDING ISSUANCE OF \$2,118,000**  
**IN MAXIMUM PRINCIPAL AMOUNT OF**  
**WATER REVENUE BONDS**

**April 7, 2022**

The meeting was called to order by Jeff Mascagni, Chief Financial Officer, Central Arkansas Water, who presided at the meeting. He stated that a public hearing was scheduled to be held at 2 p.m. on April 7, 2022 at the James T. Harvey Administration Building of Central Arkansas Water located at 221 East Capitol Avenue in Little Rock, Arkansas. The public hearing was held to hear comments on the question of Central Arkansas Water issuing \$2,118,000 in maximum principal amount of water revenue bonds (the "bonds") for the purpose of financing the costs of acquiring the water system owned by Ridgefield Property Owners Association and making improvements thereto. Proceeds of the bonds will also pay expenses of issuing the bonds and fund capitalized interest.

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

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

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

**CERTIFICATE**

The undersigned, Secretary/Treasurer of Central Arkansas Water, hereby certifies that the foregoing is a true and perfect written record of a public hearing held at 2 p.m. on the 7th day of April, 2022, which now appears in the records of the Central Arkansas Water in Little Rock, Arkansas.

  
\_\_\_\_\_  
Jay Barth, Secretary/Treasurer

**CENTRAL ARKANSAS WATER**  
**MINUTES OF PUBLIC HEARING**  
**REGARDING ESTABLISHING SCHEDULE OF RATES OF CAW FOR CUSTOMERS**  
**SERVICE BY CERTAIN IMPROVEMENTS CONSTRUCTED BY RIDGEFIELD**  
**PROPERTY OWNERS ASSOCIATION**

**April 7, 2022**

The meeting was called to order by Jeff Mascagni, Chief Financial Officer, Central Arkansas Water, who presided at the meeting. He stated that a public hearing was scheduled to be held at 2:30 p.m. on April 7, 2022 at the James T. Harvey Administration Building of Central Arkansas Water located at 221 East Capitol Avenue in Little Rock, Arkansas. The public hearing was held to hear comments on the question of Central Arkansas Water establishing schedule of rates for customers served by certain improvements constructed by Ridgefield Property Owners Association.

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

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

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

**CERTIFICATE**

The undersigned, Secretary/Treasurer of Central Arkansas Water, hereby certifies that the foregoing is a true and perfect written record of a public hearing held at 2:30 p.m. on the 7th day of April, 2022, which now appears in the records of the Central Arkansas Water in Little Rock, Arkansas.

  
\_\_\_\_\_  
Jay Barth, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

April 14, 2022

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, April 14, 2022, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

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

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Blake Weindorf, PE, Chief Operating Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. David Johnson, General Counsel  
Mr. Jim Ferguson, PE, Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Mr. Danny Dunn, Director of Distribution  
Ms. Chelsea Boozer, Government Affairs Manager  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Allen Vincent, Director of Information Services  
Ms. Lauren Schallhorn, Controller  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Mary Dyson, Executive Assistant

**CAW Staff via Teleconferencing:**

Mr. Alex Harper, GIS Manager  
Mr. Andrew Pownall, PE, Senior Engineer  
Mr. Bryan Rupar, Land Conservation Coordinator  
Mr. Doug Graham, Optimization Manager  
Ms. Jane Hurley, Education and Outreach Specialist  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Ms. Sharon Sweeney, Compliance Manager  
Mr. Todd Fisher, Finance Manager

**Also, in Attendance:**

Mr. J. Shephard Russell, III, Bond Counsel, Friday, Eldredge & Clark LLP  
Mr. Joseph Flaherty, AR Dem-Gaz

**Also, in Attendance via Teleconferencing:**

Ms. Becki Rosenfeldt, PE, Hazen and Sawyer  
Mr. David Coleman, BKD  
Mr. Jordan Johnson, JPJ Consulting, LLC.  
Mr. Paul Strickland, PE, Garver Engineers  
Ms. Ruth Bell, League of Women Voters of Pulaski County

**CALL TO ORDER**

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

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Hartman, the minutes of the March 10, 2022, Regular Meeting were unanimously approved.

**PUBLIC COMMENT PERIOD**

No comments.

**OLD BUSINESS**

**Commission Discussion – Is it Time to Re-Open Commission Meetings to the General Public**

Mr. Bohannon asked if the community has reached a point where it is appropriate to re-open Commission meetings to the public and asked the Board's input on their comfort level. Discussion ensued. No action required.

Chair McKenzie stated that the meetings will be open to the public unless a Public Health Emergency is declared in Pulaski County and the status changes. Online virtual meetings will remain a permanent option for public viewing, comments, and questions.

**NEW BUSINESS**

**Presentation on Lead and Copper Rule Revisions and CAW's Lead Service Line Replacement Program**

Mr. Weindorf and Ms. Becki Rosenfeldt, Hazen and Sawyer made a presentation on new regulatory requirements, an update on lead service replacements, as well as next steps and future funding opportunities available. Discussion ensued. No action required.

**Approve the CAW 2021 Annual Comprehensive Financial Report**

Mr. David Coleman with BKD, LLP presented a review of the draft 2021 Annual Comprehensive Financial Report (ACFR) for CAW. Mr. Mascagni requested Board approval of the 2021 ACFR.

Upon a motion duly made by Commissioner Newton and seconded by Commissioner Hughes, after due consideration and discussion, the 2021 ACFR was unanimously approved.

### Resolution Authorizing the Issuance of Water Revenue Bonds, Series 2022A

Mr. Mascagni requested Board approval of a Resolution authorizing the issuance of Water Revenue Bonds, Series 2022A to acquire the water system owned by Ridgefield Property Owners Association and make improvements thereto.

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

### Resolution Authorizing the Purchase of Real Property in Lake Maumelle Watershed – Faulkner Meadows, LLC - Funded with Proceeds from Green Bonds

Ms. Lawson requested Board approval of a Resolution authorizing the purchase of four parcels of real property owned by Faulkner Meadows, LLC, of which Byron McKimmey and J. Dale Aclin are the members, comprising a total of approximately forty-five acres of real property located in the Lake Maumelle Watershed for a total purchase price of \$215,000.00 (\$4,734.64 per acre) plus customary closing costs.

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

## **CONTRACTS/PURCHASES**

### Physical Security Projects

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hughes, after due consideration and discussion, the purchase of equipment and services for various physical security improvements at four CAW locations in the amount of \$156,175.00 from B&K Technology Solutions, LLC, was unanimously approved.

### Annual Contract for Software Maintenance & Support

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Smith, after due consideration and discussion, an annual contract for software maintenance & support in the amount of \$263,873.64 with Cayenta to cover licensing fees and support services for the CIS system, was unanimously approved.

### Replace Hydraulic Horizontal Drilling Machine

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Newton, after due consideration and discussion, the purchase of a Horizontal Directional Drilling Machine from Vermeer Midsouth in the amount of \$286,954.68, was unanimously approved.

### Meter Replacements for the City of Perla's Water System as Receiver

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Kendall, after due consideration and discussion, the purchase of new meters on behalf of the City of Perla with Automatic Meter Reading (AMR) registers in the amount of \$350,000.00, was unanimously approved.

### 2-Inch Galvanized Water Main Replacements in Little Rock – Phase 3

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Newton, after due consideration and discussion, a construction contract with Cisneros Family Construction in the amount of \$1,192,349.51 to replace approximately 4,350 linear feet of existing water mains identified as being very problematic and high maintenance, was unanimously approved.

### Engineering Services Agreement with Hazen and Sawyer

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hughes, after due consideration and discussion, an engineering services agreement in the amount of \$154,070.00 with Hazen & Sawyer to prepare an Integrated Lake Management Plan for Lake Maumelle, Lake Winona, and Jackson Reservoir, was unanimously approved.

### **DEPARTMENT UPDATES**

#### Finance

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

#### Administration

Mr. Bohannon provided an update on the Staff Strategic Planning Retreat and discussed next steps.

### **BOARD BRIEFING**

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

### **ADJOURNMENT**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Kendall, the meeting was adjourned at 4:34 p.m.

  
\_\_\_\_\_  
Jay Barth, Secretary/Treasurer

**RESOLUTION 2022-11**

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

WHEREAS, Lake Maumelle is the primary raw water source for Central Arkansas Water ("CAW") and its nearly five hundred thousand (500,000) customers; and

WHEREAS, Lake Maumelle produces fifteen billion (15,000,000,000) gallons of pristine raw water every year for the service of such customers; and

WHEREAS, the management of this natural resource is a core function of CAW, and the abatement of widespread development in the Lake Maumelle Watershed is critical to its long-term preservation; and

WHEREAS, the purchase by CAW of real property in the Lake Maumelle Watershed is a continuous strategy of CAW in the furtherance of that goal; and

WHEREAS, CAW is preparing to enter a real property purchase agreement ("Agreement") for CAW's purchase of approximately 45.41 acres of real property in the Lake Maumelle Watershed ("Property") from FAULKNER MEADOWS, LLC, of which Byron McKimmey and J. Dale Aclin are the members, for \$4,734.64 per acre for a total purchase price of TWO HUNDRED FIFTEEN THOUSAND and 00/100 DOLLARS (\$215,000.00) plus customary closing costs ("Purchase Price"); and

WHEREAS, the Commission, based upon the recommendations of staff, determines that acquisition of Property serves CAW and its ratepayers' long-term interests in the protection of water quality within Lake Maumelle.

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

Section 1. The purchase of the Property upon and in accordance substantively with terms by which CAW typically enters purchase agreements for real property in the Lake Maumelle Watershed for Purchase Price is hereby approved.

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

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

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

ADOPTED: [April 14, 2022]

Attest:

  
\_\_\_\_\_  
Jay Barth, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Chair



CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Jay Barth, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2022-11 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION TO AUTHORIZE THE PURCHASE OF REAL PROPERTY IN THE LAKE MAUMELLE WATERSHED; AND FOR OTHER PURPOSES**, adopted April 14, 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of April 2022.



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

**RESOLUTION NO. 2022-12**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF A WATER REVENUE BOND FOR THE PURPOSE OF FINANCING THE COST OF ACQUIRING THE WATER SYSTEM OWNED BY RIDGEFIELD PROPERTY OWNERS ASSOCIATION AND MAKING IMPROVEMENTS THERETO; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

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

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

WHEREAS, the Board of Commissioners of the Issuer has determined that the water system owned by Ridgefield Property Owners Association ("Ridgefield") should be acquired by the Issuer and that improvements should be made thereto (the "Project"); and

WHEREAS, in order to finance the costs of the Project, including bond issuance costs and interest during construction, the Issuer is making arrangements for the sale of a bond in the principal amount of \$1,757,000 to the Arkansas Development Finance Authority, as purchaser (the "Bondholder"), at a price of par for a bond pursuant to a Bond Purchase Agreement (the "Agreement") among the Issuer, the Bondholder and the Arkansas Natural Resources Commission ("Natural Resources"), which has been presented to and is before this meeting; and

WHEREAS, the Issuer has the following outstanding issues of revenue bonds: Refunding Water Revenue Bond, Series 2010A (2009 ANRC Project) (the "Series 2010A Bond"), Water Refunding Revenue Bonds, Series 2010C (Watershed Protection Project) (the "Series 2010C Bonds"), Water Revenue Bond, Series 2011A (Wye Mountain Extension Project) (the "Series 2011A Bond"), Capital Improvement Water Revenue Bonds, Series 2012A (the "Series 2012A Bonds"), Refunding Water Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), Refunding Water Revenue Bonds, Series 2016 (the "Series 2016 Refunding Bonds"), Acquisition and Construction Water Revenue Bonds (Maumelle Water System Acquisition Project), Series 2016 (the "Series 2016 Maumelle Bonds"), Water Revenue Bond (Wilson Pump Station #1A Project), Series 2017A (the "Series 2017A Bond"), Capital Improvement Water Revenue Bonds, Series 2018B (the "Series 2018B Bonds"), Water Revenue Bond (Ozark Point Water Treatment Plant Project), Series 2019A (the "Series 2019A Bond"), Water Revenue Bond (POWA Project), Series 2020A (the "Series 2020A Bond"), Capital Improvement and Refunding Water Revenue Bonds, Series 2020B (the "Series 2020B Bonds"), Capital Improvement and Refunding Water Revenue Bonds, Series 2020C (Green Bonds) (the "Series 2020C Bonds"), Refunding Water Revenue Bonds, Series 2020D (Taxable) (the "Series 2020D Bonds"), Water Revenue Bond (Frazier Pike

Project), Series 2021A (the "Series 2021A Bond"), and Water Revenue Bond (Wye Mountain Project), Series 2021B (the "Series 2021B Bond"); and

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

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

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

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

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

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

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

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

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

"Frazier Pike Long Term Debt Surcharge Revenues" means collections of the long-term debt surcharge levied by the Issuer pursuant to Resolution No. 2021-13 for collection from customers within the Frazier Pike System service area.

"Frazier Pike System" means the water system acquired from the Frazier Pike Public Facilities Board of Pulaski County, Arkansas and any extensions, betterments and improvements of such system.

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

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

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

"Parity Debt" means any future debt obligations of the Issuer incurred in compliance with Section 29(d) of this Resolution and secured and payable on a parity of security with the bond.

"POWA Revenues" means the Revenues derived by the Issuer from the POWA System.

"POWA System" means the water system acquired by the Issuer from Paron-Owensville Water Authority of the State of Arkansas and any extensions, betterments and improvements of such system.

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

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

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

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

"Ridgefield Long Term Debt Surcharge Revenues" means collections of the long-term debt surcharge levied by the Issuer pursuant to Resolution No. 2021-14 for collection from customers within the Ridgefield System service area.

"Ridgefield System" means the water system acquired from Ridgefield and any extensions, betterments and improvements of such system.

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

"Senior Parity Debt" means the Series 2010A Bond, the Series 2010C Bonds, the Series 2011A Bond, the Series 2012A Bonds, the Series 2014 Bonds, the Series 2016 Refunding Bonds, the Series 2017A Bond, the Series 2018B Bonds, the Series 2019A Bond, the Series 2020B Bonds, the Series 2020C Bonds, the Series 2020D Bonds and any future debt obligations of the Issuer incurred in compliance with Section 29(b) of this Resolution and secured and payable on a parity of security with such bonds.

"Short-Term Indebtedness" means all indebtedness incurred or assumed by the Issuer, with respect to the System, for any of the following: (a) payments of principal and interest with respect to money borrowed for an original term, or renewable at the option of the Issuer, for a period from the date originally incurred, of one year or less; (b) payments under leases having an original term, or renewable at the option of the lessee for a period from the date originally incurred, of one year or less; and (c) payments under installment purchase contracts having an original term of one year or less.

"Special Debt Retirement Charge Indebtedness" shall mean bonds, notes or other forms of indebtedness that are secured solely by Special Debt Retirement Charge Revenues and from any reserves established only to secure such bonds, notes or other forms of indebtedness. From and after the Stabilized Net Revenues Adjustment Date, the Series 2016 Maumelle Bonds, the Series 2021A Bond, the Series 2021B Bond and the bond are included within the definition of Special Debt Retirement Charge Indebtedness.

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

"Special Purpose Bonds" means (i) such other bonds, notes or other interest bearing obligations to which a portion of the Revenues are pledged, and the proceeds of which are used to finance the design, acquisition, and construction of facilities or projects as the Issuer shall by resolution designate as a Special Purpose Facility, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds as contemplated and permitted by Section 29(d) of this Resolution, or (ii) such other bonds to which the Watershed Protection Fee is pledged and the proceeds of which are used to finance the acquisition of land within the watershed of Lake Maumelle or the design, acquisition, and construction of facilities or projects as the Issuer shall by resolution deem necessary or advisable for protection of water quality within Lake Maumelle.

"Special Purpose Facility" means (a) additional water sources, including but not limited to, a new lake; or (b) such other facilities or projects as the Issuer shall by resolution designate as a Special Purpose Facility, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds of the Issuer as contemplated and permitted by Section 29(d) of this Resolution.

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

"Stabilized Net Revenues Adjustment Date" means the first date on which (i) the Series 2010C Bonds, the Series 2012A Bonds, the Series 2014 Bonds, the Series 2016 Refunding Bonds, the Series 2017A Bond and the Series 2018B Bonds are fully paid or defeased and (ii) the 2010A Bond and the Series 2011A Bond are either paid in full or the owners of the Series 2010A Bond

and the Series 2011A Bond have agreed to release any Special Debt Retirement Charge Revenues from the pledge in favor of the Series 2010A Bond and the Series 2011A Bond.

"Subordinate Indebtedness" shall mean the Series 2016 Maumelle Bonds, the Series 2020A Bond, the Series 2021A Bond, the Series 2021B Bond and other bonds, notes, or other forms of indebtedness, the payment of the principal of or interest or redemption premium on which are payable solely from moneys after payment of all periodic obligations under the provisions of any Senior Parity Debt.

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

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

"Wye Mountain Long Term Debt Surcharge Revenues" means the collections of the long term debt surcharge levied by the Issuer pursuant to Resolution No. 2021-18 for collections from customers within the Wye Mountain System service area and pledged to secure the Series 2021B Bond.

"Wye Mountain System" means the water system acquired by the Issuer from Wye Mountain and any extensions, betterments and improvements of such system.

Section 2. The sale to the Bondholder of a bond from the Issuer in the principal amount of \$1,757,000 at a price of par and otherwise subject to the terms and provisions hereafter in this Resolution set forth in detail be, and is hereby approved and the bond is hereby sold to the Bondholder. The Chair is hereby authorized and directed to execute and deliver the Agreement on behalf of the Issuer and to take all action required on the part of the Issuer to fulfill its obligations under the Agreement. The Agreement is hereby approved in substantially the form submitted to this meeting with such changes as may be approved by the Chair of the Issuer, his execution to constitute complete evidence of such approval.

Section 3. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly the Authorizing Legislation, Central Arkansas Water Revenue Bond (Ridgefield Project), Series 2022A (the "bond") is hereby authorized and ordered issued in the principal amount of \$1,757,000 the proceeds of the sale of which will be used to finance costs of the Project, pay expenses incidental thereto, fund interest during construction and pay expenses of issuing the bond.

