

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

January 14, 2010

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, January 14, 2010, 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. Jay Hartman, Chair
Mr. Anthony Kendall, Vice Chair
Ms. Francille Turbyfill, Secretary/Treasurer
Ms. Adrienne Bradley, Commissioner
Mr. Eddie Powell, Commissioner
Mr. Thomas W. Rimmer, Commissioner
Dr. Roby Robertson, Commissioner

CAW staff in attendance:

Mr. Graham W. Rich, P.E., Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Gary P. Pittman, Chief Financial Officer
Mr. Stan Benton, Director of Distribution
Ms. Marie A. Crawford, Director of Communications
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Gary Hum, Director of Source & Treatment
Mr. Martin Maner, P.E., Director of Watershed Management
Mr. Allen Vincent, Director of Information Services
Ms. Becky Wahlgreen, Director of Human Resources
Mr. Darrell Boggs, Assistant Distribution Director
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source
Ms. Stephanie Hymel, Stewardship Coordinator
Mr. Jonathan Long, P.E., Watershed Administrator
Ms. Connie Horn, Management Secretary
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
Mr. Barry Haas, Citizens Protecting Maumelle Watershed
Mr. Paul Strickland, P.E., Project Manager, Garver Engineers

CALL MEETING TO ORDER

Mr. Jay Hartman, Chair, called to order the January 14, 2010 meeting of the Board of Commissioners.

INTRODUCTION OF GUESTS

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made and seconded, the minutes of December 10, 2009 Meeting were approved.

OLD BUSINESS

Effective Utility Management

Mr. Rich reviewed the principles and process of Effective Utility Management (EUM).

Mr. Darrell Boggs, Assistant Director of Distribution, discussed the findings of the consultant regarding the EUM assessment, the challenges facing CAW to meet the recommendations made by the consultant, and the high priority focus areas resulting from the assessment.

NEW BUSINESS

Lake Maumelle Qualitative Risk Assessment

Mr. Martin Maner, Director of Watershed Management, provided information on water quality monitoring of Lake Maumelle; potential threats to the lake, including those identified in the Lake Maumelle Watershed Management Plan; and summarized actions Watershed Department staff is taking to address these potential threats.

CONTRACTS/PURCHASES

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

- The purchase of various sized water meters from Badger Meter, HD Supply, Neptune Technology Group, and Consolidated Pipe, totaling \$712,484.80.
- The purchase of sixty-six (66) various sized fire hydrants from Ferguson Waterworks and Water Products, L.L.C., totaling \$68,872.50.
- The renewal of an annual software maintenance & support contract with System & Software in the amount of \$354,439.59 for licensing fees and support services of CAW's Customer Information System software.

DEPARTMENT UPDATES

Watershed

Mr. Martin Maner, P.E., Director of Watershed Management, provided an update on watershed issues.

Regionalism

Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source, provided an update on regionalism and planning activities.

Finance

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

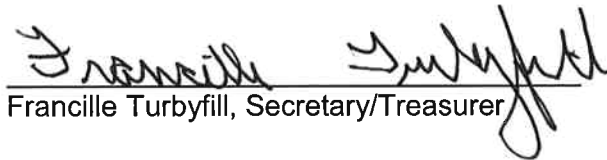
BOARD BRIEFING

Mr. Rich provided an update on the following items:

- A Commission retreat is being planned to take place in April
- During the cold spell that occurred last weekend, the utility received 150 services calls concerning frozen water pipes, had 20 water main breaks, and employees worked 60 overtime hours.
- The U.S. Forestry Service has granted CAW \$2.5 million for land acquisition in the Lake Maumelle Watershed.
- CAW's Master Plan has been completed and will be presented at the February Board Meeting.
- Mr. Stan Benton, Director of Distribution, will retire at the end of January. Mr. Rich thanked him for his service to the utility

ADJOURNMENT

With there being no further business, Chair Hartman adjourned the meeting.


Francille Turbyfill, Secretary/Treasurer

MEMORANDUM OF AGREEMENT

between

Board of Trustees of the University of Arkansas, acting for and on behalf of the University of Arkansas Cooperative Extension Service

and

Central Arkansas Water

The Board of Trustees of the University of Arkansas acting for and on behalf of the University of Arkansas Cooperative Extension Service (UACES) and Central Arkansas Water (CAW) are mutually interested in promoting outdoor water conservation and wise water use in Pulaski County through the development of specific programs and initiatives as provided herein (the "Project"). In furtherance of such work, this MOA sets forth the framework of support between UACES and CAW.

UACES agrees to:

- ~ Hire one FTE (Horticulturist/Water Conservationist) to concentrate on promoting efficient outdoor water use and training irrigation/landscape professionals, developers and gardeners in water conservation practices
- ~ Establish an Advisory Council to provide input and direct the development of a program designed to promote efficient irrigation practices and reduce Central Arkansas Water's summer usage peaks
- ~ Conduct surveys to establish a public knowledge and attitude baseline regarding outdoor water use and track program effectiveness
- ~ Work with UALR to develop a student assistantship program focusing on water resources, efficient use, and conservation; coordinate student assistant activities including work with Extension Agents
- ~ Develop educational message and materials to be disseminated to the general public, Master Gardeners, irrigation/landscape professionals
- ~ Conduct workshops and general education programs for Master Gardeners, landscapers and the general public

CAW agrees to:

- ~ Provide subject matter experts to either serve on or be a resource to the Advisory Council
- ~ Provide technical and support personnel for events, workshops, and seminars regarding water resources, efficient use, and conservation
- ~ Provide water usage, geospatial, and other data as needed to assist in targeting customer groups or specific areas for efficient water use promotions and messages
- ~ Distribute materials developed by UACES to its customers

Both agencies will contribute additional resources to the Project that are not directly funded through this MOA. These contributions include coordinating and collaborating with existing staff, media contacts,

consumer groups and organizations, program participants, etc. to develop, integrate, initiate and promote the messages of this program.

COST OF SERVICE AND PAYMENT

This is a fixed cost agreement and CAW agrees to make available to UACES a grant-in-aid in an amount equal to the lesser of (i) One Hundred and Five Thousand and Forty Five Dollars (\$105,045) (the "Preliminary Payment"), or (ii) the actual eligible costs from those set forth in Exhibit "A" attached hereto and incorporated herein by this reference incurred by UACES on the Program. UACES agrees to accept the funds and use them to promote efficient water use, and target reducing CAW peak water demands due to outdoor use in Pulaski County and Central Arkansas through the Program. CAW shall pay the Preliminary Payment to UACES ten (10) days in advance of the Project Period as defined below. CAW shall make payment to University of Arkansas Cooperative Extension Service, 2301 South University, Little Rock, AR 72203. Within sixty (60) days of the completion of the Project Period, UACES shall present proof, as reasonably required by CAW, of eligible costs incurred by UACES for the Program in an amount to excess of the Preliminary Payment or it shall refund the excess of the Preliminary Payment to CAW within thirty (30) days of its failure to provide the requested proof of payment of eligible costs by UACES.

PROJECT PERIOD

UACES will begin work on the Project on February 1, 2010 and complete its work on the Project on January 31, 2011 (the "Project Period").

CONDITIONS OF MOA

All services provided by UACES under this MOA must be performed in accordance with all applicable federal, state and local laws, ordinance, rules, and regulations. Without limiting the foregoing, UACES specifically certifies that it is in compliance with all applicable workers' compensation insurance coverage laws and regulations. UACES's employees and agents will not be considered CAW employees. Any claims that may arise under the Arkansas Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way CAW's obligation or responsibility.

UACES may neither assign nor transfer any rights or obligations under this MOA without the prior written consent of CAW, which CAW may grant in its absolute discretion and may withhold for any reason.

UACES's books, records, and documents relevant to this MOA are subject to examination by CAW and/or its auditor, as appropriate, for a minimum of two (2) years from the end of the Project Period, and by the citizens of the State of Arkansas as provided in the Arkansas Freedom of Information Act.

UACES represents and warrants that materials produced or used under this MOA do not and will not infringe upon any intellectual property rights of another, including but not limited to patents, copyrights, trade secrets, trade names, and service marks and names.

Any publicity regarding the subject matter of this MOA must identify CAW as the sponsoring agency and must not be released without prior written approval of CAW. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for UACES individually or jointly with others, any subcontractors, with respect to the Program, publications or services provided as a result of this MOA. The parties anticipate the use of language such as "provided by the University of Arkansas Cooperative Extension Service in cooperation with Central Arkansas Water" in all publicity.

UACES must indemnify, save and hold CAW, its agents and employees harmless from an claims or causes or action, including attorney's fees incurred by CAW, arising from the performance of this MOA by UACES, or its agents or employees.

TERMINATION

This MOA shall be effective during the Project Period or until such time as either party sends written notification requesting termination of the MOA or to renegotiate this MOA. A minimum of thirty (30) days written notice is required before termination.

NOTICES

All notices, requests, or other communications in connection with or relating to this MOA must be in writing and sent by (a) certified mail, with return receipt requested, (b) Federal Express or other overnight services (c) by facsimile or (d) email and regular mail. A notice shall be deemed to have been delivered on the date it was sent if by facsimile or email, or the date it was delivered if by certified mail, Federal Express or other overnight service.

All notices to UACES under this MOA shall be sent to:

University of Arkansas Cooperative Extension Service
2301 South University
Little Rock, Arkansas 72203
Attention: **Dr. Tony Windham**
Fax: (501) 671-2107
Email: — twindam@uaex.edu

All notices to CAW under this MOA shall be sent to:

Central Arkansas Water
James T. Harvey Administration Building
221 East Capitol Avenue
Little Rock, Arkansas 72201
Attn: _____
Fax: (501) _____ - _____
Email: _____@carkw.com

MISCELLANEOUS

This MOA shall be governed by, and construed and enforced in accordance with, the laws of the State of Arkansas.

In the event that any provision or any portion of any provision of this MOA shall be held to be void or unenforceable, then the remaining provisions of this MOA (and the remaining portion of any provisions held to be void or unenforceable in part only) shall continue in full force and effect.

