

**RESOLUTION 2013-01**

A RESOLUTION TO APPROVE A WATER LINE CONNECTION FEE AGREEMENT BETWEEN CENTRAL ARKANSAS WATER AND THE KANIS AND DENNY ROADS SUBURBAN WATER IMPROVEMENT DISTRICT NO. 349 OF PULASKI COUNTY, ARKANSAS, FOR THE PURPOSE OF REQUIRING THAT CERTAIN APPLICANTS FOR WATER SERVICE FROM CENTRAL ARKANSAS WATER BE REQUIRED TO ENTER INTO "WATER LINE EXTENSION AND LIEN AGREEMENT" BETWEEN SUCH APPLICANT AND THE KANIS AND DENNY ROADS SUBURBAN WATER IMPROVEMENT DISTRICT NO. 349 OF PULASKI COUNTY, ARKANSAS, BEFORE CENTRAL ARKANSAS WATER WILL PERMIT SUCH APPLICANT TO CONNECT TO AND RECEIVE WATER SERVICE FROM CENTER ARKANSAS WATER, AND FOR OTHER PURPOSES

WHEREAS, on October 7, 2003 Central Arkansas Water ("CAW") and the Kanis and Denny Roads Suburban Water Improvement District No. 349 of Pulaski County, Arkansas ("District #349") signed a Contract for Water Facilities; and

WHEREAS, District #349 extended its water lines along a portion of Leatha Lane and all of Victoria Lane outside District #349's legal boundaries at considerable expense to District #349 (the "Water Lines"); and

WHEREAS, District #349 has borrowed funds to pay for the Water Lines based on recovery of those expenditures from eleven (11) real estate parcels located adjacent to the Water Lines; and

WHEREAS, District #349 has previously entered into connection agreements with some of the owners of parcels located outside the boundaries of District #349, but the owners of four (4) parcels have refused to enter into any agreement to reimburse District #349 for the cost of installing the Water Lines and making public water available to the Parcels; and

WHEREAS, the failure of these four (4) property owners to entered into any sort of agreement with District #349 to reimburse District #349 for a portion of the costs of constructing the Water Lines has resulted in an economic benefit to the property owners and an economic hardship on District #349;

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

1. The Water Line Connection Fee Agreement, substantially in the form submitted to and before the Commission at this meeting, with such changes as may be approved by the Chair of the Commission, is hereby adopted and approved.

2. The Chair of the Commission is authorized and directed to execute the Water Line Connection Fee Agreement.


3. The Chief Executive officer is authorized and directed to take such other actions and approve such other documents as are, in his 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.

Attest:

  
Eddie Powell, Secretary/Treasurer

APPROVED:

  
Carmen Smith, Chair

**RESOLUTION NO. 2013-02**

**RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER (CAW) TO  
DECLARE AN EMERGENCY AND PROCURE LEGAL SERVICES TO  
PROVIDE ADVICE AND SUPPORT IN MATTERS RELATED TO THE  
RESTART AND RELOCATION OF THE EXXONMOBIL PIPELINE  
LOCATED IN THE LAKE MAUMELLE WATERSHED.**

WHEREAS, CAW is the largest water supplier in the State of Arkansas serving over four hundred thousand (400,000) people in seventeen (17) cities and communities; and

WHEREAS, Lake Maumelle is CAW's primary drinking water source; and

WHEREAS, ExxonMobil owns and operates a twenty (20) inch diameter steel pipeline that transports oil through approximately thirteen and one half (13.5) miles of the Lake Maumelle Watershed; and

WHEREAS, a rupture of the ExxonMobil pipeline in the Lake Maumelle Watershed would threaten and impair the public health and quality of life for Central Arkansas and the continued operation of the pipeline in the Lake Maumelle Watershed poses significant risks to the quality and safety of the drinking water for 400,000 Central Arkansans; and