The bond shall be dated the date of delivery to the Bondholder. The bond shall bear interest at the rate of 1.25% per annum based upon a 360-day year of twelve consecutive 30-day months. Interest shall be payable each April 15 and October 15 after the Bond is issued. Principal shall be payable in installments on October 15, 2023 and on each April 15 and October 15 thereafter until the unpaid principal is paid in full as follows:

<u>Date</u>	<u>Principal</u>	<u>Date</u>	<u>Principal</u>
10/15/2023	\$20,662.00	10/15/2038	\$28,902.00
04/15/2024	20,894.00	04/15/2039	29,227.00
10/15/2024	21,129.00	10/15/2039	29,556.00
04/15/2025	21,367.00	04/15/2040	29,889.00
10/15/2025	21,607.00	10/15/2040	30,224.00
04/15/2026	21,850.00	04/15/2041	30,564.00
10/15/2026	22,097.00	10/15/2041	30,908.00
04/15/2027	22,345.00	04/15/2042	31,256.00
10/15/2027	22,596.00	10/15/2042	31,608.00
04/15/2028	22,851.00	04/15/2043	31,963.00
10/15/2028	23,107.00	10/15/2043	32,323.00
04/15/2029	23,368.00	04/15/2044	32,686.00
10/15/2029	23,630.00	10/15/2044	33,054.00
04/15/2030	23,897.00	04/15/2045	33,426.00
10/15/2030	24,165.00	10/15/2045	33,802.00
04/15/2031	24,437.00	04/15/2046	34,182.00
10/15/2031	24,712.00	10/15/2046	34,567.00
04/15/2032	24,990.00	04/15/2047	34,956.00
10/15/2032	25,271.00	10/15/2047	35,349.00
04/15/2033	25,555.00	04/15/2048	35,746.00
10/15/2033	25,843.00	10/15/2048	36,149.00
04/15/2034	26,134.00	04/15/2049	36,556.00
10/15/2034	26,428.00	10/15/2049	36,967.00
04/15/2035	26,725.00	04/15/2050	37,383.00
10/15/2035	27,025.00	10/15/2050	37,803.00
04/15/2036	27,329.00	04/15/2051	38,228.00
10/15/2036	27,637.00	10/15/2051	38,659.00
04/15/2037	27,948.00	04/15/2052	39,094.00
10/15/2037	28,262.00	10/15/2052	39,533.00
04/15/2038	28,580.00	04/15/2053	39,999.00

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

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



thereof. The Secretary of the Issuer shall keep a payment record and make proper notations thereon of all payments of principal and interest.

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

Section 4. The bond shall be executed on behalf of the Issuer by the Chair and Secretary of the Issuer and shall have impressed thereon the seal of the Issuer. The bond is not a general obligation of the Issuer but is a special obligation, the principal of and interest on which, and Financing Fee in connection therewith, are secured by a pledge of and are payable from Ridgefield Long Term Debt Surcharge Revenues. The pledge of Ridgefield Long Term Debt Surcharge Revenues is subordinate to the pledge in favor of the Senior Parity Debt; provided, however, from and after the Stabilized Net Revenues Adjustment Date, the Ridgefield Long Term Debt Surcharge Revenues shall be released from the pledge in favor of the Senior Parity Debt. The bond and interest thereon shall not constitute an indebtedness of the Issuer within any constitutional or statutory limitation.

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

(form of single registered bond)

UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
CENTRAL ARKANSAS WATER  
WATER REVENUE BOND  
(RIDGEFIELD PROJECT),  
SERIES 2022A

No. R-1

\$1,757,000

KNOW ALL MEN BY THESE PRESENTS:

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

ONE MILLION SEVEN HUNDRED FIFTY-SEVEN  
THOUSAND DOLLARS

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

with interest on the unpaid balance of the total principal amount at the rate of 1.25% per annum based upon a 360 day year and twelve consecutive 30 day months. The principal and interest shall

be payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America.

Interest on the unpaid balance of the total principal amount shall be payable on October 15, 2022 and on each April 15 and October 15 thereafter. Principal shall be payable in installments on October 15, 2023 and on each April 15 and October 15 thereafter until the unpaid principal is paid as follows:

<u>Date</u>	<u>Principal</u>	<u>Date</u>	<u>Principal</u>
10/15/2023	\$20,662.00	10/15/2038	\$28,902.00
04/15/2024	20,894.00	04/15/2039	29,227.00
10/15/2024	21,129.00	10/15/2039	29,556.00
04/15/2025	21,367.00	04/15/2040	29,889.00
10/15/2025	21,607.00	10/15/2040	30,224.00
04/15/2026	21,850.00	04/15/2041	30,564.00
10/15/2026	22,097.00	10/15/2041	30,908.00
04/15/2027	22,345.00	04/15/2042	31,256.00
10/15/2027	22,596.00	10/15/2042	31,608.00
04/15/2028	22,851.00	04/15/2043	31,963.00
10/15/2028	23,107.00	10/15/2043	32,323.00
04/15/2029	23,368.00	04/15/2044	32,686.00
10/15/2029	23,630.00	10/15/2044	33,054.00
04/15/2030	23,897.00	04/15/2045	33,426.00
10/15/2030	24,165.00	10/15/2045	33,802.00
04/15/2031	24,437.00	04/15/2046	34,182.00
10/15/2031	24,712.00	10/15/2046	34,567.00
04/15/2032	24,990.00	04/15/2047	34,956.00
10/15/2032	25,271.00	10/15/2047	35,349.00
04/15/2033	25,555.00	04/15/2048	35,746.00
10/15/2033	25,843.00	10/15/2048	36,149.00
04/15/2034	26,134.00	04/15/2049	36,556.00
10/15/2034	26,428.00	10/15/2049	36,967.00
04/15/2035	26,725.00	04/15/2050	37,383.00
10/15/2035	27,025.00	10/15/2050	37,803.00
04/15/2036	27,329.00	04/15/2051	38,228.00
10/15/2036	27,637.00	10/15/2051	38,659.00
04/15/2037	27,948.00	04/15/2052	39,094.00
10/15/2037	28,262.00	10/15/2052	39,533.00
04/15/2038	28,580.00	04/15/2053	39,999.00

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

This bond is issued for the purpose of providing financing of the costs of acquiring the water system owned by Ridgefield Property Owners Association (the "Ridgefield System") and making improvements thereto, interest during construction, and costs of authorizing and issuing this bond, and is issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 25, Chapter 20, Subchapter 3 of the Arkansas Code of 1987 Annotated, and pursuant to Resolution No. 2022-12 of the Issuer, duly adopted and approved on the 14th day of April, 2022 (the "Authorizing Resolution"). Reference is hereby made to the Authorizing Resolution for the details of the nature and extent of the security and of the rights and obligations of the Issuer and the registered owner of this bond.

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

This bond may be prepaid at the option of the Issuer from funds from any source, in whole or in part at any time on and after April 15, 2032, at a prepayment price equal to the principal amount outstanding, plus accrued interest to the prepayment date. Notice shall be given of such prepayment to the owner of this bond or registered assigns at least 90 days prior to the prepayment date. Such notice shall be in writing mailed to the address of the owner of this bond or registered assigns at the address as reflected on the bond registration books of the Secretary of the Issuer.

This bond does not constitute an indebtedness of the Issuer within any constitutional or statutory limitation or provision and shall not constitute and indebtedness of, or pledge the faith and credit of, the State of Arkansas or the Cities of Little Rock and North Little Rock, Arkansas within the meaning of any constitutional provisions or limitations. This bond is a special obligation payable solely from the revenues derived a long-term debt surcharge to customers of the Ridgefield System (the "Long Term Ridgefield Debt Surcharge Revenues"). In this regard, the pledge of Long Term Ridgefield Debt Surcharge Revenues is subordinate to the Senior Parity Debt identified in the Authorizing Resolution until the Stabilized Net Revenues Adjustment Date as defined in the Authorizing Resolution. A sufficient amount of Long Term Ridgefield Debt Surcharge Revenues to pay principal and interest has been duly set aside and pledged as a special fund for that purpose, identified as the "ADFA Bond Fund," in the Authorizing Resolution. The Issuer has fixed and has covenanted and agreed to maintain rates for use of the Issuer's water system (the "System") which shall be sufficient at all times to at least provide for the payment of the reasonable expenses of operation and maintenance of the System, provide for the payment of the principal of and interest on all the outstanding bonds to which System revenues are pledged as the same become due, to establish and maintain any required debt service reserves and to provide a depreciation fund, all as set forth in the Authorizing Resolution.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State to exist, happen and be performed precedent to and in the issuance of this bond do exist, have happened and have been performed in regular and due time, form and manner as required by law; that this bond does not exceed any

constitutional or statutory limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this bond, as provided in the Authorizing Resolution.

IN WITNESS WHEREOF, Central Arkansas Water has caused this bond to be executed in its name by its Chair and Secretary, thereunto duly authorized, and its corporate seal to be affixed, all as of the 14th day of April, 2022.

CENTRAL ARKANSAS WATER

By  \_\_\_\_\_  
Jim McKenzie, Chair

ATTEST

  
\_\_\_\_\_  
Jay Barth, Secretary/Treasurer

(SEAL)

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

Section 6. (a) The Issuer has heretofore fixed a long term debt surcharge on customers of the Ridgefield System pursuant to Resolution No. 2021-14, adopted June 10, 2021. Reference is hereby made to such Resolution for the details thereof and other provisions pertaining thereto, which long-term debt surcharge is hereby confirmed and continued as provided therein. The long-term debt surcharge in effect for water service to customers of the Ridgefield System at this time shall not be reduced without the prior written consent of Natural Resources.

(b) The Issuer has heretofore fixed other water rates by Resolution No. 2015-15, adopted October 8, 2015, Resolution No. 2015-20, adopted December 10, 2015, Resolution No. 2016-06, adopted February 11, 2016, Resolution No. 2017-10, adopted September 14, 2017, Resolution No. 2018-13, adopted December 20, 2018, Resolution No. 2018-14, adopted December 20, 2018, Resolution No. 2019-09, adopted October 10, 2019, Resolution No. 2019-15, adopted December 12, 2019, Resolution No. 2020-08, adopted May 14, 2020, Resolution No. 2020-09, adopted June 11, 2020, Resolution No. 2021-13, adopted May 13, 2021, Resolution No. 2021-18 adopted July 15, 2021 and Resolution No. 2022-08, adopted March 10, 2022. Reference is hereby made to such Resolutions for the details thereof and other provisions pertaining thereto, which water rates are hereby confirmed and continued as provided therein. The rates in effect for water service at this time shall not be reduced without the prior written consent of Natural Resources and the Bondholder.

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

reasonably expected to yield available Revenues at least equal to the Rate Covenant Requirement for the forthcoming Fiscal Year. The term "Rate Covenant Requirement" shall mean: Stabilized Net Revenues at least equal to the sum of (A) 120% of the Debt Service for the forthcoming Fiscal Year for the Series 2020A Bond and the Senior Parity Debt and (B) 100% of the amounts, if any, required by the terms and conditions for any Senior Parity Debt to be deposited into applicable debt service reserve funds for such Senior Parity Debt during the forthcoming Fiscal Year.

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

(c) The Issuer has previously authorized, by the RSA Resolution, the creation of a separate fund of the Issuer designated as the Rate Stabilization Account in order to even out fluctuations in Revenues and help to alleviate the need for short-term adjustments. Moneys in the Rate Stabilization Account will be transferred as determined from time to time by the Issuer. The Issuer may make payments into the Rate Stabilization Account and make withdrawals from the Rate Stabilization Account as provided in the RSA Resolution and as provided in Section 24. For purposes of defining Stabilized Net Revenues, amounts deposited into the Rate Stabilization Account shall decrease Revenues for the Fiscal Year for which they are deposited, and amounts withdrawn from the Rate Stabilization Account shall increase Revenues for the Fiscal Year for which they are withdrawn. Credits to or withdrawals from the Rate Stabilization Account that occur within 90 days after the end of a Fiscal Year may be treated as occurring within such Fiscal Year. The Issuer shall transfer moneys held within the Rate Stabilization Account to the Revenue Fund at such time and in such amounts as may be necessary to pay Operation and Maintenance Costs and to provide Revenues to enable the Issuer to satisfy any of its obligations required by any Senior Parity Debt.

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

Section 8. Subject to the limitations of the Consolidation Agreement, the Issuer has, and will have so long as the bond is outstanding, good, right, and lawful power to own the System and to fix and collect rates, fees, and other charges in connection with the distribution and sale of potable water to its customers. No revenue producing facility or service of the System shall be leased, furnished, or supplied free, but shall always be leased, furnished, or supplied so as to produce Revenues, provided that the Issuer reserves the right (a) to lease, furnish, or supply, free of charge, any such facility or service to the extent that such action does not materially adversely affect the Issuer's ability to perform the Issuer's obligations under this Resolution, and (b) to adjust the rates, fees, and charges of the System in a manner such that the anticipated aggregate Revenues

resulting after the adjustments shall not materially differ from the Revenues anticipated prior to the adjustments.

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

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

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

Section 12. All Revenues shall be promptly deposited by the Issuer to the credit of the Revenue Fund. The Maumelle Long Term Debt Surcharge Revenues shall be deposited into the Long Term Debt Surcharge Revenue Account in the Revenue Fund. The POWA Revenues shall be deposited into the POWA Revenue Account in the Revenue Fund. The Frazier Pike Long Term Debt Surcharge Revenues shall be deposited into the Frazier Pike Long Term Debt Surcharge Revenue Account in the Revenue Fund. The Wye Mountain Long Term Debt Surcharge Revenues shall be deposited into the Wye Mountain Long Term Debt Surcharge Revenue Account in the Revenue Fund. The Ridgefield Long Term Debt Surcharge Revenues shall be deposited into the Ridgefield Long Term Debt Surcharge Revenue Account in the Revenue Fund.

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

Section 14. After paying the Operation and Maintenance Costs as they become due, there shall be paid as a second charge on the Revenue Fund, from amounts on deposit in the Revenue Fund, the amounts required to be paid monthly into the bond funds for the Senior Parity

Debt. To the extent available prior to the Stabilized Net Revenues Adjustment Date and at all times thereafter, the monthly payments required by this Section shall be paid from moneys in the Revenue Fund outside of the Long Term Debt Surcharge Revenue Account, the POWA Revenue Account, the Frazier Pike Long Term Debt Surcharge Revenue Account, the Wye Mountain Long Term Debt Surcharge Revenue Account and the Ridgefield Long Term Debt Surcharge Revenue Account.

Section 15. As a third charge on the Revenue Fund, there shall be paid monthly from moneys in the Revenue Fund into the debt service reserve funds established for the benefit of any Senior Parity Debt, in the event that there are draws from the debt service reserve funds established for the benefit of any Senior Parity Debt to pay principal of or interest on any outstanding Senior Parity Debt, the amount, if any, required to restore the balance in the debt service reserve funds established for the benefit of Senior Parity Debt in 12 consecutive monthly payments to the reserve requirements established with respect to Senior Parity Debt, as applicable; provided that if there are not sufficient moneys to satisfy the requirements of this subsection with respect to all series of Senior Parity Debt bond issues, all moneys available for distribution among such series of Senior Parity Debt bonds shall be distributed on a pro rata basis to the deficient debt service reserve accounts by the proportion that the deficiency for each series of bond issues bears to the total deficiency for all such accounts. To the extent available prior to the Stabilized Net Revenues Adjustment Date and at all times thereafter, the monthly payments required by this Section shall be paid from moneys in the Revenue Fund outside of the Long Term Debt Surcharge Revenue Account, the POWA Revenue Account, the Frazier Pike Long Term Debt Surcharge Revenue Account, the Wye Mountain Long Term Debt Surcharge Revenue Account and the Ridgefield Long Term Debt Surcharge Account.

Section 16. There shall be paid monthly as a fourth charge on the Revenue Fund from moneys in the Revenue Fund the financing fees in connection with Senior Parity Debt, to the Authority. To the extent available prior to the Stabilized Net Revenues Adjustment Date and at all times thereafter, the monthly payments required by this Section shall be paid from moneys in the Revenue Fund outside of the Long Term Debt Surcharge Revenue Account, the POWA Revenue Account, the Frazier Pike Long Term Debt Surcharge Revenue Account, the Wye Mountain Long Term Debt Surcharge Revenue Account and the Ridgefield Long Term Debt Surcharge Account.

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

Section 18. (a) As a sixth charge on the Revenue Fund, but only to the extent of moneys available in the POWA Account in the Revenue Fund, there shall be paid into an account of the Issuer in a special fund created by the Authority and designated "Series 2020A" for the purpose of

paying the principal of and interest on the Series 2020A Bond the amounts necessary to pay the principal of interest on the Series 2020A Bond when due.

(b) Also as a sixth charge on the Revenue Fund, but only to the extent of moneys in the POWA Account in the Revenue Fund, there shall be paid the amounts required to be paid monthly into the bond funds established for any debt ranking on a parity with the Series 2020A Bond.

Section 19. There shall be paid monthly as a seventh charge on the Revenue Fund from moneys in the POWA Account in the Revenue Fund the financing fees in connection with the Series 2020A Bond and any debt ranking on a parity with the Series 2020A Bond, to the Authority.

Section 20. As an eighth charge on the Revenue Fund, but only to the extent of moneys available in the Frazier Pike Long Term Debt Surcharge Account in the Revenue Fund, there shall be paid to Natural Resources on December 1 of each year the principal of and interest on the bond due that date. From and after the Stabilized Net Revenues Adjustment Date, moneys in the Frazier Pike Long Term Debt Surcharge Account (i) shall only be used to make payments on the Series 2021A Bond and (ii) shall no longer be subject to the lien and pledge securing the Senior Parity Debt.

Section 21. As a ninth charge on the Revenue Fund, but only to the extent of moneys available in the Wye Mountain Long Term Debt Surcharge Account in the Revenue Fund, there shall be paid into an account of the Issuer in a special fund created by the Authority and designated "Series 2021B" for the purpose of paying the principal of and interest on the Series 2021B Bond the amounts necessary to pay the principal of interest on the Series 2021B Bond when due. From and after the Stabilized Net Revenues Adjustment Date, moneys in the Wye Mountain Long Term Debt Surcharge Account (i) shall only be used to make payments on the Series 2021B Bond and (ii) shall no longer be subject to the lien and pledge securing the Senior Parity Debt.

Section 22. There shall be paid monthly as a tenth charge on the Revenue Fund from moneys in the Wye Mountain Long Term Debt Surcharge Account in the Revenue Fund the financing fees in connection with the Series 2021B Bond and any debt ranking on a parity with the Series 2021B Bond, to the Authority.

Section 23. (a) As an eleventh charge on the Revenue Fund, but only to the extent of moneys available in the Ridgefield Long Term Debt Surcharge Account in the Revenue Fund, there shall be paid into an account of the Issuer in a special fund to be created by the Bondholder and designated "Series 2022A" (the "ADFA Bond Fund") for the purpose of paying the principal of and interest on the bond the amounts specified in (b) below. From and after the Stabilized Net Revenues Adjustment Date, moneys in the Ridgefield Long Term Debt Surcharge Account (i) shall only be used to make payments on the Series 2022A Bond and (ii) shall no longer be subject to the lien and pledge securing the Senior Parity Debt.

