

RESOLUTION 2007-01

A RESOLUTION TO DESIGNATE A LAKE WARDEN FOR CENTRAL ARKANSAS WATER; AND FOR OTHER PURPOSES

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

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

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER that Mark Campbell, Lake Ranger; is designated as “warden” for Lake Maumelle and Lake Winona and has the authority to enforce the Rules and Regulations as long as he is an employee of CAW.

AND BE IT FURTHER RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER that Drew Dickey, who was previously designated as a warden for Lake Maumelle and Lake Winona, is no longer a warden for Lake Maumelle and Lake Winona, and he no longer has the authority to enforce the Rules and Regulations.

CERTIFICATE

I, Jay Hartman, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners as its regular meeting held January 11, 2007.

Attest:

APPROVED:

Jay Hartman, Secretary

Tony Kendall, Chair

RESOLUTION – 2007-13

WHEREAS, Mr. Jack H. Wilson, P.E. (retired), served Little Rock Municipal Water Works and the utility's customers for 42 years from 1941 until his retirement in 1983; and

WHEREAS, he served as Manager-Engineer for 21 years from 1962 to 1983 and was instrumental in the planning and construction of Lake Maumelle and the Pleasant Valley Water Treatment Plant; and

WHEREAS, in 1989, the utility re-dedicated the Pleasant Valley plant as the Jack H. Wilson Water Treatment Plant in his honor; and

WHEREAS, Mr. Wilson's dedication to excellence and integrity remains a hallmark for the operations of Central Arkansas Water, the successor to Little Rock Municipal Water Works and the North Little Rock Water Department; and

WHEREAS, Mr. Wilson passed away at the age of 89 on October 22, 2007, and his loss is deeply felt throughout our metropolitan community and throughout the drinking water industry.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners, Central Arkansas Water, hereby, does express heartfelt sympathy to Mrs. Mary Wilson and the Wilson Family and honors Mr. Jack H. Wilson, P.E., for his lifelong dedication to the drinking water utility and its customers.

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 the Wilson Family.

* * * * *

CERTIFICATE

We, Roby Robertson, Ph.D., Jay Hartman, Francille Turbyill, M. Jane Dickey, Eddie Powell, Thomas Rimmer, 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 by us on this 8th day of November 2007.

* * * * *

Chair

Vice Chair

Secretary

RESOLUTION

WHEREAS, James T. Harvey has served Central Arkansas Water and its predecessor utility for 35 years and has been its Chief Executive since November 1996; and

WHEREAS, Mr. Harvey's vision and dedication through the years have afforded the citizens of central Arkansas a high volume of superior quality water delivered at very low rates, a 32-year record of full compliance with federal and state water quality standards, and Environmental Excellence Awards from the U.S. Environmental Protection Agency, Region 6, for outstanding water quality, operations and maintenance practices, customer service, and fiscal management; and

WHEREAS, Mr. Harvey exercised extraordinary leadership skills as the utility faced two very sensitive and difficult issues: the merger of the Little Rock and North Little Rock municipal drinking water utilities and the protection of our watershed; and

WHEREAS, Mr. Harvey orchestrated a seamless transition to merge operations into Central Arkansas Water, to the great benefit of the citizens of both cities, as has been recognized by a national award from the National League of Cities published in *American City and County* magazine; and

WHEREAS, Mr. Harvey's foresight in the development of a watershed protection plan for Lake Maumelle and Lake Winona has placed Central Arkansas Water in the vanguard of national efforts to protect drinking water reservoirs from increased pollution and urbanization; and

WHEREAS, Mr. Harvey has been a central force behind the creation of the Mid-Arkansas Water Alliance, which seeks to extend Central Arkansas Water's support to area cities and communities in need of future water source; and

WHEREAS, Mr. Harvey's service will be a lasting legacy to the utility and to the 388,000 consumers who depend on Central Arkansas Water for their drinking water;

NOW, THEREFORE, the Board of Commissioners, Central Arkansas Water, hereby names the drinking water utility headquarters building in downtown Little Rock the "James T. Harvey Administration Building."

Adopted February 23, 2007.