WHEREAS, a recent rupture of the pipeline has caused ExxonMobil to cease pipeline operations and those operations cannot be restarted without approval of the Pipeline and Hazardous Materials Safety Administration; and

WHEREAS, pipeline operations should not be restarted without a thorough evaluation of that portion of its pipeline that bisects the Lake Maumelle Watershed and a long term mitigation plan to protect the water quality in Lake Maumelle from future ruptures has been developed; and

WHEREAS, CAW needs immediate legal assistance to prevent ExxonMobil from restarting the pipeline without providing necessary mitigation measures; and

WHEREAS, Wright, Lindsey & Jennings, LLP has a conflict of interest under the Arkansas Rules of Professional Conduct and cannot represent CAW's interest against ExxonMobil; and

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

Section 1. Restarting the ExxonMobil Pipeline constitutes a potential emergency.

Section 2. CAW is in need of immediate legal services to prevent ExxonMobil from restarting the pipeline without necessary mitigation. Therefore, an exceptional circumstance exist and it is not feasible or practical for CAW to follow its usual professional services procurement process and the CEO is hereby authorized to proceed with hiring qualified legal counsel to represent CAW in this limited engagement without following CAW's usual professional services procurement process.

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

ADOPTED: April 11, 2013

ATTEST:

APPROVED:



Eddie Powell  
Secretary/Treasurer



Carmen Smith  
Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Eddie Powell, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2013-02 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO DECLARE AN EMERGENCY AND PROCURE LEGAL SERVICES TO PROVIDE ADVICE AND SUPPORT IN MATTERS RELATED TO THE RESTART AND RELOCATION OF THE EXXONMOBIL PIPELINE LOCATED IN THE LAKE MAUMELLE WATERSHED., adopted April 11, 2013.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of April 2013.



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Eddie Powell, Secretary/Treasurer  
Board of Commissioners  
Central Arkansas Water

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**RESOLUTION NO. 2013-03**

**RESOLUTION REQUESTING EXXONMOBIL TO PROVIDE DETAILED ACTION PLANS TO CENTRAL ARKANSAS WATER (CAW) OUTLINING IMMEDIATE AND SHORT-TERM SPILL RISK REDUCTION MEASURES, AS WELL AS A LONG-TERM PLAN FOR THE RELOCATION OF THE OIL PIPELINE OUTSIDE OF THE WATERSHED AND THAT THE PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION REQUIRE SAID ACTIONS BY EXXONMOBIL.**

WHEREAS, CAW is the largest water supplier in the State of Arkansas serving over four hundred thousand (400,000) people in seventeen (17) cities and communities; and

WHEREAS, Lake Maumelle is CAW's primary drinking water source; and

WHEREAS, ExxonMobil owns and operates a twenty (20) inch diameter steel pipeline that transports oil through approximately thirteen and one half (13.5) miles of the Lake Maumelle Watershed; and

WHEREAS, the Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) regulates the ExxonMobil pipeline, including the portion of the pipeline located in the Lake Maumelle Watershed.

WHEREAS, the continued operation of the ExxonMobil pipeline in the Lake Maumelle Watershed poses significant risks to the quality and safety of the drinking water for 400,000 Central Arkansans.

WHEREAS, a pipeline rupture in the Lake Maumelle watershed would threaten and impair the public health and quality of life for Central Arkansas; and

WHEREAS, CAW provides water to the business, educational, healthcare, residential, commercial, and governmental communities in Central Arkansas; and

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

Section 1. That, prior to restart of the pipeline, ExxonMobil present to CAW staff for review and comment a detailed plan detailing the causes of the most recent pipeline rupture in Mayflower and a detailed and thorough evaluation of that portion of its pipeline that bisects the Lake Maumelle Watershed. The evaluation should demonstrate that the pipeline within the Lake Maumelle Watershed is free of

any defect or flaw that would compromise the integrity of the pipe or that may have contributed to the Mayflower rupture.

