

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

January 16, 2020

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, January 16, 2020, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Ms. Kandi Hughes, Chair  
Mr. Anthony Kendall, Vice Chair  
Mr. Jim McKenzie, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner  
Mr. Kevin Newton, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Jeremy Sparks, Chief Innovation Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Thad Luther, P.E., Outgoing Chief Operating Officer  
Mr. Robert Hart, P.E., Technical Project Specialist  
Ms. Glenda Bunch, Director of Human Resources  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Mr. Todd Fisher, Finance Manager  
Mr. Vince Guillett, Special Project Manager  
Mr. Terry Frazier, Customer Service Assistant Supervisor-Office  
Mr. Danny Dunn, Director of Distribution  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Ronnie Bankston, Production Manager  
Mr. Kenneth Rood, Chemist  
Mr. Kevin Hall, Director of Environmental Health and Safety  
Ms. Brandi Coleman, Safety Specialist  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Samantha Williams-Davis, Communications Specialist and Brand Manager  
Ms. Chelsea Odle, Media Specialist  
Ms. Mary Dyson, Management Secretary

**Also, in Attendance:**

Ms. Rachel Herzog, AR Democrat-Gazette  
Mr. Bailey Moll, JPJ Consulting, LLC  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Ruth Bell, League of Women Voters of Pulaski County

Mr. Kenneth Walker, Little Rock Police Officer  
Mr. Chris Corbitt, Citizen

### **CALL TO ORDER**

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

### **EMPLOYEE PRESENTATION**

Ms. Coleman made a short presentation on HIVIP and the weekly HIVIP behavior.

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Smith, the minutes of the December 12, 2019, Regular Meeting and December 20, 2019, Special Called Meeting were unanimously approved.

### **NEW BUSINESS**

#### **Presentation on CAW Ancillary Service Charges**

Mr. Fisher reviewed CAW Ancillary Service Charges and proposed changes in excess of CPI in order to cover CAW's cost to provide ancillary services. Mr. Frazier presented recommended changes to CAW deposit rules and rates as part of the Pinnacle Project. All proposed increases will become effective April 1, 2020. No action was taken.

### **CONTRACTS/PURCHASES**

#### **8-Inch Water Main Installation – Joslin Drive to Oak Grove Road**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Newton, after due consideration and discussion, a contract with Diamond Construction in the amount of \$168,000 to install approximately 2,100 linear feet of 8-inch water main was unanimously approved.

### **DEPARTMENT UPDATES**

#### **Finance**

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

#### **Operations**

Mr. Weindorf provided an update on matters pertaining to operations in 2019.

### **CITIZEN-REQUESTED PUBLIC COMMENT**

Mr. Chris Corbitt, owner of property located at 4716 Gooch Drive, Little Rock, addressed the Board on several matters, including water quality and low water pressure at this location.

### **BOARD BRIEFING**

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

**ADJOURNMENT**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hartman, the meeting was adjourned at 3:16 p.m.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

February 13, 2020

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, February 13, 2020, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Ms. Kandi Hughes, Chair  
Mr. Jim McKenzie, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner  
Mr. Kevin Newton, Commissioner

**Telephonic:**

Mr. Anthony Kendall, Vice Chair

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Ms. Glenda Bunch, Director of Human Resources  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Cynthia Edwards, Director of Finance  
Mr. Danny Dunn, Director of Distribution  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Sharon Sweeney, Compliance Manager  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Chelsea Odle, Media Specialist  
Ms. Mary Dyson, Management Secretary

**Also, in Attendance:**

Ms. Rachel Herzog, AR Democrat-Gazette  
Mr. Jordan Johnson, JPJ Consulting, LLC  
Ms. Elaine Jones, West Pulaski Public Water Authority  
Mr. J. Mark Spradley, Attorney  
Mr. Mark Johnson, Senator  
Ms. Catherine Johnson, Citizen  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Mr. Kenneth Walker, Little Rock Police Officer  
Mr. Paul Strickland, P.E., Garver Engineers

Ms. Mary Carol Poole, Paschall Strategic Communications  
Mr. Tim Daters, P.E., White-Daters & Associates, Inc.  
Mr. J.J. Pitman, U of Arkansas 4-H Center  
Mr. Tim Kresse, U.S. Geological Survey  
Ms. Lolly Honea, Citizen  
Mr. Jim Lindsey, Citizen  
Mr. Barry Haas, Citizen

### **CALL TO ORDER**

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

### **EMPLOYEE PRESENTATION**

Ms. Sweeney made a short presentation on HIVIP and the weekly HIVIP behavior.

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, the minutes of the January 16, 2020, Regular Meeting were unanimously approved.

### **OLD BUSINESS**

#### **Resolution to Authorize Blake Weindorf to Execute State Revolving Fund Documents**

Mr. Mascagni requested Board approval of a Resolution to designate Blake Weindorf as Chief Operating Officer to execute certain documents related to ANRC State Revolving Funds for capital improvements at the Ozark Point Treatment Plant. Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Barth, the Resolution was unanimously approved.

#### **Resolution of Signatory Authority to Obtain Arkansas Natural Resources Commission (ANRC) State Revolving Funds**

Mr. Mascagni requested Board approval of a Resolution of Signatory Authority to obtain ANRC State Revolving Funds to finance Paron-Owensville Water Authority Consolidation. Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, the Resolution was unanimously approved.

### **NEW BUSINESS**

#### **Resolution of Intent to Serve Western Pulaski County**

Mr. Bohannon requested Board approval of a Resolution stating the intent of CAW to provide water service in western Pulaski County provided the cost of the infrastructure to provide such service is paid by customers to be served and not customers outside the proposed service area. Upon a motion duly made by Commissioner Hartman and seconded by Commissioner McKenzie, the Resolution was unanimously approved.

#### **Resolution Authorizing Purchase of Property in Lake Maumelle Watershed at Auction**

Mr. Bohannon requested Board approval of a Resolution to purchase at auction 32 acres of property located in the Lake Maumelle watershed and requests adoption of a Motion to suspend

the CEO's spending limit for the purpose of this property acquisition. Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Smith, the Resolution and Motion was unanimously approved.

### **CONTRACTS/PURCHASES**

#### **Water Main Relocation Along Camp Robinson Road**

Upon a motion duly made by Commissioner Newton and seconded by Commissioner Barth, after due consideration and discussion, a construction contract with Smith Underground, Inc., in the amount of \$248,680.70 to relocate approximately 1,100 linear feet of existing water main was unanimously approved.

#### **Purchase Three (3) New Dump Trucks**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Newton, after due consideration and discussion, the purchase of three trucks from Doggett Freightliner of Arkansas in the amount of \$218,360 and three dump beds from Davis Trailer and Truck in the amount of \$50,600 was unanimously approved.

### **DEPARTMENT UPDATES**

#### **Finance**

Ms. Edwards provided a year-to-date financial update on utility operations.

### **BOARD BRIEFING**

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

### **ADJOURNMENT**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, the meeting was adjourned at 3:25 p.m.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

**RESOLUTION NO. 2020-01**

**A RESOLUTION DESIGNATING AND AUTHORIZING BLAKE WEINDORF AS CHIEF OPERATING OFFICER TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH THE ARKANSAS DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM ADMINISTERED BY THE ARKANSAS NATURAL RESOURCES COMMISSION; AND FOR OTHER PURPOSES**

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

WHEREAS, Central Arkansas Water previously issued debt to fund improvements to the Ozark Point Treatment Plant (the "Project") under the Arkansas State Revolving Fund Loan Program (the "Program") administered by the Arkansas Natural Resources Commission ("ANRC"); and

WHEREAS, the Board of Commissioners of Central Arkansas Water previously authorized Thad Luther as Chief Operating Officer to execute documents and certificates as may be required by ANRC (i) for participation in the Program related to the Project, or (ii) to satisfy CAW's obligations under the bond purchase agreement with ANRC related to the Project; and

WHEREAS, Blake Weindorf has succeeded Thad Luther as Chief Operating Officer; and

WHEREAS, the Project is scheduled to continue until Spring 2021;

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

Section 1. That Blake Weindorf, as Chief Operating Officer, is hereby authorized to execute, for and on behalf of Central Arkansas Water, each document and certificate as may be required by ANRC (i) for ongoing administration of the Project, or (ii) to satisfy otherwise CAW's obligations under the existing bond purchase agreement with ANRC.

Section 2. That Thad Luther's authority to execute documents and certificates as may be required by ANRC (i) for participation in the Program related to the Project, or (ii) to satisfy CAW's obligations under the bond purchase agreement with ANRC related to the Project is discontinued.

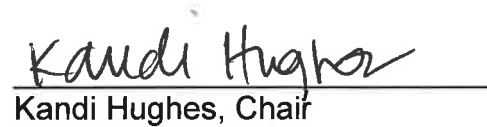
Section 3. This Resolution shall be in effect from and after the date of its adoption.

ADOPTED: February 13, 2020

ATTEST:

  
Jim McKenzie, Secretary/Treasurer

APPROVED:

  
Kandi Hughes, Chair

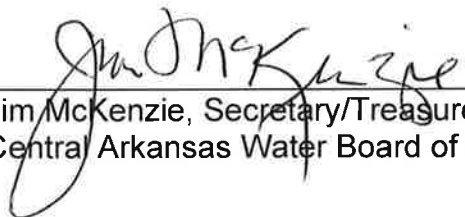


CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Jim McKenzie, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2020-01 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION DESIGNATING AND AUTHORIZING BLAKE WEINDORF AS CHIEF OPERATING OFFICER TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH THE ARKANSAS DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM ADMINISTERED BY THE ARKANSAS NATURAL RESOURCES COMMISSION; AND FOR OTHER PURPOSES**, adopted February 13, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February 2020.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

**RESOLUTION NO. 2020-02**

**A RESOLUTION DESIGNATING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER, THE CHIEF OPERATING OFFICER, AND THE CHIEF FINANCIAL OFFICER OF CENTRAL ARKANSAS WATER TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH THE DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM ADMINISTERED BY THE ARKANSAS NATURAL RESOURCES COMMISSION**

WHEREAS, Central Arkansas Water ("CAW") is a consolidated municipal water system created and existing under the consolidated Waterworks Authorization Act, Act 982 of the 83<sup>rd</sup> General Assembly of the State of Arkansas; and

WHEREAS, Paron-Owensville Water Authority ("POWA") is a rural water system located in Saline County that includes a service area encompassing the towns and communities of Paron, Ford, Owensville, Reform, and Rubicon.

WHEREAS, CAW has determined that it will be necessary to issue water revenue bonds in an aggregate principal amount not to exceed \$6,500,000, in one or more series, for the purpose of acquiring the water system currently owned and operated by POWA and making capital improvements (collectively, the "Improvements") thereto, paying interest during the construction and the cost of issuing the bonds;

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

Section 1. That C. Tad Bohannon, as Chief Executive Officer, is hereby authorized and directed to make application for assistance under the Drinking Water State Revolving Fund ("SRF") Loan Program (the "Program") administered by the Arkansas Natural Resources Commission ("ANRC").

Section 2. That in the event C. Tad Bohannon is unavailable, Blake Weindorf, as Chief Operating Officer, is hereby authorized to execute a bond purchase agreement with ANRC, once such agreement is approved by the Commission, for and on behalf of Central Arkansas Water.

Section 3. That Blake Weindorf, as Chief Operating Officer, is hereby authorized to execute, for and on behalf of Central Arkansas Water, such other documents and certificates as may be required by ANRC (i) for participation in the Program, or (ii) to satisfy CAW's obligations under the bond purchase agreement with ANRC, once such agreement is approved by the Commission.

Section 4. That Jeff Mascagni, as Chief Financial Officer, is hereby authorized to execute, for and on behalf of Central Arkansas Water, such other documents and certificates as may be required by ANRC (i) for participation in the Program, or (ii) to

satisfy CAW's obligations under the bond purchase agreement with ANRC, once such agreement is approved by the Commission.

Section 5. This Resolution shall be in effect from and after the date of its adoption.

ADOPTED: February 13, 2020

ATTEST:

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

  
\_\_\_\_\_  
Kandi Hughes, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Jim McKenzie, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2020-02 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION DESIGNATING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER, THE CHIEF OPERATING OFFICER, AND THE CHIEF FINANCIAL OFFICER OF CENTRAL ARKANSAS WATER TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH THE DRINKING WATER SRF LOAN PROGRAM ADMINISTERED BY THE ARKANSAS NATURAL RESOURCES COMMISSION**, adopted February 13, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February 2020.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

**RESOLUTION NO. 2020-03**

**A RESOLUTION DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO PROVIDE WATER SERVICE IN WESTERN PULASKI COUNTY, IN AND AROUND THE FERNDALE COMMUNITY, TO PAY FOR THE COST OF THE IMPROVEMENT WITH A SURCHARGE, NOT TO EXCEED ONE HUNDRED AND TWENTY-FIVE DOLLARS (\$125.00), PAID ONLY BY CUSTOMERS SERVED BY WATER SYSTEM IMPROVEMENTS WITHIN THE PROPOSED SERVICE AREA, TO SEEK GRANT FUNDING AND OTHER AIDE AVAILABLE TO REDUCE THE COST OF THE PROJECT AND/OR PAY THE SURCHARGE FOR LOW TO MODERATE INCOME HOUSEHOLDS, TO DETERMINE THE BEST METHODOLOGY TO PROVIDE WATER SERVICE TO THE MOST HOUSEHOLDS AND BUSINESSES IN THE PROPOSED SERVICE AREA, AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

WHEREAS, Central Arkansas Water (“CAW”) is a consolidated municipal water system created and existing under the Consolidated Waterworks Authorization Act, Act 982 of the 83<sup>rd</sup> General Assembly of the State of Arkansas; and

WHEREAS, residents residing in and businesses in unserved areas of western Pulaski County have expressed a desire to obtain potable water for residences and businesses in the vicinity of Ferndale (the “Service Area”); and

WHEREAS, by Resolution 2019-11, adopted October 10, 2019, CAW expressed its intent to issue bonds in an amount not to exceed \$18,500,000 to build the water infrastructure necessary to connect to CAW’s distribution system and to deliver a safe and dependable source of potable water to residences and businesses in west Pulaski County.

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

Section 1. CAW hereby declares its intent to provide water service in the Service Area, provided the Arkansas Natural Resource Commission (ANRC) provides financing for design, construction, and equipping of the improvements necessary to provide such water service repayable from a pledge of a debt service surcharge (not to exceed \$125.00 per meter per month) to be paid only by customers within the Service Area to be served by the improvements, and not from the general revenues of CAW.

Section 2. CAW shall seek grant funding and any other aide available to reduce the total cost of the project to be repaid by customers within the proposed Service Area and/or pay all or a portion of the surcharge for low to moderate income households.

Section 3. CAW desires to provide water service to the proposed Service Area in the most cost-efficient manner possible. Therefore, when determining what water

mains to construct and areas to serve within the Service Area, CAW's engineering department, working in coordination with ANRC, shall endeavor to proceed first in those areas where there is sufficient interest in water service to reduce the project cost per customer and the required surcharge amount as much as possible.

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

Section 5. A copy of this Resolution shall be filed with Secretary of CAW where it will be available for public inspection.

ADOPTED: February 13, 2020

ATTEST:

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

  
\_\_\_\_\_  
Kandi Hughes, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Jim McKenzie, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2020-03 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO PROVIDE WATER SERVICE IN WESTERN PULASKI COUNTY, IN AND AROUND THE FERNDALE COMMUNITY, TO PAY FOR THE COST OF THE IMPROVEMENT WITH A SURCHARGE, NOT TO EXCEED ONE HUNDRED AND TWENTY-FIVE DOLLARS (\$125.00), PAID ONLY BY CUSTOMERS SERVED BY WATER SYSTEM IMPROVEMENTS WITHIN THE PROPOSED SERVICE AREA, TO SEEK GRANT FUNDING AND OTHER AIDE AVAILABLE TO REDUCE THE COST OF THE PROJECT AND/OR PAY THE SURCHARGE FOR LOW TO MODERATE INCOME HOUSEHOLDS, TO DETERMINE THE BEST METHODOLOGY TO PROVIDE WATER SERVICE TO THE MOST HOUSEHOLDS AND BUSINESSES IN THE PROPOSED SERVICE AREA, AND PRESCRIBING OTHER MATTERS RELATING THERETO**, adopted February 13, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February 2020.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

**RESOLUTION 2020-04**

**A RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY  
IN THE LAKE MAUMELLE WATERSHED; AND FOR OTHER  
PURPOSES**

WHEREAS, on February 20, 2020, owners of thirty-two acres of real property at 42100 Higginbotham Road in Perryville, Arkansas ("Property"), will hold an auction for the sale of the Property; and

WHEREAS, the Property could constitute a valuable asset among the many Lake Maumelle watershed parcels acquired over time by Central Arkansas Water ("CAW") in its mission to preserve the very highest quality of water for CAW's ratepayers; and

WHEREAS, the Commission, based upon the recommendations of staff, has determined that it is in the best interest of CAW and its ratepayers to authorize acquisition of the Property at the February 20, 2020, auction.

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

Section 1. The purchase of the Property upon and pursuant to reasonable terms and conditions is approved, and the Chief Executive Officer is authorized to enter such contract.

Section 2. Each of the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer is hereby authorized and directed, as necessary or required, to deliver the purchase price monies of such a contract and to execute and acknowledge documents as necessary to complete the purchase of the Property in accordance with the terms of such contract.