Tony Kendall, Chair



Jay C. Hartman, Secretary/Treasurer



Eddie Powell, Commissioner



Francille Turbyfill, Commissioner



Roby D. Robertson, Vice Chair



M. Jane Dickey, Commissioner



Thomas W. Rimmer, Commissioner

RESOLUTION NO. 2007- 03

A RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO AMEND AND MODIFY A WATER SUPPLY CONTRACT WITH THE SALINE COUNTY WATERWORKS & SANITARY SEWER PUBLIC FACILITIES BOARD; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the Saline County Waterworks & Sanitary Sewer Public Facilities Board (“Woodland Hills”) and the Central Arkansas Water (“CAW”) entered into an Agreement for the purchase and sale of water dated December 12, 2002, (the “Agreement”), as amended by that certain First Amendment to Agreement dated March 12, 2004, (collectively, the “Agreement”), whereby Woodland Hills agreed to buy and CAW agreed to sell potable water subject to certain terms and conditions set forth in the Agreement; and

WHEREAS, CAW and Woodland Hills desire to amend and modify the Agreement on the terms and conditions set forth herein.

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

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

Section 2. Each or any of the Chair, Secretary, Chief Executive Officer or Chief Operations Officers be and hereby are authorized and directed to execute all documents, instruments and certificates required or necessary to carry out the foregoing sections of this resolution and take all other actions necessary or desirable in connection with the foregoing sections of this resolution.

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

ADOPTED: _____

ATTEST:

APPROVED:

Jay Hartman, Secretary

Tony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS)

COUNTY OF PULASKI)

I, Jay Hartman, Secretary of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2007-02 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO AMEND AND MODIFY A WATER SUPPLY CONTRACT WITH WOODLAND HILLS; AND PRESCRIBING OTHER MATTERS RELATING HERETO, adopted March 8, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of March, 2007.

Jay Hartman, Secretary
Board of Commissioners, Central Arkansas Water

FIRST AMENDMENT TO AGREEMENT

This First Amendment is made and entered into this 12th day of MARCH, 2004, by and between Central Arkansas Water ("CAW"), and Saline County Waterworks & Sanitary Sewer Public Facilities Board ("Woodland Hills").

WITNESSETH

WHEREAS, CAW and Woodland Hills entered into an Agreement for the purchase and sale of water dated December 12, 2002, (the "Agreement") whereby Woodland Hills agreed to buy and CAW agreed to sell potable water subject to certain terms and conditions set forth in the Agreement; and

WHEREAS, CAW and Woodland Hills desire to amend and modify the Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the recitals above and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendment of Agreement. Paragraph 2 of the Agreement amended, in total, to read as follows:

PARAGRAPH 2: Subject to all of the terms and conditions hereinafter set forth, CAW agrees to sell and Woodland Hills agrees to buy for distribution by the Woodland Hills water utility at the "Minimum Purchase" (as hereinafter defined) of potable water per day at the pressure and quantity available from CAW commencing on the date of the Engineer's Certificate. It is specifically understood and agreed that the Minimum Purchase is a daily minimum and that Woodland Hills will pay CAW for the Minimum Purchase regardless of whether Woodland Hills actually uses, or takes delivery of the entire Minimum Purchase each day based on the average daily volume computed using total volume taken within a billing cycle and the total number of days within the billing cycle. Provided that if CAW is unable to supply the Minimum Purchase each day at the Meter Station due to extenuating circumstances such as main supply line breaks, power failures, flood, fire, use of water to fight fires, earthquakes or other catastrophes, Woodland Hills will be exempt from paying for the Minimum Purchase of each 24 hour period that CAW is unable to deliver the Minimum Purchase. Commencing March 1, 2004 and ending February 28, 2005, there shall be no Minimum Purchase amount. Commencing March 1, 2005, the Minimum Purchase amount shall be daily average of the total amount of water purchased by Woodland Hills from CAW during the previous ninety (90) days. Thereafter, the Minimum Purchase amount shall be adjusted annually, on March 1 of each year, based on the daily average of the total amount of water purchased by Woodland Hills from CAW during the previous ninety (90) days. The maximum amount of water sold pursuant to this Agreement is 400,000 gallons per day (the "Maximum Purchase"). The Maximum Purchase is an actual maximum amount of water that Woodland Hills is permitted to acquire from CAW in any 24 hour period; it is not an "average" computed in a manner similar to the Minimum Purchase. It is also recognized that the Off-Peak purchasing time periods are intended to encourage Woodland Hills to develop its own water storage facilities and to reduce Woodland Hills' dependency on CAW's water transmission facilities during Peak periods.