Section 2. That ExxonMobil implement a wide range of risk mitigation activities in the Lake Maumelle Watershed within the next 12 months. These activities should include, but are not limited to, response plan updates, notification improvements, more frequent monitoring activities, additional training for local emergency responders, additional response materials and equipment, pipeline redundancy and integrity improvements, and other efforts requested by CAW and other federal, state, and local emergency response agencies.

Section 3. That ExxonMobil prepare a report detailing the relocation of the pipeline that resides in the Lake Maumelle Watershed and present it to CAW staff within 6 months. CAW expects and requests that the pipeline relocation shall be implemented in a timely manner, not exceeding 5 years.

Section 4. That PHMSA require ExxonMobil to complete all activities identified in Sections 1 through 3 above.

Section 5. This Resolution shall be in effect upon its adoption and approval.

ADOPTED: April 11, 2013

ATTEST:



Eddie Powell  
Secretary/Treasurer

APPROVED:



Carmen Smith  
Chair

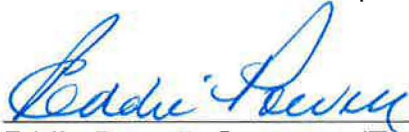


CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Eddie Powell, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2013-03 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION REQUESTING EXXONMOBIL TO PROVIDE DETAILED ACTION PLANS TO CENTRAL ARKANSAS WATER (CAW) OUTLINING IMMEDIATE AND SHORT-TERM SPILL RISK REDUCTION MEASURES, AS WELL AS A LONG-TERM PLAN FOR THE RELOCATION OF THE OIL PIPELINE OUTSIDE OF THE WATERSHED AND THAT THE PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION REQUIRE SAID ACTIONS BY EXXONMOBIL, adopted April 11, 2013.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of April 2013.



Eddie Powell, Secretary/Treasurer  
Board of Commissioners  
Central Arkansas Water



**RESOLUTION NO. 2013-04**

**RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER (CAW) TO  
DECLARE AN EMERGENCY AND PROCURE TECHNICAL/ENGINEERING  
SERVICES TO PROVIDE ADVICE AND SUPPORT IN MATTERS  
RELATED TO THE RESTART AND RELOCATION OF THE EXXONMOBIL  
PIPELINE LOCATED IN THE LAKE MAUMELLE WATERSHED.**

WHEREAS, CAW is the largest water supplier in the State of Arkansas serving over four hundred thousand (400,000) people in seventeen (17) cities and communities; and

WHEREAS, Lake Maumelle is CAW's primary drinking water source; and

WHEREAS, ExxonMobil owns and operates a twenty (20) inch diameter steel pipeline that transports oil through approximately thirteen and one half (13.5) miles of the Lake Maumelle Watershed; and

WHEREAS, a rupture of the ExxonMobil pipeline in the Lake Maumelle Watershed would threaten and impair the public health and quality of life for Central Arkansas and the continued operation of the pipeline in the Lake Maumelle Watershed poses significant risks to the quality and safety of the drinking water for 400,000 Central Arkansans; and

WHEREAS, a recent rupture of the pipeline has caused ExxonMobil to cease pipeline operations and those operations cannot be restarted without approval of the Pipeline and Hazardous Materials Safety Administration; and

WHEREAS, pipeline operations should not be restarted without a thorough evaluation of that portion of its pipeline that bisects the Lake Maumelle Watershed and a long term mitigation plan to protect the water quality in Lake Maumelle from future ruptures has been developed; and

WHEREAS, CAW needs immediate technical/engineering assistance to prevent ExxonMobil from restarting the pipeline without providing necessary mitigation measures; and

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

Section 1. Restarting the ExxonMobil Pipeline constitutes a potential emergency.

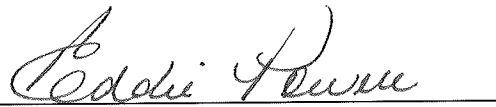
Section 2. CAW is in need of immediate technical/engineering services to prevent ExxonMobil from restarting the pipeline without necessary mitigation.

