

RESOLUTION NO. 2004-01

A RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO ENTER INTO A WATER SUPPLY CONTRACT WITH THE JACKSONVILLE WATER DEPARTMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, Central Arkansas Water ("CAW") desires to sell, and the Jacksonville Water Department ("Jacksonville") desires to buy, potable water; and

WHEREAS, CAW and Jacksonville desire to memorialize the terms and conditions of their agreement to sell and buy potable water;

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

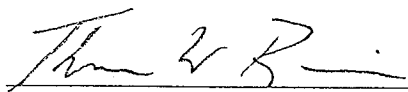
Section 1. The Agreement by and between CAW and Jacksonville, in the form presented to this Board, for the sale of water by CAW to Jacksonville and other matters related thereto is hereby approved, each or any of the Chair, Secretary, Chief Executive Officer of the Chief Operations Officers is hereby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

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

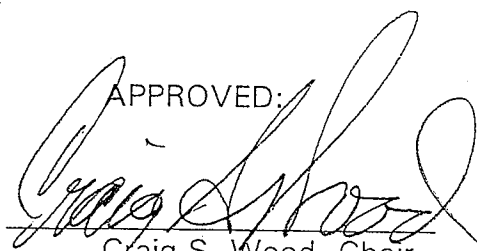
Section 3. This Resolution shall be in effect upon its adoption and approval.

ADOPTED: February 12, 2004

ATTEST:



Secretary

APPROVED:


Craig S. Wood, Chair

RESOLUTION 2004-02

A RESOLUTION TO ESTABLISH THE ANCILLARY SERVICE CHARGES THAT CENTRAL ARKANSAS WATER WILL CHARGE TO ITS CUSTOMERS FOR NON-WATER GOODS AND SERVICES PROVIDED BY CAW AND TO PRESCRIBE REGULATIONS REGARDING THE ADMINISTRATION OF ANCILLARY SERVICE CHARGES

WHEREAS, the City of Little Rock and the City of North Little Rock have 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 (the "Act"), and have consolidated the ownership and operation of their municipal water utilities in CAW: and

WHEREAS, CAW, by virtue of the Act and through its Board of Commissioners, is authorized and empowered to fix, charge and collect the rates for water and other goods and services provided by CAW, on such terms, conditions and regulations as the Board of Commissioners may deem necessary or expedient;

WHEREAS, CAW, pursuant to cost-of-service recommendations of CAW Staff and consultants, established rates for certain non-water goods and services provided by CAW, commonly known as Ancillary Service Charges, through Board of Commissioners' Resolution 2001-11, as amended by Resolutions 2002-08 and 2002-12;

WHEREAS, CAW has determined that it is both necessary and expedient that all CAW Ancillary Service Charges be administered and determined by the CAW Staff in accordance with certain rules and regulations; and

WHEREAS, CAW desires to revise and restate the Ancillary Service Charges to reflect the cost of such services to CAW;

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

Section 1. The following Ancillary Service Charges are established for the non-water goods and services provided by CAW and described below:

<u>Nonrecurring Customer Charges</u>	<u>Charge</u>
Service Charge	\$15.00 *
Collection Visit	\$20.00
Non-Pay Turn-on	\$20.00
Non-Pay Set Back	\$25.00
Non-Pay Set back Restore Closed Account	\$35.00
Bad Check Charge	\$15 + bank fee

No Contract - Restore Service	\$30.00
Straight Connection	\$40.00
Stolen Meter	\$50.00
Plugged SVC/Couplings	\$50.00
ETO (After Hrs Service)	\$50.00
Reroute – Same Day Turn-On	\$20.00
Lock – Broken or Missing	\$75.00
Meter Cost and Deposit	See "Attachment A" for Charges
Construction Standpipe	\$75.00 **
Sprinkler Standpipe Fee	\$75.00
County Cut Fee	\$25.00
Engineering Services	See "Attachment B" for Charges
Violation of Temporary Water Service Contract (1 st Offense)	\$250.00
Violation of Temporary Water Service Contract (2 nd Offense)	\$500.00
Charge to Read a Temporary Construction Meter	\$25.00
Contracted Maintenance of Private Fire Hydrant (per year)	\$26.00

* This charge shall be reduced to \$5.00 for customers with "sprinkler" meters who notify CAW of their intent to open their "sprinkler" meter in the Spring and who then open their "sprinkler" meter.

