

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

January 9, 2014

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, January 9, 2014, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

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

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Gary Pittman, Chief Financial Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Darrell Boggs, Director of Distribution  
Mr. John Tynan, Director of Customer Relations & Public Affairs  
Mr. Allen Vincent, Director of Information Services  
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source  
Mr. Blake Weindorf, P.E., Senior Engineer  
Mr. Jeff Mascagni, C.P.A., Controller  
Ms. Mary Dyson, Management Secretary  
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.

**Also in Attendance:**

Mr. Jim McHaney, Jr., Attorney for CAW with Hilburn Law Firm  
Mr. Kirby Rowland, P.E., Garver Engineers  
Mr. Gary Heathcott, President, Heathcott Associates  
Mr. Jordan Johnson, JPJ Consulting LLC  
Ms. Mary Carol Poole, Paschall Strategic Communications

**CALL MEETING TO ORDER**

Ms. Marie-Bernarde Miller, Chair, called to order the January 9, 2014 meeting of the Board of Commissioners.

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the December 12, 2013 Regular Meeting were approved.

## **OLD BUSINESS**

### **Wholesale Rate Setting Methodologies**

Mr. Graham Rich, Chief Executive Officer, stated that CAW has almost \$10,000.00 remaining on a previous contract with Raftelis Financial Consultants, which we have not utilized. We are going to use that along with an additional \$26,114.00 to do the work that we feel like will give not only staff but the Board options to look at for alternative rates for Wholesale customers. We hope to bring this back to the Board at the May 8 meeting and provide options at that time.

## **CONTRACTS**

Upon motions duly made and seconded, the following contracts/purchases were approved:

- a. Approve a contract with J.R. Fox Company, Inc. in the amount of \$764,232.50 to relocate water mains in conflict with the improvements necessary to widen Highway 10. This project involves the installation of approximately 4,440 linear feet of 12-inch ductile iron pipe, 230 linear feet of 8-inch ductile iron pipe, 500 linear feet of 6-inch ductile iron pipe, and related appurtenances on Highway 10 from Mississippi Avenue to Perryville Road.
- b. Approve a contract with SAK Construction, LLC in the amount of \$646,941.00 to rehabilitate 1,350 linear feet of 16-inch cast iron with Cured-In-Place pipe. The main is located in the Pulaski Heights business district and has spontaneously broken on two occasions in the last five years, resulting in boil water orders, business closures, and large of areas of discolored water.
- c. Renew annual contract with the USGS to monitor streamflows and water quality at Lake Maumelle and Lake Winona. USGS streamflow and monitoring work at the lakes has been ongoing since 1989. Total cost of the contract is \$487,794.00 with the CAW portion of the contract at \$399,144.00 actual dollars and \$13,350.00 in-kind (staff assists in sample collection & processing) and USGS will provide \$75,300.00 as a cooperative contribution.
- d. Renew annual software maintenance contract with Systems & Software (S&S) of Colchester, Vermont in the amount of \$287,557.00. S&S licenses and provides support services for the enQuesta Customer Information System (CIS) used by CAW. Billing and collection, customer service, and customer accounting operations are processed through the enQuesta software.
- e. Renew annual software maintenance contract with Azteca Systems, Inc. of Sandy, Utah in the amount of \$53,000. Azteca is the software provider of CAW's CityWorks Computer Maintenance Management System (CMMS). CityWorks is used to process all work performed on the distribution system and water treatment plants.

## **DEPARTMENT UPDATES**

### **Customer Relations and Public Affairs**

Mr. John Tynan, Director of Customer Relations & Public Affairs, provided an update on utility public affairs.

#### Zoning Code

- The Taskforce has formed numerous subcommittees to work through the details of the zoning ordinance, including:
  - Feedlots (recommendations submitted)
  - Land application of animal waste & fertilizers (recommendations submitted)
  - Prohibited uses
  - Home occupations
  - Non-Residential zone map revisions
  - Density
  - Open Space
- Some tentative agreement was reached regarding the feedlot and fertilizer recommendations.
- The taskforce has increased the number of meetings with three meetings in February and three in March. The next meeting is January 23.

#### ExxonMobil Pipeline Company (EMPCO) Update

- Additional information was posted to the secure website in December. However, EMPCO restricted our technical consultant's access to the website at the same time additional information was posted.
- CAW has pushed EMPCO to restore our consultant's access so that we may continue to analyze the data and complete a third-party evaluation of the safety and integrity of the pipeline.
- EMPCO received a 90-day extension for the submission of their remedial workplan to PHMSA until early April 2014. This is over a year after the Mayflower rupture.

#### Watershed

Mr. Robert Hart, Technical Services Officer, provided an update on watershed issues.

#### Forest Legacy Program

- Stephanie Liechty submitted a Forest Legacy grant this week, for two parcels on the North side of the lake, in the Reece Creek and Pigeon Roost Creek areas. We should hear the outcome of the grant later this spring.

#### Regionalism

#### Lake Ouachita Water Reallocation Study

- Newly developed 'model' does not match any years' power generation experienced at Blakely Dam.
- Working with Hydropower Analysis Center and Southwest Power Association (SWPA) to determine 'why'.
- Project is more complicated than originally thought because CORPS 'rules of operation' are not being strictly adhered to at Blakely Dam.

- SWPA will have to sign off on modeling results in order for the study to continue.
- Vicksburg will begin their portion of the in-house reports such as the Environmental Assessment, immediately.

#### DeGray Lake

- CORPS is finalizing Hot Springs' 'draft' Water Storage Agreement at this time.
- CAW's 'draft' is currently being worked on and should be in place within the next month for us to begin our review.
- Meetings have taken place with the CORPS, Hot Springs, CAW, and their engineers to outline the next steps in our process.

#### Lonoke White Water Project

- With all six contracts currently under construction, they each average between 80 – 99% complete.
- More specifically, the intake and treatment buildings are 85% complete.
- They are on schedule and on budget with a realistic goal of selling water by April of this year.

#### Arkansas State Water Plan Update

- A preliminary set of water issues have been identified through the Study thus far. A copy of those items has been placed before you.
- ANRC has put together the Issues and Recommendations (I&R) Work Group to prioritize and submit recommendations for resolving these issues. A copy of that list has also been placed before you.
- We begin meeting on January 14 and will continue monthly through April.

#### Finance

Mr. Gary Pittman, Chief Financial Officer, provided a year-to-date financial update on utility operations.

#### **BOARD BRIEFING**

Mr. Rich provided the following information:

- Lake Maumelle level is down 2.3 feet and Lake Winona is down 3.6 feet.
- Mr. Rich stated that we will have a presentation next month on the issues CAW experienced due to the cold weather.

#### **EXECUTIVE SESSION**

Upon a motion duly made by Mr. Tony Kendall, Commissioner and seconded by Dr. Roby Robertson, Commissioner, the Board met in Executive Session to discuss a personnel issue.

Upon reconvening the regular session, a motion duly made by Mr. Jay Hartman, Commissioner, and seconded by Ms. Carmen Smith, Commissioner, to give Mr. Rich permission to advertise

for Chief Legal Counsel to be brought in house and to appoint a Commissioner from the Board to act as a representative to review the applications with the CEO.

Upon a motion duly made by Commissioner Robertson and seconded by Mr. Eddie Powell, Commissioner, Chair Miller was recommended to be the CAW Commissioner to review the applications with the CEO.

**ADJOURNMENT**

Upon a motion duly made and seconded, Chair Miller adjourned the meeting.

  
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Dr. Roby Robertson, Secretary/Treasurer



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

February 13, 2014

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, February 13, 2014, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

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

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Gary Pittman, Chief Financial Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Ms. Becky Wahlgreen, Chief Administrative Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Darrell Boggs, Director of Distribution  
Mr. Terry Bice, Assistant Director of Distribution  
Mr. John Tynan, Director of Customer Relations & Public Affairs  
Mr. Allen Vincent, Director of Information Services  
Mr. Randy Easley, Director of Water Quality  
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source  
Mr. Joe O'Hara, P.E., Senior Engineer  
Mr. Jeff Mascagni, C.P.A., Assistant Chief Financial Officer  
Ms. Stephanie Liechty, Stewardship Coordinator  
Ms. Samantha Williams-Davis, Communications Assistant  
Ms. Mary Dyson, Management Secretary  
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, LLP

**Also in Attendance:**

Mr. Jim McHaney, Jr., Attorney for CAW with Hilburn Law Firm  
Ms. Erin Brogdon, Attorney for CAW with Wright, Lindsey & Jennings, LLP  
Mr. Bernie Hockstetter, Citizen  
Mr. Paul Strickland, P.E., Garver Engineers  
Ms. Whitney Albert, Advantage Communications, Inc.  
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette  
Ms. Caitlin Berry, Heathcott Associates  
Mr. Barry Haas, Citizens Protecting Maumelle Watershed  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County

Mr. Martin Blaney, Habitat Coordinator, Arkansas Game and Fish Commission  
Mr. Steve Burgess, Habitat Biologist, Arkansas Game and Fish Commission  
Mr. Steven Fowler, Assistant Chief Wildlife Division, Arkansas Game and Fish Commission  
Mr. McRee Anderson, Forest Restoration Project Manager, The Nature Conservancy

### **CALL MEETING TO ORDER**

Ms. Marie-Bernarde Miller, Chair, called to order the February 13, 2014 meeting of the Board of Commissioners.

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the January 9, 2014 Regular Meeting were approved.

### **NEW BUSINESS**

#### **Vehicle Maintenance Contract**

Mr. Darrell Boggs, Director of Distribution presented an overview of the fleet maintenance operations CAW contractually shares with Little Rock Wastewater Utility. Vehicle and equipment maintenance costs, outsourcing comparatives and the background and benefits of the shared arrangement were discussed.

#### **Silviculture & Forest Management Practices**

Mr. Randy Easley, Director of Water Quality and Ms. Stephanie Liechty, Stewardship Coordinator, presented an overview of the benefits of CAW's Fire Management and Silviculture Management plans. Through maintaining a vigorously growing, diverse, and well-managed forest, the forested watersheds provide the most beneficial land cover for water quality protection and reduction in fire hazards. Ms. Liechty recognized and thanked Mr. Steve Burgess, Habitat Biologist and Mr. Martin Blaney, Habitat Coordinator, with Arkansas Game and Fish Commission, and Mr. McRee Anderson, Forest Restoration Project Manager and Mike Melnechuk, Fire Manager, with The Nature Conservancy for their help with these projects. Mr. Melnechuk was unable to attend the meeting.

#### **Public Comment**

Mr. Barry Haas, Citizens Protecting Lake Maumelle Watershed, stated he thinks CAW should do a better job of letting private land owners know of CAW's various expenses and efforts that have been put forth to protect the water quality. Also, CAW needs to lead by example and show all the private land owners that CAW is not asking them to do something that we are not willing to do as a public utility.

### **CONTRACTS**

Upon motions duly made and seconded, the following contracts/purchases were approved:

- a. Approve Change Order No. 5 in the amount of \$67,121.87. Van Horn Construction began work on improvements to the Jack H. Wilson and Ozark Point Water Treatment Plants in January 2013. To date, four change orders totaling \$216,785.88 have been

approved. Mr. Joe O'Hara, Senior Engineer provided a presentation outlining the need for this change order and provided a progress report on the overall project.

- b. Approve the purchase of water meters in the amount of \$554,091.00 from multiple vendors. Sealed bids were opened January 27, 2014 for various sizes and types of water meters. Bids were received from five (5) bidders: Neptune Technology, Badger Meter, Mueller Systems, HD Supply, and a no bid from LR Winwater.
- c. Approve the purchase of four (4) equipment transport trailers in the amount of \$62,740.00 from Kraftsman, Inc. Sealed bids were opened January 28, 2014 for the equipment transport trailers. Bids were received from (5) bidders: Fisher Kubota, Overbuilt Trailers, Kraftsman, Inc., JCB of Arkansas, and H&E Equipment.

## **DEPARTMENT UPDATES**

### **Customer Relations and Public Affairs**

Mr. John Tynan, Director of Customer Relations & Public Affairs, provided an update on utility public affairs.

#### **Zoning Code**

- The Taskforce continues to work through subcommittees including:
  - Feedlots (temporary agreement reached)
  - Conditional use procedures (temporary agreement reached)
  - Non-residential zone map revision process (temporary agreement reached)
  - Land application of animal waste & fertilizers
  - Prohibited uses
  - Home occupations
  - Density
  - Open space
  - Stream buffers
- The Taskforce is also exploring items related to new hazardous liquid transmission pipelines and transportation of hazardous materials on highways in the watershed.

#### **ExxonMobil Pipeline Company (EMPCO) Update**

- CAW's technical consultant has reviewed a portion of the information on EMPCO's secure website and has requested additional information.
- Our consultant advised that installing remote operation at the existing valve and adding an additional valve station with check and remote valves would provide some additional protection.
- These improvements have been planned for some time (prior to the Mayflower rupture), with the exception of a remote valve at the new valve site. EMPCO informs us that they are planned for the 4th Quarter in 2014.
- EMPCO submitted a restart request for a 200 mile section of the Pegasus Pipeline located in Texas. CAW has submitted a number of information requests and questions to EMPCO as a result.

