

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

January 13, 2011

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, January 13, 2011, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

Mr. Anthony Kendall, Chair  
Mr. Thomas W. Rimmer, Secretary/Treasurer  
Mr. Jay Hartman, Commissioner  
Mr. Eddie Powell, Commissioner  
Dr. Roby Robertson, Commissioner  
Ms. Carmen Sanders Simpson, Commissioner

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Gary Pittman, Chief Financial Officer  
Ms. Marie Crawford, Director of Communications  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Gary Hum, Director of Source & Treatment  
Mr. Allen Vincent, Director of Information Services  
Ms. Becky Wahlgreen, Director of Human Resources  
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source  
Ms. Elizabeth Tuck-Rowan, Purchasing Manager  
Ms. Sharon Sweeney, Water Quality Specialist for CAW  
Ms. Samantha Williams, Communications Assistant for CAW  
Ms. Connie Horn, Management Secretary  
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.

**Also in Attendance:**

Ms. Erin Brogdan, Attorney with Wright, Lindsey & Jennings, L.L.P.  
Mr. Jason Carter, North Little Rock City Attorney  
Ms. Olivia Dedner, Vice President of Advantage Communications, Inc.  
Mr. Barry Haas, Representative of Citizens Protecting Maumelle Watershed  
Mr. Tim Kennedy, Engineering Analyst for CLEAResult Consulting  
Mr. Jeff Richards, Program Manager for CLEAResult Consulting  
Mr. Joe Smith, North Little Rock, Director of Commerce  
Mr. Paul Strickland, P.E., Garver Engineers

**CALL MEETING TO ORDER**

Mr. Anthony Kendall, Chair, called to order the January 13, 2011 meeting of the Board of Commissioners.

**INTRODUCTION OF GUESTS**

Mr. Graham W. Rich, P.E. Chief Executive Officer, introduced the guests.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the December 9, 2010 regular meeting were approved.

## **EMPLOYEE RECOGNITION**

Mr. Rich congratulated Ms. Elizabeth Tuck-Rowan for her designation as a "Certified Professional in Supplier Diversity". Mr. Rich said that Ms. Tuck-Rowan is one of the first in the area to receive this recognition from the Institute for Supply Management, Inc.

## **ADMINISTRATIVE BUSINESS FOR BOARD OF COMMISSIONERS**

### **Officer Election**

At the December Board Meeting, Mr. Jay Hartman, Commissioner, was appointed to nominate a Board Member to serve as Vice Chair, upon the resignation of Ms. Adrienne Bradley. Mr. Hartman nominated Mr. Thomas W. Rimmer, Secretary/Treasurer to serve the remainder of Ms. Bradley's term as Vice Chair.

Commissioner Hartman then nominated Ms. Carmen Sanders Simpson to serve the remainder of Commissioner Rimmer's term as Secretary/Treasurer.

Upon a motion duly made by Commissioner Hartman, and seconded by Mr. Eddie Powell, Commissioner, the motion was approved.

### **Resolution of Commendation**

A draft resolution commending Ms. Bradley for her service to the Board of Commissioners, the utility, and Central Arkansas was presented for approval.

Upon a motion duly made by Commissioner Powell, and seconded by Dr. Roby Robertson, Commissioner, the motion was approved.

### **CAW Office Sustainability Program**

Mr. Rich said that as part of its sustainability efforts, CAW participated in the 2010 Entergy Arkansas Energy Efficiency Program, as administered by CLEARresult Consulting. He said that CAW's replacement of older light fixtures at the James T. Harvey (JTH) Administration Building is expected to reduce its energy consumption by approximately 250,000 kWh per year. As a result of CAW reducing its energy usage, Entergy and CLEARresult presented CAW a check in the amount of \$8,511.37.

### **Request for Water Line Extension**

Mr. Thad Luther, Chief Operating Officer, said that the City of Little Rock has requested CAW extend a water line to the property at 12827 Interstate 30 in Little Rock in accordance with the Consolidation Agreement which allows CAW to provide assistance for development.

Mr. Luther said that the request does qualify under Section 5.03 of the Consolidation Agreement. He added that the water line extension will allow CAW to reduce the size of a portion of a water main called for in CAW's Master Plan from a 12-inch line to an eight-inch line, thereby reducing cost; providing fire protection to an area that is currently without such protection; and providing service to an area in which existing businesses currently receive their water from wells.

In response to a question by Commissioner Hartman, Mr. Luther said that the Board has approved

similar requests by the City of North Little Rock.

Mr. Barry Haas, Citizens Protecting Maumelle Watershed, asked if CAW builds infrastructure. Mr. Rich responded that there are times when a request for assistance in paying for the installation of water mains coincides with the CAW Master Plan. Mr. Rich said that in such cases, CAW would consider paying for the main installation.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hartman, the motion was approved.

#### Maryland Avenue Complex Lease Agreement

Mr. Luther said that at the October Board Meeting, the Board was informed of discussions with North Little Rock city officials to release CAW's lease on the office building that is part of the Maryland Avenue Complex and to secure long-term leases on those properties needed to support current and future CAW operations.

Mr. Luther said that CAW would retain ownership of the buildings currently used for day-to-day operations and the Training Center building.

Mr. Joe Smith, North Little Rock Director of Commerce, requested the lease agreement be modified to provide lease adjustments more often than every 20 years and suggested possible adjustments every 10 years. Mr. Luther indicated that CAW did not have a problem with adjusting the lease amount every 10 years. Tad Bohannon, counsel for CAW, suggested adding a provision to the lease agreement that the payment amount would be adjusted at 10 years intervals to reflect changes in the Consumer Price Index. Mr. Luther then added that the agreement, if approved by CAW's Board of Commissioners and the North Little Rock City Council, would be effective June 1, 2011.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hartman, the motion was approved with the provision the lease agreement be modified to allow payment adjustments every 10 years based on the Consumer Price Index.

#### CONTRACTS

Upon motions duly made and seconded, the following contracts were approved:

- a. Renewal of a contract with Advent Systems, Inc. in the amount of \$65,381.37 for access control system maintenance for CAW facilities. This is the first year of three one-year contract extension options.
- b. Renewal of the annual software maintenance contract with Azteca System in the amount of \$53,000 for the Computer Maintenance Management System (CityWorks).
- c. Renew of the annual software maintenance contract with Systems & Software for \$375,177.73 for support services for the EnQuesta Customer Service Information System used by the Customer Service and Finance Departments.
- d. Approve a contract to the low bidder, Harper Construction, in the amount of \$592,695 for the installation of approximately 250 linear feet of 16-inch ductile iron pipe, and the relocation of approximately 4,900 linear feet of 12-inch and 900 linear feet of 8-inch ductile iron pipe adjacent to Highway 5.

## **DEPARTMENT UPDATES**

### **Watershed**

Mr. Rich provided an update on the following watershed issues:

- Staff continues to work with Pulaski County officials on a comprehensive land use plan.
- Staff is working with the Arkansas Game & Fish Commission and the Arkansas Forestry Commission to conduct the first controlled burn in the watershed in February.

### **Source & Treatment**

Ms. Sharon Sweeney, Water Quality Specialist, provided a presentation on Hexavalent Chromium and Fluoride, which have both received news coverage recently.

### **Regionalism**

Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source, provided an update on matters pertaining to Regionalism.

### **Finance**

Mr. Pittman provided a summarized year-to-date Financial Report on utility operations.

## **BOARD BRIEFING**

Mr. Rich provided an update on the following:

- Mr. Rich will make a presentation to the Little Rock City Board of Directors in February on lake levels.
- There are plans to work with the University of Arkansas at Little Rock Extension Service to conduct a "Sprinkler Smart" program.
- At the February Board Meeting, Mr. Rich will provide information on perspective members for the Mid-Arkansas Water Alliance, the purchasing capacity at Lake DeGray, and a recent trip to Austin and San Antonio to view sustainability programs of other utilities
- There will be an all-day meeting of the Commissioners to review implementation of the Strategic Plan, the 10 Attributes and 5 Keys of Effective Utility Management, and future CAW issues.
- Ms. Marie-Bernarde Miller's appointment to the CAW Board was confirmed by the City of Little Rock Board of Directors and will now go before the North Little City Council for confirmation on January 24.

## **ADJOURNMENT**

There being no further business, Chair Kendall adjourned the meeting.

  
Carmen Sanders Simpson, Secretary

**In Honor and Appreciation**  
**Commissioner Adrienne Bradley**

**Resolution 2011-01**

WHEREAS, Ms. Adrienne Bradley served on the Central Arkansas Water (CAW) Board of Commissioners and provided exemplary vision and leadership for the Board and Central Arkansas Water; and

WHEREAS, her extensive background in business, has been integral to the Board in its public-policy decisions and governance of the water utility; and

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

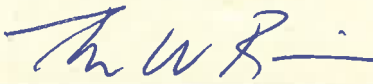
WHEREAS, she was integral in addressing and formulating sound public policy on the challenging issues of watershed management and future source to ensure the utility continues to meet the water supply needs of the 16 cities and communities that CAW serves.

**NOW, THEREFORE, BE IT RESOLVED THAT** the Board of Commissioners, Central Arkansas Water, hereby does express sincere appreciation to Ms. Bradley for her distinguished service to CAW and its customers and honor her for her contributions to the Board and utility.

\* \* \* \* \*

We, Jay Hartman, Anthony Kendall, Eddie Powell, Thomas Rimmer, Dr. Roby Robertson, and Carmen Sanders Simpson, as members of the Board of Commissioners, Central Arkansas Water, hereby do certify that the above and foregoing is a correct copy of the resolution adopted on this 13th day of January 2011.

  
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Anthony Kendall, Chair

  
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Thomas Rimmer, Secretary/Treasurer

  
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Jay Hartman, Commissioner

  
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Eddie Powell, Commissioner

  
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Dr. Roby Robertson, Commissioner

  
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Carmen Sanders Simpson, Commissioner

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

February 17, 2011

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, February 17, 2011, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

Mr. Anthony Kendall, Chair  
Mr. Thomas W. Rimmer, Vice Chair  
Ms. Carmen Sanders Simpson, Secretary/Treasurer  
Mr. Jay Hartman, Commissioner  
Ms. Marie-Bernarde Miller, Commissioner  
Mr. Eddie Powell, Commissioner  
Dr. Roby Robertson, Commissioner

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Gary Pittman, Chief Financial Officer  
Ms. Marie Crawford, Director of Communications  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Gary Hum, Director of Source & Treatment  
Mr. Allen Vincent, Director of Information Services  
Ms. Becky Wahlgreen, Director of Human Resources  
Mr. Terry Bice, Assistant Director of Distribution  
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source  
Mr. Dennis Yarbrow, Supervisor of Water Source Lake Maumelle  
Ms. Stephanie Hymel, Stewardship Coordinator  
Mr. Jonathan Long, Watershed Administrator  
Ms. Connie Horn, Management Secretary  
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.

**Also in Attendance:**

Ms. Kate Althoff, Citizens Protecting Maumelle Watershed  
Ms. Erin Brogdan, Attorney with Wright, Lindsey & Jennings, L.L.P.  
Mr. Mark Brown, Pulaski County Cooperative Extension Service  
Ms. Olivia Dedner, Vice President of Advantage Communications, Inc.  
Mr. Matt Dunn, P.E., Crist Engineers  
Mr. Barry Haas, Citizens Protecting Maumelle Watershed  
Mr. Tom Hubbard, Garver Engineers  
Ms. Kristin Netterstrom, Arkansas Democrat-Gazette  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Beth Phelps, Staff Chair, Pulaski County Cooperative Extension Service  
Mr. Paul Strickland, P.E., Garver Engineers

## **CALL MEETING TO ORDER**

Mr. Anthony Kendall, Chair, called to order the February 17, 2011 meeting of the Board of Commissioners.

## **INTRODUCTION OF GUESTS**

Mr. Graham W. Rich, P.E. Chief Executive Officer, introduced the guests.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the January 13, 2010 regular meeting were approved.

## **NEW BUSINESS**

### **Report from Cooperative Extension Service**

Ms. Stephanie Hymel, Stewardship Coordinator, introduced Mr. Mark Brown with the Pulaski County Cooperative Extension Service. She said that CAW has an agreement with the extension for Mr. Brown to provide outdoor water conservation programs for the public.

Mr. Brown discussed the different programs he has been working on over the past year to inform the public on water conservation practices.

Mr. Rich said that CAW is providing these programs as a service to CAW customers in efforts to assist them in saving money on their water bills and to help delay the need for expanded or new water treatment facilities.

Upon a motion duly made by Mr. Eddie Powell, Commissioner, and seconded by Mr. Thomas Rimmer, Vice Chair, the motion to continue the agreement another year was approved.

### **Presentation of Forest Management Activities**

Ms. Hymel said that CAW is scheduled to receive a \$2.5 million Forest Legacy Grant but, due to national budget restraints, this funding may not be forthcoming due to Congressional budget restraints.

She said staff plans to draft letters to Arkansas Congressional delegates asking them to support funding for this project.

### **Comprehensive Lane Use Plan**

Mr. Martin Maner, Director of Watershed Management, made a presentation comparing CAW's Lake Maumelle Watershed Management Plan and Pulaski County's draft Land Use Plan being.

He said that the draft Land Use Plan deals primarily with implementation of low impact development in the Pulaski County portion of the Lake Maumelle Watershed, whereas the Plan considers this as well as other potential threats.

## Purchase of Property in the Lake Maumelle Watershed

Mr. Jonathan Long, Watershed Administrator, reported that CAW has the opportunity to purchase approximately 14 acres located in the Lake Maumelle Watershed. He said that the property is surrounded by CAW owned land and that the property owner has agreed to sell for the appraised value of \$80,000.

Upon a motion duly made by Commissioner Powell, and seconded by Dr. Roby Robertson, Commissioner, the motion was approved.

## CONTRACTS

Upon motions duly made and seconded, the following contracts were approved:

- Approval of a contract with Raftelis Financial Consultants, Inc. for an amount not to exceed \$146,040 to complete a Comprehensive Rate Study.
- Approval of a vehicle maintenance contract with Little Rock Wastewater for fleet maintenance services.
- Approval of a contract with Little Rock Winwater for \$71,184.24 for the purchase of fire hydrants.

Due to the large discrepancy in the estimated construction amounts presented by two independent engineering firms, approval of a contract with the team of Crist/Carollo Engineers for the design of a surge tank facility for the Lake Maumelle Raw Water Transmission Mains was tabled until the March 2011 Board Meeting. The Board requested a third party review of the construction estimate to determine the reason for the large difference in estimate amounts.

## DEPARTMENT UPDATES

### Regionalism

Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source, provided an update on matters pertaining to Regionalism.

### Finance

Mr. Pittman provided a summarized year-to-date Financial Report on utility operations.

## BOARD BRIEFING

Mr. Rich provided an update on the following:

- March 14-20, CAW, along with the Pulaski County Cooperative Extension Service, will sponsor "Fix A Leak Week".
- On March 15, Mr. Rich will make a presentation to the Little Rock City Board of Directors concerning lake levels.
- The Board of Commissioners will hold a day-long retreat on April 20. The retreat will be held in Central Arkansas Water's Board Room and will address implementation of the



Strategic Plan, the 10 Attributes and 5 Keys of Effective Utility Management, and future CAW issues.

- CAW will hold their Third Annual Stakeholder's Meeting in May. The tentative date and location is May 24 at the North Little Rock Chamber of Commerce building.
- CAW has agreed to install a water line in the City of North Little Rock for a new natural compressed gas station. This new line will benefit both the city of North Little Rock through cost savings and CAW by replacing aged water lines.
- On April 14 and 15, CAW employees will participate in an Earth Day celebration at the Little Rock Zoo
- Construction on the water line running under the I-430 River Bridge has started back up after delays due to a construction accident in 2008. Mr. Jim Ferguson, Director of Engineering said that 20% of the pipe is in place. He said that it is anticipated that this section of the Northbelt Transmission Main will be completed by May 2011.

### **ADJOURNMENT**

There being no further business, Chair Kendall adjourned the meeting.

  
Carmen Sanders Simpson, Secretary

**RESOLUTION NO. 2011-02**

**RESOLUTION APPROVING REAL ESTATE CONTRACT BETWEEN  
CENTRAL ARKANSAS WATER AND IDA LYNN MEANS REVOCABLE  
TRUST; AUTHORIZING PAYMENT OF THE PURCHASE PRICE DUE  
THEREUNDER; AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO  
EXECUTE SUCH AGREEMENT; AND PRESCRIBING OTHER MATTERS  
RELATING THERETO**

WHEREAS, Central Arkansas Water ("CAW") desires to purchase land near and around Lake Maumelle for purposes of protecting the Lake Maumelle Watershed; and

WHEREAS, the Trustees for the Ida Lynn Means Revocable Trust (the "Trust") desire to sell property consisting of approximately 14 acres on Highway 10 in western Pulaski County near Lake Maumelle (the "Property"); and

WHEREAS, CAW desires to purchase the Property.

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

Section 1. The Chief Executive Officer of CAW is hereby authorized and directed to execute, the Real Estate Contract, and the Real Estate Contract is hereby approved in the form submitted to this meeting, provided, however, that in the event closing of the purchase can not occur on or before February 28, 2011, the Chief Executive Office of CAW is also authorized to execute such amendment or amendments as may be necessary to extend the closing date under the Real Estate Contract to a date no later than June 30, 2011.

Section 2. Each or any of the Chair, Secretary, Chief Executive Officer or Chief Operating Officer is hereby authorized and directed to do any and all things necessary to effect the closing of the purchase in accordance with the terms of the Real Estate Contract and execute all required documents consummating transfer of the Property to CAW.

Section 3. Each or any of the Chair, Secretary, Chief Executive Officer or Chief Operating Officer is hereby authorized and directed to do any and all things necessary to effect the purpose of this Resolution and to take all other actions necessary or desirable in connection with the foregoing sections of this resolution.



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

March 10, 2011

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, March 10, 2011, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

Mr. Anthony Kendall, Chair  
Mr. Thomas W. Rimmer, Vice Chair  
Ms. Carmen Sanders Simpson, Secretary/Treasurer  
Mr. Jay Hartman, Commissioner  
Ms. Marie-Bernarde Miller, Commissioner  
Mr. Eddie Powell, Commissioner  
Dr. Roby Robertson, Commissioner

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Gary Pittman, Chief Financial Officer  
Ms. Marie Crawford, Director of Communications  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Mr. Gary Hum, Director of Source & Treatment  
Ms. Becky Wahlgreen, Director of Human Resources  
Mr. Terry Bice, Assistant Director of Distribution  
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source  
Mr. Dennis Yarbrow, Supervisor of Water Source Lake Maumelle  
Ms. Stephanie Hymel, Stewardship Coordinator  
Mr. Jonathan Long, Watershed Administrator  
Ms. Connie Horn, Management Secretary  
Ms. Erin Brogdan, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.

