

RESOLUTION 2001-03

RESOLUTION GRANTING THE INTERIM BOARD TO UNDERTAKE ALL ACTIONS NECESSARY TO EFFECT CONSOLIDATION

WHEREAS, the Consolidation Agreement dated as of March 5, 2001, by and among the City of Little Rock, Arkansas, the City of North Little Rock, Arkansas, 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") provided for the creation of an Interim Board (the "Interim Board") to prepare for the consolidation of the Little Rock and North Little Rock water systems; and

WHEREAS, the Consolidation Agreement further provided that, upon the creation of the "Consolidated Entity" (as defined in the Consolidation Agreement), members of the Interim Board would thereupon automatically become the members of the Board of Commissioners of the Consolidated Entity; and

WHEREAS, the Interim Board desires to adopt resolutions in anticipation of the closing of the transactions contemplated by the Consolidation Agreement and the consolidation of the Little Rock and North Little Rock water systems; and

WHEREAS, the Interim Board anticipates that the resolutions set forth below will be approved and ratified by the Board of Commissioners of the Consolidated Entity, following creation of the Consolidated Entity;

BE IT RESOLVED BY THE INTERIM BOARD THAT:

1. Each of the Chairman, Vice-Chairman and Secretary of the Interim Board created under the Consolidation Agreement is hereby authorized and directed to undertake all actions necessary or desirable to effect consolidation of the Little Rock and North Little Rock water systems as contemplated by the Consolidation Agreement and otherwise to carry out the obligations of Central Arkansas Water under the Consolidation Agreement. This authority includes the execution and delivery, and/or the acceptance, on behalf of Central Arkansas Water, of such deeds, easements, bills of sale, assignments, licenses, franchise agreements, and other agreements, documents and instruments, and the taking of such actions, as shall in the opinion of the officer so acting be necessary or desirable in effecting the consolidation. This authorization shall survive the effective time of the consolidation of the Little Rock and North Little Rock water systems, and shall at all times thereafter constitute full authority for the Chairman, Vice-Chairman and Secretary of the Board of Commissioners of Central Arkansas Water to execute and deliver, and/or to accept, such additional deeds, easements, bills of sale, assignments, licenses, franchise agreements, and other agreements, documents and instruments, and to take such further actions, following the effective time of the consolidation of the Little Rock and North Little Rock water systems, as shall in the opinion of the officer so acting be necessary or desirable to further or complete the consolidation of the Little Rock and North Little Rock water systems as contemplated by the Consolidation Agreement.

2. The franchise fee applicable to Central Arkansas Water, as set by ordinance adopted by the Board of Directors of the City of Little Rock on June 12, 2001, is hereby agreed to on behalf of Central Arkansas Water.

The foregoing resolutions have been duly ratified, confirmed and adopted by the Board of Commissioners of Central Arkansas Water at a meeting of the Board of Commissioners of Central Arkansas Water held on July 2, 2001.

Attest:

APPROVED:

Secretary

Chair

RESOLUTION 2001-04

RESOLUTION EXPRESSING INTENT TO SUPPLY
LONG-TERM WATER NEEDS OF JACKSONVILLE AND CABOT

WHEREAS, the Jacksonville Water Works and the Cabot Water System are seeking sources of drinking water that will meet the long-term needs of their systems; and

WHEREAS, Central Arkansas Water is currently a primary supplier of water to the Jacksonville Water Works and an indirect supplier, through the Jacksonville Water Works, to the Cabot Water System; and

WHEREAS, Central Arkansas Water has or expects to acquire sufficient capacity to meet the long-term needs of the Jacksonville Water Works and the Cabot Water System; and

WHEREAS, the Consolidation Agreement under which Central Arkansas Water was created anticipates "a regional effort to secure a new source of water supply for central Arkansas, with a regional authority that can grow in number of members and in scope of responsibility"; and

WHEREAS, the Board of Commissioners desires to confirm the willingness of Central Arkansas Water to meet the long-term needs of the Jacksonville Water Works and the Cabot Water System on fair and equitable terms;

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

1. It is the intent of Central Arkansas Water to offer to supply water to the Jacksonville Water Works and the Cabot Water System in quantities sufficient to meet their long-term needs. It is further the intent of Central Arkansas Water that the rates, fees and other charges for such water shall be fair and equitable, in light of the results of the rate study currently being conducted by Central Arkansas Water and the long-term needs of the areas served by Central Arkansas Water. Specifically, the Board of Commissioners contemplates that the rates, fees and other charges to be proposed to the Jacksonville Water Works and the Cabot Water System will be determined in a fair and equitable manner using the national standards for pricing as set forth by the American Water Works Association and other applicable professional standards.

2. The management and staff of Central Arkansas Water are authorized to enter into discussions with the management and staff of the Jacksonville Water Works and the Cabot Water System to further the purposes of these resolutions, and to recommend to the Board of Commissioners appropriate arrangements for carrying out the intent of these resolutions. Specifically, given that tentative plans anticipate that the Jacksonville Water Works and the Cabot Water System would construct a joint transmission main to tie into the northeastern portion of the Central Arkansas Water distribution system, the Board of Commissioners contemplates that the management and staff of Central Arkansas Water and their counterparts will develop a proposal for a jointly funded engineering study to determine the hydraulic impact of this or any other project that would serve the cities of Cabot and/or Jacksonville in an equitable fashion.

The foregoing resolutions have been duly adopted by the Board of Commissioners of Central Arkansas Water at a meeting of the Board of Commissioners of Central Arkansas Water held on August 15, 2001.