** CAW shall refund \$25.00 to any customer who returns a reusable standpipe to CAW. CAW shall retain discretion to determine whether the proffered standpipe is reusable.

Third Party Billing Services

Charge

Little Rock Wastewater Utility	\$0.72 per bill
Wrightsville Sewer	\$0.92 per bill
NLR Wastewater	\$0.72 per bill
LR Sanitation	\$0.41 per bill
Pulaski County Sanitation	\$0.41 per bill
Arch St. Improvement District	\$0.46 per bill
Higgins Improvement District	\$0.65 per bill
Spring Valley Improvement District	\$0.79 per bill
Woodland Ridge Improvement District	\$0.79 per bill
Sherwood Sanitation	\$0.41 per bill
Mayflower Sewer	\$0.92 per bill

Section 2. The Chief Executive Officer ("CEO") is hereby charged with the responsibility of administering the determination, billing and collection of all Ancillary Service Charges of CAW in accordance with the following terms and conditions.

- (a) Charge Determination. On or before January 1 of each calendar year, the CEO shall conduct a review of all CAW Ancillary Service Charges to determine whether such charges provide sufficient revenue to ensure the recovery of CAW's reasonable costs incurred in providing all non-water goods and services to CAW customers. If the CEO determines that changes to the charges other than inflation

adjustments as described below, are warranted, a report of the CEO's findings and recommendations will be submitted to the Board of Commissioners at the Board's regularly scheduled January meeting (the "Annual Report").

The CEO is authorized to annually adjust any Ancillary Service Charge by an amount equal to the previous year's change in the Consumer Price Index – All Urban Customers as published by the Bureau of Labor Statistics, United States Department of Labor, or any successor to such index (the "inflation adjustment"). All inflation adjustments to Ancillary Service Charges approved by the CEO shall become effective April 1 of each calendar year.

The CEO's Annual Report shall include a schedule detailing (i) inflation adjustments to any Ancillary Service Charges, (ii) recommended adjustments to any Ancillary Service Charges that exceed the inflation adjustment, (iii) a description of any new non-water good or service the CEO proposes that CAW make available to its customers, as well as a recommended charge for such good or service, (iv) the identification of any Ancillary Services the CEO recommends should be discontinued by CAW, and (v) any supporting documentation the CEO determines is necessary to substantiate the CEO's findings and recommendations in the Annual Report.

The CEO's findings and recommendations contained in the Annual Report shall be deemed approved by the Board of Commissioners of CAW on April 1 of each calendar year, unless the Board of Commissioners, prior to said date, moves to suspend any one or all of the CEO's recommendations. In the event the Board of Commissioners decides to suspend one or more of the CEO's recommendations, all CEO recommendations not objected to by the Board of Commissioners shall become effective April 1 of each calendar year. Third party billing services to new customers may begin at times other than April 1, provided the CEO notifies the Board of Commissioners of the customer's name and the associated charge at the Board's regularly scheduled meeting preceding commencement of service, and the Board does not object and suspend the proposed service.

- (b) Charge Administration. The CEO is hereby authorized to administer the provisioning billing and collection of all Ancillary Service Charges of CAW. The CEO is specifically authorized to negotiate and enter contracts on CAW's behalf concerning all Ancillary Services, promulgate reasonable rules, regulations, terms and conditions regarding the provisioning, billing and collection of all Ancillary Services, and enforce such contracts, rules, regulations, terms and

conditions. In addition, the CEO is charged with the responsibility of conducting periodic cost of service analyses of all existing and proposed Ancillary Service Charges. The CEO may employ consultants to conduct the cost-of-service analysis of Ancillary Service Charges or utilize members of the CAW Staff.

Section 3. The Board of Commissioners, Central Arkansas Water finds that the foregoing Ancillary Service Charges and regulations regarding their administration are necessary and expedient; and

Section 4. The Board of Commissioners, Central Arkansas Water duly adopts the Ancillary Service Charges described herein with an effective date of 1 April 2004.

I, Tom Rimmer, Secretary of the Board of Commissioners, CENTRAL ARKANSAS WATER, certify that, as such Secretary, I have custody of the minutes and documents of CENTRAL ARKANSAS WATER and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners at a regular meeting held this 11th day of March, 2004.

