

RESOLUTION NO. 2008-01

**A RESOLUTION OF COMMITMENT FOR CENTRAL ARKANSAS WATER TO PROVIDE THE NECESSARY FUNDING FOR ADMINISTRATIVE AND TECHNICAL STAFF POSITIONS FOR PULASKI COUNTY GOVERNMENT TO IMPLEMENT THE LAKE MAUMELLE WATERSHED MANAGEMENT PLAN**

WHEREAS, the Board of Commissioners, Central Arkansas Water ("CAW"), adopted the Lake Maumelle Watershed Management Plan ("Plan") in February 2007; and

WHEREAS, implementation of the Plan requires that Pulaski County adopt Ordinances that incorporate the provisions of the Plan; and

WHEREAS, CAW recognizes that the County may incur additional costs for implementation of the Plan; and

WHEREAS, CAW also recognizes that, should the County provide for the protection of the Lake Maumelle Watershed, CAW will provide the necessary funding for administrative and technical staff positions to ensure the proper review of subdivision plans and the proper inspection of future developments; and

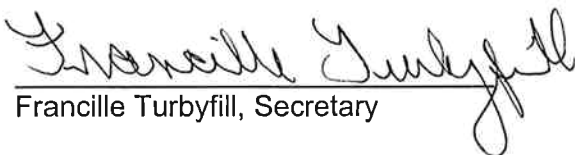
WHEREAS, Lake Maumelle is the primary drinking water supply for approximately 400,000 people in Central Arkansas; and

WHEREAS, the long-term protection of the lake's water quality is dependent upon the implementation of the Plan.

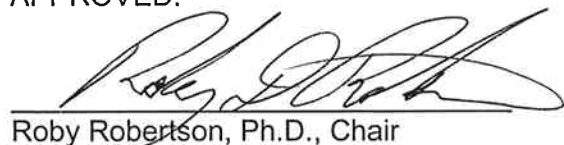
NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of Central Arkansas Water, hereby, does, commit to providing the necessary funding for Pulaski County to implement the Lake Maumelle Watershed Plan.

ADOPTED: April 10, 2008

ATTEST:

  
Francille Turbyfill, Secretary

APPROVED:

  
Roby Robertson, Ph.D., Chair

**RESOLUTION 2008 - 02**

**RESOLUTION OF INTENT TO PROCEED WITH  
DISCUSSIONS REGARDING AND PLANNING FOR  
THE TRANSFER OF ASSETS AND CUSTOMERS FROM  
THE WYE MOUNTAIN PUBLIC FACILITIES BOARD  
TO CENTRAL ARKANSAS WATER**

WHEREAS, the Wye Mountain Public Facilities Board (“Wye Mountain”) owns and operates certain water system improvements (the “Water System”); and

WHEREAS, the Board of Directors of Wye Mountain (the “Directors”) desires to continue discussions with Central Arkansas Water (“CAW”) staff regarding and planning for the transfer of the Water System to CAW (the “Transfer”); and

WHEREAS, the staff of CAW and the Directors recognize that Wye Mountain and CAW will incur substantial engineering and other costs in order for Wye Mountain and CAW to discuss the Transfer in a meaningful manner; and

WHEREAS, Wye Mountain desires for the Board of Commissioners, Central Arkansas Water (the “Commission”) to express its desire to explore the possibility of the Transfer prior to incurring such costs.

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

Section 1. Provided the Commission and the Directors can agree on mutually acceptable terms and conditions for the Transfer, the Commission would be in favor of the Transfer.

Section 2. Accordingly, the staff of CAW is hereby authorized and directed to do any and all things necessary to effect the purpose of this Resolution, including, but not limited to the preparation and conducting of necessary engineering studies and planning needed to determine the terms and conditions upon which the staff believes the Transfer could take place without negatively affecting the operation and performance of CAW’s existing water distribution system.

Section 3. If the staff of CAW determines that the Transfer is feasible and they desire to recommend approval of the Transfer to the Commission, then the staff of CAW shall prepare a Memorandum of Understanding acceptable to Wye Mountain and then bring the Memorandum of Understanding detailing the terms and conditions of the Transfer to this Commission for consideration and possible approval.

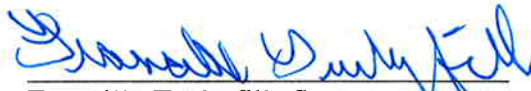
Section 4. While this Commission has expressed its desire to continue discussions regarding the possibility of the Transfer and its approval of the concept of the Transfer, nothing herein shall obligate the Commission to approve the Memorandum of Understanding or the Transfer unless the terms and conditions of the Transfer and the effect of the Transfer on CAW's current facilities are acceptable to the Commission.

Section 5. 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 May 8, 2008.

Attest:

APPROVED:

  
Francille Turbyfill, Secretary

  
Dr. Roby Robertson, Chair

**RESOLUTION 2008-03**

A RESOLUTION RE-APPOINTING MS. M. JANE DICKEY TO THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, AND FOR OTHER PURPOSES

WHEREAS, the term of Ms. Jane Dickey, a member of the Board of Commissioners, Central Arkansas Water ("CAW Board"), expires on June 30, 2008; and

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

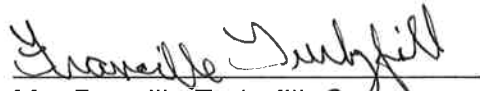
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, THAT the remaining commissioners do hereby re-appoint Ms. Dickey to a seven-year term, subject to approval by the duly elected and qualified members of the Board of Directors of the City of Little Rock and the City Council of the City of North Little Rock, and that his term of office will be July 1, 2008, through June 30, 2015.

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

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**CERTIFICATE**

I, Ms. Francille Turbyfill, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners at its regular meeting held June 12, 2008.