Attest:

APPROVED:

Secretary

Chair

RESOLUTION 2001-05

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners, Central Arkansas Water, that the following shall become a part of Central Arkansas Water rules and regulations, effective 1 July 2001:

1. Central Arkansas Water will install reinforcing water mains and facilities at its own expense when funds are available to improve water service to property already served by this system,
2. Central Arkansas Water recognizes that mains and facilities installed by Applicants and Central Arkansas Water sometimes may benefit and afford service to property held by landowners that do not participate in the cost of installation thereof,
3. Applicants for water service are required to participate in or pay the entire cost of installing mains and facilities required to serve their premises,
4. It is determined that non-participating landowners should not receive water service until they share in the cost of installation of mains and facilities,
5. Central Arkansas Water establishes a Development Fee - Every person requesting water service for property to be served by a distribution main or other facilities installed (prior to the request) at the expense of anyone other than the owner of the property at the time the main or other facilities were installed, shall be required to pay to Central Arkansas Water a Development Fee.
 - 5.1. A Development Fee shall also be applicable to property that already has water service, when the request is for a larger connection than the property has at the time of the request for service.
 - 5.2. A Development Fee shall also be applicable if additional footage is installed across the last lot for future service to property under other ownership or gaps between developments if completion of a water main grid is beneficial to the water system hydraulics or is part of the master plan,
 - 5.3. The Development Fee is established as follows:

<u>METERED CONNECTION</u>		<u>END OF WATER MAIN, FIRE LINE, OR WATER MAIN TAP</u>	
<u>Size</u>	<u>Development Fee</u>	<u>Size</u>	<u>Development Fee</u>
5/8-inch	\$ 2,000.00	2-inch	\$ 800.00
3/4-inch	2,400.00	3-inch	1,200.00
1-inch	2,800.00	4-inch	1,600.00
1-1/2-inch	4,200.00	6-inch	2,400.00
2-inch	4,800.00	8-inch	3,200.00
3-inch	7,200.00	10-inch	4,000.00
4-inch	8,000.00	12-inch	4,800.00
6-inch	12,000.00	16-inch	6,400.00
		20-inch	8,000.00
		24-inch	9,600.00

- 1.1. When a request is for both fire line connections and metered service connections, the amount of the Development Fee shall be the sum of all connections. For the purposes of this paragraph a metered service connection off of a fire line is a separate connection and subject to the Development Fee.
- 1.2. Specific areas to be assessed Development Fees will be determined by the Chief Executive Officer
- 1.3. To reduce the hardship that may be imposed upon low-income households, a reduction in the Development Fee will apply as follows for 5/8-inch diameter meters only, based on the number of persons residing in the household and the total household income:

HOUSEHOLD INCOME LEVEL

Percent of Development Fee Due	50%	60%	80%	100%
Number of Persons in Household				
1	Up to \$14,750	\$14,750 to \$17,700	\$17,700 to \$23,650	to Above \$23,650
2	Up to \$16,900	\$16,900 to \$20,280	\$20,280 to \$27,000	to Above \$27,000
3	Up to \$19,000	\$19,000 to \$22,800	\$22,800 to \$30,000	to Above \$30,000
4	Up to \$21,100	\$21,100 to \$25,320	\$25,320 to \$33,750	to Above \$33,750
5	Up to \$22,800	\$22,800 to \$27,360	\$27,360 to \$36,450	to Above \$36,450
6	Up to \$24,500	\$24,500 to \$29,400	\$29,400 to \$39,150	to Above \$39,150
7	Up to \$26,150	\$26,150 to \$31,380	\$31,380 to \$41,850	to Above \$41,850
8+	Up to \$27,850	\$27,850 to \$33,420	\$33,420 to \$44,550	to Above \$44,550

- 1.1. In order to wholly or partially reimburse Applicants who participate in the initial cost of a distribution main or facility, Central Arkansas Water may contract to pay to said Applicants all or a part of the Development Fees attributable to the facilities installed. In no event shall payment to an Applicant exceed the amount of the Applicant's cost for the installation of the facilities. Reimbursement shall be made pursuant to the terms and conditions of a Development Fee Addendum to Contracts for Distribution System Facilities. The term of Development Fee Addendum contracts shall be ten years.
2. Establishes an Acreage Connection Fee. - Every person requesting water service for property that is benefited by a transmission main or other facilities installed (prior to the request) at the expense of anyone other than the owner of the property at the time the main

or other facilities was installed, shall be required to pay to Central Arkansas Water an Acreage Connection Fee. However, if the property is within the boundaries of an improvement district that participated in the cost of the main or facility for which Acreage Connection Fee would otherwise be levied, the Acreage Connection Fee shall not be applicable.

2.1. The Acreage Connection Fee shall be in addition to any applicable Development Fee and shall apply to transmission mains that are sixteen (16) inches or greater in diameter, storage tanks, pumping stations, and similar facilities.

2.2. The Acreage Connection Fee shall be determined by Central Arkansas Water and shall be based upon amortizing the cost of the facility over the acreage to be developed during ten years following the date of installation of the facilities. For the purpose of the Acreage Connection Fee, property served by a transmission main is hereby declared to be benefited by said main if lying within the distances set out as follows:

<u>Main Diameter</u>	<u>Distance</u>
16-inch	1/4 mile
20-inch	1/2 mile
24-inch and larger	3/4 mile

2.3. Property that is partially within the applicable distance shall only be charged for that portion lying therein.

2.4. Central Arkansas Water may, from time to time partially or wholly, participate in the installation of water mains, storage tanks, pumping stations, and similar facilities, in which event it may establish an Acreage Connection Fee for property that receives direct benefit from such installations.