(b) There shall be deposited from proceeds of the bond or, at the direction of the Issuer, from moneys in the Ridgefield Long Term Debt Surcharge Account in the Revenue Fund, into the ADFA Bond Fund on each April 15 and October 15 after the bond is issued and delivered until April 15, 2023, the interest due on the bond on such dates. Commencing on each April 15 and October 15 thereafter, there shall be deposited from money in the Ridgefield Long Term Debt



Surcharge Account into the AFDA Bond Fund, an amount equal to the principal and interest on of the bond then due.

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

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

(e) Also as an eleventh charge on the Revenue Fund, but only to the extent of moneys in the Ridgefield Long Term Debt Surcharge Account in the Revenue Fund, there shall be paid the amounts required to be paid monthly into the bond funds established for any Parity Debt.

(f) If there are not sufficient moneys to satisfy the requirements of this Section 23 with respect the bond and all Parity Debt, all moneys available for distribution among such Parity Debt and the bond shall be distributed on a pro rata basis to the deficient bond funds; such distribution to be determined by multiplying the amount available for distribution by the proportion that the deficiency for each bond series bears to the total deficiency for all bond series.

Section 24. There shall be paid monthly as a twelfth charge on the Revenue Fund from moneys in the Ridgefield Long Term Debt Surcharge Account in the Revenue Fund the Financing Fee and all other financing fees in connection with Parity Debt, to the Authority. The Financing Fee shall be payable on each date interest on the bond is due and shall be calculated on the same basis as interest on the bond. The payment of the Financing Fee is expressly made subordinate to the payment of the principal of and interest on the bond.

Section 25. As a thirteenth charge on the Revenue Fund, there shall be paid monthly from moneys in the Revenue Fund into the Depreciation Fund, an amount calculated as follows: a flat five percent (5%) of water consumption-based revenues and private fire service revenues (including wholesale revenues) ("Total Depreciation Revenues"). The Depreciation Fund shall be used for replacements and repairs to the System. The monthly deposits may be reduced below five percent (5%) of Total Depreciation Revenues if a rate study acceptable to ANRC uses a lower percentage; provided, however, there shall always be deposited into the Depreciation Fund monthly at least three percent (3%) of Total Depreciation Revenues.

Section 26. Moneys in the Revenue Fund in excess of the amounts required to be transferred monthly pursuant to Sections 13 through 25 of this Resolution may be utilized by the Issuer for any lawful System purpose, including deposits to the Rate Stabilization Account pursuant to Section 7. Money in the Rate Stabilization Account shall be used as provided in the RSA Resolution.

Section 27. The Issuer shall assure that (i) not in excess of 10% of the proceeds of the bond is used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the bond during the term thereof is, under the terms of the bond or any underlying arrangement, directly or indirectly secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed moneys used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the proceeds of the bond are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the bond during the term thereof is, under the terms of the bond or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of proceeds of the bond used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the properties comprising the Project.

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

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

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

Section 28. The principal and interest installments shall be prepayable prior to maturity as provided in the bond form in Section 5 hereof.

Section 29. (a) As long as the bond is outstanding, the Issuer shall not issue or attempt to issue any bonds having or claimed to be entitled to a priority of lien on Revenues or Stabilized Net Revenues over the lien securing the Senior Parity Debt.

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

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

the revenue generated by the Watershed Protection Fees when computing Stabilized Net Revenues under this Section; or

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

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

(c) As long as the bond is outstanding, the Issuer shall not issue or attempt to issue any bonds secured solely by a pledge of Ridgefield Long Term Debt Surcharge Revenues having or claimed to be entitled to a priority of lien on Ridgefield Long Term Debt Surcharge Revenues over the lien securing the bond.

(d) The Issuer may issue additional revenue bonds on a parity with the lien on Ridgefield Long Term Debt Surcharge Revenues in favor of the bond provided that either there is

Facilities entered into by and between the Issuer, as lessor, and such person, firm, or corporation, either public or private, as shall lease the Special Purpose Facilities from the Issuer. Before any Special Purpose Facilities shall be constructed or acquired by the Issuer under this subsection, the Issuer shall adopt a resolution describing in reasonable detail the Special Purpose Facilities to be constructed or acquired by the Issuer, authorizing the issuance of the Special Purpose Bonds to finance the cost of construction or acquisition of such Special Purpose Facilities and prescribing the rights, duties, remedies, and obligations of the Issuer and the holders, from time to time, of such Special Purpose Bonds. In addition, no such Special Purpose Bonds shall be issued by the Issuer to finance Special Purpose Facilities unless:

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

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

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

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

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

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

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

Section 30. It is covenanted and agreed by the Issuer with the Bondholder, the Authority and Natural Resources that it will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State and by this Resolution, including, without limitation, the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, segregating Revenues and applying them to the respective funds maintained pursuant to the this Resolution.

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

If there be any default in the payment of the principal of or interest on the bond, or if the Issuer defaults in any ADFA Bond Fund requirement or in the performance of any of the other covenants contained in this Resolution, the Bondholder may, by proper suit, compel the performance of the duties of the officials of the Issuer under the laws of the State. In the case of a default in the payment of the principal of and interest on the bond, the Bondholder may apply in a proper action to a court of competent jurisdiction for the appointment of a receiver to administer the System on behalf of the Issuer and the Bondholder with power to charge and collect (or by mandatory injunction or otherwise to cause to be charged and collected) rates sufficient to provide for the payment of the expenses of operation, repair and maintenance and to pay the bond and interest outstanding and to apply Revenues in conformity with this Resolution. When all defaults in principal and interest payments have been cured, the custody and operation of the System shall revert to the Issuer. No remedy herein conferred upon or reserved to the Bondholder is intended to be exclusive of any other remedy or remedies herein provided or provided by law, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or given by law. No delay or omission of the Bondholder to exercise any right or power accrued upon any default shall impair any such right or power or shall be construed to be a waiver of any default or an acquiescence therein; and every power and remedy given by this Resolution to the Bondholder may be exercised from time to time and as often as may be deemed expedient.

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

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

Section 31. When the bond has been executed and sealed as herein provided, it shall be delivered to the Bondholder upon payment of all or a portion of the purchase price in accordance

with the Agreement. Sales proceeds in the amount necessary to make all or a portion of the semiannual interest and Financing Fee payments due on each April 15 and October 15 to and including April 15, 2023 shall be applied, unless otherwise directed by the Issuer, to the payment of Financing Fees and interest on the bond on such dates. The balance of the sale proceeds shall be deposited, as and when received, in a special account of the Issuer hereby created in a bank that is a member of the Federal Deposit Insurance Corporation and designated the "2022A Water Construction Fund" (the "Construction Fund"). The moneys in the Construction Fund shall be used for reimbursing the Issuer for the costs of the Project and the expenses of issuing the bond approved in accordance with the Agreement. Payments from the Construction Fund shall be by check or voucher signed by a person designated by the Issuer, and drawn on the depository. Each such check or voucher shall briefly specify the purpose of the expenditure.

Section 32. The terms of this Resolution shall constitute a contract among the Issuer, the Bondholder and Natural Resources and no variation or change in the undertaking herein set forth shall be made while the bond is outstanding unless consented to in writing by the Bondholder and Natural Resources.

Section 33. The Issuer agrees that it will keep proper records, books and accounts relating to the operation of the System, which shall be kept separate from all other records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the operation of the System in accordance with generally accepted government accounting standards. Such books shall be available for inspection by the Bondholder and Natural Resources, or the agent or the representative of either, at reasonable times and under reasonable circumstances. The Issuer agrees to have its financial statements audited annually by an independent certified public accountant or the Legislative Joint Auditing Committee, Division of Legislative Audit of the State of Arkansas. The Issuer shall within 180 days after the end of each Fiscal Year file with the Authority and Natural Resources its annual audited financial statements. If the Issuer's audited financial statements are not available by such date, the Issuer shall file such audited financial statements with the Authority and Natural Resources within 60 days after receipt thereof by the Issuer. The Ridgefield Long Term Debt Surcharge Revenues shall be separately identified in the financial statements.

Section 34. The Issuer covenants and agrees that it will maintain the System in good condition and operate it in an efficient manner and at reasonable cost. The Issuer agrees that, to the extent comparable protection is not otherwise provided to the satisfaction of the Bondholder and Natural Resources, it will insure, and at all times keep insured in a responsible insurance company or companies selected by the Issuer and authorized and qualified under the laws of the State to assume the risk thereof, all above-ground structures of the System against loss or damage thereto in amounts and against such risks as are customarily insured against in connection with similar facilities and undertakings as the System. In the event of loss, the proceeds of such insurance shall be applied solely toward the reconstruction, replacement or repair of the System, and in such event the Issuer will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement and repair work.

Section 35. The provisions of this Resolution are hereby declared to be separable, and if any provision shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of this Resolution.

Section 36. Reference in this Resolution to "Bondholder" shall include the original Bondholder or any registered assign thereof.

Section 37. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: April 14, 2022.

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Chair

ATTEST:

  
\_\_\_\_\_  
Jay Barth, Secretary/Treasurer

(SEAL)

CERTIFICATE

The undersigned, Secretary of Central Arkansas Water, hereby certifies that the foregoing pages are a true and perfect copy of Resolution No. 2022-12, adopted at a regular session of the Board of Commissioners of Central Arkansas Water, held at the regular meeting place in the City of Little Rock, Arkansas at 2:00 o'clock p.m., on the 14th day of April, 2022.

GIVEN under my hand and seal on this 14th day of April, 2022.



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Jay Barth, Secretary/Treasurer

(SEAL)



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

May 12, 2022

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, May 12, 2022, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Mr. Jim McKenzie, Chair  
Mr. Kevin Newton, Vice Chair  
Dr. Jay Barth, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Mr. Anthony Kendall, Commissioner

**Via Teleconferencing:**

Ms. Kandi Hughes, Commissioner

**Absent:**

Mr. Jay Hartman, Commissioner

**CAW Staff in Attendance:**

Mr. Blake Weindorf, PE, Chief Operating Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. David Johnson, General Counsel  
Mr. Jim Ferguson, PE, Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Ms. Lauren Schallhorn, Controller  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Bryan Rupar, Land Conservation Coordinator  
Mr. Terry Frazier, Director of Customer Service  
Ms. Mary Dyson, Executive Assistant

**CAW Staff via Teleconferencing:**

Mr. Danny Dunn, Director of Distribution  
Mr. Doug Farler, Operations Manager  
Ms. Jane Hurley, Education and Outreach Specialist  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Sharon Sweeney, Compliance Manager

**Also, in Attendance:**

Mr. Joseph Flaherty, AR Dem-Gaz  
Mr. Rocky Craley, Raftelis

Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Ms. Corliss Harris, Citizen

**Also, in Attendance via Teleconferencing:**

Mr. Barry Haas, Citizen

**CALL TO ORDER**

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

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Newton, the minutes of the April 14, 2022, Regular Meeting were unanimously approved.

**PUBLIC COMMENT PERIOD**

No comments.

**NEW BUSINESS**

**Resolution Reappointing Kandi Hughes as a Commissioner from Little Rock**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Smith, after due consideration and discussion, the Resolution reappointing Commissioner Hughes to a seven-year term beginning July 1, 2022, was unanimously approved.

**Appointment of 2022-2023 Officers**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Hughes, after due consideration and discussion, the Board Officers for the 2022-2023 term beginning July 1, 2022, was unanimously approved.

Mr. Kevin Newton – Chair  
Dr. Jay Barth – Vice Chair  
Ms. Carmen Smith – Secretary/Treasurer

**2022 Rate Study**

Mr. Mascagni and Mr. Rocky Crale, Raftelis made a presentation on the tasks currently included within the scope of the 2022 Rate Study and requested feedback from the Board to ensure alignment with Board expectations. Discussion ensued. No action required.

**Resolution Authorizing the Purchase of a Conservation Easement in the Lake Maumelle Watershed**

Mr. Rugar requested Board approval of a Resolution authorizing the purchase of a conservation easement from Stephen McClellan and Rachel Ann McClellan comprised of approximately 136 acres in the Lake Maumelle watershed for \$160,000.

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

### Healthy Watershed Consortium Grant and Sustainable Forest Initiative (SFI Certification) Update

Mr. Rugar made a presentation on the outcomes and successes of the Healthy Watershed Consortium Grant and gave an update on our SFI Certification and Forest Management Standards. Discussion ensued. No action required.

### Mountain Bike Study & Recreation Update

Ms. Lawson made a presentation on the results of the 2019/2020 Mountain Bike Study and introduced the potential for new recreation opportunities with CAW's inclusion in the Maumelle Pinnacles Recreation Plan and Partnership. Discussion ensued. No action required.

### **CONTRACTS/PURCHASES**

#### 2-Inch Galvanized Water Main Replacements in North Little Rock – Phase 1

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Newton, after due consideration and discussion, a construction contract with Diamond Construction Co. in the amount of \$914,464.00 to replace approximately 4,670 linear feet of existing water mains identified as being very problematic and high maintenance, was unanimously approved.

### **DEPARTMENT UPDATES**

#### Finance

Ms. Cynthia Edwards provided a year-to-date financial update on utility operations. Ms Schallhorn recognized CAW's Finance Department for receiving the Government Finance Officers Association - Certificate of Achievement for Excellence in Financial Reporting award for the 12th consecutive year. This award is the highest form of recognition in governmental financial reporting.

### **BOARD BRIEFING**

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

### **ADJOURNMENT**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, the meeting was adjourned at 3:59 p.m.



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Jay Barth, Secretary/Treasurer

**RESOLUTION 2022-13**

**A RESOLUTION RE-APPOINTING MS. KANDI HUGHES TO THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER AND FOR OTHER PURPOSES**

WHEREAS, the term of Ms. Kandi Hughes, a member of the Board of Commissioners of Central Arkansas Water ("CAW Board"), expires on June 30, 2022; 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 OF CENTRAL ARKANSAS WATER, THAT** the remaining Commissioners do hereby reappoint Ms. Kandi Hughes to a seven-year term, subject to confirmation by the duly elected and qualified members of the Board of Directors of the City of Little Rock and the City Council of the City of North Little Rock, and that her term of office shall be through June 30, 2029.

**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.

ADOPTED: May 12, 2022

Attest:

  
\_\_\_\_\_  
Jay Barth, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Jay Barth, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2022-13 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION RE-APPOINTING MS. KANDI HUGHES TO THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER AND FOR OTHER PURPOSES**, adopted May 12, 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of May 2022.



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

## RESOLUTION 2022-14

### **A RESOLUTION AUTHORIZING THE PURCHASE OF A CONSERVATION EASEMENT IN THE LAKE MAUMELLE WATERSHED; AND FOR OTHER PURPOSES**

WHEREAS, Lake Maumelle is the primary raw water source for Central Arkansas Water ("CAW") and its nearly five hundred thousand (500,000) customers; and

WHEREAS, Lake Maumelle produces eighteen billion (18,000,000,000) gallons of pristine raw water every year for the service of such customers; and

WHEREAS, the management of this natural resource is a core function of CAW, and the abatement of widespread development in the Lake Maumelle Watershed is critical to its long-term preservation; and

WHEREAS, the purchase by CAW of real property interests in the Lake Maumelle Watershed is a continuous endeavor of CAW in the furtherance of that goal; and

WHEREAS, CAW has negotiated terms of the purchase of a conservation easement on approximately ONE HUNDRED THIRTY-SIX (136) ACRES of real property ("Property") from STEPHEN AUSTIN McCLELLAN and RACHEL ANN McCLELLAN ("Seller") for a total purchase price of ONE HUNDRED SIXTY THOUSAND and 00/100 DOLLARS (\$160,000.00) ("Purchase Price"); and

WHEREAS, the purchase is subject to approval of the Board of Commissioners of CAW ("Commission"); and

WHEREAS, the Commission, based upon the recommendations of staff, determines that the purchase of Property serves the best interests of CAW and its ratepayers and supports the Commission's long-term goal of ensuring the highest quality of raw water in Lake Maumelle.

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

Section 1. The purchase of the Property upon and in accordance with the terms as negotiated is hereby approved.

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

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

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

ADOPTED: [May 12, 2022]

Attest:

  
\_\_\_\_\_  
Jay Barth, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Chair





**CENTRAL ARKANSAS WATER**  
**MINUTES OF PUBLIC HEARING**  
**REGARDING ISSUANCE OF \$4,000,000**  
**IN MAXIMUM PRINCIPAL AMOUNT OF**  
**WATER REVENUE BONDS**

**June 14, 2022**

The meeting was called to order by Jeff Mascagni, Chief Financial Officer, Central Arkansas Water, who presided at the meeting. He stated that a public hearing was scheduled to be held at 2 p.m. on June 14, 2022 at the James T. Harvey Administration Building of Central Arkansas Water located at 221 East Capitol Avenue in Little Rock, Arkansas. The public hearing was held to hear comments on the question of Central Arkansas Water issuing \$4,000,000 in maximum principal amount of water revenue bonds (the "bonds") for the purpose of financing costs to design, construct and equip improvements to the Jack H. Wilson Treatment Plant Pumping Station #1A. Proceeds of the bonds will also pay expenses of issuing the bonds.

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

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

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

**CERTIFICATE**

The undersigned, Secretary/Treasurer of Central Arkansas Water, hereby certifies that the foregoing is a true and perfect written record of a public hearing held at 2 p.m. on the 14th day of June, 2022, which now appears in the records of the Central Arkansas Water in Little Rock, Arkansas.

  
\_\_\_\_\_  
Jay Barth, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

June 16, 2022

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, June 16, 2022, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Mr. Jim McKenzie, Chair  
Mr. Kevin Newton, Vice Chair  
Ms. Carmen Smith, Commissioner  
Mr. Anthony Kendall, Commissioner  
Mr. Jay Hartman, Commissioner

**Via Teleconferencing:**

Dr. Jay Barth, Secretary/Treasurer  
Ms. Kandi Hughes, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. David Johnson, General Counsel  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Mr. Danny Dunn, Director of Distribution  
Ms. Linda Smith, Director of Sustainability and Facilities  
Ms. Raven Lawson, Watershed Protection Manager  
Ms. Chelsea Boozer, Government Affairs Manager  
Mr. Terry Frazier, Director of Customer Service  
Ms. Basha Moncur, Engineering Intern  
Mr. Doug Shackelford, Director of Communications  
Ms. Mary Dyson, Executive Assistant

**CAW Staff via Teleconferencing:**

Mr. Alex Harper, GIS Manager  
Mr. Allen Vincent, Director of Information Services  
Ms. Angeline Huey, Senior Accountant  
Mr. Doug Graham, Optimization Manager  
Ms. Jane Hurley, Education and Outreach Specialist  
Mr. Jordan Small, Senior Accountant  
Ms. Lauren Schallhorn, Controller  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Sharon Sweeney, Compliance Manager  
Ms. Tatiana Herrington, Director of Human Resources  
Ms. Carmela Clark, Customer Service Rep - Office

**Also, in Attendance:**

Mr. Joseph Flaherty, AR Dem-Gaz  
Mr. Doug Wilson, Insurance Center, Inc.  
Mr. J. Shepard Russell, III, Bond Counsel, Friday, Eldredge & Clark LLP  
Mr. Paul Strickland, P.E., Garver Engineers

**Also, in Attendance via Teleconferencing:**

Mr. Jordan Johnson, JPJ Consulting, LLC  
Ms Ruth Bell, League of Women Voters of Pulaski County

**CALL TO ORDER**

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

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Newton, the minutes of the May 12, 2022, Regular Meeting were unanimously approved.