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

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

ADOPTED: [February 13, 2020]

Attest:

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

  
\_\_\_\_\_  
Kandi Hughes, Chair

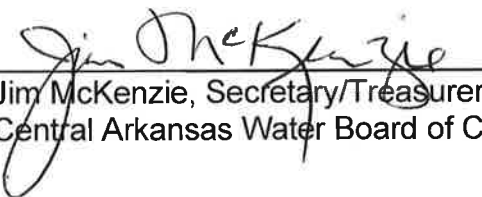


CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Jim McKenzie, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2020-04 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY IN THE LAKE MAUMELLE WATERSHED; AND FOR OTHER PURPOSES**, adopted February 13, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February 2020.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

March 12, 2020

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, March 12, 2020, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Ms. Kandi Hughes, Chair  
Mr. Anthony Kendall, Vice Chair  
Mr. Jim McKenzie, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner  
Mr. Kevin Newton, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Ms. Glenda Bunch, Director of Human Resources  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Mr. Danny Dunn, Director of Distribution  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Brandi Coleman, Safety Specialist  
Mr. Bruce Sullivan, Maintenance Technician  
Ms. Sheronda Shells, Customer Service Supervisor-Office  
Ms. Manessa Johnson, Lead Customer Service Rep-Office  
Ms. Angela Jones, Lead Customer Service Rep-Office  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Mary Dyson, Management Secretary

**Also, in Attendance:**

Mr. Jordan Johnson, JPJ Consulting, LLC  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Mary Carol Poole, Paschall Strategic Communications  
Mr. Kenneth Walker, Little Rock Police Officer

**CALL TO ORDER**

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

## **COMMISSIONER RECOGNITION**

Chair Hughes presented to Commissioner Hartman a pin commemorating his fifteen years of service on the Board. Chair Hughes thanked Commissioner Hartman for his service.

## **EMPLOYEE RECOGNITION**

Ms. Coleman presented the 2019 John Robinson Award for Safety to Mr. Bruce Sullivan, Maintenance Technician. The John Robinson Award for Safety is awarded annually for excellence in workplace safety.

## **BEHAVIOR OF THE WEEK**

Ms. Johnson made a short presentation on HIVIP and the weekly HIVIP behavior.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner McKenzie, the minutes of the February 13, 2020, Regular Meeting were unanimously approved.

## **NEW BUSINESS**

### **Presentation on Bond Revenue Coverage and Rate Stabilization Account**

Mr. Mascagni made a presentation on Bond Revenue Coverage for 2019 and tracking mechanisms for Rate Stabilization Account qualified spending.

## **CONTRACTS/PURCHASES**

### **Allocation Agreement with Mid-Arkansas Water Alliance (MAWA)**

Mr. Bohannon requested Board approval of a Resolution to enter into an Allocation Agreement with MAWA for the purchase and allocation to Members of undivided interest in the joint storage space reserved to MAWA by the United States of America in Greers Ferry Lake.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner McKenzie, the Resolution was unanimously approved, as amended. Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Newton, the Resolution was unanimously approved, as amended for the second time, after further review.

### **Lease Agreement for Backhoes, Excavators, and Skid Steer**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Newton, after due consideration and discussion, a lease agreement with J.A. Riggs Tractor in the amount of \$157,980 to lease nineteen Backhoes, five Excavators, and one Skid Steer for one year with options to renew for the next four years was unanimously approved.

### **Water Meter Relocations in the Heights Neighborhood of Little Rock – Phase 2**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner McKenzie, after due consideration and discussion, a construction contract with Cisneros Family Construction in the amount of \$594,728.16 to relocate forty-seven domestic services and forty-one irrigation services in the Pulaski Heights area of Little Rock was unanimously approved.

Twin Lakes Galvanized Pipe Replacement

Upon a motion duly made by Commissioner Newton and seconded by Commissioner Smith, after due consideration and discussion, a construction contract with Smith Underground, Inc. in the amount of \$975,784.95 to replace approximately 7,500 linear feet of existing water mains in the Twin Lakes area of Little Rock was unanimously approved.

**DEPARTMENT UPDATES**

Finance

Ms. Edwards provided a year-to-date financial update on utility operations.

**BOARD BRIEFING**

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

**ADJOURNMENT**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, the meeting was adjourned at 3:15 p.m.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

**RESOLUTION 2020-05**

**A RESOLUTION APPROVING AN AGREEMENT BETWEEN CENTRAL ARKANSAS WATER AND THE MID-ARKANSAS WATER ALLIANCE AND AUTHORIZING THE EXECUTION THEREOF; AND FOR OTHER PURPOSES.**

WHEREAS, Central Arkansas Water, an Arkansas public body politic and corporate created under the Consolidated Waterworks Authorization Act, Act 982 of the 83<sup>rd</sup> General Assembly of the State of Arkansas ("CAW"), operates the state's largest water treatment and distribution system which serves, directly or indirectly, citizens in portions of Pulaski, Saline, and Lonoke counties; and

WHEREAS, it has been determined that it is in the best interest of CAW that CAW enter into Allocation Agreement by and between Mid-Arkansas Water Alliance ("MAWA") and various water providers within central Arkansas whereby CAW will purchase an undivided interest in one million two hundred thousand gallons of water per day (1.2 MGD) in the joint-storage space reserved by the United States Corps of Engineers for MAWA in Greers Ferry Lake.

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

1. The Agreement, in substantially the form presented at the meeting at which this Resolution is addressed, is hereby approved, and Kandi Hughes, Chair of the Board of Commissioners of CAW, is authorized to execute the Agreement on behalf of CAW.
2. In addition, the Chief Executive Officer or, in the absence of the Chief Executive Officer, the Chief Operating Officer is authorized to execute such other writings and take such other actions as may be appropriate to carry out the terms of this Resolution.

ADOPTED: [March 12, 2020]

Attest:

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

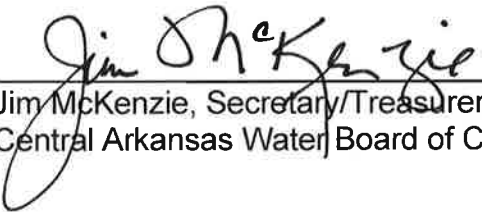
  
\_\_\_\_\_  
Kandi Hughes, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Jim McKenzie, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2020-05 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION APPROVING AN AGREEMENT BETWEEN CENTRAL ARKANSAS WATER AND THE MID-ARKANSAS WATER ALLIANCE AND AUTHORIZING THE EXECUTION THEREOF; AND FOR OTHER PURPOSES**, adopted March 12, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of March 2020.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

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

March 26, 2020

The Board of Commissioners of Central Arkansas Water (CAW) convened in a special called meeting at 3:00 p.m. on Thursday, March 26, 2020, telephonically, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Telephonic:**

Ms. Kandi Hughes, Chair  
Mr. Tony Kendall, Vice Chair  
Mr. Jim McKenzie, Secretary/Treasurer  
Mr. Anthony Kendall, Commissioner  
Mr. Jay Hartman, Commissioner  
Ms. Carmen Smith, Commissioner  
Dr. Jay Barth, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, Chief Operating Officer  
Ms. Cynthia Edwards, Director of Finance  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Chelsea Odle, Media Specialist  
Ms. Mary Dyson, Management Secretary

**CAW Staff Telephonic:**

Mr. Jeremy Sparks, Chief Innovation Officer  
Mr. David Johnson, General Counsel

**Also Telephonic:**

Mr. Bill Spivey, Wright Lindsey Jennings  
Ms. Rachel Herzog, AR Democrat-Gazette

**CALL MEETING TO ORDER**

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

**NEW BUSINESS**

**Resolution Approving Notice of CAW's Intent to Issue Water Revenue Refunding Bonds**

Mr. Bohannon requested Board approval of a Resolution approving notice to the Cities of Little Rock and North Little Rock of CAW's intent to issue Water Revenue Refunding Bonds.

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

Update on COVID-19 Impact on CAW and Actions Taken to Maintain Operations

Mr. Bohannon made a presentation on the COVID-19 impact on personnel and operations, the actions CAW has taken under its Continuity of Operations Plan, and what actions may be taken next.

**ADJOURNMENT**

Chair Hughes adjourned the meeting at 3:44 p.m., without objection.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer



## RESOLUTION NO. 2020-06

### **A RESOLUTION APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK OF THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE PARITY BONDS; APPROVING SETTING A DATE FOR A PUBLIC HEARING ON THE ISSUANCE OF THE BONDS; APPROVING THE PREPARATION OF ONE OR MORE OFFICIAL NOTICES OF SALE, OFFICIAL BID FORMS, AND PRELIMINARY OFFICIAL STATEMENTS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

WHEREAS, Central Arkansas Water ("CAW") has determined that it may issue special revenue bonds in an aggregate principal amount not to exceed Sixty Million Dollars (\$60,000,000), in one or more series, for the purposes of refunding, in whole or in part, certain outstanding revenue bonds and making capital improvements, together with establishing one or more debt service reserves and paying the cost of issuing the bonds; and

WHEREAS, CAW proposes to repay the bonds as parity debt with all other outstanding parity debt; and

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

WHEREAS, the Board of Commissioners of CAW is adopting this resolution for the purpose of giving notice to the Cities and authorizing its Chief Financial Officer and General Counsel, working together with bond counsel, financial advisor, and trustee, to prepare the forms of one or more Official Notices of Sale, Official Bid Forms, and Preliminary Official Statements for presentation and approval by the Board of Commissioners at a later date;

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

Section 1. The Chief Executive Officer is hereby instructed to give notice to the governing bodies of the Cities of Little Rock and North Little Rock that CAW intends to issue parity bonds, in one or more series, in an aggregate amount not to exceed Sixty Million Dollars (\$60,000,000) for the purposes of refunding, in whole or in part, certain outstanding revenue bonds and making capital improvements, together with establishing one or more debt service reserves and paying the cost of issuing the bonds.

Section 2. The Chief Financial Officer is hereby instructed to schedule a public hearing on the issuance of the bonds.

Section 3. The Chief Financial Officer and the General Counsel, working together with bond counsel, financial advisor, and trustee, are hereby instructed to prepare the forms of one or more Official Notices of Sale, Official Bid Forms, and Preliminary Official Statements for presentation and approval by the Board at a later date.

Section 4. Such preliminary actions as are determined to be necessary by the Chief Executive Officer, General Counsel, and Chief Financial Officer are hereby authorized for the issuance and sale, on a public, private or negotiated basis, of parity bonds for the purposes of refunding, in whole or in part, certain outstanding revenue bonds and making capital improvements; provided, however, that at such time as the Chief Financial Officer may determine to be in the best interests of CAW, the final terms of the sale of the bonds shall be submitted for approval by the Board of Commissioners of CAW, together with the proposed form of the Official Notice of Sale, Official Bid Form, and Preliminary Official Statement.

Section 5. The Board of Commissioners of CAW hereby authorizes and directs the Chief Executive Officer, General Counsel, Chief Financial Officer, and other officers and employees of CAW to carry out or cause to be carried out all appropriate actions, to execute such other certificates or documents to evidence authority as authorized herein, and to take such other actions as they, in consultation with the bond counsel, financial advisor, and trustee, shall consider necessary or advisable in connection with this Resolution in order to prepare for the public, private or negotiated sale of the bonds.

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

Section 7. A copy of this Resolution shall be filed in the corporate offices of CAW where it will be available for public inspection.

ADOPTED: March 26, 2020

ATTEST:

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

APPROVED:

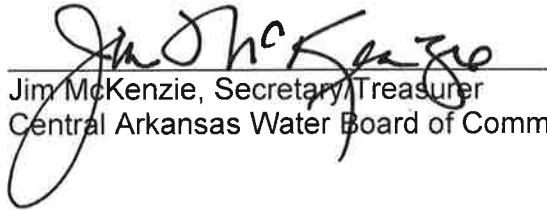
  
\_\_\_\_\_  
Kandi Hughes, Chair

**CERTIFICATE**

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Jim McKenzie, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2020-06 of the Board of Commissioners of Central Arkansas Water, entitled: A RESOLUTION APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK OF THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE PARITY BONDS; APPROVING SETTING A DATE FOR A PUBLIC HEARING ON THE ISSUANCE OF THE BONDS; APPROVING THE PREPARATION OF ONE OR MORE OFFICIAL NOTICES OF SALE, OFFICIAL BID FORMS, AND PRELIMINARY OFFICIAL STATEMENTS; AND PRESCRIBING OTHER MATTERS RELATING THERETO adopted March 26, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of March, 2020.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

April 16, 2020

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, April 16, 2020, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Via Teleconferencing:**

Ms. Kandi Hughes, Chair  
Mr. Anthony Kendall, Vice Chair  
Mr. Jim McKenzie, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner  
Mr. Kevin Newton, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jeremy Sparks, Chief Innovation Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Mr. Allen Vincent, Director of Information Services  
Mr. Kevin Hall, Director of Environmental Health and Safety  
Mr. David Hindman, Buyer II  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Mary Dyson, Management Secretary

**CAW Staff via Teleconferencing or Livestream:**

Mr. David Johnson, General Counsel  
Mr. Danny Dunn, Director of Distribution  
Mr. Chris Shahan, Assistant Director of Distribution  
Mr. Alex Harper, GIS Manager  
Ms. Chelsea Odle, Media Specialist  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager

**Also, in Attendance via Livestream:**

Mr. Jordan Johnson, JPJ Consulting, LLC  
Mr. Corey Jennings, Partner, BKD, LLP  
Mr. Scott Simon, The Nature Conservancy  
Ms. Rachel Herzog, AR Democrat-Gazette

**CALL TO ORDER**

Chair Hughes called the meeting to order at 2:01 p.m.

## **BEHAVIOR OF THE WEEK**

Mr. Hindman made a short presentation on the HIVIP behavior of the week, "Be a Unifying Force".

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Kendall, the minutes of the March 12, 2020, Regular Meeting and March 26, 2020, Special Called Meeting were unanimously approved.

## **NEW BUSINESS**

### **Approve the 2019 Audit for Central Arkansas Water**

Mr. Corey Jennings with BKD, LLP presented a review of the draft 2019 Comprehensive Annual Financial Report (CAFR) for CAW. Mr. Mascagni requested Board approval of the 2019 CAFR.

Upon a motion duly made by Commissioner McKenzie, and seconded by Commissioner Hartman, after due consideration and discussion, the 2019 CAFR was unanimously approved.

## **CONTRACTS/PURCHASES**

### **Lease Agreement Extension with Flake & Kelley for Simmons Tower Suite**

Upon a motion duly made by Commissioner Hartman and seconded by Commission Smith, after due consideration and discussion, a lease agreement extension in the amount of \$3,616.67 month-to-month with Flake & Kelley for the Simmons Tower suite leased for work related to implementation of the new customer information system was unanimously approved.

### **ArDOT Agreement for Main Relocations along Highway 10 (Cantrell Road)**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Hartman, after due consideration and discussion, an agreement with ArDOT in the amount of \$2,394,593.57 to relocate water mains that conflict with planned road and drainage improvements along sections of Arkansas State Highway 10 (Cantrell Road) from Interstate 430 to near Sam Peck Road (Little Rock) was unanimously approved.

## **DEPARTMENT UPDATES**

### **Finance**

Ms. Edwards provided a year-to-date financial update on utility operations and recognized CAW's Finance Department for receiving the Government Finance Officers Association - Certificate of Achievement for Excellence in Financial Reporting (CAFR) for the 10th consecutive year and the award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the second consecutive year. These awards are the highest form of recognition in governmental financial reporting.

## **BOARD BRIEFING**

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

**ADJOURNMENT**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, the meeting was adjourned at 3:19 p.m.

  
Jim McKenzie, Secretary/Treasurer

**CENTRAL ARKANSAS WATER**  
**MINUTES OF PUBLIC HEARING**  
**REGARDING ISSUANCE OF \$6,050,000**  
**IN MAXIMUM PRINCIPAL AMOUNT OF**  
**WATER REVENUE BONDS**

**May 13, 2020**

The meeting was called to order by Jeff Mascagni, Chief Financial Officer, Central Arkansas Water, who presided at the meeting. He stated that a public hearing was scheduled to be held at 2:00 p.m. on May 13, 2020 at the James T. Harvey Administration Building of Central Arkansas Water located at 221 East Capitol Avenue in Little Rock, Arkansas. The public hearing was held to hear comments on the question of Central Arkansas Water issuing \$6,050,000 in maximum principal amount of water revenue bonds for the purpose of financing the costs of acquiring the water system operated by Paron-Owensville Water Authority of the State of Arkansas and making improvements thereto, funding capitalized interest, and paying expenses of issuing the bonds.

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

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

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

**CERTIFICATE**

The undersigned, Secretary/Treasurer of Central Arkansas Water, hereby certifies that the foregoing is a true and perfect written record of a public hearing held at 2:00 p.m. on the 13th day of May, 2020, which now appears in the records of the Central Arkansas Water in Little Rock, Arkansas.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

**CENTRAL ARKANSAS WATER**  
**MINUTES OF PUBLIC HEARING**  
**REGARDING PARON-OWENSVILLE WATER AUTHORITY**  
**SERVICE AREA RATES**

**May 13, 2020**

The meeting was called to order by Jeff Mascagni, Chief Financial Officer, Central Arkansas Water, who presided at the meeting. He stated that a public hearing was scheduled to be held at 2:30 p.m. on May 13, 2020 at the James T. Harvey Administration Building of Central Arkansas Water located at 221 East Capitol Avenue in Little Rock, Arkansas. The public hearing was held to hear comments on the question of Central Arkansas Water adopting rates and charges for the Paron-Owensville Water Authority service area.

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

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

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

  
Jim McKenzie, Secretary/Treasurer



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

May 14, 2020

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, May 14, 2020, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Via Teleconferencing:**

Mr. Anthony Kendall, Vice Chair  
Mr. Jim McKenzie, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner  
Mr. Kevin Newton, Commissioner

**Absent**

Ms. Kandi Hughes, Chair

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jeremy Sparks, Chief Innovation Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Ms. Sherry Lippiatt, General Accountant  
Ms. Sharon Sweeney, Compliance Manager  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Jane Hurley, Education and Outreach Specialist  
Ms. Chelsea Odle, Media Specialist  
Ms. Mary Dyson, Management Secretary

**CAW Staff via Teleconferencing or Livestream:**

Mr. David Johnson, General Counsel  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Chris Shahan, Assistant Director of Distribution  
Mr. Alex Harper, GIS Manager  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager

**Also, in Attendance**

Mr. Curt Malone, President, Paron-Owensville Board (*in person*)

**Also, in Attendance via Teleconferencing or Livestream:**

Mr. J. Shephard Russell, III, Friday, Eldredge & Clark, LLP  
Mr. Taylor Marshall, Friday, Eldredge & Clark, LLP  
Board Minutes  
May 14, 2020

Mr. Hugh McDonald, Chair, Board of Trustees, The Nature Conservancy  
Mr. Jeff Fore, The Nature Conservancy  
Ms. Rachel Herzog, AR Democrat-Gazette  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Ms. Mary Carol Poole, Paschall Strategic Communications

### **CALL TO ORDER**

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

### **BEHAVIOR OF THE WEEK**

Ms. Lippiatt made a short presentation on the HIVIP behavior of the week, "Meet Expectations & Deadlines".