  
Ms. Francille Turbyfill, Secretary

**RESOLUTION NO. 2008-04**

**A RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER STAFF TO APPLY TO PARTICIPATE IN THE UNITED STATES DEPARTMENT OF AGRICULTURE NATURAL RESOURCES CONSERVATION SERVICES WILDLIFE HABITAT INCENTIVES PROGRAM, DESIGNATING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER, THE CHIEF OPERATING OFFICER, AND THE CHIEF FINANCIAL OFFICER OF CENTRAL ARKANSAS WATER TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH THE APPLICATION, AND AUTHORIZING OTHER STAFF MEMBERS TO PROVIDE INFORMATION AND TAKE OTHER MEASURES TO FACILITATE THE APPLICATION PROCESS AND FUTURE PROGRAM PARTICIPATION**

WHEREAS, Central Arkansas Water (“CAW”) owns and operates a water collection, storage, treatment and distribution system (the "System"), including specifically Lake Winona and Lake Maumelle (the “Lakes”), in order to provide potable water service to the citizens of the Cities of Little Rock and North Little Rock and the surrounding communities; and

WHEREAS, the Board of Commissioners of CAW (the “Commission”) has determined that it is in the best interest of the customers of the System to take appropriate measures to protect the watersheds surrounding the Lakes, as necessary; and

WHEREAS, the Commission has determined that is in the best interest of the customers of the System to apply to participate in the Wildlife Habitat Incentives Program (the “Program” or “WHIP”) administered by the United States Department of Agriculture Natural Resources Conservation Services (“NRCS”);

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

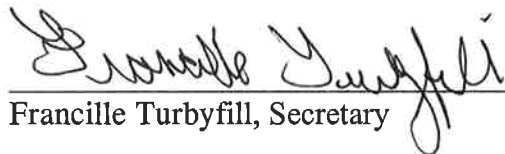
- Section 1. That Graham Rich, as Chief Executive Officer, Thad Luther, as Chief Operating Officer, and Gary Pittman, as Chief Financial Officer (collectively, the “Officers”), are hereby authorized and directed to make application to participate in the Program administered by NRCS.
  
- Section 2 That Martin Maner, as Director of Watershed Management, and Stephanie Hymel, as Stewardship Coordinator (the “Watershed Staff”), are hereby authorized to provide NRCS with whatever information is needed and take whatever actions the Officers and the Watershed Staff deem necessary to assure the proper and timely consideration of CAW’s application for participation in WHIP.

Section 3. That the Officers are hereby authorized to execute, for and on behalf of CAW, the "Conservation Program Application" and such other documents and certificates as may be required by NRCS to (i) completely process CAW's application for participation in the Program, and (ii) place land owned by CAW within the Lakes' watersheds into the Program.

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

ADOPTED: July 10, 2008

ATTEST:

  
Francille Turbyfill, Secretary

APPROVED:

  
Eddie Powell, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Francille Turbyfill, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2008-04 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER STAFF TO APPLY TO PARTICIPATE IN THE UNITED STATES DEPARTMENT OF AGRICULTURE NATURAL RESOURCES CONSERVATION SERVICES WILDLIFE HABITAT INCENTIVES PROGRAM, DESIGNATING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER, THE CHIEF OPERATING OFFICER, AND THE CHIEF FINANCIAL OFFICER OF CENTRAL ARKANSAS WATER TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH THE APPLICATION, AND AUTHORIZING OTHER STAFF MEMBERS TO PROVIDE INFORMATION AND TAKE OTHER MEASURES TO FACILITATE THE APPLICATION PROCESS AND FUTURE PROGRAM PARTICIPATION, adopted July 10, 2008.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of July 2008.

  
\_\_\_\_\_  
Francille Turbyfill, Secretary of Board of  
Commissioners, Central Arkansas Water

## RESOLUTION 2008-05

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

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

WHEREAS, Carter-Burgess, Inc. and Pros Consulting, LLC., CAW's rate consultants, completed the Rate Studies and made recommendations on the equalizing schedule of rates recommended in the Rate Studies, and

WHEREAS, the Board of Commissioners, by Resolutions 2001-09, 2003-08, and 2005-09 accepted the findings of the Rate Studies and adopted the equalizing schedule of rates recommended by the Rate Studies, and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER THAT RATE SCHEDULE NO. 1 OF CENTRAL ARKANSAS WATER SHALL BE AMENDED AND RESTATED, AS FOLLOWS:

### RATE SCHEDULE NO. 1 OF CENTRAL ARKANSAS WATER

**Section 1.** The following schedule of rates is hereby established by Central Arkansas Water for Domestic, Commercial, Industrial, and Sprinkler customer classes inside and outside of the corporate limits of the City of Little Rock ("LR"), Arkansas, and the City of North Little Rock ("NLR"), Arkansas, and whose water service meters are located both south (LR) and north (NLR) of the Arkansas River.

#### Effective Dates

This schedule shall become effective for water billed on or after January 1, 2009, January 1, 2010, and January 1, 2011, as hereinafter set forth unless otherwise noted.

#### Meter Measurement

Except for public and private fire services, all water used shall be measured through meters. The size of each meter shall be determined by Central Arkansas Water commensurate with its estimate of the amount of water to be used for the premises. One cubic foot of water is equal to 7.48 gallons weighing 62.5 pounds avoirdupois.



Minimum Monthly Charge

The Minimum Monthly Charge for all customers, except public and private fire service, includes payment for the first 200 cubic feet (cf) of water used.