Therefore, an exceptional circumstance exist and it is not feasible or practical for CAW to follow its usual professional services procurement process and the CEO is hereby authorized to proceed with hiring qualified technical/engineering consultants to represent CAW in this limited engagement without following CAW's usual professional services procurement process.

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

ADOPTED: May 9, 2013

ATTEST:



Eddie Powell  
Secretary/Treasurer

APPROVED:



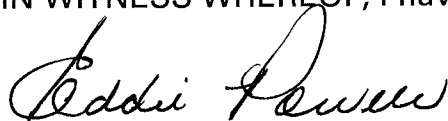
Carmen Smith  
Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Eddie Powell, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2013-04 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO DECLARE AN EMERGENCY AND PROCURE TECHNICAL/ENGINEERING SERVICES TO PROVIDE ADVICE AND SUPPORT IN MATTERS RELATED TO THE RESTART AND RELOCATION OF THE EXXONMOBIL PIPELINE LOCATED IN THE LAKE MAUMELLE WATERSHED., adopted May 9, 2013.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of May 2013.



Eddie Powell, Secretary/Treasurer  
Board of Commissioners  
Central Arkansas Water

# In Honor and Appreciation

## Commissioner Thomas W. Rimmer, Sc.D.

### Resolution 2013-05

WHEREAS, Mr. Thomas Rimmer began his distinguished service on the inaugural Central Arkansas Water Board of Commissioners on July 1, 2001, and provided exemplary vision and leadership for the Board and Central Arkansas Water; and

WHEREAS, his extensive knowledge, insight, and dedication has been integral to the Board in its public-policy decisions and governance of the water utility; and

WHEREAS, Mr. Rimmer was committed to maintaining the utility's world-class standing in water quality, affordability, service, and system integrity; and

WHEREAS, he was integral in addressing and formulating sound public policy on the challenging issues of watershed management and future source to ensure the utility continues to meet the water supply needs of the 17 cities and communities that Central Arkansas Water serves.

**NOW, THEREFORE, BE IT RESOLVED THAT** the Board of Commissioners, Central Arkansas Water, hereby does express sincere appreciation to Mr. Rimmer for his distinguished service to Central Arkansas Water and its customers and honor him for his contributions to the Board and utility.

\* \* \* \* \*

We, Carmen Smith, Marie-Bernarde Miller, Eddie Powell, Jay Hartman, Dr. Roby Robertson, and Anthony Kendall, as members of the Board of Commissioners, Central Arkansas Water, hereby do certify that the above and foregoing is a correct copy of the resolution adopted on this 13th day of June 2013.



Carmen Smith, Chair



Marie-Bernarde Miller, Vice Chair



Eddie Powell, Secretary/Treasurer



Jay Hartman, Commissioner



Dr. Roby Robertson, Commissioner



Anthony Kendall, Commissioner

**RESOLUTION 2013-06**

A RESOLUTION APPOINTING MR. JOHN BRAUNE TO THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, AND FOR OTHER PURPOSES

WHEREAS, the term of Mr. Thomas Rimmer, a member of the Board of Commissioners, Central Arkansas Water ("CAW Board"), expires on June 30, 2013; 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 appoint Mr. John Braune 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, 2020.

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.

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**CERTIFICATE**

I, Eddie Powell, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary/Treasurer, 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 4, 2013.