2. Effect of Amendment. Except as otherwise specifically set forth in this First Amendment, the remaining terms of the Agreement shall remain in full force and effect and shall not be deemed modified, amended, revoked or rescinded in any manner. Capitalized terms not otherwise defined in this First Amendment shall have the meaning and definition ascribed to them under the Agreement. The remaining terms and conditions of the Agreement are incorporated herein by this reference as if set forth word for word herein.

In witness whereof, the parties have executed this First Amendment effective as of the day and year first written above.

CENTRAL ARKANSAS WATER

By: James T. Harvey
James T. Harvey, Chief Executive Officer

3-12-04
Date

SALINE COUNTY WATERWORKS & SANITARY SEWER PUBLIC FACILITIES BOARD

By: Kenneth Anderson
_____, Chairperson

03-15-04
Date

SECOND AMENDMENT TO AGREEMENT

This Second Amendment is made and entered into this 8th day of March, 2007, by and between Central Arkansas Water ("CAW"), and Saline County Waterworks & Sanitary Sewer Public Facilities Board ("Woodland Hills").

WITNESSETH

WHEREAS, CAW and Woodland Hills entered into an Agreement for the purchase and sale of water dated December 12, 2002, (the "Agreement"), as amended by First Amendment dated March 12, 2004, (collectively, the "Agreement"), whereby Woodland Hills agreed to buy and CAW agreed to sell potable water subject to certain terms and conditions set forth in the Agreement; and

WHEREAS, CAW and Woodland Hills desire to amend and modify the Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the recitals above and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendment of Agreement. Paragraph 2 of the Agreement is amended, in total, to read as follows:

PARAGRAPH 2: Subject to all of the terms and conditions hereinafter set forth, CAW agrees to sell and Woodland agrees to buy for distribution by the Woodland Hills water utility a minimum of Six Thousand (6,000) gallons of potable water per day (the "Minimum Purchase") at the pressure and quality available from CAW. It is specifically understood and agreed that the Minimum Purchase is a daily minimum and that Woodland Hills will pay CAW for the Minimum Purchase regardless of whether Woodland Hills actually uses, or takes delivery of the entire Minimum Purchase each day based on the average daily volume computed using total volume taken within a billing cycle and the total number of days within the billing cycle. Provided that if CAW is unable to supply the Minimum Purchase each day at the Meter Station due to extenuating circumstances such as Main supply line breaks, power failures, flood, fire, use of water to fight fires, earthquakes or other catastrophes, Woodland Hills will be exempt from paying for the Minimum Purchase of each 24 hour period that CAW is unable to deliver the Minimum Purchase. The maximum amount of water sold pursuant to this Agreement is Four Hundred Thousand (400,000) gallons per day (the "Maximum Purchase"). The Maximum Purchase is an actual maximum amount of water that Woodland Hills is permitted to acquire from CAW in any 24 hour period; it is not an "average" computed in a manner similar to the Minimum Purchase. It is also recognized that the Off-Peak purchasing time periods are intended to encourage Woodland Hills to develop its own water storage facilities and to reduce Woodland Hills' dependency on CAW's water transmission facilities during Peak periods.

2. Effect of Amendment. Except as otherwise specifically set forth in this Second Amendment, the remaining terms of the Agreement shall remain in full force and effect and shall not be deemed modified, amended, revoked or rescinded in any manner. Capitalized terms not otherwise defined in this Second Amendment shall have the meaning and definition ascribed to them under the Agreement. The remaining terms and

conditions of the Agreement are incorporated herein by this reference as if set forth word for word herein.

In witness whereof, the parties have executed this Second Amendment effective as of the day and year first written above.

CENTRAL ARKANSAS WATER

By: _____
James T. Harvey, Chief Executive Officer _____
Date

**SALINE COUNTY WATERWORKS &
SANITARY SEWER PUBLIC FACILITIES BOARD**

By: _____
_____, Chairperson _____
Date

RESOLUTION NO. 2007-04

WHEREAS, the Board of Commissioners, Central Arkansas Water ("CAW Board"), adopted the Lake Maumelle Watershed Management Plan ("Plan") February 23, 2007, and

WHEREAS, the Plan states that a Responsible Management Entity (RME) must own and operate wastewater collection and non-discharging treatment facilities in the watershed, and be responsible for the planning, design, and construction inspection of said facilities; and,

WHEREAS, Little Rock Wastewater is the RME that handles wastewater for the City of Little Rock, Arkansas; and,

WHEREAS, Little Rock Wastewater has a long history of providing outstanding sewer service to the residents of Little Rock, Arkansas; and,