#### **Other Updates**



- Fix a Leak Week is March 17-23.
- Flower & Garden Show is February 21-23.
- 16 media reports regarding CAW occurred in January.
- The 10 freeze precaution reports represent over \$22,000 in free media coverage for this topic.
- Both the Call Center and CS-Field met their production goals in January.

#### Watershed

Mr. Easley provided an update on watershed issues.

#### Grass Farm Restoration

- Approximately 7,300 trees will be planted in the test plot areas within the next couple of weeks.

#### Public Comment

Ms. Kathleen Oleson, League of Women Voters of Pulaski County stated that she read that the State of Arkansas was a recipient of several million dollars from the federal government for watershed activities to help protect watersheds and asked if that is something CAW is eligible for.

Mr. Easley responded yes and that is an item that we continue to follow very closely. That particular one was funded for the western part of Arkansas but CAW does continue to seek those funds for our initiatives.

Mr. Bernie Hockstetter, citizen, stated those monies are federal funds in the current budget. He asked if there any funds available for purchasing the right of ways and taking the thirteen miles of the Pegasus Pipeline out of the watershed.

Mr. Tynan responded that to his knowledge no money has been earmarked or no one is seeking out federal dollars at his point to try and acquire right of ways.

#### Regionalism

Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source, provided an update on Regionalism issues.

#### Finance

Mr. Gary Pittman, Chief Financial Officer, provided a year-to-date financial update on utility operations.

### **BOARD BRIEFING**

Mr. Rich made a presentation on Operating Expenses (Chemicals), which comprises 4 percent of the operating budget.

- CAW was awarded 2014 Best Tasting Drinking Water by AWW&WEA Central District.
- Lake Maumelle level is down four-tenths of a foot and Lake Winona is a tenth of a foot over full pool.
- Mr. Rich stated that the Board Retreat is scheduled for March 4 from 9 am to noon.

### **EXECUTIVE SESSION**

Upon a motion duly made by Mr. Eddie Powell, Commissioner and seconded by Dr. Roby Robertson, Commissioner, the Board met in Executive Session to discuss a personnel issue.

Upon reconvening the regular session, a motion was duly made by Commissioner Powell and seconded by Mr. Jay Hartman, Commissioner, to select Mr. Tad Bohannon as Chief Legal Counsel for CAW.

A motion was duly made by Commissioner Robertson and seconded by Ms. Carmen Smith, Commissioner, to authorize Chair Miller to direct and negotiate an offer of employment to Mr. Bohannon for the Chief Legal Counsel position with negotiating authority so granted.

### **ADJOURNMENT**

Upon a motion duly made and seconded, Chair Miller adjourned the meeting.



Dr. Roby Robertson, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

March 13, 2014

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, March 13, 2014, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

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

**CAW Staff in attendance:**

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

**Also in Attendance:**

Mr. Jim McHaney, Jr., Attorney for CAW with Hilburn Law Firm  
Ms. Erin Brogdon, Attorney for CAW with Wright, Lindsey & Jennings, LLP  
Ms. M. Jane Dickey, Bond Counsel for CAW with Rose Law Firm  
Mr. Mark McBryde, Executive Vice President & Director Public Finance Dept., Stephens, Inc.  
Mr. Jack Truemper, Senior Vice President, Stephens, Inc.  
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette  
Ms. Caitlin Vestal, Heathcott Associates  
Mr. Barry Haas, Ratepayer  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County

## **CALL MEETING TO ORDER**

Ms. Marie-Bernarde Miller, Chair, called to order the March 13, 2014 meeting of the Board of Commissioners.

## **EMPLOYEE RECOGNITION**

Mr. Graham Rich, P.E., CEO, recognized Mr. Kevin Hall, Director of Environmental Health & Safety, for his efforts in responding to a customer that had collapsed in the CAW lobby on February 5. Kevin responded immediately to the call for help and performed CPR until the EMT's arrived. Kevin put the customer's health and safety above his own. His actions were selfless and nothing short of heroic. Graham extended his gratitude and deepest appreciation to Kevin for exemplifying the qualities that we value at CAW. Sadly, in spite of the valiant efforts performed by Kevin and the EMT's, we later learned that the customer passed away.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the February 13, 2014 Regular Meeting were approved.

## **RESOLUTIONS**

### **Adopt a Resolution Approving Notice of CAW's intent to issue Water Revenue Refunding Bonds**

Mr. Gary Pittman, Chief Financial Officer, introduced Mr. Mark McBryde, Executive Vice President & Director Public Finance Department, and Mr. Jack Truemper, Senior Vice President with Stephens, Inc., and Ms. M. Jane Dickey, Bond Counsel for CAW with Rose Law Firm. Mr. Truemper made a presentation on the projected savings associated with refunding and refinancing the 2004 bond issue. The Board was asked to adopt the Resolution approving notice to the Cities of Little Rock and North Little Rock of the intent of CAW to issue Water Revenue Refunding Bonds.

Upon a motion duly made by Mr. Tony Kendall, Commissioner, and seconded by Mr. Eddie Powell, Commissioner, the resolution was approved.

## **NEW BUSINESS**

### **Lake Maumelle Zoning Code Taskforce**

Mr. John Tynan, Director of Customer Relations & Public Affairs, updated the Board on the activities of the Lake Maumelle Zoning Code Taskforce. The independent taskforce was created in April 2013 by the Pulaski County Quorum Court to review the zoning code proposed by the County for the Lake Maumelle Watershed.

## **CONTRACTS**

Upon motions duly made and seconded, the following purchase was approved:

- a. Approve the purchase of one (1) Diesel and one (1) Natural Gas Generator in the amount of \$92,398.00 from Cummins Mid-South, LLC. These generators will increase

backup power capacity at Pump Station #14 and Clearwater to meet current emergency operating needs. The existing generators will be repurposed to provide backup power at the Wye Mountain Pump Station and the Wilson Maintenance Facility.

## **DEPARTMENT UPDATES**

### **Customer Relations and Public Affairs**

Mr. Tynan provided an update on utility public affairs.

#### **Zoning Code**

- The Taskforce meets on March 13 and March 20 to finalize potential recommendations to the Pulaski County Quorum Court
- The Pulaski County Quorum Court is expected to receive and review the recommendations at their April 22 meeting or later

#### **ExxonMobil Pipeline Company (EMPCO) Update**

- CAW has had limited discussions with EMPCO regarding the restart of the Texas section of the Pegasus
- CAW's technical consultant advises us that he has yet to be provided sufficient documentation to indicate that EMPCO can accurately and reliably identify crack threats in the Pegasus pipeline
- CAW continues to request additional information from EMPCO to evaluate their ability to identify cracks

#### **Fix a Leak Week 2014**

- Through CAW, local plumbers will provide direct plumbing repair assistance to over sixty-five low income or elderly customers
- Media tour scheduled and Social media highlights planned
- Multiple items available for customers in LR and NLR offices

#### **Communication Updates**

- Five media reports regarding CAW occurred in February
- Distributed over six hundred rain gauges and two hundred low-flow fixtures at the AR Flower & Garden Show
- Eleven staff supported the Little Rock Marathon by providing over sixty gallons of water to race participants

#### **Customer Service Updates**

- Customer Service-Field worked 9,143 work orders in February
- Customer Service Call Center handled 15,149 calls in February

#### **Watershed**

Ms. Stephanie Liechty, Stewardship Council, provided an update on Watershed issues.

#### **Regionalism**



Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source, provided an update on Regionalism issues.

Finance

Mr. Gary Pittman, Chief Financial Officer, provided a year-to-date financial update on utility operations.

**BOARD BRIEFING**

Mr. Rich provided an update on the following:

- Lake Maumelle level is half a foot above full pool and Lake Winona is a one tenth of a foot above full pool
- Mr. Rich stated that the Board Retreat has been re-scheduled for May 28

Chair Miller welcomed Tad Bohannon to his first Board Meeting as CAW's Chief Legal Counsel.

**ADJOURNMENT**

Upon a motion duly made and seconded, Chair Miller adjourned the meeting.



Dr. Roby Robertson, Secretary/Treasurer

RESOLUTION NO. 2014-01

A RESOLUTION APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK OF THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE WATER REVENUE REFUNDING BONDS; APPROVING SETTING A DATE FOR A PUBLIC HEARING ON THE ISSUANCE OF THE BONDS; APPROVING THE PREPARATION OF AN OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM, AND PRELIMINARY OFFICIAL STATEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

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

WHEREAS, CAW has previously issued its \$22,000,000 original principal amount Water Revenue Bonds, Series 2004 (the "Prior Bonds"); and

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

WHEREAS, CAW proposes to issue water revenue bonds in the aggregate principal amount not to exceed \$15,000,000 for the purpose of refunding the Prior Bonds, together with establishing a debt service reserve and paying the costs of issuing the bonds; and

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

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

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

Section 1. The Chief Executive Officer is hereby instructed to give notice to the governing bodies of the Cities of Little Rock and North Little Rock that CAW intends to issue water revenue refunding bonds in an amount not to exceed Fifteen Million Dollars (\$15,000,000) for the purpose of refunding the Prior Bonds.

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

Section 3. The Chief Financial Officer, together with the Financial Advisor and Bond Counsel and Disclosure Counsel, is hereby instructed to prepare the forms of an Official Notice of Sale, Official Bid Form, and Preliminary Official Statement for presentation and approval by the Board at a later date.

Section 4. Such preliminary actions as are determined to be necessary by the Chief Executive Officer and Chief Financial Officer are hereby authorized for the marketing of water revenue refunding bonds in order to provide sufficient funds for refunding the Prior Bonds; provided, however, that at such time as the Chief Executive Officer may determine to be in the best interests of CAW, the final terms of the public sale of the bonds shall be submitted for approval by the Board of Commissioners of CAW, together with the proposed form of the Official Notice of Sale, Official Bid Form, and Preliminary Official Statement.

Section 5. The Board of Commissioners of CAW hereby authorizes and directs the Chief Executive Officer, Chief Financial Officer, and other officers and employees of CAW to carry out or cause to be carried out all appropriate actions, to execute such other certificates or documents to evidence authority as authorized herein, and to take such other actions as they, in consultation with the Financial Advisor and Bond Counsel and Disclosure Counsel, shall consider necessary or advisable in connection with this Resolution in order to prepare for the sale of the bonds.

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

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

ADOPTED: March 13, 2014

ATTEST:

  
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Dr. Roby Robertson, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Marie-Bernarde Miller, Chair





Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

April 10, 2014

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, April 10, 2014, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

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

**Absent:**

Mr. Anthony Kendall, Commissioner

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, Chief Operating Officer  
Mr. Gary Pittman, Chief Financial Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Ms. Becky Wahlgreen, Chief Administrative Officer  
Mr. Tad Bohannon, Chief Legal Counsel  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Darrell Boggs, Director of Distribution  
Mr. John Tynan, Director of Customer Relations & Public Affairs  
Mr. Randy Easley, Director of Water Quality  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source  
Mr. Tom Wray, P.E., Senior Engineer  
Mr. Jeff Mascagni, C.P.A., Assistant Chief Financial Officer  
Ms. Samantha Williams-Davis, Communications Assistant  
Ms. Mary Dyson, Management Secretary  
Mr. Robert Martin, Safety Specialist  
Mr. Alan Dickey, Instrument Technician II  
Mr. James Dunn, Engineering Technician

**Also in Attendance:**

Mr. Jim McHaney, Jr., Attorney for CAW with Hilburn Law Firm  
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette  
Mr. Barry Haas, Ratepayer  
Ms. Ruth Bell, League of Women Voters of Pulaski County



Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Robin Scott, Audit Senior Manager, Thomas & Thomas, L.L.P.  
Ms. Mary Carol Poole, Paschall Strategic Communications  
Ms. Whitney Albert, Advantage Communications, Inc.

### **CALL MEETING TO ORDER**

Ms. Marie-Bernarde Miller, Chair, called to order the April 10, 2014 meeting of the Board of Commissioners.

### **EMPLOYEE RECOGNITION**

Mr. Graham Rich, P.E., Chief Executive Officer, recognized Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source for being selected as the 2014 Glen T. Kellogg Water & Wastewater Award recipient for providing major contributions to the Arkansas Water Works and Water Environment Association (AWW&WEA), and exhibiting outstanding service and dedication to the Arkansas water and wastewater industry. Nominees should have demonstrated a concern for environmental stewardship and the protection of public health throughout their career, demonstrated by leadership efforts and service to the industry.

Mr. Rich introduced Mr. Robert Martin, Safety Specialist, who presented the 2013 John Robinson Award for Safety to Mr. James Dunn, Engineering Technician. The John Robinson Award for Safety is awarded annually for excellence in workplace safety.

Congratulations to each of these employees on their receipt of these prestigious awards of excellence.

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the March 13, 2014 Regular Meeting were approved.

