

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

January 12, 2017

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, January 12, 2017, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue Little Rock, Arkansas.

Present:

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

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. David Johnson, General Counsel
Ms. Becky Linker, Chief Administrative Officer
Mr. Robert Hart, P.E., Technical Services Officer
Mr. Sam Zehtaban, Director of Water Production
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Tom Wray, P.E., Senior Engineer
Mr. Terry Bice, Director of Distribution
Mr. Douglas Shackelford, Director of Public Affairs & Communications
Ms. Raven Lawson, Watershed Protection Manager
Mr. Todd Fisher, Finance Manager
Mr. Leo O'Bannion, General Accountant
Ms. Samantha Williams-Davis, Communications Assistant
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Ms. Erin Brogdon, Wright, Lindsey & Jennings LLP
Ms. Chelsea Boozer, Reporter, Arkansas Democrat Gazette
Mr. A.J. Kaufman, P.E., Hawkins Weir Engineers, Inc.
Mr. Aaron Benzing, P.E., Hawkins Weir Engineers, Inc.
Mr. Brett Peters, CEO, Hawkins Weir Engineers, Inc.
Ms. Ruth Bell, League of Women Voters of Pulaski County
Ms. Mary Carol Poole, Paschall Strategic Communications

CALL MEETING TO ORDER

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

EMPLOYEE RECOGNITION

Mr. Bohannon recognized Leo O'Bannion, General Accountant, for completing his Masters of Accountancy through CAW's tuition reimbursement program.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hughes, the minutes of the December 8, 2016, Regular Meeting were unanimously approved.

OLD BUSINESS

Presentation on Ancillary Fees & Charges

Mr. Fisher made a presentation on recommended increases to ancillary charges based on a cost of service study performed in 2014, which was subsequently validated by Raftelis during the 2015 rate study. The ancillary service charge increases will be deemed approved, unless the Board of Commissioners moves to suspend any one or all of the recommendations prior to April 1, 2017.

Consideration of Settlement on Condemnation Case for Maumelle Transmission Main

Mr. Johnson requested Board approval of a Resolution to purchase a permanent easement across Tract 12 of the planned path for the Maumelle transmission main at a cost of \$250,000; and to also recognize Poole Irrigation, Inc., as a sole source provider and irrigation consultant for this job.

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Powell, after due consideration and discussion, the Resolution and sole source provider were unanimously approved.

Jack H. Wilson Pump Station 1A Facility Plan

Mr. Ferguson requested Board approval of a Resolution approving the Facility Plan to rehabilitate and construct improvements at the Jack H. Wilson Pump Station 1A.

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

DeGray Lake Update

Mr. Bohannon updated the Board on a December 20, 2016, meeting that CAW Staff had with representatives of the Corps of Engineers, Arkansas Department of Health, Southwest Power Administration, and the City of Hot Springs to discuss CAW's Right of First Refusal and acquisition of 120 MG of storage from Lake DeGray; 20 MG of which is obligated to Hot Springs, and the next steps to move this process forward.

NEW BUSINESS

Outlook for Legislative Session

Mr. Johnson presented a summary of measures that staff plans to oppose, as well as measures that staff hopes to see passed, during the legislative session that began on January 9, 2017.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Braune, after due consideration and discussion, a contract with Vic's Construction in the amount of \$74,915.36 to perform concrete restoration work was unanimously approved.

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hughes, after due consideration and discussion, a contract with Redstone Construction Group, Inc. estimated at \$589,155 to perform asphalt restoration work was unanimously approved.

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Smith, after due consideration and discussion, an annual contract with USGS to monitor streamflows and water quality at Lake Maumelle and Lake Winona in the amount of \$383,262 was unanimously approved.

Upon a motion duly made by Commissioner Braune and seconded by Commissioner Hughes, after due consideration and discussion, a contract with KAJACS Contractors in the amount of \$6,125,000 for construction of the Maumelle 30-inch transmission main was unanimously approved.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Robertson, after due consideration and discussion, a professional services contract with Hawkins-Weir Engineers, Inc. in the amount of \$395,000 to proceed with the construction phase of engineering work related to the Maumelle 30-inch transmission main was unanimously approved.

DEPARTMENT UPDATES

Water Quality

Ms. Lawson provided an update on matters pertaining to water quality.

Finance

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

BOARD BRIEFING

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

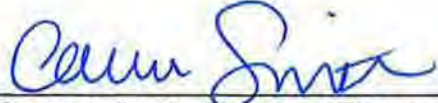
EXECUTIVE SESSION

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Powell, the Board went into Executive Session to discuss a personnel matter.

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

ADJOURNMENT

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Braune, the meeting was adjourned.



Carmen Smith, Secretary/Treasurer

RESOLUTION 2017-01

A RESOLUTION AUTHORIZING THE PURCHASE OF EASEMENTS ACROSS A CERTAIN TRACT OF LAND IN PULASKI COUNTY TO ENABLE CONSTRUCTION OF A PIPELINE TO SERVE THE PEOPLE OF MAUMELLE, ARKANSAS; DECLARING SUCH ACQUISITION A PUBLIC PURPOSE; AND FOR OTHER PURPOSES

WHEREAS, Central Arkansas Water ("CAW") is in the process of planning for the construction of a transmission main that will connect the existing water distribution system in Maumelle, Arkansas, with CAW's existing infrastructure ("Project") in order to provide the inhabitants of Maumelle with water; and

WHEREAS, time is of the essence in beginning the Project; and

WHEREAS, construction of the Project requires acquisition of permanent easements and necessary construction easements on multiple tracts of land in Pulaski County identified as Tracts 1 through 16; and

WHEREAS, acquisition of permanent easements and necessary construction easements at Tracts 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, and 16 is complete; and

WHEREAS, CAW has reached a tentative compromise agreement with the owner of Tract 12 for the purchase of a permanent easement and a necessary construction easement at Tract 12 in the amount of \$250,000.

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

Section 1. CAW may enter a compromise agreement with the owner of Tract 12 for the purchase of a permanent easement and a necessary construction easement at Tract 12 in the amount of \$250,000.

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

ADOPTED: [January 12, 2017]

Attest:


Carmen Smith, Secretary/Treasurer

APPROVED:


Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Carmen Smith, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2017-01 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION AUTHORIZING THE PURCHASE OF EASEMENTS ACROSS A CERTAIN TRACT OF LAND IN PULASKI COUNTY TO ENABLE CONSTRUCTION OF A PIPELINE TO SERVE THE PEOPLE OF MAUMELLE, ARKANSAS; DECLARING SUCH ACQUISITION A PUBLIC PURPOSE; AND FOR OTHER PURPOSES**, adopted January 12, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of January, 2017.


Carmen Smith, Secretary/Treasurer
Central Arkansas Water Board of Commissioners

RESOLUTION NO. 2017-02

A RESOLUTION APPROVING THE FACILITY PLAN FOR CERTAIN IMPROVEMENTS TO THE JACK H. WILSON WATER TREATMENT PLANT HIGH SERVICE PUMP STATION NO. 1A 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 the Jack H. Wilson Water Treatment Plant High Service Pump Station No. 1A (Station);

WHEREAS, CAW staff has determined that the existing pumps, electrical, and building at the Station are aging, and that in the face of increasingly stringent regulations and increasing maintenance costs and concerns regarding the continued operation of the Station, certain major pumps, motors, and electrical components should be replaced and certain improvements to the building structure should be implemented;

WHEREAS, replacement and improvement of the existing Station (Improvements) will be made as more specifically set forth in the "facility plan" presented to the Board of Commissioners at this meeting (the "Facility Plan");

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 2016 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 Plan and directs the staff to make the necessary Improvements to the Station to assure that the Station is improved and operated in conformance with the Facility Plan.

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 2016-11 dated May 12, 2016, 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 Five Million Dollars (\$5,000,000) (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 Friday, Eldredge & Clark 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: [January 12, 2017]

Attest:

APPROVED:


Carmen Smith, Secretary/Treasurer


Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Carmen Smith, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2017-02 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION APPROVING THE FACILITY PLAN FOR CERTAIN IMPROVEMENTS TO THE JACK H. WILSON WATER TREATMENT PLANT HIGH SERVICE PUMP STATION NO. 1A 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 January 12, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of January, 2017.



Carmen Smith, Secretary/Treasurer
Central Arkansas Water Board of Commissioners

Minutes of a Special Call Meeting
Board of Commissioners
Central Arkansas Water

February 1, 2017

The Board of Commissioners of Central Arkansas Water (CAW) convened in a special call meeting at 3:00 p.m. on Wednesday, February 1, 2017, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue Little Rock, Arkansas.

Present:

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

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer
Ms. Becky Linker, Chief Administrative Officer
Mr. Douglas Shackelford, Director of Public Affairs & Communications
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Ms. Chelsea Boozer, Reporter, Arkansas Democrat Gazette

CALL MEETING TO ORDER

Chair Kendall called the meeting to order at 3:00 p.m.

EXECUTIVE SESSION

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hughes, the Board went into Executive Session to discuss a personnel matter.

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

ADJOURNMENT

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Smith, the meeting was adjourned.



Carmen Smith, Secretary/Treasurer

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

February 23, 2017

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, February 23, 2017, at the Grande Maumelle Sailing Club located at 12000 Maumelle Harbour Road in Roland, Arkansas.

Present:

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

Telephonic:

Ms. Kandi Hughes, Commissioner

Absent:

Dr. Roby Robertson, Commissioner

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. David Johnson, General Counsel
Mr. Robert Hart, P.E., Technical Services Officer
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Sam Zehtaban, Director of Water Production
Mr. Terry Bice, Director of Distribution
Mr. Blake Weindorf, P.E., Assistant Director of Distribution
Mr. Randy Easley, Director of Water Quality
Ms. Raven Lawson, Watershed Protection Manager
Mr. Allen Vincent, Director of Information Services
Mr. Vince Guillet, GIS Manager
Mr. Fred Washington, Information Services Technician
Ms. Jane Hurley, Education & Outreach Specialist
Mr. Mark Campbell, Ranger
Mr. Michael Mitchell, Ranger
Mr. Michael Brown, Facility Maintenance Specialist
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Ms. Erin Brogdon, Wright, Lindsey & Jennings LLP

Ms. Chelsea Boozer, Reporter, Arkansas Democrat Gazette
Ms. Ruth Bell, League of Women Voters of Pulaski County
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Ms. Carolyn Shearman, Citizen
Mr. Tony Ramick, Arkansas Natural Resources Commission
Mr. Edward Swaim, Arkansas Natural Resources Commission
Mr. Leland Sykes, Grande Maumelle Sailing Club

CALL MEETING TO ORDER

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hartman, the minutes of the January 12, 2016, Regular Meeting and the February 1, 2017, Special Call Meeting were unanimously approved.

NEW BUSINESS

Watershed Management Plan

Ms. Lawson and Mr. Easley made a presentation on the status of current activities and initiatives related to the Watershed Management Plan, and CAW's intent to continue plan implementation through an adaptive management approach.

Procurement of Professional Services

Mr. Johnson requested the Board adopt a Resolution to specify the professional services for which competitive bidding would not be required.

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

Approve Payments to Retain DeGray Lake Right of First Refusal

Mr. Bohannon requested Board approval of a payment in the amount of \$154,426.20 to the Ouachita River Water District (ORWD) and the Corps of Engineers to retain the Right of First Refusal for 120 MGD from DeGray Lake. The City of Hot Springs has paid its pro-rata share of \$25,742.85 to CAW for the right to 20 MGD; therefore, CAW's net payment will be \$128,683.35.

Upon a motion duly made by Commissioner Hartman, and seconded by Commissioner Braune, after due consideration and discussion, the payment to ORWD and the Corps of Engineers was unanimously approved.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Braune and seconded by Commissioner Hartman, after due consideration and discussion, two contracts totaling \$128,857 to purchase and install new budgeting and financial reporting software were unanimously approved.

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Powell, after due consideration and discussion, the purchase of water meters in the estimated amount of \$678,178.05 from multiple vendors was unanimously approved.

DEPARTMENT UPDATES

Finance

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

BOARD BRIEFING

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

EXECUTIVE SESSION

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Powell, the Board went into Executive Session to discuss the annual review of Mr. Bohannon, Chief Executive Officer.

Upon reconvening the regular session, a motion duly made by Commissioner Smith and seconded by Commissioner Powell to increase Mr. Bohannon's base pay by four percent, retroactive to January 22, 2017, was unanimously approved. Commissioner Smith stated that Mr. Bohannon has done an outstanding job and the Board is pleased with his performance this past year.

ADJOURNMENT

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Smith, the meeting was adjourned.