WHEREAS, Little Rock Wastewater current service area is essentially limited to the city limits by the Little Rock City Board of Directors ("CLR Board"), subject to approval by the CLR Board for any extensions outside the city limits; and,

WHEREAS, Lake Maumelle is the primary water supply lake for the residents of the City of Little Rock; and,

WHEREAS, the watershed of Lake Maumelle is well beyond the Little Rock city limits, and professional wastewater management is required by a RME to ensure the long-term water quality of Lake Maumelle; and,

WHEREAS, Little Rock Wastewater is willing and able to act as RME, on such terms and conditions which are mutually agreeable to all parties, and as may be approved by the Little Rock Sanitary Sewer Committee and the CLR Board; and,

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners, Central Arkansas Water respectfully requests that the Little Rock Board of Directors name Little Rock Wastewater as the RME for the Lake Maumelle watershed and authorize the utility to use any of the wastewater systems specified in the Plan and direct the Little Rock Sanitary Sewer Committee to have the engineering staff of Little Rock Wastewater to work in conjunction with the engineering staff of Central Arkansas Water to develop design criteria for the different wastewater options to use in the watershed, subject to the approval of the Little Rock Sanitary Sewer Committee and the CLR Board on such terms and conditions which are mutually agreeable to the parties.

The foregoing resolution has been duly adopted by the Board of Commissioners of Central Arkansas Water at a meeting of the Board of Commissioners, Central Arkansas Water held on April 12, 2007.

Attest:

APPROVED:

Jay Hartman
Secretary/Treasurer

Anthony Kendall
Chair

RESOLUTION NO. 2007-05

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.

WHEREAS, Central Arkansas Water (“CAW”) initially issued \$22,000,000 of its Water Revenue Bonds (Series 2002), dated October 1, 2002, and then issued an additional \$22,000,000 of its Water Revenue Bonds (Series 2004), dated November 23, 2004, pursuant to a capital improvement program which included the issuance of up to approximately Seventy Six Million Dollars (\$76,000,000) in bonds in accordance with the terms and conditions of a Master Trust Indenture by and between CAW and Metropolitan National Bank, as Trustee, dated October 1, 2002 (the “Master Trust Indenture”), to finance capital improvements to CAW’s water distribution system and water treatment facilities; and

WHEREAS, CAW proposes to issue a third series of bonds in accordance with the Master Trust Indenture to acquire, design, construct and equip additional capital improvements to CAW’s water distribution system and water treatment facilities and acquire land for watershed protection (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 not to exceed \$20,000,000 (the “Bonds”).

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

- (a) the date the original expenditure is paid; or
- (b) the date the 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 filed with the Secretary of the Board of Commissioners, Central Arkansas Water where it will be available for public inspection.

ADOPTED: April 12, 2007

ATTEST:

APPROVED:

Jay Hartman, Secretary
Board of Commissioners
Central Arkansas Water

Anthony Kendall, Chair
Board of Commissioners
Central Arkansas Water

APPROVED AS TO FORM:

C. Tad Bohannon,
Counsel for Central Arkansas Water

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Jay Hartman, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2007-05 of the Board of Commissioners of Central Arkansas Water, entitled: 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 April 12, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of April, 2007.

Jay Hartman, Secretary
Board of Commissioners
Central Arkansas Water

RESOLUTION - 2007-06

WHEREAS, Bruno Kirsch, Jr., P.E., has served the drinking water industry for 35 years and has served Central Arkansas Water (CAW) and its predecessor utility, Little Rock Municipal Water Works, for 20 years; and

WHEREAS, he has served CAW as Chief Operating Officer and as the utility's first Director of Watershed Management; and

WHEREAS, Mr. Kirsch during his tenure has helped the water utility to meet its objectives in the areas of regulatory compliance, legislative affairs, and watershed protection; and

WHEREAS, Mr. Kirsch had an integral role in the development of the utility's initial Watershed Protection Plan for Lake Maumelle and Lake Winona, and, over the past two years, has led the important community initiative of developing the comprehensive Lake Maumelle Watershed Management Plan; and

WHEREAS, through the defining and exemplary leadership of Mr. Kirsch, the utility was able to work through highly technical issues and diverse constituency interests to achieve the plan's priority goals of protecting long-term Central Arkansas' primary water supply from increased pollution while minimizing land-use restrictions on watershed property owners; and