The headings contained in this MOA are for convenience of reference only and are not intended to alter or vary the construction and meaning of this MOA.

UACES and CAW agree and stipulate that this MOA was negotiated on an "arms-length" basis between parties of equal bargaining power. This MOA has been drafted jointly by counsel for each party. Accordingly, this MOA shall be neutral and no ambiguity shall be construed in favor of or against any of the parties.

The parties represent to each other that the agents whose signatures appear below have the authority and power to bind them and their successors and assigns to this MOA.

This MOA may be executed in one or more counterparts, each of which when so executed and delivered shall be an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this MOA to be executed in counterparts, by their respective, duly authorized officers or representatives, on the date indicated below.

CENTRAL ARKANSAS WATER



Mr. Jay Hartman, Chair
Central Arkansas Water
Board of Commissioners

2-11-10

Date

**BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS,
acting for and on behalf of THE UNIVERSITY OF ARKANSAS
COOPERATIVE EXTENSION SERVICE**



Dr. Tony Windham
Interim Associate Vice President for Agriculture – Extension

3-3-10

Date

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

February 11, 2010

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, February 11, 2010, 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. Jay Hartman, Chair
Mr. Anthony Kendall, Vice Chair
Ms. Francille Turbyfill, Secretary/Treasurer
Ms. Adrienne Bradley, Commissioner
Mr. Thomas W. Rimmer, Commissioner
Dr. Roby Robertson, Commissioner

Absent:

Mr. Eddie Powell, Commissioner

CAW staff in attendance:

Mr. Graham W. Rich, P.E., Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Gary P. Pittman, Chief Financial Officer
Mr. Darrell Boggs, Director of Distribution
Ms. Marie A. Crawford, Director of Communications
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Gary Hum, Director of Source & Treatment
Mr. Martin Maner, P.E., Director of Watershed Management
Ms. Becky Wahlgreen, Director of Human Resources
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source
Ms. Stephanie Hymel, Stewardship Coordinator
Ms. Connie Horn, Management Secretary
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.

Also in attendance:

Mr. Dee Brown, P.E., Brown Engineers
Ms. Susan Crawford, P.E., CDM
Mr. Barry Haas, Citizens Protecting Maumelle Watershed
Mr. Craig Johnson, P.E., CDM
Ms. Beth Phelps, University of Arkansas Cooperative Extension Service
Mr. Tom Riley, University of Arkansas Cooperative Extension Service
Mr. Kirby Rowland, P.E., Vice President, Garver Engineers
Mr. John Scioscia, JJ & G
Mr. Paul Strickland, P.E., Project Manager, Garver Engineers

CALL MEETING TO ORDER

Mr. Jay Hartman, Chair, called to order the February 11, 2010 meeting of the Board of Commissioners.

INTRODUCTION OF GUESTS

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made and seconded, the minutes of the January 14, 2010 Meeting were approved.

OLD BUSINESS

Water Utility Master Plan

Mr. Rich reminded the Board that in October 2007 they approved staff's request to undertake a Water Master Plan. He said that a Request for Qualifications was advertised in January 2008 and a contract was signed in June 2008 with CDM and JJ&G.

Mr. Rich said that the primary focus areas of the study were Disinfectant/Disinfection By-Product (D/DBP) regulations compliance, treatment plant capacity (both the Jack H. Wilson Water Treatment Plant and the Ozark Point Water Treatment Plant), future water source needs, and single point failure analysis.

Mr. Rich said that the Water Master Plan compared the costs of expanding or improving the water treatment plants versus the cost of a new water treatment plant.

Mr. Rich said that the results of the Water Master Plan show that additional plant capacity will be needed by 2022, that Lake DeGray is the preferred sourced of future water, and recommends the design of treatment plant improvements begin immediately in order to be in compliance with upcoming changes in D/DBP regulations.

NEW BUSINESS

MOA with the University of Arkansas Cooperative Extension Service

Ms. Stephanie Hymel, Stewardship Coordinator, presented to the Board a proposed Memorandum of Agreement (MOA) between CAW and the University of Arkansas' (UALR) Cooperative Extension Service. The agreement is for the development of a public outreach campaign geared toward the education of the public concerning peak demand usage and wise water usage.

Ms. Hymel said that if the MOA is approved, the Cooperative Extension Service will develop educational materials specific to CAW and Pulaski County, hire a full-time agent dedicated to this program, provide an internship to a UALR student, and host educational seminars for landscapers, developers, and the general public.

Ms. Hymel said that the contract would run for one-year (ending on January 31, 2011) at a cost of \$105,000.

Upon a motion duly made by Mr. Anthony Kendall, Commissioner, and seconded by Ms. Adrienne Bradley, Commissioner, a one-year agreement was approved.

CONTRACTS/PURCHASES

Upon motions duly made and seconded, the following contract was approved:

- The purchase of two 42-inch diameter fittings totaling \$60,026.00 from H.D. Supply. The fittings are to be used to construct above-ground access points to the Lake Winona raw water transmission line.

DEPARTMENT UPDATES

Watershed

Mr. Martin Maner, P.E., Director of Watershed Management, provided an update on watershed issues.

- Mr. Rich and Mr. Maner met with county officials and consultants on a land-use plan for the Maumelle Watershed.
- February 16 and 17, CAW staff will join with county officials and stakeholders in a planning summit for the Winrock Grass Farm property. The meeting will be held at Petit Jean Mountain Lodge.

Regionalism

Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source, provided an update on regionalism and planning activities.

Engineering

Mr. Jim Ferguson, Director of Engineering, told the Board that the 2010 Budget contains over \$27 million in engineering projects. Mr. Ferguson provided an overview of several of those projects.

Finance

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

PUBLIC COMMENTS

Mr. Barry Haas, representative of Citizens Protecting Maumelle Watershed, said he had several questions he would like answered concerning the Waterview Estates development:

1. If the developers of Waterview Estates fail to complete the diversion ditch, could that cause problems for the water quality of Lake Maumelle. Mr. Maner said that construction has only occurred in areas that have a diversion ditch.
2. Does CAW monitor the financial stability of the developers of Waterview Estates? Mr. Maner said that is not something CAW does.

3. Has Waterview Estates posted a bond to ensure completion of the diversion ditch if they should happen to file bankruptcy? Mr. Maner said that there is no language in the agreement with Waterview Estates to ensure completion of the ditch if the property is not developed.
4. Has a conservation easement agreement with Waterview Estates been signed by both parties? Mr. Maner said that the agreement with Waterview Estates states that no activity will occur on the land in the conservation easement area before the easement agreement has been signed.

Mr. Maner said that the conservation easement will allow recreational activities in the watershed. He added that without a signed conservation easement, no activities are allowed in that area.

BOARD BRIEFING

Mr. Rich provided an update on the following items:

- Staff will conduct brown bag luncheons on a monthly basis to keep the public informed of CAW activities and issues
- Recognized Mr. Gary Hum, Director of Source & Treatment for 30 years of service
- Recognized the promotion of Mr. Darrel Boggs, formerly Assistant Director of Distribution, to the position of Director of Distribution.
- There will be a kick-off meeting to discuss future bond issues that will include CAW staff members and utility stakeholders.
- A Commission retreat is being planned to take place in early April.

ADJOURNMENT

With there being no further business, Chair Hartman adjourned the meeting.


Francille Turbyfill, Secretary/Treasurer

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

March 11, 2010

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, March 11, 2010, 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. Jay Hartman, Chair
Mr. Anthony Kendall, Vice Chair
Ms. Francille Turbyfill, Secretary/Treasurer
Ms. Adrienne Bradley, Commissioner
Mr. Eddie Powell, Commissioner
Mr. Thomas W. Rimmer, Commissioner
Dr. Roby Robertson, Commissioner

CAW staff in attendance:

Mr. Graham W. Rich, P.E., Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Gary P. Pittman, Chief Financial Officer
Ms. Marie A. Crawford, Director of Communications
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Martin Maner, P.E., Director of Watershed Management
Mr. Allen Vincent, Director of Information Services
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source
Ms. Stephanie Hymel, Stewardship Coordinator
Ms. Connie Horn, Management Secretary
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.

Also in attendance:

Mr. Barry Haas, Citizens Protecting Maumelle Watershed
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Ms. Kristin Netterstrom, Reporter, *Arkansas Democrat-Gazette*
Mr. Michael Poindexter, Assistant Vice President, Regions Insurance
Mr. Paul Strickland, P.E., Project Manager, Garver Engineers

CALL MEETING TO ORDER

Mr. Jay Hartman, Chair, called to order the March 11, 2010 meeting of the Board of Commissioners.

INTRODUCTION OF GUESTS

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made and seconded, the minutes of the February 11, 2010 Meeting were approved.

NEW BUSINESS

First Right of Refusal

Mr. Rich said that staff is requesting approval to make the yearly payment of \$154,426 to the U.S. Corps of Engineers for the First Right of Refusal to take 120 MGD of water from Lake DeGray.

Mr. Rich also presented an analysis of various options regarding purchase of CAW's option for 120 MGD of water from Lake DeGray. He noted there is also a yearly payment of \$25,000 to the Ouachita River Water District for management fees.

Mr. Rich discussed three options for handling the First Right of Refusal, along with the pros and cons of each option.

1. Continue the present interest-only payment plan that CAW is currently following.
2. Add \$5 million to the 2010 Bond Issue to immediately purchase the water rights
3. Accumulate the purchase price by setting aside funds from rates over a three-year period.

Mr. Rich said that this presentation is only for informational purposes at this time. He added that later this year staff will make a recommendation as to which option to pursue.

Upon a motion duly made by Dr. Roby Robertson, Commissioner, and seconded by Ms. Adrienne Bradley, Commissioner, the payment was approved.