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner McKenzie, the minutes of the April 16, 2020, Regular Meeting were unanimously approved.

### **NEW BUSINESS**

#### **Resolution Authorizing the Issuance of Water Revenue Bonds, Series 2020A**

Mr. Mascagni requested Board approval of a Resolution authorizing the issuance of Water Revenue Bonds (Paron-Owensville Water System Acquisition Project), Series 2020A, for the purpose of financing the acquisition of the water system of the Paron-Owensville Water Authority (POWA), and to finance the construction and equipping of extensions, betterments, and improvements to complete the integration of CAW's and POWA's water systems.

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

#### **Resolution Affirming the Debt Surcharge to CAW Customers within the Paron-Owensville Water Authority Service Territory**

Mr. Mascagni requested Board approval of a Resolution affirming an \$11 debt surcharge per customer within the POWA service territory.

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

#### **The Nature Conservancy and Rattlesnake Ridge Conservation Easement**

Mr. Bohannon requested Board approval of a Purchase Agreement with The Nature Conservancy enabling CAW to acquire a conservation easement on 74 acres within the Rattlesnake Ridge Natural Area along the Lake Maumelle watershed boundary in "Critical Area A" for \$600,000, payable in two equal installments of \$300,000, without interest.

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Hartman, after due consideration and discussion, the Purchase Agreement was unanimously approved.

## **CONTRACTS/PURCHASES**

### **Main Relocations along Gamble, Geyer Springs, and Reservoir Roads**

Upon a motion duly made by Commissioner McKenzie and seconded by Commission Smith, after due consideration and discussion, a construction contract with J.R. Fox Company in the amount of \$604,026, to relocate approximately 3,200 linear feet of water mains that conflict with planned city street and drainage improvements along Gamble, Geyer Springs, and Reservoir Roads was unanimously approved.

## **DEPARTMENT UPDATES**

### **Administration**

Mr. Sparks provided an update on the Strategic Plan.

### **Operations**

Ms. Sweeney provided information on the Partnership for Safe Water and the Self-Assessment of CAW's Distribution Department.

### **Finance**

Ms. Edwards provided a year-to-date financial update on utility operations.

## **BOARD BRIEFING**

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

## **ADJOURNMENT**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Barth, the meeting was adjourned at 4:00 p.m.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

**RESOLUTION NO. 2020-07**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF A WATER REVENUE BOND FOR THE PURPOSE OF FINANCING THE COST OF ACQUIRING THE WATER SYSTEM OWNED BY PARON-OWENSVILLE WATER AUTHORITY OF THE STATE OF ARKANSAS AND MAKING IMPROVEMENTS THERETO; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

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

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

WHEREAS, the Board of Commissioners of the Issuer has determined that the water system owned and operated by Paron-Owensville Water Authority of the State of Arkansas ("POWA") should be acquired by the Issuer and that improvements should be made thereto (the "Project"); and

WHEREAS, in order to finance the costs of the Project, including bond issuance costs and interest during construction, the Issuer is making arrangements for the sale of a bond in the maximum principal amount of \$6,050,000 to the Arkansas Development Finance Authority, as purchaser (the "Bondholder"), at a price of par for a bond pursuant to a Bond Purchase Agreement (the "Agreement") among the Issuer, the Bondholder and the Arkansas Natural Resources Commission ("Natural Resources"), which has been presented to and is before this meeting; and

WHEREAS, the Issuer has the following outstanding issues of revenue bonds: Refunding Water Revenue Bond, Series 2010A (2009 ANRC Project) (the "Series 2010A Bond"), Water Refunding Revenue Bonds, Series 2010C (Watershed Protection Project) (the "Series 2010C Bonds"), Water Revenue Bond, Series 2011A (Wye Mountain Extension Project) (the "Series 2011A Bond"), Capital Improvement Water Revenue Bonds, Series 2012A (the "Series 2012A Bonds"), Refunding Water Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), Refunding Water Revenue Bonds, Series 2015 (the "Series 2015 Bonds"), Refunding Water Revenue Bonds, Series 2016 (the "Series 2016 Refunding Bonds"), Acquisition and Construction Water Revenue Bonds (Maumelle Water System Acquisition Project), Series 2016 (the "Series 2016 Maumelle Bonds"), Water Revenue Bond (Wilson Pump Station #1A Project), Series 2017A (the "Series 2017A Bond"), Water Revenue Bond, Series 2018A (the "2018A Centennial Bond"), Capital Improvement Water Revenue Bonds, Series 2018B (the "Series 2018B Bonds") and Water Revenue Bond (Ozark Point Water Treatment Plant Project), Series 2019A (the "Series 2019A Bond"); and

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

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

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

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

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

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

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

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

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

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

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

"Net POWA Revenues" means all POWA Revenues less Operation and Maintenance Costs allocated by the Issuer to the POWA system.

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

"Parity Debt" means any future debt obligations of the Issuer incurred in compliance with Section 24(d) of this Resolution and secured and payable on a parity of security with the bond.

"POWA" means the Paron-Owensville Water Authority of the State of Arkansas.

"POWA Long-Term Debt Surcharge Revenues" means 100% of the collections of the long-term surcharge levied by the Issuer pursuant to Resolution No. 2019-15 for collection from customers within the POWA System service area.

"POWA Rate Covenant Requirement" has the meaning specified in Section 7(e) hereof.

"POWA Revenues" means the portion of Revenues derived from the POWA System including the POWA Long-Term Debt Surcharge Revenues.

"POWA Subordinate Indebtedness" means bonds, notes or other terms of indebtedness for payment of the principal of or interest or redemption premium on which are payable solely from

moneys in the POWA Account of the Revenue Fund after payment of all periodic obligations hereunder or under the provisions of any Parity Debt.

"POWA System" means the water collection, holding, treatment and distribution system currently owned, operated and managed by and acquired from POWA and any extensions, betterments and improvements of such system.

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

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

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

"Revenues" means all revenues, fees, income, rents, and receipts derived by the Issuer from the System, including without limitation any proceeds of the Issuer from the sale of any property of the System permitted under this Resolution, including the proceeds of any insurance covering business interruption loss. Revenues also include all interest, profits, or other income derived from the investment of any moneys held pursuant to this Resolution, and any trust indenture securing the Parity Debt, the Series 2016 Maumelle Bonds or other Subordinated Indebtedness and required to be paid into the Revenue Fund and the proceeds of any interest subsidy with respect to the bond, Parity Debt, Series 2016 Maumelle Bonds or other Subordinated Indebtedness paid to or for the account of the Issuer by any governmental body or agency. Revenues shall not include: (a) Grant Aid; (b) proceeds received on insurance resulting from casualty damage to assets of the System; (c) rentals or other charges derived by the Issuer under and pursuant to a lease or leases relating to Special Purpose Facilities; (d) the proceeds of sale of the bond, the Parity Debt, the Series 2016 Maumelle Bonds or other Subordinated Indebtedness, or other obligations issued for System purposes; (e) the proceeds of the Watershed Protection Fee; or (f) franchise fees. From and after the Stabilized Net Revenues Adjustment Date, the preceding sentence within the definition of "Revenues" shall read as follows: Revenues shall not include (a) Grant Aid; (b) proceeds received on insurance resulting from casualty damage to assets of the System; (c) rentals or other charges derived by the Issuer under and pursuant to a lease or leases relating to Special Purpose Facilities; (d) the proceeds of sale of the bond, Parity Debt, Subordinate Indebtedness (excluding the Series 2016 Maumelle Bonds) or other obligations issued for System purposes; (e) the proceeds of the Watershed Protection Fee; (f) franchise fees; or (g) Special Debt Retirement Charge Revenues.

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

"Senior Parity Debt" means the Series 2010A Bond, the Series 2010C Bonds, the Series 2011A Bond, the Series 2012A Bonds, the Series 2014 Bonds, the Series 2015 Bonds, the Series 2016 Refunding Bonds, the Series 2017A Bond, the Series 2018A Centennial Bond, the Series 2018B Bonds, the Series 2019A Bond and any future debt obligations of the Issuer incurred in compliance with Section 24(b) of this Resolution and secured and payable on a parity of security with such bonds.

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

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

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

"Special Purpose Bonds" means (i) such other bonds, notes or other interest bearing obligations to which a portion of the Revenues are pledged, and the proceeds of which are used to finance the design, acquisition, and construction of facilities or projects as the Issuer shall by resolution designate as a Special Purpose Facility, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds as contemplated and permitted by Section 24(d) of this Resolution, or (ii) such other bonds to which the Watershed Protection Fee is pledged and the proceeds of which are used to finance the acquisition of land within the watershed of Lake Maumelle or the design, acquisition, and construction of facilities or projects as the Issuer shall by resolution deem necessary or advisable for protection of water quality within Lake Maumelle.

"Special Purpose Facility" means (a) additional water sources, including but not limited to, a new lake; or (b) such other facilities or projects as the Issuer shall by resolution designate as a Special Purpose Facility, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds of the Issuer as contemplated and permitted by Section 24(d) of this Resolution.

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

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



Debt Retirement Charge Revenues from the pledge in favor of the Series 2010A Bond and the Series 2011A Bond.

"Subordinate Indebtedness" shall mean the Series 2016 Maumelle Bonds and other bonds, notes, or other forms of indebtedness, the payment of the principal of or interest or redemption premium on which are payable solely from moneys after payment of all periodic obligations under the provisions of any Senior Parity Debt and not from moneys in the POWA Account in the Revenue Fund.

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

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

Section 2. The sale to the Bondholder of a bond from the Issuer in the maximum principal amount of \$6,050,000 at a price of par and otherwise subject to the terms and provisions hereafter in this Resolution set forth in detail be, and is hereby approved and the bond is hereby sold to the Bondholder. The Chair is hereby authorized and directed to execute and deliver the Agreement on behalf of the Issuer and to take all action required on the part of the Issuer to fulfill its obligations under the Agreement. The Agreement is hereby approved in substantially the form submitted to this meeting with such changes as may be approved by the Chair of the Issuer, his execution to constitute complete evidence of such approval.

Section 3. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly the Authorizing Legislation, Central Arkansas Water Revenue Bond (POWA Project), Series 2020A (the "bond") is hereby authorized and ordered issued in the maximum principal amount of \$6,050,000 the proceeds of the sale of which will be used to finance costs of the Project, pay expenses incidental thereto, fund interest during construction and pay expenses of issuing the bond.

The bond shall be dated the date of delivery to the Bondholder. The bond shall bear interest at the rate of 0.75% per annum based upon a 360-day year of twelve consecutive 30-day months. Interest shall be payable each April 15 and October 15 after the Bond is issued. Principal shall be payable in installments on April 15, 2023 and on each April 15 and October 15 thereafter until the unpaid principal is paid in full as follows:

<u>Date</u>	<u>Principal</u>	<u>Date</u>	<u>Principal</u>
April 15, 2023	\$126,976	April 15, 2033	\$151,146
October 15, 2023	128,088	October 15, 2033	152,467
April 15, 2024	129,208	April 15, 2034	153,802
October 15, 2024	130,339	October 15, 2034	155,148
April 15, 2025	131,479	April 15, 2035	156,505
October 15, 2025	132,629	October 15, 2035	157,875
April 15, 2026	133,791	April 15, 2036	159,256
October 15, 2026	134,961	October 15, 2036	160,650
April 15, 2027	136,142	April 15, 2037	162,055
October 15, 2027	137,333	October 15, 2037	163,473
April 15, 2028	138,535	April 15, 2038	164,904
October 15, 2028	139,747	October 15, 2038	166,346
April 15, 2029	140,970	April 15, 2039	167,802
October 15, 2029	142,203	October 15, 2039	169,270
April 15, 2030	143,448	April 15, 2040	170,751
October 15, 2030	144,702	October 15, 2040	172,245
April 15, 2031	145,969	April 15, 2041	173,752
October 15, 2031	147,246	October 15, 2041	175,273
April 15, 2032	148,535	April 15, 2042	176,806
October 15, 2032	149,835	October 15, 2042	178,338

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

Payment of principal and interest shall be by check or draft mailed to the Bondholder at its address shown on the bond registration books of the Issuer which shall be maintained by the Secretary of the Issuer as Bond Registrar, without presentation or surrender of the bond (except upon final payment) and such payments shall discharge the obligation of the Issuer to the extent thereof. The Secretary of the Issuer shall keep a payment record and make proper notations thereon of all payments of principal and interest.

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

Section 4. The bond shall be executed on behalf of the Issuer by the Chair and Secretary of the Issuer and shall have impressed thereon the seal of the Issuer. The bond is not a general obligation of the Issuer but is a special obligation, the principal of and interest on which, and Financing Fee in connection therewith, are secured by a pledge of and are payable from Net POWA Revenues. The pledge of Net POWA Revenues is subordinate to the pledge in favor of the Senior Parity Debt. The bond and interest thereon shall not constitute an indebtedness of the Issuer within any constitutional or statutory limitation.

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

(form of single registered bond)

UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
CENTRAL ARKANSAS WATER  
WATER REVENUE BOND  
(POWA PROJECT),  
SERIES 2020A

No. R-1

\$6,050,000

KNOW ALL MEN BY THESE PRESENTS:

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

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

with interest on the unpaid balance of the total principal amount at the rate of 0.75% per annum based upon a 360 day year and twelve consecutive 30 day months. The principal and interest shall be payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America.

Interest on the unpaid balance of the total principal amount shall be payable on October 15, 2020 and on each April 15 and October 15 thereafter. Principal shall be payable in installments on April 15, 2023 and on each April 15 and October 15 thereafter until the unpaid principal is paid as follows:

<u>Date</u>	<u>Amount</u>
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(There will be inserted the schedule  
set forth in Section 3 of this Resolution.)

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

This bond is issued for the purpose of providing financing of the costs of acquiring the water system owned and operated by Paron-Owensville Water Authority of the State of Arkansas ("POWA") and making improvements thereto (the "Project"), interest during construction and costs of authorizing and issuing this bond, and is issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 25, Chapter 20, Subchapter 3 of the Arkansas Code of 1987 Annotated, and pursuant to Resolution No. 2020-07 of the Issuer, duly adopted and approved on the 14<sup>th</sup> day of May, 2020 (the "Authorizing Resolution"). Reference is hereby made to the Authorizing Resolution for the details of the nature and extent of the security and of the rights and obligations of the Issuer and the registered owner of this bond.

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

This bond may be prepaid at the option of the Issuer from funds from any source, in whole but not in part, at any time on and after \_\_\_\_\_ 15, 2030, at a prepayment price equal to the principal amount outstanding, plus accrued interest to the prepayment date. Notice shall be given of such prepayment to the owner of this bond or registered assigns at least 90 days prior to the prepayment date. Such notice shall be in writing mailed to the address of the owner of this bond or registered assigns at the address as reflected on the bond registration books of the Secretary of the Issuer.

This bond does not constitute an indebtedness of the Issuer within any constitutional or statutory limitation or provision and shall not constitute and indebtedness of, or pledge the faith and credit of, the State of Arkansas or the Cities of Little Rock and North Little Rock, Arkansas within the meaning of any constitutional provisions or limitations. This bond is a special obligation payable solely from the net revenues derived from the operation of the water system acquired from POWA, and extensions, betterments and improvements thereto (the "POWA System"), including a long-term debt surcharge to customers of POWA (the "Net POWA Revenues"). In this regard, the pledge of Net POWA Revenues is subordinate to the Senior Parity Debt identified in the Authorizing Resolution. A sufficient amount of Net POWA Revenues to pay principal and interest has been duly set aside and pledged as a special fund for that purpose, identified as the "ADFA Bond Fund," in the Authorizing Resolution. The Issuer has fixed and has covenanted and agreed to maintain rates for use of the System which shall be sufficient at all times to at least provide for the payment of the reasonable expenses of operation and maintenance of the System, provide for the payment of the principal of and interest on all the outstanding bonds to which System revenues are pledged as the same become due, to establish and maintain any required debt service reserves and to provide a depreciation fund, all as set forth in the Authorizing Resolution. The Issuer has also covenanted and agreed to maintain rates for the use of the POWA System, which shall be sufficient at all times to at least provide the payment of the reasonable

expenses of the POWA System, provide for the payment of the principal of and interest on the bond and any additional bonds secured solely by Net POWA Revenues.

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

IN WITNESS WHEREOF, Central Arkansas Water has caused this bond to be executed in its name by its Chair and Secretary, thereunto duly authorized, and its corporate seal to be affixed, all as of the 14th day of May, 2020.

CENTRAL ARKANSAS WATER

ATTEST

By Kandi Hughes  
Kandi Hughes, Chair

Jim McKenzie  
Jim McKenzie, Secretary/Treasurer  
(SEAL)

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

Section 6. The Issuer has heretofore fixed water rates by Resolution No. 2015-15, adopted October 8, 2015, Resolution No. 2016-06, adopted February 11, 2016, Resolution No. 2017-10, adopted September 14, 2017, Resolution No. 2018-13, adopted December 20, 2018, Resolution No. 2018-14, adopted December 20, 2018 and Resolution No. 2019-15, adopted December 12, 2019. Reference is hereby made to such Resolutions for the details thereof and other provisions pertaining thereto, which water rates are hereby confirmed and continued as provided therein. The rates in effect for water service at this time shall not be reduced without the prior written consent of Natural Resources and the Bondholder.

Section 7. (a) In order to assure full and continuous performance of the covenants contained herein with a margin for contingencies and temporary unanticipated reduction in Revenues, the Issuer covenants and agrees to establish, fix, prescribe, continue, and collect (directly or through leases, use agreements or other agreements, or licenses or resolutions) rates and charges for the sale of water furnished by the Issuer which, together with other income, are reasonably expected to yield available Revenues at least equal to the Rate Covenant Requirement for the forthcoming Fiscal Year. The term "Rate Covenant Requirement" shall mean: Stabilized

Net Revenues at least equal to the sum of (A) 120% of the Debt Service for the forthcoming Fiscal Year for the bond and any Senior Parity Debt and (B) 100% of the amounts, if any, required by the terms and conditions for any Senior Parity Debt to be deposited into applicable debt service reserve funds for such Senior Parity Debt during the forthcoming Fiscal Year.