Eddie Powell, Secretary/Treasurer

## RESOLUTION 2013 – 07

### RESOLUTION OF INTENT FOR STAFF TO INITIATE NEGOTIATIONS FOR THE TRANSFER OF RIGHTS TO 20 MILLION GALLONS PER DAY FROM LAKE DEGRAY TO THE CITY OF HOT SPRINGS, ARKANSAS

WHEREAS, Central Arkansas Water (“CAW”) has an option to purchase up to 120 mgd of the water storage capacity within Lake DeGray (“CAW’s Allocation”); and

WHEREAS, the City of Hot Springs, Arkansas (“Hot Springs”) desires to obtain the water storage rights from Lake DeGray for 20 mgd (the “Hot Springs Allocation”); and

WHEREAS, CAW may be willing to release a portion of the CAW Allocation in an amount equal to the Hot Springs Allocation to Hot Springs provided (i) Hot Springs is willing to adequately compensate CAW for the costs it has incurred acquiring and maintaining the Hot Springs Allocation portion of CAW’s Allocation and (ii) Hot Springs and CAW can agree upon terms and conditions for the development and acquisition of the intake site and pipeline easements that will be utilized by both parties.

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

Section 1. Provided CAW and Hot Springs can come to an agreement on the transfer price and terms, CAW is willing to transfer to, or otherwise permit, Hot Springs to acquire the Hot Springs Allocation.

Section 2. The staff of CAW is hereby directed to initiate negotiations with Hot Springs for the transfer or release of the Hot Springs Allocation to Hot Springs on terms mutually agreeable and acceptable to both Hot Springs and the staff of CAW.

Section 3. Upon negotiation of an agreement as provided in Section 2 above, the staff of CAW shall present such agreement to the Board of Commissioners of CAW for consideration and final approval.

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

The foregoing resolution has been duly adopted by the Board of Commissioners, Central Arkansas Water at a meeting of the Board of Commissioners, Central Arkansas Water held on June 13, 2013.

Attest:



Eddie Powell, Secretary

APPROVED:



Carmen Smith, Chair

## RESOLUTION 2013-08

### RESOLUTION AUTHORIZING PURCHASE OF PROPERTY, FINANCING OF A PORTION OF THE PURCHASE PRICE, AND OTHER MATTERS RELATED THERETO

WHEREAS, Central Arkansas Water (“CAW”) has entered into a Real Estate Offer and Acceptance Contract (the “Contract”) to purchase approximately 150.52 acres of property within the Lake Maumelle Watershed from Centennial Bank (the “Seller”) for the purchase price of \$4,000 per acre (the “Purchase Price”); and

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

WHEREAS, the Contract provides that one half of the Purchase Price shall be paid at closing and the remaining half shall be financed by the Seller at a rate of four percent (4%), simple interest, payable in two annual payments, the first being due and payable on August 1, 2014, in an amount equal to all interest accrued to the date of payment plus one half of the outstanding principal amount financed and the second being due and payable on August 1, 2015, in an amount equal to the amount of unpaid interest accrued to the date of the final payment plus the remainder of the outstanding principal amount financed (the “Financing”); and

WHEREAS, the Board, based upon the recommendations of staff, has determined that it is in the best interest of CAW and its ratepayers to acquire the Property to protect water quality within Lake Maumelle for the Purchase Price, and to finance a portion of the Purchase Price pursuant to and in accordance with the terms of the Financing as set forth in the Contract;

WHEREAS, the Seller has agreed to lend to CAW one half of the Purchase Price, as determined in accordance with the Contract, pursuant to and in accordance with the terms of the Financing as set forth in the Contract;

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

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

Section 2. CAW is authorized to borrow from the Seller up to the sum of \$290,000 (exact is \$288,540), bearing interest at the rate of four percent (4.00%) per annum, simple interest, payable in two annual installments, with the first installment of accrued interest plus one half of the outstanding principal amount of the loan due August 1, 2014, and the final installment of accrued interest plus the remaining balance of the outstanding principal amount of the loan due August 1, 2015, secured by a first priority mortgage on the Property.



Section 3. Each of the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer is hereby authorized and directed, as necessary or required, to deliver the Purchase Price and to execute and acknowledge whatever documents are necessary to complete the purchase of the Property in accordance with the terms of the Contract, and to take all other actions necessary or desirable in connection with the purchase of the Property and the obtaining of the Financing.