METER SIZE (diameter)	MINIMUM MONTHLY CHARGE	
	EFFECTIVE JANUARY 1, 2009	
	INSIDE	OUTSIDE
5/8"	\$ 4.77	\$ 6.39
3/4"	\$ 6.15	\$ 8.24
1"	\$ 8.75	\$ 11.72
1 1/2"	\$ 14.79	\$ 19.81
2"	\$ 23.98	\$ 32.14
3"	\$ 44.36	\$ 59.44
4"	\$ 72.15	\$ 96.68
6"	\$ 142.70	\$ 191.22
8"	\$ 241.36	\$ 323.42
10"	\$ 347.50	\$ 465.65
12"	\$ 632.88	\$ 848.06

METER SIZE (diameter)	MINIMUM MONTHLY CHARGE	
	EFFECTIVE JANUARY 1, 2010	
	INSIDE	OUTSIDE
5/8"	\$ 5.35	\$ 7.00
3/4"	\$ 6.90	\$ 9.03
1"	\$ 9.81	\$ 12.84
1 1/2"	\$ 16.59	\$ 21.70
2"	\$ 26.90	\$ 35.21
3"	\$ 49.75	\$ 65.11
4"	\$ 80.92	\$ 105.91
6"	\$ 160.05	\$ 209.47
8"	\$ 270.71	\$ 354.29
10"	\$ 389.75	\$ 510.10
12"	\$ 709.83	\$ 929.02

Additional Monthly Charge

In addition to the Minimum Monthly Charge, the first table of rates shall apply to the amount of water used in excess of 200 cubic feet per month for customers inside the City of Little Rock ("LR"), Arkansas, followed by the second table for outside city customers located south of the Arkansas River.

CUSTOMER CLASS	RATES		
	EFFECTIVE 1/1/2009	EFFECTIVE 1/1/2010	EFFECTIVE 1/1/2011
	INSIDE LR CHARGES \$ PER 100 CF	INSIDE LR CHARGES \$ PER 100 CF	INSIDE LR CHARGES \$ PER 100 CF
DOMESTIC	\$ 1.36	\$ 1.39	\$ 1.51
COMMERCIAL	\$ 1.27	\$ 1.35	\$ 1.41
INDUSTRIAL	\$ 1.07	\$ 1.10	\$ 1.15
SPRINKLER	\$ 1.36	\$ 1.39	\$ 1.51

CUSTOMER CLASS	RATES		
	EFFECTIVE 1/1/2009	EFFECTIVE 1/1/2010	EFFECTIVE 1/1/2011
	OUTSIDE LR CHARGES \$ PER 100 CF	OUTSIDE LR CHARGES \$ PER 100 CF	OUTSIDE LR CHARGES \$ PER 100 CF
DOMESTIC	\$ 2.18	\$ 2.22	\$ 2.42
COMMERCIAL	\$ 2.03	\$ 2.16	\$ 2.26
INDUSTRIAL	\$ 1.71	\$ 1.76	\$ 1.84
SPRINKLER	\$ 2.18	\$ 2.22	\$ 2.42

In addition to the Minimum Monthly Charge, the first table of rates shall apply to the amount of water used in excess of 200 cubic feet per month for customers inside the City of North Little Rock ("NLR"), Arkansas, followed by the second table for outside city customers located north of the Arkansas River.

CUSTOMER CLASS	RATES		
	EFFECTIVE 1/1/2009	EFFECTIVE 1/1/2010	EFFECTIVE 1/1/2011
	INSIDE NLR CHARGES \$ PER 100 CF	INSIDE NLR CHARGES \$ PER 100 CF	INSIDE NLR CHARGES \$ PER 100 CF
DOMESTIC	\$ 1.39	\$ 1.39	\$ 1.51
COMMERCIAL	\$ 1.35	\$ 1.35	\$ 1.41
INDUSTRIAL	\$ 1.07	\$ 1.10	\$ 1.15
SPRINKLER	\$ 1.39	\$ 1.39	\$ 1.51

CUSTOMER CLASS	RATES		
	EFFECTIVE 1/1/2009	EFFECTIVE 1/1/2010	EFFECTIVE 1/1/2011
	OUTSIDE NLR CHARGES \$ PER 100 CF	OUTSIDE NLR CHARGES \$ PER 100 CF	OUTSIDE NLR CHARGES \$ PER 100 CF
DOMESTIC	\$ 2.22	\$ 2.22	\$ 2.42
COMMERCIAL	\$ 2.03	\$ 2.16	\$ 2.26
INDUSTRIAL	\$ 1.71	\$ 1.76	\$ 1.84
SPRINKLER	\$ 2.22	\$ 2.22	\$ 2.42

Nonresident Consumers

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

Private Fire Services

Private fire service connections for private premises in both the City of Little Rock, Arkansas and the City of North Little Rock, Arkansas and consumers outside the municipal boundaries of each city both north and south of the Arkansas River shall pay the following annual fire service charges.

	RATES	
	EFFECTIVE JANUARY 1, 2009	
	INSIDE	OUTSIDE
FIRE HYDRANTS	\$ 64.76	\$ 93.68
FIRE CONNECTION MINIMUM CHARGE	\$ 75.10	\$ 108.64
AUTOMATIC SPRINKLER SYSTEM MINIMUM CHARGE (1,000 HEADS)	\$ 75.10	\$ 108.64
ADDITIONAL HEADS, EACH	\$ 0.07	\$ 0.12
STANDPIPE 1 1/4" (OR SMALLER) DIAMETER, EACH	\$ 14.69	\$ 21.25
1 1/2" DIAMETER, EACH AT	\$ 22.86	\$ 33.06
2" DIAMETER, EACH	\$ 37.56	\$ 54.32
2 1/2" DIAMETER, EACH	\$ 75.10	\$ 108.64

**Section 2.** Effective with water billed on or after May 1, 2009, Inside City Domestic accounts with a single house meter (no sprinkler meter) using 300 cubic feet or less of monthly usage shall be given a **Conservation Rate Discount** of 15%.

**Section 3.** Effective with water billed on or after May 1, 2009, all Inside City and Outside City Domestic and Sprinkler accounts shall be given a **Demand Management Surcharge** of 30% on monthly usage in excess of 3300 cubic feet per meter.