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

(c) The Issuer has previously authorized, by the RSA Resolution, the creation of a separate fund of the Issuer designated as the Rate Stabilization Account in order to even out fluctuations in Revenues and help to alleviate the need for short-term adjustments. Moneys in the Rate Stabilization Account will be transferred as determined from time to time by the Issuer. The Issuer may make payments into the Rate Stabilization Account and make withdrawals from the Rate Stabilization Account as provided in the RSA Resolution and as provided in Section 21. For purposes of defining Stabilized Net Revenues, amounts deposited into the Rate Stabilization Account shall decrease Revenues for the Fiscal Year for which they are deposited, and amounts withdrawn from the Rate Stabilization Account shall increase Revenues for the Fiscal Year for which they are withdrawn. Credits to or withdrawals from the Rate Stabilization Account that occur within 90 days after the end of a Fiscal Year may be treated as occurring within such Fiscal Year. The Issuer shall transfer moneys held within the Rate Stabilization Account to the Revenue Fund at such time and in such amounts as may be necessary to pay Operation and Maintenance Costs and to provide Revenues to enable the Issuer to satisfy any of its obligations required by any Senior Parity Debt.

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

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

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

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

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

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

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

prudent management and the so that rights and security of the owner of the bond may be fully protected and preserved.

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

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

Section 14. After paying the Operation and Maintenance Costs as they become due, there shall be paid as a second charge on the Revenue Fund, from amounts on deposit in the Revenue Fund, the amounts required to be paid monthly into the bond funds for the Senior Parity Debt. To the extent available, the monthly payments required by this Section shall be paid from moneys in the Revenue Fund outside of the Long Term Debt Surcharge Revenue Account and the POWA Revenue Account.

Section 15. As a third charge on the Revenue Fund, there shall be paid monthly from moneys in the Revenue Fund into the debt service reserve funds established for the benefit of any Senior Parity Debt, in the event that there are draws from the debt service reserve funds established for the benefit of any Senior Parity Debt to pay principal of or interest on any outstanding Senior Parity Debt, the amount, if any, required to restore the balance in the debt service reserve funds established for the benefit of Senior Parity Debt in 12 consecutive monthly payments to the reserve requirements established with respect to Senior Parity Debt, as applicable; provided that if there are not sufficient moneys to satisfy the requirements of this subsection with respect to all series of Senior Parity Debt bond issues, all moneys available for distribution among such series of Senior Parity Debt bonds shall be distributed on a pro rata basis to the deficient debt service reserve accounts by the proportion that the deficiency for each series of bond issues bears to the total deficiency for all such accounts. To the extent available, the monthly payments required by this Section shall be paid from moneys in the Revenue Fund outside of the Long Term Debt Surcharge Revenue Account and the POWA Revenue Account.

Section 16. There shall be paid monthly as a fourth charge on the Revenue Fund from moneys in the Revenue Fund the financing fees in connection with Senior Parity Debt, to the Authority. The financing fees shall be payable on each date interest on the Senior Parity Debt is due and shall be calculated on the same basis as interest on the Senior Parity Debt. The payment of the financing fees is expressly made subordinate to the payment of the principal of and interest on the Senior Parity Debt. To the extent available, the monthly payments required by this Section shall be paid from moneys in the Revenue Fund outside of the Long Term Debt Surcharge Revenue Account and the POWA Revenue Account.

Section 17. As a fifth charge on the Revenue Fund, but only to the extent of moneys available in the Long Term Debt Surcharge Account in the Revenue Fund, the various deposits and transfers required by the indenture securing the Series 2016 Maumelle Bonds, including



deposits and transfers to the bond fund and debt service reserve fund established for the benefit of the Series 2016 Maumelle Bonds. From and after the Stabilized Net Revenues Adjustment Date, moneys in the Long-Term Debt Surcharge Account (i) shall only be used to make deposits and transfers to the bond fund and debt service reserve fund established for the benefit of the Series 2016 Maumelle Bonds and (ii) shall no longer be subject to the lien and pledge securing the Senior Parity Debt.

Section 18. (a) As a sixth charge on the Revenue Fund, but only to the extent of moneys available in the POWA Account in the Revenue Fund, there shall be paid into an account of the Issuer in a special fund to be created by the Bondholder and designated "Series 2020A" (the "ADFA Bond Fund") for the purpose of paying the principal of and interest on the bond the amounts specified in (b) below.

(b) There shall be deposited from proceeds of the bond or, at the direction of the Issuer, from moneys in the POWA Account in the Revenue Fund, into the ADFA Bond Fund on each April 15 and October 15 after the bond is issued and delivered until October 15, 2020, the interest due on the bond on such dates. Commencing on each April 15 and October 15 thereafter, there shall be deposited from money in the POWA Account into the AFDA Bond Fund, an amount equal to the principal and interest on of the bond then due.

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

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

(e) Also as a sixth charge on the Revenue Fund, but only to the extent of moneys in the POWA Account in the Revenue Fund, there shall be paid the amounts required to be paid monthly into the bond funds established for any Parity Debt.

(f) If there are not sufficient moneys to satisfy the requirements of this Section 18 with respect the bond and all Parity Debt, all moneys available for distribution among such Parity Debt and the bond shall be distributed on a pro rata basis to the deficient bond funds; such distribution to be determined by multiplying the amount available for distribution by the proportion that the deficiency for each bond series bears to the total deficiency for all bond series.

Section 19. There shall be paid monthly as a seventh charge on the Revenue Fund from moneys in the Revenue Fund the Financing Fee and all other financing fees in connection with Parity Debt, to the Authority. The Financing Fee shall be payable on each date interest on the bond is due and shall be calculated on the same basis as interest on the bond. The payment of the

Financing Fee is expressly made subordinate to the payment of the principal of and interest on the bond and the Senior Parity Debt.

Section 20. As an eighth charge on the Revenue Fund, there shall be paid monthly from moneys in the Revenue Fund into the Depreciation Fund, an amount calculated as follows: a flat three percent (3%) of water consumption-based revenues and private fire service revenues (including wholesale revenues). The Depreciation Fund shall be used for replacements and repairs to the System.

Section 21. Moneys in the Revenue Fund in excess of the amounts required to be transferred monthly pursuant to Sections 13 through 20 of this Resolution may be utilized by the Issuer for any lawful System purpose, including deposits to the Rate Stabilization Account pursuant to Section 7. Money in the Rate Stabilization Account shall be used as provided in the RSA Resolution.

Section 22. The Issuer shall assure that (i) not in excess of 10% of the proceeds of the bond is used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the bond during the term thereof is, under the terms of the bond or any underlying arrangement, directly or indirectly secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed moneys used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the proceeds of the bond are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the bond during the term thereof is, under the terms of the bond or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of proceeds of the bond used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Improvements.

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

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

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

Section 23. The principal and interest installments shall be prepayable prior to maturity as provided in the bond form in Section 5 hereof.

Section 24. (a) As long as the bond is outstanding, the Issuer shall not issue or attempt to issue any bonds having or claimed to be entitled to a priority of lien on Revenues or Stabilized Net Revenues over the lien securing the Senior Parity Debt.

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

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

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

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

(c) As long as the bond is outstanding, the Issuer shall not issue or attempt to issue any bonds secured solely by a pledge of Net POWA Revenues having or claimed to be entitled to a priority of lien on POWA Revenues or Net POWA Revenues over the lien securing the bond.

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

(1) The average annual Net POWA Revenues for the immediately preceding two calendar years exceed an amount equal to not less than the sum of (i) 120% of the average annual debt service of the bond and the outstanding Parity Debt, and (ii) the maximum annual debt service on the proposed Parity Debt; or

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

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

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

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

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

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

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

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

(3) The Special Purpose Bonds referred to in this subsection shall be payable as to principal, redemption premium, if any, and interest solely from Watershed Protection Fees. No such Special Purpose Bonds shall be issued by the Issuer to finance projects that may be funded by the Watershed Protection Fee unless there shall have been filed with the Issuer a Water Consultant's Certificate stating that the Watershed Protection Fees to be derived by the Issuer on an annual basis will be at least sufficient to pay the principal of and interest on such Special Purpose Bonds as and when the same become due and payable, and all sinking fund, reserve, or other payments required by the resolution authorizing the Special Purpose Bonds as the same become due.

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

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

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

Section 25. It is covenanted and agreed by the Issuer with the Bondholder, the Authority and Natural Resources that it will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State and by this Resolution, including, without limitation, the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, segregating Revenues and applying them to the respective funds maintained pursuant to the this Resolution.

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

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

default or an acquiescence therein; and every power and remedy given by this Resolution to the Bondholder may be exercised from time to time and as often as may be deemed expedient.

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

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

Section 26. When the bond has been executed and sealed as herein provided, it shall be delivered to the Bondholder upon payment of all or a portion of the purchase price in accordance with the Agreement. Sales proceeds in the amount necessary to make all or a portion of the semiannual interest and Financing Fee payments due on each April 15 and October 15 to and including October 15, 2022 shall be applied, unless otherwise directed by the Issuer, to the payment of Financing Fees and interest on the bond on such dates. The balance of the sale proceeds shall be deposited, as and when received, in a special account of the Issuer hereby created in a bank that is a member of the Federal Deposit Insurance Corporation and designated the "2020A Water Construction Fund" (the "Construction Fund"). The moneys in the Construction Fund shall be used for reimbursing the Issuer for the costs of the Project and the expenses of issuing the bond approved in accordance with the Agreement. Payments from the Construction Fund shall be by check or voucher signed by a person designated by the Issuer, and drawn on the depository. Each such check or voucher shall briefly specify the purpose of the expenditure.

Section 27. The terms of this Resolution shall constitute a contract among the Issuer, the Bondholder and Natural Resources and no variation or change in the undertaking herein set forth shall be made while the bond is outstanding unless consented to in writing by the Bondholder and Natural Resources.

Section 28. The Issuer agrees that it will keep proper records, books and accounts relating to the operation of the System, which shall be kept separate from all other records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the operation of the System in accordance with generally accepted government accounting standards. Such books shall be available for inspection by the Bondholder and Natural Resources, or the agent or the representative of either, at reasonable times and under reasonable circumstances. The Issuer agrees to have its financial statements audited annually by an independent certified public accountant or the Legislative Joint Auditing Committee, Division of Legislative Audit of the State of Arkansas. The Issuer shall within 180 days after the end of each Fiscal Year file with the Authority and Natural Resources its annual audited financial statements. If the Issuer's audited financial statements are not available by such date, the Issuer shall file such audited financial statements with the Authority and Natural Resources within 60 days after receipt

thereof by the Issuer. The revenues and expenses of the POWA System shall be separately identified in the financial statements.

Section 29. The Issuer covenants and agrees that it will maintain the System in good condition and operate it in an efficient manner and at reasonable cost. The Issuer agrees that, to the extent comparable protection is not otherwise provided to the satisfaction of the Bondholder and Natural Resources, it will insure, and at all times keep insured in a responsible insurance company or companies selected by the Issuer and authorized and qualified under the laws of the State to assume the risk thereof, all above-ground structures of the System against loss or damage thereto in amounts and against such risks as are customarily insured against in connection with similar facilities and undertakings as the System. In the event of loss, the proceeds of such insurance shall be applied solely toward the reconstruction, replacement or repair of the System, and in such event the Issuer will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement and repair work.

Section 30. The provisions of this Resolution are hereby declared to be separable, and if any provision shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of this Resolution.

Section 31. Reference in this Resolution to "Bondholder" shall include the original Bondholder or any registered assign thereof.

Section 32. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: May 14, 2020.

ATTEST

By Kandi Hughes  
Kandi Hughes, Chair

Jim McKenzie  
Jim McKenzie, Secretary/Treasurer  
(SEAL)

CERTIFICATE

The undersigned, Secretary of Central Arkansas Water, hereby certifies that the foregoing pages are a true and perfect copy of Resolution No. 2020-07, adopted at a regular session of the Board of Commissioners of Central Arkansas Water, held at the regular meeting place in the City of Little Rock, Arkansas at 2:00 o'clock p.m., on the 14<sup>th</sup> day of May, 2020.

GIVEN under my hand and seal on this 14<sup>th</sup> day of May, 2020.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

(SEAL)



**RESOLUTION 2020-08**

**A RESOLUTION AFFIRMING THE DEBT SURCHARGE APPLICABLE TO CENTRAL ARKANSAS WATER CUSTOMERS WITHIN THE PARON-OWENSVILLE WATER AUTHORITY SERVICE TERRITORY; AND FOR OTHER PURPOSES**

WHEREAS, on December 12, 2019, the Board of Commissioners of Central Arkansas Water (“CAW”) adopted Resolution 2019-15 establishing a schedule of rates for Central Arkansas Water within the Paron-Owensville Water Authority (“POWA”) service territory; and

WHEREAS, Resolution 2019-15 established a **not to exceed** schedule of debt surcharges by meter size to be established by the Chief Financial Officer, and affirmed by the Board of Commissioners of CAW; and

WHEREAS, the Chief Financial Officer has recommended the debt surcharge set forth below;

**NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER AFFIRMS THE DEBT SURCHARGE FOR CENTRAL ARKANSAS WATER CUSTOMERS WITHIN THE WATER SERVICE TERRITORY ESTABLISHED BY POWA AS FOLLOWS:**

Section 1. *Debt Surcharge.* Pursuant to and in accordance with Section 3 of Resolution 2019-15 of the CAW Board of Commissioners, in addition to the Minimum Monthly Charges, other rates and charges as set forth therein, CAW shall also assess the following debt surcharge on each meter within the service territory established by POWA. The debt surcharge will continue until the debt associated with POWA is repaid.

Surcharge	\$11.00
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Section 2. *Severability.* The provisions of this Resolution are separable, and if any portion, section, provision, or phrase of this Resolution shall be declared invalid or unconstitutional, such action shall not affect the validity of the remainder of this Resolution.

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

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

ADOPTED: May 14, 2020

ATTEST:

  
Jim McKenzie, Secretary/Treasurer

APPROVED:

  
Kandi Hughes, Chair



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

June 11, 2020

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, June 11, 2020, via Teams and in the Maryland Avenue Training Center located at 1500 W. Maryland Avenue, North Little Rock, Arkansas.

**Via Teleconferencing:**

Ms. Kandi Hughes, Chair  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner  
Mr. Kevin Newton, Commissioner

**Present:**

Mr. Anthony Kendall, Vice Chair  
Mr. Jim McKenzie, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jeremy Sparks, Chief Innovation Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Mr. Danny Dunn, Director of Distribution  
Mr. Ken Oginski, Distribution Supervisor  
Mr. Stephen Sullivan, Distribution Supervisor  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Samantha Williams, Communications Specialist & Brand Manager  
Ms. Chelsea Odle, Media Specialist  
Ms. Mary Dyson, Management Secretary

**CAW Staff via Teleconferencing or Livestream:**

Mr. Sam Zehtaban, Director of Water Production  
Mr. Chris Shahan, Assistant Director of Distribution  
Mr. Alex Harper, GIS Manager  
Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Bridgette Johnson, Buyer II  
Ms. Lauren Schallhorn, Controller  
Mr. Leo O'Bannion, General Accountant  
Mr. Todd Fisher, Finance Manager

**Also, in Attendance via Teleconferencing or Livestream:**

Ms. Rachel Herzog, AR Democrat-Gazette  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Ms. Mary Carol Poole, Paschall Strategic Communication  
Mr. Paul Strickland, P.E., Garver Engineers

**CALL TO ORDER**

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

**BEHAVIOR OF THE WEEK**

Mr. Sullivan made a short presentation on the HIVIP behavior of the week, "Properly & Consistently Train".

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Barth, the minutes of the May 14, 2020, Regular Meeting were unanimously approved.

**OLD BUSINESS**

**Resolution to Amend the Debt Surcharge to CAW Customers within the Paron-Owensville Water Authority Service Territory**

Mr. Mascagni requested Board approval amending Resolution 2020-08 establishing the debt surcharge for CAW Customers within the POWA Service Territory at \$5.50 per month commencing June 2020, and then increasing to an amount not-to-exceed \$11.00 per month in January 2022.

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

**Presentation on Existing Long-Term Debt and the Potential for Restructuring of Existing Debt and Issuance of Additional Debt for Capital Improvements**

Mr. Bohannon made a presentation on CAW's existing long-term debt and the potential for restructuring of existing debt together with the issue of new debt to achieve CAW's long-term goals for sustainability in the development of CAW's 2050 Strategic Plan.

**Presentation on Long-Term Affordability as a Major Consideration in the Preparation of CAW's 2050 Strategic Plan**

Mr. Bohannon made a presentation on affordability issues and considerations in the development of CAW's 2050 Strategic Plan.

**Presentation on Long-Term Economic Sustainability as a Major Consideration in the Preparation of CAW's 2050 Strategic Plan**

Mr. Bohannon made a presentation on the definition of Economic Sustainability and the key performance indicators CAW will need to establish and achieve to meet CAW's goal of long-term sustainability when developing CAW's 2050 Strategic Plan.

Presentation on CAW's System Development Charges as a Major Consideration in the Preparation of CAW's 2050 Strategic Plan

Mr. Mascagni made a presentation on the purpose and use of System Development Charges as one of the many financial tools for achieving long-term economic sustainability when developing CAW's 2050 Strategic Plan.

**NEW BUSINESS**

Resolution Reappointing Jim McKenzie as a Commissioner from Little Rock

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Barth, after due consideration and discussion, the Resolution reappointing Commissioner McKenzie to a seven-year term beginning July 1, 2020, was unanimously approved.

Appointment of 2020-2021 Officers

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Newton, after due consideration and discussion, the Board Officers for the 2020-2021 term beginning July 1, 2020, was unanimously approved.

Mr. Tony Kendall – Chair  
Mr. Jim McKenzie – Vice Chair  
Mr. Kevin Newton – Secretary/Treasurer

**CONTRACTS/PURCHASES**

Business Insurance Coverage

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner McKenzie, after due consideration and discussion, the second year of a three-year contract in the amount of \$321,254 for business insurance coverage with the Insurance Center, Inc. was unanimously approved.