WHEREAS, he also has served the drinking water industry in a multitude of offices with the Arkansas Water Works & Water Environment Association, Arkansas Water & Wastewater Managers Association, American Water Works Association (AWWA), and Southwest Section-AWWA; and

WHEREAS, as Arkansas' Legislative Liaison to AWWA, a member of AWWA's Water Utility Council, and former Director of the Engineering Division of the Arkansas Department Health, he, in particular, has helped in formulating the industry's federal legislative agenda.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners, Central Arkansas Water, hereby, do commend Bruno Kirsch, Jr., P.E., for a distinguished career in the drinking water industry and in public health protection and express sincere gratitude to Mr. Kirsch for his invaluable role in ensuring a safe and quality drinking water supply for CAW's 398,000 consumers, as well as people nationwide who depend on public water suppliers.

Adopted: May 10, 2007

Anthony Kendall, Chair

Roby D. Robertson, Vice Chair

Jay C. Hartman, Secretary/Treasurer

M. Jane Dickey, Commissioner

Eddie Powell, Commissioner

Thomas W. Rimmer, Commissioner

Francille Turbyfill, Commissioner

RESOLUTION NO. 2007-07

A RESOLUTION DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN EXPENDITURES TOWARD CAPITAL IMPROVEMENTS NOT TO EXCEED \$14,000,000 AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, Central Arkansas Water ("CAW") proposes to acquire, design, construct and equip improvements to its water treatment and distribution system (the "Improvements"), more particularly described as (i) the decommissioning and removal of the gas chlorination facilities at CAW's two water treatment plants and the replacement of those facilities with new sodium hypochlorite facilities and related appurtenances at both water treatment plants; (ii) building additions and modifications to the Jack H. Wilson Water Treatment Plant; and (iii) two new water storage tanks in West Little Rock.

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 issuance tax-exempt bonds; and

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

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

Section 1. CAW hereby declares its official intent and reasonable expectation to reimburse itself for original expenditures paid from its general or operating funds that are used in acquiring, designing, constructing and equipping the Improvements between the date that is sixty (60) days prior to the date of this Resolution and the date the Bonds (as hereinafter defined) are issued, plus a de minimis amount and preliminary expenditures, with the proceeds of tax-exempt bonds in the principal amount of not to exceed Fourteen Million Dollars (\$14,000,000) (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 filed with Secretary of CAW where it will be available for public inspection.

Section 5. A copy of this Resolution with original signature shall be furnished by the Chief Financial Officer of CAW to the Executive Director of the Arkansas Natural Resources Commission.

ADOPTED: May 10, 2007

ATTEST:

APPROVED:

Jay Hartman, Secretary

Anthony Kendall, Chair

APPROVED AS TO FORM:

C. Tad Bohannon
Counsel for Central Arkansas Water

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Jay Hartman, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2007-09 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION DECLARING THE 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 May 10, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of May, 2007.

Jay Hartman, Secretary
Board of Commissioners
Central Arkansas Water

RESOLUTION NO. 2007-08

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

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 expenditures not to exceed \$14,000,000 toward certain capital improvements to the System;

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

- Section 1. That Thad Luther, as Interim Chief Executive Officer or Chief Operating Officer, is hereby authorized and directed to make application for assistance under the Program administered by the ANRC.

- Section 2 That Graham W. 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 Thad Luther, as Chief Operating Officer, 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. That Gary Pittman, as Chief Financial Officer, 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 6. This Resolution shall be in effect from and after the date of its adoption.

ADOPTED: May 10, 2007

ATTEST:

APPROVED:

Jay Hartman, Secretary

Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Jay Hartman, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2007-07 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, adopted May 10, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of May, 2007.

Jay Hartman, Secretary
Board of Commissioners
Central Arkansas Water

RESOLUTION NO. 2007-09

A RESOLUTION AUTHORIZING THE OFFERING OF UP TO \$17,625,000 OF CENTRAL ARKANSAS WATER WATER REVENUE BONDS, SERIES 2007 (THE "BONDS"); 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, the Board of Commissioners (the "Commission") of Central Arkansas Water (the "Issuer") has previously authorized the employment of Stephens Inc., as its Financial Advisor, Wright, Lindsey & Jennings LLP, as its Bond Counsel, Kutak Rock LLP, as its Disclosure Counsel, and Metropolitan National Bank, as Trustee, for the proposed capital improvement bond program; and

WHEREAS, pursuant to the direction of the Commission, the Issuer's Chief Financial Officer together with the Financial Advisor, 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 Chief Financial Officer, the Commission is now prepared to authorize the offering of the Bonds for sale, and to approve the sale documentation as described hereinafter.