Secretary

ATTACHMENT A

METER COSTS and DEPOSITS

METER SIZE	2-LANE ROAD 20 - 28'	3-LANE ROAD 29 - 36'	* 4-LANE ROAD 37 - 48'	** STATE HIGHWAY
*** METER CONNECTION CHARGES				
5/8"	\$320.00	\$360.00	\$400.00	\$600.00
3/4"	380.00	460.00	540.00	780.00
1"	620.00	780.00	860.00	1,340.00
1-1/2"	1,340.00	1,500.00	1,640.00	2,640.00
2"	1,640.00	1,800.00	1,940.00	3,280.00
3"	5,900.00	6,870.00	7,370.00	12,110.00
4"	6,390.00	7,680.00	8,187.00	13,410.00

* Prices for Interstate Systems are for Short Side Taps ONLY using the 4-Lane Price.

** 25% of this charge to cover the costs of "Special Conditions" imposed by the Arkansas Highway & Transportation Department.

*** If, at CAW's request, applicant installs the tap, service line, meter box, and meter setter, and CAW installs the meter only, the Meter Connection Charge will be half the normal 2-Lane Price. If a customer requests that CAW install a meter at a location other than CAW's typical meter placement location, or if a customer requests that an existing meter be relocated to a new location, and CAW agrees with the customer's request, the Meter Connection Charge for such requests shall be double the normal Meter Connection Charge.

For meter connections larger than 4", the Meter Connection Charge shall be based upon CAW's estimated cost of installing the service line, meter, meter box and lid; in order to estimate the cost, it will be assumed in each instance that the service line was laid from the middle of the street. Cost shall include labor, materials (except the meter itself), equipment rental, supervision, fees, permits and overhead.

The Meter Connection Charge for 5/8"- through 4"-diameter meter sizes will be increased by 1/2% for each 1 foot of right-of-way width over 80 feet.

The Meter Connection Charge shall be as follows for a reduction in meter size:

1"-diameter to 5/8"- or 3/4"-diameter	\$ 140.00
1-1/2"- or 2" - diameter to a smaller size	190.00
3"- or 4" - diameter to a smaller size	225.00

If the existing tap and service line can be utilized when installing a new larger meter, the Meter Connection Charge shall be the difference in the Meter Connection Charges for the new meter and the old meter, plus \$100.00. Otherwise, the Meter Connection Charge shall be the Meter Connection Charge indicated above in the normal Meter Connection Charge schedule.

METER DEPOSITS

METER SIZE	DOMESTIC*	SMALL BUSINESS**	MULTIPLE UNIT**	UNITS***
5/8"	\$ 35.00	\$ 50.00	\$ 80.00	1 TO 3
3/4"	50.00	75.00	150.00	4 TO 8
1"	75.00	125.00	300.00	9 TO 28
1-1/2"		275.00	500.00	29 TO 52
2"		425.00	850.00	53 TO 100
3"		700.00	1,200.00	101 TO 320
4"		1,000.00	1,700.00	321 TO 700
6"		1,800.00	2,800.00	701 TO 1,500

* Domestic Deposits refundable after 12 consecutive months of payments without having a second notice issued. Domestic Deposits will be waived or refunded for customers signing onto automatic payment program.

** Deposits waived for Landlords and Property Management companies with a good pay history.

*** Indicates the maximum number of residential or commercial "units" that can be served by a meter of the corresponding size.

Fire Hydrant Meter Deposit: \$150 for local contractors and \$300 for out-of-town contractors. A \$25 Service Charge shall apply to the initial setting and each time the Fire Hydrant meter is moved to an alternate location.

ATTACHMENT B

ENGINEERING SERVICES

Special Contracts for Installation of Public Water Facilities and Fire Services

<u>Construction Costs</u>		<u>Charge</u>	
\$0	-	\$5,000	\$250.00
\$5,001	-	\$10,000	\$500.00
\$10,001	-	\$20,000	\$750.00
\$20,001	-	\$50,000	\$1,250.00
\$50,001	-	\$100,000	\$2,500.00
\$100,001	-	\$250,000	\$4,000.00
\$250,001	-	\$500,000	\$6,000.00
\$500,001	-	Greater	\$10,000.00

Engineering Inspections Charges

Special Contract and Fire Service Inspection Fees Charges

\$150.00 (per day maximum) or
\$45.00 (per hour) whichever is greater

Cross Connection Inspection Charges

\$100.00 (per trip)