**Section 4.** A **Watershed Protection Fee** of \$0.45 per month per 5/8" or 3/4" equivalent meter will be added to the monthly bill for all customers effective with water billed on or after May 1, 2009. The fee will accumulate to establish a fund that may be used for small land purchases, to service the debt on larger land purchases, and/or fund the administration of the Watershed Protection Program. If debt is incurred the fee will continue as necessary throughout the life of the loan to service debt repayment. Once the fund balance has exceeded \$3,000,000, the fee will stop billing until the fund has fallen below \$2,000,000. The fee may also be suspended should CAW deem it no longer necessary for the Watershed Protection Program.

METER SIZE (diameter)	WATERSHED PROTECTION FEE EFFECTIVE May 1, 2009
5/8"	\$ .45

3/4"	\$ .45
1"	\$ .68
1 1/2"	\$ 1.13
2"	\$ 2.25
3"	\$ 3.60
4"	\$ 6.75
6"	\$ 11.25
8"	\$ 22.50
10"	\$ 36.00

**Section 5.** The following schedule of rates is established by Central Arkansas Water for Wholesale-metered Customers.

Wholesale-metered Customers

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

TIME WATER IS TAKEN	RATES		
	EFFECTIVE 1/1/2009	EFFECTIVE 1/1/2010	EFFECTIVE 1/1/2011
	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF
ON PEAK Customers taking any water from: 4:01am to 8:59am and/or 5:01pm to 9:59pm	\$ 0.948	\$ 1.028	\$ 1.108
OFF PEAK Customers taking all water from: 10pm to 4am and/or 9am to 5pm	\$ 0.814	\$ 0.884	\$ 0.964

The **Watershed Protection Fee**, pursuant to Section 4 herein, shall not apply to the Wholesale meter but instead shall be passed through on the same basis of meter size to the individually metered customers of the Wholesaler as well as those of any subsequent Wholesaler. Wholesalers obtaining less than 100% of their total supply from CAW will pay only a proportional share of the fee based on the percentage supplied by CAW. Wholesalers shall report each month the total metered consumption and number of active meters by size. Wholesalers may pass the fee through directly or include it in their rates.

**Section 6.** The following schedule of rates is hereby established by Central Arkansas Water for Raw Water Customers.

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

	RATES		
	EFFECTIVE 1/1/2009	EFFECTIVE 1/1/2010	EFFECTIVE 1/1/2011
	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF
	Raw Water Customer	\$ 0.470	\$ 0.510

**Section 7.** Bills for service shall be rendered and paid monthly, with the exception of payments for private fire service. Payments for private fire service shall be due in semi-annual installments in advance of the first (1<sup>st</sup>) day of January and July of each year.

**Section 8.** A penalty of ten percent (10%) shall be added to a customer bill not paid before the 20<sup>th</sup> day following the billing date. If a bill is not paid within 30 days after the billing date, service for the affected premise, or customer, may be disconnected. In such event, CAW may levy a reconnection charge.

**Section 9. Repealer.** All previous rate schedule resolutions are hereby repealed, as of the effective date of the schedule herein established.

**Section 10. Severability.** The provisions of this resolution are separable, and if any portion, section, provision, or phrase of this resolution shall be declared invalid or unconstitutional, such action shall not affect the validity of the remainder of this resolution.

**Section 11. Definitions.** The customer classes described in the Additional Monthly Charge subsection of Section 1 of Rate Schedule No. 1 shall be defined as follows:

“Domestic” shall mean all customers receiving water service at a single building or building unit that is owned, leased, or rented by one party, separately metered, and occupied as a residence.

“Commercial” shall mean all customers receiving water service at (i) a building containing two or more apartments or family units that are rented or leased to tenants as residences and are not separately metered; (ii) a building occupied by a retail or service business; (iii) a building owned or occupied by a public utility, a department of a municipality, or a state or federal governmental agency; or (iv) a non-domestic customer that does not fit the definition of an Industrial Class customer.

“Industrial” shall mean any commercial customer (i) who uses at least 1,500,000 cubic feet of water per meter during the 12-month period from September 1 to August 31; or (ii) who agrees to take or pay for a minimum of 125,000 cubic feet of water per meter per month on an annual basis. Customers who qualify for industrial service described in (i) above shall be assigned to the Industrial Class for the calendar year beginning the following January.

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

**CERTIFICATE**

I, Jay Hartman, Vice Chair of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution No. 2008-05 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION TO ESTABLISH A SCHEDULE OF RATES FOR CENTRAL ARKANSAS WATER; TO FIX THE EFFECTIVE DATE FOR THESE RATES; AND FOR OTHER PURPOSES;** passed by the Board of Commissioners at its regular meeting held August 14, 2008.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office on this 14th day of August 2008.

  
 Jay Hartman  
 Vice Chair

**RESOLUTION NO. 2008-06**

**A RESOLUTION APPROVING THE FACILITY PLANS FOR WATER TREATMENT PLANTS AND AMENDING THE DECLARATION OF INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN EXPENDITURES TOWARD CAPITAL IMPROVEMENTS AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

WHEREAS, Central Arkansas Water ("CAW") owns and operates two separate water treatment plants: the Ozark Point Treatment Plant and the Jack H. Wilson Treatment Plant (the "Plants");

WHEREAS, CAW staff has determined that the existing chlorine gas disinfection systems at the Plants are aging, and that in the face of increasingly stringent regulations and concerns about public safety, transporting, storing, and handling large quantities of chlorine gas the existing chlorine gas disinfection systems should be replaced;

WHEREAS, replacement of the existing chlorine gas disinfection systems will require other changes to the Plants as more specifically set forth in the "facility plans" presented to the Board of Commissioners at this meeting (the "Facility Plans");

WHEREAS, CAW has determined that it is in the best interest of CAW and the public to acquire, design, construct and equip improvements to its water treatment and distribution system (the "Improvements"), more particularly described as (i) new sodium hypochlorite storage and feed systems at Wilson and Ozark to discontinue use of use gaseous chlorine and support the increased capacity rating at Wilson; (ii) additional feed system improvements at both plants to replace older equipment, provide needed hydrofluorosilicic acid storage, and support increased Wilson capacity; (ii) new maintenance facility at Wilson to provide office/shop space and inventory management; (iv) two finished water tanks in West Little Rock addressing storage deficiencies in the Highland Ridge and West Markham Pressure Plains.