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

Section 1. The Bonds shall be designated Central Arkansas Water, Water Revenue Bonds, Series 2007 (the "Bonds"). The Bonds shall be offered for sale in the aggregate principal amount of not to exceed \$17,625,000 by written or electronic bids, at such time as may be approved by the Chief Financial 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 Chief Financial Officer shall meet with the Financial Advisor to receive the bids, and the Chief Financial Officer is hereby authorized to accept the bid providing the lowest "true interest" costs (as defined in the Official Notice of Sale) in the name of the Issuer if, upon advice of the Financial Advisor, he shall determine to do so in the best interest of the Issuer.

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

Section 3. The form of 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 for the Chief Financial 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 Chief Financial Officer shall cause to be published in newspapers in the Cities of New York, New York and Little Rock, Arkansas, within the time provided by law, the

Notice of Sale of the Bonds, substantially in the form exhibited to the meeting at which this Resolution is adopted.

Section 5. The Chief Financial 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 to prospective bidders for the Bonds, in substantially the forms submitted to this meeting, with such changes and modifications as the Chief Financial Officer shall deem appropriate.

Section 6. The Chief Financial 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.

APPROVED: May 10, 2007

ATTEST:

Jay Hartman, Secretary

Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Jay Hartman, Secretary of the Board of Commissioners of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2007-08 of the Resolutions of Central Arkansas Water entitled: A RESOLUTION AUTHORIZING THE OFFERING OF UP TO \$17,625,000 OF CENTRAL ARKANSAS WATER, WATER REVENUE BONDS, SERIES 2007 (THE "BONDS"); 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, adopted by the Board of Commissioners of Central Arkansas Water on May 10, 2007, said Resolution now appearing of record in the office of Central Arkansas Water.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of May, 2007.

Jay Hartman, Secretary

RESOLUTION 2007-10

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, 2005; 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 Mr. Kendall 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, 2007, through June 30, 2014.

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.

CERTIFICATE

I, Mr. Jay Hartman, 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 6, 2007.

Mr. Jay Hartman, Secretary

RESOLUTION NO. 2007-11

A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF WATER REVENUE BONDS FOR THE PURPOSE OF FINANCING THE COSTS OF DESIGNING, CONSTRUCTING AND EQUIPPING CAPITAL IMPROVEMENTS TO THE WATER COLLECTION, TREATMENT AND DISTRIBUTION SYSTEM OF CENTRAL ARKANSAS WATER; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE; APPROVING THE OFFICIAL STATEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO;

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

WHEREAS, the Commission has determined that in order for it to continue to provide quality water service to the Issuer's customers, that it is necessary to undertake a program of capital improvements including the acquisition of (i) real property within the Lake Maumelle watershed; (ii) acquisition, construction and/or installation of additional water distribution and transmission mains, fire hydrants and water storage facilities; (iii) facilities upgrades; (iv) the acquisition and installation of various water pumping, processing and production equipment; and (v) the costs of related engineering and other services (the "Improvements") to the water collection, treatment and distribution systems (collectively, the "Water System") having a total approximate cost of \$106,000,000; and

WHEREAS, the Commission has further determined that the cost of accomplishing the Improvements shall be paid from a combination of the following sources: (1) the proceeds of water revenue bonds issued pursuant to the Act and (2) funds derived from the operating revenues of the Water System; and

WHEREAS, the Issuer previously issued \$22,000,000 of its Water Revenue Bonds, Series 2002, dated October 1, 2002 (the "Series 2002 Bonds"), pursuant to a Master Trust Indenture dated as of October 1, 2002 (the "Master Trust Indenture"), as supplemented and amended by a Supplemental Trust Indenture dated as of October 1, 2002 (the "Series 2002 Supplemental Indenture"); and

WHEREAS, the Issuer previously issued \$22,000,000 of its Water Revenue Bonds, Series 2004, dated November 15, 2004 (the "Series 2004 Bonds"), pursuant to the Master Trust Indenture as supplemented and amended by a Supplemental Trust Indenture dated as of November 15, 2004 (the "Series 2004 Supplemental Indenture"); and