Carmen Smith, Secretary/Treasurer

RESOLUTION 2017-03

A RESOLUTION TO RECOGNIZE CERTAIN SERVICES AS PROFESSIONAL SERVICES FOR PURPOSES OF PROCUREMENT; AND FOR OTHER PURPOSES

WHEREAS, law of the State of Arkansas recognizes legal, financial advisory, architectural, engineering, construction management, and land surveying services as professional services for which the State of Arkansas and political subdivisions thereof shall hire providers on the basis of demonstrated competence and qualifications and not price; and

WHEREAS, law of the State of Arkansas affords each political subdivision thereof the option of recognizing by a two-thirds (2/3) vote of the political subdivision's governing additional professional services for which the political subdivision may elect to hire providers thereof on the basis of demonstrated competence and qualifications and not price; and

WHEREAS, in 2001, pursuant to such law, the Board of Commissioners of CENTRAL ARKANSAS WATER recognized by resolution several services of great need to CENTRAL ARKANSAS WATER as professional services for which CENTRAL ARKANSAS WATER could elect to hire providers thereof on the basis of demonstrated competence and qualifications and not price; and

WHEREAS, such policy has served CENTRAL ARKANSAS WATER very well and has permitted CENTRAL ARKANSAS WATER to retain the services of competent and well-qualified professional service providers efficiently and effectively; and

WHEREAS, given the passage of time and the development of CENTRAL ARKANSAS WATER's needs for professional services and upon review of its 2001 resolution, the Board of Commissioners wishes to recognize anew the professional services for which providers thereof shall be hired on the basis of demonstrated competence and qualifications and not price.

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

1. Pursuant to Arkansas Code § 19-11-801 et seq., the Board of Commissioners by a two-thirds (2/3) vote of its members recognizes the following services as professional services for which CENTRAL ARKANSAS WATER may elect to hire providers thereof on the basis of demonstrated competence and qualifications and not price:

- Accounting Services (2001)
- Agricultural Services (2001)
- Archeological Services (2001)
- Business Planning Services (2001)

Chemical Analysis Services (2001)
Economic Consulting (2001)
Environmental Services (2001)
Forecasting Services (2001)
Forestry Management Services (2001)
Geological Consulting Services (2001)
Horticultural Services (2001)
Hydraulic Services (2001)
Insurance Consulting (2001)
Land Management Services (2001)
Medical Consulting (2001)
Natural Resource Conservation and Management Services (2001)
Real Estate Appraisal Services (2001)
Real Estate Brokerage Services (2001)
Risk Management Services (2001)
Statistical Services (2001)
Systems Analysis Services (2001)
Timber Management Services (2001)
Water Quality Analysis and Monitoring Services (2001)
Actuary Services
Appraisal Services
Archeological Services
Audit Services
Custom System Integration Services
Employee Development Services
Government Relations Services
Information Systems Services
Medical Services
Programming Services
Public Relations, Marketing and Advertising Services
Rate Consulting
Renewable Energy Services
Retirement Plan Fiduciary Services
Wireless Site Lease Services

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

ADOPTED: [February 23, 2017]

Attest:



Carmen Smith, Secretary/Treasurer

APPROVED:



Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Carmen Smith, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2017-03 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION TO RECOGNIZE CERTAIN SERVICES AS PROFESSIONAL SERVICES FOR PURPOSES OF PROCUREMENT; AND FOR OTHER PURPOSES**, adopted February 23, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of February, 2017.



Carmen Smith, Secretary/Treasurer
Central Arkansas Water Board of Commissioners

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

March 9, 2017

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, March 9, 2017, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue Little Rock, Arkansas.

Present:

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

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. David Johnson, General Counsel
Ms. Becky Linker, Chief Administrative Officer
Mr. Robert Hart, P.E., Technical Services Officer
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Jim Ferguson, Director of Engineering
Mr. Allen Vincent, Director of Information Services
Mr. Kevin Hall, Director of Environmental Health & Safety
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source
Mr. Sam Zehabab, Director of Water Production
Mr. Robert Martin, Safety Specialist
Mr. Ben West, Distribution Foreman
Mr. Ken Oginski, Distribution Supervisor
Mr. Douglas Shackelford, Director of Public Affairs & Communications
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. Duane Highley, President/CEO, Arkansas Electric Cooperative
Ms. Ruth Bell, League of Women Voters of Pulaski County
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Mr. Antwan Phillips, Wright, Lindsey & Jennings LLP

CALL MEETING TO ORDER

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

EMPLOYEE RECOGNITION

Mr. Bohannon introduced Mr. Robert Martin, Safety Specialist, who presented the 2016 John Robinson Award for Safety to Mr. Ben West, Distribution Foreman. The John Robinson Award for Safety is awarded annually for excellence in workplace safety.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Braune, the minutes of the February 23, 2017, Regular Meeting were unanimously approved.

NEW BUSINESS

Presentation on Cybersecurity

Mr. Bohannon and Mr. Highley made a presentation on cybersecurity and other risks that utilities face.

Lake Ouachita Allocation Agreement

Mr. Kimbrow discussed the proposed Lake Ouachita Allocation Agreement between CAW and Mid-Arkansas Water Alliance (MAWA) and requested Board approval of a Resolution to forego one (1) million gallons per day sub-allocation of MAWA's allocation of water at Lake Ouachita.

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

Presentation on Bond Revenue Coverage and Rate Stabilization Account

Mr. Mascagni made a presentation on Bond Revenue Coverage for 2016 and discussed the possible transfer of funds into the Rate Stabilization Account. He made the recommendation that no funds be transferred at this time and stated he will provide an update to the Board after summer.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Hughes, after due consideration and discussion, a construction contract with On-Line Construction, Inc. in the amount of \$233,750 to relocate approximately 2,800 linear feet of existing main located along North Chicot Road and Mabelvale Road was unanimously approved.

DEPARTMENT UPDATES

Finance

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

BOARD BRIEFING

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

EXECUTIVE SESSION

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Powell, the Board went into Executive Session to discuss a personnel matter with Mr. Bohannon.

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

ADJOURNMENT

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


Carmen Smith, Secretary/Treasurer

RESOLUTION NO. 2017-04

A RESOLUTION FOR CENTRAL ARKANSAS WATER TO FOREGO ONE (1) MILLION GALLONS PER DAY SUBALLCATION OF MID-ARKANSAS WATER ALLIANCE'S ALLOCATION OF WATER AT LAKE OUACHITA; AND FOR OTHER PURPOSES

WHEREAS, Central Arkansas Water ("CAW") is a Charter member of the Mid-Arkansas Water Alliance ("MAWA"), a consortium of public utilities, associations, and municipalities that are joined together in a regional initiative to secure supplemental future water; and

WHEREAS, CAW fully supports the efforts of MAWA on behalf its members to obtain additional water from lakes of the U. S. Army Corps of Engineers including specifically an allocation of water from Lake Ouachita ("Lake Ouachita Allocation"); and

WHEREAS, approximately ten years ago, members of MAWA met and agreed on a specific suballocation of the Lake Ouachita Allocation for each of several members of MAWA including a suballocation of one (1) million gallons of water per day ("MGD") for CAW; and

WHEREAS, there are members of MAWA in much greater need of water from Lake Ouachita than CAW; and

WHEREAS, the proposed suballocation of one (1) MGD would have no positive effect on CAW's available water supply as the necessary infrastructure that would be required to provide the suballocation is neither available nor economical to develop; and

WHEREAS, CAW's purchase of its one (1) MGD suballocation would cost CAW and its ratepayers almost \$20,000 every year; and

WHEREAS, CAW has targeted another source of water for its future demands; and

WHEREAS, the City of Hot Springs is committed to acquiring and paying for the one (1) MGD allocation in the event that CAW foregoes such one (1) MGD; and

WHEREAS, CAW will, as it has in the past; continue to work with members of MAWA to further efforts in securing long-term sources of high-quality drinking water for members of MAWA.

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

1. CAW hereby foregoes its assigned one (1) MGD of MAWA'S Lake Ouachita Allocation.

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

ADOPTED: [March 9, 2017]

Attest:

APPROVED:


Carmen Smith, Secretary/Treasurer


Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Carmen Smith, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2017-04 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION FOR CENTRAL ARKANSAS WATER TO FOREGO ONE (1) MILLION GALLONS PER DAY SUBALLCATION OF MID-ARKANSAS WATER ALLIANCE'S ALLOCATION OF WATER AT LAKE OUACHITA; AND FOR OTHER PURPOSES**, adopted March 9, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of March, 2017.



Carmen Smith, Secretary/Treasurer
Central Arkansas Water Board of Commissioners

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

April 13, 2017

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, April 13, 2017, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue Little Rock, Arkansas.

Present:

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

Absent:

Dr. Roby Robertson, Commissioner

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. David Johnson, General Counsel
Ms. Becky Linker, Chief Administrative Officer
Mr. Robert Hart, P.E., Technical Services Officer
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Todd Fisher, Finance Manger
Ms. Cynthia Edwards, Controller
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Allen Vincent, Director of Information Services
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source
Mr. Randy Easley, Director of Water Quality
Mr. Sam Zehtaban, Director of Water Production
Mr. Terry Bice, Director of Distribution
Mr. Douglas Shackelford, Director of Public Affairs & Communications
Ms. Jane Hurley, Education and Outreach Specialist
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Ms. Robin Scott, Thomas & Thomas, LLP
Mr. Jordan Johnson, JPJ Consulting, LLC
Ms. Chelsea Boozer, Reporter, Arkansas Democrat Gazette
Ms. Mary Carol Poole, Paschall Strategic Communications
Ms. Kathleen Oleson, League of Women Voters of Pulaski County

Ms. Kayleigh Dulaney, Wright, Lindsey & Jennings LLP
Ms. Carolyn Shearman, Friends of the Ouachita Trail
Mr. Bernie Hochstetter, Citizen
Mr. Barry Haas, Citizen
Ms. Katie Martin, Citizen

CALL MEETING TO ORDER

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hughes, the minutes of the March 9, 2017, Regular Meeting was approved on a 5-0 vote. Those voting aye were: Vice Chair Hartman, Secretary/Treasurer Smith, Commissioners Braune, Hughes, and Powell. Chair Kendall was absent during the vote and arrived at approximately 2:15 p.m. Commissioner Robertson was absent.

OLD BUSINESS

Strategic Plan 2020 Update

Mr. Bohannon updated the Board on the Strategic Planning Process.

Legislative Session Update

Mr. Johnson updated the Board on activities during the legislative session that began on January 9.

NEW BUSINESS

Approve the 2016 Audit for CAW

Mr. Mascagni introduced Ms. Scott from Thomas & Thomas, LLP who presented a review of the draft 2016 Comprehensive Annual Financial Report (CAFR) for CAW. The Board was asked to approve the 2016 CAFR.

Upon a motion duly made by Commissioner Hartman, and seconded by Commissioner Braune, after due consideration and discussion, the 2016 CAFR was unanimously approved.

Approve CEO Continuing Education

Mr. Bohannon asked the Board to consider a Resolution to support the CEO's continuing education so he can provide the best leadership possible for the utility, its employees, and the customers it serves.

Upon a motion duly made by Commissioner Powell, and seconded by Commissioner Hughes, after due consideration and discussion, the Resolution to support the CEO's continuing education was approved on a 5-1 vote. Those voting aye were: Chair Kendall, Secretary/Treasurer Smith, Commissioners Braune, Hughes, and Powell. Those voting nay were: Vice Chair Hartman. Commissioner Robertson was absent.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Braune, after due consideration and discussion, a professional services contract with EMA, Inc. not to exceed \$175,000 for the development of an Information Technology Master Plan was unanimously approved.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Powell, after due consideration and discussion, a construction contract with On-Line Construction in the amount of \$116,575 to relocate approximately 600 linear feet of existing 8-inch water main located along Geyer Springs Road at the Union Pacific Railroad Crossing was unanimously approved.

Upon a motion duly made by Commissioner Braune and seconded by Commissioner Powell, after due consideration and discussion, a construction contract with J.R. Fox Company in the amount of \$420,765 to replace 2-inch galvanized water mains identified as being very problematic and high maintenance in Little Rock, North Little Rock, and Pulaski County was unanimously approved.

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Braune, after due consideration and discussion, the purchase of four (4) crew trucks and two (2) dump trucks from Summit Truck Group in the amount of \$516,435 was unanimously approved.

DEPARTMENT UPDATES

Public Affairs & Communications

Mr. Shackelford and Ms. Hurley provided an update on Public Affairs & Communications.

Finance

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

BOARD BRIEFING

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

ADJOURNMENT

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hartman, the meeting was adjourned.



Carmen Smith, Secretary/Treasurer

RESOLUTION NO. 2017-05

A RESOLUTION AUTHORIZING CONTINUING EDUCATION FOR THE CHIEF EXECUTIVE OFFICER; AND FOR OTHER PURPOSES

WHEREAS, C. Tad Bohannon has ably served as the Chief Executive Officer of Central Arkansas Water ("CAW"), meeting or exceeding all expectations of the Board of Commissioners in the performance of his duties; and

WHEREAS, Mr. Bohannon has continually stressed the importance of creating and maintaining a culture of continuous learning at CAW; and

WHEREAS, it is generally recognized that the biggest challenge for CEOs is staying ahead of change and that the capacity to learn and develop is critical; and

WHEREAS, the CEO's personal development is not personal, but it is fundamental to sustaining and rejuvenating the health of the organization; and

WHEREAS, the Board of Commissioners of CAW supports Mr. Bohannon's professional development and his pursuit thereof so that he can provide the best leadership possible for the utility, its employees, and the customers it serves.