CONTRACTS/PURCHASES

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

- A contract with Building & Utility Contractors in the amount of \$281,530.00 to replace a 12-inch diameter asbestos cement water main with approximately 3,225 linear feet of 12-inch diameter ductile iron pipe, 550 linear feet of 8-inch diameter ductile iron pipe, and eight (8) fire hydrants in West 31st and Center Streets.
- A contract with S.J. Louis Construction of Texas in the amount of \$4,059,818.00 for the installation of approximately 11,000 L.F. of 42-inch diameter water main from Crystal Hill Road (Hwy. 100) to the west property line of Camp Robinson located in North Little Rock and Pulaski County. (As part of the Northbelt Transmission Main Project, this work is jointly funded by Cabot, Jacksonville, North Pulaski Water, and CAW. CAW's share for this section of the transmission main is \$1,093,065.40. The involved parties will reimburse CAW for their share of the cost.)
- A three-year contract with Arkansas Mailing Services in the amount of \$193,671.00 for bill insert and mailing services. The contract provides an option to extend the contract for three (3) additional one (1) year terms.

DEPARTMENT UPDATES

Watershed

Mr. Martin Maner, P.E., Director of Watershed Management, provided an update on watershed issues.

(Mr. Kendall arrived to the meeting.)

- The contract between CAW and Pulaski County for management and enforcement of the Stormwater Management and Drainage Manual Site Evaluation Tools (SET) will be considered by the Pulaski County Planning Board on March 23 and the Pulaski County Quorum Court on April 27.
- A public workshop on low-impact development was held on March 30.
- A workshop on future use of the Winrock Grass Farm was held March 15-17. Among attendees were CAW staff, Pulaski County officials, and owners of property within the watershed.
- On March 1, a workshop on stream mechanics was held at the Winrock Grass Farm.

Regionalism

Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source, provided an update on regionalism and planning activities.

Finance

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

BOARD BRIEFING

Mr. Rich provided an update on the following items:

- A Commission Retreat has been scheduled for Friday, April 2 at 8:30 a.m. The retreat will be held in the CAW Board Room, Third Floor, of 221 East Capitol Avenue.
- The 2nd Annual Stakeholders meeting will be held on Wednesday, May 12 at 10:00 a.m. The meeting will be held at the Woman's City Club, Junior League of Little Rock Building, 401 Scott Street, Little Rock

ADJOURNMENT

With there being no further business, Chair Hartman adjourned the meeting.

Francille Turbyfill, Secretary/Treasurer

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

April 8, 2010

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, April 8, 2010, 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. Jay Hartman, Chair
Mr. Anthony Kendall, Vice Chair
Ms. Francille Turbyfill, Secretary/Treasurer
Ms. Adrienne Bradley, Commissioner
Mr. Eddie Powell, Commissioner
Mr. Thomas W. Rimmer, Commissioner
Dr. Roby Robertson, Commissioner

CAW staff in attendance:

Mr. Graham W. Rich, P.E., Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Gary P. Pittman, Chief Financial Officer
Mr. Darrell Boggs, Director of Distribution
Ms. Marie A. Crawford, Director of Communications
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source
Ms. Stephanie Hymel, Stewardship Coordinator
Mr. Jonathan Long, P.E., Watershed Administrator
Mr. Jeff Mascagni, C.P.A., Controller
Mr. Thomas Wray, P.E., Engineer
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
Mr. Reed Green, Ph.D., U.S. Geological Survey
Mr. Barry Haas, Citizens Protecting Maumelle Watershed
Mr. Correy Jennings, C.P.A., BKD, Certified Public Accountants
Mr. Kevin Kemp, C.P.A., BKD, Certified Public Accountants
Mr. Jim Petersen, U.S. Geological Survey
Mr. Michael Poindexter, Assistant Vice President, Regions Insurance
Mr. Paul Strickland, P.E., Project Manager, Garver Engineers

CALL MEETING TO ORDER

Mr. Jay Hartman, Chair, called to order the April 8, 2010 meeting of the Board of Commissioners.

INTRODUCTION OF GUESTS

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made and seconded, the minutes of the March 11, 2010 Meeting were approved.

NEW BUSINESS

Request for Funding of Water Service Line and Waiver of Fees

Mr. Rich addressed a request by Arkansas Food Network for the funding of a water service line and the waiver of fees in association with the construction of a new food bank warehouse facility on 65th Street in Little Rock. Mr. Rich said that the estimated cost of this portion of the total project is \$25,000. He added that this request is consistent with Section 5.03 (Economic Cooperation) of the CAW Consolidation Agreement.

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

Resolutions Concerning 2010 Bond Issues

Mr. Gary Pittman, Chief Financial Officer, said that staff is seeking approval of two resolutions relating to the proposed 2010 Bond Issue. Mr. Pittman said that the first resolution is to authorize reimbursement to CAW for expenses incurred to finance certain improvements to the system through issuance of \$11,920,000 in bonds (Series 2010A Bonds). He said that the second resolution is to finance the acquisition of the Winrock Grass Farm from the Trust for Public Land through issuance of \$8,720,000 in bonds (Series 2010B Bonds).

Upon a motion duly made by Commissioner Kendall and seconded by Ms. Adrienne Bradley, Commissioner, the resolutions were approved.

2010 Audit

Mr. Pittman introduced Mr. Correy Jennings, C.P.A., and Mr. Kevin Kemp, C.P.A., both with BKD Certified Public Accountants.

Mr. Kemp commended staff for their efforts in preparing the documents for the 2010 audits for CAW and Brushy Island. He said that staff has prepared a more detailed report this year in order to submit the audit to Government Finance Officers' Association to apply for the "Certificate of Achievement for Excellence in Financial Reporting".

Mr. Kemp said that the audit shows that the Board can be assured they are making decisions based on accurate financial information.

Upon a motion duly made by Commissioner Kendall and seconded by Mr. Thomas Rimmer, Commissioner, the 2009 audit was approved.

CONTRACTS/PURCHASES

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

- Approval for the renewal of a public relations contract for \$250,000 with Advantage Communications.
- Approval of a contract with Grubbs, Hoskyn, Barton, and Wyatt, Inc., for \$173,300 to develop a Slope Stability Analysis for the Lake Winona, Jackson Reservoir, and Lake Maumelle dams.
- Renewal of a joint agreement between CAW and the U.S. Geological Survey (USGS) for \$509,700 for the 2010 Work Plan.
- Approval of a contract with Precision Measurement Engineering, Inc., for \$42,770.40, for the purchase of equipment to measure water temperature and dissolved oxygen in Lake Maumelle. Installation and maintenance of the equipment will be performed by USGS at a cost of \$10,800, bringing the total project cost to \$53,570.40.

DEPARTMENT UPDATES

Watershed

Mr. Jonathan Long, P.E., Watershed Administrator, provided the following update on watershed activities:

- The Final Draft Stormwater Manual and Site Evaluation Tool will go before the Pulaski County Planning Board at their April 27 meeting. Following the Planning Board Meeting, the items should go before the Pulaski County Quorum Court at their meeting on May 25.
- An informational seminar on Low Impact Development/Conservation Design was hosted by Pulaski County on March 30, 2010. Presenters were nationally renowned land use planner Randall Arendt; land use planners Wallace, Roberts, Todd, L.L.C. (WRT); Ron Tyne of Little Rock-based Rocket Properties, L.L.E. and President of Tyne and Associates. Among those in attendance were: Pulaski County staff, CAW Commissioner Powell, CAW staff, a member of the Pulaski County Quorum Court, an Arkansas State Representative, and members of the public.
- Inspection of the conservation ditch located in Waterview Estates continues on a weekly basis. The developer continues to respond in a timely manner to any issues brought before them concerning the ditch.

Ms. Stephanie Hymel, Stewardship Coordinator, reported on the following items concerning the watershed:

- A tour of the Winrock Grass Farm was conducted with representatives of the Arkansas Game & Fish Commission, Arkansas Parks & Recreation, CAW Board Chair Jay Hartman, CAW Commissioner Eddie Powell, and CAW staff.
- There are plans to do some permeable paving in the Bufflehad Bay area of the Lake Maumelle Watershed in order to see how well it holds up to the best management practices standards being considered by Pulaski County.

- Work continues on a forest management plan.

Regionalism

Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source, provided an update on regionalism and planning activities.

Finance

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

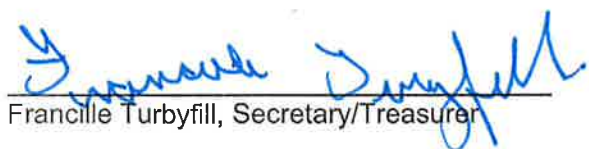
BOARD BRIEFING

Mr. Rich provided an update on the following items:

- A five-year service pin was presented to Chair Hartman.
- Gary Hum, Director of Source & Treatment and Darrell Boggs, Director of Distribution, said that CAW has won the Best Tasting Water Award presented annually by the Central District of the Arkansas Water Works & Water Environment Association (AWW&WEA). They said that CAW would continue on to the state-wide competition at the AWW&WEA Annual Conference in Hot Springs to be held May 2-5.
- The 2nd Annual CAW Stakeholders Meeting will be held on May 12 at the Junior League of Little Rock Building.
- CAW is again participating in Earth Day at the Little Rock Zoo to be held on April 16 & 17.

ADJOURNMENT

With there being no further business, Chair Hartman adjourned the meeting.


Francille Turbyfill, Secretary/Treasurer

RESOLUTION NO. 2010-01

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

WHEREAS, Central Arkansas Water (“CAW”) proposes to acquire, design, construct and equip capital improvements to its water distribution system and water treatment facilities (the “Improvements”); and

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

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

Section 1. Pursuant to United States Treasury Regulation §1.150-2, CAW hereby declares its official intent and reasonable expectation to reimburse itself for original expenditures paid from its general or operating funds that are used in acquiring, constructing and equipping the Improvements between the date that is sixty (60) days prior to the date of this Resolution and the date the bonds are issued, plus a de minimis amount and preliminary expenditures, with the proceeds of one or more series of tax-exempt bonds in the principal amount not to exceed \$13,000,000 (the “Series 2010A Bonds”).