**PUBLIC COMMENT PERIOD**

Customer Communication was submitted by Mr. William Buettner; he would like the Commission to modify the "Conservation Discount" to allow customers with two meters (house and irrigation) to benefit from the 15% discount if the combined usage for both meters is 3ccf or less.

Customer Service responded that CAW would look at this as part of the upcoming rate study. No action required.

**NEW BUSINESS**

**Pinnacle Year in Review**

Mr. Frazier discussed the improved level of service to customers resulting from the implementation of Cayenta Utilities for billing and customer service operations. June marks the one-year anniversary of the transformational project. Discussion ensued. No action required.

**Payment Options**

Mr. Mascagni discussed the current payment options and plans for future payment options as CAW continually evolves to meet customer expectations. The drive-thru is slated to close July 1, 2022. Discussion ensued. No action required.

**Resolution Authorizing the Issuance of Water Revenue Bonds, Series 2022B**

Mr. Mascagni requested Board approval of a Resolution authorizing issuance of \$4,000,000.00 Water Revenue Bonds, Series 2022B to finance Jack H. Wilson Water Treatment Plant Pump Station #1A Phase 2 improvements.

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

## CONTRACTS/PURCHASES

### Rate Study

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hartman, after due consideration and discussion, a Rate Study contract with Raftelis in the amount of \$157,860.00 to establish sufficient revenues to cover utility operating costs through 2027 and long-term capital costs, was unanimously approved.

### Business Insurance Coverage

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Newton, after due consideration and discussion, a one-year contract in the amount of \$405,063.00 for business insurance coverage with options to renew for two additional one-year periods, with The Insurance Center, was unanimously approved.

### Annual Lease Agreement for Backhoes, Excavators, and Skid Steer

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, after due consideration and discussion, a lease agreement with J.A. Riggs Tractor in the amount of \$157,980.00 to lease 19 Backhoes, 5 Excavators, and 1 Skid Steer, was unanimously approved.

### Removal of Damaged Low Water Maumelle River Bridge

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, after due consideration and discussion, a contract for demolition with Boyles Construction, Inc. in the amount of \$300,000.00 to remove the low water Maumelle River bridge, was unanimously approved.

### Jack H. Wilson Pump Station No. 1A Rehabilitation and Improvements – Phase 2

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Kendall, after due consideration and discussion, a construction contract with Crow Group, Inc. in the amount of \$3,096,000.00 for Phase 2 Pump Station No. 1A Rehabilitation located at Jack H. Wilson Water Treatment Plant, was unanimously approved.

### 8-Inch Main Relocations along Jacksonville-Cato Road

Upon a motion duly made by Commissioner Newton and seconded by Commissioner Smith, after due consideration and discussion, a construction contract with Diamond Construction in the amount of \$942,000.00 to relocate approximately 5,530 linear feet of existing water mains that conflicts with future street and storm drain improvement project along Jacksonville-Cato Road in Sherwood, was unanimously approved.

### Jackson Reservoir – Improve/Replace Raw Water Pump Station No. 12

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Barth, after due consideration and discussion, an engineering services agreement in the amount of \$382,500.00 with Garver Engineers for design and construction phase services to improve/replace raw water pump station No.12 located at Jackson Reservoir as well as associated work on the intake and in the reservoir, was unanimously approved.

**DEPARTMENT UPDATES**

2050 Strategic Plan Update

Mr. Bohannon provided an update on the 2050 Strategic Plan.

Finance

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

**BOARD BRIEFING**

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

**ADJOURNMENT**

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



Carmen Smith, Secretary/Treasurer

RESOLUTION NO. 2022-15

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

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

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

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

WHEREAS, the Improvements include particularly, without limitation, the Wilson Water Treatment Plant Pumping Station #1A Project; and

WHEREAS, in order to finance the costs of the Improvements, including bond issuance costs, the Issuer is making arrangements for the sale of a bond in the maximum principal amount of \$4,000,000 to the Arkansas Development Finance Authority, as purchaser (the "Bondholder"), at a price of par for a bond pursuant to a Bond Purchase Agreement (the "Agreement") among the Issuer, the Bondholder and the Arkansas Natural Resources Commission ("Natural Resources"), which has been presented to and is before this meeting; and

WHEREAS, the Issuer has the following outstanding issues of revenue bonds: Refunding Water Revenue Bond, Series 2010A (2009 ANRC Project) (the "Series 2010A Bond"), Water Refunding Revenue Bonds, Series 2010C (Watershed Protection Project) (the "Series 2010C Bonds"), Water Revenue Bond, Series 2011A (Wye Mountain Extension Project) (the "Series 2011A Bond"), Capital Improvement Water Revenue Bonds, Series 2012A (the "Series 2012A Bonds"), Refunding Water Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), Refunding Water Revenue Bonds, Series 2016 (the "Series 2016 Refunding Bonds"), Acquisition and Construction Water Revenue Bonds (Maumelle Water System Acquisition Project), Series 2016 (the "Series 2016 Maumelle Bonds"), Water Revenue Bond (Wilson Pump Station #1A Project), Series 2017A (the "Series 2017A Bond"), Capital Improvement Water Revenue Bonds, Series 2018B (the "Series 2018B Bonds"), Water Revenue Bond (Ozark Point Water Treatment Plant Project), Series 2019A (the "Series 2019A Bond"), Water Revenue Bond (POWA Project), Series 2020A (the "Series 2020A Bond"), Capital Improvement and Refunding

Water Revenue Bonds, Series 2020B (the "Series 2020B Bonds"), Capital Improvement and Refunding Water Revenue Bonds, Series 2020C (Green Bonds) (the "Series 2020C Bonds"), Refunding Water Revenue Bonds, Series 2020D (Taxable) (the "Series 2020D Bonds"), Water Revenue Bond (Frazier Pike Project), Series 2021A (the "Series 2021A Bond"), Water Revenue Bond (Wye Mountain Project), Series 2021B (the "Series 2021B Bond"), and Water Revenue Bond (Ridgefield Project), Series 2022A (the "Series 2022A Bond"); and

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

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

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

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

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

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

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

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

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

"Frazier Pike Long Term Debt Surcharge Revenues" means collections of the long-term debt surcharge levied by the Issuer pursuant to Resolution No. 2021-13 for collection from customers within the Frazier Pike System service area and pledged to secure the Series 2021A Bond.

"Frazier Pike System" means the water system acquired from the Frazier Pike Public Facilities Board of Pulaski County, Arkansas and any extensions, betterments and improvements of such system.

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

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

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



"Parity Debt" means the Series 2010A Bond, the Series 2010C Bonds, the Series 2011A Bond, the Series 2012A Bonds, the Series 2014 Bonds, the Series 2016 Refunding Bonds, the Series 2017A Bond, the Series 2018B Bonds, the Series 2019A Bond, the Series 2020B Bonds, the Series 2020C Bonds, the Series 2020D Bonds and any future debt obligations of the Issuer incurred in compliance with Section 29(b) of this Resolution and secured and payable on a parity of security with the bond.

"POWA Revenues" means the Revenues derived by the Issuer from the POWA System.

"POWA System" means the water system acquired by the Issuer from Paron-Owensville Water Authority of the State of Arkansas and any extensions, betterments and improvements of such system.

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

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

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

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

"Ridgefield Long Term Debt Surcharge Revenues" means collections of the long-term debt surcharge levied by the Issuer pursuant to Resolution No. 2022-08 for collection from customers within the Ridgefield System service area and pledged to secure the Series 2022A Bond.

"Ridgefield System" means the water system acquired from Ridgefield Property Owners Association and any extensions, betterments and improvements of such system.

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

"Short-Term Indebtedness" means all indebtedness incurred or assumed by the Issuer, with respect to the System, for any of the following: (a) payments of principal and interest with respect to money borrowed for an original term, or renewable at the option of the Issuer, for a period from the date originally incurred, of one year or less; (b) payments under leases having an original term, or renewable at the option of the lessee for a period from the date originally incurred, of one year or less; and (c) payments under installment purchase contracts having an original term of one year or less.

"Special Debt Retirement Charge Indebtedness" shall mean bonds, notes or other forms of indebtedness that are secured solely by Special Debt Retirement Charge Revenues and from any reserves established only to secure such bonds, notes or other forms of indebtedness. From and after the Stabilized Net Revenue Adjustment Date, the Series 2016 Maumelle Bonds, the Series 2021A Bond, the Series 2021B Bond and the Series 2022A Bond are included within the definition of Special Debt Retirement Charge Indebtedness.

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

"Special Purpose Bonds" means (i) such other bonds, notes or other interest bearing obligations to which a portion of the Revenues are pledged, and the proceeds of which are used to finance the design, acquisition, and construction of facilities or projects as the Issuer shall by resolution designate as a Special Purpose Facility, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds as contemplated and permitted by Section 29(d) of this Resolution, or (ii) such other bonds to which the Watershed Protection Fee is pledged and the proceeds of which are used to finance the acquisition of land within the watershed of Lake Maumelle or the design, acquisition, and construction of facilities or projects as the Issuer shall by resolution deem necessary or advisable for protection of water quality within Lake Maumelle.

"Special Purpose Facility" means (a) additional water sources, including but not limited to, a new lake; or (b) such other facilities or projects as the Issuer shall by resolution designate as a Special Purpose Facility, and the cost of construction and acquisition of which facilities are

financed with the proceeds of Special Purpose Bonds of the Issuer as contemplated and permitted by Section 29(d) of this Resolution.

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

"Stabilized Net Revenues Adjustment Date" means the first date on which (i) the Series 2010C Bonds, the Series 2012A Bonds, the Series 2014 Bonds, the Series 2016 Refunding Bonds, the Series 2017A Bond and the Series 2018B Bonds are fully paid or defeased and (ii) the 2010A Bond and the Series 2011A Bond are either paid in full or the owners of the Series 2010A Bond and the Series 2011A Bond have agreed to release any Special Debt Retirement Charge Revenues from the pledge in favor of the Series 2010A Bond and the Series 2011A Bond.

"Subordinate Indebtedness" shall mean the Series 2016 Maumelle Bonds, the Series 2020A Bond, the Series 2021A Bond, the Series 2021B Bond, the Series 2022A Bond and other bonds, notes, or other forms of indebtedness, the payment of the principal of or interest or redemption premium on which are payable solely from moneys after payment of all periodic obligations hereunder or under the provisions of any Parity Debt.

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

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

"Wye Mountain Long Term Debt Surcharge Revenues" means the collections of the long term debt surcharge levied by the Issuer pursuant to Resolution No. 2021-18 for collections from customers within the Wye Mountain System service area and pledged to secure the Series 2021B Bond.

"Wye Mountain System" means the water system acquired by the Issuer from Wye Mountain Water Facilities Board of Perry County, Arkansas and any extensions, betterments and improvements of such system.

Section 2. The sale to the Bondholder of a bond from the Issuer in the maximum principal amount of \$4,000,000 at a price of par and otherwise subject to the terms and provisions hereafter in this Resolution set forth in detail be, and is hereby approved and the bond is hereby sold to the Bondholder. The Chairman is hereby authorized and directed to execute and deliver the Agreement on behalf of the Issuer and to take all action required on the part of the Issuer to fulfill its obligations under the Agreement. The Agreement is hereby approved in substantially the form submitted to this meeting with such changes as may be approved by the Chairman of the Issuer, his execution to constitute complete evidence of such approval.

Section 3. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly the Authorizing Legislation, Central Arkansas Water Water Revenue Bond (Wilson Pump Station #1A Project), Series 2022B (the "bond") is hereby authorized and ordered issued in the maximum principal amount of \$4,000,000 the proceeds of the sale of which will be used to finance costs of the Improvements, pay expenses incidental thereto and pay expenses of issuing the bond.

The bond shall be dated the date of delivery to the Bondholder. The bond shall bear interest at the rate of 0.75% per annum based upon a 360-day year of twelve consecutive 30-day months. Interest shall be payable each April 15 and October 15 after the Bond is issued. Principal shall be payable in installments on October 15, 2025 and on each April 15 and October 15 thereafter until the unpaid principal is paid in full as follows:

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Date	Principal	Date	Principal
10/15/2025	\$83,951.00	10/15/2035	\$ 99,930.00
04/15/2026	84,686.00	04/15/2036	100,805.00
10/15/2026	85,426.00	10/15/2036	101,687.00
04/15/2027	86,174.00	04/15/2037	102,576.00
10/15/2027	86,928.00	10/15/2037	103,474.00
04/15/2028	87,689.00	04/15/2038	104,379.00
10/15/2028	88,456.00	10/15/2038	105,292.00
04/15/2029	89,230.00	04/15/2039	106,214.00
10/15/2029	90,011.00	10/15/2039	107,144.00
04/15/2030	90,799.00	04/15/2040	108,081.00
10/15/2030	91,593.00	10/15/2040	109,027.00
04/15/2031	92,395.00	04/15/2041	109,981.00
10/15/2031	93,203.00	10/15/2041	110,943.00
04/15/2032	94,019.00	04/15/2042	111,914.00
10/15/2032	94,841.00	10/15/2042	112,893.00
04/15/2033	95,671.00	04/15/2043	113,881.00
10/15/2033	96,508.00	10/15/2043	114,877.00
04/15/2034	97,352.00	04/15/2044	115,882.00
10/15/2034	98,204.00	10/15/2044	116,896.00
04/15/2035	99,064.00	04/15/2045	117,924.00

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

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

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

Section 4. The bond shall be executed on behalf of the Issuer by the Chairman and Secretary of the Issuer and shall have impressed thereon the seal of the Issuer. The bond is not a general obligation of the Issuer but is a special obligation, the principal of and interest on which, and Financing Fee in connection therewith, are secured by a pledge of and are payable from Stabilized Net Revenues. The pledge of Stabilized Net Revenues is on a parity with the pledge

in favor of the Parity Debt. The pledge of Stabilized Net Revenues is senior to the pledge in favor of the Series 2016 Maumelle Bonds, the Series 2020A Bond, the Series 2021A Bond, the Series 2021B Bond and the Series 2022A Bond. It is understood and agreed that from and after the Stabilized Net Revenues Adjustment Date, that there will not be included in the definition of Revenues any Special Debt Retirement Charge Revenues and such Special Debt Retirement Charge Revenues shall be released from the pledge of this Resolution on the Stabilized Net Revenues Adjustment Date. The bond and interest thereon shall not constitute an indebtedness of the Issuer within any constitutional or statutory limitation.

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

(form of single registered bond)

UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
CENTRAL ARKANSAS WATER  
WATER REVENUE BOND  
(WILSON PUMP STATION #1A PROJECT),  
SERIES 2022B

No. R-1 \$4,000,000

KNOW ALL MEN BY THESE PRESENTS:

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

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

with interest on the unpaid balance of the total principal amount at the rate of 0.75% per annum based upon a 360 day year and twelve consecutive 30 day months. The principal and interest shall be payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America.

Interest on the unpaid balance of the total principal amount shall be payable on October 15, 2022 and on each April 15 and October 15 thereafter. Principal shall be payable in installments on October 15, 2025 and on each April 15 and October 15 thereafter until the unpaid principal is paid as follows:

Date	Principal	Date	Principal
10/15/2025	\$83,951.00	10/15/2035	\$ 99,930.00
04/15/2026	84,686.00	04/15/2036	100,805.00
10/15/2026	85,426.00	10/15/2036	101,687.00
04/15/2027	86,174.00	04/15/2037	102,576.00
10/15/2027	86,928.00	10/15/2037	103,474.00
04/15/2028	87,689.00	04/15/2038	104,379.00
10/15/2028	88,456.00	10/15/2038	105,292.00
04/15/2029	89,230.00	04/15/2039	106,214.00
10/15/2029	90,011.00	10/15/2039	107,144.00
04/15/2030	90,799.00	04/15/2040	108,081.00
10/15/2030	91,593.00	10/15/2040	109,027.00
04/15/2031	92,395.00	04/15/2041	109,981.00
10/15/2031	93,203.00	10/15/2041	110,943.00
04/15/2032	94,019.00	04/15/2042	111,914.00
10/15/2032	94,841.00	10/15/2042	112,893.00
04/15/2033	95,671.00	04/15/2043	113,881.00
10/15/2033	96,508.00	10/15/2043	114,877.00
04/15/2034	97,352.00	04/15/2044	115,882.00
10/15/2034	98,204.00	10/15/2044	116,896.00
04/15/2035	99,064.00	04/15/2045	117,924.00

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

This bond is issued for the purpose of providing financing of the costs of extensions, betterments and improvements to the Issuer's water system, consisting of collection, holding, treatment and distribution facilities (the "System") and costs of authorizing and issuing this bond, and is issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 25, Chapter 20, Subchapter 3 of the Arkansas Code of 1987 Annotated, and pursuant to Resolution No. 2022-15 of the Issuer, duly adopted and approved on the 16th day of June, 2022 (the "Authorizing Resolution"). Reference is hereby made to the Authorizing Resolution for the details of the nature and extent of the security and of the rights and obligations of the Issuer and the registered owner of this bond.

This bond may be assigned with the written approval of the Arkansas Natural Resources Commission ("Natural Resources"), and in order to effect such assignment the assignor shall promptly notify the Secretary of the Issuer by registered mail, and the assignee shall surrender this bond along with a written approval of Natural Resources to the Secretary of the Issuer for

transfer on the registration records. Every assignee shall take this bond subject to all payments and prepayments of principal and interest (as reflected by the Payment Record maintained by the Secretary of the Issuer), prior to such surrender for transfer.