### **NEW BUSINESS**

#### **Approve the 2013 Audit for CAW**

Mr. Jeff Mascagni, Assistant Chief Financial Officer, introduced Robin Scott, Audit Senior Manager, from Thomas & Thomas, L.L.P. who presented a review of the draft 2013 Audit for CAW.

Upon a motion duly made by Mr. Eddie Powell, Commissioner, and seconded by Mr. Jay Hartman, Commissioner, the comprehensive annual financial report was approved.

#### **Presentation on Customer Information System Software Issues**

Mr. Thad Luther, Chief Operating Officer, updated the Board on the recent Systems & Software (S&S) billing software upgrade and the resulting erroneous late fees applied to a small number of CAW customers.

Mr. John Tynan, Director of Customer Relations & Public Affairs, presented examples of a typical bill payment processing, correct and incorrect late fee assessment, and how the problem

was addressed. Mr. Tynan stated that the soonest we would be able to apply the credit would be this weekend [April 12/13] and the latest would be the end of next week [April 18].

Mr. Rich stated anytime you have an overhaul of a software system such as this, there are lessons learned. CAW has a long history of accurate billing and S&S has been a part of that. Our standard is so high that even one incorrect bill does not meet our performance expectations. In hindsight, one of the things we would change, even though it would cost more, would be to run additional simulations. Mr. Rich stated that, ultimately, the responsibility rested on his shoulders and that CAW is committed to getting the problem worked out, refunding customers their money, and making sure this doesn't happen again. We plan to notify affected customers on their bill or by a separate letter, when the refund has been applied.

#### Presentation on Winter Weather Impact on CAW Operations

Mr. Robert Hart, Technical Services Officer, updated the Board on the impact the weather played in CAW operations and water main breaks that CAW experienced this winter.

### **DEPARTMENT UPDATES**

#### Customer Relations and Public Affairs

Mr. Tynan provided an update on utility public affairs.

##### Zoning Code

- The Taskforce met multiple times in March to finalize recommendations to the Quorum Court.
- The Quorum Court will not review the recommendations until their May meeting or later.
- No significant improvements to water quality protection in the areas of density, open space, stream buffers or prohibited uses.
- No significant loss of water quality protection from the recommendations.
- Awaiting County Staff review to determine if recommendations present any administrative or enforcement concerns.

##### ExxonMobil Pipeline Company (EMPCO) Update

- EMPCO received approval from PHMSA for restart of the southern portion of the Pegasus pipeline on March 31.
- EMPCO submitted its remedial workplan for the northern section of the pipeline (including the watershed) on March 29.
- Staff met with EMPCO on March 28 to discuss results from 2013 testing, elements of the workplan, and other items of concern from EMPCO.
  - 2013 tests identified additional "contributing factors" of the Mayflower rupture, but the cause remains unidentified.
  - EMPCO is beginning follow-up tests to the 2013 in-line-inspection that will identify areas of needed replacement, repair, or rehabilitation.
  - EMPCO and CAW discussed the use of a hydrostatic test to prove the integrity of the pipeline, with additional discussions to continue.

- Discussed additional valving in the watershed.
- CAW identified a desire to discuss improvements in EMPCO's tactical response plan and integrity management program.

#### Fix a Leak Week 2014

- Direct assistance to over 65 low income or elderly customers.
- Additional assistance and leak notice provided to 100 others.
- Media tour completed, reaching over 140,000 at a value of \$22,000.
- Social media campaign saw increase in reach to users.

#### Customer Service Updates

- Customer Service-Field worked 9,315 work orders in March.
- Customer Service Call Center handled 15,184 calls in March.

#### Watershed

Mr. Randy Easley, Director of Water Quality, made a presentation on biological monitoring and why it is performed and how it is often able to detect water quality impairments that other methods may miss or underestimate.

#### Regionalism

Mr. Kimbrow provided an update on Regionalism issues.

#### Lonoke/White PWA

- Project is still 'on budget'
- Experiencing a few delays within the distribution system
- Expectations are that treated water will be sent down the pipeline within the next week to begin testing

#### Little Rock District CORPS

- Additional allocation request
- Originally set up for 2015 FY Budget
- Has been approved for funding 'this year'
- Anticipated to be a 3-year effort
- Details have not been worked out yet

#### Arkansas State Water Plan Update

- Last Regional Meetings took place in March with the purpose of not only identifying specific high priority issues but also to make recommendations on how to address those issues:
  - Federal and state regulations impede implementing and effectively managing water utility projects.
    - Establish 'mediator' between state/federal regulators to facilitate permitting process as an advocate for cities/utilities
  - Reallocation of storage for water supply in CORPS lakes needs to occur.



- Note in the Water Plan as a 'critical' issue for current and future needs.
- New surface water impoundments are needed to provide adequate water supply.
  - Note in the Water Plan as a 'critical' issue for current and future needs.
- Legislation needs to be tailored to specific regions; one statewide size does not fit all regions.
  - Implement 'regional' standards for quality and quantity as it pertains to drinking water.
- Policy issue on drinking water
  - Propose legislation that designates the highest and best use of any Arkansas water be for human consumption and that any Arkansas agency's permitting or program decisions first consider the effects of their decision on the availability, quantity or quality of existing drinking water supplies.
  - ANRC should emphasize the highest and best use of any Arkansas water be for human consumption in any permitting decisions related to water withdrawals for alternative uses.

#### Finance

Mr. Gary Pittman, Chief Financial Officer, provided a year-to-date financial update on utility operations.

#### **BOARD BRIEFING**

Mr. Rich provided an update on the following:

- Mr. Rich deferred his presentation on Operating Expenses (Summary) to the May Board meeting.
- Lake Maumelle and Lake Winona are both at full pool.
- Mr. Rich stated that the Board Retreat is scheduled for May 28 to discuss Asset Management.

#### **EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Robertson and seconded by Ms. Carmen Smith, Commissioner, the Board met in Executive Session to discuss a personnel matter.

Upon reconvening the regular session, Chair Miller said no action was taken.

#### **ADJOURNMENT**

Upon a motion duly made and seconded, Chair Miller adjourned the meeting.

Dr. Roby Robertson, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

May 8, 2014

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, May 8, 2014, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

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

**Absent:**

Mr. Eddie Powell, Vice Chair

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Gary Pittman, Chief Financial Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Ms. Becky Wahlgreen, Chief Administrative Officer  
Mr. Tad Bohannon, Chief Legal Counsel  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Darrell Boggs, Director of Distribution  
Mr. John Tynan, Director of Customer Relations & Public Affairs  
Mr. Randy Easley, Director of Water Quality  
Mr. Gary Hum, Director of Source & Treatment  
Mr. Doug Graham, Assistant Director of Source & Treatment  
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source  
Ms. Deena Coston, Controller  
Ms. Samantha Williams-Davis, Communications Assistant  
Ms. Mary Dyson, Management Secretary

**Also in Attendance:**

Mr. Jim McHaney, Jr., Attorney for CAW with Hilburn Law Firm  
Ms. Erin Brogdon, Attorney, Wright, Lindsey & Jennings LLP  
Ms. Emily Walkenhorst, Reporter, Arkansas Democrat-Gazette  
Mr. Paul Strickland, P.E., Garver Engineers  
Mr. Barry Haas, Ratepayer  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County



Ms. Mary Carol Poole, Paschall Strategic Communications  
Ms. Jill Joslin, Heathcott Associates Advertising Agency

### **CALL MEETING TO ORDER**

Ms. Marie-Bernarde Miller, Chair, called to order the May 8, 2014 meeting of the Board of Commissioners.

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the April 10, 2014 Regular Meeting were approved.

### **NEW BUSINESS**

#### **Appointment of Nominating Committee for 2014 – 2015 Officers**

Chair Miller appointed Ms. Carmen Smith, Commissioner, to chair a committee to nominate officers for the 2014 – 2015 term beginning July 1. She asked Commissioner Smith to report back at the June Board Meeting.

#### **Appointment of Nominating Committee for Appointment/Reappointment of Commissioner**

Chair Miller said that Commissioner Anthony Kendall's term expires on June 30, 2014. She asked Commissioner Smith to chair a committee to recommend the reappointment of Commissioner Kendall or an appointment to fill the Commission vacancy. Chair Miller asked Commissioner Smith to report back at the June Board Meeting.

#### **Approve Payments to Retain DeGray Lake Right of First Refusal**

Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source requested approval of payment in the amount of \$154,426.20 to the Ouachita River Water District and the Corps of Engineers to retain the Right of First Refusal for 120 MGD from DeGray Lake.

Upon a motion duly made by Dr. Roby Robertson, Commissioner and seconded by Commissioner Smith, payment for Right of First Refusal was approved.

### **CONTRACTS/PURCHASES**

Upon motions duly made and seconded, the following contracts/purchases were approved:

- a. A contract with Westin Engineering, Inc., in the amount of \$49,944.00 to provide a comprehensive assessment of the current SCADA (supervisory control and data acquisition) system. SCADA is the computer system that continuously gathers and analyzes real-time system data used to operate all CAW treatment and distribution facilities.
- b. The purchase of pH replacement controllers and probes in the amount of \$56,733.15 from TriNova, Inc. Continuous pH monitoring is utilized throughout the treatment plants for process control and compliance monitoring.

## DEPARTMENT UPDATES

### Customer Relations and Public Affairs

Mr. Tynan provided an update on utility public affairs.

#### Zoning Code

- Taskforce submitted recommendations to the Pulaski County Quorum Court on April 4.
- Pulaski County staff reviewed and accepted the majority of recommendations, with the exception of definition changes and Use Matrix modifications.
- Taskforce is scheduled to meet with Pulaski County staff on May 21 to discuss the recommendations and finalize the document.
- No significant loss of water quality protection from the recommendations.
- Zoning Code went into full effect on April 23, 2014, after the one year moratorium expired.

#### Waterview Estates

Platted areas in Waterview Estate Phase III are proposed to be developed. This area drains to the runoff diversion ditch and is considered out of the watershed. The area can be developed as they wish provided they comply with local laws and regulations.

#### Drinking Water Week

The week of May 5-9 is National Drinking Water Week, which is an annual campaign through the American Water Works Association. Both Mayors of LR and NLR proclaimed this week Drinking Water Week.

#### Customer Service Updates

- Customer Service-Field worked 11,242 work orders in April.
- Customer Service Call Center handled 17,484 calls in April.

#### Billing System Update

- Late fee credits related to Credit Fund Transfer have been processed and customers were notified via letter.
- 18 major items remain before CAW releases payment to S&S for the billing system upgrade.
- Remaining items include incorrect routing of funds internally to various billing partner accounts, backup time, lack of automation, and workflow issues.
- New items are isolated to smaller numbers of customers and are fewer.
- If issues arise that affect accounts, credits are processed and customers are notified as soon as possible. CAW also works to address the root cause.

#### Watershed

Mr. Randy Easley, Director of Water Quality, provided an update on watershed issues.

- Two controlled burns around Lake Maumelle were conducted by The Nature Conservancy (TNC) in April. CAW has partnered with TNC and other state and local partners to complete controlled burns around the Lake Maumelle area in a safe and

effective way. All nearby landowners (2 mile radius) and sensitive customers were notified of the events.

- On April 9 and 10, approximately 414 acres were burned along the north shore of Lake Maumelle (NL1) in the area of Lundsford Corner and Hwy 300.
- On April 29 and 30, approximately 145 acres were burned along the western shore of Lake Maumelle near the intersection of Hwy 10 and Hwy 113.
- The recent tornado that moved through the area caused timber damage to approximately 40 acres in the watershed on the south side of Lake Maumelle and 130 acres on the north shore. Because of potential pine beetle damage, total organic carbon input, and increased fire danger once the trees begin to decay, staff is negotiating a "salvage" harvest to mitigate these impacts.

#### Public Comment

Mr. Barry Haas, Ratepayer, asked if this would open up some different management options, instead of having to do thinning at CAW's expense and not going back to fully forested. Mr. Easley responded that CAW's management goals for these units were based on pre-history management and to go back to that pre-condition.

Mr. Haas asked if an EF4 tornado went over Lake Maumelle intake facilities and everything was destroyed, how long the system would be out of service. Mr. Rich responded that it would be hard to say. If you are talking winds of up to 200 mph, there is a high likelihood we could sustain significant damage. The first phase of updating our vulnerability assessment is complete and the second phase is expected to be completed this summer. We manage risk every single day and we are definitely aware of the potential for this to happen.

#### Regionalism

Mr. Kimbrow provided an update on Regionalism issues.

#### MAWA Board Meeting

- Amend the Greers Ferry Allocation Agreement between MAWA and the Northern Working Group to reflect the following change:
  - Grand Prairie Bayou II Public Facilities Board is changing their organizational structure to a Public Water Authority (PWA). An amendment reflecting same is necessary to preserve their allocation rights.
- Saline Watershed Alliance (SWA)
  - The SWA Board voted to hire David Menz, Attorney with Williams & Anderson PLC, to draw up papers to restructure them as a PWA. They believe this will allow them to better manage the future of the group. Process should take 3-6 weeks to complete.