WHEREAS, pursuant to the Agreement, the Issuer, by letter of its Chief Financial Officer dated April 13, 2007, notified the cities of Little Rock and North Little Rock of its intention to issue the Series 2007 Bonds (identified hereinafter) and neither City as of the date of this resolution has voted its disapproval of the Series 2007 Bonds; and

WHEREAS, pursuant to the Agreement and the Revenue Bond Act of 1987 (Act 852), the Issuer caused to be published on May 14, 2007, a notice of public hearing on the question of issuing the Series 2007 Bonds and thereafter, on May 29, 2007, held a public hearing, as advertised, at which comments from the public and customers of the Water System were heard; and

WHEREAS, pursuant to Resolution No. 2007-09 of the Commission dated May 10, 2007, the Chief Financial Officer was authorized to accept the bid resulting in the lowest true interest cost to the Issuer and accordingly the Chief Financial Officer approved the sale of the third series of the Issuer's water revenue bonds in the principal amount of \$17,625,000 (the "Series 2007 Bonds") to Prager, Sealy & Co., L.L.C., (the "Purchaser") for a sale price of One Hundred One and Four One-Hundredths percent (101.04%) of par, being the aggregate sum of \$17,808,232.95 plus accrued interest in the amount of \$6,976.56, resulting in a true interest cost of 4.6313452%. The Purchaser's bid together with the four (4) additional bids received by the Issuer are set forth in detail on Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the Series 2007 Bonds will be issued in the aggregate principal amount of \$17,625,000; and

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

Section 1. Under the authority of the Constitution and laws of the State of Arkansas, including particularly the Act and the Agreement, the sale of the Central Arkansas Water, Water Revenue Bonds, Series 2007 (the "Series 2007 Bonds") to the Purchaser for a price of One Hundred One and Four One-Hundredths percent (101.04%) of par, being the aggregate sum of \$17,808,232.95, plus accrued interest in the amount of \$6,976.56, is hereby in all respects ratified and approved following the public hearing conducted in accordance with the Agreement and Act 852, and accordingly the Bonds are hereby authorized and ordered to be sold and issued in the total principal amount of \$17,625,000. The Bonds shall not be general obligations of the Issuer but shall be special obligations payable solely from revenues of the water system and certain other funds more specifically identified in the Master Trust Indenture, as supplemented and amended by the Series 2002 Supplemental Indenture, the Series 2004 Supplemental Indenture and the Series 2007 Supplemental Indenture (identified hereinafter).

Section 2. The issuance of the Series 2007 Bonds is hereby authorized for the purposes of (i) providing funds to finance a portion of the costs of the Improvements (ii) to fund the Series 2007 Debt Service Reserve Subaccount, and (iii) to pay the costs of issuance of the Series 2007 Bonds. The Series 2007 Bonds will mature, bear interest and be subject to redemption in accordance with the provisions of the Series 2007 Supplemental Indenture. The Series 2007 Bonds will be issued on a parity of security with the Series 2002 Bonds, the Series 2004 Bonds, and all other bonds, if any, to be issued under the Master Trust Indenture.

Section 3. All actions heretofore taken by the Commission and officers of the Issuer in connection with the offering of the Series 2007 Bonds, including the preparation and distribution of the Official Notice of Sale and the Preliminary Official Statement, preparation of the Official Statement, holding of the public hearing on May 29, 2007, acceptance of the bid received from the Purchasers, and preparation of this Resolution (the "Authorizing Resolution") are hereby in all respects ratified and approved. The Official Statement is deemed a final Official Statement for purposes of the Securities and Exchange Commission Rule 15c2-12. The

Official Statement of the Issuer 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 and Chief Executive Officer shall sign and deliver such final Official Statement to the Purchasers for distribution to the owners of the Series 2007 Bonds and other interested persons.

Section 4. The appointment of Metropolitan National Bank, Little Rock, Arkansas, to serve as trustee for the Bonds is hereby approved and ratified (the "Trustee").

Section 5. The Chair of the Commission is hereby authorized and directed to execute the Series 2007 Bonds and the Chief Executive Officer is hereby authorized and directed to execute the Series 2007 Bonds and to affix the Seal of the Issuer thereto.