Real Estate Offers and Acceptances for Purchase of Approximately 2.8 Acres Consisting of Twenty-One (21) Parcels in Downtown Little Rock Between S. Ringo St. and S. Pulaski St., North of W. 3rd St. and South of W. Markham St. for CAW Offices and Redevelopment of Vacant Lots to Improve Utilization of Stranded Utility Infrastructure

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Kendall, after due consideration and discussion, this item will be postponed until October 15, 2020. The postponement was approved on a 6-1 vote. Those Commissioners voting aye were, Chair Hughes, Commissioners Kendall, McKenzie, Barth, Hartman, and Newton. Commissioner Smith voted nay to postpone.

Real Estate Offer and Acceptance for the Purchase of Prospective Water Treatment Plant Site in Ferndale

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Kendall, after due consideration and discussion, a Real Estate Offer and Acceptance with Bryan Hosto and Ferndale Cutoff, LLC for the purchase of seventy-four (74) acres of real property in Ferndale for \$2,250,000.34 was unanimously approved.

### Renovation of the Caretakers Cottage at Lake Winona

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Barth, after due consideration and discussion, a construction contract with Jones Construction in the amount of \$312,000 for renovation of the Caretakers Cottage at Lake Winona was unanimously approved.

### DEPARTMENT UPDATES

#### Finance

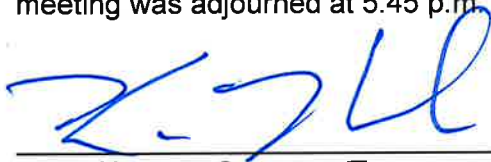
Ms. Edwards provided a year-to-date financial update on utility operations.

### BOARD BRIEFING

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

### ADJOURNMENT

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, the meeting was adjourned at 5:45 p.m.



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Kevin Newton, Secretary/Treasurer

**RESOLUTION 2020-09**

**A RESOLUTION REDUCING THE DEBT SURCHARGE APPLICABLE TO CENTRAL ARKANSAS WATER CUSTOMERS WITHIN THE PARON-OWENSVILLE WATER AUTHORITY SERVICE TERRITORY FOR NINETEEN MONTHS; AND FOR OTHER PURPOSES**

WHEREAS, on December 12, 2019, the Board of Commissioners of Central Arkansas Water (“CAW”) adopted Resolution 2019-15 establishing a schedule of rates for Central Arkansas Water within the Paron-Owensville Water Authority (“POWA”) service territory; and

WHEREAS, Resolution 2019-15 established a **not to exceed** schedule of debt surcharges by meter size to be established by the Chief Financial Officer, and affirmed by the Board of Commissioners of CAW; and

WHEREAS, Resolution 2020-08 affirmed the debt surcharge in the amount of \$11.00 per customer per month; and

WHEREAS, the Chief Financial Officer has recommended reducing the \$11.00 debt surcharge for nineteen months as set forth below:

**NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER REDUCES THE DEBT SURCHARGE FOR CENTRAL ARKANSAS WATER CUSTOMERS WITHIN THE WATER SERVICE TERRITORY ESTABLISHED BY POWA FOR NINETEEN MONTHS AS FOLLOWS:**

Section 1. *Debt Surcharge.* Pursuant to and in accordance with Section 3 of Resolution 2019-15 of the CAW Board of Commissioners, in addition to the Minimum Monthly Charges, other rates and charges as set forth therein, CAW shall also assess the following debt surcharge on each meter monthly within the service territory established by POWA. The debt surcharge will continue until the debt associated with POWA is repaid.

<b>Description</b>	<b>Amount</b>	<b>Effective Date</b>
Debt Surcharge	\$5.50	June 1, 2020
Debt Surcharge	\$11.00	January 1, 2022



Section 2. *Severability.* The provisions of this Resolution are separable, and if any portion, section, provision, or phrase of this Resolution shall be declared invalid or unconstitutional, such action shall not affect the validity of the remainder of this Resolution.

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

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

ADOPTED: June 11, 2020

ATTEST:

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

  
\_\_\_\_\_  
Kandi Hughes, Chair

CERTIFICATE

STATE OF ARKANSAS )  
  ) ss  
COUNTY OF PULASKI )

I, Jim McKenzie, Secretary/Treasurer of the Board of Commissioners of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution #2020-09 of the Board of Commissioners of Central Arkansas Water, entitled: **A RESOLUTION REDUCING THE DEBT SURCHARGE APPLICABLE TO CENTRAL ARKANSAS WATER CUSTOMERS WITHIN THE PARON-OWENSVILLE WATER AUTHORITY SERVICE TERRITORY FOR NINETEEN MONTHS; AND FOR OTHER PURPOSES**, adopted June 11, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of June 2020.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

**RESOLUTION 2020-10**

**A RESOLUTION RE-APPOINTING MR. JIM MCKENZIE TO THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER AND FOR OTHER PURPOSES**

WHEREAS, the term of Mr. Jim McKenzie, a member of the Board of Commissioners of Central Arkansas Water ("CAW Board"), expires on June 30, 2020; and

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

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER, THAT** the remaining Commissioners do hereby reappoint Mr. Jim McKenzie to a seven-year term, subject to confirmation by the duly elected and qualified members of the Board of Directors of the City of Little Rock and the City Council of the City of North Little Rock, and that his term of office shall be through June 30, 2027.

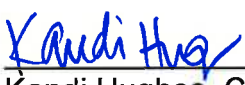
**BE IT FURTHER RESOLVED THAT** the Board of Directors of the City of Little Rock and the City Council of the City of North Little Rock be requested to confirm this appointment.

ADOPTED: June 11, 2020

Attest:

  
\_\_\_\_\_  
Tony Kendall, Vice Chair

APPROVED:


  
\_\_\_\_\_  
Kandi Hughes, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Tony Kendall, Vice Chair of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2020-10 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION RE-APPOINTING MR. JIM MCKENZIE TO THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER AND FOR OTHER PURPOSES**, adopted June 11, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of June 2020.



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Tony Kendall, Vice Chair  
Central Arkansas Water Board of Commissioners

**RESOLUTION 2020-11**

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

WHEREAS, the Chief Executive Officer of Central Arkansas Water ("CAW"), on behalf of CAW, executed a contract for the purchase by CAW from Bryan Hosto and Ferndale Cutoff, LLC ("Sellers") of seventy-four (74) vacant acres of land ("Property"); and

WHEREAS, execution of the contract entered by CAW and Sellers is contingent on the approval of the purchase of the Property by the Board of Commissioners; and

WHEREAS, the Board of Commissioners based upon the recommendations of staff, has determined that acquiring the Property is in the best interest of CAW and its ratepayers.

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

Section 1. The contract between CAW and Sellers for the conveyance of the Property for a purchase price of Two Million Two Hundred Fifty Thousand and 34/100 Dollars (\$2,250,000.34) plus a customary allocation of closing costs (collectively, the "Purchase Price") is hereby approved.

Section 2. Each of the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer is hereby authorized and directed to deliver the Purchase Price monies and to execute and acknowledge documents as necessary to consummate the transaction.

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

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

ADOPTED: June 11, 2020

Attest:

APPROVED:

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer

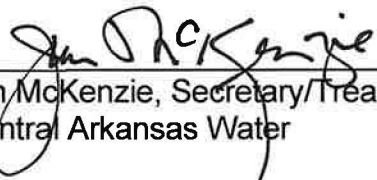
  
\_\_\_\_\_  
Kandi Hughes, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Jim McKenzie, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2020-11 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION AUTHORIZING PURCHASE OF PROPERTY, AND OTHER MATTERS RELATED THERETO**, adopted June 11, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of June 2020.

  
\_\_\_\_\_  
Jim McKenzie, Secretary/Treasurer  
Central Arkansas Water

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

July 16, 2020

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, July 16, 2020, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Mr. Anthony Kendall, Chair

**Via Teleconferencing:**

Mr. Kevin Newton, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Ms. Kandi Hughes, Commissioner  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner

**Absent:**

Mr. Jim McKenzie, Vice Chair

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Mr. Ben West, Safety Specialist  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Jane Hurley, Education and Outreach Specialist  
Ms. Chelsea Boozer, Media Specialist  
Ms. Mary Dyson, Management Secretary

**CAW Staff via Teleconferencing or Livestream:**

Mr. Sam Zehtaban, Director of Water Production  
Mr. Chris Shahan, Assistant Director of Distribution  
Ms. Samantha Williams, Communications Specialist & Brand Manager  
Mr. Doug Graham, Optimization Manager  
Mr. Vince Guillet, Senior Project Manager  
Mr. Alex Harper, GIS Manager  
Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Jackie Callahan, Billing Account Supervisor  
Mr. Leo O'Bannion, General Accountant  
Mr. Terry Frazier, Customer Service Assistant Supervisor

Mr. Todd Fisher, Finance Manager

**Also, in Attendance via Teleconferencing or Livestream:**

Mr. Michael Moosavi, EMA, Inc.  
Mr. Bill Rivers, EMA, Inc.  
Mr. Sandip Basu, EMA, Inc.  
Mr. Barry Dunphy, Cayenta  
Ms. Rachel Herzog, AR Dem-Gaz  
Mr. Paul Strickland, P.E., Garver Engineers

**Also, in Attendance**

Mr. Joe White, TWK Investments, Inc.

**CALL TO ORDER**

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

**COMMISSIONER RECOGNITION**

Chair Kendall presented to Commissioner Barth, a pin commemorating his one-year of service on the Board. Chair Kendall thanked Commissioner Barth for his service.

**BEHAVIOR OF THE WEEK**

Mr. West made a short presentation on the HIVIP behavior of the week, "Increase Customer Confidence".

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Hughes, the minutes of the June 11, 2020, Regular Meeting were unanimously approved.

**OLD BUSINESS**

**Presentation on Workforce Diversity, Equity, & Inclusion in Preparation for CAW's 2050 Strategic Plan**

Mr. Bohannon made a short presentation on current workforce diversity, equity, and inclusion efforts, and stated that staff will revisit the subject matter again after the new Special Advisor to the CEO on Diversity, Equity, Inclusion, and Engagement is onboarded.

**Presentation on Use of Technology by Water Systems and CAW's IT Master Plan in Preparation for CAW's 2050 Strategic Plan**

Mr. Bohannon deferred this presentation to a later date.

**Pinnacle Project Update**

Mr. Mascagni made a presentation on software implementation progress to date and requested Board approval of change orders associated with revised go-live date from July 2020, to April 5, 2021, with Cayenta in the amount of \$331,360 and EMA in the amount of \$135,083.



Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hartman, the change orders were unanimously approved.

## **NEW BUSINESS**

### **COVID-19 Economic Impact Analysis**

Ms. Edwards made a presentation on the suspension of account shut-offs and the economic impact of the COVID-19 pandemic.

## **CONTRACTS/PURCHASES**

### **Real Estate Offer and Acceptance for Purchase of the Building Located at 112 S. Cross Street**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Hughes, after due consideration and discussion, postponement of this item until October 15, 2020, was unanimously approved.

### **Purchase of Conservation Easement on 200 Acres of Property in the Lake Maumelle Watershed**

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Barth, after due consideration and discussion, the purchase of a conservation easement on 200 acres of real property in the proximity of the north shore of Lake Maumelle from TWK Investments, Inc., for \$880,000 was unanimously approved.

### **Ozark Point WTP Fluoride Media Conversion**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Newton, after due consideration and discussion, a change order to an existing construction contract with Max Foote Construction in the amount of \$282,000 for the fluoride media conversion at Ozark Point Water Treatment Plant was unanimously approved.

## **DEPARTMENT UPDATES**

### **Finance**

Ms. Edwards provided a year-to-date financial update on utility operations.

### **Operations**

Mr. Weindorf provided an update on matters pertaining to Operations.

### **Public Affairs and Communications**

Ms. Hurley provided an update on matters pertaining to Public Affairs and Communications.

## **BOARD BRIEFING**

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

## **EXECUTIVE SESSION**

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

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

## **ADJOURNMENT**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Smith, the meeting was adjourned at 4:47 p.m.



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Kevin Newton, Secretary/Treasurer

**RESOLUTION 2020-12**

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

WHEREAS, Central Arkansas Water ("CAW"), by and through its Chief Executive Officer acting on behalf of CAW, and TWK Investments, Inc. ("Seller") have negotiated but have not finalized the purchase by CAW from Seller of a conservation easement upon two hundred (200) acres of real property within the Lake Maumelle Watershed along the south side of Penny Lane in Pulaski County, Arkansas ("Property"); and

WHEREAS, the Board of Commissioners based upon the recommendations of staff has determined that acquiring the Property is in the best interest of CAW and its ratepayers.

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

Section 1. The purchasing of the conservation easement by CAW from Seller for the purchase price of Eight Hundred Eighty Thousand and 00/100 Dollars (\$880,000.00) ("Purchase Price") is hereby approved.

Section 2. Each of the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer is hereby authorized and directed as necessary or required to deliver the Purchase Price monies and to execute and acknowledge documents as necessary to consummate the transaction.

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

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

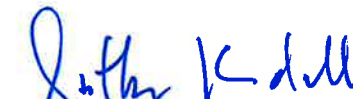
ADOPTED: July 16, 2020

Attest:



Kevin Newton, Secretary/Treasurer

APPROVED:



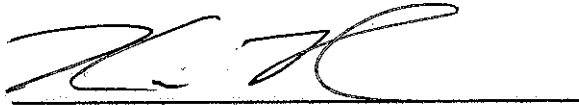
Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS )  
                                  )  
COUNTY OF PULASKI )

I, Kevin Newton, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2020-12 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION AUTHORIZING PURCHASE OF PROPERTY, AND OTHER MATTERS RELATED THERETO**, adopted July 16, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of July 2020.



Kevin Newton, Secretary/Treasurer  
Central Arkansas Water

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

August 13, 2020

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, August 13, 2020, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Mr. Anthony Kendall, Chair

**Via Teleconferencing:**

Mr. Jim McKenzie, Vice Chair  
Mr. Kevin Newton, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Ms. Kandi Hughes, Commissioner  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jeremy Sparks, Chief Innovation Officer  
Mr. David Johnson, General Counsel  
Ms. Tatiana Harrington, Director of Human Resources  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Ms. Sheronda Shells, Customer Service Supervisor-Office  
Ms. Natasha Simpson, Customer Service Rep-Office  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Chelsea Boozer, Media Specialist  
Ms. Mary Dyson, Management Secretary

**CAW Staff via Teleconferencing or Livestream:**

Mr. Sam Zehtaban, Director of Water Production  
Mr. Danny Dunn, Director of Distribution  
Mr. Chris Shahan, Assistant Director of Distribution  
Mr. Alex Harper, GIS Manager  
Mr. Leo O'Bannion, General Accountant

**Also, in Attendance via Teleconferencing or Livestream:**

Ms. Tamika Edwards, Incoming Special Advisor to the CEO  
Mr. Michael Rhoda, Little Rock Water Reclamation Authority

Ms. Kenetta Ridgell, Little Rock Water Reclamation Authority  
Mr. Evan Ged, P.E., Hazen & Sawyer  
Mr. Bailey Moll, JPJ Consulting, LLC  
Ms. Rachel Herzog, AR Dem-Gaz  
Mr. Paul Strickland, P.E., Garver Engineers  
Ms. Carolyn Shearman, Friends of the Ouachita Trail

### **CALL TO ORDER**

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

### **COMMISSIONER RECOGNITION**

Chair Kendall presented to Commissioner Smith a pin commemorating her ten-years of service on the Board. Chair Kendall thanked Commissioner Smith for her service.

### **BEHAVIOR OF THE WEEK**

Ms. Simpson made a short presentation on the HIVIP behavior of the week, "Maintain a Harassment Free Work Area".

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Hughes, the minutes of the July 16, 2020, Regular Meeting were unanimously approved, as corrected.

### **OLD BUSINESS**

#### **Presentation on 2020 Projected Financials and Cost-Saving Measures**

Ms. Edwards made a presentation on 2020 projected financials and cost-saving measures attributed to the economic impact of the COVID-19 pandemic.

#### **Presentation on Plan to Resume Shutoffs for Failure to Pay**

Mr. Mascagni made a presentation on CAW's phased plan to resume shutoffs, for customers failure to pay, beginning October 1, 2020.

#### **Presentation on Workforce, Payroll & Benefit Changes, and Upward Survey Results**

Mr. Sparks introduced CAW's new Human Resources Director, Ms. Tatiana Herrington. Mr. Sparks then made a presentation on CAW's workforce activities, upcoming payroll & benefit changes, and the Upward Survey results.

### **NEW BUSINESS**

#### **Hate Crimes Legislation**

Mr. Johnson requested Board approval of a Resolution in support of hate crimes legislation that staff anticipates will be filed during the 2021 legislative session.

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

## **CONTRACTS/PURCHASES**

### **Engineering Services Agreement with Hazen & Sawyer**

Mr. Weindorf made a presentation on the necessity of and potential for increasing treatment capacity, increasing water supply from Lake Maumelle, and increasing water supply utilizing water reuse.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Barth, after due consideration and discussion, an engineering services agreement in the amount of \$561,454 with Hazen & Sawyer to prepare an engineering report and facilities plan for improvements to the Jack H. Wilson Water Treatment Plant, was unanimously approved.

### **Water Main Relocations on Chicot Road**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Newton, after due consideration and discussion, a construction contract with Grant Garrett Excavating, Inc. in the amount of \$681,959 to relocate water mains that conflict with planned road and drainage improvements along Chicot Road from Mabelvale Cutoff to Yarberry Lane was unanimously approved.

## **DEPARTMENT UPDATES**

### **Environmental Health & Safety**

Mr. Hall provided an update on matters pertaining to EHS.

### **Finance**

Ms. Edwards provided a year-to-date financial update on utility operations.