Section 2. CAW shall reimburse itself for the original expenditures from proceeds of the Series 2010A Bonds within 18 months after the later of:

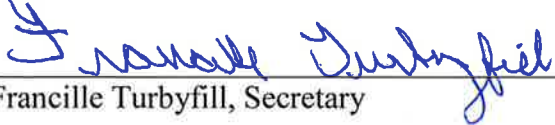
- (a) the date of the original expenditure is paid, or
- (b) the date the project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid.

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

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

ADOPTED: April 8, 2010

ATTEST:


Francille Turbyfill, Secretary

APPROVED:


Jay Hartman, Chairperson

APPROVED AS TO FORM:

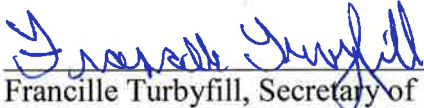
C. Tad Bohannon,
Counsel for Central Arkansas Water

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Francille Turbyfill, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2010-01 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN EXPENDITURES TOWARD CAPITAL IMPROVEMENTS FOR THE UTILITY AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF BONDS OF THE UTILITY; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted April 8, 2010.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of April, 2010.



Francille Turbyfill, Secretary of
Central Arkansas Water

RESOLUTION NO. 2010-02

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

WHEREAS, Central Arkansas Water (“CAW”) proposes to acquire property within the watershed of Lake Maumelle to protect its water quality (the “Project”); and

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

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

Section 1. Pursuant to United States Treasury Regulation §1.150-2, CAW hereby declares its official intent and reasonable expectation to reimburse itself for original expenditures paid from its general or operating funds that are used in acquiring 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 one or more series of tax-exempt bonds in a total principal amount not to exceed \$10,000,000 (the “Series 2010B Bonds”).

Section 2. CAW shall reimburse itself for the original expenditures from proceeds of the Series 2010B Bonds within 18 months after the later of:

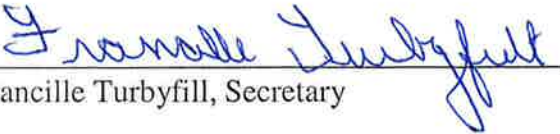
- (a) the date of the original expenditure is paid, or
- (b) the date the Project is acquired, but in no event more than three (3) years after the original expenditure is paid.

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

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

ADOPTED: April 8, 2010

ATTEST:


Francille Turbyfill, Secretary

APPROVED:


Jay Hartman, Chairperson

APPROVED AS TO FORM:

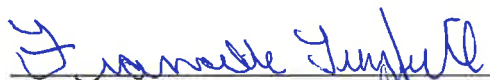
C. Tad Bohannon,
Counsel for Central Arkansas Water

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Francille Turbyfill, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2010-02 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN EXPENDITURES TOWARD THE PROTECTION OF THE WATER QUALITY OF LAKE MAUMELLE AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF BONDS OF THE UTILITY; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted April 8, 2010.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of April 2010.



Francille Turbyfill, Secretary of
Central Arkansas Water

RESOLUTION NO. 2010-02

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

WHEREAS, Central Arkansas Water (“CAW”) proposes to acquire property within the watershed of Lake Maumelle to protect its water quality (the “Project”); and

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

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

Section 1. Pursuant to United States Treasury Regulation §1.150-2, CAW hereby declares its official intent and reasonable expectation to reimburse itself for original expenditures paid from its general or operating funds that are used in acquiring 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 one or more series of tax-exempt bonds in a total principal amount not to exceed \$10,000,000 (the “Series 2010B Bonds”).

Section 2. CAW shall reimburse itself for the original expenditures from proceeds of the Series 2010B Bonds within 18 months after the later of:


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

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


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

ADOPTED: April 8, 2010

ATTEST:


Francille Turbyfill, Secretary

APPROVED:


Jay Hartman, Chairperson

APPROVED AS TO FORM:

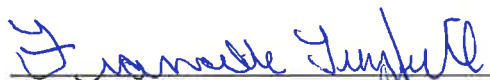
C. Tad Bohannon,
Counsel for Central Arkansas Water

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Francille Turbyfill, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2010-02 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN EXPENDITURES TOWARD THE PROTECTION OF THE WATER QUALITY OF LAKE MAUMELLE AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF BONDS OF THE UTILITY; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted April 8, 2010.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of April 2010.



Francille Turbyfill, Secretary of
Central Arkansas Water

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

May 13, 2010

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, May 13, 2010, 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. Jay Hartman, Chair
Mr. Anthony Kendall, Vice Chair
Ms. Francille Turbyfill, Secretary/Treasurer
Ms. Adrienne Bradley, Commissioner
Mr. Eddie Powell, Commissioner
Mr. Thomas W. Rimmer, Commissioner
Dr. Roby Robertson, Commissioner

CAW staff in attendance:

Mr. Graham W. Rich, P.E., Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Gary P. Pittman, Chief Financial Officer
Ms. Marie A. 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. Deena Coston, C.P.A., Controller
Ms. Stephanie Hymel, Stewardship Coordinator
Mr. Jeff Mascagni, C.P.A., Controller
Ms. Mary Chism, Administrative Assistant
Ms. Denise Clay, Database 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
Mr. David Goad, Arkansas Department of Game & Fish
Mr. Barry Haas, Citizens Protecting Maumelle Watershed
Mr. Byron Hicks, P.E., McClelland Engineers
Ms. Kristin Netterstrom, Reporter for the Arkansas Democrat-Gazette
Ms. Bobbie Nichols, Senior Vice President, Public Finance Department, Stephens, Inc.
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Mr. Michael Poindexter, Assistant Vice President, Regions Insurance
Mr. Mark Riable, Citizen
Ms. Marita Steele, Account Executive, Advantage Communications, Inc.

Mr. Paul Strickland, P.E., Project Manager, Garver Engineers+
Mr. Jack Truemper, Senior Vice President, Stephens, Inc.

CALL MEETING TO ORDER

Mr. Jay Hartman, Chair, called to order the May 13, 2010 meeting of the Board of Commissioners.

INTRODUCTION OF GUESTS

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

EMPLOYEE RECOGNITION

Mr. Thad Luther, Chief Operating Officer, said that CAW has received the "Distinguished Budget Presentation Award" from the Government Finance Officers' Association (GFOA) for 2010. He said that this award is a direct result of the efforts of Mr. Gary Pittman, Chief Financial Officer, Jeff Mascagni, C.P.A., Controller, Deena Coston, C.P.A., Controller, and all the accounting staff.

Mr. Pittman said that Mr. Mascagni has also been recognized by the GFOA for his coordination of the budgeting process.

Mr. Allen Vincent, Director of Information Services, recognized Ms. Denise Clay, Database Administrator, for having received a Bachelor's degree in Business Administration/Management Information Systems in December 2009 from the University of Arkansas at Little Rock. He said that Ms. Clay participated in CAW's Tuition Reimbursement program.

APPROVAL OF BOARD MINUTES

Upon a motion duly made and seconded, the minutes of the April 8, 2010 Meeting were approved.

NEW BUSINESS

Backflow Device Testing Requirements

Mr. Mark Riabie asked to speak to the Board concerning the annual testing requirements for backflow prevention devices.

Mr. Riabie said that he thought a yearly inspection was excessive and asked that it be changed to a three-year inspection schedule.

Mr. Rich said that the Arkansas Department of Health requires the yearly inspection.

Mr. Hartman suggested that Mr. Riabie might want to contact someone in the Arkansas State Legislature about the inspection requirement. He said that any changes made to the code would have to be a legislative change and he may want to work with the Arkansas Department of Health on getting the legislation changed.

Identity/Red Flag Policy

Ms. Coston made the annual report on CAW's Identity/Red Flag Policy, as per requirements of the Federal Trade Commission.

Resolution to Establish a Rate Stabilization Account

Mr. Pittman discussed a proposed resolution to establish a Rate Stabilization Account that would absorb fluctuations in water sales revenues from projected budget revenues. The account would be used to offset deviations in water sales revenues, thereby stabilizing rates for water consumers.

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

Resolution to Develop/Improve Trails Within the Lake Maumelle Watershed

Ms. Stephanie Hymel, Stewardship Coordinator, discussed a proposed resolution to seek federal funds from the Arkansas Recreational Trails Program to improve Farkleberry Trail along Lake Maumelle. Ms. Hymel said that the program is administered by the Arkansas Highway and Transportation Department and utilizes federal funds based on an 80/20 federal to local match.

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

Lease Agreement with Arkansas Game & Fish Commission (AGFC)

Mr. Rich said that CAW has received a request from the Arkansas Game & Fish Commission for two agreements concerning the Wildlife Management Area (WMA). The first agreement would be for one year and concerns operations and maintenance of the WMA. He said that at the end of the one-year agreement, CAW & AGFC could choose to enter into a 25-year operations and maintenance agreement.

Mr. Rich added that the second agreement will include a perpetual conservation easement for the recently purchased Winrock Grass Farm and property located around Lake Maumelle.

Mr. Rich said that no action is required by the Board at this time, but that the request would come back to them at the June Board Meeting.

Ms. Kathleen Oleson, League of Women Voters of Pulaski County, voiced concern that a long-term agreement would cede CAW's control over the land to another entity. She said that she believes the first priority of staff and the Board is to protect water, not provide recreational opportunities for the public.

Ms. Hymel said that there would be an escape clause built into the agreement that would allow CAW to end the agreement.

Dr. Roby Robertson, Commissioner, said that if this agreement would prevent development within this area, then the Board must consider this option.

Appointment of Nominating Committee for the Election of CAW Board Officers

Chair Hartman said that he and Commissioner Powell will serve as the Nominating Committee and will make their nominations at the June Board Meeting.

CAW Board Vacancy

Ms. Becky Wahlgreen, Director of Human Resources, mentioned that Francille Turbyfill, Commissioner, will retire from the Board when her term expires on June 30, 2010. Ms. Wahlgreen said that Ms. Turbyfill began her service in 1996 with the North Little Rock Water Department. Ms. Wahlgreen added that Ms. Turbyfill was the only woman to serve on the North Little Rock Commission.