3. Applicant, as used herein, means any person or legal entity that enters into a written contract with the Board of Commissioners, Central Arkansas Water, for installation of water mains or other facilities.

4. After 1 July 2001, no person requesting water service shall be required to pay a Front Foot Charge, but nothing herein shall impair or otherwise alter existing Pro Rata Charge Addenda (to contracts with Little Rock Municipal Water Works for distribution facilities) or Refunding Contracts (with North Little Rock Water Department) concerning the collection of such charges.

5. Any Applicant eligible for reimbursement of Front Foot Charges shall have the option to convert their Pro Rata Charge Addenda to Development Fee Addendum contracts. Applicants will be eligible to collect the Development Fee until the expiration date of Pro Rata Charge Addenda contracts.

6. Notwithstanding the expiration of the term of any contract with Applicants now in existence or hereafter executed by Central Arkansas Water, Central Arkansas Water may continue collection of Development Fees, Acreage Connection Fees, or Front Foot Charges in order to recoup overhead and construction costs. Central Arkansas Water is further authorized to discontinue collection of any such fee or charge after ten years, if the Chief Executive Officer determines that collection thereof is de minimis or less than the cost of collection.

I, **Eddie Powell, 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 _____.

Secretary

RESOLUTION 2001-06

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners, Central Arkansas Water, that the following shall become a part of Central Arkansas Water rules and regulations, effective 1 July 2001:

Central Arkansas Water may, from time to time participate with Applicants in the installation of water facilities.

1. Participation will be considered in the following cases:

- 1.1. Tanks and pump stations are constructed that will benefit an area larger than that owned by the Applicant,
- 1.2. Water main supplying the area are undersized for needed fire flows,
- 1.3. The Master Plan proposes larger water mains to allow for future needs,
- 1.4. Existing water mains are approaching their useful life expectancy.

Formula to be used to participate with Applicant (for depreciated value of water mains that are over 10 years old) is as follows:

Developer pays percent of life of water main remaining times current cost

Central Arkansas Water participates in the percent of life of water main that is expired times current cost

2. When participation by Central Arkansas Water is anticipated, the following factors will be considered:

- 2.1. Minimum desirable size of water main
- 2.2. Anticipated type of development
- 2.3. Anticipated rate of development
- 2.4. Projected total demand for fire and domestic
- 2.5. Hydraulic gradient and characteristics of system
- 2.6. Master Plan for distribution and transmission system
- 2.7. Budgetary restraints
- 2.8. Age, adequacy and life expectancy of the existing water mains in the area.

3. Central Arkansas Water will establish Development Fees applicable to every person requesting water service for property to be served by a water distribution main or other

facilities installed (prior to the request) at the expense of anyone other than the owner of the property at the time the water main or other facilities were installed, shall be required to pay to Central Arkansas Water a Development Fee.

4. Applicant, as used herein, means any person or legal entity that enters into a written contract with the Board of Commissioners, Central Arkansas Water, for installation of water mains or other facilities.
5. In order to wholly or partially reimburse Applicants who participate in the initial cost of a water distribution main or facility, Central Arkansas Water may contract to pay to said Applicants all or a part of the Development Fees attributable to the facilities installed. In no event shall payment to an Applicant exceed the amount of the Applicant's cost for the installation of the facilities. Reimbursement shall be made pursuant to the terms and conditions of a Development Fee Addendum to Special Contracts for Distribution System Facilities. The term of Development Fee Addendum contracts shall be ten years.

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I, **Eddie Powell, 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 _____.

Secretary

RESOLUTION 2001-07

A RESOLUTION ESTABLISHING POLICY FOR THE SELECTION OF
PROFESSIONAL SERVICES

WHEREAS, it is the policy of the Board of Commissioners of CENTRAL ARKANSAS WATER, to negotiate contracts for professional services on the basis of demonstrated competence and qualifications for the type of services required and at fair and reasonable prices, and to not use competitive bidding for the procurement of professional services; and

WHEREAS, professional services today are not limited to the traditional professions, and the definition of professional services is a constantly changing and developing concept; and

WHEREAS, in acquiring professional services it must be determined what process should be used and therefore it is necessary for the Board of Commissioners to define professional services;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners, CENTRAL ARKANSAS WATER, finds that professional services shall include, but shall not be limited to, engineering, land surveying, financial, legal, architectural, economic, business planning, forecasting, real estate, real estate appraisal, land management, timber management, natural resource conservation and management forestry, horticultural, agricultural, geological, computer, systems analysis, risk management, medical, insurance, archeological, accounting, statistical, chemical, environmental, water quality, hydraulic, and such other services involving labor, experience, skill, education, or special knowledge, as the Board of Commissioners may determine from time to time.

CERTIFICATE

I, Eddie Powell, 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 it regular meeting held 11 October 2001.

Secretary

RESOLUTION - 2001-08

A RESOLUTION TO ESTABLISH POLICIES THAT FORM THE BASIS
FOR RATE DESIGN AND WATER SERVICE PRICING

WHEREAS, the City of Little Rock and the City of North Little Rock have created CENTRAL ARKANSAS WATER as a public body corporate and politic under the Consolidated Waterworks Authorization Act, Act 982 of the 83rd Arkansas General Assembly, and have consolidated the ownership and operation of their municipal water utilities into CENTRAL ARKANSAS WATER; and

WHEREAS, the Consolidation Agreement between the City of Little Rock and the City of North Little Rock vested the authority to establish water rates in the Board of Commissioners, CENTRAL ARKANSAS WATER.