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

1. Beginning on April 13, 2017, and occurring on each anniversary thereof until and including April 13, 2021, CAW allocates Twenty-Five Thousand Dollars (\$25,000) for use and application by Mr. Bohannon to attend and participate in Organized Professional Development Activities. For purposes of this resolution, "Organized Professional Development Activity" means an educational undertaking that maintains or improves one or more skills needed by the Chief Executive Officer of CAW including but not limited to a continuing legal education program that provides credit for attorney education required by any state regulator of licensed attorneys, a conference hosted by a reputable state, national, or international business, professional, or industry association, or a course or executive degree program offered by a university or college that is accredited by one or more esteemed accreditation bodies or that offers or houses any course, program, or department that is accredited by one or more esteemed accreditation bodies. At Mr. Bohannon's election, CAW shall advance any portion of the collective amount of the four forthcoming annual allocations for use by Mr. Bohannon in Organized Professional Development Activities.

2. As a condition of Mr. Bohannon's employment with CAW, Mr. Bohannon shall refund money of CAW spent at the direction of Mr. Bohannon on Organized Professional Development Activities for Mr. Bohannon as of the date that Mr. Bohannon's employment at CAW terminates in the event that such termination occurs before April 13, 2022, on account of Mr. Bohannon's violation of law, violation of CAW policy, or resignation.

3. In April of each year beginning in 2018 and ending in 2022, Mr. Bohannon shall report to the Board of Commissioners about the Organized Professional Development Activities in which he has participated during the preceding year.

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

ADOPTED: [April 13, 2017]

Attest:

APPROVED:


Carmen Smith, Secretary/Treasurer


Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Carmen Smith, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2017-05 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION AUTHORIZING CONTINUING EDUCATION FOR THE CHIEF EXECUTIVE OFFICER; AND FOR OTHER PURPOSES**, adopted April 13, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of April, 2017.



Carmen Smith, Secretary/Treasurer
Central Arkansas Water Board of Commissioners

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

May 11, 2017

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, May 11, 2017, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue Little Rock, Arkansas.

Present:

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

Absent:

Ms. Kandi Hughes, Commissioner

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. David Johnson, General Counsel
Mr. Jeff Mascagni, Chief Financial Officer
Ms. Cynthia Edwards, Controller
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source
Mr. Randy Easley, Director of Water Quality
Mr. Sam Zehtaban, Director of Water Production
Mr. Blake Weindorf, P.E., Assistant Director of Distribution
Mr. Douglas Shackelford, Director of Public Affairs & Communications
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. Jordan Johnson, JPJ Consulting, LLC
Ms. Erin Brogdon, Wright, Lindsey & Jennings LLP
Ms. Mary Carol Poole, Paschall Strategic Communications
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Ms. Carolyn Shearman, Friends of the Ouachita Trail
Mr. Bernie Hochstetter, Citizen
Mr. Dedrick Payne, Citizen
Mr. Victor Sanders, Police Security

CALL MEETING TO ORDER

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

EMPLOYEE RECOGNITION

Mr. Bohannon recognized Mr. David Johnson for one year of service as general counsel.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Braune, the minutes of the April 13, 2017, Regular Meeting were unanimously approved.

NEW BUSINESS

Resolution Reappointing Carmen Smith to a Second Term as a Commissioner from North Little Rock

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Robertson, after due consideration and discussion, the Resolution reappointing Commissioner Smith to a seven-year term beginning July 1, 2017, was unanimously approved.

Appointment of 2017-2018 Officers

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Robertson, after due consideration and discussion, the Board Officers for the 2017-2018 term beginning July 1, 2017, was unanimously approved.

- Mr. Jay Hartman – Chair
- Ms. Carmen Smith – Vice Chair
- Mr. John Braune – Secretary/Treasurer

Banking Service Agreements

Mr. Mascagni requested Board approval of Banking Service Agreements with First Security Bank to provide Treasury, Lockbox, Trust, Merchant, and Credit Card Services.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Powell, after due consideration and discussion, the Banking Service Agreements with First Security Bank were unanimously approved.

Employee Development Update

Mr. Bohannon made a presentation on current employee training activities to engage employees and encourage employee development.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Hartman, after due consideration and discussion, the purchase of a large capacity water pump

and electric motor from Instrument & Supply, Inc. in the amount of \$308,740 (plus sales tax), was unanimously approved.

DEPARTMENT UPDATES

Regionalism

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

Finance

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

BOARD BRIEFING

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

ADJOURNMENT

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Smith, the meeting was adjourned.



Carmen Smith, Secretary/Treasurer

RESOLUTION 2017-06

A RESOLUTION RE-APPOINTING MS. CARMEN SMITH TO THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER AND FOR OTHER PURPOSES

WHEREAS, the term of Ms. Carmen Smith, a member of the Board of Commissioners of Central Arkansas Water ("CAW Board"), expires on June 30, 2017; 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 City Council of the City of North Little Rock, Arkansas, and the Board of Directors of the City of Little Rock, Arkansas.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER THAT the remaining commissioners do hereby reappoint Ms. Carmen Smith to a seven-year term, subject to confirmation by the duly elected and qualified members of the City Council of the City of North Little Rock and the Board of Directors of the City of Little Rock, and that her term of office shall be through June 30, 2024.

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

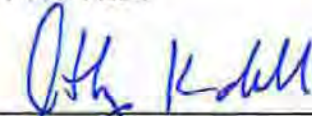
ADOPTED: May 11, 2017

Attest:



Jay Hartman, Vice Chair

APPROVED:



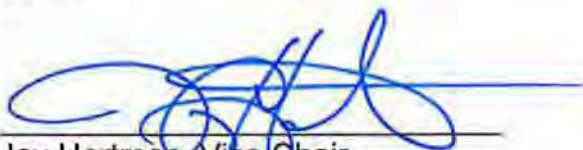
Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Jay Hartman, Vice Chair of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2017-06 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION RE-APPOINTING MS. CARMEN SMITH TO THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER AND FOR OTHER PURPOSES**, adopted May 11, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of May, 2017.



Jay Hartman, Vice Chair
Central Arkansas Water Board of Commissioners

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

June 15, 2017

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, June 15, 2017, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue Little Rock, Arkansas.

Present:

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

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. David Johnson, General Counsel
Mr. Robert Hart, P.E., Technical Services Officer
Mr. Jeff Mascagni, Chief Financial Officer
Ms. Becky Linker, Chief Administrative Officer
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Randy Easley, Director of Water Quality
Mr. Sam Zehtaban, Director of Water Production
Mr. Doug Graham, Assistant Director of Water Production
Mr. Larry Rose, Production Manager
Mr. Douglas Shackelford, Director of Public Affairs & Communications
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. Jordan Johnson, JPJ Consulting, LLC
Mr. Doug Wilson, Insurance Center, Inc.
Ms. Kayleigh Dulaney, Wright, Lindsey & Jennings LLP
Ms. Mary Carol Poole, Paschall Strategic Communications
Mr. Tim Daters, P.E., White-Daters & Associates, Inc.
Mr. Victor Sanders, Police Security

CALL MEETING TO ORDER

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Robertson, the minutes of the May 11, 2017, Regular Meeting were unanimously approved.

NEW BUSINESS

Ozark Point Water Treatment Plant Update

Mr. Bohannon made a presentation on the status of the preliminary engineering report being prepared by Carollo Engineering for improvements to the Ozark Point Water Treatment Plant.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Braune and seconded by Commissioner Smith, after due consideration and discussion, the second year of a three-year contract for business insurance coverage with the Insurance Center, Inc. at a premium of \$362,869 was unanimously approved.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hartman, after due consideration and discussion, a construction contract with On-Line Construction, Inc. in the amount of \$462,248 to relocate water mains along Kanis Road from Shackelford Road to Embassy Suites Drive was unanimously approved.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Powell, after due consideration and discussion, a construction contract with Cisneros Family Construction in the amount of \$284,946 to replace 1,000 linear feet of 2-inch water main along N. Woodrow and S. Schiller Streets was unanimously approved.

DEPARTMENT UPDATES

Finance

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

BOARD BRIEFING

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

ADJOURNMENT

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Smith, the meeting was adjourned.


John Braune, Secretary/Treasurer

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

July 13, 2017

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, July 13, 2017, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue Little Rock, Arkansas.

Present:

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

Absent:

Ms. Carmen Smith, Vice Chair
Ms. Kandi Hughes, Commissioner

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Robert Hart, P.E., Technical Services Officer
Mr. Jeff Mascagni, Chief Financial Officer
Ms. Becky Linker, Chief Administrative Officer
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Thomas Wray, P.E., Senior Engineer
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source
Mr. Randy Easley, Director of Water Quality
Ms. Raven Lawson, Watershed Protection Manager
Mr. Sam Zehtaban, Director of Water Production
Mr. Doug Graham, Assistant Director of Water Production
Mr. Douglas Shackelford, Director of Public Affairs & Communications
Ms. Samantha Williams-Davis, Communications Specialist and Brand Manager
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Dr. Matthew Connolly, UCA
Mr. Jordan Johnson, JPJ Consulting, LLC
Mr. Eric Besson, Reporter, AR Democrat-Gazette
Mr. Antwan Phillips, Wright, Lindsey & Jennings LLP
Ms. Mary Carol Poole, Paschall Strategic Communications
Ms. Ruth Bell, League of Women Voters of Pulaski County
Mr. David Knight, Governor's Advisory Council on Cycling
Mr. Joe Jacobs, Governor's Advisory Council on Cycling

Mr. Mike Mitchell, Citizen
Mr. Matt Goddard, Citizen
Mr. Barry Haas, Citizen
Mr. Moses Cotton, Citizen
Mr. Victor Sanders, Police Security

CALL MEETING TO ORDER

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

EMPLOYEE RECOGNITION

Mr. Bohannon recognized Mr. Easley for five years of service, Mr. Bice (absent) for 30 years of service, and Mr. Kimbrow for 35 years of service.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Robertson, the minutes of the June 15, 2017, Regular Meeting were unanimously approved.

NEW BUSINESS

Presentation of the Study Plan to Examine Impacts of Mountain Biking on Erosion and Water Quality

Ms. Lawson and Dr. Connolly made a presentation on an upcoming pilot-project to determine feasibility of an on-trail study to evaluate potential impacts of mountain bike use on the Ouachita National Recreation Trail in the Lake Maumelle Watershed. A high-level overview of the project, its potential outcome scenarios, and subsequent study parameters were provided and discussed.

Maumelle Merger Update

Mr. Luther and Mr. Mascagni provided a brief update on the ongoing Maumelle merger activities.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Braune, after due consideration and discussion, a construction contract with Redstone Construction Group in the amount of \$1,126,995.50 to replace approximately 8,140 linear feet of water mains in the City of Maumelle was unanimously approved.

DEPARTMENT UPDATES

Water Quality

Mr. Easley provided an update on matters pertaining to water quality.

Finance

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

BOARD BRIEFING

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

ADJOURNMENT

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



John Braune, Secretary/Treasurer

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

August 10, 2017

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, August 10, 2017, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue Little Rock, Arkansas.

Present:

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

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. David Johnson, General Counsel
Mr. Robert Hart, P.E., Technical Services Officer
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Allen Vincent, Director of Information Services
Mr. Vince Guillett, GIS Manager
Mr. Randy Easley, Director of Water Quality
Mr. Sam Zehtaban, Director of Water Production
Mr. Ronnie Bankston, Production Manager
Mr. Mike Bryant, Treatment Plant Operator
Mr. Sean Owens, Treatment Plant Operator
Mr. Douglas Shackelford, Director of Public Affairs & Communications
Ms. Samantha Williams-Davis, Communications Specialist and Brand Manager
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. John Goff, First Security Bank
Mr. Jordan Johnson, JPJ Consulting, LLC
Ms. Ruth Bell, League of Women Voters of Pulaski County
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Ms. Carolyn Shearman, Friends of the Ouachita Trail
Ms. Janae Hartman, Citizen

CALL MEETING TO ORDER

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

COMMISSIONER RECOGNITION

Chair Hartman presented to Commissioner Hughes a pin commemorating her one year of service on the Board. Chair Hartman thanked Commissioner Hughes for her service.

EMPLOYEE RECOGNITION

Mr. Zehtaban recognized Mike Bryant, Treatment Plant Operator, for receiving a Master of Science Degree in Integrated Sciences and Mathematics through CAW's tuition reimbursement program.