## **BOARD BRIEFING**

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

## **ADJOURNMENT**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Kendall, the meeting was adjourned at 4:06 p.m.



Kevin Newton, Secretary/Treasurer

**RESOLUTION 2020-13**

**RESOLUTION IN SUPPORT OF ANTICIPATED HATE CRIMES  
LEGISLATION DURING THE 93<sup>RD</sup> GENERAL ASSEMBLY; AND OTHER  
MATTERS RELATED THERETO**

WHEREAS, Arkansas lawmakers have prepared draft legislation for consideration during the 93<sup>rd</sup> General Assembly that would increase the criminal penalty imposed against the perpetrator of a crime who selects the perpetrator's victim on account of the victim's ancestry, color, service in the armed forces, disability, ethnicity, gender identity, homelessness, national origin, race, religion, sex, or sexual orientation; and

WHEREAS, social scientists find that victims of hate crimes are more likely than victims of other crimes to suffer disproportionate harm including but not limited to post-traumatic stress, safety concerns, depression, anxiety, and anger; and

WHEREAS, the members of such classes rightly wish to live their daily lives without fear of harassment, attack, and other harm;

WHEREAS, according to the Associated Press and the Washington Post, the State of Arkansas is one of only four states that lacks a hate crimes law; and

WHEREAS, the draft hate crimes legislation duly holds accountable the perpetrators of crimes motivated by bias, prejudice, bigotry, ignorance, and hate and more greatly assures a safe and peaceful life for the members of such classes.

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

Section 1. The Board of Commissioners strongly supports the draft hate crimes legislation and urges Arkansas lawmakers and Governor Hutchinson to enact such legislation during the 93<sup>rd</sup> General Assembly.

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

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

ADOPTED: August 13, 2020

Attest:

APPROVED:



\_\_\_\_\_  
Kevin Newton, Secretary/Treasurer



\_\_\_\_\_  
Anthony Kendall, Chair



CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Kevin Newton, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2020-13 of the Resolutions of Central Arkansas Water, entitled: **RESOLUTION IN SUPPORT OF ANTICIPATED HATE CRIMES LEGISLATION DURING THE 93<sup>RD</sup> GENERAL ASSEMBLY; AND OTHER MATTERS RELATED THERETO**, adopted August 13, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of August 2020.



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Kevin Newton, Secretary/Treasurer  
Central Arkansas Water

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

September 10, 2020

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, September 10, 2020, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Mr. Anthony Kendall, Chair

**Via Teleconferencing:**

Mr. Jim McKenzie, Vice Chair  
Mr. Kevin Newton, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Ms. Kandi Hughes, Commissioner  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jeremy Sparks, Chief Innovation Officer  
Mr. David Johnson, General Counsel  
Mr. Robert Hart, P.E., Technical Project Specialist  
Ms. Tamika Edwards, Special Advisor to the CEO on Diversity, Equity, Inclusion, & Engagement  
Ms. Tatiana Harrington, Director of Human Resources  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Bryan Rupar, Land Conservation Coordinator  
Mr. George Murphy, Facilities Operator II  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Chelsea Boozer, Media Specialist  
Ms. Mary Dyson, Management Secretary

**CAW Staff via Teleconferencing or Livestream:**

Mr. Sam Zehtaban, Director of Water Production  
Mr. Danny Dunn, Director of Distribution  
Mr. Chris Shahan, Assistant Director of Distribution  
Mr. Alex Harper, GIS Manager  
Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager

**Also, in Attendance via Teleconferencing or Livestream:**

Mr. Bailey Moll, JPJ Consulting, LLC  
Ms. Rachel Herzog, AR Dem-Gaz  
Ms. Carolyn Shearman, Friends of the Ouachita Trail

### **CALL TO ORDER**

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

### **INTRODUCTIONS**

Mr. Bohannon formally introduced Bryan Rugar, Land Conservation Coordinator and Tamika Edwards, Special Advisor to the CEO on Diversity, Equity, Inclusion, & Engagement.

### **BEHAVIOR OF THE WEEK**

Mr. Murphy made a short presentation on the HIVIP behavior of the week, "Recognize & Celebrate Others' Achievements".

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Newton and seconded by Commissioner Barth, the minutes of the August 13, 2020, Regular Meeting were unanimously approved.

### **OLD BUSINESS**

#### **Asset Replacement Program**

Mr. Weindorf made a presentation on the status of the utility's asset replacement program and future goals.

### **NEW BUSINESS**

#### **Establish Amount of Water Included in Monthly Minimum Charge**

Mr. Mascagni requested Board approval of a Resolution to include One Hundred Cubic Feet in the Monthly Minimum Charge effective January 1, 2021.

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

#### **Real Estate Offer and Acceptance for the Purchase of Property and Building Located at 314 E. 6<sup>th</sup> Street**

Mr. Mascagni requested Board approval of a Resolution authorizing the purchase of property, including a 1,600 square foot building, located at 314 E. 6th Street from Ibrahim Elsaid for \$190,000.

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

#### **Call to Order - Public Hearing**

Chair Kendall called the public hearing to order at 2:55 pm.

Chair Kendall stated that the public hearing was held to hear comments on the Paron-Owensville Water Authority Facility Plan as required by the Natural Resources Division of the Arkansas Department of Agriculture. There were no comments or questions.

The Public Hearing was adjourned at 3:06 p.m.

#### Paron-Owensville Update and Facility Plan Approval

Mr. Weindorf provided an update on the first quarter of operating the Paron-Owensville system and requested Board approval of a Resolution approving the Facility Plan to rehabilitate and construct improvements at the Paron-Owensville facility.

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

#### **DEPARTMENT UPDATES**

##### Watershed

Ms. Lawson and Mr. Rupar provided an update on matters pertaining to Watershed.

##### Finance

Ms. Edwards provided a year-to-date financial update on utility operations.

#### **BOARD BRIEFING**

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

#### **EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Barth, the Board went into Executive Session with Mr. Bohannon, Mr. Weindorf, Mr. Hart, and Mr. Ferguson for the purpose of discussing the most recent Risk Assessment Study.

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

#### **ADJOURNMENT**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hartman, the meeting was adjourned at 4:50 p.m.



Kevin Newton, Secretary/Treasurer

**RESOLUTION 2020-14**

**A RESOLUTION REGARDING THE MONTHLY MINIMUM CHARGE; AND FOR OTHER PURPOSES**

WHEREAS, the Board of Commissioners of Central Arkansas Water is vested with the authority to establish water rates for Central Arkansas Water customers; and

WHEREAS, by Resolution 2018-13 adopted on December 20, 2018, the Board of Commissioners resolved that it may at any time by Resolution elect to include up to five hundred (500) cubic feet of water in the Monthly Minimum Charge provided that adequate cash reserves and revenues are available to meet Central Arkansas Water's operating, maintenance, and capital expenditure requirements; and

WHEREAS, Central Arkansas Water staff anticipates the availability of adequate cash reserves and revenues to meet Central Arkansas Water's operating, maintenance, and capital expenditure requirements to include a total of one hundred (100) cubic feet of water during Fiscal Year 2021.

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

Section 1. Central Arkansas Water shall include a total of one hundred (100) cubic feet of water within the Monthly Minimum Charge for each meter in each monthly water bill conveyed to customers beginning January 1, 2021.

ADOPTED: September 10, 2020

Attest:



Kevin Newton, Secretary/Treasurer

APPROVED:



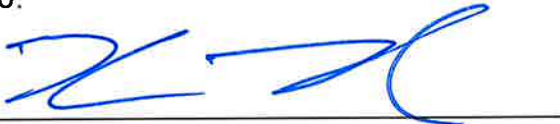
Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS     )  
  )  
COUNTY OF PULASKI    )

I, Kevin Newton, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2020-14 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION TO MODIFY THE MONTHLY MINIMUM CHARGE; AND FOR OTHER PURPOSES**, adopted September 10, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of September 2020.



Kevin Newton, Secretary/Treasurer  
Central Arkansas Water

**RESOLUTION 2020-15**

**A RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY; AND OTHER MATTERS RELATED THERETO**

WHEREAS, on August 4, 2020, the Chief Executive Officer of Central Arkansas Water ("CAW") on behalf of CAW entered a contract with Ibrahim Elsaid ("Seller") for the purchase by CAW from Seller of Lots 7 and 8 of Block 40 of the Original City of Little Rock ("Property"), on which a vacant, refurbished building is situated; and

WHEREAS, consummation of the contract entered by CAW and Seller is contingent on the approval of the purchase of the Property by the Board of Commissioners; and

WHEREAS, the Board of Commissioners, based upon the recommendations of staff, has determined that acquiring the Property is in the best interest of CAW and its ratepayers.

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

Section 1. The contract between CAW and Seller for the conveyance of the Property for the purchase price of One Hundred Ninety Thousand and 00/100 Dollars (\$190,000.00) is hereby approved.

Section 2. Each of the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer is hereby authorized and directed, as necessary or required, to deliver the Purchase Price monies and to execute and acknowledge documents as necessary to conclude the transaction.

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

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

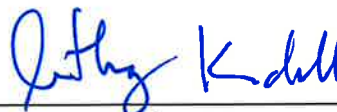
ADOPTED: September 10, 2020

Attest:

APPROVED:



Kevin Newton, Secretary/Treasurer




Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Kevin Newton, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2020-15 of the Resolutions of Central Arkansas Water, titled: **A RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY; AND OTHER MATTERS RELATED THERETO**, adopted September 10, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of September 2020.

  
\_\_\_\_\_  
Kevin Newton, Secretary/Treasurer  
Central Arkansas Water



**RESOLUTION NO. 2020-16**

**A RESOLUTION APPROVING THE FACILITIES PLAN FOR CERTAIN REPLACEMENTS AND IMPROVEMENTS OF THE ASSETS AND FACILITIES FORMERLY OWNED BY THE PARON-OWENSVILLE WATER AUTHORITY; AND FOR OTHER PURPOSES.**

WHEREAS, Central Arkansas Water ("CAW") has consolidated with the Paron-Owensville Water Authority ("POWA") and now owns and operates the former assets and facilities of POWA;

WHEREAS, CAW staff has determined, through a previously commissioned POWA Consolidation Feasibility Study Preliminary Engineering Report that certain parts, components, equipment, facilities, structures, systems, and subsystems of the former POWA system are in need of replacement and improvement due to age, high maintenance expenses, and changes in applicable regulations ("Facilities");

WHEREAS, the Board of Commissioners anticipated the Facilities at the time that the Board of Commissioners authorized the funding of the Facilities by Resolution 2020-02 on February 13, 2020; and

WHEREAS, Facilities are more specifically set forth in the Facilities Plan presented to the CAW Board of Commissioners at this meeting ("Facilities Plan").

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

Section 1. CAW hereby adopts the Facilities Plan and directs the staff to make the necessary Improvements to the Facilities to assure that the Facilities are improved in conformance with the Facilities Plan.

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

Section 3. A copy of this Resolution shall be filed with the Secretary of CAW where it will be available for public inspection.

Section 4. A copy of this Resolution with original signatures shall be furnished by the Chief Financial Officer of CAW to the Director of the Natural Resources Division of the Department of Agriculture.

ADOPTED: September 10, 2020

Attest:

APPROVED:

  
\_\_\_\_\_  
Kevin Newton, Secretary/Treasurer

  
\_\_\_\_\_  
Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Kevin Newton, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2020-16 of the Resolutions of Central Arkansas Water titled: **A RESOLUTION APPROVING THE FACILITIES PLAN FOR CERTAIN REPLACEMENTS AND IMPROVEMENTS OF THE ASSETS AND FACILITIES FORMERLY OWNED BY THE PARON-OWENSVILLE WATER AUTHORITY; AND FOR OTHER PURPOSES**, adopted September 10, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of September 2020.



Kevin Newton, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

**CENTRAL ARKANSAS WATER**  
**MINUTES OF PUBLIC HEARING**  
**REGARDING ISSUANCE OF NOT TO EXCEED \$60,000,000**  
**IN AGGREGATE PRINCIPAL AMOUNT OF**  
**WATER REVENUE BONDS**

**October 14, 2020**

The meeting was called to order by Jeff Mascagni, Chief Financial Officer, Central Arkansas Water (CAW), who presided at the meeting. He stated that a public hearing was scheduled to be held at 2:00 p.m. on October 14, 2020 at the James T. Harvey Administration Building of Central Arkansas Water located at 221 East Capitol Avenue in Little Rock, Arkansas. The public hearing was held to hear comments on the question of Central Arkansas Water issuing not to exceed \$60,000,000 in aggregate principal amount of water revenue capital improvement and refunding bonds including (1) CAW Capital Improvement and Refunding Water Revenue Bonds, Series 2020B, for the purposes of financing the costs of various capital improvements and refunding the Refunding Water Revenue Bonds, Series 2015; (2) CAW Capital Improvement and Refunding Water Revenue Bonds, Series 2020C (Green Bonds), for the purposes of financing the costs of various capital improvements and refunding the Water Revenue Bond, Series 2018A; and (3) CAW Refunding Water Revenue Bonds, Series 2020D (Taxable), for the purpose of partially advance refunding the Refunding Water Revenue Bonds, Series 2016.

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

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

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

**CERTIFICATE**

The undersigned, Secretary/Treasurer of Central Arkansas Water, hereby certifies that the foregoing is a true and perfect written record of a public hearing held at 2:00 p.m. on the 14th day of October, 2020, which now appears in the records of the Central Arkansas Water in Little Rock, Arkansas.



\_\_\_\_\_  
Kevin Newton, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

October 15, 2020

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, October 15, 2020, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Mr. Anthony Kendall, Chair

**Via Teleconferencing:**

Mr. Jim McKenzie, Vice Chair  
Mr. Kevin Newton, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Ms. Kandi Hughes, Commissioner  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jeremy Sparks, Chief Innovation Officer  
Mr. David Johnson, General Counsel  
Mr. Allen Vincent, Director of Information Services  
Ms. Tamika Edwards, Special Advisor to the CEO on Diversity, Equity, Inclusion, & Engagement  
Ms. Tatiana Herrington, Director of Human Resources  
Ms. Cynthia Edwards, Director of Finance  
Mr. Thomas Wray, P.E., Senior Engineer  
Mr. Doug Graham, Optimization Manager  
Ms. Sharon Sweeney, Compliance Manager  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Chelsea Boozer, Media Specialist  
Ms. Mary Dyson, Management Secretary

**CAW Staff via Teleconferencing or Livestream:**

Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Danny Dunn, Director of Distribution  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Ken Ashworth, Computer Operator  
Ms. Lacey Hristov, General Accountant  
Mr. Mark Eckelkamp, Foreman  
Mr. Alan Dickey, Instrument Technician II  
Ms. Lisa Luyet, Business Analyst

Mr. Jason Lowder, Engineering Technician  
Mr. Stephen Sullivan, Distribution Supervisor  
Mr. Alex Harper, GIS Manager  
Mr. Andrew Pownall, P.E., Senior Engineer  
Mr. Todd Fisher, Finance Manager

**Also, in Attendance via Teleconferencing or Livestream:**

Ms. Leigh Ann Biernat, Senior Vice President, Stephens, Inc.  
Mr. Jack Truemper, Senior Vice President, Stephens, Inc.  
Mr. John William Spivey, Partner, Wright, Lindsey, Jennings  
Ms. Lizzie Marsters, Environmental Finance Manager, World Resources Institute  
Ms. Rachel Herzog, AR Dem-Gaz  
Ms. Carolyn Shearman, Friends of the Ouachita Trail

**CALL TO ORDER**

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

**BEHAVIOR OF THE WEEK**

Mr. Wray made a short presentation on the HIVIP behavior of the week, "Resolve Problems Before They Escalate".

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Barth, the minutes of the September 10, 2020, Regular Meeting were unanimously approved.

**OLD BUSINESS**

Real Estate Offers and Acceptances for Purchase of Approximately Eighteen (18) Parcels in Downtown Little Rock Between S. Ringo St. and S. Pulaski St., North of W. 3rd St. and South of W. Markham St. for CAW Offices and Redevelopment of Vacant Lots to Improve Utilization of Stranded Utility Infrastructure

Mr. Bohannon made a presentation on alternative revenues and redevelopment around stranded infrastructure and discussed reasons to withdraw this item from Board consideration. Mr. Bohannon will develop a more detailed plan for the James T. Harvey building and present options at a later date. No action required.

Resolution Authorizing the Issuance of Water Revenue Bonds, Series 2020B, 2020C, and 2020D

Mr. Mascagni requested Board approval of a Resolution authorizing the offering of not to exceed \$60,000,000 in the aggregate principal amount for Capital Improvement and Refunding Water Revenue Bonds Series 2020B, 2020C (Climate Bond), and 2020D.

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

**NEW BUSINESS**

2020 Health Insurance Renewal

Ms. Herrington requested Board approval of a contract renewal for the 2021 group health insurance with Health Advantage, with no change to current levels of coverage, and a 7% renewal increase to be absorbed by CAW.

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Newton, after due consideration and discussion, the 2021 group health insurance coverage with Health Advantage was unanimously approved.

#### Environmental Sustainability, Environmental Justice, and Climate Change

Mr. Bohannon made a presentation on environmental sustainability, environmental justice, and climate change and addressed how those matters relate to the long-term sustainability of the utility and impact long-term strategic planning.

#### Diversity, Equity, Inclusion, and Engagement

Ms. Tamika Edwards made a presentation on CAW's plans to create a more diverse, equitable, and inclusive culture at CAW, what it will take to get there, and how this work informs our external engagement.

### **CONTRACTS/PURCHASES**

#### Replace Programmable Logic Controllers (PLC) in Switchgear at Jack H. Wilson WTP and Lake Maumelle Pump Station

Upon a motion duly made by Commissioner Newton and seconded by Commissioner McKenzie, after due consideration and discussion, a contract with RP Power in the amount of \$380,000 for replacement of the Switchgear PLC controls at both Jack H. Wilson WTP and the Lake Maumelle Pump Station was unanimously approved.

### **DEPARTMENT UPDATES**

#### Operations

Mr. Weindorf provided an update on matters pertaining to Operations and Ms. Sweeney provided an update on Unregulated Contaminant Monitoring.

#### Finance

Ms. Cynthia Edwards provided a year-to-date financial update on utility operations.