**Also in Attendance:**

Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Olivia Dedner, Vice President of Advantage Communications, Inc.  
Mr. Barry Haas, Citizens Protecting Maumelle Watershed  
Mr. Van McClendon, Director, Pulaski County Planning and Development Division  
Ms. Kristin Netterstrom, Arkansas Democrat-Gazette  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Mr. Paul Strickland, P.E., Garver Engineers

**CALL MEETING TO ORDER**

Mr. Anthony Kendall, Chair, called to order the March 10, 2011 meeting of the Board of Commissioners.

## **INTRODUCTION OF GUESTS**

Mr. Graham W. Rich, P.E., Chief Executive Officer, introduced the guests.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the February 17, 2010 regular meeting were approved.

## **NEW BUSINESS**

### **Presentation on Lake Levels**

Mr. Rich made a presentation on the current water levels of Lakes Winona and Maumelle. He said that water levels in the lakes are down slightly due to the dry winter and the lowering of water in Lake Maumelle to allow repairs to the dam. He said that though the water levels are at historical lows, they are not at a critical stage.

Mr. Rich added that he would keep the Board informed of the status of the lake levels.

### **Rate Stabilization Account**

Mr. Gary Pittman, Chief Financial Officer, reminded the Board that in 2010 they approved Resolution 2010-03 which established a Rate Stabilization Account (RSA). He said that staff is requesting authorization to transfer \$2.1 million into this account.

Mr. Pittman stated that when the fund was established, policy was set for a \$20 million maximum balance.

Upon a motion duly made by Mr. Eddie Powell, Commissioner, and seconded by Mr. Thomas Rimmer, Vice Chair, the transfer of funds to the RSA was approved.

### **Resolution to Lease Property to Pulaski County**

Ms. Stephanie Hymel, Stewardship Coordinator, said that CAW and Pulaski County are partnering to create a public walking trail in the Maumelle Watershed. She said that in order to create this trail, Pulaski County needs to lease the land from CAW. She added that lease agreement is for a period of 10 years.

Ms. Hymel said that the Wildlife Observation Trails Grant Program, funded by the Arkansas Game and Fish Commission and administered by the Arkansas Department of Parks & Tourism's Outdoor Recreation Grants Program, only allows state or county entities to be eligible for grants.

Upon a motion duly made by Commissioner Powell and seconded by Mr. Jay Hartman, Commissioner, authorization to enter in a lease agreement with Pulaski County was approved.

### **Overview of CAW Performance Metrics**

Mr. Rich discussed CAW performance metrics and asked the Board what type of information they would like to receive from staff on a monthly basis.

He said that this is staff's attempt to keep the Board informed and up-to-date on utility issues.

## **CONTRACTS**

Upon motions duly made and seconded, the following contracts were approved:

- Approval of a contract with the team of Crist/Carollo Engineers for an amount not to exceed \$325,000 to design the Lake Maumelle Raw Water Transmission Mains Surge Suppression Facility.
- Approval of a contract with Quality Boring of North Little Rock for \$75,879 for the installation of approximately 460 linear feet of 8-inch ductile iron pipe and 300 linear feet of 16-inch steel encasement pipe on the South side of I-30 near the Pulaski/Saline County line.
- Approval of a contract with Red Oak Consulting for \$77,500 for Asset Management Program consulting services.
- Approval of contracts with Badger Meter, HD Supply, Neptune Technology Group, and Mueller System for the purchase of various sized water meters.

## **DEPARTMENT UPDATES**

### Watershed

Mr. Martin Maner, P.E., Director of Watershed Management, provided an update on matters concerning the Lake Maumelle Watershed.

### Regionalism

Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source, provided an update on matters pertaining to Regionalism.

### Finance

Mr. Pittman provided a summarized year-to-date Financial Report on utility operations and also reviewed CAW's relationship with the Brushy Island Water District.

## **BOARD BRIEFING**

Mr. Rich provided an update on the following:

- Staff will create a "Calendar of Events" that will be provided to Commissioners twice a month, or as needed. The purpose of this calendar is to keep Commissioners informed on upcoming events/issues concerning CAW.
- On March 3, CAW partnered with The Nature Conservancy, the Arkansas Game & Fish Commission, and the Arkansas Forestry Commission to perform a prescribed burn on the Bufflehead Bay Peninsula located in the Lake Maumelle Watershed. The primary objective of the burn is to reduce the fuel load on the forest floor.

## **ADJOURNMENT**

There being no further business, Chair Kendall adjourned the meeting.



Carmen Sanders Simpson, Secretary

**RESOLUTION NO. 2011-03**

**RESOLUTION APPROVING LEASE AGREEMENT FOR WALKING TRIALS;  
AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE LEASE; AND  
PRESCRIBING OTHER MATTERS RELATING THERETO**

WHEREAS, Pulaski County, Arkansas (the "County") desires to lease a portion of the land owned by Central Arkansas Water ("CAW") adjacent to Lake Maumelle for the construction and use of walking trails; and

WHEREAS, CAW desires to lease the property more specifically described in the Lease Agreement for Walking Trails presented to the Central Arkansas Water Board of Commissioners to the County for the construction and use of walking trails.

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

Section 1. The Chief Executive Officer, Graham W. Rich, is hereby authorized and directed to execute the Lease Agreement for Walking Trails (the "Agreement"), and the Agreement is hereby approved in the form submitted to this meeting.

Section 2. Each or any of the Chair, Chief Executive Officer, Chief Operating Officer and General Counsel are hereby authorized and directed to do any and all things necessary to effect the purpose of this Resolution and to take all other actions necessary or desirable in connection with the foregoing sections of this resolution.


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

ADOPTED: March 10, 2011

ATTEST:

APPROVED:

  
\_\_\_\_\_  
Carmen Sanders Simpson, Secretary

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

CERTIFICATE

STATE OF ARKANSAS     )  
  )  
COUNTY OF PULASKI    )

I, Carmen Sanders Simpson, Secretary of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2011-03 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION APPROVING LEASE AGREEMENT FOR WALKING TRIALS; AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE LEASE; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted March 10, 2011.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of March, 2011.

  
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Carmen Sanders Simpson, Secretary  
Board of Commissioners, Central Arkansas Water



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

April 14, 2011

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, April 14, 2011, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

Mr. Anthony Kendall, Chair  
Mr. Thomas W. Rimmer, Vice Chair  
Ms. Carmen Sanders Simpson, Secretary/Treasurer  
Mr. Jay Hartman, Commissioner  
Ms. Marie-Bernarde Miller, Commissioner  
Mr. Eddie Powell, Commissioner  
Dr. Roby Robertson, Commissioner

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Gary Pittman, Chief Financial Officer  
Mr. Terry Bice, Acting Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Gary Hum, Director of Source & Treatment  
Mr. Allen Vincent, Director of Information Services  
Ms. Becky Wahlgreen, Director of Human Resources  
Ms. Deena Coston, C.P.A., Controller  
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source  
Ms. Stephanie Hymel, Stewardship Coordinator  
Ms. Connie Horn, Management Secretary  
Mr. Willis Langley, Pumping Facility Operator  
Mr. Jonathan Long, Watershed Administrator  
Mr. Jeff Mascagni, C.P.A., Controller  
Mr. Joe O'Hara, Engineer  
Ms. Samantha Williams, Communications Assistant  
Mr. Thomas Wray, Engineer  
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.

**Also in Attendance:**

Mr. Ray Baxter, C.P.A., BKD Certified Public Accountants  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Erin Brogdan, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.  
Mr. Rocky Craley, Raftelis Financial Consultants, Inc.  
Mr. Barry Haas, Citizens Protecting Maumelle Watershed  
Mr. Correy Jennings, C.P.A., BKD Certified Public Accountants  
Ms. Kristin Netterstrom, Arkansas Democrat-Gazette

Mr. Chuck Nestrud, Attorney for Deltic Timber  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Mr. Paul Strickland, P.E., Garver Engineers  
Ms. Elaine Vastis, Raftelis Financial Consultants, Inc.  
Mr. John Wright, C.P.A., Raftelis Financial Consultants, Inc.

### **CALL MEETING TO ORDER**

Mr. Anthony Kendall, Chair, called to order the April 14, 2011 meeting of the Board of Commissioners.

### **INTRODUCTION OF GUESTS**

Mr. Graham W. Rich, P.E., Chief Executive Officer, introduced the guests.

### **EMPLOYEE RECOGNITION**

Mr. Rich recognized the academic achievement of Willis Langley, Pumping Facility Operator. Mr. Rich said that Mr. Langley received his Associates Degree in Science and plans to pursue his Bachelor's Degree in Environmental Health.

Mr. Rich said that Mr. Langley had used the employee tuition reimbursement program to obtain his degree.

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the March 10, 2010 regular meeting were approved.

### **NEW BUSINESS**

#### **CAW 2010 Audit**

Mr. Gary Pittman, Chief Financial Officer, introduced Mr. Correy Jennings, C.P.A., and Mr. Ray Baxter, C.P.A., both of BKD Certified Public Accountants. Mr. Pittman said they would report on the 2010 Audit for CAW and Brushy Island Water Authority.

Mr. Jennings said that there are three audit reports: financial statements, compliance with governmental controls, and A133 compliance. He said there were no adjustments to be made and no control deficiencies. Mr. Jennings stated that he will issue "clean audit opinions" on the reports.

Mr. Jennings added that a management letter will state that the CAW audit was completed within the generally accepted accounting principles and standards and governmental principles.

#### **Brushy Island Water Authority 2010 Audit**

Mr. Jennings said that he will issue a "clean audit opinion" for the Brushy Island Water Authority (BIWA).

Upon a motion duly made by Mr. Thomas Rimmer, Commissioner, and seconded by Mr. Eddie Powell, Commissioner, the 2010 Audits for CAW and BIWA were approved.

Mr. Jennings commended CAW for having an outstanding accounting staff that is proactive in accounting policies.

Chair Kendall said that it is nice to have an outside organization affirm the Board's belief that the utility has a great accounting department.

#### January 2012 Bond Issue

Mr. Rich made a presentation on the process and timetable for an upcoming bond issue. He said that he anticipates returning to the Board in January 2012 for authorization to issue bonds.

Mr. Rich passed out to the Board a "Guide for Commissioners Concerning Issuance of Bonds".

#### Rate Study

Mr. Gary Pittman, Chief Financial Officer, introduced Elaine Vastis and Rocky Craley, both of Raffelis Financial Consultants, Inc.

Ms. Vastis reviewed the scope of the rate study and pricing objectives.

#### Annual Payment for First Right of Refusal

Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source, provided a brief history of CAW's First Right of Refusal for water storage at Lake DeGray.

Upon a motion duly made by Commissioner Powell and seconded by Dr. Roby Robertson, Commissioner, payment for First Right of Refusal was approved.

#### Resolution Providing for Issuance and Sale of Water Revenue Bonds

Mr. Thad Luther, Chief Operating Officer, said that staff is requesting approval for the issuance of \$4 million in bonds to finance the installation a water main along Highway 10 that will connect to the Wye Mountain Water Authority system.

Mr. Luther said that the resolution also authorizes the execution and delivery of a supplemental trust indenture and a bond purchase agreement. He said that these documents are required by the Arkansas Natural Resource Commission, which will purchase the bonds at an effective interest rate of 3.25 percent.

Upon a motion duly made by Commissioner Robertson and seconded by Commissioner Powell, the resolution was approved.

### **CONTRACTS**

Upon motions duly made and seconded, the following c ontracts were approved:

- Approval of a contract with Harper Construction, Inc. for \$2,054,774.50 for the extension of a 12-inch and 16-inch water line along Highway 10 to the Wye Mountain Water Authority.

- Approval of a contract with Leher Painting Enterprises, Inc. for \$164,600.00 to paint the interior and exterior of Tank 9, located at 15601 Arch Street in Little Rock.
- Approval of a contract with Arkansas Elevator, LLC for \$183,800.00 to modernize the existing freight elevator at the Jack H. Wilson Water Treatment Plant to comply with updated elevator regulations set forth by the Arkansas Department of Labor.
- Approval of a contract with Kennedy Air Conditioning, Inc. for \$63,773.00 for the replacement of three HVAC units and controls at the Jack H. Wilson Water Treatment Plant.
- Approval of a one-year contract with J.A. Riggs Tractor for \$1,226,000.00 for the purchase/repurchase of backhoes (repurchase price of \$1,226,000.00, resulting in a net cost to CAW of \$0/per backhoe).
- Approval of a change order to the Pulaski Heights replacement project for \$55,745.00 to furnish and install 61 irrigation service lines that were not included in the original bid documents and to adjust quantities on various other bid items.

## **DEPARTMENT UPDATES**

### Watershed

Mr. Martin Maner, P.E., Director of Watershed Management, provided an update on matters concerning the Lake Maumelle Watershed.

### Regionalism

Mr. Dale Kimbrow provided an update on matters pertaining to Regionalism.

### Finance

Mr. Pittman provided a summarized year-to-date Financial Report on utility operations.

## **BOARD BRIEFING**

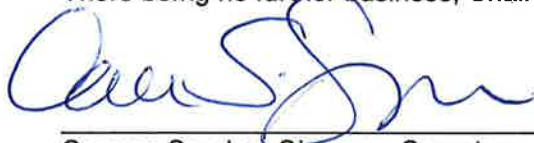
Mr. Rich provided an update on the following:

- Marie Crawford, former Director of Communications, resigned at the end of March. Mr. Rich said that Ms. Crawford was instrumental to the utility and a leader in her field. Becky Wahlgreen, Director of Human Resources will handle Ms. Crawford's duties on a temporary basis.
- CAW held diversity training for all 270 employees.
- A Commission Retreat is scheduled for Wednesday, April 20.
- CAW is again participating in Earth Day at the Little Rock Zoo on April 15.

- CAW held a fish fry and tour of Lake Maumelle for members of the Pulaski County Quorum Court.

**ADJOURNMENT**

There being no further business, Chair Kendall adjourned the meeting.



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Carmen Sanders Simpson, Secretary

**RESOLUTION NO. 2011-04**

**A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A WATER REVENUE BOND FOR THE PURPOSE OF FINANCING THE COSTS OF DESIGNING, CONSTRUCTING AND EQUIPPING CAPITAL IMPROVEMENTS TO THE WATER DISTRIBUTION SYSTEM OF CENTRAL ARKANSAS WATER; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BOND; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE AND A BOND PURCHASE AGREEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

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

WHEREAS, the Commission previously determined in Resolution 2010-14 that in order for it to continue to provide quality water service to the Issuer's customers, that it is necessary to undertake a program of capital improvements to its water collection, treatment, and distribution system (the "System") more particularly described as a water transmission main adjacent to Arkansas State Highway 10 running West from the Issuer's current distribution system to connect with Wye Mountain's distribution system near the intersection of Arkansas State Highway 10 and Arkansas State Highway 113 and other necessary improvements (the "Improvements"); and

WHEREAS, the Commission has previously determined that the cost of accomplishing the Improvements shall be paid from a combination of the following sources: (1) the proceeds of revenue bonds issued pursuant to the Act in the an aggregate principal amount of \$4,000,000 and (2) funds derived from the operating revenues of the Water System; and

WHEREAS, the Issuer desires to issue a revenue bond in the principal amount of \$4,000,000 (the "Series 2011 Bond") to the Arkansas Natural Resource Commission and the Arkansas Development Finance Authority (collectively, the "Purchaser") in accordance with the terms and conditions of this Resolution.

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

**Section 1.** Under the authority of the Constitution and laws of the State of Arkansas, including particularly the Act and the Agreement, the sale of the Central

Arkansas Water Revenue Bond, Series 2011 (the "Series 2011 Bond") to the Purchaser is hereby in all respects approved, and the issuance of the Series 2011 Bond in the aggregate principal amount not to exceed \$4,000,000 is hereby authorized, and the Chair and Secretary-Treasurer of the Board of Commissioners are hereby authorized to execute, by manual or facsimile signature, and deliver the Series 2011 Bond to the Arkansas Natural Resources Commission and the Arkansas Development Finance Authority (collectively, the "Purchaser") as directed. The Bond shall be issued in the form and denomination, shall be dated, shall be numbered, shall mature on April 15, 2034, shall be subject to mandatory sinking fund redemption on October 15, 2014 and on each April 15 and October 15 thereafter to and including April 15, 2034, the final maturity of the Series 2011 Bond, in the amounts, shall bear interest at the rate of 3.25% per annum, and shall be subject to optional redemption prior to maturity, all upon the terms and conditions set forth in the Series 2011 Bond Purchase Agreement and the Series 2011 Trust Indenture, which are identified and authorized below. The Series 2011 Bond shall be not a general obligation of the Issuer, but shall be a special obligation payable solely from revenues of the water system and certain other funds more specifically identified in the Series 2011 Trust Indenture.

**Section 2.** The Bond shall be sold pursuant to the specific terms and conditions set forth in the Series 2011 Bond Purchase Agreement presented to the Commission at this meeting, for the purchase price of 100% of the principal amount thereof.

**Section 3.** The terms the Bond Purchase Agreement are hereby approved in substantially the form submitted at this meeting, and the Chair is hereby authorized, upon the advice of bond counsel, to execute the Bond Purchase Agreement, or similar document, with such modifications as shall be approved by the Chair, with his execution to constitute conclusive evidence of such approval. An executed copy of the Bond Purchase Agreement shall be filed in the permanent records of CAW and kept by the Secretary.

**Section 4.** To prescribe the terms and conditions upon which the Series 2011 Bond are to be executed, authenticated, delivered, issued, accepted, held, and secured, the Chair is hereby authorized and directed to execute a Trust Indenture, to be dated as of the date of closing, by and between the Issuer and U.S. Bank National Association, as Trustee, and to cause the Series 2011 Trust Indenture to be accepted, executed, and acknowledged by the Trustee. The Chair is hereby authorized, upon the advice of bond counsel, to execute the Series 2011 Trust Indenture with such modifications as shall be approved by the Chair, with his execution to constitute conclusive evidence of such approval.

**Section 5.** The Chair, the Secretary, the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer, for and on behalf of the Issuer, are hereby authorized and directed to do any and all things necessary to effect the execution and delivery of the Series 2011 Bond, the Series 2011 Trust Indenture, and the Series 2011 Bond Purchase Agreement; the execution and delivery of such other papers and documents necessary to effect the issuance of the Series 2011 Bond; and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution. The Chair, the Secretary, the Chief Executive Officer, the

Chief Operating Officer, and the Chief Financial Officer are hereby further authorized and directed, for and on behalf of the Issuer, to execute all papers, documents, certificates, and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

**Section 6.** The Issuer by Resolution 2008-05 of the Commission effective, August 14, 2008, levied rates and charges sufficient to provide for the payment of the principal of, premium, if any, interest on and Trustees' and paying agents' fees in connection with the Bonds and to provide for the operation and maintenance of CAW's Water System. The revenues derived from the collection of the rates and charges are hereby pledged to the payment of the Series 2011 Bond and the operation and maintenance of the Water System as provided in the Series 2011 Trust Indenture. The rates as previously approved are hereby reaffirmed and ratified and the Issuer covenants with the Purchaser that it shall faithfully and diligently levy and collect such rates and charges and, furthermore, that so long as the Series 2011 Bond is outstanding, that CAW shall not reduce such rates and charges except in accordance with the Series 2011 Trust Indenture. The Commission further covenants that it shall from time to time as necessary to provide for the payment of the Series 2011 Bond and the operation and maintenance of the Water System, increase such rates and charges as necessary or as requested by the Purchaser.