Bacteriological Samples

Special Contract and Fire Service Sample Fees Charges

\$50.00 (per trip minimum) or
\$25.00 (per sample), whichever is less

RESOLUTION NO. 2004-03

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

WHEREAS, the Saline County Waterworks & Sanitary Sewer Public Facilities Board ("Woodland Hills") and the Central Arkansas Water ("CAW") entered into agreement for the purchase and sale of water dated December 12, 2002, (the "Agreement") whereby Woodland Hills agreed to buy and CAW agreed to sell potable water subject to certain terms and conditions set forth in the Agreement; and

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

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

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

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

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

ADOPTED: March 11, 2004

ATTEST:

APPROVED:

Tom W. Rimmer, Secretary

Craig S. Wood, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Tom Rimmer , Secretary of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2004-XX of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO AMEND AND MODIFY A WATER SUPPLY CONTRACT WITH WOODLAND HILLS; AND PRESCRIBING OTHER MATTERS RELATING HERETO, adopted March 11, 2004.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of March, 2004.

Secretary
Board of Commissioners, Central Arkansas Water

FIRST AMENDMENT TO AGREEMENT

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

WITNESSETH

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

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

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

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

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

“average” computed in a manner similar to the Minimum Purchase. It is also recognized that the Off-Peak purchasing time periods are intended to encourage Woodland Hills to develop its own water storage facilities and to reduce Woodland Hills’ dependency on CAW’s water transmission facilities during Peak periods.

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

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

CENTRAL ARKANSAS WATER

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

SALINE COUNTY WATERWORKS & SANITARY SEWER PUBLIC FACILITIES BOARD

By: _____ Date _____
_____, Chairperson

RESOLUTION NO. 2004-04

A RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO AMEND AND MODIFY A WATER SUPPLY CONTRACT WITH THE CITY OF BRYANT; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Bryant, Arkansas ("Bryant") and the City of Little Rock, Arkansas for the use and benefit of Little Rock Municipal Water Works ("Little Rock") entered into an agreement for the purchase and sale of water dated July 11, 1988 (the "Agreement") whereby Bryant agreed to buy and Little Rock agreed to sell potable water subject to certain terms and conditions set forth in the Agreement; and

WHEREAS, Little Rock assigned and CAW assumed the interests of Little Rock in the agreement; and

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

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

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

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

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

ADOPTED: March 11, 2004

ATTEST:

APPROVED:

Tom W. Rimmer, Secretary

Craig S. Wood, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Tom Rimmer, Secretary of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2004-04 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO AMEND AND MODIFY A WATER SUPPLY CONTRACT WITH THE CITY OF BRYANT; AND PRESCRIBING OTHER MATTERS RELATING HERETO, adopted February 11, 2004

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of March, 2004.

Secretary, Board of Commissioners
Central Arkansas Water

FIRST AMENDMENT TO AGREEMENT

This First Amendment is made and entered into this 11th day of February, 2004, by and between Central Arkansas Water (“CAW”), and the City of Bryant, Arkansas (“Bryant”).

WITNESSETH

WHEREAS, Bryant and the City of Little Rock, Arkansas for the use and benefit of Little Rock Municipal Water Works (“Little Rock”) entered into an Agreement for the purchase and sale of water dated July 11, 1988 (the “Agreement”) whereby Bryant agreed to buy and Little Rock agreed to sell potable water subject to certain terms and conditions set forth in the Agreement; and

WHEREAS, Little Rock assigned and CAW assumed the interests of Little Rock in the Agreement; and

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

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

1. Amendment of Agreement. Paragraph 13 of the Agreement is removed in its entirety and, in order to maintain the current numbering of the remaining paragraph of the Agreement, paragraph 13 shall hereafter read as follows, “Reserved”.

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

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

CENTRAL ARKANSAS WATER

By: _____
James T. Harvey, Chief Executive Officer

CITY OF BRYANT, ARKANSAS

By: _____
Paul E. Halley, Mayor

RESOLUTION 2004-05

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

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

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

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER that Dennis Yarbro, Supervisor of Water Sources; Rodney Johnson, Supervisor, Lake Winona; Billy Zulpo, Ranger; and Drew Dickey, Ranger, are designated as “wardens” for Lake Maumelle and Lake Winona and have the authority to enforce the Rules and Regulations.

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

CERTIFICATE

I, Thomas W. Rimmer, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners as its regular meeting held May 13, 2004.