#### Lonoke/White PWA

- Arkansas Department of Health has given approval for Lonoke/White PWA to begin moving water for testing purposes.
- Lab has been completed.
- Meter stations are complete and ready to receive water.
- Punch list for construction work is being worked on.

- Initial water to be sold in late May to Vilonia.

#### Finance

Mr. Gary Pittman, Chief Financial Officer, provided a year-to-date financial update on utility operations.

#### **BOARD BRIEFING**

Mr. Rich provided an update on the following:

- A summary presentation on Operating Expenses was made, which identified CAW's strengths, potential weaknesses, opportunities for improvements, and potential long-term threats to maintaining our budget.
- Lake Maumelle is down one-tenth of a foot and Lake Winona is down two-tenths of a foot.
- Mr. Rich stated that the Board Retreat is scheduled for May 28 to discuss Asset Management.
- CAW is in the final phases of upgrading our two treatment plants. As part of the upgrade, CAW is required to sample for additional parameters. We have to pull samples of the by-product of adding chlorine dioxide, which is called chlorite. We have been successful in this sampling until about two weeks ago when we did not pull a chlorite sample at our Jack H. Wilson Treatment Plant on one Friday. Given the history and the data that we have seen, there is no reason to believe that we would have been anywhere close to a maximum containment level of violation of chlorite. However, we know this is a violation and we self-reported by a phone call and subsequent letter to the Arkansas Department of Health (ADH). We have a long history of compliance and this is an aberration, but that does not make it acceptable. We don't know yet if we will be cited by the ADH and are operating on the assumption that we will be. It is a non-health threatening violation. It is a reporting violation. Given our high standards and our high quality of service, even one of these is clearly unacceptable and we will do everything to ensure that it will not happen again. Although this is a very negative thing, we have had a long history of compliance with pulling all the samples required. We pull over 367 individual samples each day and 134,000 samples per year. We have had a good system in place merely from the standpoint that we have not had a violation historically. We have identified several different areas that we will be looking at to improve redundancy as a result of this.
- The Stakeholders Meeting has been moved from May to February of each year.

#### **EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Robertson, the Board met in Executive Session to discuss a personnel matter.

Upon reconvening the regular session, Chair Miller said no action was taken.

#### **ADJOURNMENT**

Upon a motion duly made and seconded, Chair Miller adjourned the meeting.



Dr. Roby Robertson, Secretary/Treasurer



Minutes of a Special Meeting  
Board of Commissioners  
Central Arkansas Water

May 28, 2014

The Board of Commissioners, Central Arkansas Water (CAW), convened in a special meeting at 9:00 a.m., Wednesday, May 28, 2014, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

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

**Absent:**

Mr. Anthony Kendall, Commissioner

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Gary Pittman, Chief Financial Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Ms. Becky Wahlgreen, Chief Administrative Officer  
Mr. Tad Bohannon, Chief Legal Counsel  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Darrell Boggs, Director of Distribution  
Mr. Terry Bice, Assistant Director of Distribution  
Mr. John Tynan, Director of Customer Relations & Public Affairs  
Mr. Gary Hum, Director of Source & Treatment  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Mr. Jeff Mascagni, Assistant Chief Financial Officer  
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source  
Mr. Jonathan Long, P.E., Senior Engineer  
Ms. Mary Dyson, Management Secretary

**Also in Attendance:**

Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette

**CALL MEETING TO ORDER**

Ms. Marie-Bernarde Miller, Chair, called to order the May 28, 2014 meeting of the Board of Commissioners.

## **PRESENTATIONS**

Graham Rich, Chief Executive Officer, made a presentation on the relationship between strategic planning, rate development and capital financing/funding.

Robert Hart, Technical Services Officer, made a presentation on matters relating to asset management.

Gary Pittman, Chief Financial Officer, made a presentation on capital needs and funding sources.

After a short break, Graham Rich, Chief Executive Officer, made another presentation on possible next steps for the utility relating to asset replacement and other management and operational challenges facing the utility.

Discussion ensued.

## **ADJORNMENT**

Upon a motion duly made and seconded, Chair Miller adjourned the meeting.



Dr. Roby Robertson, Secretary/Treasurer

Minutes of a Public Hearing  
Central Arkansas Water

June 10, 2014

Central Arkansas Water (CAW), convened a public hearing at 2:00 p.m., Tuesday, June 10, 2014, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**CAW Staff in attendance:**

Mr. Gary Pittman, Chief Financial Officer  
Mr. Jeff Mascagni, Assistant Chief Financial Officer  
Ms. Mary Dyson, Management Secretary

**Also in Attendance:**

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

**CALL MEETING TO ORDER**

Mr. Gary Pittman, Chief Financial Officer, called to order the June 10, 2014 Public Hearing at 2:00 p.m.

Mr. Pittman stated he would answer questions and receive public comments regarding a resolution authorizing the issuance of refunding water revenue bonds in an amount not to exceed a total principal amount of \$15,000,000. The Board of Commissioners has determined that significant debt to service savings may be realized through the refunding of its outstanding water revenue bonds issued in 2004.

**ADJOURNMENT**

No discussion ensued; therefore Mr. Pittman adjourned the meeting at 2:01 p.m.

  
\_\_\_\_\_  
Anthony Kendall, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

June 12, 2014

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, June 12, 2014, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

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

**Absent:**

Ms. Marie-Bernarde Miller, Chair

**CAW Staff in attendance:**

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

**Also in Attendance:**

Mr. Rocky Craley, Raffelis Financial Consulting  
Mr. Jim McHaney, Jr., Attorney for CAW with Hilburn Law Firm  
Ms. Erin Brogdon, Attorney, Wright, Lindsey & Jennings LLP  
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette  
Ms. M. Jane Dickey, Bond Counsel for CAW with Rose Law Firm  
Mr. Jack Truemper, Senior Vice President, Stephens, Inc.  
Mr. Lance Hines, Little Rock City Director



Mr. Barry Haas, Ratepayer  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Mary Carol Poole, Paschall Strategic Communications  
Mr. Gary Heathcott, President, Heathcott Associates Advertising Agency  
Ms. Whitney Albert, Advantage Communications, Inc.  
Mr. Tim Daters, P.E., White-Daters & Associates, Inc.  
Mr. Aaron Benzing, P.E., Hawkins-Weir Engineers, Inc.  
Mr. Drew Petrimoulx, Reporter, KARK Channel 4  
Cameraman, KARK Channel 4  
Mr. Dana Jackson, Little Rock Police Officer  
Mr. George Williams, Little Rock Police Officer

### **CALL MEETING TO ORDER**

Mr. Eddie Powell, Vice Chair, called to order the June 12, 2014 meeting of the Board of Commissioners.

### **EMPLOYEE RECOGNITION**

Mr. Graham Rich, Chief Executive Officer, recognized Ms. Becky Wahlgreen, Chief Administrative Officer, for 25 years of service.

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the May 8, 2014 Regular Meeting and the May 28, 2014 Special Called Meeting were approved.

### **OLD BUSINESS**

#### **Appointment/Reappointment of Commissioner**

Upon a motion duly made by Ms. Carmen Smith, Commissioner, and seconded by Mr. John Braune, Commissioner, the reappointment of Mr. Tony Kendall, Commissioner, to a new seven-year term was approved.

#### **Appointment of 2014-2015 Board Officers**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Braune, the following Board Members were nominated and approved to serve as Board Officers for the 2014-15 term beginning July 1, 2014.

Mr. Eddie Powell – Chair  
Dr. Roby Robertson – Vice Chair  
Mr. Tony Kendall – Secretary/Treasurer

### **RESOLUTIONS**

#### **Sale of Refunding Water Revenue Bonds, Series 2014**

Mr. Gary Pittman, Chief Financial Officer, said CAW held a public hearing on Tuesday, June 10, 2014 to answer questions and receive public comments regarding the resolution authorizing the

issuance of CAW refunding water revenue bonds. Mr. Pittman introduced Mr. Jack Truemper of Stephens Financial and Mr. Truemper reported on the benefit of offering for sale the CAW refunding water revenue bonds. If approved, the sale will take place on July 9, at 10 am.

Ms. Jane Dickey presented a resolution authorizing the offering of not to exceed \$15,000,000 CAW refunding water revenue bonds, series 2014, for the purpose of refinancing the outstanding principal of the CAW Water Revenue Bonds, Series 2004.

Upon a motion duly made by Mr. Jay Hartman, Commissioner, and seconded by Commissioner Smith, the resolution was approved.

### **NEW BUSINESS**

#### **Presentation on Wholesale Water Study**

Mr. Rich introduced Mr. Rocky Craley with Raftelis Financial Consulting and Mr. Craley presented findings from the recent study regarding the use of an alternate approved methodology for calculating wholesale customer rates.

Discussion ensued, but no motion was made or action taken.

### **CONTRACTS/PURCHASES**

Upon motions duly made and seconded, the following contracts/purchases were approved:

- a. The second year of a three year contract with the Insurance Center The contract provides coverage for property, inland marine, crime, auto liability, director and officers, employment practices, professional liability, limited general liability, and excess liability. Coverage through June 2015 will be provided by Arch Insurance Company for \$206,486; last year's coverage cost was \$205,717.
- b. Change Order No. 6 in the amount of \$64,162.70. Van Horn Construction began work on improvements to the Jack H. Wilson and Ozark Point Water Treatment Plants in January 2013. To date, five change orders totaling \$283,907.75 have been approved.
- c. The purchase of two (2) crew truck-cab chassis' from Truck Centers of Arkansas in the amount of \$141,296.
- d. The purchase of one (1) dump truck-cab chassis from Truck Centers of Arkansas in the amount of \$70,648.

### **DEPARTMENT UPDATES**

#### **Customer Relations and Public Affairs**

Mr. John Tynan, Director of Customer Relations and Public Affairs, provided an update on utility public affairs and customer relations.

#### **Watershed**

Mr. Randy Easley, Director of Water Quality, provided an update on matters pertaining to the Watershed.

#### **Regionalism**

Mr. Dale Kimbrow, Manager of Regionalism and Future Water Source, provided an update on matters pertaining to Regionalism.

Finance

Mr. Gary Pittman, Chief Financial Officer, provided a year-to-date financial update on utility operations.

**BOARD BRIEFING**

Mr. Rich provided an update on the following:

- Mr. Jeff Mascagni is CAW's new Chief Financial Officer, upon Mr. Pittman's retirement.
- Lake Maumelle is up one foot three inches and Lake Winona is up three-tenths of a foot.
- The 2013 Water Quality Report has been finalized and each Commissioner received a copy of the report.

**EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, the Board met in Executive Session to discuss a personnel matter.

Upon reconvening the regular session, Vice Chair Powell said no action was taken.

**ADJOURNMENT**

Upon a motion duly made and seconded, Vice Chair Powell adjourned the meeting.

  
\_\_\_\_\_  
Anthony Kendall, Secretary/Treasurer

**RESOLUTION 2014-02**

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

WHEREAS, the term of Mr. Anthony Kendall, a member of the Board of Commissioners, Central Arkansas Water ("CAW Board"), expires on June 30, 2014; and

WHEREAS, by law it is the duty of the remaining commissioners to nominate and appoint a commissioner when a vacancy occurs on the CAW Board, subject to confirmation by the Board of Directors of the City of Little Rock, Arkansas, and the City Council of the City of North Little Rock, Arkansas.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, THAT the remaining commissioners do hereby reappoint Mr. Kendall to a seven-year term, subject to confirmation by the duly elected and qualified members of the Board of Directors of the City of Little Rock and the City Council of the City of North Little Rock, and that his term of office shall be through June 30, 2021.

BE IT FURTHER RESOLVED THAT the Board of Directors of the City of Little Rock and the City Council of the City of North Little Rock be requested to confirm this appointment.

\*\*\*\*\*

**CERTIFICATE**

I, Dr. Roby Robertson, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners at a meeting held June 12, 2014.

  
\_\_\_\_\_  
Dr. Roby Robertson, Secretary



## RESOLUTION NO. 2014-03

RESOLUTION AUTHORIZING THE OFFERING OF NOT TO EXCEED \$15,000,000 CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 2014; APPROVING THE FORM OF AN OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM, AND PRELIMINARY OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE SALE OF THE BONDS

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

WHEREAS, CAW has previously issued its \$22,000,000 original principal amount Water Revenue Bonds, Series 2004 (the “Prior Bonds”); and

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

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

WHEREAS, pursuant to the direction of the Board of Commissioners of CAW (the “Commission”), CAW’s Chief Financial Officer or, if the office of Chief Financial Officer is vacant, the Acting Chief Financial Officer or the Assistant Chief Financial Officer (the “Authorized Officer”), together with the Financial Advisor and Bond Counsel and Disclosure Counsel have prepared and presented for consideration at this meeting of the Commission the forms of an Official Notice of Sale, Official Bid Form, and Preliminary Official Statement; and

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

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

**Section 1.** The bonds shall be designated Central Arkansas Water Refunding Water Revenue Bonds, Series 2014 (the “Bonds”). The Bonds shall be offered for sale in the aggregate principal amount of not to exceed \$15,000,000 by electronic bids, at such time as may be approved by the Authorized Officer, upon advice of the Financial Advisor, at such location as may be provided for in the Official Notice of Sale. At such time and place, the Authorized Officer shall meet with the Financial Advisor to receive the bids. The Authorized Officer is hereby authorized to accept the bid providing the lowest “true interest cost” (as defined in the Official Notice of Sale) in the name of CAW if, upon advice of the Financial Advisor, he shall determine to do so is in the best interest of CAW.