**Section 7.** The selections of Wright, Lindsey & Jennings LLP as bond counsel and the appointment of U.S. Bank National Association to serve as Trustee are hereby ratified and approved.

**Section 8.** The Secretary shall maintain, as a part of the minutes of the meeting at which this Resolution is adopted, and in the permanent records of the Issuer, for inspection by any interested person, a copy of the Series 2011 Trust Indenture and the Series 2011 Bond Purchase Agreement.

**Section 9.** All actions heretofore taken by the Commission and officers of the Issuer in connection with the offering of the Series 2011 Bond, including the preparation of this Resolution, are hereby in all respects ratified and approved.

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**CERTIFICATE**

STATE OF ARKANSAS )

COUNTY OF PULASKI )

I, Carmen Sanders Simpson, Secretary of the Board of Commissioners of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution No. 2011-04 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A WATER REVENUE BOND ISSUED FOR THE PURPOSE OF FINANCING THE COSTS OF DESIGNING, CONSTRUCTING AND EQUIPPING CAPITAL IMPROVEMENTS TO THE WATER DISTRIBUTION SYSTEM OF CENTRAL ARKANSAS WATER; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BOND; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE AND A BOND PURCHASE AGREEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO** passed by the Commission on April 14, 2011, said Resolution now appearing of record in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office on this 14th day of April 2011.

  
Carmen Sanders Simpson, Secretary

ADOPTED: April 14, 2011

ATTEST:

  
Carmen Sanders Simpson, Secretary

  
Anthony Kendall, Chair

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

May 12, 2011

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, May 12, 2011, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

Mr. Anthony Kendall, Chair  
Mr. Thomas W. Rimmer, Vice Chair  
Ms. Carmen Sanders Simpson, Secretary/Treasurer  
Mr. Jay Hartman, Commissioner  
Ms. Marie-Bernarde Miller, Commissioner  
Mr. Eddie Powell, Commissioner  
Dr. Roby Robertson, Commissioner

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Gary Pittman, Chief Financial Officer  
Mr. Terry Bice, Acting Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Mr. Gary Hum, Director of Source & Treatment  
Ms. Becky Wahlgreen, Director of Human Resources  
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source  
Ms. Deena Coston, C.P.A., Controller  
Ms. Stephanie Hymel, Stewardship Coordinator  
Ms. Connie Horn, Management Secretary  
Mr. Jonathan Long, Watershed Administrator  
Mr. Blake Weindorf, Senior Engineer  
Ms. Tondelayo Wesley-Wayne, Customer Service Representative - Office  
Ms. Samantha Williams, Communications Assistant  
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.

**Also in Attendance:**

Mr. Martin Blaney, Habitat Coordinator, Arkansas Game & Fish Commission  
Ms. Erin Brogdan, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.  
Ms. Olivia Dedner, Vice President, Advantage Communications  
Dr. Reed Green, Hydrologist, U.S. Geological Survey  
Mr. Barry Haas, Citizens Protecting Maumelle Watershed  
Mr. Vincent Hotho, P.E., Project Manager, Garver Engineers  
Mr. Jason Milks, Project Manager, The Nature Conservancy  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Vivian Ozura, Account Executive, Advantage Communications

## **CALL MEETING TO ORDER**

Mr. Anthony Kendall, Chair, called to order the May 12, 2011 meeting of the Board of Commissioners.

## **INTRODUCTION OF GUESTS**

Mr. Graham W. Rich, P.E., Chief Executive Officer, introduced the guests.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the April 14, 2010 regular meeting were approved.

## **NEW BUSINESS**

### **Appointment of Nominating Committee for 2011-2012 Board Officers**

Chair Kendall appointed Mr. Jay Hartman, Commissioner, to chair a committee to nominate officers for the 2011-12 term beginning July 1. He asked Commissioner Hartman to report back at the June Board Meeting.

### **Appointment of Nominating Committee for Appointment/Reappointment of Commissioner**

Chair Kendall said that the term of Dr. Roby Robertson, Commissioner, expires on June 30, 2011. He asked Commissioner Hartman to chair a committee to recommend the reappointment of Commissioner Robertson or an appointment to fill the Commission vacancy. Chair Kendall asked Commissioner Hartman to report back at the June Board Meeting.

### **Memorandum of Agreement with U.S. Forest Service**

Mr. Jonathan Long, Watershed Administrator, discussed the agreement CAW has with U.S. Forest Service (USFS) to maintain and regulate the land around Lake Winona. He said the agreement has not been updated since 1986.

Mr. Long said the new agreement has been updated to follow new USFS regulations and will be updated every five years. He added that the agreement creates a "use area" in the Winona watershed which will have regulations that are different from the rest of the watershed.

Upon a motion duly made by Commissioner Hartman and seconded by Mr. Eddie Powell, Commissioner, the agreement was approved.

### **Presentation Concerning Prescribed Burn**

Mr. Martin Maner, Director of Watershed Management, introduced Mr. Martin Blaney, Habitat Coordinator with the Arkansas Game & Fish Commission, and Mr. Jason Milks, Project Manager with The Nature Conservancy.

Mr. Blaney discussed the procedures that were followed prior to and during the prescribed burn that was conducted in the Maumelle Watershed.

Mr. Blaney said that there are plans to conduct more prescribed burns in the future. He added that these burns will help to maintain the water quality in Lake Maumelle by clearing the watershed floor of leaves and debris that can wash into the lake during rain events.

### Overview of Safety Program

Mr. Rich said that safety within the utility comes from each employee's attention to detail and safe working conditions. Mr. Rich introduced Mr. Kevin Hall, Director of Environmental Health & Safety.

Mr. Hall provided an overview of CAW's safety program.

### CONTRACTS

Upon motions duly made and seconded, the following contracts were approved:

- Approval of a contract for \$419,312 with the U.S. Geological Survey for the monitoring of water quality in Lake Maumelle.
- Approval of the purchase of property for \$568,000 from Deltic Timber to construct a 2.5 million gallon water storage tank to serve the West Markham system.
- Approval of a contract with A & A Service Electric, Inc. for \$54,182.03 for the installation of energy efficient lighting at the Wilson and Ozark Point Water Treatment facilities.

### DEPARTMENT UPDATES

#### Watershed

Mr. Martin Maner, P.E., Director of Watershed Management, provided an update on matters concerning the Lake Maumelle Watershed.

#### Regionalism

Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source, provided an update on matters pertaining to Regionalism.

#### Finance

Mr. Gary Pittman, Chief Financial Officer, distributed copies of the 2010 Audit Report for CAW and Brushy Island Water Authority that was approved in draft form at last month's meeting.

He also provided a year-to-date Financial Report on utility operations.

Ms. Deena Coston, C.P.A., Controller, provided a review of the Identity Theft/Red Flag Policy, as required by law.

## **BOARD BRIEFING**

Mr. Rich provided an update on the following:

- The water levels of the lakes have risen significantly since January
- On Sunday, May 1, a 12-inch water main break along Highway 10 and the Ferndale Cut-Off Road left 270 customers without water. Crews worked into the early hours of the morning to make repairs, but were forced to leave the worksite because of flooding conditions. The leak was determined to be under the Little Maumelle River and special arrangements had to be made to temporarily re-route the water supply. A boil order was in effect until May 7. Several distribution employees voluntarily came to work to relieve those who had worked so many hours on the repairs.

Chair Kendall said that he was very proud of the crews who worked so many hours to ensure CAW customers had their water back on as soon as possible. He thanked the employees for their efforts.

- The 3<sup>rd</sup> Annual Stakeholders' Meeting will be held on Tuesday, May 24, at the North Little Rock Chamber of Commerce Building.
- The June 9 Board Meeting will be held at 2:00 p.m. at the Jack H. Wilson Water Treatment Plant in the new maintenance building. [Note: June Meeting location later changed to James T. Harvey Administration Building.]

## **EXECUTIVE SESSION**

The Board of Commissioners met in Executive Session.

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

## **ADJOURNMENT**

There being no further business, Chair Kendall adjourned the meeting.



Carmen Sanders Simpson, Secretary

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

June 9, 2011

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, June 9, 2011, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

Mr. Anthony Kendall, Chair  
Mr. Thomas W. Rimmer, Vice Chair  
Ms. Carmen Sanders Simpson, Secretary/Treasurer  
Mr. Jay Hartman, Commissioner  
Mr. Eddie Powell, Commissioner  
Dr. Roby Robertson, Commissioner

**Absent:**

Ms. Marie-Bernarde Miller, Commissioner

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Gary Pittman, Chief Financial Officer  
Mr. Terry Bice, Acting Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Gary Hum, Director of Source & Treatment  
Ms. Becky Wahlgreen, Director of Human Resources  
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source  
Ms. Deena Coston, C.P.A., Controller  
Ms. Connie Horn, Management Secretary  
Mr. Jonathan Long, P.E., Watershed Administrator  
Mr. Joe O'Hara, P.E., Engineer  
Ms. Samantha Williams, Communications Assistant  
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.

**Also in Attendance:**

Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Erin Brogdan, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.  
Mr. Ricky Chastain, Assistant Chief/Wildlife Management Bureau, Arkansas Game & Fish Commission  
Ms. Olivia Dedner, Vice President, Advantage Communications  
Ms. M. Jane Dickey, Attorney with Rose Law Firm  
Mr. Barry Haas, Citizens Protecting Maumelle Watershed  
Mr. Paul Strickland, P.E., Garver Engineers  
Mr. Lamar L. Williams, Staff Writer, Arkansas Democrat-Gazette

## **CALL MEETING TO ORDER**

Mr. Anthony Kendall, Chair, called to order the June 9, 2011 meeting of the Board of Commissioners.

## **INTRODUCTION OF GUESTS**

Mr. Graham W. Rich, P.E., Chief Executive Officer, introduced the guests.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the May 12, 2011 regular meeting were approved.

## **NEW BUSINESS**

### **CAW Receives Recognition for Financial Reporting**

Mr. Rich said that CAW has received the Distinguished Budget Presentation Award from the Government Finance Officers Association for the second consecutive year. He added that this award is the highest form of recognition in governmental budgeting. He thanked Mr. Gary Pittman, Chief Financial Officer, and his staff for their efforts that resulted in this award.

Chair Kendall, on behalf of the Board, offered congratulations and thanks to the staff of the Finance Department. He also thanked them for the new procedures they are following that makes the monthly financial statements easier to understand.

### **Reappointment of 2011-2012 Commissioner**

Mr. Jay Hartman, Commissioner, said that the nominating committee recommends the reappointment of Dr. Roby Robertson as Commissioner.

Upon a motion duly made by Commissioner Hartman, and seconded by Mr. Thomas Rimmer, Commissioner, the reappointment was approved.

### **Appointment of Commission Officers**

Commissioner Hartman said the nominating committee made the following officer nominations for the July 1, 2011 to June 30, 2012 term:

Thomas Rimmer – Chair  
Carmen Sanders Simpson – Vice Chair  
Marie-Bernarde Miller – Secretary

Upon a motion duly made by Commissioner Hartman, and seconded by Mr. Eddie Powell, Commissioner, the motion was approved.

### **Memorandum of Agreement with the Arkansas Game & Fish Commission**

Mr. Martin Maner, Director of Watershed Management, introduced Mr. Ricky Chastain, Assistant Chief/Wildlife Management Bureau for the Arkansas Game & Fish Commission (AGFC).



Mr. Maner said that CAW currently has an agreement with AGFC to establish and operate the Lake Maumelle Wildlife Management Area. He said this is a one-year extension of that agreement.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hartman, the extension of the agreement was approved.

#### Report on the Water Quality of Lake Maumelle

Mr. Jonathan Long, P.E., Watershed Administrator, presented a report on the effects of the watershed on the water quality of Lake Maumelle.

Mr. Long provided a history of the watershed, the current and future uses of the watershed, Lake Maumelle water quality parameters, and the differences in the Watershed Management Plan targets and sampling data.

Mr. Long said that updates on this information will be provided to the Board on an annual basis.

#### **CONTRACTS**

Upon motions duly made and seconded, the following contracts were approved:

- Approval of contracts with the following firms for professional services related to the 2012 Bond Issue:

Rose Law Firm – Bond Counsel  
Stephens, Inc. – Financial Advisors  
U.S. Bank – Bond Trustee

Mr. Rich said that staff will present at the July Board Meeting a proposal to refinance the 2002 Bond Issue. He said this will save CAW \$125,000 per year for the remaining term of the issue. Mr. Rich said that CAW will send a notice to the cities of Little Rock and North Little Rock of CAW's intent to refinance the 2002 Bond Issue.

- Approval of the purchase of vehicles as follows:
  - Three (3) dump truck–cab chassis' from Truck Centers of Arkansas of North Little Rock in the amount of \$177,405.00.
  - One (1) crew truck from Diamond International of Little Rock in the amount of \$59,374.96.

#### **DEPARTMENT UPDATES**

##### Watershed

Mr. Martin Maner, P.E., Director of Watershed Management, provided an update on matters concerning the Lake Maumelle Watershed.

### Regionalism

Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source, provided an update on matters pertaining to Regionalism.

### Finance

Mr. Gary Pittman, Chief Financial Officer, provided a year-to-date Financial Report on utility operations.

### **BOARD BRIEFING**

Mr. Rich provided an update on the following:

- Recognized Mr. Joe O'Hara, Engineer, for receiving his Professional Engineer designation. Mr. Rich mentioned that Mr. O'Hara also had recently obtained a Master's Degree in Civil and Environmental Engineering.
- A list of employees who have made presentations at various seminars and conferences was distributed to the Board.
- The 3<sup>rd</sup> Annual Stakeholders Meeting was held on Tuesday, May 24, at the North Little Rock Chamber of Commerce Building with 160 in attendance. The League of Women Voters of Pulaski County was named the 2011 Stakeholder of the Year. Ms. Jackie Callahan, Customer Service Representative-Office, was named Employee of the Year.


### **EXECUTIVE SESSION**

The Board of Commissioners met in Executive Session.

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

### **ADJOURNMENT**

There being no further business, Chair Kendall adjourned the meeting.

  
Carmen Sanders Simpson, Secretary

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

July 14, 2011

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, July 14, 2011, in the Conference Room of the Jack H. Wilson Maintenance Building. The building location is 338 Pleasant Valley Drive in Little Rock, Arkansas.

**Present:**

Mr. Thomas W. Rimmer, Chair  
Ms. Carmen Sanders Simpson, Vice Chair  
Ms. Marie-Bernarde Miller, Secretary/Treasurer  
Mr. Jay Hartman, Commissioner  
Mr. Anthony Kendall, Commissioner  
Mr. Eddie Powell, Commissioner  
Dr. Roby Robertson, Commissioner

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Gary Pittman, Chief Financial Officer  
Mr. Terry Bice, Acting Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Gary Hum, Director of Source & Treatment  
Mr. Allen Vincent, Director of Information Services  
Ms. Becky Wahlgreen, Director of Human Resources  
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source  
Ms. Stephanie Hymel, Stewardship Coordinator  
Mr. Jonathan Long, Watershed Administrator  
Mr. Jeff Mascagni, C.P.A., Controller  
Mr. Joe O'Hara, P.E., Engineer  
Ms. Connie Horn, Management Secretary  
Ms. Samantha Williams, Communications Assistant  
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.

**Also in Attendance:**

Ms. Kate Althoff, Citizens Protecting Maumelle Watershed  
Mr. Eric Bell, Attorney, Rose Law Firm  
Ms. Erin Brogdan, Attorney, Wright, Lindsey & Jennings, L.L.P.  
Ms. M. Jane Dickey, Attorney with Rose Law Firm  
Mr. Barry Haas, Citizens Protecting Maumelle Watershed  
Ms. Rebecca Hensley, Law Clerk, Wright, Lindsey & Jennings, L.L.P.  
Mr. Bram Keahey, Taggart Architects  
Mr. Charles Mattson, Mattson Construction  
Ms. Kristin Netterstrom, Reporter, Arkansas Democrat-Gazette  
Ms. Bobbi Nichols, Vice President, Stephens, Inc.  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County

Mr. Norvell Plowman, Attorney  
Ms. Rosemond Purdue-Cramer, Exclaim Media  
Mr. Paul Strickland, P.E., Garver Engineers  
Mr. Doug Wilson, The Insurance Center

### **CALL MEETING TO ORDER**

Mr. Thomas Rimmer, Chair, called to order the July 14, 2011 meeting of the Board of Commissioners.

### **INTRODUCTION OF GUESTS**

Mr. Graham W. Rich, P.E., Chief Executive Officer, introduced the guests.

### **RECOGNITION OF BOARD MEMBERS**

#### **Recognition of Past Chair**

Chair Rimmer presented a framed map of the Lake Maumelle Watershed to Mr. Anthony Kendall, Past Chair, in recognition of his exemplary leadership.

#### **Service Pins**

Mr. Rich presented a 10-year service pin to Chair Rimmer and Mr. Eddie Powell, Commissioner, for their service on the Board.

Mr. Rich commented that Chair Rimmer and Commissioner Powell were members of the first Board of Commissioners for Central Arkansas Water.

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the June 9, 2011 regular meeting were approved.

### **NEW BUSINESS**

#### **Acquisition of Property for Storage Tank Construction**

Mr. Thad Luther, Chief Operating Officer, said that CAW is requesting authorization to purchase 1.3235 acres from Elsie Pouzar, along with the necessary easements, for \$219,000. The property will serve as the site for a 400,000 gallon storage tank for the Highland Ridge system.

Upon a motion duly made by Commissioner Powell and seconded by Ms. Carmen Sanders Simpson, Commissioner, the purchase of the property was approved.

#### **Business Insurance Renewal**

Mr. Jeff Mascagni, C.P.A., Controller, said that staff is asking for authorization to renew the second year of a three year contract with The Insurance Center at a cost of \$197,783. He said that there would be no change in coverage limits.

Upon a motion duly made by Dr. Roby Robertson, Commissioner and seconded by Commissioner Kendall, renewal of the business insurance policy was approved.

#### Purchase of Property in the Lake Maumelle Watershed

Mr. Rich said that CAW has the opportunity to purchase from Metropolitan Bank 488 acres located in the Lake Maumelle Watershed.

Mr. Rich said that the property was appraised at \$4.9 million and that Metropolitan Bank was listing it for \$4.2 million. He said that he negotiated a price of \$2.63 million for purchase of the property.

Upon a motion duly made by Commissioner Powell and seconded by Mr. Jay Hartman, Commissioner, purchase of the property was approved.

#### Refinance of 2002 Bond Issue

Mr. Gary Pittman, Chief Financial Officer, introduced Ms. Bobbi Nichols, Vice President at Stephens, Inc.