Mr. Zehtaban recognized Sean Owens, Treatment Plant Operator, for receiving a Bachelor of Science Degree in Environmental Health and Safety through CAW's tuition reimbursement program.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hughes, the minutes of the July 13, 2017, Regular Meeting were unanimously approved.

NEW BUSINESS

Resolutions to Appoint a New Trustee for the Central Arkansas Water Employees Savings Plan (401A) and the Central Arkansas Water Deferred Compensation § 457 Plan II

Mr. Mascagni requested Board approval of the appointment of Wells Fargo Bank, National Association as Trustee for CAW's 401A and 457 retirement savings plans.

Upon a motion duly made by Commissioner Braune and seconded by Commissioner Powell, after due consideration and discussion, a Resolution authorizing a change in Trustee for the CAW Deferred Compensation § 457 Plan II was unanimously approved.

Upon a motion duly made by Commissioner Braune and seconded by Commissioner Robertson, after due consideration and discussion, a Resolution to amend the adoption agreement of CAW Employees Savings Plan (401A) was unanimously approved.

IT Master Plan Update

Mr. Guillet made a presentation on the current status of the IT Master Plan being prepared by EMA, Inc. He provided information on the CAW IT Master Plan team members, as well as the entire Customer Information and Billing System (CIS) review process that ultimately led to EMA's recommendation to replace the current system. He also discussed the cost estimate for CIS replacement, next steps in the CIS replacement process, as well as what is left to accomplish in the entire IT Master Plan.

DEPARTMENT UPDATES

Finance

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

Mr. Mascagni recognized CAW's Finance Department for receiving the Government Finance Officers Association – Certificate of Achievement for Excellence in Financial Reporting for the eighth consecutive year. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting.

BOARD BRIEFING

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

ADJOURNMENT

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



Carmen Smith, Vice Chair

RESOLUTION NO. 2017-07

**A RESOLUTION AUTHORIZING A CHANGE IN TRUSTEE FOR THE
CENTRAL ARKANSAS WATER DEFERRED COMPENSATION § 457
PLAN II**

WHEREAS, Central Arkansas Water (CAW) has established a deferred compensation plan (the "Plan") for its employees in accordance with § 457 of the Internal Revenue Code (the "Code"); and

WHEREAS, in order to provide a vehicle to accumulate said deferred compensation it was desirable to establish a trust and Central Arkansas Water wishes to appoint Wells Fargo Bank, National Association, as Successor Trustee for the Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, THAT Central Arkansas Water hereby ratifies and confirms the Central Arkansas Water Deferred Compensation § 457 Plan II, and appoints Wells Fargo Bank, National Association, as Successor Trustee of the Plan, to be effective August 23, 2017, or such date on which the § 457 Trust Agreement is executed by Central Arkansas Water and Wells Fargo Bank, National Association.

BE IT FURTHER RESOLVED THAT the proper officers of Central Arkansas Water shall take all such actions necessary for ongoing oversight of the Plan, including the execution of supporting Plan documents; and shall take all such actions necessary to effect the appointment of Wells Fargo Bank, National Association, as Successor Trustee for the Plan, including the execution of the Proposed Trust Agreement and supporting Plan documents.

ADOPTED: [August 10, 2017]

Attest:

APPROVED:



John Braune, Secretary/Treasurer



Jay Hartman, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, John Braune, 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 August 10, 2017.



John Braune, Secretary/Treasurer
Central Arkansas Water Board of Commissioners

RESOLUTION NO. 2017-08

**A RESOLUTION TO AMEND THE ADOPTION AGREEMENT OF
CENTRAL ARKANSAS WATER EMPLOYEES SAVINGS PLAN**

WHEREAS, Central Arkansas Water has adopted a Volume Submitter Profit Sharing Plan and Trust Agreement sponsored by Friday, Eldredge & Clark, LLP; and

WHEREAS, Central Arkansas Water wishes to amend The Adoption Agreement to the Central Arkansas Water Employees Savings Plan; and

WHEREAS, Central Arkansas Water wishes to remove the existing Trustees and to appoint Wells Fargo Bank, National Association, as Successor Trustee for the Plan; and

WHEREAS, Central Arkansas Water proposes to enter into a separate trust agreement with Wells Fargo Bank, National Association.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, THAT Central Arkansas Water hereby ratifies and approves the first amendment to the Adoption Agreement to the Central Arkansas Water Employees Savings Plan which removes the existing Trustees and appoints Wells Fargo Bank, National Association, as Successor Trustee of the Plan.

ADOPTED: [August 10, 2017]

Attest:

APPROVED:



John Braune, Secretary/Treasurer



Jay Hartman, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, John Braune, 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 August 10, 2017.



John Braune, Secretary/Treasurer
Central Arkansas Water Board of Commissioners

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

September 14, 2017

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, September 14, 2017, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue Little Rock, Arkansas.

Present:

Mr. Jay Hartman, Chair
Ms. Carmen Smith, Vice Chair
Ms. Kandi Hughes, Commissioner
Mr. Eddie Powell, Commissioner
Dr. Roby Robertson, Commissioner

Telephonic:

Mr. Anthony Kendall, Commissioner

Absent:

Mr. John Braune, Secretary/Treasurer

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Ms. Becky Linker, Chief Administrative Officer
Mr. David Johnson, General Counsel
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source
Mr. Allen Vincent, Director of Information Services
Mr. Vince Guillett, GIS Manager
Mr. Sam Zehtaban, Director of Water Production
Mr. Terry Bice, Director of Distribution
Mr. Blake Weindorf, P.E., Assistant Director of Distribution
Mr. Douglas Shackelford, Director of Public Affairs & Communications
Ms. Samantha Williams-Davis, Communications Specialist and Brand Manager
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Ms. Lynne Powers, EMA, Inc.
Mr. Jordan Johnson, JPJ Consulting, LLC
Ms. Chelsea Boozer, Reporter, Arkansas Democrat Gazette
Ms. Ruth Bell, League of Women Voters of Pulaski County
Ms. Kathleen Oleson, League of Women Voters of Pulaski County

Ms. Carolyn Shearman, Friends of the Ouachita Trail
Ms. Mary Carol Poole, Paschall Strategic Communications
Mr. Nathan Finch, Wright, Lindsey & Jennings LLP

CALL MEETING TO ORDER

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hughes, the minutes of the August 10, 2017, Regular Meeting were unanimously approved.

NEW BUSINESS

Presentation on Employee Meetings

Mr. Bohannon updated the Board on recently held Employee Meetings.

Adopt a Resolution Approving Notice of CAW's Intent to Refinance the Wye Mountain Bond and a Resolution to Add the Wye Mountain Surcharge to CAW's Rate Schedule

Mr. Mascagni requested Board approval of a Resolution approving notice to the Cities of Little Rock and North Little Rock of CAW's intent to refinance the Wye Mountain Bond and a Resolution to add the Wye Mountain Surcharge to CAW's rate schedule. The surcharge is limited to approximately 600 customers that reside in the Wye Mountain service area.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hughes, after due consideration and discussion, the Resolution approving notice to the Cities of Little Rock and North Little Rock of CAW's intent to refinance the Wye Mountain Bond was unanimously approved.

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Powell, after due consideration and discussion, the Resolution to add the Wye Mountain Surcharge to CAW's rate schedule was unanimously approved.

Presentation on Service Line Replacement Project

Mr. Weindorf made a presentation on the upcoming Service Line Replacement Project.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Smith, after due consideration and discussion, a professional services contract with accounting firm BKD, LLP to perform CAW's annual audit of its financial statements for the years ending December 31, 2017 through 2021 was unanimously approved, with a first year audit cost of \$64,000.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Smith, after due consideration and discussion, a professional services contract with EMA, Inc. in the amount of \$664,000 to define CIS/billing system requirements, prepare a Request for

Proposals, and develop the demonstration scripts needed to select a new billing system was unanimously approved.

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Smith, after due consideration and discussion, a contract with Utility Service Company in the amount of \$229,600 to paint the interior of Tank 2 located on Kanis Road was unanimously approved.

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Hughes, after due consideration and discussion, a construction contract with Craig Custom Construction, LLC in the amount of \$562,145 to replace 2-inch galvanized water mains in various locations was unanimously approved.

DEPARTMENT UPDATES

Public Affairs & Communications

Mr. Shackelford provided an update on matters pertaining to Public Affairs & Communications.

Finance

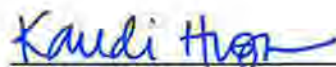
Mr. Mascagni provided a year-to-date financial update on utility operations.

BOARD BRIEFING

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

ADJOURNMENT

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Smith, the meeting was adjourned.



Kandi Hughes, Secretary/Treasurer

RESOLUTION NO. 2017-09

A RESOLUTION APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK OF THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE A SPECIAL REVENUE BOND REDEEMING THE WYE MOUNTAIN WATER FACILITIES BOARD OF PERRY COUNTY, ARKANSAS REVENUE BOND; APPROVE SETTING A DATE FOR A PUBLIC HEARING ON THE ISSUANCE OF THE BOND; AND FOR OTHER PURPOSES.

WHEREAS, in 2011, Wye Mountain Water Facilities Board of Perry County, Arkansas ("Wye Mountain") issued a Water Revenue Bond, Series 2011 ("Wye Mountain 2011 Series Bond"); and

WHEREAS, Central Arkansas Water ("CAW") and Wye Mountain entered Agreement for Contribution of Assets and Assumption of Operations ("Agreement") on November 10, 2011, by which Wye Mountain agreed to transfer its assets to CAW upon Wye Mountain's payment in full of the Wye Mountain 2011 Series Bond; and

WHEREAS, Wye Mountain has greatly benefited from the devotion and hard work offered to Wye Mountain by the current members of its governing body; and

WHEREAS, the Wye Mountain 2011 Series Bond is owned by the Arkansas Development Finance Authority ("ADFA") under the State Drinking Water Revolving Loan Fund program administered by the Arkansas Natural Resources Commission ("ANRC"); and

WHEREAS, ANRC and ADFA have agreed that the Wye Mountain 2011 Series Bond may be prepaid in full without penalty; and

WHEREAS, ANRC and ADFA have agreed to lower the interest rate on the new bond from 3.25% to 2.5%; and

WHEREAS, payment in full by CAW of the Wye Mountain 2011 Series Bond would ease current administrative responsibilities of CAW; and

WHEREAS, CAW proposes to issue a special water revenue bond in the aggregate principal amount not to exceed \$1,738,000 for the purpose of refunding the Wye Mountain 2011 Series Bond; and

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

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

Section 1. The Chief Executive Officer is hereby instructed to give notice to the governing bodies of the Cities of Little Rock and North Little Rock that CAW intends to issue a special water revenue bond in an amount not to exceed One Million Seven Hundred and Thirty Eight Dollars (\$1,738,000) (the "Wye Mountain 2017 Series Bond") for the purpose of refunding the Wye Mountain 2011 Series Bond.

Section 2. The Chief Financial Officer is hereby instructed to schedule a public hearing on the issuance of the Wye Mountain 2017 Series Bond.

Section 3. The Chief Executive Officer and Chief Financial Officer are authorized to take such other actions and to approve such documents as are necessary or appropriate in order to accomplish the intent of this resolution.

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

ADOPTED: September 14, 2017

Attest:

APPROVED:


Carmen Smith, Vice Chair


Jay Hartman, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Carmen Smith, Vice Chair of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2017-09 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK OF THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE A SPECIAL REVENUE BOND REDEEMING THE WYE MOUNTAIN WATER FACILITIES BOARD OF PERRY COUNTY, ARKANSAS REVENUE BOND; APPROVE SETTING A DATE FOR A PUBLIC HEARING ON THE ISSUANCE OF THE BOND; AND FOR OTHER PURPOSES** adopted September 14, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of September 2017.