### **BOARD BRIEFING**

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

### **ADJOURNMENT**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hartman, the meeting was adjourned at 4:55 p.m.



**RESOLUTION NO. 2020-17**

**RESOLUTION AUTHORIZING THE OFFERING OF NOT TO EXCEED \$60,000,000 IN THE AGGREGATE PRINCIPAL AMOUNT FOR MULTIPLE SERIES OF BONDS INCLUDING (1) CENTRAL ARKANSAS WATER CAPITAL IMPROVEMENT AND REFUNDING WATER REVENUE BONDS, SERIES 2020B, FOR THE PURPOSES OF FINANCING THE COSTS OF VARIOUS CAPITAL IMPROVEMENTS AND REFUNDING THE REFUNDING WATER REVENUE BONDS, SERIES 2015; (2) CENTRAL ARKANSAS WATER CAPITAL IMPROVEMENT AND REFUNDING WATER REVENUE BONDS, SERIES 2020C (GREEN BONDS), FOR THE PURPOSES OF FINANCING THE COSTS OF VARIOUS CAPITAL IMPROVEMENTS AND REFUNDING THE WATER REVENUE BOND, SERIES 2018A; AND (3) CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 2020D (TAXABLE), FOR THE PURPOSE OF PARTIALLY ADVANCE REFUNDING THE REFUNDING WATER REVENUE BONDS, SERIES 2016; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

WHEREAS, Central Arkansas Water (“CAW”) has engaged Stephens Inc. as Municipal Advisor; Wright, Lindsey & Jennings LLP, as Bond Counsel and Disclosure Counsel; and Regions Bank, as Trustee, for the issuance of:

- (i) Capital Improvement and Refunding Water Revenue Bonds, Series 2020B (the “Series 2020B Bonds”) (a) to accomplish various capital improvements to the Water System including (1) the acquisition, construction, installation, relocation, or replacement of water distribution and transmission pipes and related appurtenances, (2) improvements to water pumping and treatment facilities, (3) the acquisition, construction, renovation, or redevelopment of administrative building, source facilities and other properties; and (4) for such other purposes as may be deemed appropriate by CAW from time to time (collectively the “Series 2020B Capital Improvements”); (b) to finance the refunding of CAW’s Refunding Water Revenue Bonds, Series 2015 (the “Series 2015 Bonds”); (c) to fund a debt service reserve; and (d) to pay the costs of issuing the Series 2020B Bonds;
  
- (ii) Capital Improvement and Refunding Water Revenue Bonds, Series 2020C (Green Bonds) (the “Series 2020C Bonds”) (a) to accomplish various capital improvements to the Water System including (1) the acquisition, construction, installation, relocation, or replacement of water distribution and transmission pipes and related appurtenances, (2) improvements to water pumping and treatment facilities, (3) the acquisition of and improvements to real property and conservation easement(s), (4) the acquisition and installation of or improvement to various water pumping, processing, production, and distribution equipment, (5) the acquisition, construction, renovation, or improvement to source facilities, and (6) for such other purposes as may be deemed appropriate by CAW from time to time (collectively

the “Series 2020C Capital Improvements”); (b) to finance the refunding of CAW’s Capital Improvement and Refunding Water Revenue Bonds, Series 2018A (the “Series 2018A Bonds”); (c) to fund a debt service reserve; and (d) to pay the costs of issuing the Series 2020C Bonds; and

- (iii) Refunding Water Revenue Bonds, Series 2020D (Taxable) (the “Series 2020D Bonds”) (a) to finance the partial advance refunding of CAW’s Refunding Water Revenue Bonds, Series 2016 (the “Series 2016 Bonds”); (b) to fund a debt service reserve; and (c) to pay the costs of issuing the Series 2020D Bonds; and

WHEREAS, for the purposes of completing the Series 2020B Capital Improvements, refunding the Series 2015 Bonds, establishing a debt service reserve, and paying the costs of issuance of Series 2020B Bonds, CAW intends to issue not to exceed \$19,000,000 of Series 2020B Bonds; and

WHEREAS, for the purposes of completing the Series 2020C Capital Improvements, refunding the Series 2018A Bonds, establishing a debt service reserve, and paying the costs of issuance of Series 2020C Bonds, CAW intends to issue not to exceed \$34,000,000 of Series 2020C Bonds; and

WHEREAS, for the purposes of partially advance refunding the Series 2016 Bonds, establishing a debt service reserve, and paying the costs of issuance of Series 2020D Bonds, CAW intends to issue not to exceed \$8,000,000 of Series 2020D Bonds; and

WHEREAS, CAW intends that the aggregate principal amount of the Series 2020B Bonds, the Series 2020C Bonds, and the Series 2020D Bonds (collectively, the “Bonds” or the “Series of Bonds”) shall not exceed \$60,000,000 and the principal amount of some or all of the Series of Bonds will be adjusted accordingly upon the advice of Municipal Advisor; and

WHEREAS, pursuant to the direction of the Board of Commissioners of CAW (the “Commission”), CAW’s Chief Financial Officer (the “Authorized Officer”), together with the Municipal Advisor, Bond Counsel and Disclosure Counsel have prepared and presented for consideration at this meeting of the Commission the forms of an Official Notice of Sale, Official Bid Form, and Preliminary Official Statement for each Series of Bonds; and

WHEREAS, upon the advice of the Authorized Officer, the Commission is now prepared to authorize the offering of the Bonds for sale and to approve the sale documentation as described in this resolution.

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

**Section 1.** The Series 2020B Bonds shall be designated “Central Arkansas Water Capital Improvement and Refunding Water Revenue Bonds, Series 2020B” (the “Series 2020B Bonds”). The Series 2020B Bonds shall be offered for sale in the aggregate principal amount of not to exceed \$19,000,000 by electronic bids, at such time as may be approved by the Authorized Officer, upon advice of the Municipal Advisor, at such location as may be provided for in the Official Notice of



Sale. At such time and place, the Authorized Officer shall meet with the Municipal Advisor to receive the bids. The Authorized Officer is hereby authorized to accept the bid providing the lowest “true interest cost” (as defined in the Official Notice of Sale) in the name of CAW if, upon advice of the Municipal Advisor, he shall determine to do so is in the best interest of CAW.

**Section 2.** The Series 2020C Bonds shall be designated “Central Arkansas Water Capital Improvement and Refunding Water Revenue Bonds, Series 2020C (Green Bonds)” (the “Series 2020C Bonds”). The Series 2020C Bonds shall be offered for sale in the aggregate principal amount of not to exceed \$34,000,000 by electronic bids, at such time as may be approved by the Authorized Officer, upon advice of the Municipal Advisor, at such location as may be provided for in the Official Notice of Sale. At such time and place, the Authorized Officer shall meet with the Municipal Advisor to receive the bids. The Authorized Officer is hereby authorized to accept the bid providing the lowest “true interest cost” (as defined in the Official Notice of Sale) in the name of CAW if, upon advice of the Municipal Advisor, he shall determine to do so is in the best interest of CAW.

**Section 3.** The Series 2020D Bonds shall be designated “Central Arkansas Water Refunding Water Revenue Bonds, Series 2020D (Taxable)” (the “Series 2020D Bonds” and together with the Series 2020B Bonds and the Series 2020C Bonds, the “Bonds” or the “Series of Bonds”). The Series 2020D Bonds shall be offered for sale in the aggregate principal amount of not to exceed \$8,000,000 by electronic bids, at such time as may be approved by the Authorized Officer, upon advice of the Municipal Advisor, at such location as may be provided for in the Official Notice of Sale. At such time and place, the Authorized Officer shall meet with the Municipal Advisor to receive the bids. The Authorized Officer is hereby authorized to accept the bid providing the lowest “true interest cost” (as defined in the Official Notice of Sale) in the name of CAW if, upon advice of the Municipal Advisor, he shall determine to do so is in the best interest of CAW.

**Section 4.** The aggregate principal amount of the Bonds shall not exceed \$60,000,000 and the principal amount of some or all of each Series of Bonds shall be adjusted accordingly upon the advice of Municipal Advisor.

**Section 5.** The Official Notice of Sale and Official Bid Form for each Series of Bonds, substantially in the forms exhibited to and before the Commission at the meeting at which this resolution is adopted, are hereby approved.

**Section 6.** The Preliminary Official Statement for each Series of Bonds, 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 the Authorized Officer shall deem advisable, and the Preliminary Official Statement for each Series of Bonds is hereby approved for use in connection with the sale of the respective Series of Bonds.

**Section 7.** The Municipal Advisor shall cause the offering of the Bonds to be included as an upcoming sale on the BIDCOMP/Parity competitive calendar.

**Section 8.** The Authorized Officer, after consultation with the Municipal Advisor and Bond Counsel, is hereby authorized to distribute the Official Notice of Sale, Official Bid Form, and Preliminary Official Statement for each Series of Bonds, with such changes and modifications as the Authorized Officer shall deem appropriate, to prospective bidders for the respective Series of Bonds.

**Section 9.** The Authorized 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 and at the time specified in the respective Official Notice of Sale for each Series of Bonds and accomplish the intent of this resolution.

**Section 10.** This resolution shall be in effect from and after the date of its adoption.

APPROVED: October 15, 2020.

ATTEST:

  
\_\_\_\_\_  
Kevin Newton, Secretary/Treasurer

APPROVED:

  
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Anthony Kendall, Chair

**CERTIFICATE**

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Kevin Newton, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2020-17 of the Board of Commissioners of Central Arkansas Water, entitled: **RESOLUTION AUTHORIZING THE OFFERING OF NOT TO EXCEED \$60,000,000 IN THE AGGREGATE PRINCIPAL AMOUNT FOR MULTIPLE SERIES OF BONDS INCLUDING (1) CENTRAL ARKANSAS WATER CAPITAL IMPROVEMENT AND REFUNDING WATER REVENUE BONDS, SERIES 2020B, FOR THE PURPOSES OF FINANCING THE COSTS OF VARIOUS CAPITAL IMPROVEMENTS AND REFUNDING THE REFUNDING WATER REVENUE BONDS, SERIES 2015; (2) CENTRAL ARKANSAS WATER CAPITAL IMPROVEMENT AND REFUNDING WATER REVENUE BONDS, SERIES 2020C (GREEN BONDS), FOR THE PURPOSES OF FINANCING THE COSTS OF VARIOUS CAPITAL IMPROVEMENTS AND REFUNDING THE WATER REVENUE BOND, SERIES 2018A; AND (3) CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 2020D (TAXABLE), FOR THE PURPOSE OF PARTIALLY ADVANCE REFUNDING THE REFUNDING WATER REVENUE BONDS, SERIES 2016; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO**, adopted October 15, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 15<sup>th</sup> day of October 2020.

ATTEST:



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Kevin Newton, Secretary/Treasurer  
Central Arkansas Water

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

October 28, 2020

The Board of Commissioners of Central Arkansas Water (CAW) convened in a special called meeting at 3:30 p.m. on Wednesday, October 28, 2020, via Teams and in the in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Via Teleconferencing:**

Mr. Anthony Kendall, Chair  
Mr. Jim McKenzie, Vice Chair  
Mr. Kevin Newton, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Ms. Kandi Hughes, Commissioner  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, Chief Operating Officer  
Ms. Jane Hurley, Education and Outreach Specialist  
Ms. Mary Dyson, Management Secretary

**CAW Staff via Teleconferencing or Livestream:**

Ms. Cynthia Edwards, Director of Finance  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Chelsea Odle, Media Specialist

**Also in Attendance:**

Ms. Leigh Ann Biernat, Senior Vice President, Stephens, Inc.  
Mr. Jack Truemper, Senior Vice President, Stephens, Inc.  
Mr. John William Spivey, Partner, Wright, Lindsey, Jennings

**Also, in Attendance via Teleconferencing or Livestream:**

Mr. Jordan Johnson, JPJ Consulting, LLC

**CALL MEETING TO ORDER**

Chair Kendall called the meeting to order at 3:30 p.m.

**NEW BUSINESS**

**Resolution Approving Sale of Capital Improvement and Refunding Water Revenue Bonds, Series 2020B, 2020C (Green Bonds), and 2020D**

Ms. Biernat with Stephens, Inc., made a presentation on market trends and the competitive bond offerings.

Mr. Mascagni requested Board approval of a Resolution authorizing the issuance and sale of \$51,885,000 in aggregate principal amount for Capital Improvement and Refunding Water Revenue Bonds Series 2020B, 2020C, and 2020D.

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

**ADJOURNMENT**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Hartman, the meeting was adjourned at 3:47 p.m.



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Kevin Newton, Secretary/Treasurer

## RESOLUTION NO. 2020-18

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$51,885,000 IN AGGREGATE PRINCIPAL AMOUNT FOR MULTIPLE SERIES OF BONDS INCLUDING (1) CENTRAL ARKANSAS WATER CAPITAL IMPROVEMENT AND REFUNDING WATER REVENUE BONDS, SERIES 2020B IN THE AGGREGATE PRINCIPAL AMOUNT OF \$12,920,000, FOR THE PURPOSES OF FINANCING THE COSTS OF VARIOUS CAPITAL IMPROVEMENTS AND REFUNDING THE REFUNDING WATER REVENUE BONDS, SERIES 2015; (2) CENTRAL ARKANSAS WATER CAPITAL IMPROVEMENT AND REFUNDING WATER REVENUE BONDS, SERIES 2020C (GREEN BONDS) IN THE AGGREGATE PRINCIPAL AMOUNT OF \$31,825,000, FOR THE PURPOSES OF FINANCING THE COSTS OF VARIOUS CAPITAL IMPROVEMENTS AND REFUNDING THE WATER REVENUE BOND, SERIES 2018A; AND (3) CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 2020D (TAXABLE) IN THE AGGREGATE PRINCIPAL AMOUNT OF \$7,140,000, FOR THE PURPOSE OF PARTIALLY ADVANCE REFUNDING THE REFUNDING WATER REVENUE BONDS, SERIES 2016; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; APPROVING THE SALE OF THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

**WHEREAS**, Central Arkansas Water (“CAW”) is a body politic and corporate, created pursuant to the Consolidated Waterworks Authorization Act of 2001, Ark. Code Ann. §§ 25-20-301 *et seq.* (the “Act”), and a Consolidation Agreement dated as of March 5, 2001, as amended, among the Cities of Little Rock and North Little Rock, Arkansas (the “Cities”), the Board of Commissioners of the Little Rock Municipal Water Works, and the Board of Commissioners of the North Little Rock Water Department; and

**WHEREAS**, CAW has engaged Stephens Inc. as Municipal Advisor; Wright, Lindsey & Jennings LLP, as Bond Counsel and Disclosure Counsel; and Regions Bank, as Trustee, for the issuance of:

- (i) Capital Improvement and Refunding Water Revenue Bonds, Series 2020B to be dated the date of delivery in the aggregate principal amount of \$12,920,000 (the “Series 2020B Bonds”) (a) to accomplish various capital improvements to the Water System including (1) the acquisition, construction, installation, relocation, or replacement of water distribution and transmission pipes and related appurtenances, (2) improvements to water pumping and treatment facilities, (3) the acquisition, construction, renovation, or redevelopment of administrative building, source facilities and other properties; and (4) for such other purposes as may be deemed appropriate by CAW from time to time (collectively the “Series 2020B Capital Improvements”); (b) to finance the refunding of CAW’s Refunding Water Revenue Bonds, Series 2015 (the “Series 2015 Bonds”); (c) to fund a debt service reserve; and (d) to pay the costs of issuing the Series 2020B Bonds;

- (ii) Capital Improvement and Refunding Water Revenue Bonds, Series 2020C (Green Bonds) dated the date of delivery in the aggregate principal amount of \$31,825,000 (the “Series 2020C Bonds”) (a) to accomplish various capital improvements to the Water System including (1) the acquisition, construction, installation, relocation, or replacement of water distribution and transmission pipes and related appurtenances, (2) improvements to water pumping and treatment facilities, (3) the acquisition of and improvements to real property and conservation easement(s), (4) the acquisition and installation of or improvement to various water pumping, processing, production, and distribution equipment, (5) the acquisition, construction, renovation, or improvement to source facilities, and (6) for such other purposes as may be deemed appropriate by CAW from time to time (collectively, the “Series 2020C Capital Improvements” and together with the Series 2020B Capital Improvements, the “Capital Improvements”); (b) to finance the refunding of CAW’s Water Revenue Bond, Series 2018A (the “Series 2018A Bond”); (c) to fund a debt service reserve; and (d) to pay the costs of issuing the Series 2020C Bonds; and
- (iii) Refunding Water Revenue Bonds, Series 2020D (Taxable) dated the date of delivery in the aggregate principal amount of \$7,140,000 (the “Series 2020D Bonds”, and together with the 2020B Bonds and 2020C Bonds, the “Bonds”) (a) to finance the partial advance refunding of CAW’s Refunding Water Revenue Bonds, Series 2016 (the “Series 2016 Bonds”); (b) to fund a debt service reserve; and (c) to pay the costs of issuing the Series 2020D Bonds; and

**WHEREAS**, pursuant to the Consolidation Agreement and the Revenue Bond Act of 1987, as amended, Ark. Code Ann. §§ 19-6-601 *et seq.*, CAW caused to be published on October 4, 2020, a notice of public hearing on the question of issuing revenue bonds and thereafter, on October 14, 2020, held a public hearing, as advertised; and

**WHEREAS**, pursuant to the authority granted in Commission Resolution No. 2020-17, after due advertisement of an Official Notice of Sale, \$13,765,000 (or such lesser amount as shall be described herein, sufficient to accomplish the purposes for which issued) for the Series 2020B Bonds, were duly offered for sale on October 27, 2020; and at said sale, pursuant to the Official Notice of Sale, the following bids were received:

**Bidder True Interest Cost**

<u>Bidder Name</u>	<u>TIC</u>
Morgan Stanley & Co., LLC	2.112262
Robert W. Baird & Co., Inc.	2.178104
Wells Fargo Bank, National Association	2.307007
Mesirow Financial, Inc.	2.309628

**WHEREAS**, pursuant to the authority granted in Commission Resolution No. 2020-17, the bid submitted by Morgan Stanley & Co., LLC (the “Series 2020B Purchaser”) for the Series

2020B has been accepted by the Chief Financial Officer of CAW and the principal amount of the Bonds is \$12,920,000 and the purchase price is \$13,516,322.47.