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

WHEREAS, CAW proposes to obtain funds to accomplish the Improvements and to pay expenses from issuing tax-exempt bonds; and

WHEREAS, in May 2007 CAW previously declared its "official intent," within the meaning of United States Treasury Regulation §1.150-2, to issue tax-exempt bonds to pay for the Improvements; and

WHEREAS, CAW desires to amend its declaration of "official intent" to issue tax-exempt bonds and to reimbursement itself for expenses from the proceeds of such bonds.

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

Section 1. CAW hereby adopts the Facility Plans and directs the staff to make the necessary Improvements to the Plants to assure that the Plants are built and operated in conformance with the Facility Plans.

Section 2. CAW hereby amends and re-declares its official intent and reasonable expectation to reimburse itself for original expenditures paid from its general or operating funds that are used in acquiring, designing, constructing and equipping the Improvements between the date that is sixty (60) days prior to the date of Resolution 2007-07 dated May 10, 2007, and the date the Bonds (as hereinafter defined) are issued, plus a de minimis amount and preliminary expenditures, with the proceeds of tax-exempt bonds in the principal amount of not to exceed Fifteen Million Five Hundred Thousand Dollars (\$15,500,000) (the "Bonds").

Section 3. CAW shall reimburse itself for the original expenditures from proceeds of the Bonds within eighteen (18) months after the later of:

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

Section 4. The appointment of Wright, Lindsey & Jennings LLP, as Bond Counsel, is hereby approved and ratified.

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

Section 6. A copy of this Resolution shall be filed with Secretary of CAW where it will be available for public inspection.

Section 7. A copy of this Resolution with original signatures shall be furnished by the Chief Financial Officer of CAW to the Executive Director of the Arkansas Natural Resources Commission.

ADOPTED: August 14, 2008.

ATTEST:

  
Francille Turbyfill, Secretary

APPROVED:


  
Eddie Powell, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Francille Turbyfill, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2008-06 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION APPROVING THE FACILITY PLANS FOR WATER TREATMENT PLANTS AND AMENDING THE DECLARATION OF INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN EXPENDITURES TOWARD CAPITAL IMPROVEMENTS AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted August 14, 2008.

IN WITNESS WHEREOF, I have hereunto set my hand this 14<sup>th</sup> day of August, 2008.

  
\_\_\_\_\_  
Francille Turbyfill, Secretary of Board of  
Commissioners, Central Arkansas Water



**RESOLUTION 2008-07**

**A RESOLUTION APPOINTING MS. ADRIENNE BRADLEY TO THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, AND FOR OTHER PURPOSES**

WHEREAS, the term of Ms. M. Jane Dickey, a member of the Board of Commissioners, Central Arkansas Water ("CAW Board"), expired on June 30, 2008; 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 Ms. Bradley to a seven-year term, subject to confirmation by the duly elected and qualified members of the Board of Directors of the City of Little Rock and the City Council of the City of North Little Rock, and that her term of office shall be through June 30, 2015.

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, Francille Turbyfill, 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 August 14, 2008.

  
Francille Turbyfill, Secretary

# In of Honor and Appreciation

## Commissioner M. Jane Dickey

### Resolution 2008-08

WHEREAS, Ms. M. Jane Dickey served on the Board of Commissioners, Central Arkansas Water, since the Board's formation in 2001 and prior to that time served with the Board of Commissioners, Little Rock Municipal Water Works, from 1997-2001; and

WHEREAS, during her tenure she provided exemplary vision and leadership for the Board and our utility; and

WHEREAS, her extensive background in business, municipal finance, law, and civic affairs have been integral to the Board in its public-policy decisions and governance of the water utility; and

WHEREAS, Ms. Dickey led in the historic merger of the Little Rock and North Little Rock water systems and was instrumental in the success of this extraordinary initiative by steering efforts and fostering unprecedented support in the public and private sectors and among elected officials; and

WHEREAS, as Chair of the inaugural CAW Board, she worked tirelessly to ensure the success of the merger and the realization of the cities' objectives of inter-local cooperation, regionalism, and economic efficiency for customers; and

WHEREAS, she also committed more than a decade to addressing and formulating sound public policy on the challenging issues of watershed management and future source to assure that we continue to meet the water supply needs of the 16 cities and communities that CAW serves; and

WHEREAS, the utility's world-class standing in water quality, affordability, service, and system integrity is directly attributable to her commitment to excellence; and

WHEREAS, Ms. Dickey has served for eleven years, seven years on the CAW Board and four years on the LRMWW Board, and retires with a legacy of distinction and accomplished leadership.

**NOW, THEREFORE, BE IT RESOLVED THAT** the Board of Commissioners, Central Arkansas Water, hereby does express sincere appreciation to Ms. Dickey for her distinguished service to CAW and its customers and honor her for her contributions to the Board and utility.

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

\* \* \* \* \*

We, Eddie Powell, Jay Hartman, Francille Turbyfill, Adrienne Bradley, Anthony Kendall, Thomas Rimmer, and Dr. Roby Robertson, 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 9th day of October 2008.