Carmen Smith, Vice Chair
Central Arkansas Water Board of Commissioners

RESOLUTION NO. 2017-10

A RESOLUTION TO ADOPT A SURCHARGE IN PLACE OF AN EXISTING SURCHARGE OF THE WYE MOUNTAIN WATER FACILITIES BOARD IN ANTICIPATION OF THE CONSOLIDATION OF THE WYE MOUNTAIN WATER FACILITIES BOARD AND CENTRAL ARKANSAS WATER; DIRECTING CENTRAL ARKANSAS WATER STAFF TO ADOPT THE EXISTING CAPITAL IMPROVEMENT CHARGES FOR CONNECTIONS TO THE WYE MOUNTAIN WATER SYSTEM; 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 83rd Arkansas General Assembly, and consolidated the ownership and operation of their municipal water utilities into CAW; and

WHEREAS, the Board of Commissioners of Central Arkansas Water is vested with the authority to establish water rates, subject to review by the governing bodies of both the City of Little Rock and the City of North Little Rock; and

WHEREAS, on or about November 10, 2011, CAW and Wye Mountain Water Facilities Board ("Wye Mountain") entered Agreement for Contribution of Assets and Assumption of Operations (the "Agreement") that provided in part that Wye Mountain would obtain financing in the amount of Two Million Dollars (\$2,000,000) for the purpose of undertaking capital improvements to its water system; and

WHEREAS, Wye Mountain obtained such financing ("2011 Debt") for the purpose of undertaking such capital improvements to its water system; and

WHEREAS, Wye Mountain adopted a surcharge payable by each of Wye Mountain's customers of \$32 per month for the purpose of paying and eventually retiring 2011 Debt; and

WHEREAS, the Agreement provided that, upon payment in full by Wye Mountain of the 2011 Debt, ownership of the Wye Mountain water system would vest in CAW without the necessity of any other conveyance; and

WHEREAS, it is possible at this time for CAW to obtain new financing for the purpose of paying to Wye Mountain the remaining balance of the 2011 Debt ("2017 Debt"), resulting in a cost savings to the customers of Wye Mountain.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER THAT THE BOARD OF COMMISSIONERS ADOPTS A SURCHARGE AS DESCRIBED HEREIN:

Section 1. In addition to other rates, charges, and fees to which each customer account of the Wye Mountain service area shall be subject as a customer of CAW pursuant to the rate resolution adopted by the Board of Commissioners on December 10, 2015, each customer account of the Wye Mountain service area shall pay a monthly surcharge of \$32, subject to revision by the Board of Commissioners, that shall begin upon retirement by Wye Mountain of the 2011 Debt and shall continue until retirement of the 2017 Debt.

Section 2. CAW staff are also directed to adopt the Capital Improvement Charges currently imposed by Wye Mountain Board to new connections to the Wye Mountain water system and to maintain those connection charges for at least as long as the 2017 Debt remains outstanding. Such Capital Improvement Charges shall be used to pay debt service on the 2017 Debt.

ADOPTED: September 14, 2017

Attest:

APPROVED:


Carmen Smith, Vice Chair


Jay Hartman, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Carmen Smith, Vice Chair of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2017-10 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION TO ADOPT A SURCHARGE IN PLACE OF AN EXISTING SURCHARGE OF THE WYE MOUNTAIN WATER FACILITIES BOARD IN ANTICIPATION OF THE CONSOLIDATION OF THE WYE MOUNTAIN WATER FACILITIES BOARD AND CENTRAL ARKANSAS WATER; DIRECTING CENTRAL ARKANSAS WATER STAFF TO ADOPT THE EXISTING CAPITAL IMPROVEMENT CHARGES FOR CONNECTIONS TO THE WYE MOUNTAIN WATER SYSTEM; AND FOR OTHER PURPOSES** adopted September 14, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of September 2017.



Carmen Smith, Vice Chair
Central Arkansas Water Board of Commissioners

CENTRAL ARKANSAS WATER

**MINUTES OF PUBLIC HEARING
REGARDING ISSUANCE OF \$5,000,000
IN MAXIMUM PRINCIPAL AMOUNT OF
WATER REVENUE BONDS**

October 9, 2017

The meeting was called to order by Jeff Mascagni, Chief Financial Officer, Central Arkansas Water, who presided at the meeting. He stated that a public hearing was scheduled to be held at 2:00 p.m. at the James T. Harvey Administration Building of Central Arkansas Water located at 221 East Capitol Avenue in Little Rock, Arkansas. The public hearing was held to hear comments on the question of Central Arkansas Water issuing \$5,000,000 in maximum principal amount of water revenue bonds for the purpose of financing the costs of acquiring, constructing and equipping extensions, betterments and improvements to the water system operated by Central Arkansas Water, including particularly, without limitation, the Wilson Pump Station #1A Project.

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

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

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

CERTIFICATE

The undersigned, Vice Chair of Central Arkansas Water, hereby certifies that the foregoing is a true and perfect written record of a public hearing held at 2:00 p.m. on the 9th day of October, 2017, which now appears in the records of the Central Arkansas Water in Little Rock, Arkansas.



Carmen Smith, Vice Chair

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

October 12, 2017

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, October 12, 2017, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue Little Rock, Arkansas.

Present:

Mr. Jay Hartman, Chair
Ms. Carmen Smith, Vice Chair
Ms. Kandi Hughes, Commissioner
Mr. Eddie Powell, Commissioner
Dr. Roby Robertson, Commissioner
Mr. Anthony Kendall, Commissioner

Absent:

Mr. John Braune, Secretary/Treasurer

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. David Johnson, General Counsel
Ms. Becky Linker, Chief Administrative Officer
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Robert Hart, P.E., Technical Services Officer
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source
Mr. Randy Easley, Director of Water Quality
Mr. Sam Zehtaban, Director of Water Production
Mr. Douglas Shackelford, Director of Public Affairs & Communications
Ms. Cynthia Edwards, Controller
Mr. Todd Fisher, Finance Manager
Ms. Samantha Williams-Davis, Communications Specialist and Brand Manager
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. Chris Shumake, Health Advantage
Mr. Paul Strickland, P.E., Garver Engineers
Mr. J. Shepherd Russell, III, Friday, Eldredge & Clark, LLP
Mr. W. Taylor Marshall, Friday, Eldredge & Clark, LLP
Mr. Bailey Moll, JPJ Consulting, LLC
Ms. Ruth Bell, League of Women Voters of Pulaski County
Ms. Mary Carol Poole, Paschall Strategic Communications
Ms. Kayleigh Dulaney, Wright, Lindsey & Jennings LLP

CALL MEETING TO ORDER

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Powell, the minutes of the September 14, 2017, Regular Meeting were unanimously approved.

NEW BUSINESS

2018 Health Insurance Renewal

Ms. Linker requested Board approval of a contract renewal for the 2018 group health insurance contract with Health Advantage with a 5% increase to premiums, with no change to current levels of coverage, effective January 1, 2018, subject to renewal by mutual agreement annually thereafter.

Chair Kendall abstained from the vote due to a potential conflict of interest.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hughes, after due consideration and discussion, the 2018 group health insurance coverage with Health Advantage was approved.

Presentation of Draft 2018 Financial Plan

Mr. Mascagni presented a draft of the 2018 Financial Plan and stated that no action was required at this meeting. He stated that the final version of the plan would be presented for consideration at the November Board Meeting.

Approve Issuance of Water Revenue Bond

Mr. Mascagni requested Board approval of a Resolution authorizing the issuance of a water revenue bond in the maximum principal amount of \$5,000,000 to fund engineering, construction period interest, pump and motor replacement, electrical upgrades, and building renovations at the Jack H. Wilson Pump Station 1A. The CAW Board approved a Resolution declaring the intent to make these expenditures at the May 12, 2016 Board meeting.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Powell, after due consideration and discussion, the Resolution authorizing the issuance of a water revenue bond to fund upgrades at the Jack H. Wilson Pump Station 1A was unanimously approved.

Secretary/Treasurer

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Robertson, after due consideration and discussion, a motion to appoint Commissioner Hughes as Acting Secretary/Treasurer during Commissioner Braune's absence was unanimously approved.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Smith, after due consideration and discussion, a construction contract in the amount of \$3,585,100 with Crow Paving, Inc. for Pump Station No. 1A Rehabilitation – Phase 1, located at Jack H. Wilson Water Treatment Plant, was unanimously approved.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hughes, after due consideration and discussion, a construction contract in the amount of \$814,870 with On-Line Construction to replace approximately 4,225 linear feet of water mains in the City of Maumelle was unanimously approved.

DEPARTMENT UPDATES

Finance

Mr. Mascagni provided a year-to-date financial update on utility operations and recognized CAW's Finance Department for receiving the Government Finance Officers Association – Certificate of Achievement for Excellence in Financial Reporting for the eighth consecutive year. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting.

BOARD BRIEFING

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

ADJOURNMENT

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



Kandi Hughes, Acting Secretary/Treasurer

RESOLUTION NO. 2017-11

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

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

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

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

WHEREAS, the Improvements include particularly, without limitation, the Wilson Pump Station #1A Project; and

WHEREAS, in order to finance the costs of the Improvements, including bond issuance costs, the Issuer is making arrangements for the sale of a bond in the maximum principal amount of \$5,000,000 to the Arkansas Development Finance Authority, as purchaser (the "Bondholder"), at a price of par for a bond bearing interest at the rate of 1.50% per annum pursuant to a Bond Purchase Agreement (the "Agreement") among the Issuer, the Bondholder and the Arkansas Natural Resources Commission ("Natural Resources"), which has been presented to and is before this meeting; and

WHEREAS, the Issuer has the following outstanding issues of revenue bonds: Refunding Water Revenue Bond, Series 2010A (2009 ANRC Project) (the "Series 2010A Bond"), Water Refunding Revenue Bonds, Series 2010C (Watershed Protection Project) (the "Series 2010C Bonds"), Water Revenue Bond, Series 2011A (Wye Mountain Extension Project) (the "Series 2011A Bond"), Capital Improvement Water Revenue Bonds, Series 2012A (the "Series 2012A Bonds"), Refunding Water Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), Refunding Water Revenue Bonds, Series 2015 (the "Series 2015 Bonds"), Refunding Water Revenue Bonds, Series 2016 (the "Series 2016 Refunding Bonds") and Acquisition and Construction Water Revenue Bonds (Maumelle Water System Acquisition Project), Series 2016 (the "Series 2016 Maumelle Bonds"); and

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

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

WHEREAS, the Bondholder proposes to pledge the bond as collateral for the payment of its revolving loan fund revenue bonds (the "ADFA Bonds") pursuant to its general bond resolution, as amended or supplemented from time to time, to the bank or trust company to be named as trustee thereunder (the "ADFA Trustee"); and

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

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

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

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

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

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

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

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

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

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

“Parity Debt” means the Series 2010A Bond, the Series 2010C Bonds, the Series 2011A Bond, the Series 2012A Bonds, the Series 2014 Bonds, the Series 2015 Bonds, the Series 2016 Refunding Bonds and any future debt obligations of the Issuer incurred in compliance with Section 22(b) of this Resolution and secured and payable on a parity of security with the bond.

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

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

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

“Revenues” means all revenues, fees, income, rents, and receipts derived by the Issuer from the System, including without limitation any proceeds of the Issuer from the sale of any property of the System permitted under this Resolution, including the proceeds of any insurance covering business interruption loss. Revenues also include all interest, profits, or other income

derived from the investment of any moneys held pursuant to this Resolution, and any trust indenture securing the Parity Debt, the Series 2016 Maumelle Bonds or other Subordinated Indebtedness and required to be paid into the Revenue Fund and the proceeds of any interest subsidy with respect to the bond, Parity Debt, Series 2016 Maumelle Bonds or other Subordinated Indebtedness paid to or for the account of the Issuer by any governmental body or agency. Revenues shall not include: (a) Grant Aid; (b) proceeds received on insurance resulting from casualty damage to assets of the System; (c) rentals or other charges derived by the Issuer under and pursuant to a lease or leases relating to Special Purpose Facilities; (d) the proceeds of sale of the bond, the Parity Debt, the Series 2016 Maumelle Bonds or other Subordinated Indebtedness, or other obligations issued for System purposes; (e) the proceeds of the Watershed Protection Fee; or (f) franchise fees. From and after the Stabilized Net Revenues Adjustment Date, the preceding sentence within the definition of "Revenues" shall read as follows: Revenues shall not include (a) Grant Aid; (b) proceeds received on insurance resulting from casualty damage to assets of the System; (c) rentals or other charges derived by the Issuer under and pursuant to a lease or leases relating to Special Purpose Facilities; (d) the proceeds of sale of the bond, Parity Debt, Subordinate Indebtedness (excluding the Series 2016 Maumelle Bonds) or other obligations issued for System purposes; (e) the proceeds of the Watershed Protection Fee; (f) franchise fees; or (g) Special Debt Retirement Charge Revenues.

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

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

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

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

"Special Purpose Bonds" means (i) such other bonds, notes or other interest bearing obligations to which a portion of the Revenues are pledged, and the proceeds of which are used to finance the design, acquisition, and construction of facilities or projects as the Issuer shall by resolution designate as a Special Purpose Facility, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds as contemplated and permitted by Section 22(d) of this Resolution, or (ii) such other bonds to which the Watershed Protection Fee is pledged and the proceeds of which are used to finance the acquisition of land

within the watershed of Lake Maumelle or the design, acquisition, and construction of facilities or projects as the Issuer shall by resolution deem necessary or advisable for protection of water quality within Lake Maumelle.

“Special Purpose Facility” means (a) additional water sources, including but not limited to, a new lake; or (b) such other facilities or projects as the Issuer shall by resolution designate as a Special Purpose Facility, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds of the Issuer as contemplated and permitted by Section 22(d) of this Resolution.

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

“Stabilized Net Revenues Adjustment Date” means the first date on which (i) the Series 2010C Bonds, the Series 2012A Bonds, the Series 2014 Bonds and the Series 2015 Bonds are fully paid or defeased and (ii) the 2010A Bond and the Series 2011A Bond are either paid in full or the owners of the Series 2010A Bond and the Series 2011A Bond have agreed to release any Special Debt Retirement Charge Revenues from the pledge in favor of the Series 2010A Bond and the Series 2011A Bond.