Section 6. To prescribe the terms and conditions upon which the Series 2007 Bonds are to be executed, issued, accepted, held and secured, the Chair of the Commission is hereby authorized and directed to execute and acknowledge a Series 2007 Supplemental Trust Indenture (the "Series 2007 Supplemental Indenture") (collectively, the Master Trust Indenture, the Series 2002 Supplemental Indenture, the Series 2004 Supplemental Indenture, and the Series 2007 Supplemental Indenture are referred to hereinafter as the "Indenture") between the Issuer and the Trustee, and the Secretary of the Commission is hereby authorized and directed to execute and acknowledge the Series 2007 Supplemental Indenture and to affix the seal of the Issuer thereto and the Chair and the Secretary of the Commission are hereby authorized and directed to cause the Series 2007 Supplemental Indenture to be accepted, executed and acknowledged by the Trustee. The Series 2007 Supplemental Indenture is hereby approved in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

Section 7. The Chair, the Secretary, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Commission, for and on behalf of the Issuer, are authorized and directed to do any and all things necessary to effect the execution and delivery of the Indenture, the performance of all obligations of the Issuer under the Series 2007 Supplemental Indenture, the issuance, execution, sale and delivery of the Series 2007 Bonds, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Authorizing Resolution. The Chair, the Secretary, Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Commission are further authorized and directed, for and on behalf of the Issuer, 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. The appointments of Stephens Inc., as Financial Advisor, Wright, Lindsey & Jennings LLP, as Bond Counsel, and Kutak Rock LLP, as Disclosure Counsel, are hereby approved and ratified.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

Section 9. This Authorizing Resolution shall be in effect from and after the date hereof.

ADOPTED: June 14, 2007

ATTEST:

Jay Hartman, Secretary

Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS)
COUNTY OF PULASKI)
CITY OF LITTLE ROCK)

I, Jay Hartman, Secretary of the Board of Commissioners of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution No. 2007-___ of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF WATER REVENUE BONDS FOR THE PURPOSE OF FINANCING THE COSTS OF DESIGNING, CONSTRUCTING AND EQUIPPING CAPITAL IMPROVEMENTS TO THE WATER COLLECTION, TREATMENT AND DISTRIBUTION SYSTEMS OF CENTRAL ARKANSAS WATER; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE; APPROVING THE OFFICIAL STATEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO;** passed by the Commission on June 14, 2007, said Resolution now appearing of record in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office on this 14th day of June, 2007.

Jay Hartman, Secretary

10:04:51 a.m. CDST	Upcoming Calendar	Overview	Compare	Summary
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Bid Results

**Ctrl Arkansas Wtr
\$17,625,000 Water Revenue Bonds, Series 2007**

The following bids were submitted using **PARITY**[®] and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input checked="" type="checkbox"/> Reoffering	Prager, Sealy & Co., LLC	4.631459
<input type="checkbox"/>	A.G. Edwards & Sons, Inc.	4.645142
<input type="checkbox"/>	Merrill Lynch & Co.	4.668324
<input type="checkbox"/>	Morgan Keegan & Company, Inc.	4.684135

Bank of America 4.672

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

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RESOLUTION 2007-12

A RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO ACQUIRE WATER SERVICE TERRITORY FROM GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT PURSUANT TO A TRANSFER OF WATER SERVICE TERRITORY AGREEMENT, AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, Grand Prairie Regional Water Distribution District (the "District") has the right to provide water service to customers within certain areas East of North Little Rock, Arkansas (the "Service Territory"), but the District is currently unable to provide water service to that area without significant infrastructure improvements; and

WHEREAS, Central Arkansas Water ("CAW") desires to provide water service to customers within the Service Territory and can do so without significant infrastructure improvements; and

WHEREAS, the District desires to transfer the Service Territory to CAW (the "Transfer") pursuant to the terms and conditions of a Transfer of Water Service Territory Agreement (the "Agreement") presented at this meeting;

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

Section 1. The Transfer of the Service Territory from the District to CAW in accordance with the terms and conditions of the Agreement, in the form presented at this meeting, with such changes, omissions, insertions, and revisions as the Chief Executive Officer shall deem advisable, is in the best interest of CAW and it is hereby authorized and approved.

Section 2. Graham W. Rich, as the Chief Executive Officer, or Thad Luther, as the Chief Operating Officer, is hereby authorized and directed to do any and all things necessary to effect purpose of this Resolution, including, but not limited to the execution of the Agreement and any other formal agreement needed to complete the Transfer in accordance with the terms and conditions of the Agreement, the performance of all obligations of CAW under this Resolution and the Agreement, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution.

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

[SIGNATURE PAGE FOLLOWS]

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, 2007.

Attest:

APPROVED:

Jay Hartman, Vice Chair

Dr. Roby Robertson, Chair