This bond may be prepaid at the option of the Issuer from funds from any source, in whole but not in part, at any time on and after October 15, 2032, at a prepayment price equal to the principal amount outstanding, plus accrued interest to the prepayment date. Notice shall be given of such prepayment to the owner of this bond or registered assigns at least 90 days prior to the prepayment date. Such notice shall be in writing mailed to the address of the owner of this bond or registered assigns at the address as reflected on the bond registration books of the Secretary of the Issuer.

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

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



IN WITNESS WHEREOF, Central Arkansas Water has caused this bond to be executed in its name by its Chairman and Secretary, thereunto duly authorized, and its corporate seal to be affixed, all as of the \_\_\_\_\_ day of \_\_\_\_\_, 2022.

CENTRAL ARKANSAS WATER

ATTEST

By \_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary

(SEAL)

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

Section 6. The Issuer has heretofore fixed water rates by Resolution No. 2015-15, adopted October 8, 2015, Resolution No. 2015-20, adopted December 10, 2015, Resolution No. 2016-06, adopted February 11, 2016, Resolution No. 2017-10, adopted September 14, 2017, Resolution No. 2018-13, adopted December 20, 2018, Resolution No. 2018-14, adopted December 20, 2018, Resolution No. 2019-09, adopted October 10, 2019, Resolution No. 2019-15, adopted December 12, 2019, Resolution No. 2020-08, adopted May 14, 2020, Resolution No. 2020-09, adopted June 11, 2020, Resolution No. 2021-13, adopted May 13, 2021, Resolution No. 2021-18 adopted July 15, 2021 and Resolution No. 2022-08, adopted March 10, 2022. Reference is hereby made to such Resolutions for the details thereof and other provisions pertaining thereto, which water rates are hereby confirmed and continued as provided therein. The rates in effect for water service at this time shall not be reduced without the prior written consent of Natural Resources and the Bondholder.

Section 7. (a) In order to assure full and continuous performance of the covenants contained herein with a margin for contingencies and temporary unanticipated reduction in Revenues, the Issuer covenants and agrees to establish, fix, prescribe, continue, and collect (directly or through leases, use agreements or other agreements, or licenses or resolutions) rates and charges for the sale of water furnished by the Issuer which, together with other income, are reasonably expected to yield available Revenues at least equal to the Rate Covenant Requirement for the forthcoming Fiscal Year. The term "Rate Covenant Requirement" shall mean: Stabilized Net Revenues at least equal to the sum of (A) 120% of the Debt Service for the forthcoming Fiscal Year for the bond, the Series 2020A Bond and any Parity Debt and (B) 100% of the

amounts, if any, required by the terms and conditions for any Parity Debt to be deposited into applicable debt service reserve funds for such Parity Debt during the forthcoming Fiscal Year.

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

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

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

Section 8. Subject to the limitations of the Consolidation Agreement, the Issuer has, and will have so long as the bond is outstanding, good, right, and lawful power to own the System and to fix and collect rates, fees, and other charges in connection with the distribution and sale of potable water to its customers. No revenue producing facility or service of the System shall be leased, furnished, or supplied free, but shall always be leased, furnished, or supplied so as to produce Revenues, provided that the Issuer reserves the right (a) to lease, furnish, or supply, free of charge, any such facility or service to the extent that such action does not materially adversely affect the Issuer's ability to perform the Issuer's obligations under this Resolution, and (b) to adjust the rates, fees, and charges of the System in a manner such that the anticipated aggregate Revenues resulting after the adjustments shall not materially differ from the Revenues anticipated prior to the adjustments.

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

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

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

Section 12. All Revenues shall be promptly deposited by the Issuer to the credit of the Revenue Fund. The Maumelle Long Term Debt Surcharge Revenues shall be deposited into the Long Term Debt Surcharge Revenue Account in the Revenue Fund. The POWA Revenues shall be deposited into the POWA Revenue Account in the Revenue Fund. The Frazier Pike Long Term Debt Surcharge Revenues shall be deposited into the Frazier Pike Long Term Debt Surcharge Revenue Account in the Revenue Fund. The Wye Mountain Long Term Debt Surcharge Revenues shall be deposited into the Wye Mountain Long Term Debt Surcharge Revenue Account in the Revenue Fund. The Ridgefield Long Term Debt Surcharge Revenues shall be deposited into the Ridgefield Long Term Debt Surcharge Revenue Account in the Revenue Fund.

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

Section 14. (a) After paying the Operation and Maintenance Costs as they become due, there shall be paid as a second charge on the Revenue Fund, from amounts on deposit in the Revenue Fund, into an account of the Issuer in a special fund to be created by the Bondholder and designated "Series 2022B" (the "ADFA Bond Fund") for the purpose of paying the principal of and interest on the bond the amounts specified in (b) below.

(b) There shall be deposited from moneys in the Revenue Fund into the ADFA Bond Fund on each April 15 and October 15 after the bond is issued and delivered until April 15, 2025, the interest due on the bond on such dates. Commencing on each April 15 and October 15 thereafter, there shall be deposited from money or into the AFDA Bond Fund, an amount equal to the principal and interest on of the bond then due.

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

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

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

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

(g) To the extent available prior to the Stabilized Net Revenues Adjustment Date and at all times thereafter, the monthly payments required by this Section shall be paid from moneys in the Revenue Fund outside of the Long Term Debt Surcharge Revenue Account, the POWA Revenue Account, the Frazier Pike Long Term Debt Surcharge Revenue Account, the Wye Mountain Long Term Debt Surcharge Revenue Account and the Ridgefield Long Term Debt Surcharge Revenue Account.

Section 15. As a third charge on the Revenue Fund, there shall be paid monthly from moneys in the Revenue Fund into the debt service reserve funds established for the benefit of any Parity Debt, in the event that there are draws from the debt service reserve funds established for the benefit of any Parity Debt to pay principal of or interest on any outstanding Parity Debt, the amount, if any, required to restore the balance in the debt service reserve funds established for the benefit of Parity Debt in 12 consecutive monthly payments to the reserve requirements established with respect to Parity Debt, as applicable; provided that if there are not sufficient moneys to satisfy the requirements of this subsection with respect to all series of Parity Debt bond issues, all moneys available for distribution among such series of Parity Debt bonds shall be distributed on a pro rata basis to the deficient debt service reserve accounts by the proportion that the deficiency for each series of bond issues bears to the total deficiency for all such accounts. To the extent available prior to the Stabilized Net Revenues Adjustment Date and at all times thereafter, the monthly payments required by this Section shall be paid from moneys in the Revenue Fund outside of the Long Term Debt Surcharge Revenue Account, the POWA Revenue Account, the Frazier Pike Long Term Debt Surcharge Revenue Account, the Wye Mountain Long Term Debt Surcharge Revenue Account and the Ridgefield Long Term Debt Surcharge Account.

Section 16. There shall be paid monthly as a fourth charge on the Revenue Fund from moneys in the Revenue Fund the Financing Fee and all other financing fees in connection with Parity Debt, to the Authority. The Financing Fee shall be payable on each date interest on the bond is due and shall be calculated on the same basis as interest on the bond. The payment of the Financing Fee is expressly made subordinate to the payment of the principal of and interest on the bond and the Parity Debt. To the extent available prior to the Stabilized Net Revenues Adjustment Date and at all times thereafter, the monthly payments required by this Section shall be paid from moneys in the Revenue Fund outside of the Long Term Debt Surcharge Revenue Account, the POWA Revenue Account, the Frazier Pike Long Term Debt Surcharge Revenue Account, the Wye Mountain Long Term Debt Surcharge Revenue Account and the Ridgefield Long Term Debt Surcharge Account.

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

Section 18. (a) As a sixth charge on the Revenue Fund, but only to the extent of moneys available in the POWA Account in the Revenue Fund, there shall be paid into an account of the Issuer in a special fund created by the Authority and designated "Series 2020A"

for the purpose of paying the principal of and interest on the Series 2020A Bond the amounts necessary to pay the principal of interest on the Series 2020A Bond when due.

(b) Also as a sixth charge on the Revenue Fund, but only to the extent of moneys in the POWA Account in the Revenue Fund, there shall be paid the amounts required to be paid monthly into the bond funds established for any debt ranking on a parity with the Series 2020A Bond.

Section 19. There shall be paid monthly as a seventh charge on the Revenue Fund from moneys in the POWA Account in the Revenue Fund the financing fees in connection with the Series 2020A Bond and any debt ranking on a parity with the Series 2020A Bond, to the Authority.

Section 20. As an eighth charge on the Revenue Fund, but only to the extent of moneys available in the Frazier Pike Long Term Debt Surcharge Account in the Revenue Fund, there shall be paid to Natural Resources on December 1 of each year the principal of and interest on the bond due that date. From and after the Stabilized Net Revenues Adjustment Date, moneys in the Frazier Pike Long Term Debt Surcharge Account (i) shall only be used to make payments on the Series 2021A Bond and (ii) shall no longer be subject to the lien and pledge securing the Parity Debt.

Section 21. As a ninth charge on the Revenue Fund, but only to the extent of moneys available in the Wye Mountain Long Term Debt Surcharge Account in the Revenue Fund, there shall be paid into an account of the Issuer in a special fund created by the Authority and designated "Series 2021B" for the purpose of paying the principal of and interest on the Series 2021B Bond the amounts necessary to pay the principal of interest on the Series 2021B Bond when due. From and after the Stabilized Net Revenues Adjustment Date, moneys in the Wye Mountain Long Term Debt Surcharge Account (i) shall only be used to make payments on the Series 2021B Bond and (ii) shall no longer be subject to the lien and pledge securing the Parity Debt.

Section 22. There shall be paid monthly as a tenth charge on the Revenue Fund from moneys in the Wye Mountain Long Term Debt Surcharge Account in the Revenue Fund the financing fees in connection with the Series 2021B Bond and any debt ranking on a parity with the Series 2021B Bond, to the Authority.

Section 23. As an eleventh charge on the Revenue Fund, but only to the extent of moneys available in the Ridgefield Long Term Debt Surcharge Account in the Revenue Fund, there shall be paid into an account of the Issuer in a special fund to be created by the Bondholder and designated "Series 2022A" for the purpose of paying the principal of and interest on the Series 2022A Bond when due. From and after the Stabilized Net Revenues Adjustment Date, moneys in the Ridgefield Long Term Debt Surcharge Account (i) shall only be used to make payments on the Series 2022A Bond and (ii) shall no longer be subject to the lien and pledge securing the Parity Debt.

Section 24. There shall be paid monthly as a twelfth charge on the Revenue Fund from moneys in the Ridgefield Long Term Debt Surcharge Account in the Revenue Fund the Financing Fee and all other financing fees in connection with any debt ranking on a parity with the Series 2022A Bond, to the Authority.

Section 25. As a thirteenth charge on the Revenue Fund, there shall be paid monthly from moneys in the Revenue Fund into the Depreciation Fund, an amount calculated as follows: a flat five percent (5%) of water consumption-based revenues and private fire service revenues (including wholesale revenues) ("Total Depreciation Revenues"). The Depreciation Fund shall be used for replacements and repairs to the System. The monthly deposits may be reduced below five percent (5%) of Total Depreciation Revenues if a rate study acceptable to ANRC uses a lower percentage; provided, however, there shall always be deposited into the Depreciation Fund monthly at least three percent (3%) of Total Depreciation Revenues.

Section 26. Moneys in the Revenue Fund in excess of the amounts required to be transferred monthly pursuant to Sections 13 through 25 of this Resolution may be utilized by the Issuer for any lawful System purpose, including deposits to the Rate Stabilization Account pursuant to Section 7. Money in the Rate Stabilization Account shall be used as provided in the RSA Resolution.

Section 27. The Issuer shall assure that (i) not in excess of 10% of the proceeds of the bond is used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the bond during the term thereof is, under the terms of the bond or any underlying arrangement, directly or indirectly secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed moneys used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the proceeds of the bond are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the bond during the term thereof is, under the terms of the bond or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of proceeds of the bond used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Improvements.

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

As used in this Section, "Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a

natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

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

Section 28. The principal and interest installments shall be prepayable prior to maturity as provided in the bond form in Section 5 hereof.

Section 29. (a) As long as the bond is outstanding, the Issuer shall not issue or attempt to issue any bonds having or claimed to be entitled to a priority of lien on Revenues or Stabilized Net Revenues over the lien securing the bond.

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

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

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

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

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

(d) (1) The Issuer may issue Special Purpose Bonds for the purpose of financing or refinancing the cost of (i) Special Purpose Facilities in accordance with subsection (d)(2) or (ii)



those matters that may be funded by the Watershed Protection Fee in accordance with subsection (d)(3).

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

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

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

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

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

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

other payments required by the resolution authorizing the Special Purpose Bonds as the same become due.

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

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

Section 30. It is covenanted and agreed by the Issuer with the Bondholder, the Authority and Natural Resources that it will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State and by this Resolution, including, without limitation, the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, segregating Revenues and applying them to the respective funds maintained pursuant to the this Resolution.

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

If there be any default in the payment of the principal of or interest on the bond, or if the Issuer defaults in any ADFA Bond Fund requirement or in the performance of any of the other covenants contained in this Resolution, the Bondholder may, by proper suit, compel the performance of the duties of the officials of the Issuer under the laws of the State. In the case of a default in the payment of the principal of and interest on the bond, the Bondholder may apply in a proper action to a court of competent jurisdiction for the appointment of a receiver to administer the System on behalf of the Issuer and the Bondholder with power to charge and collect (or by mandatory injunction or otherwise to cause to be charged and collected) rates sufficient to provide for the payment of the expenses of operation, repair and maintenance and to pay the bond and interest outstanding and to apply Revenues in conformity with this Resolution. When all defaults in principal and interest payments have been cured, the custody and operation of the System shall revert to the Issuer. No remedy herein conferred upon or reserved to the Bondholder is intended to be exclusive of any other remedy or remedies herein provided or provided by law, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or given by law. No delay or omission of the Bondholder to exercise any right or power accrued upon any default shall impair any such right or power or shall be construed to be a waiver of any default or an acquiescence therein; and every power and remedy given by this Resolution to the Bondholder may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon. Any costs of

enforcement of the bond or of any provision of this Resolution, including reasonable attorney's fees, shall be paid by the Issuer. The Authority may enforce all rights and exercise all remedies available to the Bondholder in the event the Financing Fee is not paid when due.

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

Section 31. When the bond has been executed and sealed as herein provided, it shall be delivered to the Bondholder upon payment of all or a portion of the purchase price in accordance with the Agreement. Sales proceeds shall be deposited, as and when received, in a special account of the Issuer hereby created in a bank that is a member of the Federal Deposit Insurance Corporation and designated the "2022B Water Construction Fund" (the "Construction Fund"). The moneys in the Construction Fund shall be used for reimbursing the Issuer for the costs of the Improvements, expenses incidental thereto and the expenses of issuing the bond approved in accordance with the Agreement. Payments from the Construction Fund shall be by check or voucher signed by a person designated by the Issuer, and drawn on the depository. Each such check or voucher shall briefly specify the purpose of the expenditure.

Section 32. The terms of this Resolution shall constitute a contract among the Issuer, the Bondholder and Natural Resources and no variation or change in the undertaking herein set forth shall be made while the bond is outstanding unless consented to in writing by the Bondholder and Natural Resources.

Section 33. The Issuer agrees that it will keep proper records, books and accounts relating to the operation of the System, which shall be kept separate from all other records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the operation of the System in accordance with generally accepted government accounting standards. Such books shall be available for inspection by the Bondholder and Natural Resources, or the agent or the representative of either, at reasonable times and under reasonable circumstances. The Issuer agrees to have its financial statements audited annually by an independent certified public accountant or the Legislative Joint Auditing Committee, Division of Legislative Audit of the State of Arkansas. The Issuer shall within 180 days after the end of each Fiscal Year file with the Authority and Natural Resources its annual audited financial statements. If the Issuer's audited financial statements are not available by such date, the Issuer shall file such audited financial statements with the Authority and Natural Resources within 60 days after receipt thereof by the Issuer.

Section 34. The Issuer covenants and agrees that it will maintain the System in good condition and operate it in an efficient manner and at reasonable cost. The Issuer agrees that, to the extent comparable protection is not otherwise provided to the satisfaction of the Bondholder

and Natural Resources, it will insure, and at all times keep insured in a responsible insurance company or companies selected by the Issuer and authorized and qualified under the laws of the State to assume the risk thereof, all above-ground structures of the System against loss or damage thereto in amounts and against such risks as are customarily insured against in connection with similar facilities and undertakings as the System. In the event of loss, the proceeds of such insurance shall be applied solely toward the reconstruction, replacement or repair of the System, and in such event the Issuer will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement and repair work.

Section 35. The provisions of this Resolution are hereby declared to be separable, and if any provision shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of this Resolution.

Section 36. Reference in this Resolution to "Bondholder" shall include the original Bondholder or any registered assign thereof.

Section 37. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

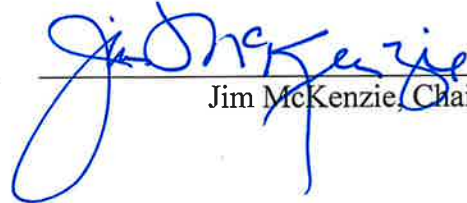
PASSED: June 16, 2022.

ATTEST:

APPROVED:



Jay Barth, Secretary/Treasurer



Jim McKenzie, Chair

(SEAL)



CERTIFICATE

The undersigned, Secretary of Central Arkansas Water, hereby certifies that the foregoing pages are a true and perfect copy of Resolution No. 2022-15, adopted at a regular session of the Board of Commissioners of Central Arkansas Water, held at the regular meeting place in the City of Little Rock, Arkansas at 2:00 o'clock p.m., on the 16th day of June, 2022.

GIVEN under my hand and seal on this 30th day of June, 2022.

  
Secretary

(SEAL)



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

July 14, 2022

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, July 14, 2022, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Mr. Kevin Newton, Chair  
Ms. Carmen Smith, Secretary/Treasurer  
Mr. Anthony Kendall, Commissioner  
Mr. Jay Hartman, Commissioner  
Mr. Jim McKenzie, Commission

**Via Teleconferencing:**

Dr. Jay Barth, Vice Chair  
Ms. Kandi Hughes, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. David Johnson, General Counsel  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Mr. Danny Dunn, Director of Distribution  
Ms. Linda Smith, Director of Sustainability and Facilities  
Ms. Tatiana Herrington, Director of Human Resources  
Mr. Patrick Greene, Sr., Customer Service Field Manager  
Ms. Basha Moncur, Engineering Intern  
Mr. Doug Shackelford, Director of Communications  
Ms. Chelsea Boozer, Government Affairs Manager  
Ms. Mary Dyson, Executive Assistant

**CAW Staff via Teleconferencing:**

Mr. Allen Vincent, Director of Information Services  
Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Angeline Huey, Senior Accountant  
Mr. Bryan Rugar, Land Conservation Coordinator  
Mr. Doug Farler, Operations Manager  
Mr. Doug Graham, Optimization Manager  
Mr. Jordan Small, Senior Accountant  
Ms. Lauren Schallhorn, Controller  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager

Ms. Sonia Leszczyna, Human Resources Administrator  
Ms. Tamara Gill, Human Resources Generalist  
Mr. Terry Frazier, Director of Customer Service

**Also, in Attendance:**

Mr. Michael Moosavi, EMA, Inc.  
Mr. Craig Yokopenic, EMA, Inc.