Ms. Wahlgreen provided the following schedule and procedure for filling the vacancy created by the retirement of Ms. Turbyfill:

5/13/10	Vacancy announcement at CAW Regular Board Meeting
5/17/10 – 6/7/10	Advertise to fill vacancy and accept resumes/letters of interest
5/17/10 – 6/7/10	Forward resumes/letters of interest to CAW Board and to Mayors Patrick H. Hays and Mark Stodola
6/11/10	Review resumes and determine interviewees - CAW Special Called Meeting
6/16/10	Interview and appointment to Board via a CAW Special Called Meeting
6/28/10	North Little Rock City Council to consider request for appointment confirmation
7/6/10	Little Rock City Board of Directors to consider request for appointment Confirmation
7/8/10	Administer Oath of Office to new Commissioner prior to CAW Regular Board Meeting

CONTRACTS/PURCHASES

Upon motions duly made and seconded, the following contract was approved:

- Approval of a contract with Diamond Construction Company of North Little Rock in the amount of \$6,354,124 for the installation of approximately 31,600 linear feet of 42-inch diameter pipe across Camp Robinson, beginning near MacArthur Drive and ending at Batesville Pike. (The pipeline installation is part of the Northbelt Transmission Main Project jointly funded by Cabot, Jacksonville, North Pulaski Water, and CAW. CAW's proportional share of this section is 26.924% or \$1,710,784.34.)

DEPARTMENT UPDATES

Watershed

Mr. Martin Maner, P.E., Director of Watershed Management, provided an update on watershed issues.

Regionalism

Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source, provided an update on regionalism and planning activities.

Finance

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

BOARD BRIEFING

Mr. Rich provided an update on the following items:

- CAW held the 2nd Annual Stakeholders' Meeting on May 12.
- Several CAW employees made presentations at the AWWWEA Annual Meeting in Hot Springs.
- Ms. Sharon Sweeney, Water Quality Specialist, will make a presentation at the AWWA Annual Conference in Chicago in June

ADJOURNMENT

With there being no further business, Chair Hartman adjourned the meeting.


Francille Turbyfill, Secretary/Treasurer

RESOLUTION NO. 2010-03

**RESOLUTION ESTABLISHING A RATE STABILIZATION ACCOUNT AND
PRESCRIBING OTHER MATTERS RELATING THERETO**

WHEREAS, a rate stabilization account is a means to provide more stable retail water rates to customers of a water utility;

WHEREAS, the availability of funds within a rate stabilization account will assist Central Arkansas Water ("CAW") in its efforts to meet its financial performance indicators and goals specified in bond covenants and monitored by various financial rating agencies, including but not limited to the maintenance of a strong debt service coverage ratio; and

WHEREAS, the Board of Commissioners has determined that it is in the best interest of the customers of CAW to establish a rate stabilization account.

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

Section 1. There is hereby established a Rate Stabilization Account ("RSA"). The purpose of the RSA is, among other things, to absorb fluctuations in CAW's annual revenue in any given year due to deviations in the actual sales revenues from the amount assumed in the adopted budget for that year. The RSA shall be separately maintained from other funds of CAW.

Section 2. CAW may at any time deposit into the RSA, revenues and any other money received by CAW and available to be used therefore.

Section 3. Thereafter, CAW may withdraw any or all of the money from the RSA and place it in CAW's general revenue fund for inclusion in the net revenue calculations for the then current fiscal year of CAW. Funds withdrawn from the RSA may be used for any purpose for which gross revenues of CAW may be lawfully expended. Withdrawals from the RSA may include but shall not be restricted to:

- (a) mitigate revenue shortfalls in years where projected revenues are not met due to atypical events such as unusually wet weather or other unexpected negative influence on CAW's revenue stream;
- (b) pay for catastrophic repair events of such magnitude that the cost of such would initiate an unplanned rate increase or a greater than planned rate increase (i.e., increases that would not have been needed if such event had not occurred);

- (c) reduce the impact on rate increases to allow for smoother rate increases over time; or
- (d) smooth a sharp rate increase necessitated by sudden increase in an uncontrollable, ongoing expense (such as a major costs increase passed by one (1) of CAW's utility or chemical suppliers).

Section 4. Such deposits or withdrawals may be made up to and including the date ninety (90) days after the end of the fiscal year for which the deposit or withdrawal will be included in the net revenue calculations.

Section 5. Transfers to and from the RSA shall be approved by the Commission unless already approved as part of the annual Financial Plan.

Section 6. Except as otherwise provided in Section 8 hereof, the amount on deposit in the RSA shall not exceed the sum of Twenty Million Dollars (\$20,000,000) (the "RSA Funding Limit").

Section 7. Funding of the RSA may come from a variety of sources including:

- (a) cash from operations in excess of that required for operations and debt service;
- (b) revenue from the sale of surplus property not already recognized in CAW's then existing annual budget;
- (c) all interest earnings and/or other proceeds from investment of the funds within the Rate Stabilization Account; and
- (d) other sources of revenue as determined by the Board of Commissioners.

Nothing in this Section 7 shall be construed to mean that any contribution to the fund is mandatory, but such will be solely at the discretion of the Board of Commissioners.

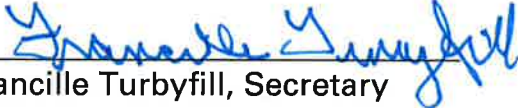
Section 8. If the amount on deposit in the RSA reaches the RSA Funding Limit, interest earned on funds within the account will be deposited to the account but CAW shall not make any additional contributions to the Rate Stabilization Account, and any excess funds over the RSA Funding Limit will be transferred at the end of the fiscal year into CAW's general revenue fund.

Section 9. Each or any of the Chief Executive Officer, Chief Operating Officer or Chief Financial 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 10. This Resolution shall be in effect upon its adoption and approval.

ADOPTED: May 13, 2010

ATTEST:


Francille Turbyfill, Secretary

APPROVED:


Jay Hartman, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Francille Turbyfill, Secretary of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2010-03 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION ESTABLISHING A RATE STABILIZATION ACCOUNT AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted May 13, 2010.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of May 2010.


Secretary
Board of Commissioners, Central Arkansas Water

RESOLUTION NO. 2010-04

A RESOLUTION EXPRESSING THE WILLINGNESS OF

Central Arkansas Water

TO UTILIZE FEDERAL-AID RECREATIONALS FUNDS

WHEREAS **Central Arkansas Water** understands Federal-aid Recreational Trails Funds are available at 80% federal participation and 20% local match to develop or improve **Farkleberry Trail**, and

WHEREAS **Central Arkansas Water** understands that Federal-aid Funds are available for this project on a reimbursable basis, requiring work to be accomplished and proof of payment prior to actual monetary reimbursement, and

WHEREAS **Central Arkansas Water** understands that there will be no reimbursement for any work accomplished prior to the issuance by the Arkansas State Highway and Transportation Department of an official Notice to Proceed, and

WHEREAS this project, using federal funding, will be open and available for use by the general public and maintained by the applicant.

NOW, THEREFORE, BE IT RESOLVED BY **Board Of Commissioners, Central Arkansas Water** THAT:

SECTION I: **Central Arkansas Water** will participate in accordance with its designated responsibility, including maintenance of this project.

SECTION II: **Graham W. Rich, P.E., B.C.E.E.** is hereby authorized and directed to execute all appropriate agreements and contracts necessary to expedite the construction of the above stated project.

SECTION III: **Board Of Commissioners, Central Arkansas Water** pledges its full support and hereby authorizes the **Central Arkansas Water** to cooperate with the Arkansas State Highway and Transportation Department to initiate action to implement this project.

THIS RESOLUTION adopted this 13th day of May 2010

Signed: _____

Graham W. Rich, P.E., B.C.E.E.

ATTEST: _____

(SEAL)



Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

June 10, 2010

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, June 10, 2010, 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. Jay Hartman, Chair
Mr. Anthony Kendall, Vice Chair
Ms. Francille Turbyfill, Secretary/Treasurer
Mr. Eddie Powell, Commissioner
Mr. Thomas W. Rimmer, Commissioner
Dr. Roby Robertson, Commissioner

Present by Telephone:

Ms. Adrienne Bradley, Commissioner

CAW staff in attendance:

Mr. Graham W. Rich, P.E., Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Darrell Boggs, Director of Distribution
Mr. Gary Hum, Director of Source & Treatment
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. Liz Tuck-Rowan, Purchasing Manager
Ms. Deena Coston, C.P.A., Controller
Ms. Stephanie Hymel, Stewardship Coordinator
Mr. Jonathan Long, Watershed Administrator
Mr. Jeff Mascagni, C.P.A., Controller
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. Erin Brogdan, Attorney with Wright, Lindsey & Jennings
Mr. Barry Haas, Citizens Protecting Maumelle Watershed
Ms. Kristin Netterstrom, Reporter for the Arkansas Democrat-Gazette
Ms. Bobbie Nichols, Senior Vice President, Public Finance Department, Stephens, Inc.
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Mr. Michael Poindexter, Assistant Vice President, Regions Insurance
Ms. Marita Steele, Account Executive, Advantage Communications, Inc.
Mr. Paul Strickland, P.E., Project Manager, Garver Engineers
Mr. Doug Wilson, Insurance Center

CALL MEETING TO ORDER

Mr. Jay Hartman, Chair, called to order the June 10, 2010 Meeting of the Board of Commissioners.

INTRODUCTION OF GUESTS

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

EMPLOYEE RECOGNITION

Mr. Thad Luther, Chief Operating Officer, presented Mr. Darrell Boggs, Director of Distribution, with his 25 year service pin. Mr. Luther said that Mr. Boggs has been a great asset to the water utility.

Mr. Rich presented Mr. Luther with his 5 year service pin. Mr. Rich said that Mr. Luther has been instrumental in many initiatives within the utility. Mr. Rich added that over the last three years Mr. Luther has handled the responsibilities of several positions with efficiency, integrity, and professionalism.

APPROVAL OF BOARD MINUTES

Upon a motion duly made and seconded, the minutes of the May 13, 2010 Meeting were approved.