**Section 2.** The Official Notice of Sale and Official Bid Form, substantially in the forms exhibited to and before the Commission at the meeting at which this resolution is adopted, are hereby approved.

**Section 3.** The Preliminary Official Statement, substantially in the form exhibited to and before the Commission at the meeting at which this resolution is adopted, is hereby deemed “final,” except for such terms and conditions as are determined by the sale and such other changes, omissions, insertions, and revisions as the Authorized Officer shall deem advisable, and the Preliminary Official Statement is hereby approved for use in connection with the sale of the Bonds.

**Section 4.** The Authorized Officer shall cause notice of the sale of the Bonds to be included as an upcoming sale in the competitive calendar published in *The Bond Buyer*.

**Section 5.** The Authorized Officer, after consultation with the Financial Advisor and Bond Counsel, is hereby authorized to distribute the Official Notice of Sale, Official Bid Form, and Preliminary Official Statement, with such changes and modifications as the Authorized Officer shall deem appropriate, to prospective bidders for the Bonds.

**Section 6.** The Authorized Officer is authorized to take such other actions and to approve such other documents as are, in his judgment, necessary or appropriate in order to provide for the sale of the Bonds on the date specified and accomplish the intent of this resolution.

**Section 7.** This resolution shall be in effect from and after the date of its adoption.

ADOPTED: June 12, 2014

ATTEST:

APPROVED:

  
\_\_\_\_\_  
Dr. Roby Robertson, Secretary/Treasurer

  
\_\_\_\_\_  
Eddie Powell, Vice Chair

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

July 10, 2014

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, July 10, 2014, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

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

**CAW Staff in Attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Mr. Tad Bohannon, Chief Legal Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. John Tynan, Director of Customer Relations & Public Affairs  
Mr. Randy Easley, Director of Water Quality & Operations  
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source  
Mr. Darrell Boggs, Director of Distribution  
Mr. Terry Bice, Assistant Director of Distribution  
Mr. Danny Dunn, Distribution Supervisor  
Mr. Blake Weindorf, P.E., Senior Engineer  
Mr. Michael Starnes, Law Clerk  
Ms. Samantha Williams-Davis, Communications Assistant  
Ms. Mary Dyson, Management Secretary

**Also in Attendance:**

Mr. Jim McHaney, Jr., Attorney for CAW with Hilburn Law Firm  
Ms. Erin Brogdon, Attorney, Wright, Lindsey & Jennings LLP  
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette  
Ms. M. Jane Dickey, Bond Counsel for CAW with Rose Law Firm  
Mr. Jack Truemper, Senior Vice President, Stephens, Inc.  
Mr. Barry Haas, Ratepayer  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Mary Carol Poole, Paschall Strategic Communications  
Ms. Whitney Albert, Advantage Communications, Inc.  
Ms. Jill Joslin, Heathcott Associates Advertising Agency



## **CALL MEETING TO ORDER**

Mr. Eddie Powell, Vice Chair, called to order the July 10, 2014 meeting of the Board of Commissioners.

## **SERVICE PIN AWARD**

Mr. Eddie Powell, Chair, presented a pin to Mr. John Braune, Commissioner, commemorating his one year of service on the Board. Chair Powell thanked Commissioner Braune for his service.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the June 12, 2014 Regular Meeting were approved.

## **RESOLUTIONS**

### **Sale of Refunding Water Revenue Bonds, Series 2014**

Mr. Jeff Mascagni, Chief Financial Officer, introduced Mr. Jack Truemper of Stephens Financial. Mr. Truemper presented an Offering Summary which detailed the bids and sale of \$10,850,000 CAW Refunding Water Revenue Bonds, Series 2014. The low bid from Hutchinson Shockey Erley & Co. at 2.048% on July 9, will provide net present value savings of \$1,663,113.47 or 11.737%.

Ms. Jane Dickey presented a resolution authorizing the issuance and sale of \$10,850,000 CAW Refunding Water Revenue Bonds, Series 2014, for the purpose of refinancing the outstanding principal of the CAW Water Revenue Bonds, Series 2004.

Upon a motion duly made by Ms. Marie-Bernarde Miller, Commissioner, and seconded by Commissioner Braune, the resolution was approved.

### **Amend the Allocation Agreement between CAW and Mid-Arkansas Water Alliance (MAWA)**

Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source, presented a resolution authorizing and approving two amendments to the allocation agreement between CAW and MAWA. Amendment 1 approves the sale of the City of Lonoke's membership share to the Lonoke/White Public Water Authority; and Amendment 2 approves the change in legal status of Grand Prairie Bayou Two Public Facilities Board to the Grand Prairie Bayou Two Public Water Authority.

Upon a motion duly made by Dr. Roby Robertson, Commissioner, and seconded by Ms. Carmen Smith, Commissioner, the resolution was approved.

## **NEW BUSINESS**

### **Presentation on Valve Inspection Pilot Project**

Mr. Darrell Boggs, Director of Distribution, gave a presentation on CAW's Valve Inspection Pilot Project. The purpose of the project was to evaluate and improve usability of CAW distribution system valves and assess the viability of outsourcing a valve inspection program. Mr. Boggs



recommended continuation of our internal valve inspection program.

#### Presentation on Pulaski Heights Pipeline Rehabilitation Project

Mr. Blake Weindorf, P.E., Senior Engineer, gave a presentation on the Pulaski Heights Pipeline Rehabilitation Project. The purpose of the project was to rehabilitate 1,300 feet of 16" cast iron pipe that has had a history of leaks and breaks causing loss of customer service and property damage.

### **DEPARTMENT UPDATES**

#### Customer Relations and Public Affairs

Mr. John Tynan, Director of Customer Relations and Public Affairs, provided an update on utility public affairs and customer relations.

#### Watershed

Mr. Randy Easley, Director of Water Quality & Operations, provided an update on matters pertaining to the Watershed.

#### Regionalism

Mr. Dale Kimbrow, Manager of Regionalism and Future Water Source, provided an update on matters pertaining to Regionalism.

#### Finance

Mr. Jeff Mascagni, Chief Financial Officer, provided a year-to-date financial update on utility operations. Mr. Mascagni will give a more detailed presentation on Business Insurance at the August or September Board Meeting.

### **BOARD BRIEFING**

Mr. Rich provided an update on the following:

- Lake Maumelle is above full pool and Lake Winona is less than one foot below full pool.
- Staff will begin working on the 2015 budget next week and will make a presentation to the Board in September. A second presentation will be made in October and the budget will be voted on in November. For the first time, as part of the budget process, we will have a separate part dedicated to capital projects.
- We have received feedback from several Wholesale customers regarding the rate presentations last month on increased wholesale rates. There are concerns with the proposed increases. We will continue to maintain contact with the Wholesale customers and address their concerns.

### **ADJOURNMENT**

Upon a motion duly made and seconded, Chair Powell adjourned the meeting.



Anthony Kendall, Secretary/Treasurer

## RESOLUTION NO. 2014-04

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$10,850,000 CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 20014, FOR THE PURPOSE OF FINANCING THE COSTS OF REFUNDING CENTRAL ARKANSAS WATER'S OUTSTANDING WATER REVENUE BONDS, SERIES 2004; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, AN ESCROW DEPOSIT AGREEMENT, AND A CONTINUING DISCLOSURE AGREEMENT; APPROVING THE OFFICIAL STATEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO

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

WHEREAS, CAW has previously issued its \$22,000,000 original principal amount Water Revenue Bonds, Series 2004 (the "Prior Bonds"); and

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

WHEREAS, pursuant to the Consolidation Agreement, CAW, by letter of its Chief Executive Officer dated March 13, 2014, notified the Cities of its intention to issue water revenue refunding bonds and neither City as of the date of this resolution has voted its disapproval of the issuance of the water revenue refunding bonds; and

WHEREAS, pursuant to the Consolidation Agreement and the Revenue Bond Act of 1987, as amended, Ark. Code Ann. §§ 19-6-601 *et seq.*, CAW caused to be published on May 22, 2014, a notice of public hearing on the question of issuing revenue bonds and thereafter, on June 10, 2014, held a public hearing, as advertised; and

WHEREAS, pursuant to the authority granted in Commission Resolution No. 2014-03, after due advertisement of an Official Notice of Sale, \$12,740,000 (or such lesser amount as shall be sufficient to accomplish the purpose for which issued) of Refunding Water Revenue Bonds, Series 2014, dated July 1, 2014 (the "Bonds"), bearing interest at the rate or rates per annum to be specified by the successful bidder, payable serially (or subject to sinking fund redemption) on October 1 in each of the years 2015 through 2024, inclusive, were duly offered for sale on July 9, 2014; and

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

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

WHEREAS, pursuant to the authority granted in Commission Resolution No. 2014-03, the bid submitted by Hutchinson Shockey Erley & Co (the "Purchaser"), has been accepted by the Chief Financial Officer of CAW and the principal amount of the Bonds reduced to \$10,850,000 and the purchase price reduced to \$12,505,942.30, plus accrued interest to the date of closing;

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

**Section 1.** Under the authority of the Constitution and laws of the State of Arkansas, including particularly the Act and the Consolidation Agreement, the sale of the Bonds to the Purchaser on the terms of its bid as set out above, is hereby in all respects ratified and approved, and accordingly the Bonds are hereby authorized and ordered to be sold and issued in the total principal amount of \$10,850,000 for the purpose of accomplishing the Refunding, establishing a debt service reserve, and paying the costs of issuing the Bonds. The Bonds are special obligations of CAW, payable solely from the net revenues of the Water System less amounts required to be used to make payments and deposits with respect to certain prior debt and less amounts transferred to and plus amounts transferred from CAW's Rate Stabilization Account (the "Stabilized Net Revenues"), and other amounts available under the Indenture identified and authorized in Section 2. The pledge of the Stabilized Net Revenues is made on a junior and subordinate basis to a prior pledge of net revenues of the Water System securing payments with respect to CAW's Water Revenue Bonds, Series 2007. The pledge of Stabilized Net Revenues securing the Bonds is made on a parity basis with the pledge of Stabilized Net Revenues securing payments with respect to CAW's Revenue Bond, Series 2010A; Revenue Bonds, Series 2010B (General Improvements Project); Refunding Revenue Bonds, Series 2010C (Watershed Protection Project); Water Revenue Bond, Series 2011A (Wye Mountain Extension Project); Refunding Water Revenue Bonds, Series 2011B; and Capital Improvement Water Revenue Bonds, Series 2012A. CAW covenants not to issue additional indebtedness secured on a senior basis to the Bonds as to the revenues of the Water System. CAW reserves the right to issue parity debt secured on a parity basis with the Bonds and subordinated indebtedness secured on a junior basis to the Bonds under certain circumstances set forth in the Indenture. The Bonds do not constitute an indebtedness of the City of Little Rock, the City of North Little Rock, or the State of Arkansas within the meaning of any constitutional or statutory debt limitation or restriction.

**Section 2.** To prescribe the terms and conditions upon which the Bonds are to be executed, authenticated, delivered, issued, accepted, held, and secured, the Chair of the Commission is hereby authorized and directed to execute and acknowledge a Trust Indenture, dated as of July 1, 2014, by and between CAW and U.S. Bank National Association, as Trustee, and the Secretary of the Commission is hereby authorized and directed to execute and acknowledge the Indenture and the Chair and the Secretary of the Commission are hereby authorized and directed to cause



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

**Section 3.** All actions heretofore taken by the Commission and officers of CAW in connection with the offering of the Bonds, including the preparation and distribution of the Official Notice of Sale, Official Bid Form, and the Preliminary Official Statement, dated June 24, 2014, holding of the public hearing on June 10, 2014, and acceptance of the bid received from the Purchaser are hereby in all respects ratified and approved.

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

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

**Section 6.** The Escrow Deposit Agreement, dated as of July 1, 2014, by and between CAW and U.S. Bank National Association, as Escrow Trustee, in substantially the form submitted at this meeting, and the Continuing Disclosure Agreement of CAW, dated as of July 1, 2014, in substantially the form attached to the Official Statement, in each case with such modifications as shall be approved by the person executing the documents, his or her execution to constitute conclusive evidence of such approval, are hereby authorized and approved. The Chair or Secretary of the Commission or the Chief Executive Officer, Chief Operating Officer, or Chief Financial Officer of CAW are hereby authorized and directed to execute and deliver the Escrow Deposit Agreement and the Continuing Disclosure Agreement, and to cause the Escrow Deposit Agreement to be accepted and executed by the Escrow Trustee.

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



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

APPROVED July 10, 2014.