Secretary

July 8, 2004

Resolution – 2004-06

WHEREAS, Mr. Claude B. Wilson, P.E., has been a leader in water utility affairs in Central Arkansas since 1985, the year of his first appointment to the North Little Rock Water Commission; and

WHEREAS, he served two full terms on the board and was instrumental in forging an agreement between the cities of North Little Rock and Little Rock to consolidate their municipal water systems into Central Arkansas Water (CAW) in 2001; and

WHEREAS, Mr. Wilson, as an inaugural member of the CAW Board of Commissioners, had a key role in providing the stable leadership and foresighted vision necessary to ensure the success of this unprecedented inter-local initiative; and

WHEREAS, the customers of Central Arkansas Water depend on private citizens, such as Mr. Wilson, to oversee the operations of their public drinking water utility and ensure a safe, high-quality, and dependable supply of drinking water for their homes, businesses, and industries; and

WHEREAS, as a member of the utility boards, Mr. Wilson brought to the governance of the water systems an extensive background in civil engineering, system planning, business, finance, and community involvement; and

WHEREAS, he particularly has supported infrastructure improvements; the continual enhancement of water quality and customer services; the recruitment and retention of highly-trained, skilled, and dedicated employees; and the regional initiative to secure a future water source for Central Arkansas; and

WHEREAS, Mr. Wilson’s tenure of service as a water commissioner spans 19 years; and

WHEREAS, during this time, he has demonstrated a strong commitment to improving the overall quality of life for citizens in the North Little Rock-Little Rock metropolitan community and making sure that water service continues to be at a quality level and low-cost price now and in the future.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners, Central Arkansas Water, does hereby express sincere appreciation to Mr. Wilson for his distinguished and dedicated service to CAW and the North Little Rock Water Department and recognize him for upholding the tradition of long-term vision, system integrity, and prudent fiscal management.

FURTHER, IT IS DIRECTED THAT a copy of this resolution be included in the official Minutes of the Board of Commissioners and a copy be presented to Mr. Claude B. Wilson.

* * * * *

We, Eddie Powell, Dr. Thomas W. Rimmer, Francille Turbyfill, M. Jane Dickey, Alma Williams, and Craig S. Wood, as members of the Board of Commissioners, Central Arkansas Water, do hereby certify that the above and foregoing is a correct copy of the resolution adopted by us on this 8th day of July 2004.

Chair

Vice Chair

Secretary



RESOLUTION 2004-07

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

WHEREAS, the Board of Commissioners ("Board"), Central Arkansas Water, with regret accepts the resignation of Mr. Claude B. Wilson, who has served with distinction and dedication on the CAW Board; and

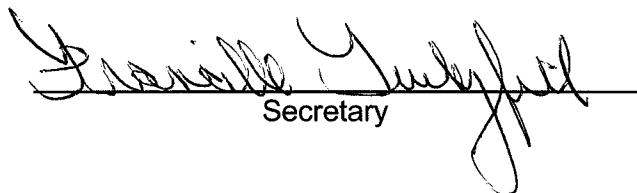
WHEREAS, by law it is the duty of the remaining commissioners to nominate and appoint a commissioner when a vacancy occurs on the Board, subject to approval by the Little Rock Board of Directors and North Little Rock City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, THAT the remaining commissioners do hereby appoint Mr. Tony Kendall to fulfill the remaining three years of the six-year term, subject to approval by the duly-elected and qualified members of the Little Rock Board of Directors and North Little Rock City Council, and that his term of office shall be July 8, 2004, through June 30, 2007.

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

CERTIFICATE

I, Francille Turbyfill, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners at its regular meeting held July 8, 2004.


Secretary

RESOLUTION NO. 2004-08

A RESOLUTION DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN EXPENDITURES TOWARD CAPITAL IMPROVEMENTS FOR THE UTILITY AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF BONDS OF THE UTILITY; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

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

WHEREAS, CAW proposes to issue a second series of bonds in accordance with the Master Trust Indenture to acquire, design, construct and equip additional capital improvements to CAW’s water distribution system and water treatment facilities (the “Improvements”); and

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

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

Section 1. Pursuant to United States Treasury Regulation §1.150-2, CAW hereby declares its official intent and reasonable expectation to reimburse itself for original expenditures paid from its general or operating funds that are used in acquiring, constructing and equipping the Improvements between the date that is sixty (60) days prior to the date of this Resolution and the date the bonds are issued, plus a de minimis amount and preliminary expenditures, with the proceeds of one or more series of tax-exempt bonds in the principal amount of not to exceed \$30,000,000 (the “Bonds”).