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

1. The price for basic water and related ancillary services should reflect the cost to provide each service, based upon the regional approach to assigning cost responsibility.
2. The capital improvement costs to expand the water facilities to serve future customers should be borne by those future customers, to the extent it is practical.
3. The design of rates to recover the cost of service should support the conservation of water resources.

CERTIFICATE

I, Eddie Powell, 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 it regular meeting held 11 October 2001.

Secretary

RESOLUTION 2001-09

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

WHEREAS, the City of Little Rock and the City of North Little Rock have created Central Arkansas Water as a public body corporate and politic under the Consolidated Waterworks Authorization Act, Act 982 of the 83rd Arkansas General Assembly, and have consolidated the ownership and operation of their municipal water utilities in CAW, and

WHEREAS, the Consolidation Agreement between the City of Little Rock and the City of North Little Rock vested the authority to establish water rates in the Board of Commissioners, Central Arkansas Water, and

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

WHEREAS, Carter-Burgess, the rate consultant, has completed the Rate Study and has made a final recommendation on the schedule of rates to meet the requirement of the Consolidation Agreement, and

WHEREAS, the Board of Commissioners accepts findings of Rate Study which is based on a cost of service methodology for establishing water rates as appropriate, and

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

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

RATE SCHEDULE NO. 1
Of
CENTRAL ARKANSAS WATER

Section 1. The following schedule of rates are hereby established by Central Arkansas Water for existing customers of the former Little Rock Municipal Water Works and future customers of the former Little Rock Municipal Water Works

Effective Dates

This schedule shall become effective for water billed on or after February 1, 2002 and January 1, 2003, as hereinafter set forth.

Meter Measurement

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

Minimum Monthly Charge

The minimum monthly charge includes payment for the first 200 cubic feet of water used.

	Rates		Rates	
	Effective February 1, 2002		Effective January 1, 2003	
Meter Size	Inside LR	Outside LR	Inside LR	Outside LR
5/8"	\$ 3.60	\$ 5.40	\$ 3.60	\$ 5.40
3/4"	\$ 4.65	\$ 7.00	\$ 4.65	\$ 7.00
1"	\$ 6.60	\$ 9.90	\$ 6.60	\$ 9.90
1 1/2"	\$ 11.20	\$ 16.80	\$ 11.20	\$ 16.80
2"	\$ 18.10	\$ 27.20	\$ 18.10	\$ 27.20
3"	\$ 33.50	\$ 50.50	\$ 33.50	\$ 50.50
4"	\$ 54.50	\$ 82.00	\$ 54.50	\$ 82.00
6"	\$107.50	\$161.50	\$107.50	\$161.50
8"	\$171.00	\$257.00	\$171.00	\$257.00
10"	\$245.00	\$368.00	\$245.00	\$368.00
12"	\$447.00	\$671.00	\$447.00	\$671.00

Additional Monthly Charge

In addition to the minimum monthly charge, the following rates shall apply to the amount of water used in excess of 200 cubic feet (CF) per month:

	Rates		Rates	
	Effective February 1, 2002		Effective January 1, 2003	
	Inside LR Charges \$ Per 100 C.F.	Outside LR Charges \$ Per 100 C.F.	Inside LR Charges \$ Per 100 C.F.	Outside LR Charges \$ Per 100 C.F.
The next 1,800 CF or less	\$ 0.780	\$ 1.270	\$ 0.780	\$ 1.270
The next 98,000 CF or any part thereof	\$ 0.580	\$ 0.840	\$ 0.580	\$ 0.840
All over 100,000 CF	\$ 0.400	\$ 0.650	\$ 0.580	\$ 0.650

Nonresident Consumers

The term "outside city" used in the foregoing rates refers to any consumer except the City of Little Rock and Master Metered Customers receiving service outside the municipal boundaries and to nonresident consumers and Master Metered Customers who purchase water within the municipal boundaries, which water is then transported to a point outside the municipal boundaries for use or resale.

Private Fire Service

Private fire service connections for private premises shall pay the following annual fire service charges:

	Rates		Rates	
	Effective February 1, 2002		Effective January 1, 2003	
	Inside LR	Outside LR	Inside LR	Outside LR
Fire Hydrants	\$ 59.50	\$ 89.25	\$ 59.50	\$ 89.25
Fire Connection Min. Charge	\$ 69.00	\$ 103.50	\$ 69.00	\$ 103.50
Automatic Sprinkler System Min. Charge (1,000 heads)	\$ 69.00	\$ 103.50	\$ 69.00	\$ 103.50
Additional heads, each at	\$ 0.07	\$ 0.11	\$ 0.07	\$ 0.11
Standpipe 1 1/4" (or smaller) diameter, each	\$ 13.50	\$ 20.25	\$ 13.50	\$ 20.25
1 1/2" diameter, each	\$ 21.00	\$ 31.50	\$ 21.00	\$ 31.50
2" diameter, each	\$ 34.50	\$ 51.75	\$ 34.50	\$ 51.75
2 1/2" diameter, each	\$ 69.00	\$ 103.50	\$ 69.00	\$ 103.50

Section 2. The following schedule of rates are hereby established by Central Arkansas Water for existing customers of the former North Little Rock Water Department and future customers of the former North Little Rock Water Department.

Effective Dates

This schedule shall become effective for water billed on or after February 1, 2002 and January 1, 2003, as hereinafter set forth.