NEW BUSINESS

Election of Board Officers for 2010-2011

Chair Hartman said the nominating committee made the following officer nominations for the term July 1, 2010 to June 30, 2011:

Anthony Kendall – Chair
Adrienne Bradley – Vice Chair
Thomas Rimmer – Secretary

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

Resolutions

Support of Stormwater Management Manual and Site Evaluation Tools

Mr. Rich said that CAW staff has been working on this document with Pulaski County officials for several months and that he believes this document meets the goals and intent of the Watershed Management Plan.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Robertson, a “unanimous recommendation to forward the approved resolution to the Pulaski County Quorum Court” was approved.

Approval of Water Revenue Bonds

Mr. Jeff Mascagni, C.P.A., Controller, said that staff is presenting to the Board for their approval four resolutions relating to CAW bond issues: 1.) Amending the Master Trust Indenture; 2.) Authorizing the reissuance of Series 2010A (2009 ANRC) Bonds; 3.) Authorizing the sale of Series 2010B Bonds; and, 4.) Authorizing the sale of 2010C Bonds.

Mr. Mascagni outlined the reasons for amending the Master Trust Indenture, the specific projects to be paid for by the bonds, and the structure of the bonds.

- 1.) Amend the Master Trust Indenture to permit the issuance of subordinate debt;
- 2.) Authorize the re-issuance and sale of Central Arkansas Water Revenue Bonds Series 2010A (2009 ANRC) in the aggregate principal amount not to exceed \$13,400,000.00 for the purpose of financing the costs of designing, constructing and equipping capital improvements to the water collection, treatment and distribution system of Central Arkansas Water; providing for the payment of the principal and interest on the bonds; authorizing the execution and delivery of a trust indenture and a revised bond purchase agreement;
- 3.) Authorize the offering of up to \$9,500,000 in Central Arkansas Water Revenue Bonds Series 2010B for general improvements project;
- 4.) Authorize the sale of Central Arkansas Water Revenue Bonds 2010C Bonds for \$9,200,000 for the use of watershed protection.

Mr. Tad Bohannon, attorney for CAW, reviewed the documents relating to the Master Indenture and answered questions from the Commission.

Mr. Tad Bohannon, attorney for CAW, reviewed the documents relating to Bond Issues and addressed concerns and questions of the Commissioners.

Upon a motion duly made by Mr. Anthony Kendall, Commissioner, and seconded by Ms. Adrienne Bradley, Commissioner, the resolutions were approved.

NEW BUSINESS

Business Insurance

Mr. Mascagni, said that invitations were sent out to bid on a three-year contract for business insurance. He said that two agencies responded and that the low bid of \$193,315 was received from Insurance Center with no change in coverage, limits, or deductibles from the previous business insurance contract. Mr. Mascagni added that the bid reflects an 8.8% decrease in the first year's premium from the previous year's premium.

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

CONTRACTS/PURCHASES

Upon a motion duly made and seconded, the following contract was approved:

- A contract with J.A. Riggs Tractor for the purchase/repurchase of 22 backhoes for \$1,228,600.00. (CAW will purchase the backhoes from Riggs Tractor and, after one-year of use, the backhoes will be sold back to the vendor for \$1,206,677.00, resulting in a net cost to CAW of \$21,923.00.)

DEPARTMENT UPDATES

Watershed

Mr. Martin Maner, P.E., Director of Watershed Management, provided an update on watershed issues.

Regionalism

Mr. Dale Kimbrow, Manager of Planning, Regionalism, and Future Water Source, provided an update on regionalism and planning activities.

Finance

Ms. Deena Coston, C.P.A., controller, provided a summarized year-to-date Financial Report on utility operations.

Board Vacancy

Ms. Becky Wahlgreen, Director of Human Resources, provided an update on the search for a replacement for Ms. Francille Turbyfill, Commissioner, who is retiring from the Board.

ADJOURNMENT

With there being no further business, Chair Hartman adjourned the meeting.



Thomas Rimmer, Secretary/Treasurer

RESOLUTION NO. 2010-05

**RESOLUTION EXPRESSING SUPPORT FOR ADOPTION OF THE
*STORMWATER MANAGEMENT AND DRAINAGE MANUAL FOR THE
LAKE MAUMELLE DRAINAGE BASIN*, THE *PULASKI COUNTY SITE
EVALUATION TOOL*, AND THE *SITE EVALUATION TOOL USER
GUIDANCE AND DOCUMENTATION FOR THE LAKE MAUMELLE
DRAINAGE BASIN* BY THE PULASKI COUNTY QUORUM COURT,
AND PRESCRIBING OTHER MATTERS RELATING THERETO**

WHEREAS, the Board of Commissioners of Central Arkansas Water (the "Commission") adopted the *Lake Maumelle Watershed Management Plan* (the "Watershed Management Plan") on February 23, 2007, to establish parameters and methods of development for the protection of the water quality within Lake Maumelle; and

WHEREAS, the Pulaski County Quorum Court (the "Quorum Court") adopted Chapter 8 of the *Pulaski County Subdivision & Development Code* ("Chapter 8") and made it effective as of April 30, 2009, to codify, to the extent practical, the protections suggested by the Watershed Management Plan; and

WHEREAS, on March 16, 2009, Pulaski County (the "County") and CAW entered into an Agreement for Watershed Protection whereby the County and CAW agreed to work together for the development of a stormwater and drainage manual for the Lake Maumelle watershed and a site evaluation tool for consideration of alternative development plans within the Lake Maumelle watershed; and

WHEREAS, the Pulaski County Planning & Development staff has recommended the adoption of the *Stormwater Management and Drainage Manual for the Lake Maumelle Drainage Basin* presented to the Commission at this meeting (the "Stormwater Manual"), the *Pulaski County Site Evaluation Tool* presented to the Commission at this meeting (the "SET"), and the *Site Evaluation Tool User Guidance and Documentation for the Lake Maumelle Drainage Basin* presented to the Commission at this meeting (the "SET Manual," which together with the Stormwater Manual and the SET shall be referred to herein as the "Watershed Documents"); and

WHEREAS, the Commission desires to express its support for adoption of the Watershed Documents.

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

Section 1. The Commission encourages the Quorum Court to adopt the Watershed Documents as proposed, with only those amendments or technical

corrections agreed to by CAW staff to assure that the Watershed Documents are in accordance with the applicable provisions of the Watershed Management Plan and Chapter 8.

Section 2. The Commission makes this statement with the understanding that "Surface Runoff Loading Rates" in the *Pulaski County Subdivision & Development Code* is equivalent to "Site Scale Performance Standards" in the Watershed Management Plan, and that compliance with those values is required of developments within the Pulaski County portion of the watershed.

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

ADOPTED: June 10, 2010

ATTEST:


Francille Turbyfill, Secretary

APPROVED:


Jay Hartman, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Francille Turbyfill, Secretary of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2010-05 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION EXPRESSING SUPPORT FOR ADOPTION OF THE *STORMWATER MANAGEMENT AND DRAINAGE MANUAL FOR THE LAKE MAUMELLE DRAINAGE BASIN*, THE *PULASKI COUNTY SITE EVALUATION TOOL*, AND THE *SITE EVALUATION TOOL USER GUIDANCE AND DOCUMENTATION FOR THE LAKE MAUMELLE DRAINAGE BASIN* BY THE PULASKI COUNTY QUORUM COURT, AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted June 10, 2010.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of June 2010.



Francille Turbyfill, Secretary
Board of Commissioners, Central Arkansas Water

RESOLUTION NO. 2010-06

RESOLUTION AMENDING THE MASTER INDENTURE TO PERMIT THE ISSUANCE OF SUBORDINATE DEBT, AND PRESCRIBING OTHER MATTERS RELATING THERETO

WHEREAS, the Board of Commissioners of Central Arkansas Water (the "Commission") has previously entered into that certain Master Trust Indenture, dated as of October 1, 2002, by and between Central Arkansas Water ("CAW") and Metropolitan National Bank ("Trustee"), pursuant to which CAW has issued bonds secured by a first lien on and pledge of the revenues of CAW (the "Indenture"); and

WHEREAS, the Indenture does not specifically provide for or permit the issuance of subordinate debt; and

WHEREAS, Section 8.01(b)(2) of the Indenture provides that the Indenture may be amended, without the consent of any Bondholders (as defined in the Indenture), "to make such provisions for the purpose of curing any ambiguity, or of curing or correcting any defective provision contained in the Master Indenture or in regard to questions arising under the Master Indenture, as CAW may deem necessary or desirable, and which shall not adversely affect the interests of the Holders of the Bonds"; and

WHEREAS, CAW desires to amend the Indenture to permit the issuance of subordinate debt in a manner that shall not adversely affect the interests of the Holders of the Bonds.

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

Section 1. The form of the Amended and Restated Master Trust Indenture in the form exhibited to and before the Commission at the meeting at which this Resolution is adopted, is hereby approved.

Section 2. The Chair of the Commission is hereby authorized and directed to execute and acknowledge the Amended and Restated Master Trust Indenture between CAW and the Trustee, and the Secretary of the Commission is hereby authorized and directed to execute and acknowledge the Amended and Restated Master Trust Indenture, and C. Tad Bohannon, as general counsel to CAW, is hereby authorized and directed to cause the Amended and Restated Master Trust Indenture to be accepted, executed and acknowledged by the Trustee.


Section 3. The Chair, the Secretary, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and general counsel, for and on behalf of CAW, are authorized and directed to do any and all things necessary to

effect the execution and delivery of the Amended and Restated Master Trust Indenture, 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, Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer are further authorized and directed, for and on behalf of CAW, 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 4. This Resolution shall be in effect from and after the date of its adoption.

APPROVED June 10, 2010

ATTEST:


Francille Turbyfill, Secretary

APPROVED:


Jay Hartman, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Francille Turbyfill, Secretary of the Board of Commissioners of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2010-06 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION AMENDING THE MASTER INDENTURE TO PERMIT THE ISSUANCE OF SUBORDINATE DEBT, AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted June 10, 2010.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of June 2010.