Ms. Nichols reviewed the terms of the 2002 Bond Issue and discussed the benefits to CAW for refunding the bonds with a new issuance to be sold on August 10, 2011.

Upon a motion made by Commissioner Powell and seconded by Commissioner Robertson, a resolution to proceed with the new issuance and refunding was approved.

### **CONTRACTS**

Upon motions duly made and seconded, the following contracts were approved:

- J.R. Fox Construction for \$280,168.75 for the replacement of various sized water lines in Little Rock.
- Diamond Construction for \$430,970 for the replacement of 2-inch water lines in North Little Rock.

### **DEPARTMENT UPDATES**

#### Watershed

Mr. Martin Maner, P.E., Director of Watershed Management, provided an update on matters concerning the Lake Maumelle Watershed.

#### Regionalism

Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source, provided an update on matters pertaining to Regionalism.

#### Finance

Mr. Gary Pittman, Chief Financial Officer, provided a year-to-date Financial Report on utility operations.

## **BOARD BRIEFING**

Mr. Rich provided an update on the following:

- CAW held a fish fry on June 30 at the Winrock Grass Farm for elected officials, community leaders, and members of organizations involved in watershed issues. Following lunch, those interested were taken on a tour of the grass farm.
- As part of an Audubon Arkansas program, a group of 25 teachers visited the Jack H. Wilson Water Treatment Plant for lunch and a tour of the facilities and Lake Maumelle.
- There will be a presentation to the Board at the August Meeting on proposed water rates for the next three years. This will only be an informational presentation.
- There will also be a presentation at a future Board Meeting concerning the purchase of water from Lake DeGray.
- At a future meeting, staff will present the results of the Treatability Study.
- The peak demand so far in 2011 has been 112 mgd.
- There will be a ribbon cutting ceremony in the fall for the new sodium hypochlorite building at the Wilson Water Treatment Plant.

## **EXECUTIVE SESSION**

The Board of Commissioners met in Executive Session.

Upon reconvening the regular session, Chair Rimmer said no action was taken.

## **ADJOURNMENT**

There being no further business, Chair Rimmer adjourned the meeting.

  
Marie-Bernarde Miller, Secretary

**RESOLUTION NO. 2011-05**

**RESOLUTION APPROVING THE REAL ESTATE CONTRACT  
BETWEEN CENTRAL ARKANSAS WATER AND METROPOLITAN  
NATIONAL BANK; AUTHORIZING THE CHIEF EXECUTIVE OFFICER  
TO EXECUTE SUCH AGREEMENT; APPROVING THE LEASE-  
PURCHASE AGREEMENT BETWEEN CENTRAL ARKANSAS WATER  
AND THE TRUST FOR PUBLIC LAND; AUTHORIZING PAYMENT OF  
THE FIRST PAYMENT DUE THEREUNDER; AUTHORIZING THE  
CHAIRPERSON TO EXECUTE SUCH AGREEMENT; AND  
PRESCRIBING OTHER MATTERS RELATING THERETO**

WHEREAS, Central Arkansas Water (“CAW”) desires to purchase approximately four hundred and eighty eight (488) acres of land in Pulaski County, Arkansas from Metropolitan National Bank (the “Property”) pursuant to a Real Estate Contract (the “Contract”); and

WHEREAS, the Trust for Public Land (“TPL”) has agreed to purchase the Property pursuant to a directed deed, as contemplated in the Contract; and

WHEREAS, TPL desires to lease the Property to CAW, with an option for CAW to purchase the Property, pursuant to and in accordance with the terms of the Lease-Purchase Agreement (the “Agreement”) presented at this meeting; and

WHEREAS, CAW desires to lease the Property from TPL, with an option to purchase, pursuant to and in accordance with the terms of the Agreement; and

WHEREAS, the Agreement provides that CAW shall pay to TPL an initial lease payment of Two Hundred Sixty-Three Thousand Dollars (\$263,000) (the “Initial Payment”) on the date TPL acquires the Property.

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

Section 1. The Chief Executive Officer is hereby authorized and directed to execute and acknowledge, respectively, the Contract, and the Contract 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 2. The Chair and Secretary of the Commission are hereby authorized and directed to execute and acknowledge, respectively, the Agreement, and the 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 3. CAW is authorized to pay CAW's Initial Contribution as provided in the Agreement.

Section 4. Each or any of the Chair, Secretary, Chief Executive Officer or Chief Operating Officer is hereby authorized and directed to do any and all things necessary to effect the purpose of this Resolution and to take all other actions necessary or desirable in connection with the foregoing sections of this resolution.

Section 5. This Resolution shall be in effect upon its adoption and approval.

ADOPTED: July 14, 2011

ATTEST:

  
Marie-Bernarde Miller  
Secretary/Treasurer

APPROVED:


  
Thomas W. Rimmer  
Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Marie-Bernarde Miller, Secretary/Treasurer of Central Arkansas Water, Board of Commissioners, do hereby certify that the foregoing is a true and correct copy of Resolution 2011-05 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION APPROVING THE REAL ESTATE CONTRACT BETWEEN CENTRAL ARKANSAS WATER AND METROPOLITAN NATIONAL BANK; AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE SUCH AGREEMENT; APPROVING LEASE-PURCHASE AGREEMENT BETWEEN CENTRAL ARKANSAS WATER AND THE TRUST FOR PUBLIC LAND; AUTHORIZING PAYMENT OF THE FIRST PAYMENT DUE THEREUNDER; AUTHORIZING THE CHAIRPERSON TO EXECUTE SUCH AGREEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted July 14, 2011.

IN WITNESS WHEREOF, I have hereunto set my hand this 21<sup>st</sup> day of July, 2011.

  
Marie-Bernarde Miller, Secretary/Treasurer  
Board of Commissioners, Central Arkansas Water



## RESOLUTION NO. 2011- 06

RESOLUTION AUTHORIZING THE OFFERING OF NOT TO EXCEED \$14,250,000 CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 2011B; APPROVING THE FORM OF AN OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM, AND PRELIMINARY OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE SALE OF THE BONDS

WHEREAS, Central Arkansas Water (the "Issuer") has engaged Stephens Inc. as Financial Advisor, Rose Law Firm, a Professional Association, as Bond Counsel and Disclosure Counsel, and U.S. Bank National Association as Trustee for the continued issuance of bonds to finance its capital improvement program and to refund outstanding bonds, as appropriate; and

WHEREAS, the Financial Advisor has recommended the advance refunding of the Issuer's Water Revenue Bonds, Series 2002, for the purpose of achieving debt service savings; and

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

WHEREAS, upon the advice of the Chief Financial Officer, the Commission is now prepared to authorize the offering of 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 bonds shall be designated Central Arkansas Water Refunding Water Revenue Bonds, Series 2011B (the "Bonds"). The Bonds shall be offered for sale in the aggregate principal amount of not to exceed \$14,250,000 by written or electronic bids, at such time as may be approved by the Chief Financial Officer upon advice of the Financial Advisor, at such location as may be provided for in the Official Notice of Sale. At such time and place, the Chief Financial Officer shall meet with the Financial Advisor to receive the bids. The Chief Financial 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 the Issuer if, upon advice of the Financial Advisor, he shall determine to do so is in the best interest of the Issuer.

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

**Section 3.** The Preliminary Official Statement, substantially in the form exhibited to and before the Commission at the meeting at which this resolution is adopted, is hereby deemed "final," except for such terms and conditions as are determined by the sale and such other changes, omissions, insertions, and revisions as the Chief Financial Officer shall deem advisable,

and the Preliminary Official Statement is hereby approved for use in connection with the sale of the Bonds.

**Section 4.** The Chief Financial Officer shall cause the Official Notice of Sale, with such changes and modifications as the Chief Financial Officer shall deem appropriate, to be published in newspapers in the Cities of New York, New York, and Little Rock, Arkansas.

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

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

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

APPROVED July 14, 2011.

ATTEST:



Marie-Bernarde Miller, Secretary/Treasurer

APPROVED:



Thomas W. Rimmer, Chair

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

August 11, 2011

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, August 11, 2011, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

Mr. Thomas W. Rimmer, Chair  
Ms. Carmen Sanders Simpson, Vice Chair  
Ms. Marie-Bernarde Miller, Secretary/Treasurer  
Mr. Jay Hartman, Commissioner  
Mr. Anthony Kendall, Commissioner  
Mr. Eddie Powell, Commissioner  
Dr. Roby Robertson, Commissioner

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Gary Pittman, Chief Financial Officer  
Mr. Terry Bice, Acting Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Gary Hum, Director of Source & Treatment  
Mr. Allen Vincent, Director of Information Services  
Ms. Becky Wahlgreen, Director of Human Resources  
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source  
Ms. Stephanie Hymel, Stewardship Coordinator  
Mr. Jonathan Long, Watershed Administrator  
Ms. Connie Horn, Management Secretary  
Ms. Samantha Williams, Communications Assistant  
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.

**Also in Attendance:**

Mr. Benton Brandon, Exclaim Media  
Mr. Rocky Craley, Raftelis Financial Consultants  
Ms. Olivia Dedner, Advantage Communications  
Ms. M. Jane Dickey, Attorney with Rose Law Firm  
Mr. Barry Haas, Citizens Protecting Maumelle Watershed  
Mr. Gary Heathcott, President, Heathcott Associates  
Ms. Becky Heflin, Account Executive, Heathcott Associates  
Ms. Kristin Netterstrom, Reporter, Arkansas Democrat-Gazette  
Ms. Bobbi Nichols, Vice President, Stephens, Inc.  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Mr. Michael Steele, President, Advantage Communications  
Mr. Paul Strickland, P.E., Garver Engineers  
Ms. Rebecca Tennille, Cranford, Johnson, Robinson, Woods

Ms. Elaine Vastis, Raftelis, Financial Consultants  
Ms. Danielle White, Cranford, Johnson, Robinson, Woods

### **CALL MEETING TO ORDER**

Mr. Thomas Rimmer, Chair, called to order the August 11, 2011 meeting of the Board of Commissioners.

### **INTRODUCTION OF GUESTS**

Mr. Graham W. Rich, P.E., Chief Executive Officer, introduced the guests.

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the July 14, 2011 regular meeting were approved.

### **OLD BUSINESS**

#### **Sale of Bonds**

Mr. Gary Pittman, Chief Financial Officer, introduced Ms. Bobbi Nichols, Vice President at Stephens, Inc.

Ms. Nichols said that Guggenheim Securities won the bid for purchase of refunding water revenue bonds for the purpose of financing the costs of advance refunding of CAW Water Revenue Bonds, Series 2002. She said the purchase price is for \$14,100,523.05 with a true interest cost of 2.345444%.

Ms. Nichols said that she and Mr. Pittman were very pleased with the outcome of the sale of the bonds.

Ms. Jane Dickey, Attorney with Rose Law Firm, said that the closing on sale of the bonds would be September 14.

Upon a motion duly made by Mr. Eddie Powell, Commissioner, and seconded by Ms. Carmen Sanders Simpson, Vice Chair, the sale of bonds was approved.

#### **Presentation of Rate Study**

Mr. Rich introduced Rocky Craley and Elaine Vastis, both of Raftelis Financial Consultants, and said they would provide an informational presentation on CAW's financial forecast and rate alternatives. Mr. Rich said that this is for informational purposes only. He added that staff will ask the Board for approval of a rate structure at the September Board Meeting.

The topics covered in Ms. Vastis' presentation were: Scope of Rate Study, Financial Forecast, Rate Structure Development, Rate Structure Alternatives, Customer Impact, Benchmarking, and a summary comparing the different rate alternatives.

Mr. Anthony Kendall and Dr. Roby Robertson, Commissioners, requested more information on what costs drive potential rate increases.

## **AGREEMENTS**

Mr. Rich said that a Request for Qualifications was advertised for an advertising/public relations firm. He said that it was decided to utilize the services of four firms in order to benefit from the differing expertise of each firm.

Mr. Rich said that Advantage Communications, Inc. (ACI) will serve as the primary agency of record with a one year agreement and an option for two one-year extensions. He added that the agreement includes a \$3,000 monthly retainer fee plus individual project expenses.

Mr. Rich said that Cranford, Johnson, Robinson, Woods; Heathcott Associates; and Exclaim Media would provide staff support on special Communications projects on an as-needed basis.

Mr. Rich requested Board approval of the ACI Agreement and annual advertising/public relations expenditures not to exceed \$250,000.

Upon a motion duly made by Commissioner Powell and seconded by Mr. Jay Hartman, Commissioner, the agreement and annual expenditure of \$250,000 were approved.

## **DEPARTMENT UPDATES**

### Watershed

Mr. Rich provided an update on the following watershed items:

- Meetings for public comments on the proposed land use plan are scheduled for August 15 and 16.
- USGS had previously conducted a model of Lake Maumelle. Tetra Tech, Inc. questioned some points of the results. After a meeting between the two organizations, USGS agreed to recalibrate their modeling.
- CAW staff is currently reviewing the Tactical Response Plan Exxon Mobil has provided to handle emergency situations concerning the oil pipeline that runs through the Maumelle Watershed.
- Staff continues to meet with the Arkansas Forestry Department to discuss best management practices concerning old timber roads that run through the Maumelle Watershed.

### Finance

Mr. Gary Pittman, Chief Financial Officer, provided a year-to-date Financial Report on utility operations.

Mr. Pittman added that July water sales set a record, resulting in July water revenues being the third highest year-to-date.

### Distribution

Mr. Terry Bice, Assistant Director of Distribution, made a presentation on repairs that were made on May 1 and 2 to a 12-inch ductile iron main that runs under the Little Maumelle River. He said crews worked through the night on the repairs until they were forced to stop work due to severe rain and flooding.

## **BOARD BRIEFING**

Mr. Rich provided an update on the following:

- Water usage, demand, and consumption averages.
- System capacity from the Ozark and Wilson Water Treatment plants combined is 157 MGD.
- Preparing to send out an RFQ for the auditors. This was last done five years ago.

## **ADJOURNMENT**

There being no further business, Chair Rimmer adjourned the meeting.

  
Marie Bernarde Miller, Secretary

## RESOLUTION NO. 2011-07

A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF REFUNDING WATER REVENUE BONDS FOR THE PURPOSE OF FINANCING THE COSTS OF ADVANCE REFUNDING THE OUTSTANDING CENTRAL ARKANSAS WATER WATER REVENUE BONDS, SERIES 2002; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE REFUNDING WATER REVENUE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, AN ESCROW DEPOSIT AGREEMENT, AND A CONTINUING DISCLOSURE AGREEMENT; APPROVING THE OFFICIAL STATEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO

WHEREAS, Central Arkansas Water (the "Issuer") is a body politic and corporate, created pursuant to the Consolidated Waterworks Authorization Act of 2001, Ark. Code Ann. §§ 25-20-301 *et seq.* (2002 Repl.) (the "Act"), and a Consolidation Agreement dated as of March 5, 2001, as amended (the "Consolidation Agreement"), 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, the Issuer owns and operates the consolidated water system of the Cities (the "Water System"); and

WHEREAS, the Board of Commissioners of the Issuer (the "Commission") has determined to issue bonds to advance refund the Issuer's outstanding Water Revenue Bonds, Series 2002 (the "Series 2002 Bonds"), for the purpose of achieving debt service savings; and

WHEREAS, pursuant to the Consolidation Agreement, the Issuer, by letter of its Chief Operating Officer dated June 10, 2011, notified the Cities of its intention to issue revenue bonds and neither City as of the date of this resolution has voted its disapproval of the issuance of the revenue 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.* (2007 Repl.), the Issuer caused to be published on July 25, 2011, a notice of public hearing on the question of issuing revenue bonds and thereafter, on August 8, 2011, held a public hearing, as advertised; and

WHEREAS, pursuant to the authority granted in Commission Resolution No. 2011-06, after due advertisement of an Official Notice of Sale, \$14,185,000 (or such lesser amount as shall be sufficient to accomplish the purpose for which issued) of Refunding Water Revenue Bonds, Series 2011B, dated September 1, 2011 (the "Bonds"), bearing interest at the rate or rates per annum to be specified by the successful bidder, payable serially (or subject to sinking fund redemption) on October 1 in each of the years 2012 through 2022, inclusive, were duly offered for sale on August 10, 2011; and

WHEREAS, at said sale, pursuant to the Official Notice of Sale, the following sealed bids were received:

Bidder	True Interest Cost*
Guggenheim Securities, LLC	2.345444%
Morgan Keegan & Co., Inc.	2.376103
Barclays Capital, Inc.	2.493249
Crews & Associates, Inc.	2.589794
Raymond James & Associates, Inc.	2.605324
Prager, Sealy & Co., LLC	2.705505
Hutchinson, Shockey, Erley & Co.	2.721470

\* before adjustment to issue size

WHEREAS, pursuant to the authority granted in Commission Resolution No. 2011-06, the bid submitted by Guggenheim Securities, LLC (the "Purchaser"), has been accepted by the Chief Financial Officer of the Issuer and the principal amount reduced to \$13,500,000 and the purchase price reduced to \$14,100,523.05, plus accrued interest to the date of closing;

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 Bonds to the Purchaser on the terms of its bid as set out above, is hereby in all respects ratified and approved, and accordingly the Bonds are hereby authorized and ordered to be sold and issued in the total principal amount of \$13,500,000 for the purpose of accomplishing the advance refunding of the outstanding Series 2002 Bonds, establishing a debt service reserve for the Bonds, and paying the costs of issuing the Bonds. The Bonds are special obligations of the Issuer, payable solely from the net revenues of the Water System less amounts required to be used to make payments and deposits with respect to certain prior debt and less amounts transferred to and plus amounts transferred from the Issuer's Rate Stabilization Account (the "Stabilized Net Revenues"), and other amounts available under the Indenture authorized in this resolution. The pledge of the Stabilized Net Revenues is on a parity of security with the pledge thereof to the Issuer's not to exceed \$13,400,000 Revenue Bond, Series 2010A, \$9,230,000 Revenue Bonds, Series 2010B (General Improvements Project), \$8,830,000 Refunding Revenue Bonds, Series 2010C (Watershed Protection Project), not to exceed \$4,000,000 Water Revenue Bond, Series 2011A (Wye Mountain Extension Project), and with other bonds, if any, authorized to be issued under the terms of the Indenture. 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 2.** 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, dated as of September 1, 2011 (the "Indenture") by and between the Issuer and U.S. Bank National Association, as Trustee (the "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 3.** All actions heretofore taken by the Commission and officers of the Issuer 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 Statement, holding of the public hearing on August 8, 2011, and acceptance of the bid received from the Purchaser are hereby in all respects ratified and approved.

**Section 4.** The Official Statement of the Issuer in the form presented at this meeting with such changes, omissions, insertions, and revisions as the Chief Financial Officer shall deem advisable is hereby authorized and approved and the Chair of the Commission and Chief Executive Officer of the Issuer shall sign and deliver such final Official Statement to the Purchaser for distribution to the owners of the Bonds and other interested persons.