**Also, in Attendance via Teleconferencing:**

Mr. Jordan Johnson, JPJ Consulting, LLC  
Mr. Joseph Flaherty, AR Dem-Gaz  
Ms Ruth Bell, League of Women Voters of Pulaski County  
Mr. Barry Haas, Citizen

**CALL TO ORDER**

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

**COMMISSIONER RECOGNITION**

Chair Newton presented to Commissioner McKenzie, a plaque commemorating his term as Chair during 2021 – 2022. Chair Newton thanked Commissioner McKenzie for his outstanding leadership.

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, the minutes of the June 16, 2022, Regular Meeting were unanimously approved.

**PUBLIC COMMENT PERIOD**

No comments.

**NEW BUSINESS**

**LIHWAP Update**

Ms. Boozer provided an update on the Arkansas LIHWAP Program and CAW's customer assistance events.

**Amendment to Bylaws of Central Arkansas Water**

Mr. Johnson requested Board approval of a Resolution amending Article V of the Bylaws of Central Arkansas Water concerning conflicts of interest.

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

**CONTRACTS/PURCHASES**

**Professional Services Contract for Enterprise Resource Planning (ERP)**

Mr. Mascagni provided an update on the Information Technology Master Plan and requested board approval of a professional services contract with EMA, Inc. not to exceed \$400,000.00 to support defining ERP requirements, preparing request for proposals, selecting solution, and negotiating contract with the selected software provider.

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

#### 2-Inch Galvanized Water Main Replacements in North Little Rock and Pulaski County – Phase 2

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner McKenzie, after due consideration and discussion, a construction contract with Diamond Construction in the amount of \$956,274.00 to replace approximately 5,350 linear feet of existing water mains identified as being very problematic and high maintenance in two different residential areas, near the intersection of Jacksonville-Cato Road and Batesville Pike in Pulaski County, and the intersection of JFK Boulevard and Osage Drive in North Little Rock, was unanimously approved.

#### DEPARTMENT UPDATES

##### Solar Update

Ms. Smith provided an update on the Cabot Solar Project.

##### Compensation Overview

Ms. Herrington provided an overview on CAW's Compensation Philosophy.

##### Finance

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

#### BOARD BRIEFING

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

#### ADJOURNMENT

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Kendall, the meeting was adjourned at 3:40 p.m.



Carmen Smith, Secretary/Treasurer



## RESOLUTION 2022-16

### **A RESOLUTION TO AMEND THE BYLAWS OF CENTRAL ARKANSAS WATER; AND FOR OTHER PURPOSES**

WHEREAS, the undivided loyalty and support of each member of the Board of Commissioners (“Board of Commissioners”) and officer of Central Arkansas Water (“CAW”) is essential to the well-being of CAW and its ratepayers, and an effective conflicts of interest policy concerning the Board of Commissioner’s consideration of matters is an important means of assuring such well-being; and

WHEREAS, upon the formation of CAW, the Board of Commissioners adopted the Bylaws of Central Arkansas Water (“Bylaws”); and

WHEREAS, presently, Article V of the Bylaws addresses conflicts of interest of members of the Board of Commissioners and officers of CAW; and

WHEREAS, Article V sets certain limitations on contracts and transactions into which Central Arkansas Water may enter due to conflicts of interest, although revisions to those limitations for conformity with state law are in order; and

WHEREAS, Article V of the Bylaws does not establish recusal requirements of members of the Board and officers of CAW during the consideration of matters in which a member of the Board or officer of CAW may have a conflict of interest, and the addition of language to establish such recusal requirements is appropriate.

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

Section 1. Article I of the Bylaws is amended to include the following two definitions organized alphabetically among the existing definitions of Article I:

“Financial Interest” shall mean an existing or reasonably likely ownership interest, investment interest, employment relationship, or compensation arrangement of a member of the Board, officer of Central Arkansas Water, or an immediate family member of a member of the Board or officer.

“Transaction” shall mean the exchange of money or other consideration for services, goods, personal property, or real property other than the provision by Central Arkansas Water of retail water service.

Section 2. Article V of the Bylaws is amended to strike its content in its entirety and to substitute the following language:

- 5.1 Undivided Loyalty. Members of the Board and officers of Central Arkansas Water have a duty of undivided loyalty to Central Arkansas Water in all matters affecting Central Arkansas Water's interests.
- 5.2 Recusal. In the event that a member of the Board or officer of Central Arkansas Water has a Financial Interest in an entity with which the Board considers entering a Transaction or whose interest may be advanced, hindered, or otherwise affected by the Board's entering a Transaction, that member of the Board or officer shall recuse from all consideration and action of the Board related to the Transaction. In the event that any such member of the Board or officer fails to recuse from consideration and action of the Board related to the Transaction, the Board upon its vote may remove such member of the Board or officer from such consideration and action.
- 5.3 Prohibited Contracts. Central Arkansas Water may not enter a contract prohibited by law including but not limited to Arkansas Code § 14-42-107(b), which, as of July 14, 2022, prohibits Central Arkansas Water from entering a contract for the furnishing to Central Arkansas Water of supplies, equipment, or services with an entity of which a member of the Board, officer, or employee of Central Arkansas Water holds an executive or managerial office or in which a member of the Board holds a controlling interest. To the extent that a member of the Board, officer, or employee becomes aware that Central Arkansas Water is considering the entering of such a contract, the member of the Board, officer, or employee shall disclose that relationship to the Chair of the Board and the Chief Executive Officer upon the member of the Board, officer, or employee's discovery.
- 5.4 Cause. A violation of this section by a member of the Board constitutes cause for purposes of Section 3.13 of the Bylaws.

ADOPTED: [July 14, 2022]

Attest:

  
Carmen Smith, Secretary/Treasurer

APPROVED:

  
Kevin Newton, Chair



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

August 11, 2022

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, August 11, 2022, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

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

**Via Teleconferencing:**

Dr. Jay Barth, Vice Chair

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. David Johnson, General Counsel  
Ms. Cynthia Edwards, Director of Finance  
Mr. Danny Dunn, Director of Distribution  
Ms. Tatiana Herrington, Director of Human Resources  
Mr. Terry Frazier, Director of Customer Service  
Ms. Raven Lawson, Watershed Protection Manager  
Ms. Chelsea Boozer, Government Affairs Manager

**CAW Staff via Teleconferencing:**

Mr. Alex Harper, GIS Manager  
Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Angeline Huey, Senior Accountant  
Mr. Benjamin Thesing, Natural Resource Specialist  
Mr. Bryan Rugar, Land Conservation Coordinator  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Jane Hurley, Education and Outreach Specialist  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Jordan Small, Senior Accountant  
Ms. Kelsey Burnett, Content Specialist  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Ms. Linda Smith, Director of Sustainability and Facilities  
Ms. Mary Dyson, Executive Assistant  
Ms. Nichole Lewis-Freeman, Human Resources Coordinator  
Mr. Sam Zehtaban, Director of Water Production

Ms. Tamara Gill, Human Resources Generalist

**Also, in Attendance:**

Mr. Joseph Flaherty, AR Dem-Gaz

**Also, in Attendance via Teleconferencing:**

Mr. Jordan Johnson, JPJ Consulting, LLC  
Mr. Paul Strickland, P.E., Garver Engineers  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Mr. Barry Haas, Citizen

**CALL TO ORDER**

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

**EMPLOYEE RECOGNITION**

Mr. Mascagni recognized Mr. Terry Frazier for fifteen years of service.

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner McKenzie, the minutes of the July 14, 2022, Regular Meeting were unanimously approved.

**PUBLIC COMMENT PERIOD**

No comments.

**NEW BUSINESS**

**Application to the Internal Revenue Service for an Advance Determination on the Qualifications of the Central Arkansas Water Employee Saving Plan**

Ms. Herrington requested Board approval of Resolution approving amendment and restatement of the Central Arkansas Water Employee Savings Plan in order to maintain compliance with applicable rules and regulations.

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

**Review Updates to the Lake Maumelle & Lake Winona Rules and Regulations**

Ms. Lawson made a presentation on the review process regarding Lake Maumelle & Lake Winona Rules and Regulations. Discussion ensued. No action required. Staff will bring this matter back to the Board for a vote at the October meeting.

**CONTRACTS/PURCHASES**

**Enhance Customer Payment Plan Flexibility and Federal Assistance Outreach**

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Smith, after due consideration and discussion, a two-year contingency fee-based contract with Promise to enhance payment plan flexibility and federal assistance efforts with customers, was unanimously approved.

#### 2-Inch Galvanized Water Main Replacements in Little Rock – 2022 – Phase 4

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hughes, after due consideration and discussion, a construction contract with Cisneros Family Construction in the amount of \$1,190,923.52 to replace approximately 3,500 linear feet of existing water mains identified as being very problematic and high maintenance between Cantrell Road and Rebsamen Park Road in Little Rock, was unanimously approved.

#### Replace 30 MGD Vertical Turbine Water Pump at the Lake Maumelle Raw Water Pumping Station

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, after due consideration and discussion, a contract with Sulzer Pump Services in the amount of \$539,712.00 to replace the rotating assembly on pump #4 at the Lake Maumelle Raw Water Pumping Station, was unanimously approved.

### **DEPARTMENT UPDATES**

#### Finance

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

### **BOARD BRIEFING**

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

### **EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, the Board went into Executive Session to discuss cyber security matters.

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

### **ADJOURNMENT**

With there being no further business, Chair Newton adjourned the meeting.



Carmen Smith, Secretary/Treasurer

**RESOLUTION 2022-17**

**A RESOLUTION APPROVING AMENDMENT AND RESTATEMENT OF THE CENTRAL ARKANSAS WATER EMPLOYEES SAVINGS PLAN IN ORDER TO MAINTAIN COMPLIANCE WITH APPLICABLE RULES AND REGULATIONS.**

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

WHEREAS, Internal Revenue Service guidance periodically requires the amendment and restatement of the Savings Plan, to comply with the changes in the law since the last amendment and restatement.

WHEREAS, Chief Executive Officer, Tad Bohannon, recently executed the amendment and restatement of the Savings Plan.

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

Section 1. Central Arkansas Water amends its Central Arkansas Water Employees Savings Plan effective January 1, 2022, as required by Internal Revenue Service guidance, to comply with the changes in the law since the last amendment and restatement of the Plan.

Section 2. Central Arkansas Water hereby ratifies, confirms and approves the execution of the Adoption Agreement related to the Savings Plan executed by C. Tad Bohannon, Chief Executive Officer; and

Section 3. The Chief Executive Officer and the Chief Financial Officer are authorized and directed to execute all documents, instruments, and certificates required or necessary to carry out the foregoing resolution and take all other actions necessary or desirable in connection with the foregoing resolution.

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


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

ADOPTED: August 11, 2022

ATTEST:

  
\_\_\_\_\_  
Carmen Smith, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Kevin Newton, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  ) ss  
COUNTY OF PULASKI    )

I, Carmen Smith, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2022-17 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION APPROVING AMENDMENT AND RESTATEMENT OF THE CENTRAL ARKANSAS WATER EMPLOYEES SAVINGS PLAN IN ORDER TO MAINTAIN COMPLIANCE WITH APPLICABLE RULES AND REGULATIONS**, adopted August 11, 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of August 2022.



\_\_\_\_\_  
Carmen Smith, Secretary/Treasurer  
Central Arkansas Water Board of Member of the Boards



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

September 15, 2022

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, September 15, 2022, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

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

**Via Teleconferencing:**

Ms. Kandi Hughes, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. David Johnson, General Counsel  
Mr. Danny Dunn, Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Richard Williams, Lead Groundskeeper  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Chelsea Boozer, Government Affairs Manager  
Ms. Mary Dyson, Executive Assistant

**CAW Staff via Teleconferencing:**

Mr. Alex Harper, GIS Manager  
Mr. Andrew Pownall, P.E., Senior Engineer  
Mr. Doug Farler, Operations Manager  
Mr. Doug Graham, Optimization Manager  
Mr. Jordan Small, Senior Accountant  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Ms. Lauren Schallhorn, Controller  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Sharon Sweeney, Compliance Manager  
Ms. Tamara Gill, Human Resources Generalist  
Ms. Tatiana Herrington, Director of Human Resources

**Also, in Attendance:**

Mr. Joseph Flaherty, AR Dem-Gaz

**Also, in Attendance via Teleconferencing:**

Mr. Jordan Johnson, JPJ Consulting, LLC  
Mr. Paul Strickland, P.E., Garver Engineers  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Mr. Barry Haas, Citizen  
Mr. Trey Baldwin, LRWRA

**CALL TO ORDER**

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

**EMPLOYEE RECOGNITION**

Ms. Linda Smith recognized Mr. Richard Williams for thirty years of service.

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner McKenzie, the minutes of the August 11, 2022, Regular Meeting were unanimously approved.

**PUBLIC COMMENT PERIOD**

No comments.

**NEW BUSINESS**

**Feasibility Study of the City of Wrightsville Wastewater System and the Sweet Home, Higgins, and Red Oak Sewer Facilities Board Wastewater System**

Mr. Bohannon requested Board approval of the undertaking of a feasibility study of a prospective consolidation with the City of Wrightsville Wastewater System and the Sweet Home, Higgins, and Red Oak Sewer Facilities Board Wastewater System.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Smith, after due consideration and discussion, performing the Feasibility Study was unanimously approved.

**CONTRACTS/PURCHASES**

**2-Inch Galvanized Water Main Replacements in North Little Rock - 2022 Phase**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Smith, after due consideration and discussion, a construction contract with Diamond Construction in the amount of \$1,092,000.00 to replace approximately 4,550 linear feet of existing water mains identified as being very problematic and high maintenance in three different areas in North Little Rock: Sierra Court off Sierra Madre Drive, Pope Avenue and Donaghey Drive near Justin Mathews Drive, and at the intersection of Hwy. 161 and Hwy. 70, was unanimously approved.

**DEPARTMENT UPDATES**

Finance

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

**BOARD BRIEFING**

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

**ADJOURNMENT**

With there being no further business, Chair Newton adjourned the meeting.



Carmen Smith, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

October 13, 2022

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, October 13, 2022, via Teams and in the Electric Switch Building at the Ozark Point Water Treatment Plant located at 701 N. Martin Street, Little Rock, Arkansas.

**Present:**

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

**Via Teleconferencing:**

Ms. Kandi Hughes, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. David Johnson, General Counsel  
Ms. Cynthia Edwards, Director of Finance  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Terry Frazier, Director of Customer Service  
Ms. Jackie Thrower, Cashier  
Ms. Anna Lopez, Customer Service Rep - Office  
Ms. Tatiana Herrington, Director of Human Resources  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Sharon Sweeney, Compliance Manager  
Mr. Doug Graham, Optimization Manager  
Mr. Chris Shahan, Assistant Director of Distribution  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Mary Dyson, Executive Assistant

**CAW Staff via Teleconferencing:**

Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Angeline Huey, Senior Accountant  
Mr. Bryan Rugar, Land Conservation Coordinator  
Ms. Chelsea Boozer, Government Affairs Manager  
Ms. Christy Loggins, Training Manager  
Mr. Danny Dunn, Director of Distribution  
Mr. David Hindman, Buyer III

Mr. Doug Farler, Operations Manager  
Ms. Jane Hurley, Education and Outreach Specialist  
Mr. Joe Ginn, Information Services Technician I  
Mr. Jordan Small, Senior Accountant  
Ms. Lauren Schallhorn, Controller  
Ms. Liz Tuck-Rowan, Purchasing Manager  
Ms. Nichole Lewis-Freeman, Talent Acquisition Specialist  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Sonia Leszczyna, Human Resource Administrator  
Ms. Tamara Gill, Human Resources Generalist

**Also, in Attendance:**

Mr. Will Langhorne, AR Dem-Gaz  
Mr. Paul Rogers, McGriff Insurance Services

**Also, in Attendance via Teleconferencing:**

Mr. Barry Haas, Citizen  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Ms. Chelsea Cook, Citizen  
Mr. Drew Daugherty, Citizen  
Mr. Jordan Johnson, JPJ Consulting, LLC  
Mr. Leland Sykes, Grande Maumelle Sailing Club  
Mr. Mark Hedrick, Citizen  
Ms. Mary Michaels, Citizen  
Ms. Ruth Bell, League of Women's Voters

**CALL TO ORDER**

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

**EMPLOYEE RECOGNITION**

Mr. Frazier recognized Ms. Jackie Thrower for thirty years of service.

**NATIONAL HISPANIC HERITAGE MONTH**

CAW celebrated National Hispanic Heritage Month with two presentations given by Customer Service Reps Teresa Celedonio and Ana Lopez.

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hartman, the minutes of the September 15, 2022, Regular Meeting were unanimously approved.

**PUBLIC COMMENT PERIOD**

Mr. Leland Sykes expressed concerns regarding the proposed Lake Maumelle water level drawdown and the impact this would have on the Grande Maumelle Sailing Club.

Mr. Bohannon stated that there will be a presentation later in the meeting about the plan of action for Lake Maumelle. However, in order to maintain the health of the water, the drawdown is one of

the early actions to attempt to curb the growth of hydrilla, an invasive species plant. CAW's main goal is water quality and the delivery of safe drinking water to our customers.

## **NEW BUSINESS**

### **2023 Health Insurance Renewal**

Ms. Herrington made a presentation on the contracts maintaining CAW's employee group health, dental, life, vision, and disability insurance coverages for calendar year 2023 and requested Board approval to change medical coverage from BCBS to Cigna with an increase of 4.6% plus \$150,000 premium credit and a \$20,000 wellness fund, renewal with Delta Dental, Trustmark, Legal Shield, and a new contract with MetLife for Basic Life and AD&D, Disability, Voluntary Life and AD&D, Accident, Critical Illness and Hospital.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Kendall, after due consideration and discussion, the renewal with Delta Dental, Trustmark, Legal Shield, and a new contract with MetLife for Basic Life and AD&D, Disability, Voluntary Life and AD&D, Accident, Critical Illness and Hospital, was unanimously approved.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, after due consideration and discussion, the change of medical coverage from BCBS to Cigna was approved on a 6-1 vote. The members voting aye were Chair Newton, Vice Chair Barth, Commissioners Smith, McKenzie, Hartman, and Hughes. Commissioner Kendall voted nay.