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

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

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

Section 2. The sale to the Bondholder of a bond from the Issuer in the maximum principal amount of \$5,000,000 at a price of par for a bond bearing interest at the rate of 1.50% per annum and otherwise subject to the terms and provisions hereafter in this Resolution set forth in detail be, and is hereby approved and the bond is hereby sold to the Bondholder. The Chairman is hereby authorized and directed to execute and deliver the Agreement on behalf of

the Issuer and to take all action required on the part of the Issuer to fulfill its obligations under the Agreement. The Agreement is hereby approved in substantially the form submitted to this meeting with such changes as may be approved by the Chairman of the Issuer, his execution to constitute complete evidence of such approval.

Section 3. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly the Authorizing Legislation, Central Arkansas Water Revenue Bond (Wilson Pump Station #1A Project), Series 2017A (the "bond") is hereby authorized and ordered issued in the maximum principal amount of \$5,000,000, the proceeds of the sale of which will be used to accomplish the Improvements, pay expenses incidental thereto, pay expenses of issuing the bond and fund capitalized interest.

The bond shall bear interest at the rate of 1.50% per annum based upon a 360-day year of twelve consecutive 30-day months. The bond shall be dated the date of delivery to the Bondholder. Interest shall be payable on each April 15 and October 15 after the bond is issued. Principal shall be payable in installments on October 15, 2021 and each April 15 and October 15 thereafter until the unpaid principal is paid in full as follows:

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
10/15/21	\$97,107	10/15/31	\$124,495
04/15/22	98,321	04/15/32	126,051
10/15/22	99,550	10/15/32	127,627
04/15/23	100,794	04/15/33	129,222
10/15/23	102,054	10/15/33	130,837
04/15/24	103,330	04/15/34	132,472
10/15/24	104,622	10/15/34	134,129
04/15/25	105,929	04/15/35	135,805
10/15/25	107,254	10/15/35	137,502
04/15/26	108,594	04/15/36	139,222
10/15/26	109,952	10/15/36	140,962
04/15/27	111,326	04/15/37	142,724
10/15/27	112,717	10/15/37	144,508
04/15/28	114,127	04/15/38	146,314
10/15/28	115,553	10/15/38	148,143
04/15/29	116,997	04/15/39	149,995
10/15/29	118,460	10/15/39	151,870
04/15/30	119,940	04/15/40	153,769
10/15/30	121,440	10/15/40	155,690
04/15/31	122,958	04/15/41	157,638

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

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

upon final payment) and such payments shall discharge the obligation of the Issuer to the extent thereof. The Secretary of the Issuer shall keep a payment record and make proper notations thereon of all payments of principal and interest.

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

Section 4. The bond shall be executed on behalf of the Issuer by the Chairman and Secretary of the Issuer and shall have impressed thereon the seal of the Issuer. The bond is not a general obligation of the Issuer but is a special obligation, the principal of and interest on which, and Financing Fee in connection therewith, are secured by a pledge of and are payable from Stabilized Net Revenues. The pledge of Stabilized Net Revenues is on a parity with the pledge in favor of the Parity Debt. The pledge of Stabilized Net Revenues is senior to the pledge in favor of the Series 2016 Maumelle Bonds. It is understood and agreed that from and after the Stabilized Net Revenues Adjustment Date, that there will not be included in the definition of Revenues any Special Debt Retirement Charge Revenues and such Special Debt Retirement Charge Revenues shall be released from the pledge of this Resolution on the Stabilized Net Revenues Adjustment Date. The bond and interest thereon shall not constitute an indebtedness of the Issuer within any constitutional or statutory limitation.

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

(form of single registered bond)

UNITED STATES OF AMERICA
STATE OF ARKANSAS
CENTRAL ARKANSAS WATER
1.50% WATER REVENUE BOND, SERIES 2017A
(WILSON PUMP STATION #1A PROJECT)

No. R-1

\$5,000,000

KNOW ALL MEN BY THESE PRESENTS:

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

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

with interest on the unpaid balance of the total principal amount at the rate of 1.50% per annum from the date of each advance. The principal and interest shall be payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America.

Interest on the unpaid balance of the total principal amount shall be payable on April 15, 2018 and on each April 15 and October 15 thereafter. Principal shall be payable in installments on October 15, 2021 and on each April 15 and October 15 thereafter until the unpaid principal is paid as follows:

Date

Amount

(There will be inserted the schedule
set forth in Section 3 of this Resolution.)

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

This bond is issued for the purpose of providing financing of the costs of planning, designing and constructing extensions, betterments and improvements to the Issuer's water system, consisting of collection, holding, treatment and distribution facilities (the "System"), interest during construction and costs of authorizing and issuing this bond, and is issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 25, Chapter 20, Subchapter 3 of the Arkansas Code of 1987 Annotated, and pursuant to Resolution No. 2017-11 of the Issuer, duly adopted and approved on the 12th day of October, 2017 (the "Authorizing Resolution"). Reference is hereby made to the Authorizing Resolution for the details of the nature and extent of the security and of the rights and obligations of the Issuer and the registered owner of this bond.

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

This bond may be prepaid at the option of the Issuer from funds from any source, in whole but not in part, at any time on and after October 15, 2027, at a prepayment price equal to the principal amount outstanding, plus accrued interest to the prepayment date. Notice shall be given of such prepayment to the owner of this bond or registered assigns at least 90 days prior to the prepayment date. Such notice shall be in writing mailed to the address of the owner of this bond or registered assigns at the address as reflected on the bond registration books of the Secretary of the Issuer.

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

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

IN WITNESS WHEREOF, Central Arkansas Water has caused this bond to be executed in its name by its Chairman and Secretary, thereunto duly authorized, and its corporate seal to be affixed, all as of the 12th day of October, 2017.

CENTRAL ARKANSAS WATER

By  _____
Chairman

ATTEST"

 _____
Secretary

(SEAL)

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

Section 6. The Issuer has heretofore fixed water rates by Resolution No. 2012-07, adopted November 8, 2012, Resolution No. 2014-10, adopted November 13, 2014, Resolution

No. 2015-15, adopted October 8, 2015, Resolution No. 2015-20, adopted December 10, 2015 and Resolution No. 2016-06, adopted February 11, 2016. Reference is hereby made to such Resolutions for the details thereof and other provisions pertaining thereto, which water rates are hereby confirmed and continued as provided therein. The rates in effect for water service at this time shall not be reduced without the prior written consent of Natural Resources and the Bondholder.

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

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

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

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

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

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

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

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

Section 12. All Revenues shall be promptly deposited by the Issuer to the credit of the Revenue Fund, and the Long Term Debt Surcharge Revenues shall be deposited into the Long Term Debt Surcharge Revenue Account in the Revenue Fund.

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

Section 14. (a) After paying the Operation and Maintenance Costs as they become due, there shall be paid each April and October as a second charge on the Revenue Fund, from amounts on deposit in the Revenue Fund, into an account of the Issuer in a special fund to be created by the Bondholder and designated "Series 2017A" (the "ADFA Bond Fund") for the purpose of paying the principal of and interest on the bond the amounts specified in (b) below.

(b) There shall be deposited from proceeds of the bond or, at the direction of the Issuer, from moneys in the Revenue Fund, into the 2017A ADFA Bond Fund on April 15, 2018 and on each April 15 and October 15 thereafter until April 1, 2021, the interest due on the bond on such dates. Commencing on the 15th day of each April and October thereafter, there shall be deposited from moneys in the Revenue Fund into the 2017 ADFA Bond Fund an amount equal to the principal and interest on of the bond then due.

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

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

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

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

Section 15. As a third charge on the Revenue Fund, there shall be paid monthly from moneys in the Revenue Fund into the debt service reserve funds established for the benefit of any Parity Debt, in the event that there are draws from the debt service reserve funds established for the benefit of any Parity Debt to pay principal of or interest on any outstanding Parity Debt, the amount, if any, required to restore the balance in the debt service reserve funds established for the benefit of Parity Debt in 12 consecutive monthly payments to the reserve requirements established with respect to Parity Debt, as applicable; provided that if there are not sufficient

moneys to satisfy the requirements of this subsection with respect to all series of Parity Debt bond issues, all moneys available for distribution among such series of Parity Debt bonds shall be distributed on a pro rata basis to the deficient debt service reserve accounts by the proportion that the deficiency for each series of bond issues bears to the total deficiency for all such accounts.

Section 16. There shall be paid monthly as a fourth charge on the Revenue Fund from moneys in the Revenue Fund the Financing Fee and all other financing fees in connection with Parity Debt, to the Authority. The Financing Fee shall be payable on each date interest on the bond is due and shall be calculated on the same basis as interest on the bond. The payment of the Financing Fee is expressly made subordinate to the payment of the principal of and interest on the bond and the Parity Debt.

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

Section 18. As a sixth charge on the Revenue Fund, there shall be paid monthly from moneys in the Revenue Fund into the Depreciation Fund, an amount calculated as follows: a flat three percent (3%) of water consumption-based revenues and private fire service revenues (including wholesale revenues). The Depreciation Fund shall be used for replacements and repairs to the System.

Section 19. Moneys in the Revenue Fund in excess of the amounts required to be transferred monthly pursuant to Sections 13 through 18 of this Resolution may be utilized by the Issuer for any lawful System purpose, including deposits to the Rate Stabilization Account pursuant to Section 7. Money in the Rate Stabilization Account shall be used as provided in the RSA Resolution.

Section 20. The Issuer shall assure that (i) not in excess of 10% of the proceeds of the bond is used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the bond during the term thereof is, under the terms of the bond or any underlying arrangement, directly or indirectly secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed moneys used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the proceeds of the bond are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the bond during the term thereof is, under the terms of the bond or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business

Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of proceeds of the bond used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Improvements.

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

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

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

Section 21. The principal and interest installments shall be prepayable prior to maturity as provided in the bond form in Section 5 hereof.

Section 22. (a) As long as the bond is outstanding, the Issuer shall not issue or attempt to issue any bonds having or claimed to be entitled to a priority of lien on Revenues or Stabilized Net Revenues over the lien securing the bond.

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

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

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

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

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

(d) (1) The Issuer may issue Special Purpose Bonds for the purpose of financing or refinancing the cost of (i) Special Purpose Facilities in accordance with subsection (d)(2) or (ii) those matters that may be funded by the Watershed Protection Fee in accordance with subsection (d)(3).

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

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

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

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

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

(3) The Special Purpose Bonds referred to in this subsection shall be payable as to principal, redemption premium, if any, and interest solely from Watershed Protection Fees. No such Special Purpose Bonds shall be issued by the Issuer to finance projects that may be funded

by the Watershed Protection Fee unless there shall have been filed with the Issuer a Water Consultant's Certificate stating that the Watershed Protection Fees to be derived by the Issuer on an annual basis will be at least sufficient to pay the principal of and interest on such Special Purpose Bonds as and when the same become due and payable, and all sinking fund, reserve, or other payments required by the resolution authorizing the Special Purpose Bonds as the same become due.

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

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

Section 23. It is covenanted and agreed by the Issuer with the Bondholder, the Authority and Natural Resources that it will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State and by this Resolution, including, without limitation, the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, segregating Revenues and applying them to the respective funds maintained pursuant to the this Resolution.

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

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

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

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

Section 24. When the bond has been executed and sealed as herein provided, it shall be delivered to the Bondholder upon payment of all or a portion of the purchase price in accordance with the Agreement. Sale proceeds in the amount necessary to make all or a portion of the semiannual interest and Financing Fee payments due on each April 15 and October 15 to and including April 15, 2021 shall be applied, unless otherwise directed by the Issuer, to the payment of Financing Fees and interest on the bond on such dates. The balance of the sale proceeds shall be deposited, as and when received, in a special account of the Issuer hereby created in a bank that is a member of the Federal Deposit Insurance Corporation and designated the "2017A Water Construction Fund" (the "Construction Fund"). The moneys in the Construction Fund shall be used for reimbursing the Issuer for the costs paid in accomplishing the Improvements, expenses incidental thereto and the expenses of issuing the bond approved in accordance with the Agreement. Payments from the Construction Fund shall be by check or voucher signed by a person designated by the Issuer, and drawn on the depository. Each such check or voucher shall briefly specify the purpose of the expenditure.

When the Improvements have been completed and all required expenses paid and expenditures made from the Construction Fund for and in connection with the accomplishment of the Improvements and the financing thereof, this fact shall be evidenced by a certificate signed by the Chief Executive Officer of the Issuer and by the consulting engineer, which certificate shall state, among other things, the date of the completion and that all obligations payable from the Construction Fund have been discharged. A copy of the certificate shall be filed with the depository bank, the Bondholder and Natural Resources.