ATTEST:



Anthony Kendall, Secretary/Treasurer

APPROVED:



Eddie Powell, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Anthony Kendall, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2014-04 of the Board of Commissioners of Central Arkansas Water, entitled: RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$10,850,000 CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 2014, FOR THE PURPOSE OF FINANCING THE COSTS OF REFUNDING CENTRAL ARKANSAS WATER'S OUTSTANDING WATER REVENUE BONDS, SERIES 2004; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, AN ESCROW DEPOSIT AGREEMENT, AND A CONTINUING DISCLOSURE AGREEMENT; APPROVING THE OFFICIAL STATEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted July 10, 2014.

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

ATTEST:  
  
\_\_\_\_\_  
Anthony Kendall, Secretary/Treasurer

**RESOLUTION 2014-05**

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

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

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

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

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

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

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

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

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

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

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

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

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

ADOPTED this 10<sup>th</sup> day of July, 2014.

ATTEST:

  
\_\_\_\_\_  
Anthony Kendall, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Eddie Powell, Chair



CERTIFICATE

STATE OF ARKANSAS    )  
  ) ss  
COUNTY OF PULASKI    )

I, Anthony Kendall, Secretary/Treasurer of the Board of Commissioners of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2014-05 of the Board of Commissioners of Central Arkansas Water, entitled: **A RESOLUTION AUTHORIZING AND APPROVING TWO AMENDMENTS TO THE AGREEMENT BETWEEN CENTRAL ARKANSAS WATER AND THE MID-ARKANSAS WATER ALLIANCE**, adopted July 10, 2014.

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

  
\_\_\_\_\_  
Anthony Kendall, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

August 14, 2014

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, August 14, 2014, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

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

**Absent:**

Mr. John Braune, Commissioner

**CAW Staff in Attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Mr. Tad Bohannon, Chief Legal Counsel  
Ms. Becky Wahlgreen, Chief Administrative Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. John Tynan, Director of Customer Relations & Public Affairs  
Mr. Randy Easley, Director of Water Quality & Operations  
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source  
Mr. Darrell Boggs, Director of Distribution  
Mr. Dennis Yarbro, Supervisor of Water Resources  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Mr. David Sharp, Customer Service Manager  
Ms. Mary Dyson, Management Secretary

**Also in Attendance:**

Mr. Jim McHaney, Jr., Attorney for CAW with Hilburn Law Firm  
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette  
Mr. Barry Haas, Ratepayer  
Ms. Kathleen Olsen, League of Women Voters of Pulaski County  
Ms. Caitlin Vestal, Heathcott Associates Advertising Agency  
Mr. Bernie Hochstetter, Ratepayer

**CALL MEETING TO ORDER**

Mr. Eddie Powell, Chair, called to order the August 14, 2014 meeting of the Board of Commissioners.

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the July 10, 2014 Regular Meeting were approved.

### **RESOLUTIONS**

#### **Purchase of Watershed Property**

Mr. Graham Rich, Chief Executive Officer, presented a resolution authorizing the purchase of 41.2 acres of property in the watershed. In 2009, CAW arranged for the purchase of, and ultimately acquired, 915 acres of property commonly referred to as the Winrock Grass Farm within the Lake Maumelle watershed for \$13,856 per acre.

At that time, CAW was unable to acquire the remaining 41.2 acres on the northwest boundary of the grass farm along Higginbotham Lane (the "Property"), but CAW did obtain an option to purchase the Property for fair market value, to be determined at the time of the exercise of the option. In September 2010, the Board agreed to the termination of the option in exchange for the owner's agreement to impose restrictive covenants on the Property.

On May 27, 2014, the Property was appraised at \$450,000 by Martin Howard of Howard and Wood Appraisal Services. On July 29, 2014, CAW entered into a contract to purchase the Property (subject to Board approval) for \$401,700 plus seller's closing costs, not to exceed \$25,000, which amounts to a not to exceed price of \$10,356.80 per acre.

Upon a motion duly made by Dr. Roby Robertson, Vice Chair, and seconded by Ms. Marie-Bernarde Miller, Commissioner, the resolution was approved.

### **SERVICE PIN AWARD**

Mr. Eddie Powell, Chair, presented a service pin to Mr. Anthony Kendall, Commissioner, commemorating his ten years of service on the Board. Chair Powell thanked Commissioner Kendall for his service.

### **NEW BUSINESS**

#### **Presentation on Algal Blooms**

With the recent concern over harmful algal blooms in Toledo, OH., Mr. Randy Easley, Director of Water Quality & Operations, gave a presentation on the steps CAW utilizes to monitor and track these organisms in Lakes Maumelle and Winona.

### **CONTRACTS**

Upon motions duly made and seconded, the following contracts/purchases were approved:

- a. A contract with URS Corporation in the amount of \$67,262 to provide comprehensive professional inspection services and capital improvement forecasts for CAW's three

water reservoir dams - Lake Maumelle, Lake Winona, and Jackson Reservoir.

## **DEPARTMENT UPDATES**

### Customer Relations and Public Affairs

Mr. Robert Hart, Technical Services Officer, provided an update on utility public affairs and customer relations.

### Watershed

Mr. Randy Easley, Director of Water Quality & Operations, provided an update on matters pertaining to the Watershed.

### Regionalism

Mr. Dale Kimbrow, Manager of Regionalism and Future Water Source, provided an update on matters pertaining to Regionalism.

### Finance

Mr. Jeff Mascagni, Chief Financial Officer, provided a year-to-date financial update on utility operations.

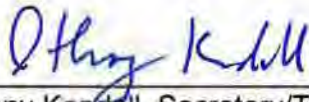
## **BOARD BRIEFING**

Mr. Rich provided an update on the following:

- Lake Maumelle level is down half a foot and Lake Winona level is down one foot.
- Discussed recent articles in the media highlighting the need for proactive management of drinking water systems such as watershed management and replacing underground assets.

## **ADJOURNMENT**

Upon a motion duly made and seconded, Chair Powell adjourned the meeting.



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Anthony Kendall, Secretary/Treasurer



## RESOLUTION 2014-06

### RESOLUTION AUTHORIZING PURCHASE OF PROPERTY, AND OTHER MATTERS RELATED THERETO

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

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

WHEREAS, the Commission, based upon the recommendations of staff, has determined that it is in the best interest of CAW and its ratepayers to acquire the Property for the Purchase Price to protect water quality within Lake Maumelle.

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

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

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

The foregoing resolution has been duly adopted by the Board of Commissioners of Central Arkansas Water at a meeting of the Board of Commissioners of Central Arkansas Water held on August 14, 2014.

Attest:

  
\_\_\_\_\_  
Anthony Kendall, Secretary

APPROVED:

  
\_\_\_\_\_  
Eddie Powell, Chair

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

September 11, 2014

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, September 11, 2014, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

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

**Absent:**

Mr. Jay Hartman, Commissioner

**CAW Staff in Attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Mr. Tad Bohannon, Chief Legal Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. John Tynan, Director of Customer Relations & Public Affairs  
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source  
Mr. Darrell Boggs, Director of Distribution  
Ms. Jane Hurley, Assistant Director of Water Quality  
Ms. Mary Dyson, Management Secretary

**Also in Attendance:**

Mr. Jim McHaney, Jr., Attorney for CAW with Hilburn Law Firm  
Mr. Doug Wilson, Insurance Center, Inc.  
Mr. Roger Nesuda, Jolly Rogers Marina  
Mr. Barry Haas, Ratepayer  
Ms. Kathleen Olsen, League of Women Voters of Pulaski County  
Ms. Caitlin Vestal, Heathcott Associates Advertising Agency  
Ms. Mary Carol Poole, Paschall Strategic Communications

## **CALL MEETING TO ORDER**

Mr. Eddie Powell, Chair, called to order the September 11, 2014 meeting of the Board of Commissioners.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the August 14, 2014 Regular Meeting were approved.

## **RESOLUTIONS**

Mr. Robert Hart, Technical Services Officer, summarized the results on a 2013 Public Survey on Jolly Roger's Marina and Grande Maumelle Sailing Club. Mr. Hart also stated that CAW has begun the process of identifying the recreation needs and recommend improvements to CAW properties in the two watersheds that will balance, to the extent practical, multi-use recreation with water quality protection, community needs, expressed public desires, resource constraints, and community education.

Mr. Tad Bohannon, Chief Legal Counsel, presented the resolution approving a ten year lease, terminable by CAW with six month advance notice, with Jolly Roger's Marina. In response to concerns raised by Dr. Roby Robertson, Commissioner, relating to the long term of the lease, Mr. Bohannon stated that he advises against another two year lease extension because CAW does not know how long the planned study and implementation of its recommendations will take.

Commissioner Robertson again stated his concern is that there is open-endedness with a ten year lease and he wanted CAW to take quicker action on the development and implementation of the new recreational uses plan.

Ms. Marie-Bernard Miller, Commissioner, stated that she saw this as a framework for setting a term that was long enough to accomplish what we need to accomplish.

Commissioner Robertson stated that the justification for ten years makes a lot of sense, but he reiterated his concern that if no action is taken, ten years from now, someone is going to say why did we give them a ten year lease?

Upon a motion duly made by Commissioner Miller and seconded by Ms. Carmen Smith, Commissioner, the resolution was approved.

### **Lease Agreement with Grande Maumelle Sailing Club**

Mr. Graham Rich, Chief Executive Officer, presented a resolution approving a ten year lease, terminable by CAW with six month advance notice, with the Grande Maumelle Sailing Club.

Upon a motion duly made by Mr. John Braune, Commissioner, and seconded by Commissioner Smith, the resolution was approved.

## **NEW BUSINESS**

### **Presentation on CAW Business Insurance Requirements and Tort Immunity**



Mr. Jeff Mascagni, Chief Financial Officer gave a presentation on CAW's existing business insurance coverage and possible risk exposures.

## **CONTRACTS**

Upon motions duly made and seconded, the following contracts/purchases were approved:

- a. A contract with Boyles Constructions, Inc. in the amount of \$301,730 to relocate water mains on Sherrill Road and Mabelvale Cutoff. The existing 12" cast iron pipe installed in 1946 along Sherrill Road and the 8" cast iron pipe installed in 1957 along Mabelvale Cutoff both need to be relocated due to City of Little Rock street improvement projects.
- b. The purchase of one (1) 400 KW Diesel Generator in the amount of \$77,470 from RP Power, LLC. for the Montgomery Pump Station. The existing generator was installed with the original pump station over 40 years ago.

## **DEPARTMENT UPDATES**

### Customer Relations and Public Affairs

Mr. John Tynan, Director of Customer Relations and Public Affairs, provided an update on utility public affairs and customer relations.

### Watershed

Mr. Robert Hart, Technical Services Officer, introduced Ms. Jane Hurley, Assistant Director of Water Quality, to the Board. Ms. Hurley will oversee the lab, water quality staff, and the watershed protection staff.

### Regionalism

Mr. Dale Kimbrow, Manager of Regionalism and Future Water Source, had no update on matters pertaining to Regionalism.

### Finance

Mr. Jeff Mascagni, Chief Financial Officer, provided a year-to-date financial update on utility operations.

## **BOARD BRIEFING**

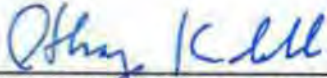
Mr. Rich provided an update on the following:

- Lake Maumelle level is down 1.1 feet and Lake Winona level is down 2.7 feet.
- Next month staff will be presenting the following:
  - Draft 2015 Financial Plan and Budget
  - Draft Capital Improvement Plan
  - 2015 Health Insurance Renewal



**ADJOURNMENT**

Upon a motion duly made and seconded, Chair Powell adjourned the meeting.

Handwritten signature in blue ink, appearing to read "Anthony Kendall".

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Anthony Kendall, Secretary/Treasurer

## **RESOLUTION 2014-07**

### **RESOLUTION APPROVING LEASE AGREEMENT WITH JOLLY ROGERS MARINA, INC.**

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

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

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

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

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

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

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

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

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

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

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

The foregoing resolution has been duly adopted by the Board of Commissioners of Central Arkansas Water at a meeting of the Board of Commissioners of Central Arkansas Water held on September 11, 2014.

Attest:

APPROVED:

  
\_\_\_\_\_  
Tony Kendall, Secretary/Treasurer

  
\_\_\_\_\_  
Eddie Powell, Chair

## **RESOLUTION 2014-08**

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

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

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

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

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

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

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

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

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

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

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



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

The foregoing resolution has been duly adopted by the Board of Commissioners of Central Arkansas Water at a meeting of the Board of Commissioners of Central Arkansas Water held on September 11, 2014.