Meter Measurement

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

Minimum Monthly Charge

The minimum monthly charge includes payment for the first 200 cubic feet of water used.

Meter Size	Rates		Rates	
	Effective February 1, 2002		Effective February 1, 2003	
	Inside NLR	Outside NLR	Inside NLR	Outside NLR
5/8"	\$ 4.77	\$ 6.39	\$ 4.77	\$ 6.39
3/4"	\$ 6.15	\$ 8.24	\$ 6.15	\$ 8.24
1"	\$ 8.75	\$11.72	\$ 8.75	\$11.72
1 1/2"	\$14.79	\$19.81	\$14.79	\$19.81
2"	\$23.98	\$32.14	\$23.98	\$32.14
3"	\$44.36	\$59.44	\$44.36	\$59.44
4"	\$72.15	\$96.68	\$72.15	\$96.68
6"	\$142.70	\$191.22	\$142.70	\$191.22
8"	\$241.36	\$323.42	\$241.36	\$323.42
10"	\$347.50	\$465.65	\$347.50	\$465.65
12"	\$632.88	\$848.06	\$632.88	\$848.06

Additional Monthly Charge

In addition to the minimum monthly charge, the following rates shall apply to the amount of water used in excess of 200 cubic feet (CF) per month:

	Rates		Rates	
	Effective February 1, 2002		Effective January 1, 2003	
	Inside NLR Charges \$ Per 100 C.F.	Outside NLR Charges \$ Per 100 C.F.	Inside NLR Charges \$ Per 100 C.F.	Outside NLR Charges \$ Per 100 C.F.
The next 3,100 CF or less	\$ 1.48	\$ 1.99	\$ 1.43	\$ 1.94
The next 30,000 CF or any part thereof	\$ 1.35	\$ 1.81	\$ 1.35	\$ 1.81
All over 90,000 CF or any part thereof	\$ 0.99	\$ 1.33	\$ 0.99	\$ 1.33
All over 123,300 CF	\$ 0.72	\$ 0.96	\$ 0.72	\$ 0.96

Nonresident Consumers

The term "outside city" used in the foregoing rates refers to any consumer except the North Little Rock and Master Metered Customer receiving service outside the municipal boundaries and to nonresident consumers and Master Metered Customer who purchase water within the municipal boundaries, which water is then transported to a point outside the municipal boundaries for use or resale.

Private Fire Service

Private fire service connections for private premises shall pay the following annual fire service charges:

	Rates		Rates	
	Effective February 1, 2002		Effective January 1, 2003	
	Inside NLR	Outside NLR	Inside NLR	Outside NLR
Fire Hydrants	\$ 61.70	\$ 82.68	\$ 61.70	\$ 82.68
Fire Connection Min. Charge	\$ 71.55	\$ 95.88	\$ 71.55	\$ 95.88
Automatic Sprinkler System Min. Charge (1,000 heads)	\$ 71.55	\$ 95.88	\$ 71.55	\$ 95.88
Additional heads, each at	\$ 0.07	\$ 0.09	\$ 0.07	\$ 0.09
Standpipe 1 1/4" (or smaller) diameter, each	\$ 14.00	\$ 18.76	\$ 14.00	\$ 18.76
1 1/2" diameter, each	\$ 21.78	\$ 29.19	\$ 21.78	\$ 29.19
2" diameter, each	\$ 35.78	\$ 47.95	\$ 35.78	\$ 47.95
2 1/2" diameter, each	\$ 71.55	\$ 95.88	\$ 71.55	\$ 95.88

Section 3. The following schedule of rates is hereby established by Central Arkansas Water for Master Metered Customers.

Master Metered Customers

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

	Rates	Rates
	Effective February 1, 2002	Effective January 1, 2003
	\$ Per 100 CF	\$ Per 100 CF
Customers taking any water from 6:01 am to 9:59 pm	\$ 0.704	\$ 0.704
Customers taking all water from 10 pm to 6 am	\$ 0.515	\$ 0.515

Section 4. The following schedule of rates is hereby established by Central Arkansas Water for Raw Water Customers.

Raw Water Customers

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

	Rates	Rates
	Effective February 1, 2002	Effective January 1, 2003
	\$ Per 100 CF	\$ Per 100 CF
Raw Water Customer	\$ 0.30	\$ 0.30

Section 5. Central Arkansas Water established the following methodology to equalize water rates among similarly situated classes of customers throughout the City of Little Rock and the City of North Little Rock.

The rate equalization process is intended to phase-in differences in customer's rates to a regional cost approach over no longer than the next ten years. The first phase of equalization will occur by 2006 because the proposed Capital Improvement Program only is projected through 2006.

By 2006, customer water rates in the City of Little Rock will increase to recover the total increase in the cost of service less the use of the existing reserve trust funds. All other CAW customers' rates will decrease to total cost of service before the use of the reserve trust funds.

After 2006, customer water rates will be increased in the City of Little Rock as the cost of service increases. Other customer's rates will remain unchanged until the rates equate to the cost of service. At that time, rates for all customers will be based on cost of service. The

equalization of rates will take three to four years after 2006 depending on the size of the Capital Improvement program.

2002-2003 – The rates will remain the same in the 2002. In 2003, equalization of the rate will begin by making the last rate block of the inside City the Little Rock the same as the second rate block and reducing the first rate block of the inside and outside City of North Little Rock by five (5) cents.

2004-2005 – The next step to the equalization of rates will be the establishment of the specific rates for each customer class and the elimination of the declining blocks in each City.