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

- (a) the date of the original expenditure is paid, or

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

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

Section 4. A copy of this Resolution shall be filed with Secretary of CAW where it will be available for public inspection.

ADOPTED: August 16, 2004

ATTEST:

APPROVED:

Francille Turbyfill, Secretary

Eddie Powell, Chairperson

APPROVED AS TO FORM:

C. Tad Bohannon,
Counsel for Central Arkansas Water

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Francille Turbyfill, Secretary of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2004-08 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN EXPENDITURES TOWARD CAPITAL IMPROVEMENTS FOR THE UTILITY AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF BONDS OF THE UTILITY; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted August 16, 2004.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of August, 2004.

Francille Turbyfill, Secretary of
Central Arkansas Water

RESOLUTION NO. 2004-09

A RESOLUTION AUTHORIZING THE OFFERING OF UP TO \$22,000,000 OF CENTRAL ARKANSAS WATER WATER REVENUE BONDS, SERIES 2004 (THE "BONDS"); APPROVING THE FORM OF AN OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM AND PRELIMINARY OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE SALE OF THE BONDS.

WHEREAS, the Board of Commissioners (the "Commission") of Central Arkansas Water (the "Issuer") has previously authorized the employment of Stephens Inc., as its Financial Advisor, Wright, Lindsey & Jennings LLP, as its Bond Counsel, and Metropolitan National Bank, as Trustee, for the proposed capital improvement bond program; and

WHEREAS, pursuant to the direction of the Commission, the Issuer's Chief Financial Officer together with the Financial Advisor, Bond Counsel, and Trustee have prepared and presented for consideration at this meeting of the Commission the forms of an Official Notice of Sale, Official Bid Form and Preliminary Official Statement; and

WHEREAS, upon the advice of the Chief Financial Officer, the Commission is now prepared to authorize the offering of the Bonds for sale, and to approve the sale documentation as described hereinafter.

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

Section 1. The Bonds shall be designated Central Arkansas Water, Water Revenue Bonds, Series 2004 (the "Bonds"). The Bonds shall be offered for sale in the aggregate principal amount of not to exceed \$22,000,000 by written or electronic bids, at such time as may be approved by the Chief Financial Officer upon advice of the Financial Advisor, at such location as may be provided for in the Official Notice of Sale. At such time and place, the Chief Financial Officer shall meet with the Financial Advisor to receive the bids, and the Chief Financial Officer is hereby authorized to accept the bid providing the lowest "true interest" costs (as defined in the Official Notice of Sale) in the name of the Issuer if, upon advice of the Financial Advisor, he shall determine to do so in the best interest of the Issuer.

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

Section 3. The form of Preliminary Official Statement, substantially in the form exhibited to and before the Commission at the meeting at which this Resolution is adopted, is hereby "deemed final" except for such terms and conditions as are

determined by the sale and such other changes, omissions, insertions and revisions as for the Chief Financial Officer shall deem advisable and the Preliminary Official Statement is hereby approved for use in connection with the sale of the Bonds.

Section 4. The Chief Financial Officer shall cause to be published in newspapers in the Cities of New York, New York and Little Rock, Arkansas, within the time provided by law, the Notice of Sale of the Bonds, substantially in the form exhibited to the meeting at which this Resolution is adopted.

Section 5. The Chief Financial Officer, after consultation with the Financial Advisor and Bond Counsel is hereby authorized to distribute the Official Notice of Sale, Official Bid Form and Preliminary Official Statement to perspective bidders for the Bonds, in substantially the forms submitted to this meeting, with such changes and modifications as the Chief Financial Officer shall deem appropriate.

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

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

APPROVED, September 9, 2004.

Eddie Powell, Chair

ATTEST:

Francille Turbyfill, Secretary

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Francille Turbyfill, Secretary of the Board of Commissioners of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2004-09 of the Resolutions of Central Arkansas Water entitled: A RESOLUTION AUTHORIZING THE OFFERING OF UP TO \$22,000,000 OF CENTRAL ARKANSAS WATER WATER REVENUE BONDS, SERIES 2004 (THE "BONDS"); APPROVING THE FORM OF AN OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM AND PRELIMINARY OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE SALE OF THE BONDS, adopted by the Board of Commissioners of Central Arkansas Water on September 9, 2004, said Resolution now appearing of record in the office of Central Arkansas Water.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of September, 2004.