Francille Turbyfill, Secretary
Board of Commissioners, Central Arkansas Water

RESOLUTION NO. 2010-07

A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A NEW REVENUE BOND WHICH AMENDS THE SECURITY FOR A PREVIOUSLY ISSUED REVENUE BOND ISSUED FOR THE PURPOSE OF FINANCING THE COSTS OF DESIGNING, CONSTRUCTING AND EQUIPPING CAPITAL IMPROVEMENTS TO THE WATER COLLECTION, TREATMENT AND DISTRIBUTION SYSTEM OF CENTRAL ARKANSAS WATER; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE AND A REVISED 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 2009-06 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 treatment and distribution system (the "System") more particularly described as (i) new sodium hypochlorite storage and feed systems at the Ozark Point Treatment Plant ("Ozark") and the Jack H. Wilson Treatment Plant ("Wilson") to discontinue use of gaseous chlorine and support the increased capacity rating at Wilson; (ii) additional feed system improvements at both plants to replace older equipment, provide needed hydro fluorosilicic acid storage, and support increased Wilson capacity; (iii) new maintenance facility at Wilson to provide office/shop space and inventory management; (iv) two finished water tanks in West Little Rock addressing storage deficiencies in the Highland Ridge and West Markham Pressure Plains; and (v) the costs of related engineering and other services (collectively, 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 approximate aggregate principal amount of \$13,400,000; and (2) funds derived from the operating revenues of the Water System; and

WHEREAS, the Issuer previously issued \$13,400,000 of its Water Revenue Bond, Series 2009, dated October 8, 2009 (the "Series 2009 Bond"), pursuant to a Master Trust Indenture dated as of October 1, 2002 (the "Master Trust Indenture"), as

supplemented and amended by a Supplemental Trust Indenture dated as of October 8, 2009 (the "Series 2009 Supplemental Indenture"); and

WHEREAS, the Issuer desires to issue a new revenue bond in the principal amount of \$13,400,000 (the "Series 2010A 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; and

WHEREAS, the Series 2010A Bond will replace the Series 2009 Bond.

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 2010A (the "Series 2010A Bond") to the Purchaser is hereby in all respects approved, and the issuance of the Series 2010A Bond in the aggregate principal amount not to exceed \$13,400,000.00 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 2010A Bonds 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 October 15, 2032, shall be subject to mandatory sinking fund redemption on April 15, 2013 and on each October 15 and April 15 thereafter to and including October 15, 2032, the final maturity of the Series 2010A Bond, in the amounts, shall bear interest at the rate of 2.00% per annum, and shall be subject to optional redemption prior to maturity, all upon the terms and conditions set forth in the Bond Purchase Agreement, as amended, and the Series 2010A Trust Indenture, which are identified and authorized below. The Series 2010A 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 2010A Trust Indenture.

Section 2. The Bond shall be sold pursuant to the specific terms and conditions set forth in the Series 2009 Bond except as otherwise amended in the Amendment to 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 and of the Amendment to 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 Amendment to 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, as amended, 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 Bonds 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 Metropolitan National Bank, as Trustee, and to cause the Series 2010A Trust Indenture to be accepted, executed, and acknowledged by the Trustee. The Series 2010A Trust indenture shall reflect those modifications to the Series 2009 Supplemental Indenture necessary to conform the terms and conditions for the issuance of the Series 2010A Bond to the terms and conditions of the Amendment to Bond Purchase Agreement. The Chair is hereby authorized, upon the advice of bond counsel, to execute the Series 2010A 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 2010A Bonds, the Series 2010A Trust Indenture, and the Amendment to Bond Purchase Agreement; the execution and delivery of such other papers and documents necessary to effect the issuance of the Series 2010A Bonds; 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 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 2010A Bond and the operation and maintenance of the Water System as provided in the Series 2010A 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 2010A Bond is outstanding, that CAW shall not reduce such rates and charges except in accordance with the Series 2010A Trust Indenture. The Commission further covenants that it shall from time to time as necessary to provide for the payment of the Series 2010A 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 Metropolitan National Bank, Little Rock, Arkansas, 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 2010A Trust Indenture and the Bond Purchase Agreement, as amended.

Section 9. All actions heretofore taken by the Commission and officers of the Issuer in connection with the offering of the Series 2010A Bond, including the preparation of this Resolution, are hereby in all respects ratified and approved.

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ADOPTED: June 10, 2010

ATTEST:



Francille Turbyfill, Secretary



Jay Hartman, Chair

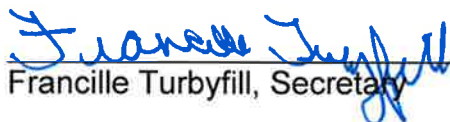
CERTIFICATE

STATE OF ARKANSAS)

COUNTY OF PULASKI)

I, Francille Turbyfill, Secretary of the Board of Commissioners of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution No. 2010-07 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A NEW REVENUE BOND WHICH AMENDS THE SECURITY FOR A PREVIOUSLY ISSUED REVENUE BOND ISSUED FOR THE PURPOSE OF FINANCING THE COSTS OF DESIGNING, CONSTRUCTING AND EQUIPPING CAPITAL IMPROVEMENTS TO THE WATER COLLECTION, TREATMENT AND DISTRIBUTION SYSTEM OF CENTRAL ARKANSAS WATER; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE AND A REVISED BOND PURCHASE AGREEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO** passed by the Commission on June 10, 2010, said Resolution now appearing of record in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office on this 10th day of June 2010.


Francille Turbyfill, Secretary

RESOLUTION NO. 2010-08

A RESOLUTION AUTHORIZING THE OFFERING OF UP TO \$9,500,000 CENTRAL ARKANSAS WATER REVENUE BONDS, SERIES 2010B (GENERAL IMPROVEMENTS PROJECT); 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 its Financial Advisor, Wright, Lindsey & Jennings LLP as its Bond Counsel, Kutak Rock LLP as its Disclosure Counsel, Metropolitan National Bank as Trustee, and JW&J Investments, LLC as its Structuring Consultant for the continued issuance of bonds to finance its capital improvement program; 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, 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 hereinafter.

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

Section 1. The bonds shall be designated Central Arkansas Water Revenue Bonds, Series 2010B (General Improvements Projects) (the "Series 2010B Bonds"). The Series 2010B Bonds shall be offered for sale in the aggregate principal amount of up to \$9,500,000 by written or electronic bids, at such time as may be approved by the Chief Financial Officer upon advice of the Financial Advisor, at such location as may be provided for in the Official Notice of Sale. At such time and place, the Chief Financial Officer shall meet with the Financial Advisor to receive the bids, and the Chief Financial Officer is hereby authorized to accept the bid providing the lowest "true interest" costs (as defined in the Official Notice of Sale) in the name of the Issuer if, upon advice of the Financial Advisor, he shall determine to do so in the best interest of the Issuer.

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

Section 3. The form of Preliminary Official Statement, substantially in the form exhibited to and before the Commission at the meeting at which this Resolution is adopted, is

hereby “deemed final” except for such terms and conditions as are determined by the sale and such other changes, omissions, insertions and revisions as for the Chief Financial Officer shall deem advisable and the Preliminary Official Statement is hereby approved for use in connection with the sale of the Series 2010B Bonds.

Section 4. The Chief Financial Officer shall cause to be published in newspapers in the Cities of New York, New York and Little Rock, Arkansas, within the time provided by law, the Notice of Sale of the Series 2010B Bonds, substantially in the form exhibited to the meeting at which this Resolution is adopted.

Section 5. The Chief Financial Officer, after consultation with the Financial Advisor and Bond Counsel is hereby authorized to distribute the Official Notice of Sale, Official Bid Form and Preliminary Official Statement to prospective bidders for the Series 2010B Bonds, in substantially the forms submitted to this meeting, with such changes and modifications as the Chief Financial Officer shall deem appropriate.

Section 6. The Chief Financial Officer is authorized to take such other actions, and to approve such other documents as are, in his judgment, necessary or appropriate in order to provide for the sale of the Series 2010B 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 June 10, 2010

ATTEST:



Francille Turbyfill, Secretary

APPROVED:



Jay Hartman, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Francille Turbyfill, Secretary of the Board of Commissioners of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2010-08 of the Resolutions of Central Arkansas Water entitled: A RESOLUTION AUTHORIZING THE OFFERING OF UP TO \$9,500,000 OF CENTRAL ARKANSAS WATER REVENUE BONDS, SERIES 2010B (GENERAL IMPROVEMENTS PROJECT); APPROVING THE FORM OF AN OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM AND PRELIMINARY OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE SALE OF THE BONDS, adopted by the Board of Commissioners of Central Arkansas Water on June 10, 2010, said Resolution now appearing of record in the office of Central Arkansas Water.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of June 2010.



Francille Turbyfill, Secretary

RESOLUTION NO. 2010-09

A RESOLUTION AUTHORIZING THE OFFERING OF UP TO \$9,200,000 CENTRAL ARKANSAS WATER REFUNDING REVENUE BONDS, SERIES 2010C (WATERSHED PROTECTION PROJECT); 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 its Financial Advisor, Wright, Lindsey & Jennings LLP as its Bond Counsel, Kutak Rock LLP as its Disclosure Counsel, Metropolitan National Bank as Trustee, and JW&J Investments, LLC as its Structuring Consultant for the proposed issuance of bonds to finance the acquisition of real property within the Lake Maumelle watershed from the Trust for Public Land; and

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

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

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

Section 1. The bonds shall be designated Central Arkansas Water Refunding Revenue Bonds, Series 2010C (Watershed Protection Project) (the “Series 2010C Bonds”). The Series 2010C Bonds shall be offered for sale in the aggregate principal amount of up to \$9,200,000 by written or electronic bids, at such time as may be approved by the Chief Financial Officer upon advice of the Financial Advisor, at such location as may be provided for in the Official Notice of Sale. At such time and place, the Chief Financial Officer shall meet with the Financial Advisor to receive the bids, and the Chief Financial Officer is hereby authorized to accept the bid providing the lowest “true interest” costs (as defined in the Official Notice of Sale) in the name of the Issuer if, upon advice of the Financial Advisor, he shall determine to do so in the best interest of the Issuer.