\* \* \* \* \*

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 July 11, 2013

Attest:

APPROVED:



Dr. Roby Robertson  
Secretary/Treasurer



Marie-Bernarde Miller  
Chair

Resolution 2013-09

**In Honor and Appreciation Representative John C. Edwards**

WHEREAS, Representative John C. Edwards is a distinguished member of the State of Arkansas House of Representatives whose commitment to the natural resources of the State of Arkansas is well documented; and

WHEREAS, Representative Edwards recognizes the significant risks that petroleum pipelines pose to drinking water sources across the State of Arkansas; and

WHEREAS, Representative Edwards is committed to maintaining the quality and integrity of Arkansas' water resources; and

WHEREAS, Representative Edwards drafted HB 1922, titled, "The Public Surface Water Supply Protection Act" which encourages additional protective measures for those petroleum pipelines located in drinking water supply watersheds; and

WHEREAS, the adoption and implementation of HB1922 will clarify the path for protection of our state's water resources when working on matters related to petroleum pipelines and their effect upon drinking water; and

WHEREAS, HB1922 is now Act 1484;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners, Central Arkansas Water, hereby does express its sincere appreciation to Representative John C. Edwards for his contributions to the protection of drinking water supplies.

\* \* \* \* \*

I, Dr. Roby Robertson, Secretary/Treasurer, of Central Arkansas Water, Board of Commissioners, do hereby certify that the above and foregoing is a true and correct copy of the Resolution 2013-09 of the Resolutions of Central Arkansas Water, adopted on this 8th day of August 2013.

ATTEST:

APPROVED:



Dr. Roby Robertson  
Secretary/Treasurer



Marie-Bernarde Miller  
Chair

## RESOLUTION 2013 – 10

### RESOLUTION AUTHORIZING SALE OF RIGHTS TO 20 MILLION GALLONS OF WATER PER DAY FROM DEGRAY LAKE TO THE CITY OF HOT SPRINGS, ARKANSAS AND AUTHORIZING THE PURCHASE OF RIGHTS TO 100 MILLION GALLONS OF WATER PER DAY FROM DEGRAY LAKE

WHEREAS, Central Arkansas Water (“CAW”) has an option to purchase up to 120 mgd of the water storage capacity within DeGray Lake (“CAW’s Allocation”); and

WHEREAS, the City of Hot Springs, Arkansas (“Hot Springs”) desires to obtain the water storage rights from DeGray Lake for approximately 20 mgd (the “Hot Springs Allocation”); and

WHEREAS, CAW desires to sell the Hot Springs Allocation to Hot Springs; and

WHEREAS, CAW desires to acquire ownership of the remaining portion of CAW’s Allocation.

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

Section 1. The DeGray Lake Joint Use Agreement presented to the Board of Commissioners at this meeting is hereby approved, and the Chair of the Board of Commissioners is hereby authorized and directed to execute the DeGray Lake Joint Use Agreement on behalf of Central Arkansas Water.

Section 2. The Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, and General Counsel are hereby authorized and directed to take such action as necessary to acquire ownership of the remaining portion of CAW’s Allocation not transferred to Hot Springs, utilizing the purchase price received from Hot Springs as a down payment and financing the remainder of the purchase price over the maximum term available from the Department of the Army, Corps of Engineers, at an interest rate of 2.7420% per annum.

Section 3. The Chair, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, and General Counsel, for an on behalf of

Central Arkansas Water, are authorized and directed to do any and all things necessary, including the execution of all papers, documents, certificates and other instruments that may be required for the carrying out of the authority and directives set forth above.

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

The foregoing resolution has been duly adopted by the Board of Commissioners, Central Arkansas Water at a meeting of the Board of Commissioners, Central Arkansas Water held on October 10, 2013.

Attest:

  
\_\_\_\_\_  
Roby Robertson, Secretary

APPROVED:

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