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

\_\_\_\_\_  
Jay Hartman, Vice Chair

\_\_\_\_\_  
Francille Turbyfill, Secretary

\_\_\_\_\_  
Adrienne Bradley, Commissioner

\_\_\_\_\_  
Anthony Kendall, Commissioner

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

\_\_\_\_\_  
Dr. Roby Robertson, Commissioner

**RESOLUTION NO. 2008-09**

**A RESOLUTION DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN EXPENDITURES TOWARD CAPITAL IMPROVEMENTS NOT TO EXCEED \$5,000,000 AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF BONDS OF THE UTILITY; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

WHEREAS, Central Arkansas Water (“CAW”) proposes to acquire, design, construct and equip capital improvements to its water distribution system and water treatment facilities (the “Improvements”); and

WHEREAS, it is appropriate that CAW assure that its power to issue capital improvement bonds to finance the costs of the Improvements, the interest on which is exempt from federal income tax, will, under applicable sections of the Internal Revenue Code and the Treasury Regulations promulgated thereunder, be preserved, and adoption of this Resolution serves that purpose.

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

Section 1. Pursuant to United States Treasury Regulation §1.150-2, CAW hereby declares its official intent and reasonable expectation to reimburse itself for original expenditures paid from its general or operating funds that are used in acquiring, constructing and equipping the Improvements between the date that is sixty (60) days prior to the date of this Resolution and the date the bonds are issued, plus a de minimis amount and preliminary expenditures, with the proceeds of one or more series of tax-exempt bonds in the principal amount of not to exceed \$5,000,000 (the “Bonds”).

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


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

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

Section 4. A copy of this Resolution shall be furnished to the Arkansas Natural Resources Commission and filed with Secretary of CAW where it will be available for public inspection.

ADOPTED: 9-11-08


ATTEST:

  
Francille Turbyfill, Secretary

APPROVED:

  
Eddie Powell, Chair

APPROVED AS TO FORM:

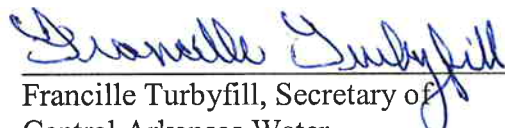
  
C. Tad Bohannon,  
Counsel for Central Arkansas Water

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Francille Turbyfill, Secretary of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2008-09 of the Resolutions of Central Arkansas Water, entitle: A RESOLUTION DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN EXPENDITURES TOWARD CAPITAL IMPROVEMENTS FOR THE UTILITY AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF BONDS OF THE UTILITY; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted September 11, 2008.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of September, 2008.

  
\_\_\_\_\_  
Francille Turbyfill, Secretary of  
Central Arkansas Water

**RESOLUTION NO. 2008-10**

**A RESOLUTION DESIGNATING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER, THE CHIEF OPERATING OFFICER, AND THE CHIEF FINANCIAL OFFICER OF CENTRAL ARKANSAS WATER TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH THE DRINKING WATER SRF LOAN PROGRAM ADMINISTERED BY THE ARKANSAS NATURAL RESOURCES COMMISSION, AUTHORIZING THE HIRING OF BOND COUNSEL AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

WHEREAS, Central Arkansas Water owns and operates a water treatment and distribution system (the "System") in order to provide potable water service to the citizens of the Cities of Little Rock and North Little Rock and the surrounding communities; and

WHEREAS, the Board of Commissioners of Central Arkansas Water (the "Commission") has determined that it is in the best interest of the customers of the System to apply for loan assistance from the Arkansas Natural Resources Commission (the "ANRC") under the Drinking Water SRF Loan Program (the "Program"), in order to make certain improvements to the System by extending a 16-inch transmission main approximately 9 miles west along Highway 10 to the intersection with Highway 113 to provide a reliable water supply to the existing Wye Mountain Water distribution system and other water users in western Pulaski County.

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

- Section 1. That Graham Rich, as Chief Executive Officer, Thad Luther, as Chief Operating Officer, or Gary Pittman, as Chief Financial Officer (the "Signatories"), when the application is completed and ready for submission, are, individually or collectively, hereby authorized and directed to make application for assistance under the Program administered by the ANRC.
- Section 2. That Graham Rich, as Chief Executive Officer, is hereby authorized to execute, when approved by the Commission, a bond purchase agreement with ANRC for and on behalf of Central Arkansas Water.
- Section 3. That in the event Graham W. Rich is unavailable, Thad Luther, as Chief Operating Officer, is hereby authorized to execute, when approved by the Commission, a bond purchase agreement with ANRC for and on behalf of Central Arkansas Water.
- Section 4. That any of the Signatories is hereby authorized to execute, for and on behalf of Central Arkansas Water, such other documents and certificates as may be required by ANRC (i) for participation in the Program, or (ii) to satisfy CAW's obligations under the bond purchase agreement with ANRC, once such agreement is approved by the Commission.

Section 5. The appointment of Wright, Lindsey & Jennings LLP, as Bond Counsel, is hereby approved and ratified.

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

Section 7. A copy of this Resolution with original signatures shall be furnished to the Arkansas Natural Resources Commission and filed in the offices of CAW where it will be available for public inspection.

ADOPTED:

ATTEST:

  
Francille Turbyfill, Secretary

APPROVED:

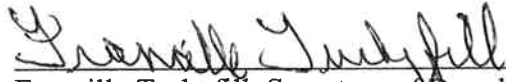
  
Eddie Powell, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Francille Turbyfill, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2008-10 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION DESIGNATING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER, THE CHIEF OPERATING OFFICER, AND THE CHIEF FINANCIAL OFFICER OF CENTRAL ARKANSAS WATER TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH THE DRINKING WATER SRF LOAN PROGRAM ADMINISTERED BY THE ARKANSAS NATURAL RESOURCES COMMISSION, AUTHORIZING THE HIRING OF BOND COUNSEL AND PRESCRIBING OTHER MATTERS RELATING THERETO adopted September 11, 2008.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of September 2008.