Attest:

APPROVED:



\_\_\_\_\_  
Tony Kendall, Secretary/Treasurer



\_\_\_\_\_  
Eddie Powell, Chair

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

October 9, 2014

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, October 9, 2014, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

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

**CAW Staff in Attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Mr. Tad Bohannon, Chief Legal Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Ms. Becky Wahlgreen, Chief Administrative Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. John Tynan, Director of Customer Relations & Public Affairs  
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source  
Mr. Darrell Boggs, Director of Distribution  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Mr. Todd Fisher, Finance Manager  
Mr. Randy Easley, Director of Water Quality & Operations  
Mr. Blake Weindorf, Senior Engineer  
Ms. Deena Coston, Controller  
Ms. Kamika Gaines, Administrative Assistant  
Ms. Mary Dyson, Management Secretary

**Also in Attendance:**

Mr. Jim McHaney, Jr., Attorney for CAW with Hilburn Law Firm  
Mr. Barry Haas, Ratepayer  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Kathleen Olsen, League of Women Voters of Pulaski County  
Ms. Gary Heathcott, Heathcott Associates Advertising Agency  
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette  
Mr. George Burks, Blue Cross & Blue Shield

## **EMPLOYEE RECOGNITION**

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

## **CALL MEETING TO ORDER**

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

## **APPROVAL OF BOARD MINUTES**

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

## **NEW BUSINESS**

### **Presentation of 2015 Health Insurance Request for Proposals**

Ms. Wahlgreen presented information on responses to the recent Request for Proposals for group health insurance coverage. Ms. Wahlgreen recommended that the 2015 group health insurance contract be renewed with Health Advantage with a 15% increase to premiums effective January 1, 2015, subject to renewal by mutual agreement annually thereafter.

Upon a motion duly made by Commissioner Kendal and seconded by Commissioner Braune, after due consideration and discussion, the 2015 group health insurance coverage with Health Advantage was unanimously approved.

### **Presentation of Draft 2015 Financial Plan**

Mr. Mascagni presented a draft of the 2015 Financial Plan and stated that no action was required at this meeting. He said that the final version of the plan would be presented for consideration at the November Board Meeting.

## **CONTRACTS/PURCHASES**

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

- a. The purchase of three (3) cone valve actuators for the Lake Maumelle Pump Station from Rodney Hunt-Fontaine, Inc. in the amount of \$58,686. There are cone valves on each of the seven pumps which are critical to the control of the pumps at start-up and shut-down. Currently the cone valves are driven by a hydraulic cylinder actuator with pressurized hydraulic fluid that is pumped out and back to the pump station intakes over the lake. By replacing the cone valve actuators with electric units we will be eliminating a potential source of contamination that could come from the hydraulic fluid used on the existing actuators.

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

- b. The purchase of LED light fixtures from Wholesale Electric for \$117,974 and a \$33,035

installation contract with Eagle Electric to replace existing fixtures at the Jack H. Wilson Treatment Plant. The Entergy Solutions Arkansas Program will reimburse CAW approximately 50% of the \$151,009 total project cost. Based on energy savings alone, this project has just over a two year payback period. The new fixtures are expected to provide continuous service for over ten years.

## **DEPARTMENT UPDATES**

### Customer Relations and Public Affairs

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

### Watershed

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

### Regionalism

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

### Finance

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

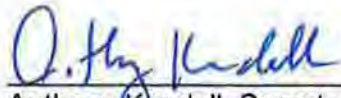
## **BOARD BRIEFING**

Mr. Rich provided an update on the following:

- The lake levels are good for this time of year.
- Next month staff will be requesting approval of the 2015 Financial Plan.
- Also, next month staff will make a presentation on Wholesale Methodology and staff will be requesting approval of new Wholesale-Metered Customer rates beginning in calendar year 2016.

## **ADJOURNMENT**

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



Anthony Kendall, Secretary/Treasurer



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

November 13, 2014

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, November 13, 2014, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

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

**CAW Staff in Attendance:**

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

**Also in Attendance:**

Mr. Rocky Craley, Raftelis Financial Consultants, Inc.  
Ms. Erin Brogdon, Wright, Lindsey & Jennings LLP  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette  
Mr. Jim Peacock, Chairman, Jacksonville Water Commission  
Mr. Larry Wilson, Jacksonville Water Commission  
Mr. Robert Stout, North Pulaski Waterworks  
Mr. Tommy Bond, North Pulaski Waterworks  
Mr. Galen Wenger, Ridgefield Estates  
Mr. Paul Strickland, Garver LLC

Mr. Tim Daters, White-Daters & Associates, Inc.  
Ms. Mary Carol Poole, Paschall Strategic Communications

### **CALL MEETING TO ORDER**

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

### **VETERANS DAY RECOGNITION**

Mr. Rich recognized and extended his sincere appreciation to employees and Commissioners, past and present, who are Veterans in the US Armed Forces and he thanked them for their dedication to our Country.

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Braune, the minutes of the October 9, 2014 Regular Meeting were unanimously approved.

### **NEW BUSINESS**

#### **2015 Financial Plan**

Mr. Rich reviewed the 2015 Financial Plan that was presented to the Board at the October meeting and recommended Board approval.

Upon a motion duly made by Commissioner Smith, and seconded by Commissioner Miller, after due consideration and discussion, the 2015 Financial Plan was unanimously approved.

#### **Wholesale Rate Study Results**

Mr. Rocky Craley with Raftelis Financial Consulting presented findings from the recent study regarding the use of an alternate approved methodology for calculating wholesale customer rates.

### **RESOLUTIONS**

#### **Resolution to Establish Policies for Rate Design and Water Service Pricing**

Mr. Bohannon presented and asked the Board to adopt a resolution to establish policies that will provide the basis for future rate design and water service pricing.

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

#### **Resolution to Establish Rates for Wholesale-Metered Customers**

Mr. Bohannon presented and asked the Board to adopt a resolution to establish new rates for Wholesale-Metered Customers effective January 1, 2016.

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

**CONTRACTS/PURCHASES**

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

- a. A contract in the amount of \$250,257.59 with Itron, Inc. to retrofit and replace 141 remote read commercial meters currently equipped with outdated and failing touchread registers. 109 of the 141 meters have reached their useful life and will be replaced with completely new meter assemblies fitted with Automated Meter Reading (AMR) equipment. AMR technology allows meter readings to be obtained remotely through a handheld radio unit when meters are difficult to access.

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

- b. A contract in the amount of \$78,891 with Garver Engineers to evaluate and recommend improvements to High Service Pump Station #1A at the Jack H. Wilson Water Treatment Plant. The pump station was originally constructed in 1964, with additional pump and motor installations in 1970, 1976, 1982, and 1986. It is the largest of all CAW's high service pump stations with a firm capacity of 64 MGD. Most of the mechanical and electrical gear at the station is still the original equipment. Staff is aware some electrical systems do not meet current code and parts are no longer available for certain pumping units and electrical components.

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

- c. The purchase of materials for the Roosevelt Road Relocation project in the amount of \$31,251.28 from HD Supply and \$20,075.94 from Ferguson Waterworks for a total amount of \$51,327.22. These materials are required for CAW to relocate 8-inch, 12-inch, 16-inch, and 20-inch water mains as required by AHTD's project to replace the Roosevelt Road (Hwy. 70) bridge that crosses the railroad tracks near the Arkansas State Fairgrounds. CAW crews will perform the relocation work, of which approximately \$108,000 will be reimbursed by AHTD.

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

- d. Annual chemical contracts with the following companies per staff recommendation:

<u>Company</u>	<u>Chemical</u>	<u>Bid Amount</u>
Carus Corporation	Bimetallic Glassy Phosphate	\$ 308,000.00
Vertex	Sodium Hypochlorite	\$ 300,000.00
Shupe & Associates	Calcium Hypochlorite Briquettes	\$ 9,950.00

Award annual chemical contracts to the following companies based on competitive bids and staff recommendation:

<u>Company</u>	<u>Chemical</u>	<u>Bid Amount</u>
Arkansas Lime Co	Quicklime	\$ 131,250.00
Brenntag Mid-South	Powdered Activated Carbon	\$ 19,000.00

Arkansas Lime Co.	Hydrated Lime	\$ 24,750.00
Ecotech	15% Hydrochloric Acid	\$ 68,000.00
Evoqua Water Technologies	25% Liquid Sodium Chlorite	\$ 244,750.00
Harcros Chemical	Sodium Silicofluoride	\$ 35,792.00
Key Chemical	Hydrofluorosilicic Acid	\$ 117,827.00
Univar	Potassium Permanganate	\$ 141,800.00
Chemtrade Chemicals	Liquid Aluminum Sulfate	\$ 317,900.00

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

- e. A supplement to our current agreement with Arkansas Utility Protection Services, Inc., (ArkUps) in the amount \$400,964.00. ArkUps locates and marks various utilities in preparation for pavement cuts and excavations required to repair utility services and mains. This year's supplement is the same figure as last year and is based on the estimated number of locates.

### **DEPARTMENT UPDATES**

#### **Customer Relations and Public Affairs**

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

#### **Watershed**

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

#### **Regionalism**

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

#### **Finance**

Mr. Rich recognized CAW's Finance Department for receiving the following award for the sixth consecutive year:

- Certificate of Achievement for Excellence in Financial Reporting from Government Finance Officers Association (GFOA).

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

### **GUEST INTRODUCTIONS**

Chair Powell formally introduced Mr. Jim Peacock, Chairman, of Jacksonville Water Commission and Mr. Larry Wilson, member of Jacksonville Water Commission.

### **BOARD BRIEFING**

Mr. Rich provided an update on the following:

- The lake levels are about normal for this time of year. Lake Maumelle is down over 2 feet and Lake Winona is down over 6 feet.
- CAW recently closed on the final 41 acre tract of Canterbury Park land. We now own the entire tract of approximately 965 acres.



- Jacksonville Water did not take the minimum 3MGD required under its Wholesale Water Contract with CAW in August or September 2014. CAW billed Jacksonville Water for the minimum 3MGD, but Jacksonville Water only paid for the quantity of water that it actually took. Mr. Rich reported that the issue will continue to be discussed in more detail over the next thirty days and he recommended that CAW staff and Jacksonville Water come back in December to formally brief the Board on where we are in discussions.

### **ADJOURNMENT**

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



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Anthony Kendall, Secretary/Treasurer

## RESOLUTION 2014-09

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

WHEREAS, Central Arkansas Water (“CAW”), as a public body corporate and politic under the Consolidated Waterworks Authorization Act, Act 982 of the 83<sup>rd</sup> Arkansas General Assembly, is given responsibility for owning, managing, operating, and maintaining the water supply, treatment and distribution systems for the cities of Little Rock and North Little Rock (the “Cities”), as well as many surrounding communities; and

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

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

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

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

4. In accordance with Ark. Code. Ann. § 14-234-214, the water rates for inside city and outside city customers must be adequate to:
  - (a) pay the principal of and interest on all revenue bonds and revenue promissory notes as they severally mature;
  - (b) make such payments into a revenue bond sinking fund as may be required by resolution or trust indenture;
  - (c) provide an adequate depreciation fund to cover the cost of anticipated capital replacement needs;
  - (d) pay the estimated cost of operating and maintaining the system; and
  - (e) provide sufficient debt service coverage to meet all outstanding bond and trust indenture requirements.
5. When determining any water rates, whether inside city, outside city, or wholesale, the Board and CAW staff may consider whether it is appropriate to utilize a “base-extra capacity method” within the methodologies set forth above to accurately assign the cost associated with peak demand usage to those customers causing the utility to significantly exceed average load conditions.
6. When establishing customer classes within any water rate, whether inside city, outside city or wholesale, the Board and CAW staff shall assign costs to classes of customers in a cost-responsive and industry accepted manner so that the applicable rates closely meet the cost of providing service to such customer classes using the methodologies set forth above, based on the relevant factors for providing water service to each customer class, including but not limited to the following:
  - (i) characteristics;
  - (ii) location;
  - (iii) demand patterns;
  - (iv) utility manpower requirements;
  - (v) anticipated repair and replacement costs;
  - (vi) impact on water quality and supply preservation; and
  - (vii) development, operation, maintenance and replacement of any specific facilities necessary to serve any particular class or classes of customers.
7. Notwithstanding the parameters set forth in paragraph 6 above, the Board and CAW staff shall also consider methods to reduce rates and provide assistance to aid low-income residential inside city customers, recognizing that the lost income realized by any reduction in rates for low-income residential inside city customers must be paid by other customers.

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

ADOPTED: November 13, 2014

Attest:

  
\_\_\_\_\_  
Tony Kendall, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Eddie Powell, Chair



RESOLUTION 2014-10

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

WHEREAS, on July 1, 2001, the City of Little Rock and the City of North Little Rock created Central Arkansas Water (“CAW”) as a public body corporate and politic under the Consolidated Waterworks Authorization Act, Act 982 of the 83<sup>rd</sup> Arkansas General Assembly, and consolidated the ownership and operation of their municipal water utilities into CAW; and

WHEREAS, the Consolidation Agreement between the City of Little Rock and the City of North Little Rock vested the authority to establish water rates in the Board of Commissioners of Central Arkansas Water; and

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

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

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

WHOLESALE-METERED CUSTOMER RATE SCHEDULE  
OF  
CENTRAL ARKANSAS WATER

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

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

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

Minimum Monthly Charge

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

Volumetric Charge

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

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

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

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

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

**Section 6.** A penalty of ten percent (10%) shall be added to a Wholesale-Metered Customer bill not paid before the 20<sup>th</sup> day following the billing date. If a bill is not paid within 30 days after the billing date, service for the affected Wholesale-Metered Customer may be restricted, limited or even fully disconnected, at CAW's discretion. In such event, CAW may levy a service charge for installation and removal of the device installed to restrict or limit flow or a reconnection charge in the case of disconnection.