Francille Turbyfill, Secretary

RESOLUTION NO. 2004-10

A RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO ENTER INTO A WATER SUPPLY CONTRACT WITH THE SALEM WATER USERS PUBLIC WATER AUTHORITY; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, Central Arkansas Water ("CAW") desires to sell, and the Salem Water Users Public Water Authority ("Salem") desires to buy, potable water; and

WHEREAS, CAW and Salem desire to memorialize the terms and conditions of their agreement to sell and buy potable water in an Agreement submitted to this Board at this meeting for approval (the "Agreement");

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

Section 1. The Agreement is hereby approved in substantially the form submitted to this Board at this meeting with such changes as shall be approved by the persons executing the Agreement. The execution of the Agreement by any of the persons duly authorized to do so by Section 2 hereof shall constitute conclusive evidence of the approval of CAW to such changes.

Section 2. Each or any of the Chair, Secretary, Chief Executive Officer or the Chief Operations Officers is hereby authorized to execute the Agreement on behalf of CAW.

Section 3. Each or any of the Chair, Secretary, Chief Executive Officer or Chief Operations Officers, for and on behalf of CAW, is authorized and directed to do any and all things necessary to effect the execution and delivery of the Agreement, the performance of all obligations of CAW under the Agreement, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution.

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

ADOPTED: October 21, 2004

ATTEST:

APPROVED:

Francille Turbyfill, Secretary

Eddie Powell, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Francille Turbyfill, Secretary of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2004-10 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO ENTER INTO WATER SUPPLY CONTRACT WITH THE SALEM WATER USERS PUBLIC WATER AUTHORITY; AND PRESCRIBING OTHER MATTERS RELATING HERETO, adopted October 21, 2004.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of October, 2004.

Secretary
Board of Commissioners, Central Arkansas Water

September 28, 2004

Resolution – 2004-11

WHEREAS, Mr. Craig Wood has been a leader in water utility affairs in Central Arkansas since 1987, the year of his initial appointment to the Little Rock Water Commission; and

WHEREAS, he served two terms on the board and was instrumental in forging an agreement between the cities of North Little Rock and Little Rock to consolidate their municipal water systems into Central Arkansas Water (CAW) in 2001; and

WHEREAS, Mr. Wood, as an inaugural member of the CAW Board of Commissioners, had a key role in providing the stable leadership and foresighted vision necessary to ensure the success of this unprecedented inter-local initiative; and

WHEREAS, the customers of Central Arkansas Water depend on private citizens, such as Mr. Wood, to oversee the operations of their public drinking water utility and ensure a safe, high-quality, and dependable supply of drinking water; and

WHEREAS, as a member of the utility boards, Mr. Wood brought to the governance of the water systems an extensive background in business, finance and investments, employee relations, community involvement; and educational and public health interests; and

WHEREAS, he particularly has been a leading and unrelenting force in protecting the watersheds of the metropolitan community's primary drinking water supplies, Lake Maumelle and Lake Winona, thus the precious resources that are so vital to homes, businesses, industries, and the community's quality of life; and

WHEREAS, he also sought to ensure educational and advancement opportunities for employees; encouraged diversity among the utility's workforce; and over the years provided invaluable advice on infrastructure management, inter-local cooperation, and investment strategies; and

WHEREAS, the investment strategies enabled the utility to diversify and earn higher yields on financial resources; and

WHEREAS, Mr. Wood's tenure of service as a water commissioner spans almost 17 years; and

WHEREAS, during this time, he has demonstrated a strong commitment to ensuring a quality water supply for citizens in the North Little Rock-Little Rock metropolitan area and surrounding municipalities; to providing this service at a quality level and low-cost price now and in the future; and establishing the utility as a leader in the national industry.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners, Central Arkansas Water, does hereby express sincere appreciation to Mr. Wood for his distinguished service to CAW and Little Rock Municipal Water Works and recognize him for his contributions to the vision, integrity, excellence, and sound management for which the utility is known.

FURTHER, IT IS DIRECTED THAT a copy of this resolution be included in the official Minutes of the Board of Commissioners and a copy be presented to Mr. Craig Wood.

* * * * *

We, Eddie Powell, Dr. Thomas W. Rimmer, Francille Turbyfill, M. Jane Dickey, Alma Williams, and Tony Kendall, as members of the Board of Commissioners, Central Arkansas Water, do hereby certify that the above and foregoing is a correct copy of the resolution adopted by us on this 28th day of September 2004.


Chair


Vice Chair


Secretary