### **Rate Study Policies**

Mr. Mascagni made a presentation on rate study policies including payment processing fees, irrigation meter shut offs, and large volume customer class to gather Commission feedback and finalize draft rate model. Discussion ensued. No action required. Staff will bring a draft rate recommendation back to the Board at the November meeting and a final rate recommendation for a vote at the December meeting.

### **Proposed Changes to CAW Lake Maumelle & Lake Winona Rules and Regulations**

Ms. Lawson stated that the public comment period will be open from October 13 – November 4, 2022. Staff will bring this matter back to the Board for a vote at the November meeting.

## **CONTRACTS/PURCHASES**

### **Purchase 2023 Trucks from State Contract**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hartman, after due consideration and discussion, the purchase of fourteen (14) trucks in the amount of \$462,200.00 from Smart Ford in Malvern, was unanimously approved.

### **Purchase RouteSmart Routing Software**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Kendall, after due consideration and discussion, the purchase of routing software in the amount of \$130,000.00 from RoutSmart Technologies, Inc., was unanimously approved.

### Annual Purchase of Chemicals

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hartman, after due consideration and discussion, new chemical contracts for the ongoing use in the water treatment process at the treatment plants in the amount of \$3,042,367.13, was unanimously approved.

### **DEPARTMENT UPDATES**

#### Operations

Ms. Sweeney provided an update on lake management planning.

#### Finance

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

### **BOARD BRIEFING**

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

### **ADJOURNMENT**

With there being no further business, Chair Newton adjourned the meeting.

  
Carmen Smith, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

November 10, 2022

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, November 10, 2022, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

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

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. David Johnson, General Counsel  
Mr. Danny Dunn, Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Terry Frazier, Director of Customer Service  
Ms. Cynthia Edwards, Director of Finance  
Ms. Lauren Schallhorn, Controller  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Sharon Sweeney, Compliance Manager  
Ms. Tatiana Herrington, Director of Human Resources  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Chelsea Boozer, Government Affairs Manager  
Ms. Mary Dyson, Executive Assistant

**CAW Staff via Teleconferencing:**

Mr. Alex Harper, GIS Manager  
Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Angeline Huey, Senior Accountant  
Mr. Bryan Rugar, Land Conservation Coordinator  
Ms. Danielle Nielsen, Accounting Clerk I  
Mr. Doug Farler, Operations Manager  
Ms. Jane Hurley, Education and Outreach Specialist  
Mr. Jordan Small, Senior Accountant  
Ms. Linda Smith, Director of Sustainability and Facilities  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Sonia Leszczyna, Human Resources Administrator  
Ms. Tamara Gill, Human Resources Generalist



**Also, in Attendance:**

Mr. Jordan Johnson, JPJ Consulting, LLC  
Mr. Joseph Flaherty, AR Dem-Gaz  
Mr. Rocky Craley, Raftelis

**Also, in Attendance via Teleconferencing:**

Mr. Barry Haas, Citizen  
Ms. Chelsea Cook, Citizen  
Mr. Mark Hedrick, Citizen  
Ms. Ruth Bell, League of Women Voters of Pulaski County

**CALL TO ORDER**

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

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Hughes, the minutes of the October 13, 2022, Regular Meeting were unanimously approved as amended to note the meeting location change from the James T. Harvey Administration Building to Electric Switch Building at the Ozark Point Water Treatment Plant.

**PUBLIC COMMENT PERIOD**

No comments.

**OLD BUSINESS**

**Resolution to Permit Changes to CAW Lake Maumelle & Lake Winona Rules and Regulations**

Ms. Lawson presented the final rule revision recommendations as well as public comments received and requested board approval of a Resolution to permit changes to the Lake Maumelle & Lake Winona Rules and Regulations.

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

**NEW BUSINESS**

**Draft Rate Plan Options**

Mr. Mascagni presented draft rate plan options to recover revenue requirements over the next 10 years and stated that no action was required at this meeting and that the Rate Resolution 2023-2032 would be presented for consideration at the December Board Meeting.

**Draft 2023 Financial Plan**

Ms. Edwards presented a draft of the 2023 Financial Plan and stated that no action was required at this meeting and that the final version of the plan would be presented for consideration at the December Board Meeting.

## **CONTRACTS/PURCHASES**

### **Annual Contract for Purchase of Various Sizes and Types of Water Meters**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hartman, after due consideration and discussion, the purchase of various sizes and type of water meters for 2023 from Core & Main and Badger in the estimated amount of \$999,366.45 was unanimously approved.

### **Annual Contract for Utility Locate Services**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner McKenzie, after due consideration and discussion, the 2023 Annual Contract with Arkansas Utility Protection Services, Inc. (ArkUPS), in the amount of \$491,901.00, to locate and mark utilities in preparation for excavations was unanimously approved.

### **2-Inch Galvanized Water Main Replacements in Little Rock – Phase 1 – 2023**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Hughes, after due consideration and discussion, a construction contract with Cisneros Family Construction in the amount of \$1,050,990.21 to replace approximately 4,400 linear feet of existing water mains identified as being very problematic and high maintenance located in Little Rock was unanimously approved.

## **DEPARTMENT UPDATES**

### **Operations**

Ms. Sweeney provided an update on lake management planning.

### **Human Resources**

Ms. Herrington provided an update on 2023 health insurance open enrollment.

### **Finance**

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

## **BOARD BRIEFING**

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

## **ADJOURNMENT**

With there being no further business, Chair Newton adjourned the meeting.



Carmen Smith, Secretary/Treasurer

**RESOLUTION 2022-18**

**A RESOLUTION APPROVING NEW RULES FOR RECREATION AND OTHER ACTIVITIES ON CAW-OWNED LANDS AND WATER IN THE LAKE MAUMELLE AND LAKE WINONA WATERSHEDS; AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO IMPLEMENT SUCH NEW RULES IMMEDIATELY; AND FOR OTHER PURPOSES**

WHEREAS, Central Arkansas Water, an Arkansas public body politic and corporate created under the Consolidated Waterworks Authorization Act, Act 982 of the 83<sup>rd</sup> General Assembly of the State of Arkansas ("CAW"), operates the state's largest water treatment and distribution system which serves, directly or indirectly, citizens in portions of Pulaski, Saline, and Lonoke counties; and

WHEREAS, the Board of Commissioners (the "Board") approved CAW's Regulations for Public Use of Lake Maumelle and Surrounding Property on December 10, 2009, as amended on July 8, 2010, and approved Rules and Regulations for Lake Winona on October 10, 2002; and

WHEREAS, CAW staff presents and requests the Board's approval of a new set of rules for recreation and other activities on CAW-owned lands in both the Lake Maumelle and Lake Winona watersheds.

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

1. The *Rules for Public Use of Land and Water Owned by Central Arkansas Water at Lake Maumelle and Lake Winona* (the "Lake Rules"), in the form presented at the meeting at which this Resolution is addressed, is hereby approved.

2. The Chief Executive Officer (the "CEO") is authorized to implement the Lake Rules and cause them to become effective January 1, 2023, for CAW's property in and around Lake Maumelle and Lake Winona.

ADOPTED: November 10, 2022

ATTEST:

  
Carmen Smith, Secretary/Treasurer

APPROVED:

  
Kevin Newton, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  ) ss  
COUNTY OF PULASKI    )

I, Carmen Smith, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2022-18 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION APPROVING NEW RULES FOR RECREATION AND OTHER ACTIVITIES ON CAW-OWNED LANDS AND WATER IN THE LAKE MAUMELLE AND LAKE WINONA WATERHSEDS; AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO IMPLEMENT SUCH NEW RULES IMMEDIATELY; AND FOR OTHER PURPOSES**, adopted November 10, 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of November 2022.



Carmen Smith, Secretary/Treasurer  
Central Arkansas Water Board of Member of the Boards

**RULES**  
**FOR PUBLIC USE OF LAND AND WATER OWNED BY**  
**CENTRAL ARKANSAS WATER AT LAKE MAUMELLE AND LAKE WINONA**

Adopted by the Central Arkansas Water Board of Commissioners

November 10, 2022

***I. PREFACE***

Lakes Maumelle & Winona are the primary public drinking water supply reservoirs for the Central Arkansas metropolitan area and serve a population of over 500,000. The sole purpose for both Lakes' construction was to provide a high-quality water supply. Central Arkansas Water ("CAW") owns these Lakes and much of the surrounding lands and has the responsibility of protecting them to ensure its outstanding water quality for current consumers and future generations of Central Arkansans. CAW permits certain recreation-based activities on its lands and waters as a service to the region to support improved quality of life while fostering an appreciation for the resources that supply the high-quality and reliable drinking water.

***II. PURPOSE***

The purpose of these rules is to permit limited, compatible recreational use on CAW-owned lands and water in the areas of Lake Maumelle and Lake Winona. These rules are intended to protect these areas from pollution that could deface the lands or negatively impact drinking water quality and/or supplies. All persons using these areas must abide by these rules and all applicable rules, regulations and laws of the State of Arkansas and the United States of America. Exceptions to these rules are limited to employees of Central Arkansas Water, the Arkansas Game and Fish Commission, U.S. Forest Service, and U.S. Geological Survey personnel; and Law Enforcement Officers and others specifically authorized by CAW engaged in the performance of their official duties.

***III. AUTHORITY***

3.1 These rules are promulgated pursuant to Ark. Code Ann. § 14-234-405 (permitting the adoption of rules prohibiting, permitting, and governing recreational activities upon lands and waters owned for waterworks purposes) and Ark. Code Ann. § 25-20-306(a)(14) (granting entities created pursuant to the Consolidated Waterworks Authorization Act the same powers relating to the ownership and operation of waterworks systems as are now by law given to the municipalities creating such entity).

3.2 These rules supplement all other laws, rules, and regulations of the State of Arkansas, the United States of America, the Arkansas Game & Fish Commission, the Fish and Wildlife Service of the U.S. Department of the Interior, the Arkansas Department of Health, the U.S. Department of Health and Human Services, and any other governmental entity or regulatory body having

jurisdiction over hunting, fishing, boating or recreational activities within the State of Arkansas, public health, or the protection of public drinking supply reservoirs.

#### ***IV. ENFORCEMENT***

4.1 CAW may enforce these rules. The Arkansas Game and Fish Commission may enforce the rules that appear in Section IX pursuant to rules of the Arkansas Game and Fish Commission. Law enforcement agencies and other state agencies may enforce these rules as permitted by law.

#### ***V. EFFECTIVE DATE***

These rules are effective as of January 1, 2023. All previous rules and any policies regarding the administration and enforcement of those rules in and around the Lake Maumelle and Lake Winona Use Areas are hereby superseded. Any enforcement action undertaken prior to the effective date of these rules shall be governed by the rules in effect at the time the enforcement actions were taken.

#### ***VI. RESPONSIBILITY***

It is the responsibility of CAW to ensure the health and longevity of these resources. If at any time CAW recognizes that certain recreational activities pose a threat to the reservoirs or the lands surrounding them, the utility reserves the right to suspend or withdraw activities. There are many possible threats to these resources that can be exacerbated by recreational activity including the introduction of disease and harmful invasive or nuisance species, as well as excessive soil erosion and nutrient inputs into the reservoirs. By adhering to these rules, all parties help lessen these risks and allow CAW to support low-impact recreational activity.

#### ***VII. AMENDMENT***

The Board may amend these rules at any time with notice or without notice.

#### ***VIII. REVOCATION OF PRIVILEGES***

CAW may, without prosecution, suspend or revoke the privileges granted by these rules of any person who (i) CAW reasonably believes to have violated these rules or (ii) is found by a court of law to have violated these rules, applicable State or federal rules or laws regarding the safety of public water supply reservoirs, boating, hunting, fishing, public intoxication, or operating motorized vehicles or vessels while intoxicated.

#### ***IX. PERMISSIONS AND PROHIBITIONS***

##### ***A. Generally***

1. **Littering is prohibited** including trash and human and pet wastes deposited on lands or waters and also including the emptying of a toilet or other untreated sewage.

2. **Body contact by a person or an animal, pet, or livestock owned, possessed, or controlled by a person with lake water and recreational activities that may result in such body contact with lake water are prohibited** including but not limited to swimming, bathing, wading, diving, water skiing, jet skiing, stand-up paddle boarding, and the occupying or use of inflatable watercraft but excluding canoeing and kayaking as permitted by these rules.
3. **Camping is prohibited** except in areas specifically designated by CAW. Camping is further limited to one consecutive night in each designated location unless otherwise posted at the site.
4. **Operation of any ATV, E-bike, dune buggy, or amphibious vehicle is prohibited.**
5. **Burning or Open-Air Fires are prohibited**, except in permanent firepits and grills that CAW has established within designated areas, or personal and attended grills, griddles, and camp stoves. Furthermore, it is unlawful to leave a fire without completely extinguishing it; burn any material or objects that are not completely combustible; or build open air fires, even in facilities provided by CAW for such purpose, during burn bans in effect by order of a county judge.
6. **Vandalism and the removal of property is prohibited**, including the destruction, injury, defacement, or removal of signs, and other public property. It is also unlawful to remove any objects, including, but not limited to rocks, fruits, nuts, acorns, artifacts, and plants, although game and fish harvested legally may be removed.
7. **Building, attaching, or occupying any type of structure made from common building materials, such as wire, nylon, canvass, metal, or lumber is prohibited** including but not limited to hunting stands and blinds, buildings, shelters, lean-tos, and moored houseboats. Exceptions to this rule are single night tent-use in designated camping areas and temporary hunting stands and blinds that are not attached with nails, screws, or other metal objects to trees and that are permitted by rules of the Arkansas Game and Fish Commission for wildlife management areas.
8. **Permitting livestock, including but not limited to trail horses or spreading of animal waste onto CAW lands is prohibited.**
9. **Firearms may be possessed only as permitted by rules of the Arkansas Game and Fish Commission for wildlife management areas.**
10. **The distribution, posting, or displaying of advertisements and private notices is prohibited.**
11. **Landing air boats and aquaplanes on water is prohibited.**
12. **The use and possession of fireworks is prohibited.**

13. **Mountain bikes are prohibited** except on trails specifically designated for such use by CAW. E-Bikes are prohibited in ALL areas.
14. **Trespassing.** Entering an area of land that is posted or otherwise designated as off-limits is prohibited.

### ***B. Boating***

15. **Boating is allowed to the extent permitted by and in accordance with these rules** and other applicable rules, regulations, and laws including but not limited to the rules of the Arkansas Game and Fish Commission for wildlife management areas.
16. **All boating activities are prohibited within the restricted area of each lake.**
17. **Authorized watercraft are only allowed to enter and exit the lake at designated, public launch points.**
18. **Each boat with an unblocked through-the-hull toilet is prohibited.**
19. **Boating is restricted to vessels greater than fourteen feet (14') in length,** except for kayaks and canoes as permitted by rules of the Arkansas Game and Fish Commission for wildlife management areas.
20. **Kayaks and canoes, regardless of length, are permitted** in designated lake areas from dawn to dusk and must be launched at designated launch points. At Lake Maumelle canoeing and kayaking is allowed in the area west and south of Arkansas Highway 10 and at Lake Winona, canoeing and kayaking are allowed west of the buoy line nearest the boat ramp.
21. **Boats with a primary motor of LESS than 9.9 horsepower are restricted to the same areas that are designated for canoes and kayaks. Boats with a primary motor of 9.9 horsepower or more are permitted in all areas except the restricted areas of each lake.**

### ***C. Fishing***

22. **Fishing is permitted** as allowed or permitted by the Arkansas Game and Fish Commission Code Book.
23. **Adding materials for fish habitat enhancement in the Lakes is prohibited.** Furthermore, the presence of brush-cutting devices in a boat in the Lake Areas are prohibited.
24. **Commercial fishing and fishing by seine, net, trap, gig, jug lines, and yo-yo are prohibited in the Lakes.**



25. **Trot lines are permitted.** Trot lines may be used as allowed or permitted by the Arkansas Game and Fish Commission Code Book.

26. **Magnet Fishing is permitted.** All recovered items must be removed from water and lands and/or properly disposed of.

***D. Hunting***

27. **Hunting is permitted to the extent permitted by rules of the Arkansas Game and Fish Commission for wildlife management areas.**

28. **Hunting is prohibited on the islands within the Lakes and within the Restricted Areas.**

29. **Hunting dogs are allowed to the extent that they are permitted by rules of the Arkansas Game and Fish Commission for wildlife management areas.**

**X. BOAT INSPECTIONS**

***Before entry into Lake Maumelle or Lake Winona, the exterior of each boat is subject to exterior inspection for invasive aquatic species, and the interior of each boat is subject to interior inspection for properly drained drywells free of invasive aquatic species and unblocked through-the-hull toilets. Each boat that is docked at Lake Maumelle is subject to exterior inspection for invasive aquatic species, and the interior of each boat is subject to interior inspection for unblocked through-the-hull toilets. The presence of any interior or exterior invasive aquatic species, or an unblocked through the hull toilet, shall cause the boat to be denied entry.***

Minutes of a Public Hearing  
Central Arkansas Water

December 6, 2022

Central Arkansas Water (CAW) convened a public hearing at 6:00 p.m. on Tuesday, December 6, 2022, in the Training Room of the Maryland Avenue Complex located at 1500 W. Maryland Avenue, North Little Rock, Arkansas.

**CAW Staff in attendance:**

Tad Bohannon, Chief Executive Officer  
Jeff Mascagni, Chief Financial Officer  
Blake Weindorf, P.E., Chief Operating Officer  
Douglas Shackelford, Director of Public Affairs and Communications  
Samantha Williams-Davis, Communications Specialist and Brand Manager  
Jane Hurley, Education and Outreach Specialist  
Raven Lawson, Watershed Protection Manager  
Sam Zehtaban, Director of Water Production  
Doug Farler, Operations Manager  
Danny Dunn, Director of Distribution  
Jim Ferguson, P.E., Director of Engineering  
Nicole Freeman, Talent Acquisition Specialist  
Chris Shahan, Assistant Director of Distribution  
George Murphy, Compliance Coordinator  
Kevin Thomas, Customer Service Representative  
Teresa Celedonio, Customer Service Representative  
Lesia Jordan, Customer Relations Specialist  
Sheronda Shells, Customer Service Supervisor

**CALL MEETING TO ORDER**

Mr. Mascagni called the Public Hearing to order at 6:00 p.m.

Mr. Mascagni stated that the public hearing was held to discuss needed capital investments in the system and hear comments on the proposed new rate schedule beginning July 1, 2023 through December 31, 2032.