**Section 5.** The Chair of the Commission and the Chief Executive Officer of the Issuer are hereby authorized and directed to execute, by manual or facsimile signature, and deliver the Bonds to or upon the direction of the Purchaser on behalf of the Issuer.

**Section 6.** The Continuing Disclosure Agreement of the Issuer, dated as of September 1, 2011 (the "Continuing Disclosure Agreement"), in substantially the form attached to the Official Statement, and the Escrow Deposit Agreement, dated as of September 1, 2011 (the "Escrow Deposit Agreement"), by and between the Issuer and U.S. Bank National Association, as Escrow Trustee (the "Escrow Trustee"), in substantially the form submitted at this meeting, in each case with such modifications as shall be approved by the person executing the document, his or her execution to constitute conclusive evidence of such approval, are hereby authorized and approved. The Chair or Secretary of the Commission or the Chief Executive Officer, Chief Operating Officer, or Chief Financial Officer of the Issuer are hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement and the Escrow Deposit Agreement and to cause the Escrow Deposit Agreement to be accepted and executed by the Escrow Trustee.

**Section 7.** The Chair and Secretary of the Commission and the Chief Executive Officer, Chief Operating Officer, or Chief Financial Officer of the Issuer, for and on behalf of the Issuer, are authorized and directed to do any and all things necessary to effect the execution and delivery of the Indenture, the Continuing Disclosure Agreement, and the Escrow Deposit Agreement; the execution, delivery, and distribution of the Official Statement; the execution and delivery of such other papers and documents necessary to effect the issuance of the Bonds; the performance of all obligations of the Issuer under the Indenture, the Continuing Disclosure Agreement, and the Escrow Deposit 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, the Continuing Disclosure Agreement, and the Escrow Deposit Agreement. The Chair and Secretary of the Commission and the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer of the Issuer, for and on behalf of the Issuer, 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 8.** This resolution shall be in effect from and after the date of its adoption.

APPROVED August 11, 2011.

ATTEST:

  
Marie-Bernarde Miller, Secretary/Treasurer

APPROVED:

  
Thomas W. Rimmer, Chair

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

September 8, 2011

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, September 8, 2011, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

Mr. Thomas W. Rimmer, Chair  
Ms. Carmen Sanders Simpson, Vice Chair  
Ms. Marie-Bernarde Miller, Secretary/Treasurer  
Mr. Anthony Kendall, Commissioner  
Mr. Eddie Powell, Commissioner  
Dr. Roby Robertson, Commissioner

**Absent:**

Mr. Jay Hartman, Commissioner

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Gary Pittman, Chief Financial Officer  
Mr. Terry Bice, Acting Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Becky Wahlgreen, Director of Human Resources  
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source  
Ms. Stephanie Hymel, Stewardship Coordinator  
Mr. Jeff Mascagni, C.P.A., Controller  
Ms. Connie Horn, Management Secretary  
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.  
Ms. Erin Brogdan, Attorney, Wright, Lindsey & Jennings, L.L.P.

**Also in Attendance:**

Ms. Kate Althoff, Citizens Protecting Maumelle Watershed  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Olivia Dedner, Advantage Communications  
Mr. Barry Haas, Citizens Protecting Maumelle Watershed  
Mr. Gary Heathcott, President, Heathcott Associates  
Ms. Becky Heflin, Account Executive, Heathcott Associates  
Ms. Kristin Netterstrom, Reporter, Arkansas Democrat-Gazette  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Mr. Jamie Stell, Employer Support of the Guard & Reserve

## **CALL MEETING TO ORDER**

Mr. Thomas Rimmer, Chair, called to order the September 8, 2011 meeting of the Board of Commissioners.

## **INTRODUCTION OF GUESTS**

Mr. Graham W. Rich, P.E., Chief Executive Officer, introduced the guests.

## **PRESENTATION TO CAW**

Mr. Jamie Stell representing Employer Support of the Guard & Reserve on behalf of the Secretary of Defense of the United States presented "The Patriot Award" to CAW, in appreciation of CAW's support of those who must temporarily leave their jobs to serve in the Armed Forces.

## **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the August 11, 2011 regular meeting were approved.

## **RESOLUTION**

### **Resolution to Reimburse Expenses from Sale of Bonds**

Mr. Tad Bohannon, CAW attorney with Wright, Lindsey, & Jennings, presented draft resolution 2011-09, authorizing reimbursement to CAW for capital improvement expenses from proceeds of revenue bonds.

Upon a motion duly made by Mr. Eddie Powell, Commissioner, and seconded by Ms. Carmen Sanders Simpson, Vice Chair, the resolution was approved.

### **CAW Corporate Seal**

Mr. Bohannon recommended CAW adopt an official seal to imprint bond documents.

Upon a motion duly made by Mr. Anthony Kendall, Commissioner, and seconded by Commissioner Powell, the seal was approved.

## **AGREEMENTS**

### **Wye Mountain Water Facilities Board**

Mr. Thad Luther, COO, reviewed CAW's May 2008 agreement with the Wye Mountain Water Facilities Board to proceed with plans to transfer their assets and customers to CAW, upon the completion of necessary improvements. Those plans have been completed and now a formal agreement is required to finance the needed improvements.

Upon a motion duly made by Commissioner Powell and seconded by Dr. Roby Robertson, Commissioner, the agreement was approved.

### Paron-Owensville Water Authority

Mr. Luther spoke on the 2008 agreement that stated CAW would sell raw water to the Paron-Owensville Water Authority (Paron).

Mr. Luther said that the agreement automatically terminated in July 2011 due to Paron's failure to construct a metering station and to connect their raw water line to CAW's system, as stated in the agreement.

Mr. Luther said that Paron is now ready to complete the project and has requested a new agreement with CAW.

Commissioner Robertson said he has concerns about the sale of raw water to other entities and believes CAW needs an official policy on the sale of raw water.

Upon a motion duly made by Commissioner Powell, and seconded by Ms. Marie-Bernarde Miller, Secretary/Treasurer, the agreement was approved by a vote of 4-1. The dissenting vote was cast by Commissioner Robertson.

### **CONTRACTS**

Upon motions duly made and seconded, the following contracts were approved:

- A five-year contract with Thomas and Thomas, LLP, for \$44,000 for professional auditing services. The cost breakdown of the contract is \$40,000 for CAW and \$4,000 for Brushy Island Water Authority.
- An agreement with the Watershed Conservation Resource Center for \$78,000 for the design, procurement, and construction services to stabilize a section of stream bank along the Big Maumelle River.
- A contract with Diamond Construction for \$52,909 to install a six-inch water meter assembly at the Wild River Country water park.

### **DEPARTMENT UPDATES**

#### Watershed

Mr. Martin Maner, Director of Watershed Management, provided an update on the following watershed items:

- Public meetings to receive comments on the proposed land use plan have been held and comments will continue to be received until September 16. A public hearing will be held on September 27. The plan will then go to the Pulaski County Planning Board for consideration.
- USGS had previously conducted a model of Lake Maumelle. Tetra Tech, Inc. questioned some points of the results. After a meeting between the two organizations, USGS agreed to recalibrate their modeling. Their results should be ready in October or November.

- CAW staff is scheduled to meet on September 22 with ExxonMobil to discuss the following items:
  - Tactical Response Plan
  - Shut-off Valves on both sides of the river
  - Pipeline integrity
  - Depth of pipe located under the river
  - Protection from scouring and the use of concrete casing
  - Possibility of re-routing the pipeline

### Regionalism

Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Sources, provided an update on matters pertaining to Regionalism.

### Finance

Mr. Gary Pittman, Chief Financial Officer, spoke on factors that drive rate increases:

- Increase of annual debt service
- Operating expenses
- Depreciation expenses tied to capital expenditures from rates

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

### **BOARD BRIEFING**

Mr. Rich provided an update on the following:

- The current issue of the AWWA Journal contains an article by Mr. George Raftelis of Raftelis Financial and consultant to CAW.
- The newly created position of Technical Services Officer (TSO) has been offered to Mr. Robert Hart, P.E. Mr. Hart has 28 years of experience with the Arkansas Department of Health, currently serving as Director of Engineering over the State public water system supervision program. As TSO, Mr. Hart will oversee the Source & Treatment, Distribution, and Watershed departments. Mr. Hart will start at CAW on October 17.
- CAW has signed a lease, with the option to purchase, on 488 acres in the Lake Maumelle Watershed.

### **ADJOURNMENT**

There being no further business, Chair Rimmer adjourned the meeting.

  
Marie-Bernarde Miller, Secretary

**RESOLUTION 2011-08**

**RESOLUTION ADOPTING AN OFFICIAL SEAL FOR CENTRAL  
ARKANSAS WATER**

BE IT RESOLVED by the Board of Commissioners of Central Arkansas Water, that it hereby adopts as the official seal for Central Arkansas Water, a seal circular in form with the wording "CENTRAL ARKANSAS WATER" and "ESTABLISHED 2001" inscribed thereon, with the word "SEAL" inscribed in the center thereof. An imprint of the official seal shall be impressed or printed on this resolution.


BE IT FURTHER RESOLVED that this resolution shall be in effect from and after the date of its adoption.

APPROVED September 8, 2011.

ATTEST:

  
Marie-Bernarde Miller, Secretary/Treasurer

APPROVED:

  
Thomas W. Rimmer, Chair




CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Marie-Bernarde Miller, Secretary of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2011-07 of the Board of Commissioners of Central Arkansas Water, entitled: A RESOLUTION DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN EXPENDITURES TOWARD CAPITAL IMPROVEMENTS FOR THE UTILITY AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF REVENUE BONDS OF THE UTILITY; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted September 8, 2011.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of September 2011.

  
Marie Bernarde-Miller, Secretary of  
Central Arkansas Water



RESOLUTION NO. 2011-07

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

WHEREAS, the Internal Revenue Service and the U.S. Treasury Department have promulgated Section 1.150-2 of the Treasury Regulations (the "Regulation") which authorize an issuer to reimburse itself for expenditures made with respect to projects prior to the issuance of tax-exempt obligations to finance such projects; and

WHEREAS, Central Arkansas Water ("CAW") proposes to acquire, design, construct and equip additional capital improvements to CAW's water distribution system and water treatment facilities and acquire land for watershed protection (collectively, the "Project"); and

WHEREAS, CAW anticipates incurring certain expenditures with respect to the Project prior to the issuance of tax-exempt obligations in an amount not to exceed Thirty Million Dollars (\$30,000,000), in one or more series (the "Bonds"), to finance to the costs of the Project; and

WHEREAS, the Regulation requires that the governing body of CAW declare an official intent to reimburse CAW for expenditures related to the Project that occur prior to the issuance of the Bonds; and

WHEREAS, the Board of Commissioners of CAW, the governing body of CAW, is adopting this Resolution in accordance with the Regulation to recite certain facts and intentions prior to the Bonds.

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

Section 1. Pursuant to United States Treasury Regulation §1.150-2, CAW hereby declares its official intent and reasonable expectation to reimburse itself for original expenditures paid from its general or operating funds that are used in acquiring, constructing and equipping the Project between the date that is sixty (60) days prior to the date of this Resolution and the date the Bonds are issued, plus a de minimis amount and preliminary expenditures, with the proceeds of the Bonds.

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

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

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

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

ADOPTED: September 8, 2011

ATTEST:



Marie-Bernarde Miller, Secretary

APPROVED:



Thomas W. Rimmer, Chairperson

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

October 13, 2011

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, October 13, 2011, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

Mr. Thomas W. Rimmer, Chair  
Ms. Carmen Sanders Simpson, Vice Chair  
Ms. Marie-Bernarde Miller, Secretary/Treasurer  
Mr. Anthony Kendall, Commissioner  
Mr. Eddie Powell, Commissioner  
Dr. Roby Robertson, Commissioner

**Attended by Phone:**

Mr. Jay Hartman, Commissioner

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Gary Pittman, Chief Financial Officer  
Mr. Terry Bice, Acting Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Martin Maner, Director of Watershed Management  
Ms. Becky Wahlgreen, Director of Human Resources  
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source  
Ms. Deena Coston, C.P.A., Controller  
Ms. Connie Horn, Management Secretary  
Ms. Stephanie Hymel, Stewardship Coordinator  
Mr. Jeff Mascagni, C.P.A., Controller  
Mr. Michael Thomas, Distribution Foreman, CAW  
Mr. Tom Wray, P.E., Engineer  
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.

**Also in Attendance:**

Ms. Kate Althoff, Citizens Protecting Maumelle Watershed  
Ms. Billie Ann Askut, QualChoice  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Mr. Lee Bodenheimer, landowner  
Mr. John Brummett, Report for Arkansas Democrat-Gazette  
Mr. Barry Haas, Citizens Protecting Maumelle Watershed  
Mr. Nigel Hall, Advantage Communications, Inc.  
Mr. Robert Hart, P.E.  
Mr. Gary Heathcott, President, Heathcott Associates

Ms. Becky Heflin, Account Executive, Heathcott Associates  
Mr. Jordan Johnson, Cranford, Johnson, Robinson & Woods  
Ms. Kristin Netterstrom, Reporter, Arkansas Democrat-Gazette  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Mr. Greg Rayburn, Reporter for Stephens Media  
Mr. Michael Steele, President, Advantage Communications, Inc.  
Mr. Michael Stock, QualChoice

### **CALL MEETING TO ORDER**

Mr. Thomas Rimmer, Chair, called to order the October 13, 2011 meeting of the Board of Commissioners.

### **INTRODUCTION OF GUESTS**

Mr. Graham W. Rich, P.E., Chief Executive Officer, introduced the guests.

### **EMPLOYEE RECOGNITION**

Mr. Rich recognized Michael Thomas as the recipient of the AWWA-SW Section's Courageous Service Award.

Mr. Rich said that the award was in recognition of the extraordinary efforts put forth under extremely hazardous weather conditions in repairing a broken water main at the Little Maumelle River.

Mr. Rich said that this is just an example of the many fine employees at CAW.

Commissioner Rimmer thanked Mr. Thomas for his efforts and said it was a truly inspiring story.

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the September 8, 2011 regular meeting were approved.

### **PULASKI COUNTY LAND USE PLAN**

Mr. Rich said that formation by Pulaski County of a draft Land Use Plan has been a long process and one that is heavily steeped in science. Mr. Rich added that Pulaski County has held several public meetings to receive comments on the draft Land Use Plan. He addressed 10 of the most frequently asked questions received at the public meetings.

Mr. Martin Maner, Director of Watershed Management, reviewed the steps taken by Pulaski County in development of the draft Land Use Plan.

### **Public Comments**

Mr. Barry Haas, Citizens Protecting Maumelle Watershed, thanked the Board for the opportunity to speak. He said he believes that population density in the Pulaski County portion of the watershed will be higher than anticipated in the draft Land Use Plan

Ms. Kate Althoff, Citizens Protecting Maumelle Watershed, thanked the Board for the opportunity to speak on this issue. She said that she felt that some of the recommendations of the Watershed

Management Plan (WMP) differ from those in the draft Land Use Plan. She said that the WMP calls for easily understood criteria in the protection of the watershed and that she believes this has not happened in the draft Land Use Plan.

Mr. Rich said that the public comments were welcomed and that they brought up some good points.

Chair Rimmer asked Mr. Rich to formulate a position statement to be forwarded to the Pulaski County Planning Commission.

Mr. Rich indicated that CAW would request the Planning Commission to delay making a decision on this issue until their November meeting so that CAW staff could provide a position statement and provide the Planning Commission with further information.

## **RESOLUTIONS**

### **Resolution to Authorize Use of Eminent Domain**

Mr. Thad Luther, Chief Operating Officer, said that staff is requesting authorization for the use of eminent domain to obtain property needed for infrastructure improvements.

Mr. Luther said that staff is attempting to purchase property and easements to construct a new water tank on Two Towers Road. He said that the new tank is vital to provide adequate water pressure for the West Little Rock service area.

Mr. Luther said that it is also necessary to acquire easements for Phase 2 of the MacArthur Drive improvements in North Little Rock.

Mr. Luther stressed that the use of eminent domain would only be used as a last resort.

Upon a motion duly made by Mr. Eddie Powell, Commissioner, and seconded by Ms. Carmen Sanders Simpson, Vice Chair, the resolution was approved.

### **Resolution Authorizing Transfer of Easements**

Mr. Luther told the Board that easements acquired for the last section of the Northbelt Transmission Line should be transferred to the City of Cabot because they fall within the section of waterline owned by Cabot.

Upon a motion duly made by Commissioner Powell and seconded by Ms. Marie-Bernarde Miller, Commissioner, the motion was approved.

## **NEW BUSINESS**

### **2012 Health and Life Insurance**

Ms. Becky Wahlgreen, Director of Human Resources, said that CAW received three responses to the advertised "Request for Proposal" to provide group health insurance and four responses for group life and accidental death and dismemberment insurance. She said that the contract will be for calendar year 2012, with annual renewal by mutual agreement.

Ms. Wahlgreen said that after thorough comparison of benefits offered by each responder, staff recommends the 2012 group health insurance contract be awarded to QualChoice. She said that a contract with QualChoice will save the utility approximately \$185,000 annually.

Ms. Wahlgreen said that staff recommends a contract for group life and accidental death and dismemberment insurance with the Hartford Insurance Company. She said that this contract will save the utility approximately \$23,500 annually.

Ms. Wahlgreen said that premiums have increased 74.3% nationally over the last nine years and only 12.4% for CAW over the same time period. She said that this difference resulted in a savings to the utility of \$943,613.

Ms. Wahlgreen also reviewed future changes resulting from the healthcare reform act.

Upon a motion duly made by Mr. Anthony Kendall, Commissioner, and seconded by Commissioner Powell, the motion was approved.

### 2012 Financial Plan

Mr. Gary Pittman, Chief Financial Officer, distributed copies of the draft 2012 Financial Plan. He said that this presentation was for review only and that staff would ask for approval at the November 2011 Board Meeting.

Mr. Pittman said that the draft 2012 Financial Plan does not include any rate increases for 2012 and shows a \$1.3 million decrease in the utility budget.

### CONTRACTS

Upon motions duly made and seconded, the following contracts were approved:

- A contract with On-Line Construction, Inc. for \$1,448,740.50 for the Phase 2 MacArthur Drive improvements to replace 6-inch asbestos cement pipe with 12-inch ductile iron pipe.
- A contract with Carus Corporation for \$396,000 for a 15-month supply of polyphosphate. The contract with the current supplier was cancelled due to inferior product.

### DEPARTMENT UPDATES

#### Watershed

Mr. Martin Maner, Director of Watershed Management, provided an update on the following watershed items:

- The cost of eroding streambank restoration versus purchase of land to offset uncontrolled development
- Development process of Pulaski County's Land Use Plan.
- The lake modeling developed by USGS versus that developed by Tetra Tech. USGS agreed that Tetra Tech's results were correct and agreed to make corrections to their modeling results.
- Staff met with ExxonMobil to discuss exposed pipeline within the Maumelle Watershed.