Section 25. The terms of this Resolution shall constitute a contract among the Issuer, the Bondholder and Natural Resources and no variation or change in the undertaking herein set forth shall be made while the bond is outstanding unless consented to in writing by the Bondholder and Natural Resources.

Section 26. The Issuer agrees that it will keep proper records, books and accounts relating to the operation of the System, which shall be kept separate from all other records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the operation of the System in accordance with generally accepted government accounting standards. Such books shall be available for inspection by the Bondholder and Natural Resources, or the agent or the representative of either, at reasonable times and under

reasonable circumstances. The Issuer agrees to have its financial statements audited annually by an independent certified public accountant or the Legislative Joint Auditing Committee, Division of Legislative Audit of the State of Arkansas. The Issuer shall within 180 days after the end of each Fiscal Year file with the Authority and Natural Resources its annual audited financial statements. If the Issuer's audited financial statements are not available by such date, the Issuer shall file such audited financial statements with the Authority and Natural Resources within 60 days after receipt thereof by the Issuer.

Section 27. The Issuer covenants and agrees that it will maintain the System in good condition and operate it in an efficient manner and at reasonable cost. The Issuer agrees that, to the extent comparable protection is not otherwise provided to the satisfaction of the Bondholder and Natural Resources, it will insure, and at all times keep insured in a responsible insurance company or companies selected by the Issuer and authorized and qualified under the laws of the State to assume the risk thereof, all above-ground structures of the System against loss or damage thereto in amounts and against such risks as are customarily insured against in connection with similar facilities and undertakings as the System. In the event of loss, the proceeds of such insurance shall be applied solely toward the reconstruction, replacement or repair of the System, and in such event the Issuer will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement and repair work.

Section 28. The Issuer agrees that the Bondholder may pledge the bond as security for the ADFA Bonds, and the ADFA Trustee and/or the municipal bond insurer for the ADFA Bonds may exercise any rights and remedies available to the Bondholder under this Resolution or the Agreement while the bond is pledged and/or the ADFA Bonds are insured. In addition, the Issuer agrees that while the bond is pledged and/or the ADFA Bonds are insured, copies of all financial information required to be furnished to ADFA shall also be furnished to the ADFA Trustee and/or the municipal bond insurer.

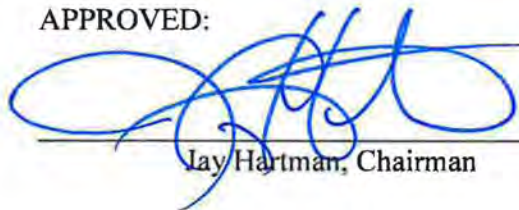
Section 29. The provisions of this Resolution are hereby declared to be separable, and if any provision shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of this Resolution.

Section 30. Reference in this Resolution to "Bondholder" shall include the original Bondholder or any registered assign thereof.

Section 31. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: October 12, 2017.

APPROVED:



Jay Hartman, Chairman

ATTEST:

Kandi Hughes

Kandi Hughes, Secretary

(SEAL)

CERTIFICATE

The undersigned, Secretary of Central Arkansas Water, hereby certifies that the foregoing pages are a true and perfect copy of Resolution No. 2017- 11, adopted at a regular session of the Board of Commissioners of Central Arkansas Water, held at the regular meeting place in the City of Little Rock, Arkansas at 2:00 o'clock p.m., on the 12th day of October, 2017.

GIVEN under my hand and seal on this 12th day of October, 2017.

Kandi Hugn
Secretary

(SEAL)

Minutes of a Board Retreat
Board of Commissioners
Central Arkansas Water

October 24, 2017

The Board of Commissioners of Central Arkansas Water (CAW) convened in a Board Retreat at 1:00 p.m. on Tuesday, October 24, 2017, in the Maryland Avenue Training Center located at 1500 W. Maryland Avenue, North Little Rock, Arkansas.

Present:

Mr. Jay Hartman, Chair
Ms. Carmen Smith, Vice Chair
Ms. Kandi Hughes, Commissioner
Dr. Roby Robertson, Commissioner
Mr. Anthony Kendall, Commissioner

Absent:

Mr. John Braune, Secretary/Treasurer
Mr. Eddie Powell, Commissioner

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. David Johnson, General Counsel
Ms. Becky Linker, Chief Administrative Officer
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source
Mr. Randy Easley, Director of Water Quality
Mr. Sam Zehtaban, Director of Water Production
Mr. Douglas Shackelford, Director of Public Affairs & Communications
Mr. Allen Vincent, Director of Information Services
Mr. Terry Bice, Director of Distribution
Mr. Blake Weindorf, P.E., Assistant Director of Distribution
Ms. Jane Hurley, Education and Outreach Specialist
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. Jordan Johnson, JPJ Consulting, LLC
Ms. Chelsea Boozer, AR Democrat-Gazette

DISCUSSION ITEMS

Letter of Resignation

Mr. Bohannon stated that on Monday, October 23rd, he and Chair Hartman received a letter of

resignation from CAW Board Commissioner John Braune. Mr. Bohannon stated the Board can discuss how they want to proceed with filling the vacancy at the November 14th Board Meeting.

PRESENTATIONS

Employee Benefits

Mr. Bohannon made a presentation on matters pertaining to the cost and purpose of employee benefits. Discussion ensued.

Low Income Rate Payer Assistance

Mr. Bohannon and Mr. Johnson made a presentation on matters pertaining to Low Income Rate Payer Assistance programs and Arkansas Constitution Article 12, § 5. Discussion ensued.

Statutory Tort Immunity & Claims Procedure

Mr. Bohannon and Mr. Johnson made a presentation on matters pertaining to Statutory Tort Immunity and CAW's Claims Procedures. CAW's current claims policy was approved by the Board under Resolution 2003-02 at the April 10, 2003 Board meeting. Discussion ensued.

Wholesale/Outside City Retail Customer

Mr. Bohannon made a presentation on matters pertaining to Wholesale/Outside City Retail Customers. Discussion ensued.

Other Management/Operational Opportunities

Mr. Bohannon made a presentation on matters pertaining to various management/operational opportunities. Discussion ensued.

Unfunded Capital Projects

Mr. Bohannon made a presentation on unfunded Capital Projects. Discussion ensued.

ADJOURNMENT

The Board Retreat adjourned at 4:57 p.m.



Kandi Hughes, Acting Secretary/Treasurer

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

November 16, 2017

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, November 16, 2017, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue Little Rock, Arkansas.

Present:

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

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. David Johnson, General Counsel
Ms. Becky Linker, Chief Administrative Officer
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source
Mr. Randy Easley, Director of Water Quality
Ms. Raven Lawson, Watershed Protection Manager
Mr. Sam Zehtaban, Director of Water Production
Mr. Doug Graham, Assistant Director of Water Production
Mr. Douglas Shackelford, Director of Public Affairs & Communications
Ms. Samantha Williams-Davis, Communications Specialist and Brand Manager
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. Paul Strickland, P.E., Garver Engineers
Mr. Bailey Moll, JPJ Consulting, LLC
Ms. Carolyn Shearman, Friends of the Ouachita Trail
Ms. Kathleen Oleson, Women Voters of Pulaski County
Ms. Mary Carol Poole, Paschall Strategic Communications

CALL MEETING TO ORDER

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Robertson, the minutes of the October 12, 2017, Regular Meeting were unanimously approved. Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hughes, the minutes of the October 24, 2017, Planning Meeting were unanimously approved.

OLD BUSINESS

2018 Financial Plan

Mr. Mascagni requested Board approval of the 2018 Financial Plan that was presented to the Board in October.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hughes, after due consideration and discussion, the 2018 Financial Plan was unanimously approved.

NEW BUSINESS

2017 Employee Job Satisfaction and Engagement Survey

Mr. Bohannon presented the results of the recent Employee Job Satisfaction and Engagement Survey conducted by the Society for Human Resources Management.

Presentation on Marina Standards

Mr. Easley made a presentation on the new standards for operation of marinas on Lake Maumelle that are currently under consideration for adoption by the CEO.

Resolution Authorizing Purchase of Property in Lake Maumelle Watershed

Ms. Lawson requested Board approval of a Resolution authorizing the purchase of 120 acres located in the Lake Maumelle Watershed, adjacent to property already owned by CAW, for a purchase price of \$480,000 (\$4,000 per acre).

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

Resolution Establishing a New Claims Policy

Mr. Johnson requested Board approval of a Resolution establishing a new Claims Policy for the administration of damage claims made against CAW.

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Hughes, after due consideration and discussion, the Resolution establishing a new Claim Policy was unanimously approved.

CONTRACTS/PURCHASES

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

Renewal of annual chemical contracts with the following companies:

<u>Company</u>	<u>Chemical</u>	<u>Bid Amount</u>
Carus Corporation	Bimetallic Glassy Phosphate	\$299,520.00
Harcros Chemical	Powdered Activated Carbon	\$19,600.00
Brenntag Mid-South	Sodium Silicofluoride	\$35,080.00
Key Chemical	Hydrofluorosilicic Acid	\$110,925.00
Brenntag Mid-South	Liquid Chlorine*	\$19,440.00
Ecotech	Liquid Polyphosphate*	\$11,875.00
Ecotech	Cationic Polyacrylamide*	\$36,500.00
AmeriChem, LLC	Aluminum Chlorohydrate*	\$92,880.00
Brenntag Mid-South	Liquid Sodium Hydroxide*	\$92,610.00

*MWM use only

Annual chemical contracts to the following companies based on competitive bids:

<u>Company</u>	<u>Chemical</u>	<u>Bid Amount</u>
Arkansas Lime Company	Quicklime	\$142,500.00
Arkansas Lime Company	Hydrated Lime	\$26,675.00
Bluewater	Calcium Hypochlorite	\$11,000.00
Brenntag Mid-South	15% Hydrochloric Acid	\$39,936.00
Chemtrade Chemicals	Liquid Aluminum Sulfate	\$319,600.00
Brenntag Mid-South	25% Liquid Sodium Chlorite	\$245,850.00
Vertex	Sodium Hypochlorite	\$340,000.00

Upon a motion duly made by Commissioner Robertson, and seconded by Commissioner Powell, after due consideration and discussion, a construction contract with Gene Summers Construction in the amount of \$1,285,704, to relocate approximately 3,200 linear feet of water main along E. Maryland Avenue in Sherwood was unanimously approved.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hughes, after due consideration and discussion, a professional services contract with Garver, LLC. the amount of \$153,590, to perform construction services for Pump Station 1A Rehabilitation and Improvements – Phase 1 was unanimously approved.

DEPARTMENT UPDATES

Regionalism

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

Water Quality

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

Finance

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

BOARD BRIEFING

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

EXECUTIVE SESSION

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

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

ADJOURNMENT

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Kendall, the meeting was adjourned.



Kandi Hughes, Acting Secretary/Treasurer

RESOLUTION 2017-12

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

WHEREAS, Central Arkansas Water ("CAW") has entered into a Real Estate Offer and Acceptance Contract dated October 26, 2017 (the "Contract") to purchase approximately 120 acres of property within the Lake Maumelle Watershed (the "Property") from US Able Life (the "Seller") for the purchase price of \$480,000; and

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

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

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

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

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

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

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

ADOPTED: [November 16, 2017]

Attest:



Kandi Hughes, Acting Secretary/Treasurer

APPROVED:



Jay Hartman, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Kandi Hughes, Acting Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2017-12 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION AUTHORIZING PURCHASE OF PROPERTY, AND OTHER MATTERS RELATED THERETO**, adopted November 16, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of November, 2017.



Kandi Hughes, Acting Secretary/Treasurer
Central Arkansas Water Board of Commissioners

RESOLUTION NO. 2017-13

A RESOLUTION REPEALING RESOLUTION 2003-02; ADOPTING A CLAIMS POLICY BY WHICH CERTAIN TORT CLAIMS AGAINST CENTRAL ARKANSAS WATER MAY BE ADMINISTERED; AFFIRMING AND RESTATING THE STATUTORY IMMUNITY OF CENTRAL ARANSAS WATER; AND FOR OTHER PURPOSES.

WHEREAS, pursuant to Arkansas Code § 21-9-302 and without waiving its statutory immunity, the Board of Commissioners may provide for a policy for the administration of certain tort claims against Central Arkansas Water; and

WHEREAS, the Board of Commissioners wishes to adopt a policy for the administration of certain tort claims against Central Arkansas Water.

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

Section 1. Resolution 2003-02 is repealed.

Section 2. Claims Policy, which is attached hereto and incorporated herein by reference and by which staff of Central Arkansas Water shall administer certain tort claims against Central Arkansas Water, is adopted.

Section 3. The Board of Commissioners affirms and restates the provisions of Arkansas Code §§ 21-9-302 and 25-20-318, by which Central Arkansas Water enjoys for strong public policy reasons broad statutory immunity.

Section 4. By adopting the attached Claims Policy, the Board of Commissioners in no way waives generally the statutory immunity of Central Arkansas Water provided by law.