Doug Shackelford presented information on the capital investments needed in the system over the next 10 years.

There were two members from the public in attendance. Both public attendees walked around the room to each station and asked CAW staff questions to learn more about the plans over the next 10 years.

**ADJOURNMENT**

Mr. Mascagni adjourned the meeting at 7:00 p.m.

  
\_\_\_\_\_

Carmen Smith, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

December 15, 2022

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, December 15, 2022, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Mr. Kevin Newton, Chair  
Dr. Jay Barth, Vice Chair  
Ms. Carmen Smith, Secretary/Treasurer  
Mr. Jay Hartman, Commissioner  
Mr. Jim McKenzie, Commissioner

**Via Teleconferencing:**

Ms. Kandi Hughes, Commissioner

**Absent:**

Mr. Anthony Kendall, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. David Johnson, General Counsel  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Danny Dunn, Director of Distribution  
Mr. Chris Shahan, Assistant Director of Distribution  
Mr. Mark Stewart, Distribution Supervisor  
Mr. Stephen "Jr" Shirley, Foreman  
Ms. Phyllis Riley-Smith, Dispatch Coordinator  
Ms. Cynthia Edwards, Director of Finance  
Mr. Sam Zehtaban, Director of Water Production  
Mr. David London, Maintenance Supervisor  
Ms. Tatiana Herrington, Director of Human Resources  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Ben Thesing, Natural Resource Specialist  
Mr. John "Batson" Harkey, Meter Reader  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Mr. Donnie Smith, Safety Specialist  
Mr. Ben West, Safety Specialist  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Chelsea Boozer, Government Affairs Manager  
Ms. Mary Dyson, Executive Assistant

**CAW Staff via Teleconferencing:**

Mr. Alex Harper, GIS Manager  
Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Angeline Huey, Senior Accountant  
Mr. Bryan Rugar, Land Conservation Coordinator  
Mr. David Hindman, Buyer III  
Mr. Doug Farler, Operations Manager  
Mr. Doug Graham, Optimization Manager  
Ms. Jane Hurley, Education and Outreach Specialist  
Mr. Jason Lowder, Engineering Technician  
Mr. Joe Ginn, Information Services Technician I  
Mr. John Pfenenger, GIS Database Coordinator  
Mr. Jordan Small, Senior Accountant  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Matthew Smith, Engineer  
Ms. Nichole Freeman, Talent Acquisition Specialist  
Mr. Patrick Greene, Customer Service Field Manager  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Sonia Leszczyna, Human Resources Administrator  
Ms. Tamara Gill, Human Resources Generalist

**Also, in Attendance:**

Mr. Joseph Flaherty, AR Dem-Gaz  
Mr. Stephen Swofford, AR Dem-Gaz  
Mr. Rocky Craley, Raftelis  
Ms. Leigh Ann Biernat, Senior Vice President, Stephens, Inc.  
Mr. Jack Truemper, Senior Vice President, Stephens, Inc.  
Mr. J. Shepherd Russell, III, Bond Counsel, Friday, Eldredge & Clark LLP

**Also, in Attendance via Teleconferencing:**

Mr. Barry Haas, Citizen  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Mr. Jordan Johnson, JPJ Consulting, LLC  
Ms. Kenetta Ridgell, Communications and Outreach Supervisor, LRWRA  
Mr. Tim Daters, Principal Engineer, White-Daters & Associates  
Mr. Todd Fisher, Citizen

**CALL TO ORDER**

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

**EMPLOYEE RECOGNITION**

Mr. Ben West, Safety Specialist, presented the 2022 John Robinson Award for Safety to Mr. Stephen Shirley, Foreman and Mr. Chris Duncan, Water Distribution Specialist. The John Robinson Award for Safety is awarded annually for excellence in workplace safety.

Mr. Bohannon recognized Mr. David London for 30 years of service, Mr. John "Batson" Harkey for 45 years of service, and Ms. Phyllis Riley-Smith for 30 years of service.

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Smith, the minutes of the November 10, 2022, Regular Meeting were unanimously approved.

### **PUBLIC COMMENT PERIOD**

No comments.

### **OLD BUSINESS**

#### **Revised Draft Rate Resolution for 2023 – 2032**

Mr. Mascagni and Mr. Rocky Craley, Raftelis presented a revised draft of the previously proposed rate resolution. Staff requests that the Board take a month to review and comment on the revised draft. Staff will present the revised Rate Resolution for Board approval at the January meeting.

Commissioner Hughes asked why the volume surcharge bar graph was not included in the presentation. Mr. Craley stated that at the November 10<sup>th</sup> board meeting, staff asked the Board for direction on whether or not the infrastructure fee should be a fixed charge, or a volume-based charge and the decision was made to move to a fixed infrastructure fee; therefore, the volume surcharge option was removed.

#### **Approval of an Interim One-Month Budget for January 2023**

Ms. Edwards presented a budget for the month of January 2023 for operation of CAW until the adoption of the complete 2023 Financial Plan in January 2023.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Smith, after due consideration and discussion, the budget for January 2023 was unanimously approved.

### **NEW BUSINESS**

#### **Resolution Establishing Rates for Perla Service Area**

Mr. Mascagni presented a Rate Resolution establishing rates for the Perla service area.

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

#### **Resolution of Intent to Issue Water Revenue Bonds**

Mr. Mascagni requested Board approval of a Resolution approving Notice to the Cities of Little Rock and North Little Rock declaring the intent to issue Water Revenue Bonds to finance the costs of Hydrilla eradication in Lake Maumelle.

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

#### **Resolution to Waive the Requirements of Competitive Bidding for the Procurement of an Enterprise Resource Planning Platform**

Mr. Mascagni requested Board approval of a Resolution to waive the requirements of competitive bidding for the procurement of an enterprise resource planning platform.

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

## **CONTRACTS/PURCHASES**

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

Upon a motion duly made by Commissioner Smith and seconded by Commissioner McKenzie, after due consideration and discussion, a one-year contract extension with Redstone Construction Group estimated at \$650,534.15, to perform asphalt restoration work needed after CAW crews make repairs or modifications to existing mains was unanimously approved.

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

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, after due consideration and discussion, a contract with Vic's Construction estimated at \$235,014.08, to perform concrete restoration work needed after CAW crews make repairs or modifications to existing mains was unanimously approved.

### **Vehicle Maintenance Contract with Little Rock Water Reclamation Authority**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Barth, after due consideration and discussion, a one-year contract extension with Little Rock Water Reclamation Authority to provide fleet maintenance services for all CAW vehicles and equipment estimated at \$597,000.00 was unanimously approved.

### **Purchase Ductile Iron Pipe**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hartman, after due consideration and discussion, the purchase of 3,000 linear feet of 12-Inch Ductile Iron Pipe in the amount of \$149,340.00 from Core and Main was unanimously approved.

### **2-Inch Galvanized Water Main Replacements in North Little Rock – Phase 1 – 2023**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Barth, after due consideration and discussion, a construction contract with Diamond Construction in the amount of \$1,064,000.00, to replace approximately 4,400 linear feet of existing water mains identified as being very problematic and high maintenance located in North Little Rock was unanimously approved.

## **DEPARTMENT UPDATES**

### **Operations**

Mr. Thesing provided an update on watershed protection monitoring and assessment.

### **Finance**

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

## **BOARD BRIEFING**

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

## **EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Barth, the Board went into Executive Session to discuss a security matter and the annual review of the CEO and General Counsel.

The Board met with Mr. Bohannon to discuss utility vulnerabilities; upon conclusion Mr. Bohannon exited the boardroom and the Board discussed the annual review of the CEO and General Counsel.

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

## **ADJOURNMENT**

With there being no further business, Chair Newton adjourned the meeting.



Carmen Smith, Secretary/Treasurer



**RESOLUTION 2022-19**

**A RESOLUTION TO ESTABLISH A SCHEDULE OF RATES FOR THE CITY OF PERLA, ARKANSAS; TO FIX THE EFFECTIVE DATE FOR THESE RATES; AND FOR OTHER PURPOSES**

WHEREAS, the Board of Commissioners of Central Arkansas Water serves as the court-appointed receiver of the water and wastewater systems of the City of Perla, Arkansas ("City of Perla"); and

WHEREAS, as receiver, the Board of Commissioners is vested by law with the authority to establish rates on behalf of the City of Perla; and

WHEREAS, water rates must be adequate to pay the principal of and interest on all debt issued by the utility, fulfill all other existing debt covenants, provide an adequate depreciation fund, and provide sufficient revenues to properly operate and maintain the waterworks system; and

WHEREAS, the Board of Commissioners, upon the recommendation of staff, finds that the rates established herein are adequate for the City of Perla to meet such aforementioned revenue requirements.

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

Section 1. The Board of Commissioners as receiver hereby adopts for the City of Perla the rate schedule attached hereto as Exhibit 1 and incorporated herein by reference.

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

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

ADOPTED: December 15, 2022

Attest:

APPROVED:

  
\_\_\_\_\_  
Carmen Smith, Secretary/Treasurer

  
\_\_\_\_\_  
Kevin Newton, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Carmen Smith, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2022-19 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION TO ESTABLISH A SCHEDULE OF RATES FOR THE CITY OF PERLA, ARKANSAS; TO FIX THE EFFECTIVE DATE FOR THESE RATES; AND FOR OTHER PURPOSES**, adopted December 15, 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of December 2022.



Carmen Smith, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

# EXHIBIT 1

## RATE SCHEDULE OF THE CITY OF PERLA

Section 1.

Effective Dates

This schedule shall become effective for water and wastewater billed on or after January 1, 2023, unless otherwise noted.

Meter Measurement

All water used shall be measured through meters. The size of each meter shall be determined by the City of Perla 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.

Section 2. The following schedule of rates is hereby established by the City of Perla for all customers within the Perla service territory.

Water Availability Charge

The monthly Water Availability Charge for each customer is as follows:

Meter (diameter)	1/1/2023	7/1/2023
5/8"	n/a	\$28.00
3/4"	\$ 35.15	\$28.00
1"	\$ 54.00	\$46.67
1.5"	\$ 54.00	\$93.33
2"	n/a	\$149.33

Additional Water Volume-Based Monthly Charge

In addition to the monthly Water Availability Charge, the Water Volume-Based Rates as set forth below shall apply to the amount of water delivered each month per 100 cubic feet:

CUSTOMER CLASS	1/1/2023	7/1/2023
RESIDENTIAL	\$ 4.72	\$ 2.92
COMMERCIAL	\$ 4.72	\$ 2.92

Section 3. In addition to the Water Availability and Volume-Based Charges, Water Debt Surcharges shall be assessed on each meter in the Perla service territory. Each Water Debt Surcharge will continue until the debt associated with the respective surcharge is repaid.

WATER DEBT SURCHARGE - INTERMEDIATE IMPROVEMENTS 7/1/2023	WATER DEBT SURCHARGE - LONG TERM IMPROVEMENTS 7/1/2023	WATER DEBT SURCHARGE - OUTSTANDING DEBTS 7/1/2023
\$ 4.56	\$ 9.80	\$ 4.90

Wastewater Availability Charge

The monthly Wastewater Availability Charge for each customer connected to the wastewater system is as follows:

Meter (diameter)	1/1/2023	7/1/2023
5/8"	n/a	\$ 20.00
3/4"	\$ 15.60	\$ 20.00
1"	\$ 34.50	\$ 33.33
1.5"	\$ 56.80	\$ 66.67
2"	n/a	\$ 106.67

Additional Wastewater Volume-Based Monthly Charge

In addition to the monthly Wastewater Availability Charge, the Wastewater Volume-Based Rates as set forth below shall apply to the amount of water delivered each month per 100 cubic feet:

CUSTOMER CLASS	1/1/2023	7/1/2023
RESIDENTIAL	\$ 1.87	\$ 1.87
COMMERCIAL	\$ 1.87	\$ 1.87

Section 4. In addition to the Wastewater Availability and Volume-Based Charges, a Wastewater Debt Surcharge shall be assessed on each meter in the Perla service territory. The Wastewater Debt Surcharge will continue until the debt associated with the surcharge is repaid.

WASTEWATER DEBT SURCHARGE 7/1/2023
\$ 9.65

Section 5. A penalty of ten percent (10%) shall be added to a customer bill not paid before the 20<sup>th</sup> day following the Billing Date. If a bill is not paid within 30 days after the Billing Date, service for the affected premise or customer, together with all other premises or accounts in the name of the same customer, may be disconnected. In such event, the City of Perla may levy a reconnection charge for each account disconnected. In such event, the City of Perla may levy a service charge for installation and removal of each device installed to restrict or limit flow or a reconnection charge for each metered disconnected in the case of disconnection.

Section 6. Each change in the rate that the City of Perla pays to a provider of wholesale water for the City of Perla's purchase of wholesale water shall result in a commensurate rate increase to each customer's bill.

Section 7. Repealer. With the understanding that current rates shall remain in effect until the effective date of the new rates established by this Resolution, all rates and rate schedules adopted previously by the City of Perla are hereby repealed as of the effective date of the rate schedules established herein.

Section 8. 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.

**RESOLUTION 2022-20**

**A RESOLUTION APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE WATER REVENUE BONDS TO FINANCE COSTS OF HYDRILLA ERADICATION IN LAKE MAUMELLE; APPROVING SETTING A DATE FOR A PUBLIC HEARING ON THE ISSUANCE OF THE BONDS; APPROVING THE PREPARATION OF DOCUMENTS FOR THE ISSUANCE AND SALE OF THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

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

WHEREAS, Lake Maumelle is a major source of water for CAW in which hydrilla has been discovered; and

WHEREAS, hydrilla is a federally listed noxious weed that can harm water supply and water intake facilities and make drinking water more costly for consumers; and

WHEREAS, CAW is formulating plans for the eradication of hydrilla in Lake Maumelle (the "Project") and will undertake the Project in phases over a period of years; and

WHEREAS, CAW proposes to finance all or a portion of the costs of the Project; and

WHEREAS, CAW proposes to borrow up to \$8,200,000 to finance costs of the first phase of the Project to be undertaken in 2023 plus costs of the borrowing and any required debt service reserve; and

WHEREAS, the borrowing will be in the form of the issuance and sale of water revenue bonds; and

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

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

Section 1. The Board of Commissioners of CAW hereby declares its intent to issue water revenue bonds to finance the first phase of the Project plus bond issuance

costs and any required debt service reserve in a principal amount not to exceed \$8,200,000.

Section 2. General Counsel of CAW is hereby instructed to give notice to the governing bodies of the Cities of Little Rock and North Little Rock that CAW intends to issue water revenue bonds, in a principal amount not to exceed \$8,200,000 for the purpose of accomplishing the first phase of the Project, paying the cost of issuing the water revenue bonds and funding any required debt service reserve.

Section 3. The Chief Financial Officer of CAW is hereby instructed to schedule a public hearing on the issuance of the water revenue bonds.

Section 4. The Chief Financial Officer, working together with Stephens Inc, as financial advisor, shall determine whether it is in the best interest of CAW, considering prevailing interest rates, timing and costs of issuance, to sell the water revenue bonds at competitive sale or as a private placement.

Section 5. The Chief Financial Officer and General Counsel, working together with Friday, Eldredge & Clark, LLP, as bond counsel, and Stephens Inc, as financial advisor, are hereby instructed to prepare the forms of the bond documentation for presentation and approval by the Board at a later date.

Section 6. The Board of Commissioners hereby determines that CAW's Capital Financing, Debt Management and Fiscal Responsibility Guidelines shall not apply to this debt issuance because the Project costs are not capital expenditures and financing of the Project costs is necessary.

Section 7. The Board of Commissioners of CAW hereby authorizes and directs the Chief Executive Officer, General Counsel, Chief Financial Officer, and other officers and employees of CAW to carry out or cause to be carried out all appropriate actions, to execute such other certificates or documents to evidence authority as authorized herein, and to take such other actions as they, in consultation with Friday, Eldredge & Clark, LLP, as bond counsel, and Stephens Inc, as financial advisor, shall consider necessary or advisable in connection with this Resolution in order to prepare for the issuance and sale of the revenue bonds either as a public sale or a private placement transaction.

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

ADOPTED: December 15, 2022

Attest:

  
Carmen Smith, Secretary/Treasurer

APPROVED:

  
Kevin Newton, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Carmen Smith, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2022-20 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE WATER REVENUE BONDS TO FINANCE COSTS OF HYDRILLA ERADICATION IN LAKE MAUMELLE; APPROVING SETTING A DATE FOR A PUBLIC HEARING ON THE ISSUANCE OF THE BONDS; APPROVING THE PREPARATION OF DOCUMENTS FOR THE ISSUANCE AND SALE OF THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO**, adopted December 15, 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of December 2022.



Carmen Smith, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners



## RESOLUTION 2022-21

**A RESOLUTION TO FIND THAT THE REQUIREMENTS OF COMPETITIVE BIDDING FOR THE PROCUREMENT OF A NEW ENTERPRISE RESOURCE PLANNING PLATFORM ARE NEITHER FEASIBLE NOR PRACTICAL AND TO WAIVE SUCH REQUIREMENTS FOR SUCH PURCHASE; AND FOR OTHER PURPOSES.**

WHEREAS, Central Arkansas Water (“CAW”) intends to procure a new enterprise resource planning platform for the purpose of modernizing its core business processes for optimal performance; and

WHEREAS, enterprise resource planning platforms are complex, and proper procurement by CAW of such enterprise resource planning platform will require close evaluation of organizational experience and capacity, implementation approach and methodology, adherence to functional and technical requirements, software and hardware pricing, subscription pricing, implementation pricing, ongoing cost of ownership, and feedback from current system users; and

WHEREAS, Arkansas law requires municipalities including CAW to employ a formal competitive bidding procedure for each procurement of goods and services for expenditures in excess of \$35,000; and

WHEREAS, the cost of a new enterprise resource planning platform necessarily will exceed \$35,000; and

WHEREAS, Arkansas law permits municipalities including CAW to waive the requirements of competitive bidding in exceptional situations in which the public body deems competitive bidding neither feasible nor practical.

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

Section 1: On account of the great complexities of a new enterprise resource planning platform, the Board of Commissioners of CAW (“Commission”) finds that the employing of a formal competitive bidding procedure for the procurement of such new enterprise resource planning platform is neither feasible nor practical.

Section 2: The Commission hereby waives the requirements of competitive bidding for the procurement of such new enterprise resource planning platform.

Section 2: This Resolution shall be in effect immediately upon its adoption.

Section 3: A copy of this Resolution shall be filed in the administrative offices of CAW, where it will be available for public inspection.

ADOPTED: December 15, 2022

Attest:

  
Carmen Smith, Secretary/Treasurer

APPROVED:

  
Kevin Newton, Chair