ExxonMobil has agreed to perform an integrity assessment which includes running an inline inspection through the length of the pipe. The tool will assess the integrity of the interior of the pipe. In addition to ExxonMobil conducting visual inspections of the pipeline every three years, CAW staff will start visual inspections on a regular basis. ExxonMobil representatives were open to placing additional shut-off valves on either side of the Maumelle River crossings and on the north side of Lake Maumelle if CAW would provide access easements to these areas.

- Jonathan Long, Watershed Administrator, has conducted regular inspections of the Waterview Estates Conservation Ditch. He has found no signs of erosion on the Lake Maumelle side of the ditch. He did find mild erosion on the uppermost portion of ditch 4 but, due to grading of the land and a berm, the erosion is not deemed to be an immediate threat to water quality in the lake. Waterview Estates personnel have indicated they will try to re-establish vegetation in that area this month.

### Regionalism

Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Sources, provided an update on matters pertaining to Regionalism.

### Finance

Mr. Gary Pittman, Chief Financial Officer, provided a year-to-date financial update on utility operations.

### **BOARD BRIEFING**

Mr. Rich provided an update on the following:

- Introduced Mr. Robert Hart, P.E., who recently accepted the new position of Technical Services Officer.
- On October 15, CAW staff and members of the public performed a cleanup of areas in the watershed around Lake Maumelle. There were a record number of participants this year.
- The results of the treatability study will be provided at the November Board Meeting.
- Staff will present the 2012 Financial Plan for approval at the November Board Meeting.

### **ADJOURNMENT**

There being no further business, Chair Rimmer adjourned the meeting.



Marie-Bernarde Miller, Secretary

RESOLUTION 2011-10

**RESOLUTION FINDING A NECESSITY FOR THE ACQUISITION OF REAL PROPERTY AND ACCOMPANYING EASEMENTS TO ENABLE CONSTRUCTION OF A NEW WATER TANK IN WEST LITTLE ROCK AND CONNECTION OF THE TANK TO THE WATER DISTRIBUTION SYSTEM; DECLARING SUCH ACQUISITION FOR A PUBLIC PURPOSE; AUTHORIZING CONDEMNATION OF REAL PROPERTY AND AN ACCOMPANYING EXCLUSIVE WATER LINE EASEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO**

WHEREAS, Central Arkansas Water ("CAW") is in the process of constructing a new water tank adjacent to Two Towers Road, just north of where Gordon Road intersects with Chenal Valley Road, and installing the pipelines necessary to connect the water tank to CAW's existing water distribution system (the "Project"); and

WHEREAS, CAW staff determined that the appropriate location of the Project is on the property generally depicted on Exhibit "A" attached hereto; and

WHEREAS, CAW staff have attempted to obtain title to the real property necessary for the actual tank site and the easements necessary to connect the tank to CAW's existing water distribution system (collectively, the "Property") through negotiation, but the property owner has been unwilling to grant the Property to CAW; and

WHEREAS, obtaining the Property is critical for completion of the Project; and



WHEREAS, the Central Arkansas Water Board of Commissioners (the "Commission") has been vested with the authority and responsibility for the proper operation, maintenance and improvement of CAW's water treatment and distribution facilities; and

WHEREAS, Ark. Code Ann. § 25-20-309 provides that CAW "may acquire by the exercise of the power of eminent domain any real property that it may deem necessary for its purposes"; and

WHEREAS, the Commission has determined that the Project is necessary for its purposes and that it is in the best interest of the utility and its rate payers; and

WHEREAS, the Commission, upon the advice and recommendation of CAW's engineering staff, has determined that it is necessary for CAW to acquire the Property for completion of the Project;

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

1. CAW has offered Elsie Pouzar, the owner of the Property, a reasonable sum of money (\$215,000 for the tank site, plus \$2,000 for the twenty foot exclusive water line easement, plus \$2,000 for an additional twenty foot temporary construction easement adjacent to the water line easement) to compensate her for the value of the Property to be conveyed and damages, if any, to the remainder of the property.

2. The acquisition of the Property is necessary for the public purpose of constructing, owning, managing, operating, improving, extending, acquiring,

reconstructing, equipping, and maintaining CAW's consolidated waterworks treatment and distribution system.

3. CAW has in fact transmitted a bona fide offer to the property owner for the Property in accordance with the laws of the State of Arkansas and the property owner and CAW have been unable to agree and cannot agree upon the value of Property to be paid and further settlement negotiations have become futile and impossible.

4. C. Tad Bohannon of Wright, Lindsey & Jennings LLP, as general counsel for CAW ("CAW Counsel"), or any attorney within his firm appointed by him, is hereby authorized and directed to prepare, file and prosecute to completion eminent domain proceedings to acquire the Property in accordance with the laws and procedures of the State of Arkansas.

5. CAW Counsel is also authorized to obtain an order for immediate possession of the Property in accordance with the laws and procedures of the State of Arkansas.

6. Notwithstanding the directions set forth in paragraph 4 above, in the event CAW and the property owner can reach an agreement as to the value of the Property prior to or after commencement of the eminent domain proceedings, CAW is authorized to accept such Property prior to the filing of an eminent domain proceedings or in settlement of a filed eminent domain proceeding.

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

ADOPTED: October 13, 2011



**EXHIBIT**

**A**

DELTIC TIMBER CORP

DELTIC TIMBER CORPORATION

DELTIC TIMBER CORP

DELTIC FARM & TIMBER CO INC

CHENAL PKY

TWO TOWERS RD

DELTIC TIMBER CORP

22

23

GORDON RD

DELTIC TIMBER CORP

DELTIC TIMBER CORP

T2N-R14W

POUZAR ELSIE N REVO

**TANK 17B  
1.5 ACRE  
TANK SITE &  
FUTURE SHINALL  
MTN Pmp Sta**

**12" WATER MAIN EASEMENT  
20 FT PERMANENT PLUS  
10 FT TEMPORARY**

IBERIABANK FSB



12 DIP

DELTIC TIMBER CORP

CHENAL VALLEY DR

GERMAY BLVD

DELTIC TIMBER CORP

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MAY 2010

**CENTRAL ARKANSAS WATER**  
Serving us - today and tomorrow

0 125 250 500 Feet

1 inch = 600 feet

DELTIC TIMBER CORP

DELTIC TIMBER CORP

DELTIC TIMBER CORP  
DELTIC TIMBER CORP

RESOLUTION 2011- //

RESOLUTION FINDING A NECESSITY FOR THE ACQUISITION OF EASEMENTS OVER AND ACROSS CERTAIN LANDS ENABLING COMPLETION OF A PIPELINE REPLACEMENT PROJECT; DECLARING SUCH ACQUISITION FOR A PUBLIC PURPOSE; AUTHORIZING CONDEMNATION OF EXCLUSIVE WATER LINE EASEMENTS OVER AND ACROSS SAID LANDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO

WHEREAS, Central Arkansas Water ("CAW") is in the process of replacing old, high maintenance asbestos-cement pipe with new ductile iron pipe, and increasing the line size from 6-inch to 12-inch to increase capacity and improve fire flows (the "Project"); and

WHEREAS, CAW staff have attempted to obtain the easements more specifically described on Exhibits 2-9 attached hereto (collectively, the "Easements") through negotiation, but the property owners have been unwilling to voluntarily grant the Easements to CAW; and

WHEREAS, obtaining the Easements is critical for completion of the Project; and

WHEREAS, the Central Arkansas Water Board of Commissioners (the "Commission") has been vested with the authority and responsibility for the proper operation, maintenance and improvement of CAW's water treatment and distribution facilities; and

WHEREAS, Ark. Code Ann. § 25-20-309 provides that CAW “may acquire by the exercise of the power of eminent domain any real property that it may deem necessary for its purposes”; and

WHEREAS, the Commission has determined that the Project is necessary for its purposes and that it is in the best interest of the utility and its rate payers; and

WHEREAS, the Commission, upon the advice and recommendation of CAW’s engineering staff, has determined that it is necessary for CAW to acquire the Easements for completion of the Project; and

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

1. CAW has offered to each of the property owners of the land to be encumbered by the Easements a reasonable sum of money to compensate them for the value of the easement to be granted and damages, if any, to the remainder of the property, the offer of which is hereby confirmed.

2. The acquisition of the Easements, in the form attached hereto as Exhibit 1, is necessary for the public purpose of constructing, owning, managing, operating, improving, extending, acquiring, reconstructing, equipping, and maintaining CAW’s consolidated waterworks treatment and distribution system.

3. CAW has in fact transmitted bona fide offers to the property owners, in accordance with the laws of the State of Arkansas, for the Easement described herein, and the owners of the property to be subject to the Easements and CAW have been unable to agree and cannot agree upon the value of the land or the

damages to be paid and further settlement negotiations have become futile and impossible.

4. C. Tad Bohannon of Wright, Lindsey & Jennings LLP, as general counsel for CAW ("CAW Counsel"), or any attorney within his firm appointed by him, is hereby authorized and directed to prepare, file and prosecute to completion eminent domain proceedings to acquire the Easements in accordance with the laws and procedures of the State of Arkansas.

5. CAW Counsel is also authorized to obtain an order for immediate possession of the Easements in accordance with the laws and procedures of the State of Arkansas.

6. Notwithstanding the directions set forth in paragraph 4 above, in the event CAW and any owner of the property to be subject to an Easement can reach an agreement as to the value of such Easement prior to or after commencement of the eminent domain proceedings, CAW is authorized to accept such Easement prior to the filing of an eminent domain proceedings or in settlement of a filed eminent domain proceeding.

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

ADOPTED: October, \_\_, 2011

ATTEST:



Marie-Bernarde Miller  
Secretary/Treasurer

APPROVED:



Thomas W. Rimmer  
Chair

CERTIFICATE

STATE OF ARKANSAS )  
)  
COUNTY OF PULASKI )

I, Marie-Bernarde Miller, Secretary/Treasurer of Central Arkansas Water, Board of Commissioners, do hereby certify that the foregoing is a true and correct copy of Resolution 2011-\_\_\_ of the Resolutions of Central Arkansas Water, entitled: **RESOLUTION FINDING A NECESSITY FOR THE ACQUISITION OF EASEMENTS OVER AND ACROSS CERTAIN LANDS ENABLING COMPLETION OF A PIPELINE REPLACEMENT PROJECT; DECLARING SUCH ACQUISITION FOR A PUBLIC PURPOSE; AUTHORIZING CONDEMNATION OF EXCLUSIVE WATER LINE EASEMENTS OVER AND ACROSS SAID LANDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO**, adopted October 13, 2011.

IN WITNESS WHEREOF, I have hereunto set my hand this 13<sup>th</sup> day of October, 2011.



Marie-Bernarde Miller, Secretary/Treasurer  
Board of Commissioners, Central Arkansas Water



Prepared By:  
C. Tad Bohannon, Esq.  
Wright, Lindsey & Jennings LLP  
200 West Capitol Avenue, Suite 2300  
Little Rock, AR 72201-3699

## WATERLINE EASEMENT

KNOW ALL MEN BY THESE PRESENTS:

THAT \_\_\_\_\_, an [individual / husband and wife / Arkansas corporation] ("**GRANTOR**"), for the sum of Ten Dollars (\$10.00), and other valuable consideration paid by **Central Arkansas Water**, a consolidated water association created and existing under the Consolidated Waterworks Authorization Act, Act 982 of the 83<sup>rd</sup> General Assembly of the State of Arkansas ("**GRANTEE**"), the receipt and sufficiency of which is hereby acknowledged, does hereby, subject to prior recorded mortgages and easements, if any, grant, bargain, sell and convey unto GRANTEE, and unto its successors and assigns forever, the easements described in paragraph 1 below on lands situated in Pulaski County, Arkansas, as follows (the "Property"):

[INSERT LEGAL DESCRIPTION OF EASEMENT]

1. Grant of Permanent Easement. A PERMANENT, PERPETUAL, RIGHT, PRIVILEGE AND EASEMENT for the purpose of permitting GRANTEE to clear and keep clear the surface of the Property (as hereinafter defined) and to lay, construct, maintain, repair, replace, test and inspect underground water mains, whether one or more, and surface appurtenances thereto, now and at different times in the future, without the payment of additional compensation therefor. Subject to prior easements of record and except as hereinafter stated, GRANTEE shall have the exclusive use of this Property. GRANTOR may hereafter use the surface of the Property for any purpose not inconsistent with the rights hereby conveyed, but may not place a building, footing, wall, structure or other improvement upon the Property except that, after the initial construction of a water pipeline within the Property is completed, GRANTOR may pave the Property's surface and may use it for driveways, walks or parking areas, provided such paving is installed in accordance with whatever specifications GRANTEE may designate at the time for the protection of GRANTEE's facilities within the easement. GRANTOR may also use the Property for placement of fences, landscaping and other uses not inconsistent with any of the above limitations. Provided, however, that GRANTOR may not place any fence within the Property that runs parallel to any water transmission pipe within the Property; any and all fencing, if any, must cross the Property at



WITNESS my hand this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGMENT

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named \_\_\_\_\_, to me personally well known, who stated that he is the \_\_\_\_\_ of \_\_\_\_\_ Corporation, a corporation, and was duly authorized in his respective capacity to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that he had had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

EXHIBIT "A"



TRACT 10

TRACT 11

MACARTHUR DRIVE

APPROXIMATELY 128 LF

10' WIDE STRIP OF PERMANENT WATER LINE EASEMENT

11

HUMPHREY/GRIFFIN

RONALD & DEBRA MOSLEY  
10510 MACARTHUR DRIVE  
NORTH LITTLE ROCK, AR 72118  
\$320.00

PART OF TRACT 11 OF W.W. RIGHTSSELL'S  
ACRES BEING THE SE 1/4 OF THE NW 1/4 OF  
SECTION 6, TOWNSHIP 2 NORTH, RANGE  
WEST

EASEMENT #27

tabbles®

EXHIBIT

3



POINT OF BEGINNING

10.84'

A=1027 SQ FT  
0.02 Acres +/-

467.4'

RIGHT-OF-WAY

MAC ARTHUR DRIVE

100'

100'

10916'

PART OF TRACT 4

91.5'

445'

10.84'

RIGHT-OF-WAY

Easement Description:

A ten foot wide strip of permanent water line easement adjoining the Easterly Right-of-Way of Mac Arthur Drive (Highway 365) being approximately 100 feet in length being part of Tract or Lot 4 W.W. Rightsell's Acreage, Part of the W1/2 of the NW1/4, Section 6, TN 2 North, Rg. 12 West, Pulaski County, Arkansas, more particularly described as follows:

Commencing at the Northwest corner of Tract 4, W.W. Rightsell's Acreage also being a point on the Easterly Right-of-way line of Highway 365 (Mac Arthur Drive); thence leaving said Right-of-way East along the North Tract line of Tract 4 a distance of 10.84 feet; thence run Southeasterly parallel to the said Right-of-way line a distance of 100 feet; thence West a distance of 10.84 feet to a point on the said Right-of-way line; thence Northwesterly along said Right-of-way line a distance of 100 feet to the POINT OF BEGINNING containing 0.02 Acres (1027 Sq Ft) more or less.

CAROLYN MAE COFFMAN  
10916 MAC ARTHUR DR  
NORTH LITTLE ROCK, AR 72118  
\$ 255.00

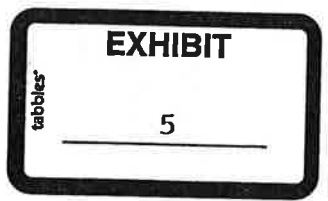


EXHIBIT "A"

EASEMENT No 35

TRACT 17

JOSLIN DRIVE



TRACT 18

TRACT 19

S88°50'48"E 15.54'

POB

**Water Line Easement Legal Description:**

A fifteen (15) foot wide water line easement lying in the North 1/2 of North 1/2 of the Southwest 1/4 of the Northeast 1/4 of Section 31, Township 3 North, Range 12 West, more particularly described as follows:

Commencing at the Southeast Corner of the Northwest Quarter of the Northeast Quarter of said Section 31; thence North 88 degrees 50 minutes 48 seconds West a distance of 1,299.60 feet to the point of beginning of said (15) foot wide water line easement, being Part of the North 1/2 of the North 1/2 of the Southwest 1/4 of the Northeast 1/4 of the of said Section 31; thence South 14 degrees 06 minutes 54 seconds East a distance of 324.19 feet; thence South 88 degrees 00 minutes 00 seconds East a distance of 1062.65 feet to a point on the Right-of-way of Oak Grove Road; thence continuing along said Right-of-way South 00 degrees 00 minutes 00 seconds East a distance of 15.00 feet; thence leaving said Right-of-way North 88 degrees 00 minutes 00 seconds West along the Southern property line a distance of 1,073.60 feet; thence leaving said Southern property line North 14 degrees 06 minutes 54 seconds West a distance of 339.60 feet to a point on the Northern property line; thence along said Northern property line South 88 degrees 50 minutes 48 seconds East a distance of 15.54 feet to the point of beginning, containing 0.48 acres (Approximately 21,006 sq ft) more or less.