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

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

**Section 9.** The provisions of this Resolution are separable, and if any portion, section, provision, or phrase of this Resolution shall be declared invalid or unconstitutional, such action shall not affect the validity of the remainder of this Resolution.

ADOPTED: November 13, 2014

Attest:

  
\_\_\_\_\_  
Tony Kendall, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Eddie Powell, Chair



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

December 11, 2014

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, December 11, 2014, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

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

**CAW Staff in Attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Mr. Tad Bohannon, Chief Legal Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Ms. Becky Wahlgreen, Chief Administrative Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. John Tynan, Director of Customer Relations & Public Affairs  
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source  
Mr. Darrell Boggs, Director of Distribution  
Mr. Randy Easley, Director of Water Quality & Operations  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Mr. Allen Vincent, Director of Information Services  
Ms. Margaret Scott, Human Resources Specialist  
Mr. Ronnie Bankston, Treatment Plant Supervisor  
Ms. Mary Dyson, Management Secretary

**Also in Attendance:**

Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette  
Mr. Paul Strickland, Garver LLC  
Ms. Mary Carol Poole, Paschall Strategic Communications  
Ms. Caitlin Vestal, Heathcott Associates Advertising Agency

**CALL MEETING TO ORDER**

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



## **EMPLOYEE RECOGNITION**

Mr. Rich recognized Kevin Hall and Robert Martin for their commitment to safety, and their diligence and attention to detail. CAW received, for the 8<sup>th</sup> consecutive year, the Outstanding Performance Award from Arkansas Workers' Compensation Commission. This award recognizes CAW for dedication and professionalism by earning a perfect score under Commission Rule 099.39, which pertains to the timely filing of all paperwork required by the Workers' Compensation Commission.

Mr. Rich recognized Margaret Scott, Ronnie Bankston, and the entire Diversity Inclusion Team for their efforts in supporting and advancing CAW's commitment to diversity and inclusion. CAW recently participated in the Just Communities of Arkansas (JCA) Walk for CommUNITY and raised approximately \$2,000 for JCA.

## **SERVICE PIN AWARD**

Chair Powell, presented a service pin to Commissioner Robertson, commemorating his 10 years of service on the Board and thanked him for his service.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hartman, the minutes of the November 13, 2014 Regular Meeting were unanimously approved.

## **NEW BUSINESS**

### **Jacksonville Water**

Mr. Rich recalled from the November Board Meeting that Jacksonville Water did not take the minimum amounts of water required under its Wholesale Water Contract in August and September 2014, and did not pay for the minimum amounts. Jacksonville Water is presently in compliance with their Wholesale Water Contract, they are taking the minimum amount of water, and CAW is working to receive the remaining money due. Mr. Rich is hopeful that by the January Board Meeting, CAW and Jacksonville Water will reach an agreement.

### **Presentation on Employee Satisfaction Survey**

Ms. Wahlgreen presented an overview and results of an Employee Satisfaction Survey that was conducted recently on CAW's behalf by the Society for Human Resources Management (SHRM).

### **Presentation on Capital Improvement Plan (CIP) – Supplement to the 2015 Financial Plan**

Mr. Rich presented an overview of the CIP Supplement. The CIP Supplement was created to take a closer look at all capital projects greater than \$250,000 planned over the next five years. The document will be updated annually and serve as a tool to more accurately identify future capital expenditures, coordinate financing, and factor in rate impacts.

### **Authorization to Condemn Railroad R-O-W for Water Main Installation**

Mr. Bohannon stated as part of a highway relocation project in the vicinity of MacArthur Drive and Parkway Drive in North Little Rock, CAW needs to install a 12 inch pipeline encased within a 24 inch pipe crossing beneath a rail line owned and operated by Union Pacific Railroad. Negotiations are

ongoing with the railroad but, in order to avoid any delays in the construction process, Mr. Bohannon requested approval of a Resolution by the Commission authorizing the condemnation of an easement for the crossing if negotiations are unsuccessful.

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

### **CONTRACTS/PURCHASES**

Upon a motion duly made by Commissioner Robertson, and seconded by Commissioner Kendall, after due consideration and discussion, the following contracts were unanimously approved:

- a. A one-year contract extension with Redstone Construction Group, Inc. estimated at \$101,617.31 to perform concrete restoration work needed after CAW crews make repairs or modifications to existing mains and services. Actual payment will be based on completed work and unit costs. The contract includes an annual unit cost increase based on the heavy construction cost index, which was up 2.13% for the past calendar year. This is the first of three extension options.
- b. A one-year contract extension with Redstone Construction Group, Inc. estimated at \$455,851.61 to perform asphalt restoration work needed after CAW crews make repairs or modifications to existing mains. Actual payment will be based on completed work and unit costs. The contract includes an annual unit cost increase based on the heavy construction cost index, which was up 2.13% for the past calendar year. This is the second of three extension options.
- c. A one-year contract extension with Advent Systems, Inc. in the amount of \$77,918.47 for access control system maintenance. These services are required to maintain security system software and hardware located at the James T. Harvey Administration Building, Clearwater and Maryland Avenue Operations Facilities, Jack H. Wilson and Ozark Point Water Treatment Plants, Jackson Reservoir, Crystal Hill Pump Station, and Lake Maumelle. The contract provides an annual increase based on the consumer price index, which was up 1.7% for the past calendar year.
- d. Renew annual software maintenance contract with Systems & Software (S&S) of Colchester, Vermont in the amount of \$302,495.00. S&S licenses and provides support services for the enQuesta Customer Information System (CIS) used by CAW. Billing and collection, customer service, and customer accounting operations are processed through the enQuesta software.

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

- e. A three-year contract with Little Rock Wastewater Utility (LRWU) to provide fleet maintenance services for all CAW vehicles and equipment. The annual operating budget for CAW fleet maintenance is \$410,000. LRWU provided fleet maintenance services in 2014 through a renewable one-year contract approved by the Commission last December. Over the past year, LRWU has made significant adjustments to fleet maintenance operations, as requested by CAW staff; thus the request for a longer term agreement.

## **DEPARTMENT UPDATES**

### Customer Relations and Public Affairs

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

### Watershed

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

Mr. Hart made a presentation on the benefits of Water Quality Optimization, a program dedicated to optimizing the performance of existing surface water treatment facilities.

### Regionalism

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

### Finance

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

## **BOARD BRIEFING**

Mr. Rich reported Lake Maumelle is down over 2.3 feet and Lake Winona is down 7.2 feet.

Mr. Rich thanked the Commission and staff for their support and hard work in 2014.

## **ADJOURNMENT**

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



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Anthony Kendall, Secretary/Treasurer

RESOLUTION 2014-11

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

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

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

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

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

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

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

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

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

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

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



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

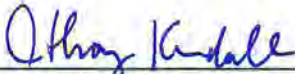
4. CAW Counsel is also authorized to obtain an order for immediate possession of the Easement in accordance with the laws and procedures of the State of Arkansas.

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

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

ADOPTED: December 11, 2014

Attest:


  
\_\_\_\_\_  
Tony Kendall, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Eddie Powell, Chair

# EXHIBIT A

PLACE ARROW INDICATING NORTH  
DIRECTION RELATIVE TO CROSSING



## ENCASED NON-FLAMMABLE PIPELINE CROSSING

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

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

NO SCALE

FOR LEGAL SURVEY LINE WHERE APPLICABLE  
OR WILPOST - RANGE

(1/4'S CENTER)  
(1/2" CENTER)  
(NORTH)  
(SOUTH)  
(EAST)  
(WEST) LINE OF SECTION

TO (NEAREST R.R. TRACK)

TO (NEAREST P.D. TOWER)

RR'S R/A

WALL TRACK

(DESCRIBE FIXED OBJECT)

(DISTANCE ALONG TRACK FROM SECTION LINE CROSSING)

(NOTE: THIS DISTANCE REQUIRED IN ALL CASES,  
AT LOCATIONS NOT USING SECTIONS, DISTANCE  
TO A LEGAL SURVEY LINE IS REQUIRED)

215 FT.

215 FT.

160 FT.

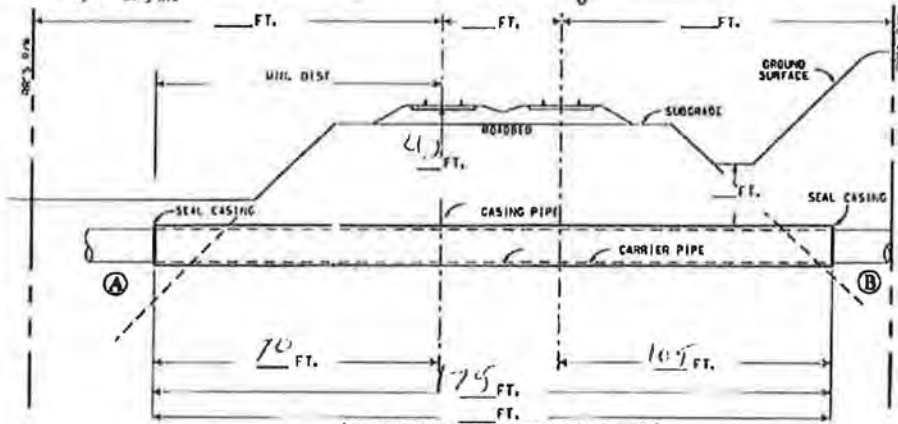
50 FT.

90°

(ANGLE OF CROSSING)

Mo. Arkansas St.

(DESCRIBE FIXED OBJECT)



GROUND SURFACE

SUBGRADE

SEAL CASING

CASING PIPE

CARRIER PIPE

70 FT.

75 FT.

105 FT.

(CASING LENGTH WHEN MEASURED ALONG PIPELINE.)

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

<p>A) IS PIPELINE CROSSING WITHIN DEDICATED STREET? <u>YES</u>; <del>NO</del>;</p> <p>B) IF YES, NAME OF STREET <u>Parkway Dr</u></p> <p>D) DISTRIBUTION LINE <u>X</u> OR TRANSMISSION LINE _____</p> <p>C) CARRIER PIPE: COMMODITY TO BE CONVEYED <u>Water</u> OPERATING PRESSURE <u>100</u> PSI WALL THICKNESS <u>1/2</u>; DIAMETER <u>12</u>; MATERIAL <u>ROU</u>;</p> <p>E) CASING PIPE: WALL THICKNESS <u>1/32</u>; DIAMETER <u>24</u>; MATERIAL <u>steel</u>; NOTE: CASING MUST HAVE 2" CLEARANCE BETWEEN GREATEST OUTSIDE DIAMETER OF CARRIER PIPE AND INTERIOR DIAMETER OF CASING PIPE. WHEN FURNISHING DIMENSIONS, GIVE OUTSIDE OF CARRIER PIPE AND INSIDE OF CASING PIPE.</p> <p>F) METHOD OF INSTALLING CASING PIPE UNDER TRACK(S): <u>X</u> DRY BORE AND JACK (WET BORE NOT PERMITTED); TUNNEL; OTHER _____</p> <p>G) WILL CONSTRUCTION BE BY AN OUTSIDE CONTRACTOR? <u>YES</u>; <del>NO</del>;</p> <p>H) DISTANCE FROM CENTER LINE OF TRACK TO NEAR FACE OF BORING AND JACKING PITS WHEN MEASURED AT RIGHT ANGLES TO TRACK <u>70</u> (30' MIN.)</p> <p>I) APPLICANT HAS CONTACTED 1-800-336-9193, U. P. COMMUNICATION DEPARTMENT, AND HAS DETERMINED FIBER OPTIC CABLE <u>DOES</u>; <del>DOES NOT</del>; EXIST IN VICINITY OF WORK TO BE PERFORMED. TICKET NO. _____</p>	<p style="text-align: center;"><b>EXHIBIT "A"</b> <small>(SEE RAILROAD USE ONLY)</small></p> <p style="text-align: center;">UNION PACIFIC RAILROAD CO. <u>Van Buren Sub</u></p> <p style="text-align: center;">M.P. <u>347.05</u> E.S. <u>190+32+</u></p> <p style="text-align: center;">ENCASED <u>Water</u> CROSSING AT <u>North Little Rock Pulaski AR</u></p> <p style="text-align: center;"><u>Central Arkansas Water</u></p> <p style="text-align: center;">RR FILE NO. <u>2880 01</u> DATE <u>7/30/14</u></p> <p style="text-align: center;"><b>WARNING</b> IN ALL OCCASIONS, U. P. COMMUNICATIONS DEPARTMENT MUST BE CONTACTED IN ADVANCE OF ANY WORK TO DETERMINE EXISTENCE AND LOCATION OF FIBER OPTIC CABLE. PHONE 1-800-336-9193</p>
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# EXHIBIT B