  
\_\_\_\_\_  
Francille Turbyfill, Secretary of Board of  
Commissioners, Central Arkansas Water



RESOLUTION 2008-11

RESOLUTION APPROVING AMENDMENT AND RESTATEMENT OF  
THE CENTRAL ARKANSAS WATER SECTION 125 CAFETERIA PLAN  
TO COMPLY WITH IRS REGULATORY CHANGES APPLICABLE TO  
THE PLAN

WHEREAS, Central Arkansas Water maintains the Central Arkansas Water Section 125 Cafeteria Plan (the "Plan") for the benefit of its employees; and

WHEREAS, Central Arkansas Water desires to amend the Plan to comply with regulations recently issued by the IRS;

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

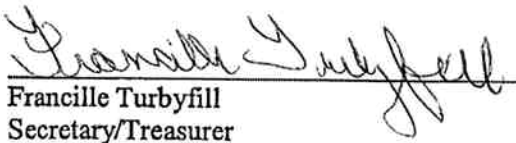
1. Central Arkansas Water amends and restates its Central Arkansas Water Section 125 Cafeteria Plan, to remove certain optional insurance premium payments/reimbursements from the Plan and for the purpose of making technical amendments to the Plan to assure the Plan's continued compliance with applicable regulations, all as set forth in the Central Arkansas Water Section 125 Cafeteria Plan attached as Exhibit A hereto; and

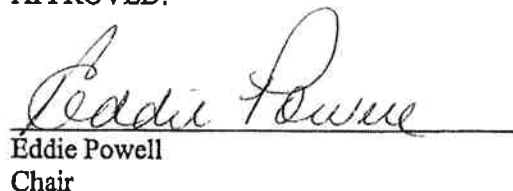
2. The Chief Executive Officer and the Director of Human Resources are authorized and directed to execute all documents, instruments and certificates required or necessary to carry out the foregoing resolution and take all other actions necessary or desirable in connection with the foregoing resolution.

The foregoing resolutions have 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 October 9, 2008.

Attest:

APPROVED:

  
Francille Turbyfill  
Secretary/Treasurer

  
Eddie Powell  
Chair

**RESOLUTION NO. 2008-12**

**RESOLUTION APPROVING NEW WATER SUPPLY CONTRACT  
BETWEEN CENTRAL ARKANSAS WATER AND THE CITY OF BRYANT;  
AUTHORIZING THE CHAIRPERSON TO EXECUTE SUCH CONTRACT;  
AND PRESCRIBING OTHER MATTERS RELATING THERETO**

WHEREAS, the City of Little Rock ("Little Rock") and the City of Bryant ("Bryant") previously entered into an Agreement (the "Agreement") dated July 11, 1998, for the Little Rock Municipal Water Works to provide water to Bryant; and

WHEREAS, Central Arkansas Water ("CAW") is the successor in interest to Little Rock in the Agreement;

WHEREAS the Agreement has been amended from time to time; and

WHEREAS, CAW and Bryant desire to enter into a new agreement pursuant to which CAW shall sell, and Bryant shall buy, surplus potable water.

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

Section 1. The Water Supply Contract by and between CAW and Bryant, in the form presented to this Board, for the sale of water by CAW to Bryant, and other matters related thereto (the "Contract"), is hereby approved.

Section 2. CAW is authorized to enter into the Contract, and Eddie Powell, as Chair of the Board of Commissioners, Central Arkansas Water, is authorized to execute the Contract on behalf of CAW.

Section 3. Each or any of the Chair, Secretary, Chief Executive Officer or Chief Operations Officers is hereby authorized and directed to do any and all things necessary to effect the purpose of this Resolution and to take all other actions necessary or desirable in connection with the foregoing sections of this resolution.

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

ADOPTED: 11/13/08

ATTEST:

APPROVED:

Francille Snyffill

Eddie Powell



**RESOLUTION NO. 2008-13**

**RESOLUTION APPROVING SURPLUS RAW WATER AGREEMENT  
CONTRACT BETWEEN CENTRAL ARKANSAS WATER AND THE  
PARON-OWENSVILLE WATER AUTHORITY OF THE STATE OF  
ARKANSAS; AUTHORIZING THE CHAIRPERSON TO EXECUTE SUCH  
AGREEMENT; AND PRESCRIBING OTHER MATTERS RELATING  
THERETO**

WHEREAS, the Paron-Owensville Water Authority of the State of Arkansas ("Paron") desires to purchase surplus raw water from Central Arkansas Water ("CAW"); and

WHEREAS, CAW will agree to sell surplus raw water to Paron due to the unique nature of the circumstances pursuant to which raw water can be delivered to Paron from Lake Winona and under the very strict terms and conditions set forth in the Surplus Raw Water Agreement; and

WHEREAS, CAW and Paron desire to memorialize the terms and conditions of their agreement to sell and buy surplus raw water in an agreement submitted to this Board at this meeting for approval.

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

Section 1. The Surplus Raw Water Agreement by and between CAW and Paron, in the form presented to this Board, for the sale of surplus raw water by CAW to Paron, and other matters related thereto (the "Agreement"), is hereby approved.

Section 2. CAW is authorized to enter into the Agreement, and Eddie Powell, as Chair of the Board of Commissioners, Central Arkansas Water, is authorized to execute the Agreement on behalf of CAW.

Section 3. Each or any of the Chair, Secretary, Chief Executive Officer or Chief Operations Officers is hereby authorized and directed to do any and all things necessary to effect the purpose of this Resolution and to take all other actions necessary or desirable in connection with the foregoing sections of this resolution.

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

ADOPTED: 11/13/08



**RESOLUTION 2008- 14**

**RESOLUTION APPROVING AMENDMENT TO  
CENTRAL ARKANSAS WATER INVESTMENT POLICY**

WHEREAS, Central Arkansas Water desires to amend its Investment Policy concerning cash funds, reserves and other monies it has available for investment.

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

Section 1. Central Arkansas Water here amends paragraph 8(b) of its Investment Policy, previously adopted January 12, 2006, to read as follows:

(b) **Diversification.** With the exception of the securities listed in paragraph 8(a)(i), (ii), and (vi), no more than twenty percent (20%) of the fund balance at the time of investment (calculated according to the market value as of the date of the most recent statement for investment accounts) may be invested in any single investment or in securities of a single obligor.