TRACT 23

SE COR. NW 1/4, NE 1/4 SEC 31, T3N, R12W

N88°50'48"E 1299.60'

15' WIDE STRIP OF PERMANENT WATER LINE EASEMENT (0.48 acres +/-)

S14°06'54"E 324.19'  
N14°06'54"W 339.60'

S88°00'00"E 1062.65'

N88°00'00"W 1073.60'

S00°00'00"E 15.00'

OAK GROVE ROAD

JEFFERY, CINDY & DUSTIN GREEN  
3522 OAK GROVE  
NORTH LITTLE ROCK, AR 72118

\$1,575<sup>00</sup>

EXHIBIT "A"

tabbles

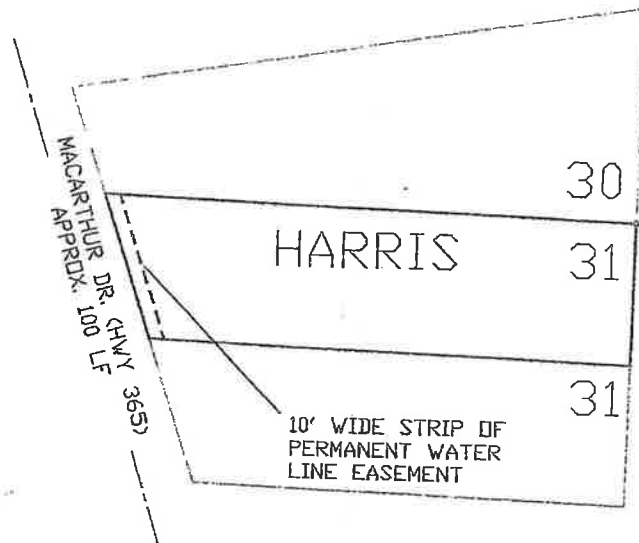
EXHIBIT

7

EXHIBIT "A"



PART OF LOT 31 OF GREEN ACRES SUB.  
OF THE NE ¼ OF SECTION 36, TOWNSHIP  
3 NORTH, RANGE 13 WEST



EUGENE & DAVID HARRIS  
12612 MACARTHUR DRIVE  
NORTH LITTLE ROCK, AR 72118  
\$250<sup>00</sup>  
EASEMENT # 67

tabbles®

9

EXHIBIT

## RESOLUTION 2011 -12

### **A RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO TRANSFER WATER PIPELINE EASEMENTS TO THE CITY OF CABOT FOR THE USE AND BENEFIT OF CABOT WATERWORKS AND APPROVING A QUITCLAIM DEED FOR SUCH TRANSFER, AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

WHEREAS, Central Arkansas Water (the "CAW") and Cabot WaterWorks ("Cabot WaterWorks") entered an agreement to construct a water pipeline transmitting water from CAW's facilities to Cabot (the "Cabot Main") for the purpose of CAW selling water to Cabot; and

WHEREAS, pursuant to the agreement, easements were obtained by both parties for their respective portion of the Cabot Main with easements on the south side of the master meter obtained in the name of CAW and easements to the north side of the master meter obtained in the name of the City of Cabot for the use and benefit of Cabot WaterWorks; and

WHEREAS, the master meter was originally planned to be located at the intersection of Tadpole Road and Maddox Road, but, after the easement were obtained, the location of the master meter was moved to the intersection of Hwy 107 and General Samuels Road; and

WHEREAS, the easements listed in Exhibit "A" attached hereto (the "Easements") along the designated area of the Cabot Main which were obtained in the name of CAW must now be transferred to Cabot since the Easements are located on the north side of the master meter; and

WHEREAS, CAW desires to transfer the Easements to the City of Cabot for the use and benefit of Cabot WaterWorks (the "Transfer") pursuant to the terms and conditions of the Quitclaim Deeds (one for easements in Pulaski County and one for easements in Lonoke County) attached here to as Exhibits "B" and "C" (the "Deeds");

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

Section 1. The Transfer of the Easements from the CAW to Cabot in accordance with the terms and conditions of the Deeds, with such changes, omissions, insertions, and revisions as the Chief Executive Officer or the Chief Operating Officer shall deem advisable, is in the best interest of CAW and it is hereby authorized and approved.

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Marie-Bernarde Miller, Secretary/Treasurer of Central Arkansas Water, Board of Commissioners, do hereby certify that the foregoing is a true and correct copy of Resolution 2011-12 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION AUTHORIZING CENTRAL ARKANSAS WATER TO TRANSFER WATER PIPELINE EASEMENTS TO THE CITY OF CABOT FOR THE USE AND BENEFIT OF CABOT WATERWORKS AND APPROVING A QUITCLAIM DEED FOR SUCH TRANSFER, AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted October 13, 2011.

IN WITNESS WHEREOF, I have hereunto set my hand this 13TH day of October 2011.



\_\_\_\_\_  
Marie-Bernarde Miller, Secretary/Treasurer  
Board of Commissioners, Central Arkansas Water



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

November 10, 2011

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, November 11, 2011, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

Mr. Thomas W. Rimmer, Chair  
Ms. Carmen Sanders Simpson, Vice Chair  
Ms. Marie-Bernarde Miller, Secretary/Treasurer  
Mr. Jay Hartman, Commissioner  
Mr. Anthony Kendall, Commissioner  
Mr. Eddie Powell, Commissioner  
Dr. Roby Robertson, Commissioner

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Gary Pittman, Chief Financial Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Mr. Terry Bice, Acting Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Martin Maner, Director of Watershed Management  
Ms. Becky Wahlgreen, Director of Human Resources  
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source  
Ms. Deena Coston, C.P.A., Controller  
Ms. Connie Horn, Management Secretary  
Ms. Stephanie Hymel, Stewardship Coordinator  
Mr. Jonathan Long, Watershed Administrator  
Mr. Jeff Mascagni, C.P.A., Controller  
Mr. Blake Weindorf, P.E., Senior Engineer  
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.

**Also in Attendance:**

Ms. Kate Althoff, Citizens Protecting Maumelle Watershed  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Mr. Tracey Bemis, Property Owner in the Lake Maumelle Watershed  
Mr. Beau Bishop, Arkansas Farm Bureau  
Mr. Lee Bodenheimer, Property Owner in the Lake Maumelle Watershed  
Mr. Tim Daters, White-Daters & Associates, Inc., Consultant for Deltic Timber  
Mr. Allen Engstrom, Pulaski County Planning Board  
Mr. Barry Haas, Citizens Protecting Maumelle Watershed  
Mr. Nigel Hall, Advantage Communications, Inc.  
Mr. Gary Heathcott, President, Heathcott Associates  
Ms. Becky Heflin, Account Executive, Heathcott Associates

Mr. Earl Hillard, Property Owner in the Lake Maumelle Watershed  
Mr. Jordan Johnson, Cranford, Johnson, Robinson & Woods  
Ms. Nell Matthews, League of Women Voters of Pulaski County  
Mr. Chuck Nestrud, Attorney for Deltic Timber  
Ms. Kristin Netterstrom, Reporter, Arkansas Democrat-Gazette  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Barbara Penney, Property Owner in the Lake Maumelle Watershed  
Mr. Butch Penney, Property Owner in the Lake Maumelle Watershed  
Mr. Norvell Plowman, Attorney for Mr. Lee Bodenheimer  
Mr. Max Seigle, Reporter/Cameraman for Today's THV-Channel 11  
Mr. Michael Steele, President, Advantage Communications, Inc.  
Mr. Paul Strickland, Garver Engineers  
Mr. Kent Walker, Attorney representing Property Owners in the Lake Maumelle Watershed  
Ms. Kathy Wells, Coalition of Greater Little Rock Neighborhoods  
Mr. Fred White, Property Owner in the Lake Maumelle Watershed  
Ms. Judy White, Property Owner in the Lake Maumelle Watershed  
Ms. Lori White, Property Owner in the Lake Maumelle Watershed

### **CALL MEETING TO ORDER**

Mr. Thomas Rimmer, Chair, called to order the November 10, 2011 meeting of the Board of Commissioners.

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the October 13, 2011 regular meeting were approved.

### **NEW BUSINESS**

#### **Resolution Dedicating CAW Mitigation Land**

Chair Rimmer said that Mr. Allen Engstrom, Pulaski County Planning Board, would like to speak on the resolution dedicating CAW mitigation land as he was unable to stay for the entire meeting. He said that further discussion on this resolution would be held later in the meeting.

Mr. Engstrom said that the Planning Board has asked him to work with property owners in the Maumelle Watershed in regard to the proposed Pulaski County Land Use Plan. He said that the Planning Board supports the draft resolution presented at this meeting to dedicate mitigation land to exempt existing watershed property owners in adding or modifying existing structures on their property in the watershed. He added that he believes this is a very important tool to assist small property owners in Western Pulaski County and that this needs to be brought to the attention of those property owners. Mr. Engstrom said that any mitigation program established needs to have some permanence that will provide assurance to the property owners.

Mr. Engstrom also stated that CAW's creation of a fund to purchase land in the watershed is a very good step but that its existence needs to be made more widely known to property owners in the watershed.

Chair Rimmer thanked Mr. Engstrom for his comments.

## **OLD BUSINESS**

### **2012 Financial Plan**

Mr. Gary Pittman, Chief Financial Officer, reviewed the draft 2012 Financial Plan that had been distributed to the Board at the October Board Meeting.

Upon a motion duly made by Mr. Eddie Powell, Commissioner, and seconded by Ms. Carmen Sanders Simpson, Commissioner, the 2012 Financial Plan was approved.

### **Pulaski County Land Use Plan**

Mr. Rich provided an overview and background information on the creation of the draft Pulaski County Land Use Plan. He said that staff is not asking the Board to act on this issue at this time, but is for their information only.

Mr. Rich said that CAW had worked with Pulaski County Planning to revise their subdivision regulations in order to help maintain the high water quality of Lake Maumelle.

Mr. Martin Maner, P.E., Director of Watershed Management, provided a timeline of the formation of the draft Pulaski County Land Use Plan. He said that there had been several revisions to the draft plan with significant changes made by the county to the plan on October 4 regarding "undisturbed land" in the watershed. Mr. Maner made a presentation comparing the impact of unpaved roads on nutrient loading to the lake as compared to the theoretical build-out of the Pulaski County portion of the watershed.

In response to a request by Dr. Roby Robertson, Commissioner, to define "undisturbed land" as referred to in the Land Use Plan, Mr. Maner said that "undisturbed land" could include timber harvesting as long as re-vegetation takes place.

### **Public Comments**

Ms. Kathy Wells, Coalition of Greater Little Rock Neighborhoods, asked if CAW staff had discussed any of the October 4 changes to the Land Use Plan with Pulaski County Judge Villines and, if so, is he willing to make any of the changes requested by CAW.

Mr. Rich said that he had talked with Judge Villines and that the Judge was not willing to make any of the suggested changes. Mr. Rich said that Judge Villines believes that the plan, in its current form, addresses the concerns of all the parties involved.

Ms. Wells asked about the original expectation from the Lake Maumelle Watershed Management Plan (WMP) of wastewater being discharged to septic tanks rather than pumping it out of the watershed.

Mr. Rich said that pumping wastewater out of the watershed was just one option mentioned in the WMP. Mr. Rich said that, in his opinion, pumping wastewater out of the watershed was the preferable option.

Ms. Nell Matthews, League of Women Voters of Pulaski County, said that the smaller the population of an area, the fewer rules needed and as the population increases, the need for more rules increases. She said that the facts are that low-density population is easier to regulate than higher density population.

Mr. Kent Walker, attorney representing some of the property owners in the watershed, said that the goals of CAW are in alignment with most of the goals of the property owners – clean water. He said that the proposed Land Use Plan does not accomplish those goals. He added that the Land Use Plan creates rules on property owners that have nothing to do with clean water. Mr. Walker said that this document is contradictory to itself and unclear as to its meaning. He said the Land Use Plan is onerous and puts too many burdens on the property owners.

Mr. Walker provided Mr. Rich with a list of issues that the property owners have with the Land Use Plan.

Chair Rimmer asked that the list be provided to the Board for their review.

Mr. Earl Hillard, property owner in the Lake Maumelle Watershed, said that he is in favor of fair and equitable planning in the watershed. He added that he does not believe that the proposed Land Use Plan is either fair or equitable to the small property owner. He said that this plan allows for too much density and too many regulations.

Ms. Kate Althoff, Citizens Protecting Maumelle Watershed, was concerned that the allowance of “open space” could allow for clear-cut timber harvesting which would affect the water quality of Lake Maumelle. She asked that the plan call for selective cuts in the watershed rather than clear cuts.

Mr. Barry Haas, Citizens Protecting Maumelle Watershed, said that the draft Land Use Plan would allow 35,000 houses to be built in the watershed. In reference to Mr. Maner’s comment that a paved road would add no more pollutant to the lake than an eroded streambank, Mr. Haas noted that paved roads would only be in place if there was development.

Mr. Haas asked the Board to bring their common sense to the issue.

Commissioner Powell said that the Board appreciates the public comments but that the CAW Board of Commissioners has no control over the Pulaski County Boards. He said that this Board could only offer recommendations to the county boards.

Ms. Marie-Bernarde Miller, Commissioner, asked what would be the underlying reason for the county putting these regulations on the small property owner.

Mr. Rich said that he believes the county is trying to create a process that would allow for inspections of newly built structures, something which the county does not currently have in place.

Mr. Rich asked the Board to consider meeting to discuss a recommendation on the Land Use Plan before the Pulaski County Board meets on November 22.

Chair Rimmer suggested that the Board hold a Special Called Board Meeting at 3:30 on Monday, November 21 to form a recommendation to the Pulaski County Planning Board on the Land Use Plan.

Mr. Anthony Kendall, Commissioner, asked Mr. Rich to briefly summarize the financial support CAW has provided to the county for oversight of Chapter 8 Subdivision Regulations of the Pulaski County Zoning Plans.

Mr. Rich said that CAW is paying for the formation of the Land Use Plan, the consultant’s service to develop the watershed zoning code, a plan reviewer, watershed inspector, and an administrator to

assist the county in the implementation of the Chapter 8 Subdivision Regulations and additional staff as required upon the passage of the Land Use Plan. He said that CAW is paying 100% of their cost, which includes equipment and personnel. He said he did not have a dollar figure at hand.

Upon a motion duly made by Commissioner Robertson to hold a Special Called Board Meeting to discuss the land use document and provide a recommendation to the Pulaski County Planning Board and the Pulaski County Quorum Court, and seconded by Ms. Marie-Bernarde Miller, Commissioner, the motion to hold a Special Called Meeting on November 21 was approved.

Commissioner Powell said that he believes it is wrong for the Land Use Plan to refer to small property owners as developers if they want to make changes to their property.

Mr. Rich said that he has expressed concern about this to the county. He added that he hopes they will heed the recommendation of CAW to change the wording from "developer" to "property owner".

Chair Rimmer directed staff to make the proper notification to the public.

#### Resolution Dedicating CAW Mitigation Land

Mr. Rich said that this resolution recognizes the intent of the WMP to allow for exemption for existing property owners to make certain changes to their property without penalty. He said this will allow staff to come up with a policy that will detail the exemptions and reaffirm the Board's commitment to the exemptions.

Mr. Rich said that a Watershed Protection Fee was implemented in May 2009 for purpose of ensuring the high water quality in Lake Maumelle that includes, but is not limited to, the purchase of land in the watershed.

#### Treatability Study

Mr. Rich made a presentation on the recommendations of the disinfection by-products (DBP) treatability study. He said that the study outlined steps necessary to bring CAW into compliance with new Environmental Protection Agency DBP regulations.

Mr. Rich presented seven treatment options presented in the study and the cost related to each option.

#### **CONTRACTS**

Upon motions duly made and seconded, the following contracts were approved:

- a. Amend an agreement for professional engineering services with Jacobs Engineering for an amount not to exceed \$1,500,000 to provide additional services related to design and construction of DBP treatment improvements.
- b. Approve a contract with Crossland Construction in the amount of \$3,209,200 for the construction of a surge tank on the Lake Maumelle Raw Water Transmission Main.
- c. Approve a contract with Boyles Construction, Inc. in the amount of \$166,125 for the preparation of the new West Markham and Highland Ridge water storage tanks.

- d. Approve a contract with Layne Arkansas in the amount of \$534,100 to rebuild/replace the # 2 pump and motor at the Lake Maumelle Pumping Station.
- e. Approve a contract with ThyssenKrupp in the amount of \$50,375 to upgrade elevators at the James T. Harvey Administration Building as required by the Arkansas Department of Labor.
- f. Approve the purchase of a directional drilling/boring machine from Vermeer Midsouth, Inc. in the amount of \$153,134.70

## **DEPARTMENT UPDATES**

### Watershed

Mr. Jonathan Long, Watershed Administrator, spoke on the following issues within the watershed:

- Highway 10 waterline to Wye Mountain
- ExxonMobil visit with CAW staff to discuss the condition of the oil pipeline crossing the watershed. ExxonMobil has been very cooperative in attending to issues and concerns CAW has about this pipeline.
- The conservation ditch in Waterview Estates is working as intended.

### Regionalism

Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Sources, provided an update on matters pertaining to Regionalism.

### Finance

Mr. Gary Pittman, Chief Financial Officer, provided a year-to-date financial update on utility operations.

## **BOARD BRIEFING**

Mr. Rich provided an update on the following:

- Voiced appreciation for their service to our country to those employees and members of the Board who have served or are currently serving in the military.

## **ADJOURNMENT**

Upon a motion duly made and seconded, Chair Rimmer adjourned the meeting.



Carmen Sanders Simpson, Vice Chair

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

November 21, 2011

The Board of Commissioners, Central Arkansas Water (CAW), convened in a Special Called Board Meeting at 3:30 p.m., Monday, November 21, 2011, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

Mr. Thomas W. Rimmer, Chair  
Ms. Carmen Sanders Simpson, Vice Chair  
Ms. Marie-Bernarde Miller, Secretary/Treasurer  
Mr. Jay Hartman, Commissioner  
Mr. Anthony Kendall, Commissioner  
Mr. Eddie Powell, Commissioner  
Dr. Roby Robertson, Commissioner

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Mr. Martin Maner, Director of Watershed Management  
Ms. Connie Horn, Management Secretary  
Ms. Samantha Williams, Communications Assistant  
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.

**Also in Attendance:**

Ms. Kate Althoff, Citizens Protecting Maumelle Watershed  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Mr. Tracey Bemis, President of the Pulaski County Farm Bureau  
Mr. Beau Bishop, Arkansas Farm Bureau  
Mr. Allen Engstrom, Pulaski County Planning Board  
Mr. Barry Haas, Citizens Protecting Maumelle Watershed  
Mr. Nigel Hall, Advantage Communications, Inc.  
Mr. Gary Heathcott, President, Heathcott Associates  
Ms. Becky Heflin, Account Executive, Heathcott Associates  
Mr. Earl Hillard, Property Owner in the Lake Maumelle Watershed  
Ms. Nell Matthews, League of Women Voters of Pulaski County  
Ms. Kristin Netterstrom, Reporter, Arkansas Democrat-Gazette  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Barbara Penney, Property Owner in the Lake Maumelle Watershed  
Mr. Butch Penney, Property Owner in the Lake Maumelle Watershed  
Mr. Bill Shepherd, Property Owner in the Lake Maumelle Watershed  
Mr. Kent Walker, Attorney representing Property Owners in the Lake Maumelle Watershed  
Mr. Kenny Wallace, Property Owner in the Lake Maumelle Watershed  
Ms. Kathy Wells, Coalition of Greater Little Rock Neighborhoods  
Mr. Fred White, Property Owner in the Lake Maumelle Watershed

Ms. Judy White, Property Owner in the Lake Maumelle Watershed  
Ms. Lori White, Property Owner in the Lake Maumelle Watershed

### **CALL MEETING TO ORDER**

Mr. Thomas Rimmer, Chair, called to order the November 21, 2011 Special Called Meeting of the Board of Commissioners.

Chair Rimmer said the meeting was called to discuss staff recommendations of the Pulaski County Lake Maumelle Watershed Zoning Code and to consider the creation of a CAW Mitigation Land Policy.

### **PULASKI COUNTY LAKE MAUMELLE WATERSHED ZONING CODE**

Mr. Graham Rich, CEO, said that staff has continued to research this issue since the November 10 Regular Board Meeting. He said that Mr. Martin Maner, Director of Watershed Management, will speak on changes made to this document as a result of input from the Board and public comments received by the County at the October 25 public meeting.

Mr. Maner highlighted changes made to the document since the November 10 Board Meeting.

### **WATERSHED ZONING CODE RESOLUTION**

Mr. Rich said that a lot of progress has been made in a short amount of time in the creation of a Pulaski County Lake Maumelle Watershed Zoning Code. He added that he believes this is a fairly comprehensive code that will provide streamside buffers as well as require undisturbed areas and place a cap on the number of dwellings in the watershed.