**WHEREAS**, pursuant to the authority granted in Commission Resolution No. 2020-17, after due advertisement of an Official Notice of Sale, \$32,920,000 (or such lesser amount as shall be described herein, sufficient to accomplish the purposes for which issued) for the Series 2020C (Green Bonds), were duly offered for sale on October 27, 2020; and at said sale, pursuant to the Official Notice of Sale, the following bids were received:

**Bidder True Interest Cost**

<u>Bidder Name</u>	<u>TIC</u>
Morgan Stanley & Co., LLC	2.136422
Robert W. Baird & Co., Inc.	2.213969
Citigroup Global Markets Inc.	2.330976
Wells Fargo Bank, National Association	2.340007
Mesirow Financial, Inc.	2.341120
J.P. Morgan Securities LLC	2.400889

**WHEREAS**, pursuant to the authority granted in Commission Resolution No. 2020-17, the bid submitted by Morgan Stanley & Co., LLC (the “Series 2020C Purchaser”) for the Series 2020C (Green Bonds) has been accepted by the Chief Financial Officer of CAW and the principal amount of the Bonds is \$31,825,000 and the purchase price is \$32,377,151.38.

**WHEREAS**, pursuant to the authority granted in Commission Resolution No. 2020-17, after due advertisement of an Official Notice of Sale, \$7,195,000 (or such lesser amount as shall be described herein, sufficient to accomplish the purposes for which issued) for the Series 2020D Bonds, were duly offered for sale on October 27, 2020; and at said sale, pursuant to the Official Notice of Sale, the following bids were received:

**Bidder True Interest Cost**

<u>Bidder Name</u>	<u>TIC</u>
SAMCO Capital Markets	2.253860
Robert W. Baird & Co., Inc.	2.452414
Stifel, Nicolaus & Co., Inc.	2.476417

**WHEREAS**, pursuant to the authority granted in Commission Resolution No. 2020-17, the bid submitted by SAMCO Capital Markets (the “Series 2020D Purchaser, and together with the Series 2020B Purchaser and the Series 2020C Purchaser, the “Purchasers”) for the Series 2020D Bonds has been accepted by the Chief Financial Officer of CAW and the principal amount of the Bonds is \$7,140,000 and the purchase price is \$7,027,619.17.

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



**Section 1.** Under the authority of the Constitution and laws of the State of Arkansas, including particularly the Act and the Consolidation Agreement, the sale of the Series 2020B Bonds to the Series 2020B Purchaser on the terms of bid as set out above, is hereby in all respects ratified and approved, and accordingly the Series 2020B Bonds are hereby authorized and ordered to be sold to Morgan Stanley & Co., LLC and issued in the total principal amount of \$12,920,000 for the purposes of constructing and acquiring the Series 2020B Capital Improvements, refunding the Series 2015 Bonds; funding a debt service reserve and paying the costs of issuing the Series 2020B Bonds.

**Section 2.** Under the authority of the Constitution and laws of the State of Arkansas, including particularly the Act and the Consolidation Agreement, the sale of the Series 2020C (Green Bonds) to the Series 2020C Purchaser on the terms of bid as set out above, is hereby in all respects ratified and approved, and accordingly the Series 2020C Bonds are hereby authorized and ordered to be sold to Morgan Stanley & Co., LLC and issued in the total principal amount of \$31,825,000 for the purposes of constructing and acquiring the Series 2020C Capital Improvements, refunding the Series 2018A Bond; funding a debt service reserve and paying the costs of issuing the Series 2020C Bonds.

**Section 3.** Under the authority of the Constitution and laws of the State of Arkansas, including particularly the Act and the Consolidation Agreement, the sale of the Series 2020D Bonds to the Series 2020D Purchaser on the terms of bid as set out above, is hereby in all respects ratified and approved, and accordingly the Series 2020D Bonds are hereby authorized and ordered to be sold to SAMCO Capital Markets and issued in the total principal amount of \$7,140,000 for the purposes of partially advance refunding the Series 2016 Bonds; funding a debt service reserve and paying the costs of issuing the Series 2020D Bonds.

**Section 4.** The Bonds are special obligations of CAW, secured by and payable solely from the Stabilized Net Revenues of the Water System, on a parity with CAW's Refunding Water Revenue Bonds, Series 2010A; CAW's Refunding Revenue Bonds, Series 2010C (Watershed Protection Project); CAW's Water Revenue Bond, Series 2011A (Wye Mountain Extension Project); CAW's Capital Improvement Water Revenue Bonds, Series 2012A; CAW's Refunding Water Revenue Bonds, Series 2014; CAW's Refunding Water Revenue Bonds, Series 2016, the 1.5% Water Revenue Bond (Wilson Pump Station Project) Series 2017A; CAW's Water Revenue Bond, Series 2018B, and CAW's Water Revenue Bonds (Ozark Point Water Treatment Plant Project), Series 2019A; and any subsequently issued Parity Debt. The pledge of Stabilized Net Revenues securing the Bonds is senior to the pledge in favor of the Issuer's Acquisition and Construction Water Revenue Bonds (Maumelle Water System Acquisition Project), Series 2016 and the Issuer's Water Revenue Bond (POWA Project), Series 2020A. The Bonds do not constitute an indebtedness of the City of Little Rock, the City of North Little Rock, or the State of Arkansas within the meaning of any constitutional or statutory debt limitation or restriction.

**Section 5.** To prescribe the terms and conditions upon which the Bonds are to be executed, authenticated, delivered, issued, accepted, held, and secured, the Chair of the Commission is hereby authorized and directed to execute and acknowledge a Trust Indenture or Trust Indentures, to be dated as of the date of delivery of the Bonds, (together, the "Indenture") by and between CAW and Regions Bank, as Trustee, and the Secretary of the Commission is hereby authorized and directed to execute and acknowledge the Indenture and the Chair and the Secretary of the

Commission are hereby authorized and directed to cause the Indenture to be accepted, executed, and acknowledged by the Trustee. The Indenture is hereby approved in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

**Section 6.** To prescribe the terms and conditions upon which CAW shall comply with its continuing disclosure obligations for the Bonds, the Chair of the Commission is hereby authorized and directed to execute and deliver a Continuing Disclosure Agreement to be dated as of the date of delivery of the Bonds (the “Continuing Disclosure Agreement”), and the Secretary of the Commission is hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement which Continuing Disclosure Agreement is hereby approved in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

**Section 7.** All actions heretofore taken by the Commission and officers of CAW in connection with the offering of the Bonds, including the preparation and distribution of the Official Notice of Sale, Official Bid Form, and the Preliminary Official Statements for each Series of Bonds, holding of the public hearing on October 14, 2020, and acceptance of the bids received from the Purchasers are hereby in all respects ratified and approved.

**Section 8.** The Official Statements of CAW for each Series of the Bonds in the forms presented at this meeting with such changes, omissions, insertions, and revisions as the Chief Financial Officer shall deem advisable are hereby authorized and approved and the Chair of the Commission and Chief Executive Officer of CAW shall sign and deliver such final Official Statements to the respective Purchasers for distribution to the owners of the Bonds and other interested persons.

**Section 9.** The Chair of the Commission and the Chief Executive Officer of CAW are hereby authorized and directed to execute, by manual or facsimile signature, and deliver the Bonds to or upon the direction of the respective Purchasers on behalf of CAW.

**Section 10.** The Chair and Secretary of the Commission and the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer of CAW, for and on behalf of CAW, are authorized and directed to do any and all things necessary to effect the execution and delivery of the Indenture, and the Continuing Disclosure Agreement; the execution, delivery, and distribution of the Official Statements; the execution and delivery of such other papers and documents necessary to effect the issuance of the Bonds; the performance of all obligations of CAW under the Indenture, and the Continuing Disclosure Agreement; the issuance, execution, sale, and delivery of the Bonds; and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this resolution, the Indenture, and the Continuing Disclosure Agreement. The Chair and Secretary of the Commission and the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer of CAW, for and on behalf of CAW, are further authorized and directed to execute all papers, documents, certificates, and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

**Section 11.** This resolution shall be in effect from and after the date of its adoption.

APPROVED: October 28, 2020.

ATTEST:



Kevin Newton, Secretary/Treasurer

APPROVED:



Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS     )  
  )  
COUNTY OF PULASKI    )

I, Kevin Newton, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2020-18 of the Board of Commissioners of Central Arkansas Water, entitled: **RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$51,885,000 IN AGGREGATE PRINCIPAL AMOUNT FOR MULTIPLE SERIES OF BONDS INCLUDING (1) CENTRAL ARKANSAS WATER CAPITAL IMPROVEMENT AND REFUNDING WATER REVENUE BONDS, SERIES 2020B IN THE AGGREGATE PRINCIPAL AMOUNT OF \$12,920,000, FOR THE PURPOSES OF FINANCING THE COSTS OF VARIOUS CAPITAL IMPROVEMENTS AND REFUNDING THE REFUNDING WATER REVENUE BONDS, SERIES 2015; (2) CENTRAL ARKANSAS WATER CAPITAL IMPROVEMENT AND REFUNDING WATER REVENUE BONDS, SERIES 2020C (GREEN BONDS) IN THE AGGREGATE PRINCIPAL AMOUNT OF \$31,825,000, FOR THE PURPOSES OF FINANCING THE COSTS OF VARIOUS CAPITAL IMPROVEMENTS AND REFUNDING THE WATER REVENUE BOND, SERIES 2018A; AND (3) CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 2020D (TAXABLE) IN THE AGGREGATE PRINCIPAL AMOUNT OF \$7,140,000, FOR THE PURPOSE OF PARTIALLY ADVANCE REFUNDING THE REFUNDING WATER REVENUE BONDS, SERIES 2016; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; APPROVING THE SALE OF THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO**, adopted October 28, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 28<sup>th</sup> day of October, 2020.

ATTEST:



Kevin Newton, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

November 12, 2020

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, November 12, 2020, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

Mr. Anthony Kendall, Chair

**Via Teleconferencing:**

Mr. Jim McKenzie, Vice Chair  
Mr. Kevin Newton, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Ms. Kandi Hughes, Commissioner  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. David Johnson, General Counsel  
Mr. Allen Vincent, Director of Information Services  
Ms. Tamika Edwards, Special Advisor to the CEO on Diversity, Equity, Inclusion, & Engagement  
Ms. Tatiana Herrington, Director of Human Resources  
Ms. Cynthia Edwards, Director of Finance  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Danny Dunn, Director of Distribution  
Mr. Doug Graham, Optimization Manager  
Ms. Linda Smith, Sustainability Manager  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Jane Hurley, Education and Outreach Specialist  
Ms. Chelsea Boozer, Media Specialist  
Ms. Mary Dyson, Executive Assistant

**CAW Staff via Teleconferencing or Livestream:**

Mr. Jeremy Sparks, Chief Innovation Officer  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Andrew Pownall, P.E., Senior Engineer  
Mr. Alex Harper, GIS Manager  
Ms. Sonia Leszczyna, Human Resources Administrator  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager

**Also, in Attendance via Teleconferencing or Livestream:**

Mr. Jordan Johnson, JPJ Consulting, LLC  
Ms. Ruth Bell, League of Women Voters of Pulaski County

**CALL TO ORDER**

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

**BEHAVIOR OF THE WEEK**

Ms. Hurley made a short presentation on the HIVIP behavior of the week, "Uphold CAW's Positive Image at All Times, In All Ways".

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Hughes, the minutes of the October 15, 2020, Regular Meeting and October 28, 2020 Special Called Meeting, were unanimously approved.

**NEW BUSINESS**

**Presentation of Draft 2021 Financial Plan**

Mr. Mascagni presented a draft of the 2021 Financial Plan and stated that no action was required at this meeting and that the final version of the plan would be presented for consideration at the December Board Meeting.

**CONTRACTS/PURCHASES**

**Annual Contract for Utility Locate Services**

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Newton, after due consideration and discussion, a supplement agreement with Arkansas Utility Protection Services, Inc. (ArkUps) in the amount of \$441,000.00, to locate and mark utilities in preparation for excavations, was unanimously approved.

**Purchase Various Sizes and Types of Water Meters**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hartman, after due consideration and discussion, the purchase of various sizes and type of water meters in the estimated amount of \$624,000.00, from Neptune Technology, was unanimously approved.

**Annual Purchase of Chemicals**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Hughes, after due consideration and discussion, renewal of existing annual chemical contracts as well as approval of new chemical contracts in the amount of \$1,952,659.00, for the ongoing use in the water treatment process at the treatment plants, was unanimously approved.

**2-Inch Galvanized Water Main Replacements in North Little Rock**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Newton, after due consideration and discussion, a construction contract with Diamond Construction Company

in the amount of \$784,000.00, to replace approximately 6,500 linear feet of existing water mains identified as being very problematic and high maintenance located west of MacArthur Drive and north of I-40 and another area west of Camp Robinson Road and north of W. 47th Street in North Little Rock, was unanimously approved.

## **DEPARTMENT UPDATES**

### **Human Resources**

Ms. Herrington presented the results of the recent Employee Engagement Survey conducted by the Society for Human Resources Management.

### **Finance**

Ms. Edwards provided a year-to-date financial update on utility operations and recognized CAW's Finance Department for receiving the Government Finance Officers Association - Distinguished Budget Presentation Award for the eleventh consecutive year. This award is the highest form of recognition in governmental budgeting.

## **BOARD BRIEFING**

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

## **ADJOURNMENT**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hartman, the meeting was adjourned at 3:44 p.m.



Kevin Newton, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

December 10, 2020

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, December 10, 2020, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Via Teleconferencing:**

Mr. Anthony Kendall, Chair  
Mr. Jim McKenzie, Vice Chair  
Mr. Kevin Newton, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Ms. Kandi Hughes, Commissioner  
Mr. Jay Hartman, Commissioner  
Dr. Jay Barth, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Allen Vincent, Director of Information Services  
Ms. Cynthia Edwards, Director of Finance  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Danny Dunn, Director of Distribution  
Mr. Chris Shahan, Assistant Director of Distribution  
Ms. Allegra Rightmire, Administrative Assistant  
Mr. Doug Shackelford, Director of Public Affairs and Communications  
Ms. Chelsea Boozer, Media Specialist  
Ms. Mary Dyson, Executive Assistant

**CAW Staff via Teleconferencing or Livestream:**

Mr. Jeff Mascagni, Chief Financial Officer  
Mr. David Johnson, General Counsel  
Ms. Tamika Edwards, Special Advisor to the CEO on Diversity, Equity, Inclusion, & Engagement  
Ms. Linda Smith, Sustainability Manager  
Ms. Jane Hurley, Education and Outreach Specialist  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Andrew Pownall, P.E., Senior Engineer  
Mr. Alex Harper, GIS Manager  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager

**Also, in Attendance via Teleconferencing or Livestream:**

Mr. Jordan Johnson, JPJ Consulting, LLC  
Mr. Thomas Crowley, P.E., Carollo Engineers  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Ms. Kenetta Ridgell, Little Rock Water Reclamation Authority



## **CALL TO ORDER**

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

## **BEHAVIOR OF THE WEEK**

Ms. Rightmire gave a short presentation on the HIVIP behavior of the week, "Solve Problems".

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Newton and seconded by Commissioner Barth, the minutes of the November 12, 2020, Regular Meeting were unanimously approved.

## **OLD BUSINESS**

### **Approval of 2021 Financial Plan**

Mr. Mascagni requested Board approval of the 2021 Financial Plan that was presented to the Board in November.

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner McKenzie, after due consideration and discussion, the 2021 Financial Plan was unanimously approved.

## **NEW BUSINESS**

### **Discussion on Providing Services on Private Property**

Mr. Bohannon opened discussion for the Board on the pros and cons of CAW providing water leak detection and other services on private property. Discussion ensued. No action taken.

## **CONTRACTS/PURCHASES**

### **Software Maintenance for CAW Customer Information System**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Hughes, after due consideration and discussion, an annual software maintenance contract with Systems & Software (S&S) of Colchester, Vermont, in the amount of \$347,475.33, to provide support services for the enQuesta Customer Information System (CIS) currently used by CAW, was unanimously approved.

### **Vehicle Maintenance Contract with Little Rock Water Reclamation Authority (LRWRA)**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, after due consideration and discussion, a five-year contract with LRWRA to provide fleet maintenance services for all CAW vehicles and equipment at a budgeted cost of \$585,000.00, for 2021 fleet maintenance, was unanimously approved.

### **Annual Contract for Asphalt Surface Repairs**

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Newton, after due consideration and discussion, a one-year contract with Redstone Construction Group to perform asphalt restoration work estimated at \$574,125.00, was unanimously approved.

### Annual Contract for Concrete Surface Repairs

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Barth, after due consideration and discussion, a one-year contract extension with JCON, Inc. to perform concrete restoration work estimated at \$228,701.85, was unanimously approved.

### Water Main Replacements in Sherwood

Upon a motion duly made by Commissioner Newton and seconded by Commissioner Hughes, after due consideration and discussion, a construction contract with NLS Construction in the amount of \$782,020.00, to relocate approximately 4,200 linear feet of existing water mains identified as being very problematic and high maintenance in Sherwood, was unanimously approved.

### Water Main Relocation along Rodney Parham Road

Upon a motion duly made by Commissioner Smith and seconded by Commissioner McKenzie, after due consideration and discussion, a construction contract with KAJACS Contractors, Inc. in the amount of \$810,000.00, to relocate approximately 4,400 linear feet of existing water mains that conflict with planned road and drainage improvements along N. Rodney Parham Road from Valley Club Circle to Buff Lane (Hinson Road) in Little Rock, was unanimously approved.

### ArDOT Water Main Relocation along Hwy. 10 (Cantrell Road) – Change Order No. 1

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Barth, after due consideration and discussion, Change Order No. 1 with ArDOT in the amount of \$230,000.00, to encase water mains with a protective steel encasement pipe to allow CAW access for future maintenance without disturbing the highway improvements along sections of Arkansas State Highway No. 10 (Cantrell Road) from Interstate 430 to near Sam Peck Road in Little Rock, was unanimously approved.

### Ozark Point Water Treatment Plant Renovation – Change Order No. 3

Upon a motion duly made by Commissioner Newton and seconded by Commissioner Barth, after due consideration and discussion, Change Order No. 3 to the existing construction contract with Max Foote Construction in the amount of \$601,428.00, to address additional work recommended due to changed conditions exposed in various areas of the Ozark Point Water Treatment Plant renovation project, was unanimously approved.

## **DEPARTMENT UPDATES**

### Operations

Mr. Weindorf provided an update on the merger with Paron-Owensville.

### Finance

Ms. Edwards provided a year-to-date financial update on utility operations.

## **BOARD BRIEFING**

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

**ADJOURNMENT**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, the meeting was adjourned at 4:41 p.m.



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Kevin Newton, Secretary/Treasurer