ADOPTED: [November 16, 2017]

Attest:

APPROVED:



Kandi Hughes, Acting Secretary/Treasurer



Jay Hartman, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Kandi Hughes, Acting Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2017-13 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION REPEALING RESOLUTION 2003-02; ADOPTING A CLAIMS POLICY BY WHICH CERTAIN TORT CLAIMS AGAINST CENTRAL ARKANSAS WATER MAY BE ADMINISTERED; AFFIRMING AND RESTATING THE STATUTORY IMMUNITY OF CENTRAL ARANSAS WATER; AND FOR OTHER PURPOSE,** adopted November 16, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of November, 2017.



Kandi Hughes, Acting Secretary/Treasurer
Central Arkansas Water Board of Commissioners

CLAIMS POLICY

Section 1- Definitions

- (a) "CFO" means the chief financial officer of Central Arkansas Water ("CAW") or the chief financial officer's designee, who may conduct all responsibilities of the CFO if so delegated by the CFO excluding the CFO's responsibilities under Section 4.
- (b) "CFO's Designee" means the CFO's designee.
- (c) "Claim" means a demand for money made by a person who sustains Claimed Damages caused by:
 - (i) Water that flows in an uncontrolled fashion from a CAW water main or pipeline as a result of an intended release by CAW or an unintended spontaneous rupture; or
 - (ii) An act of CAW or a person in his or her capacity as an employee of CAW that constitutes negligence under Arkansas law.
- (d) "Claim Form" means the document on which a person describes a Claim.
- (e) "Claimant" means a person who experiences a Claim and files a Claim Form under this policy.
- (f) "Claimed Damages" means:
 - (i) Loss in the physical condition and value of a structure affixed to real property or personal property housed within the structure;
 - (ii) Loss in the physical condition and value of a vehicle of another person caused by a vehicle of CAW that is not insured for purposes of liability; or
 - (iii) Personal injury.
- (g) "Excluded Damages" means:
 - (i) The portion of Claimed Damages for which Claimant or another person received or may be due benefit from an insurance carrier or other person as a result of a Claim;
 - (ii) The portion of Claimed Damages claimed by a subrogee of the person who sustained Claimed Damages as result of a Claim;

- (iii) The portion of Claimed Damages caused by a person other than CAW including but not limited to a contractor or subcontractor of CAW;
 - (iv) The portion of Claimed Damages caused by a mislaid, misplaced, or loose meter box cover or valve box cover;
 - (v) The portion of Claimed Damages that affects a structure affixed to real property, personal property housed within the structure, or personal injury caused to a person who occupies such structure in the event that a portion of such structure occupies any portion of an easement of CAW; or
 - (vi) Other portions of Claimed Damages as equitably determined by CAW in its sole discretion.
- (h) "Net Award" means the value of Claimed Damages adjusted by subtraction of the value of Excluded Damages.

Section 2– Submission of Claim

- (a) **Claim Form.** Every person who seeks compensation for a Claim must present his or her Claim on a Claim Form to CAW.
- (b) **Availability.** A person may request a Claim Form by email at claims@carkw.com, by telephone by calling 501-372-5161, selecting Option 6, and speaking with any CAW customer service representative, or by mail at:

Central Arkansas Water
Customer Service Department
P. O. Box 1789
Little Rock, AR 72203
- (c) **Contents.** Each Claim Form submitted to CAW must be printed or legibly-written on a standard form provided by CAW. The completed Claim Form must include the following information:
 - i. Name of Claimant;
 - ii. Name of person filing Claim Form;
 - iii. Mailing address of person filing Claim Form;
 - iv. Physical address of incident of Claim;
 - v. Description of Claim - Each Claim Form filed with CAW must describe the Claim at issue by stating all relevant facts in ordinary and concise language;

- vi. Claimed Damages - If known, the value of Claimant's Claimed Damages must be stated in the Claim Form. In the event Claimant does not know the value of Claimant's Claimed Damages at the time of filing of Claim Form, Claimant must supplement Claimant's Claim Form to state such Claimed Damages within six months of the time of the filing of Claim Form. Claimant must provide all documentation that supports the value of Claimant's Claimed Damages. Claimant may include one or more images that depict damage;
- vii. Itemized value and description of Excluded Damages;
- viii. Evidence as required by CAW of submission of a Claim by or on behalf of Claimant for all available proceeds under the terms of an insurance policy of each insurance carrier that provides insurance coverage for Claimed Damages or a portion of Claimed Damages.

(d) **Affirmation** – Claim Form must be notarized.

(e) **Submission.** Claim Form shall be submitted electronically by email at claims@carkw.com or by mail at:

Central Arkansas Water
Customer Service Department
P. O. Box 1789
Little Rock, AR 72203

The time of submission of Claim Form shall be the time at which the email message is received in the inbox of claims@carkw.com or the date on which CAW receives Claim Form by mail.

Section 3 - Review and Investigation

- (a) **Review.** Upon receiving Claim Form, the CFO shall review Claim Form for the purpose of determining compliance with this rule. Such determination shall be made in CAW's sole discretion no later than ten business days following the day of submission of Claim. In the event that CAW determines that Claim Form fails to satisfy this rule, CAW may decline Claim Form or accept Claim Form filed on the condition that Claimant revises or supplements Claim Form. In either event, CAW shall notify Claimant of its determination and advise Claimant of Claim Form's deficiency and opportunity, if any, to correct such deficiency.
- (b) **Investigation.** For each filed Claim Form, the CFO shall undertake an investigation by any means of Claimant's allegations, Claimed Damages, Excluded Damages, and other information.
- (c) **Cooperation.** Claimant shall cooperate with the CFO and provide information and materials as requested by the CFO. Failure of Claimant to cooperate with the

CFO may result in a reduced award or CAW's denying the Claim Form without making an award.

Section 4- Finding

For each Claim Form on which Claimant claims Claimed Damages that do not exceed Two Thousand Five Hundred Dollars (\$2,500), the CFO or CFO's Designee shall reach a finding about the degree to which Claimant is entitled, if at all, to a Net Award. For each Claim Form on which Claimant claims Claimed Damages that exceed Two Thousand Five Hundred Dollars (\$2,500) but do not exceed Fifty Thousand Dollars (\$50,000), the CFO shall reach a finding about the degree to which Claimant is entitled, if at all, to a Net Award. For each Claim Form on which Claimant claims Claimed Damages that exceed Fifty Thousand Dollars (\$50,000), the Board of Commissioners shall reach a finding about the degree to which Claimant is entitled, if at all, to a Net Award.

In the event that the CFO, CFO's Designee, or Board of Commissioners finds that the Claimant is not entitled to a Net Award, that person shall close the Claim. In the event that the CFO, CFO's Designee, or Board of Commissioners is unable to determine Claimant's entitlement to a Net Award for failure of Claimant to cooperate with CAW's investigation or for any other reason, that person shall close the Claim, defer further consideration, or take other action as circumstances warrant. In the event that the CFO, CFO's Designee, or Board of Commissioners finds that the status of Excluded Damages remains unresolved, that person shall defer a finding on Claimant's Claim until the final disposition of Claimant's pursuit of such Excluded Damages and all related civil actions including but not limited to all available appeals to an appellate court. In either event, the CFO, CFO's Designee, or Board of Commissioners shall notify Claimant of the determination.

In the event that the CFO, CFO's Designee, or Board of Commissioners finds that Claimant is due a Net Award from CAW, CAW shall pay that award but may, in CAW's sole discretion, qualify the giving of the award on one or more conditions.

Section 5- Limitation of Award

CAW will award no more than Two Hundred Fifty Thousand Dollars (\$250,000) for a single Claim.

Section 6- Limitations Period

A Claimant must submit his or her Claim no later than one year from the date on which the incident that gives rise to the Claim occurs. In the event that an incident that gives rise to a Claim occurs over consecutive days, the one-year limitations period shall begin on the last day of such consecutive days. In the event that CAW determines that Claim Form fails to satisfy this rule and either declines Claim Form or accepts Claim Form on the condition that Claimant revises or supplements Claim Form pursuant to Section 3(a), the limitations period shall be tolled between the point in time that the Claim Form

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

December 14, 2017

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, December 14, 2017, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue Little Rock, Arkansas.

Present:

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

CAW Staff in Attendance:

Mr. Thad Luther, P.E., Chief Operating Officer
Mr. David Johnson, General Counsel
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source
Mr. Randy Easley, Director of Water Quality
Ms. Raven Lawson, Watershed Protection Manager
Mr. Sam Zehtaban, Director of Water Production
Mr. Blake Weindorf, P.E., Assistant Director of Distribution
Mr. Allen Vincent, Director of Information Services
Mr. Douglas Shackelford, Director of Public Affairs & Communications
Ms. Samantha Williams-Davis, Communications Specialist and Brand Manager
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. Paul Strickland, P.E., Garver Engineers
Mr. Jordan Johnson, JPJ Consulting, LLC
Ms. Carolyn Shearman, Friends of the Ouachita Trail
Ms. Kathleen Oleson, Women Voters of Pulaski County
Mr. Stuart Mackey, Citizen

CALL MEETING TO ORDER

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Powell, the minutes of the November 16, 2017, Regular Meeting were unanimously approved.

NEW BUSINESS

Resolution Commending Commissioner John Braune

Upon a motion duly made by Commissioner Powell and seconded by all Commissioners, after due consideration and discussion, the Resolution expressing sincere appreciation to Mr. Braune for his distinguished service to CAW, its customers, and honoring his contributions to the Board and utility, was unanimously approved.

Resolution Authorizing Purchase of Property in Lake Maumelle Watershed

Ms. Lawson requested Board approval of a Resolution authorizing the purchase of 120 acres located in the Lake Maumelle Watershed, adjacent to property already owned by CAW, for a purchase price of \$480,000 (\$4,000 per acre).

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

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Kendall, and seconded by Commissioner Hughes, after due consideration and discussion, a contract with IHP Industrial, Inc. in the amount of \$146,622 for the installation of an additional large-capacity pump at Jack H. Wilson Pump Station No. 1B was unanimously approved.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Robertson, after due consideration and discussion, a change order to an existing contract with Hi-Speed Industrial to rewind Lake Maumelle Motor No. 4 in the amount of \$82,718 was unanimously approved.

Upon a motion duly made by Commissioner Powell, and seconded by Commissioner Smith, after due consideration and discussion, a three-year contract with Little Rock Water Reclamation Authority to provide fleet maintenance services for all CAW vehicles at a budgeted cost of \$510,000 for 2018 fleet maintenance was unanimously approved.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hughes, after due consideration and discussion, a one-year contract extension with Redstone Construction Group, Inc. estimated at \$608,007.96 to perform asphalt restoration work needed after CAW crews make repairs or modifications to existing mains was unanimously approved.

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Smith, after due consideration and discussion, a contract with Systems & Software (S&S) in the amount of \$326,396.92 for software maintenance was unanimously approved.

DEPARTMENT UPDATES

Finance

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

BOARD BRIEFING

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

EXECUTIVE SESSION

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hughes, the Board went into Executive Session to discuss a personnel matter.

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

ADJOURNMENT

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, the meeting was adjourned.



Kandi Hughes, Acting Secretary/Treasurer

In Honor and Appreciation
Commissioner John Braune

Resolution 2017-14

WHEREAS, Mr. John Braune began his distinguished service on the Central Arkansas Water (CAW) Board of Commissioners on July 11, 2013, and provided exemplary vision and leadership for the Board and Central Arkansas Water; and

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

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

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

* * * * *

We, Jay Hartman, Carmen Smith, Kandi Hughes, Eddie Powell, Dr. Roby Robertson, and Anthony Kendall, as members of the Board of Commissioners, Central Arkansas Water, hereby do certify that the above and foregoing is a correct copy of the resolution adopted on this 14th day of December 2017.



Jay Hartman, Chair



Carmen Smith, Vice Chair



Kandi Hughes, Acting Secretary/Treasurer



Eddie Powell, Commissioner



Dr. Roby Robertson, Commissioner



Anthony Kendall, Commissioner

RESOLUTION 2017-15

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

WHEREAS, Central Arkansas Water ("CAW") has entered into a Real Estate Offer and Acceptance Contract dated November 16, 2017 (the "Contract") to purchase approximately 120 acres of property within the Lake Maumelle Watershed (the "Property") from US Able Life (the "Seller") for the purchase price of \$480,000; and

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

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

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

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

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

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

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

ADOPTED: [December 14, 2017]

Attest:



Kandi Hughes, Acting Secretary/Treasurer

APPROVED:



Jay Hartman, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Kandi Hughes, Acting Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2017-15 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION AUTHORIZING PURCHASE OF PROPERTY, AND OTHER MATTERS RELATED THERETO**, adopted December 14, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of December, 2017.



Kandi Hughes, Acting Secretary/Treasurer
Central Arkansas Water Board of Commissioners