Mr. Rich said that this resolution will be forwarded to the Pulaski County Planning Commission and the Pulaski County Quorum Court to reflect the recommendations of the CAW Board.

### **Public Comments**

Ms. Ruth Bell, League of Women Voters of Pulaski County, said that there are major concerns regarding this document. She said she is concerned that there has not been enough time to study the mentioned changes to the document since it was released late on a Friday and is being considered by this Board on the following Monday afternoon. She said she believes that various sections of the document contradicts itself. Ms. Bell asked the Board to defer voting on a recommendation to the County Board for this document unless they truly understand what is in the document.

Ms. Kathy Wells, Coalition of Greater Little Rock Neighborhoods, said she has conveyed the coalition's concerns and urges this Board to pass these concerns on to the County Planning Board.

Ms. Lori White, property owner in the Lake Maumelle Watershed, said she has worked diligently with CAW and county officials to try to better understand this draft zoning code document. She said that the passing of this document is being rushed unnecessarily. She added that she believes it burdens the small property owner. Ms. White urged the Board to defer voting on this document until the public has had time to further study the changes made by the County.

Mr. Barry Haas, Citizens Protecting Maumelle Watershed, noted that the utility and concerned citizens have been working together for the past seven years to protect the watershed. He distributed a list of changes he believes are necessary to this zoning document. Mr. Haas



asked the Board to defer voting on support of the document until there has been more time to study the changes.

Mr. Kent Walker, attorney for watershed property owners, said that the changes made to the document do not alleviate the main concerns of the property owners. Mr. Walker detailed some of the concerns of the property owners.

Ms. Kathleen Oleson, League of Women Voters of Pulaski County, questioned what the "25% undisturbed area" actually meant. She wondered what would and would not be allowed in that area. Ms. Oleson said that it is important that everyone understand the document.

Mr. Don Morrow, property owner in the Lake Maumelle Watershed, said that he purchased the land with his own money and pays the taxes on that land, and now this document will tell him what he can and can't do with his property. He said that the restrictions in the document would affect 40% of his property. Mr. Morrow said that the watershed is located in three different counties but that only those living in Pulaski County would be affected by the zoning code.

Mr. Butch Penney, property owner in the Lake Maumelle Watershed, said that he has worked with CAW staff on many watershed issues. He said that he is ashamed to be associated with this document and asked the Board to not approve the resolution. Mr. Penney added that he does not want to give up the rights to his land.

Mr. Bill Shepherd, property owner in the Lake Maumelle Watershed, urged the Board to delay supporting the zoning code until everyone has had more time to study the changes.

Ms. Kate Althoff, Citizens Protecting Maumelle Watershed, said that she has worked with the utility for a long time on protecting the water quality of Lake Maumelle. She said that the consultants on the WMP, TetraTech, have consistently expressed caution and uncertainty on the use of Best Management Practices (BMPs) because of the lack of testing of these practices. Ms. Althoff added that she believes the fundamental factor in protecting water quality is to protect the existing forest floor. She said that the zoning code allows for clear cutting of the timber in the watershed.

Ms. Nell Matthews, League of Women Voters of Pulaski County, said she has been involved in this issue for the last seven years. She said that there is no need to rush this issue through and that time should be taken to study the recent changes made to the document.

Mr. Kenny Wallace, property owner in the Lake Maumelle Watershed, said the Special Called Board Meeting should have been held after business hours to allow more of the public to attend. He asked the Board to not support the draft zoning code.

Mr. Earl Hilliard, property owner in the Lake Maumelle Watershed, said he has stated at previous meetings that he is in favor of fair and equitable zoning but believes that the zoning code does not accomplish this.

Mr. Fred White, property owner in the Lake Maumelle Watershed, said that his property value would be significantly impacted in a negative way if this zoning code is approved. He said that regulations put into place by this document benefits only the large landowner and believes he should be compensated for the decrease in value of his property if the zoning code is approved.

Mr. Tracey Bemis, President of the Pulaski County Farm Bureau said that the farm bureau has 11,000 members in Pulaski County and approximately 500 in the Lake Maumelle Watershed. He said that the farm bureau supports water quality but opposes the current proposed zoning code. He asked the Board to oppose the proposed zoning code in its current form.

Mr. Beau Bishop of the Arkansas Farm Bureau said that the CAW Board has a unique opportunity today to set a precedent to trample on rights of private property owners while hiding under the blanket protection of a county zoning code. He said that CAW has the option to table this resolution to take the time to work with the property owners. He said that he wants to make it clear that the farm bureau, and everyone in attendance at this meeting, supports water quality. He added that the proposed zoning code benefits the large property owner but gives no thought as to how this will affect the small property owner or small business. He stated that the Arkansas Farm Bureau "adamantly opposes" the proposed zoning code. He asked the Board to not support the irresponsible and irrelevant rules and regulations contained in the proposed zoning code.

Upon a motion duly made by Dr. Roby Robertson, Commissioner, and seconded by Mr. Eddie Powell, Commissioner, the Board unanimously approved the resolution to support the Pulaski County Lake Maumelle Watershed Zoning Code.

Commissioner Powell asked that it be understood that the CAW Board can only voice its support of the zoning code with reservations but that the Pulaski County Quorum Court will make the final decision whether to approve the proposed zoning code. He added that CAW does not have the authority to enforce any of the regulations contained in the document. He said that enforcement is strictly up to the county.

In response to a question from Ms. Marie-Bernarde Miller, Commissioner, Mr. Rich said that he has informed county officials of some of the concerns staff has with portions of the proposed zoning code. He said that he has had numerous conversations with Pulaski County Judge Villines about CAW's concerns with the proposed zoning code and believes Judge Villines is comfortable with the document as currently written.

#### MITIGATION LAND POLICY

Mr. Rich said that currently CAW owns 2,800 acres in the Lake Maumelle Watershed. He said that this policy outlines procedures to administer the policy, and that the utility will continue to administer this land to mitigate land uses of small property owners.

Mr. Rich said that land mitigation is an on-going process and that this policy will be a starting point to begin the cataloging of the uses as the watershed develops.

Mr. Rich said that this is a management policy but staff is asking the Board to vote to endorse implementation of CAW's Land Mitigation Policy.

Upon a motion duly made by Ms. Carmen Sanders Simpson, Commissioner, and seconded by Commissioner Miller, the motion to endorse the policy was approved.

#### ADJOURNMENT

Upon a motion duly made and seconded, Chair Rimmer adjourned the meeting.



Carmen Sanders Simpson, Vice Chair

RESOLUTION 2011- 13

**RESOLUTION OF THE CENTRAL ARKANSAS WATER BOARD  
OF COMMISSIONERS REGARDING ITS POSITION ON THE  
PROPOSED LAKE MAUMELLE WATERSHED ZONING CODE  
TO BE ADOPTED BY THE QUORUM COURT OF PULASKI  
COUNTY, ARKANSAS; AND PRESCRIBING OTHER MATTERS  
RELATING THERETO**

WHEREAS, on February 23, 2007, the Board of Commissioners (the “Commission”) of Central Arkansas Water (“CAW”) adopted the *Lake Maumelle Watershed Management Plan* (the “Plan”) in an effort to “maintain [a] long-term, abundant supply of high quality drinking water for present needs and continuing growth of the community,” and “provide an equitable sharing of costs and benefits for protecting Lake Maumelle”; and

WHEREAS, the Commission believes that protection of the watersheds for its source water lakes, Lake Maumelle and Lake Winona, is of utmost importance; and

WHEREAS, the Quorum Court of Pulaski County, Arkansas (the “County”), previously adopted the Subdivision & Development Code (the “Subdivision Code”), and

WHEREAS, the Commission supported the adoption of the Subdivision Code, and specifically endorsed Chapter 8 of the Subdivision Code; and

WHEREAS, Pulaski County has proposed the adoption of the Lake Maumelle Watershed Zoning Code (the “Zoning Code”), which is applicable only to areas of Pulaski County that are in the Lake Maumelle Watershed; and

WHEREAS, CAW staff and Tetra Tech agree that the Zoning Code is another good step forward in the continuum of watershed protection, which together with other measures that have already been put into place and future modifications that can be made if needed utilizing the adaptive management tools and approaches discussed in Chapter 12 of the Plan,

will provide the consumers of CAW water with a truly progressive multilevel approach to source water protection;

WHEREAS, the Commission wishes to present its position on the proposed Zoning Code;

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

**Section 1.** The Commission wishes to express its support of the Pulaski County Quorum Court, the Pulaski County Planning Board, and the County’s planning staff for their past actions and ongoing efforts as they balance the various political, economic, and environmental interests to protect the water quality of Lake Maumelle and promote the health, safety, convenience, prosperity, and welfare of the people of the County and the ratepayers of CAW.

**Section 2.** The Commission hereby endorses and supports the adoption of the Zoning Code; however, the Commission has concerns regarding the impact of the Zoning Code as described below.

**Section 3.** The Zoning Code contains elements that are not directly related to water quality protection. While the Commission acknowledges that these elements are necessary for implementation of a comprehensive zoning plan and the cohesive development of the County, the Commission requests that the Pulaski County Quorum Court continue its efforts, along with CAW’s staff and the watershed constituents, to monitor the ongoing effects of these elements on the quality of life within the watershed.

**Section 4.** The Commission has continuing concerns that dense development within the Lake Maumelle watershed may require additional land be set aside and/or other measures be implemented to offset any negative impacts on water quality. The Commission therefore asks that the County, in concert with CAW's staff and the watershed constituents, closely monitor the methods, density and extent of future development and their impact on water quality within the lake.

**Section 5.** The Commission requests that the County, in concert with CAW's staff and the watershed constituents, periodically review the impact of all development within the watershed on water quality and make changes as needed, including to the Zoning Code, in response to development patterns, the effectiveness of best management practices, and the effects of development within the watershed.

**Section 6.** This Resolution shall be in effect immediately upon its adoption.

ADOPTED: November 21, 2011

ATTEST:

  
Marie-Bernarde Miller  
Secretary/Treasurer

APPROVED:

  
Thomas W. Rimmer  
Chair

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

December 8, 2011

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, December 8, 2011, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

Mr. Thomas W. Rimmer, Chair  
Ms. Carmen Sanders Simpson, Vice Chair  
Mr. Jay Hartman, Commissioner  
Mr. Anthony Kendall, Commissioner  
Mr. Eddie Powell, Commissioner  
Dr. Roby Robertson, Commissioner

**Absent:**

Ms. Marie-Bernarde Miller, Secretary/Treasurer

**CAW Staff in attendance:**

Mr. Graham Rich, P.E., Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Gary Pittman, Chief Financial Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Mr. Terry Bice, Acting Director of Distribution  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Martin Maner, Director of Watershed Management  
Mr. Jeff Mascagni, C.P.A., Controller  
Ms. Becky Wahlgreen, Director of Human Resources  
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source  
Ms. Connie Horn, Management Secretary  
Ms. Stephanie Hymel, Stewardship Coordinator  
Mr. Jonathan Long, Watershed Administrator  
Ms. Samantha Williams, Communications Assistant  
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.

**Also in Attendance:**

Ms. Kate Althoff, Citizens Protecting Maumelle Watershed  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Erin Brogdan, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.  
Ms. Jane Dickey, Attorney with the Rose Law Firm  
Mr. Nigel Hall, Advantage Communications, Inc.  
Mr. Gary Heathcott, President, Heathcott Associates  
Ms. Becky Heflin, Account Executive, Heathcott Associates  
Mr. Jordan Johnson, Cranford, Johnson, Robinson & Woods  
Mr. Randy Milligan, C.P.A., Thomas & Thomas, L.L.P., Certified Public Accountants  
Ms. Kristin Netterstrom, Reporter, Arkansas Democrat-Gazette  
Ms. Bobbi Nichols, Vice President, Stephens, Inc.  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County

Mr. Michael Steele, President, Advantage Communications, Inc.  
Mr. Paul Strickland, Garver Engineers  
Ms. Patti Weed, C.P.A., Thomas & Thomas, LLP, Certified Public Accountants

### **CALL MEETING TO ORDER**

Mr. Thomas Rimmer, Chair, called to order the December 8, 2011 meeting of the Board of Commissioners.

### **APPROVAL OF BOARD MINUTES**

Upon a motion duly made and seconded, the minutes of the November 10, 2011 Regular Meeting and the November 21, 2011 Special Called Meeting were approved.

### **NEW BUSINESS**

#### **Auditor's Report**

Mr. Gary Pittman, Chief Financial Officer, introduced representatives from the audit firm of Thomas and Thomas, L.L.P.

Ms. Pattie Weed, C.P.A., and Mr. Randy Milligan, C.P.A., both with Thomas and Thomas, gave an overview on the scope of work that would be performed in their audits and their responsibilities as the utility auditors.

#### **Resolution for Issuance of Bonds**

Mr. Pittman presented a resolution for the sale of bonds on January 11, 2012 for an amount not to exceed \$18.15 million. He said the funds will be used for the design and construction of treatment process improvements needed to comply with the EPA Stage II Disinfection Byproduct Rule, as well as the costs of land purchased from the Trust for Public Land within the Lake Maumelle Watershed.

Ms. Jane Dickey, attorney with The Rose Law Firm, discussed the documents required for the sale of bonds.

Upon a motion duly made by Mr. Eddie Powell, Commissioner, and seconded by Mr. Anthony Kendall, Commissioner, the resolution was approved.

### **CONTRACTS**

Upon motions duly made and seconded, the following contracts were approved:

- a. A contract with Systems & Software to upgrade the CAW billing system to *enQuesta 4* and to amend the existing software maintenance agreement at a cost of \$712,885. The amendment will reduce maintenance costs by \$663,000 over a five-year period.
- b. A contract with Superior Protection Services, Inc. in the amount of \$82,284.40 for security services at the Jack H. Wilson Water Treatment Plant. The contract is for 2012 and has an option for three additional one-year terms.
- c. A contract with Advent Systems, Inc. in the amount of \$67,669.72 for access control system maintenance at various CAW facilities. This is the second of three one-year contract extension options.

- d. A one-year contract extension in the amount of \$465,762.57 with Redstone Construction Group, Inc. to perform asphalt restoration work.
- e. A one-year contract extension in the amount of \$85,674.09 with Cinergi Contractors to perform concrete restoration work.
- f. A supplement to the current contract with Arkansas Utility Protection Services, Inc. (ArkUps) in the amount \$400,964 for the marking of various utilities in preparation for pavement cuts and excavations required to repair utility services and mains.

- g. Annual chemical contracts with the following companies:

<u>Company</u>	<u>Chemical</u>	<u>Bid Amount</u>
Brenntag (G.S. Robins)	Potassium Permanganate	\$ 117,040.00
Harcros Chemical	Hydrofluosilicic Acid	\$ 162,292.00
Harcros Chemical	Sodium Silicofluoride	\$ 31,960.00
Vertex	Sodium Hypochlorite	\$ 300,000.00
General Chemical	Liquid Aluminum Sulfate	\$ 665,000.00
Performance Products		
Arkansas Lime Company	Quicklime	\$ 127,880.00
Arkansas Lime Company	Hydrated Lime	\$ 21,426.60
Harcros Chemical	Powdered Activated Carbon	\$ 17,590.00

**DEPARTMENT UPDATES**

Watershed

Mr. Martin Maner, Director of Watershed Management, provided an update on matters pertaining to the Watershed.

Regionalism

Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Sources, provided an update on matters pertaining to Regionalism.

Finance

Mr. Gary Pittman, Chief Financial Officer, provided a year-to-date financial update on utility operations.

**BOARD BRIEFING**

Mr. Rich provided an update on the following:

- The Pulaski County Planning Board will consider the Land Use Plan at their Committee Meetings on Tuesday, December 13. The Plan will then be forwarded to the Pulaski County Quorum Court for first consideration at their meeting on December 20.

**ADJOURNMENT**

Upon a motion duly made and seconded, Chair Rimmer adjourned the meeting.



Marie-Bernarde Miller, Secretary



Carmen Sanders Simpson  
Assistant Secretary



**RESOLUTION NO. 2011-14**

RESOLUTION AUTHORIZING THE OFFERING OF NOT TO EXCEED \$18,150,000 CENTRAL ARKANSAS WATER CAPITAL IMPROVEMENT WATER REVENUE BONDS, SERIES 2012A; APPROVING THE FORM OF AN OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM, AND PRELIMINARY OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE SALE OF THE BONDS

WHEREAS, Central Arkansas Water (the “Issuer”) has engaged Stephens Inc. as Financial Advisor, Rose Law Firm, a Professional Association, as Bond Counsel and Disclosure Counsel, and U.S. Bank National Association as Trustee for the continued issuance of bonds to finance its capital improvement program and to refund outstanding bonds, as appropriate; and

WHEREAS, the Issuer has determined to acquire, construct, and equip capital improvements to the consolidated water system of the Cities of Little Rock and North Little Rock, Arkansas, which is owned and operated by the Issuer, and to acquire land for watershed protection (the “Project”); and

WHEREAS, for the purpose of paying the costs of the Project, paying capitalized interest, establishing a debt service reserve, and paying the costs of issuance of bonds, the Issuer intends to not to exceed \$18,150,000 capital improvement water revenue bonds; and

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

WHEREAS, upon the advice of the Chief Financial Officer, the Commission is now prepared to authorize the offering of 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 bonds shall be designated Central Arkansas Water Capital Improvement Water Revenue Bonds, Series 2012A (the “Bonds”). The Bonds shall be offered for sale in the aggregate principal amount of not to exceed \$18,150,000 by electronic bids, at such time as may be approved by the Chief Financial Officer upon advice of the Financial Advisor, at such location as may be provided for in the Official Notice of Sale. At such time and place, the Chief Financial Officer shall meet with the Financial Advisor to receive the bids. The Chief Financial 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 the Issuer if, upon advice of the Financial Advisor, he shall determine to do so is in the best interest of the Issuer.

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

**Section 3.** The Preliminary Official Statement, substantially in the form exhibited to and before the Commission at the meeting at which this resolution is adopted, is hereby deemed "final," except for such terms and conditions as are determined by the sale and such other changes, omissions, insertions, and revisions as the Chief Financial Officer shall deem advisable, and the Preliminary Official Statement is hereby approved for use in connection with the sale of the Bonds.

**Section 4.** The Chief Financial Officer shall cause notice of the sale of the Bonds to be included as an upcoming sale in the competitive calendar published in *The Bond Buyer*.

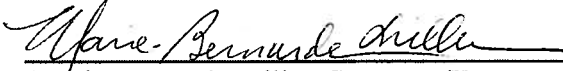
**Section 5.** The Chief Financial Officer, after consultation with the Financial Advisor and Bond Counsel, is hereby authorized to distribute the Official Notice of Sale, Official Bid Form, and Preliminary Official Statement, with such changes and modifications as the Chief Financial Officer shall deem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

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

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

APPROVED December 8, 2011

ATTEST:

  
Marie-Bernarde Miller, Secretary/Treasurer

APPROVED:

  
Thomas W. Rimmer, Chair