2006-2008 – The rates will change more reflect the Cost of Service for each customer class between the Cities of Little Rock and North Little Rock. The rates for customers within the City of Little Rock will rise due to the elimination of the reserve trust funds.

2009-2010 – The rates will equalize for the different customer classes to reflect the Cost of Service between customers in the Cities of Little Rock and North Little Rock. Outside rates will reflect Cost of Service but probably will not equal the Cost of Service rates within the Cities of Little Rock and North Little Rock.

Section 6. Bills for service shall be rendered and paid monthly except payments for private fire service shall be due in semi-annual installments in advance on the first (1st) day of January and July of each year. At the request of the private fire service customer the annual payments for private fire service protection can be divided equally among the twelve months and added to their normal monthly water bills.

Section 7. A penalty of ten percent (10%) shall be added to any bill not paid before the 20th day following the billing date. If a bill is not paid within 30 days after the billing date, service for the affected premise, or customer, may be discontinued. In such event, the Water Works may levy a reconnection charge.

Section 8. Repealer. All resolutions ordinances and parts of ordinances establishing rate schedules for water or water services supplied or to be supplied by the City of Little Rock through its former municipal water works system and the City of North Little Rock through its former municipal water works are repealed, as of the effective date of the schedule herein established.

Section 9. Severability. The provisions of this resolution are separable, and if any portion, section, provision, or phrase of this resolution shall be declared invalid or unconstitutional, such action shall not affect the validity of the remainder of this resolution.

* * * * *

CERTIFICATE

I, Eddie Powell, 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 it regular meeting held 11 October 2001.

Secretary

RESOLUTION 2001-10

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

WHEREAS, the City of Little Rock and the City of North Little Rock have created CENTRAL ARKANSAS WATER as a public body corporate and politic under the Consolidated Waterworks Authorization Act, Act 982 of the 83rd Arkansas General Assembly, and have consolidated the ownership and operation of their municipal water utilities into CENTRAL ARKANSAS WATER; and

WHEREAS, the Consolidation Agreement between the City of Little Rock and the City of North Little vested the authority to establish water rates in the Board of Commissioners, CENTRAL ARKANSAS WATER, and upon the advice of legal counsel, System Development Charges are considered rates; and

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

WHEREAS, Carter-Burgess, Inc., the rate consultant, has completed the rate study and has made a final recommendation on an initial schedule of System Development Charges to meet the requirement of the rate study project; and

WHEREAS, the Board of Commissioners accepts the findings of the System Development Charges Section of the rate study, which is based upon an American Water Works Association-accepted methodology for establishing System Development Charges, as appropriate; and

WHEREAS, it is the adopted policy of CENTRAL ARKANSAS WATER that the capital costs invested to expand the water facilities should be borne, to the extent it is practical, by the new development that will use and benefit from said water facilities; and

WHEREAS, the Board of Commissioners finds that System Development Charges established herein are needed to expand the water system facilities to serve future growth capital improvements.

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

Section 1. This resolution is intended to ensure the provision of adequate water facilities to serve new development in CENTRAL ARKANSAS WATER's service area by requiring new development to pay its pro rata share of the capital improvement costs necessitated by and attributable to the new development. System Development Charges established by this Resolution are additional and a supplemental to, and not in substitution of, any other requirement posed by CENTRAL ARKANSAS WATER.

Section 2. The following definitions apply to this resolution:

- a) New Development – a project involving the construction, reconstruction, redevelopment, conversion, structural alteration, relocation, or enlargement of any structure or any use or extension of land which has the effect of increasing the requirements for capital improvements or facility expansions, measured by the number of service units to be generated by such activity, and which results in a connection or an enlarged connection to the CENTRAL ARKANSAS WATER system. New service to an existing municipality or other political jurisdiction on either a retail or wholesale basis shall be considered new development. The installation of a separate sprinkler meter by a domestic customer will not be considered new development.
- b) System Development Charge – a water facilities fee imposed upon new development by CENTRAL ARKANSAS WATER, pursuant to this Resolution, in order to fund or recover the cost of capital improvements or facilities expansions necessitated by and attributable to such new development.
- c) Capital Improvements – water facility improvements that have a life expectancy of five (5) or more years and that are to be owned and operated by or on behalf of CENTRAL ARKANSAS WATER in support of improvements needed by the utility to increase its water supply or transmission capabilities. Capital improvements also may be improvements needed by a partnering water system to increase its water supply or transmission capabilities from CENTRAL ARKANSAS WATER or from a future water source.
- d) Offset – the amount of the reduction in a System Development Charge designed to fairly reflect the value of water facilities provided by a developer pursuant to CENTRAL ARKANSAS WATER's development regulations or requirements.
- e) Recover – the imposition of a System Development Charge to reimburse CENTRAL ARKANSAS WATER for capital improvements that the utility has previously oversized to serve new development.
- f) Service Unit – the unit equivalent to the hydraulic capacity of a 3/4-inch-diameter water meter.
- g) Water Facility – a capital asset for providing water service, including but not limited to, land or easements, water source facilities, water treatment facilities, raw and treated water transmission facilities, and pumping and storage facilities. Water facility excludes site-related facilities.
- h) Site-related Facilities – improvements or facilities which are for the primary use or benefit of a new development and/or for the primary purpose of safe and adequate provision of water facilities to serve the new development, which are not included in the System Development Charge, and for which the developer or property owner is solely responsible, under applicable CENTRAL ARKANSAS WATER regulations.

- i) Assessment – A determination of the amount of the System Development Charge per service unit that may be imposed upon new development pursuant to this Resolution.