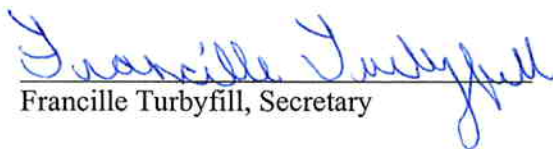
Section 2. Each or any of the Chief Executive Officer, the Chief Operating Officer, or the Chief Financial Officer is hereby authorized and directed to do any and all things necessary to effect the purpose of this Resolution and to take all other actions necessary or desirable in connection with the foregoing sections of this resolution.

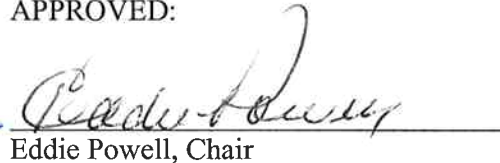
Section 3. This resolution shall be in effect upon its adoption and approval.

Adopted: December 11, 2008

Attest:

APPROVED:

  
Francille Turbyfill, Secretary

  
Eddie Powell, Chair

RESOLUTION 2008-15

**RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO JOIN  
THE MUNICIPAL OTHER POST EMPLOYMENT BENEFIT TRUST  
ADMINISTERED BY THE ARKANSAS MUNICIPAL LEAGUE;  
DISPENSING WITH THE REQUIREMENT FOR COMPETITIVE  
BIDDING FOR INVESTMENT MANAGEMENT SERVICES;  
AUTHORIZING CENTRAL ARKANSAS WATER TO ENTER INTO AN  
INVESTMENT MANAGEMENT AGREEMENT WITH STEPHENS  
CAPITAL MANAGEMENT FOR MANAGEMENT OF CENTRAL  
ARKANSAS WATER'S ASSETS IN THE MUNICIPAL OTHER POST  
EMPLOYMENT BENEFIT TRUST; AUTHORIZING THE CHAIRPERSON  
TO EXECUTE SUCH AGREEMENT; AND PRESCRIBING OTHER  
MATTERS RELATING THERETO**

WHEREAS, the Government Accounting Standards Board ("GASB") has issued Statement 45 which is designed to improve the financial transparency of the cost of other post employment benefits ("OPEB"), the largest of which is health insurance benefits to retirees; and

WHEREAS, Central Arkansas Water ("CAW") can comply with GASB 45 by joining a qualified OPEB Trust and making its OPEB contribution to it; and

WHEREAS, the Arkansas Municipal League ("AML") created the Arkansas Local Government Health Management Trust Program Municipal Other Post Employment Benefit Trust (the "Trust") to serve as a qualified OPEB Trust; and

WHEREAS, AML has already designated Stephens Capitol Management ("SCM") as the investment manager for the Trust but each participant in the Trust must enter into a separate agreement with SCM for management of the participant's assets in the Trust; and

WHEREAS, CAW desires to join the Trust in order to comply with GASB 45; and

WHEREAS, AML desires for CAW to join the Trust.

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

Section 1. CAW is authorized to join the Trust in order to comply with GASB 45 by becoming a party to the Joinder Agreement with AML so that CAW shall be a member thereof pursuant to the provisions and in accordance with the terms of the Trust, as amended from time to time.

Section 2. CAW is authorized to enter into the Joinder Agreement in the form presented to the Board of Commissioners at this meeting, and Eddie Powell, as Chair of the Board of Commissioners, Central Arkansas Water, and Francille Turbyfill, as Secretary of the

Board of Commissioners, Central Arkansas Water, are authorized to execute the Agreement on behalf of CAW.

Section 3. Given that AML has already designated SCM as the investment manager for the Trust, competitive bidding is impractical and infeasible; accordingly, the Board of Commissioners finds that competitive bidding should be dispensed with for the selection of an investment management firm for CAW's contribution to the Trust.

Section 4. CAW is authorized to enter into the Stephens Capital Management Health Management Trust Municipal Other Post Employment Benefits Trust Investment Management Agreement (the "Management Agreement") presented to the Board of Commissioners at this meeting, and Eddie Powell, as Chair of the Board of Commissioners, Central Arkansas Water, and Francille Turbyfill, as Secretary of the Board of Commissioners, Central Arkansas Water, are authorized to execute the Management Agreement on behalf of CAW.

Section 5. Each or any of the Chair, Secretary, Chief Executive Officer or Chief Operating Officer is hereby authorized and directed to do any and all things necessary to effect the purpose of this Resolution and to take all other actions necessary or desirable in connection with the foregoing sections of this resolution.


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

ADOPTED: December 11, 2008

ATTEST:

  
Francille Turbyfill, Secretary

APPROVED:

  
Eddie Powell, Chair




CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Francille Turbyfill, Secretary of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2008-15 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO JOIN THE MUNICIPAL OTHER POST EMPLOYMENT BENEFIT TRUST ADMINISTERED BY THE ARKANSAS MUNICIPAL LEAGUE; DISPENSING WITH THE REQUIREMENT FOR COMPETITIVE BIDDING FOR INVESTMENT MANAGEMENT SERVICES; AUTHORIZING CENTRAL ARKANSAS WATER TO ENTER INTO AN INVESTMENT MANAGEMENT AGREEMENT WITH STEPHENS CAPITAL MANAGEMENT FOR MANAGEMENT OF CENTRAL ARKANSAS WATER'S ASSETS IN THE MUNICIPAL OTHER POST EMPLOYMENT BENEFIT TRUST; AUTHORIZING THE CHAIRPERSON TO EXECUTE SUCH AGREEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted December 11, 2008.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of December 2008.

  
Francille Turbyfill, Secretary  
Board of Commissioners, Central Arkansas Water