Section 3. Water service to a new customer shall not be approved without the assessment of a System Development Charge pursuant to this Resolution, and water service will not be initiated until payment of the charge is received. This Resolution applies to all new direct and indirect customers of CENTRAL ARKANSAS WATER. Wholesale (Master-Metered) Customers will remit payment of the System Development Charges to CENTRAL ARKANSAS WATER with their monthly water payment.

Section 4. CENTRAL ARKANSAS WATER will establish a separate account for System Development Charges. The funds in the account only shall be used to fund capital improvements, as defined in Section 2c. Interest earned on the System Development Charges account shall be considered funds of the account and shall be use solely for the aforementioned improvements. CENTRAL ARKANSAS WATER shall establish adequate financial and accounting controls to ensure that the System Development Charges disbursed from the account are utilized solely for the purpose authorized. CENTRAL ARKANSAS WATER shall maintain proper financial records on System Development Charges, and the records shall be open for public inspection.

Section 5. Upon the passage of this Resolution, all existing acreage charges no longer will be applicable.

Section 6. The effective date of the schedule of System Development Charges is 1 February 2002.

Section 7. The following assessment schedule of System Development Charges is hereby adopted:

ACTUAL METER SIZE (inch)	SERVICE UNITS	CHARGE BY METER SIZE
5/8 or 3/4	1	\$1,300
1	1.5	\$1,950
1 1/2	2.5	\$3,250
2	5	\$6,500
3	8	\$10,400
4	15	\$19,500
6	25	\$32,500
8	50	\$65,000
10	80	\$104,000
12	115	\$149,500
20	450	\$585,000

The above schedule may be offset when a developer provides site-related facilities pursuant to CENTRAL ARKANSAS WATER's development regulations and requirements.

Section 8. Repealer. All resolutions, ordinances, and parts of ordinances establishing rate schedules for water or water services supplied or to be supplied by the City of Little Rock through its former municipal water works system and the City of North Little Rock through its former municipal water works system are repealed, as of the effective date of the schedule herein established.

Section 9. Severability. The provisions of this Resolution are separable, and if any portion, section, provision, or phrase of this Resolution shall be declared invalid or unconstitutional, such action shall not affect the validity of the remainder of this Resolution.

CERTIFICATE

I, Eddie Powell, 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 11 October 2001.

Secretary

RESOLUTION 2001-11

A RESOLUTION TO ESTABLISH THE ANCILLARY SERVICE CHARGES THAT CENTRAL ARKANSAS WATER WILL CHARGE TO ITS CUSTOMERS FOR SERVICES ASSOCIATED WITH PROVIDING WATER SERVICE

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, and have consolidated the ownership and operation of their municipal water utilities in CAW: and

WHEREAS, the former water utilities had established ancillary service charges that were different for similar types of service; and

WHEREAS, the Board of Commissioners, Central Arkansas Water has received a recommendation from the rate consultant to establish fees based on cost of service; and

WHEREAS, the rate consultant has proposed a set of ancillary service charges that are based on cost of service; and

WHEREAS, the Board of Commissioners, Central Arkansas Water has the authority to establish ancillary fees and desires to have fair and consistent fees to all customers of the CAW;

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

Section 1 The following ancillary service fees are established for customer service activities:

ACTIVITY		CHARGE
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

Section 2 The following ancillary service fees are established for new service and development activities:

New Service Charges	Charge
Meter Connection and Development Fees	See "Attachment A" for Fee Schedule
Construction Standpipe	\$75.00
Sprinkler Standpipe Fee	\$75.00
County Cut Fee	\$25.00
Engineering Fees	See "Attachment B" for Fee Schedule
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

Section 3 The following ancillary service fees are established for billing services to other entities:

Customer	Charge
Little Rock Wastewater Utility	\$0.90
Wrightsville Sewer	\$0.90
NLR Wastewater	\$0.70 or \$0.80*
LR Sanitation	\$0.40
Pulaski County Sanitation	\$0.40
Arch St. Improvement District	\$0.45
Higgins Improvement District	\$0.64
Spring Valley Improvement District	\$0.77

* Higher rate applies if major changes to the billing software program are required.

Section 4 The Board of Commissioners, Central Arkansas Water finds that the foregoing schedule of service fees is required to provide sufficient revenue to ensure the proper operation and maintenance of the utility.

Section 5 The Board of Commissioners, Central Arkansas Water duly adopts the schedule of service fees with an effective date of 1 January 2002.

I, Eddie Powell, 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 October 2001.

Secretary

ATTACHMENT A

METER COST, DEPOSITS AND DEVELOPMENT FEES

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 two-lane price.

For meter connections larger than 2", the charge shall be based upon the Central Arkansas Water'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.

Add 1/2% to Meter Connection Charge for each 1 foot of R/W width over 80 feet - 5/8" through 2" meter size.

To reduce meter size: 1" Size to 3/4" or 5/8"	\$140.00
1 1/2" or 2" to 3/4" or 5/8"	225.00
3" or 4" Size to 2" or smaller	190.00

To increase meter size: If existing tap and service line can be utilized charge the difference in the cost of the meters plus \$100.00. Otherwise charge normal connection fee.

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	320 TO 700
6"		1,800.00	2,800.00	700 TO 1,500

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

		DEVELOPMENT FEES	
METERED CONNECTIONS		END OF MAIN OR TAP FOR EXT. OR F.S.	
5/8"	\$ 2,000	2"	\$ 875
3/4"	2,400	3"	1,300
1"	2,800	4"	1,750
1-1/2"	4,200	6"	2,600
2"	4,800	8"	3,500
3"	7,200	10"	4,400
4"	8,000	12"	5,250
6"	12,000	16"	7,000
		20"	8,700
		24"	10,500

ATTACHMENT B

ENGINEERING FEES				
Special Contracts for Installation of Public Water Facilities and Fire Services				
Construction Costs				
				Charge
\$0	-	\$1,000		\$200
\$1,001	-	\$3,000		\$300
\$3,001	-	\$7,000		\$560
\$7,001	-	\$10,000		\$600
\$10,001	-	\$20,000		\$1,000
\$20,001	-	\$50,000		\$2,000
\$50,001	-	\$100,000		\$3,000
\$100,001	-	\$500,000		\$10,000
\$500,001	-	Greater		\$14,000
<u>Inspection Fees</u>				
Special Contract and Fire Service Inspection Fees				
Charges				
\$150	(per day max)		OR	
\$45	(per hour)	whichever is greater		
<u>Cross Connection Inspection</u>				
Charges				
\$100	(per trip)			
<u>Bacteriological Samples</u>				
Special Contract and Fire Service Sample Fees				
Charges				
\$50	(per trip)		OR	
\$25	(per sample) whichever is greater			

RESOLUTION 2001-12

A RESOLUTION TO ESTABLISH A SEVERANCE AGREEMENT BY AND BETWEEN CENTRAL ARKANSAS WATER AND FRED V. GLOVER; AND FOR OTHER PURPOSES

RESOLVED, that CENTRAL ARKANSAS WATER, by and through its legally constituted officers, does hereby approve the Severance Agreement between Fred V. Glover and CENTRAL ARKANSAS WATER; and

FURTHER RESOLVED, that the legally constituted officers be, and they hereby are, authorized and directed on behalf of CENTRAL ARKANSAS WATER to execute the above referenced Severance Agreement and to do such other things and to execute such other papers and documents as may be found necessary to implement the Agreement.

Approved: October 11, 2001

Secretary

RESOLUTION 2001-13

RESOLUTION TO BE A "PARTICIPATING ENTITY" IN A REGIONAL FUTURE WATER SOURCE STUDY TO BE UNDERTAKEN BY THE CENTRAL ARKANSAS REGIONAL WATER DISCUSSION GROUP AND METROPLAN – COUNCIL OF LOCAL GOVERNMENTS

WHEREAS, CENTRAL ARKANSAS WATER has the critical charge of ensuring a quality and adequate source of drinking water for the more than 360,00 people who depend upon the water system for service; and

WHEREAS, the Board of Commissioners, CENTRAL ARKANSAS WATER, as the governing body for of the utility, has responsibility for the management, extension, and plans development for the water system; and

WHEREAS, the availability of a dependable, safe, and adequate supply of water is a direct determinant of the quality of life and economic health of the cities of Little Rock, North Little Rock, and surrounding cities and water associations served by the water system; and

WHEREAS, the Board of Commissioners has determined, based upon both consultants' studies and trends in peak demand, that additional supply will be needed within the next 15 years to continue to meet the system's standards for quality and to meet the increased demand of customers; and

WHEREAS, through the Central Arkansas Regional Water Discussion Group, led by Metroplan – Council of Local Governments, we have the opportunity to participate in a study to evaluate the future water needs of Central Arkansas and a potential source or sources to meet the area's needs through the year 2050; and

WHEREAS, the scope of the comprehensive study will encompass the collection of data on existing physical facilities of water systems serving customers in the area, as well as historical water consumption statistics, projections on future needs, and existing plans for facility improvements; an analysis of community growth trends and projections for a 50-year planning period; the identification of potential future sources; an examination of water treatment requirements to meet regulatory agency requirements; and a determination of costs for intake, treatment, transmission, and pumping needs to be associated with each potential future source; and

WHEREAS, the regional planning group has presented the alternatives of our involvement in the study as a "Participating Entity" that would contribute to the funding of the project; and

WHEREAS, the regional approach to the study allows for the sharing of costs among large and small water utilities, municipalities, and user groups in Central Arkansas and establishes the foundation for a regional and shared funding approach to the development of supply to meet the region's future needs; and

WHEREAS, Board of Commissioners, CENTRAL ARKANSAS WATER, and our utility's professional staff deem our future water supply needs to be of the urgency that we should be a

“Participating Entity,” as in this capacity our future needs would be a part of the study’s primary focus and we could derive the economic benefits of the shared approach to the study.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, THAT the water utility will be a “Participating Entity” in the future-source study to be undertaken by the Central Arkansas Regional Water Discussion Group and Metroplan.

I, Eddie Powell, 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 on this 8th day of November, 2001.

Secretary

RESOLUTION - 2001-14

RESOLUTION TO REQUEST AUTHORIZATION OF REFERENDUM

Full SOCIAL SECURITY Coverage

WHEREAS, it is the express purpose and intention of **CENTRAL ARKANSAS WATER** to extend to its employees an opportunity to participate in full SOCIAL SECURITY coverage on as broad a basis as is permitted under applicable state and Federal Law, and

THEREFORE, be it resolved that **CENTRAL ARKANSAS WATER** is hereby authorized to make written request to the Arkansas State Social Security Administrator for authorization to hold a referendum to determine whether a majority of its employees desire to participate in full SOCIAL SECURITY coverage.

CERTIFICATION

I, Eddie Powell, do hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by the BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER on the 13th day of December 2001.

Signed: _____

Title: Secretary, Board of Commissioners

Date: _____