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

Section 3. The form of Preliminary Official Statement, substantially in the form exhibited to and before the Commission at the meeting at which this Resolution is adopted, is

hereby “deemed final” except for such terms and conditions as are determined by the sale and such other changes, omissions, insertions and revisions as for the Chief Financial Officer shall deem advisable and the Preliminary Official Statement is hereby approved for use in connection with the sale of the Series 2010C Bonds.

Section 4. The Chief Financial Officer shall cause to be published in newspapers in the Cities of New York, New York and Little Rock, Arkansas, within the time provided by law, the Notice of Sale of the Series 2010C Bonds, substantially in the form exhibited to the meeting at which this Resolution is adopted.

Section 5. The Chief Financial Officer, after consultation with the Financial Advisor and Bond Counsel is hereby authorized to distribute the Official Notice of Sale, Official Bid Form and Preliminary Official Statement to prospective bidders for the Series 2010C Bonds, in substantially the forms submitted to this meeting, with such changes and modifications as the Chief Financial Officer shall deem appropriate.

Section 6. The Chief Financial Officer is authorized to take such other actions, and to approve such other documents as are, in his judgment, necessary or appropriate in order to provide for the sale of the Series 2010C 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 June 10, 2010

ATTEST:


Francille Turbyfill, Secretary

APPROVED:



Jay Hartman, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Francille Turbyfill, Secretary of the Board of Commissioners of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2010-09 of the Resolutions of Central Arkansas Water entitled: A RESOLUTION AUTHORIZING THE OFFERING OF UP TO \$9,200,000 OF CENTRAL ARKANSAS WATER REFUNDING REVENUE BONDS, SERIES 2010C (WATERSHED PROTECTION PROJECT); APPROVING THE FORM OF AN OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM AND PRELIMINARY OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE SALE OF THE BONDS, adopted by the Board of Commissioners of Central Arkansas Water on June 10, 2010, said Resolution now appearing of record in the office of Central Arkansas Water.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of June 2010.



Francille Turbyfill, Secretary

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

July 8, 2010

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, July 8, 2010, 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
Ms. Adrienne Bradley, Vice Chair
Mr. Thomas W. Rimmer, Secretary/Treasurer
Mr. Jay Hartman, Commissioner
Mr. Eddie Powell, Commissioner
Dr. Roby Robertson, Commissioner
Ms. Francille Turbyfill, Commissioner

CAW staff in attendance:

Mr. Graham W. Rich, P.E., Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Gary Pittman, Chief Financial Officer
Mr. Darrell Boggs, Director of Distribution
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Gary Hum, Director of Source & Treatment
Mr. Martin Maner, Director of Watershed Management
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
Mr. Dennis Yarbrow, P.E., Supervisor of Water Sources
Ms. Stephanie Hymel, Stewardship Coordinator
Mr. Michael Mitchell, Ranger
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. Erin Brogdan, Attorney with Wright, Lindsey & Jennings
Mr. Barry Haas, Citizens Protecting Maumelle Watershed
Mr. S. Vincent Hotho, P.E., Project Manager, Garver Engineers
Mr. Lamar Williams, Staff Writer, Arkansas Democrat-Gazette
Ms. Bobbie Nichols, Senior Vice President, Public Finance Department, Stephens, Inc.
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Mr. Adam Warford, Summer Associate, Wright, Lindsey & Jennings

CALL MEETING TO ORDER

Mr. Anthony Kendall, Chair, called to order the July 8, 2010 Meeting of the Board of Commissioners.

INTRODUCTION OF GUESTS

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

RECOGNITION OF PAST CHAIR

Chair Kendall presented a plaque to Mr. Jay Hartman, Past Chair, with a plaque commending him for his service as Chair during the 2009-2010 term. Chair Kendall said that Mr. Hartman had provided outstanding leadership to CAW during his term as Chair.

APPROVAL OF BOARD MINUTES

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

OLD BUSINESS

RESOLUTIONS

Approval of Agreement with the Arkansas Game & Fish Commission

Mr. Martin Maner, P.E., Director of Watershed Management, said that the Board has been provided with a draft resolution for an agreement with the Arkansas Game & Fish Commission (AGFC). He said that the agreement is for AGFC to establish and operate the Maumelle River Wildlife Management Area in the Lake Maumelle Watershed.

After some discussion concerning minor changes to language in the agreement, a motion was made by Mr. Eddie Powell, Commissioner, and seconded by Mr. Thomas W. Rimmer, Commissioner, to approve the agreement, with the mentioned changes.

Revised Lake Maumelle Rules & Regulations

Mr. Maner said that the Board has been provided with a draft resolution to make technical corrections to the Lake Maumelle Rules & Regulations. He said that the changes are minor and are primarily to clarify language in the document, correct typographical errors, etc.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Rimmer, the changes were approved.

Approval of Issuance of Water Revenue Series 2010B Bonds

Mr. Gary Pittman, Chief Financial Officer, said that the Board was provided a draft resolution for the sale of Series B Bonds for general improvements. He said that the bonds, in the amount of \$9.23 million, came in at 3.5%, with a five-year call provision.

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

Approval of Issuance of Water Revenue Series 2010C Bonds

Mr. Pittman said that the Board was provided a draft resolution for the sale of Series C Bonds for the purchase of the Winrock Grass Farm. He said that the bonds, in the amount of \$8.83

million, came in at 3.57%, with a 30-day call provision.

Upon a motion duly made by Commissioner Powell, and seconded by Ms. Adrienne Bradley, Commissioner, the motion was approved.

NEW BUSINESS

RESOLUTIONS

Approval of Issuance of Water Revenue Series 2010D Bonds

Mr. Thad Luther, Chief Operating Officer, said that the Board was provided a draft resolution for sale of Series 2010D Bonds to reimburse CAW for the expenditure of funds to install a waterline that will allow the Wye Mountain Water System to connect to CAW's distribution system. He said that the reimbursement is for an amount not to exceed \$4 million.

Mr. Luther said that this resolution is a requirement of the Arkansas Natural Resources Commission, who is funding the Wye Mountain system improvements.

Mr. Luther said that once the improvements have been made, CAW will be the official provider of water to the Wye Mountain area. He added that this is an important project as connection to the Wye Mountain Water System will make CAW the water supplier of record for all land located around Lake Maumelle.

Mr. Jim Ferguson, Director of Engineering, noted that Wye Mountain will be a retail customer rather than a wholesale customer. Mr. Luther said that this would give authority to CAW to enforce the policies of CAW in this service area.

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

Designation of Lake Wardens

Mr. Luther said that a draft resolution was provided to designate Mr. Michael Mitchell, Ranger, as Lake Warden to allow him to enforce the Rules and Regulations of Lakes Maumelle and Winona.

Mr. Luther also said that the resolution removes Mr. Billy Zulpo, who has retired, as Lake Warden.

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

CONTRACTS/PURCHASES

Upon a motion duly made and seconded, the following contracts/purchases were approved:

- The purchase and installation of an Application Program Interface (API) from System & Software in the amount of \$40,000 and a contract with First Data for \$25,575 to re-engineer the Interactive Voice Response System.
- A contract with James A. Rogers Excavating, Inc., in the amount of \$338,248.56, for

repairs to the Lake Maumelle Dam.

- A contract with J. R. Fox Company in the amount of \$496,370, for the installation of approximately 8,200 linear feet of 3-inch diameter PVC pipe in University Avenue and the Stonewall area of Little Rock. (This project will abandon the 2- and 3-inch asbestos cement pipe located in an easement behind the homes in this area.)
- A Letter of Contract with Garver, L.L.C., in the amount of \$63,000, for the purpose of staking the centerline easement for surveying requirements for the Northbelt F-2 project from MacArthur Drive to Batesville Pike.

DEPARTMENT UPDATES

Watershed

Mr. Martin Maner, P.E., Director of Watershed Management, provided an update on watershed issues.

Finance

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

EXECUTIVE SESSION

The Board met in Executive Session to review résumés for a vacant Board position.

Upon reconvening, Chair Kendall said that the Board would meet on Wednesday, July 21, to interview the following people to fill the vacant Board position: Ms. Carol Langston; Mr. Sylvester Smith, III; and Ms. Carmen Sanders Simpson.

The Board met in another Executive Session to discuss a personnel issue.

Upon reconvening, Chair Kendall said no action would be taken at this time.

ADJOURNMENT

With there being no further business, Chair Kendall adjourned the meeting.


Adrienne Bradley, Vice Chair

RESOLUTION 2010-10

A RESOLUTION APPROVING TECHNICAL CORRECTIONS TO THE REGULATIONS FOR LAKE MAUMELLE AREA, AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO IMPLEMENT THOSE CORRECTED REGULATIONS IMMEDIATELY.

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

WHEREAS, the Board of Commissioners, Central Arkansas Water (the “Board”) approved CAW’s Regulations for Public Use of Lake Maumelle and Surrounding Property (the “Lake Maumelle Regulations”) in Resolution 2009-08 on December 10, 2009; and

WHEREAS, the CAW staff presents and request the Board’s approval of an amendment to the current Lake Maumelle Rules making technical corrections; and

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

1. The amended *Regulations for Public Use of Lake Maumelle and Surrounding Property* (the “Amended Lake Maumelle Regulations”), in the form presented at the meeting at which this Resolution is addressed, are hereby approved.

2. The Chief Executive Officer (the “CEO”) is authorized to implement the Amended Regulations and cause them to become effective immediately for the effective management of CAW’s property in and around Lake Maumelle.

ADOPTED this 8th day of July, 2010.



Anthony Kendall, Chair

CERTIFICATE

I, Thomas Rimmer, Secretary of the Board of Commissioners, Central Arkansas Water, certify that the foregoing pages is a correct copy of Resolution 2010-10 adopted by said Board of Commissioners at a meeting held on the 8th day of July 2010.

GIVEN under my hand and seal on this 8th day of July 2010.



Thomas Rimmer, Secretary

RESOLUTION 2010-11

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

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

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

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER that Michael Mitchell, Lake Ranger; is designated as “warden” for Lake Maumelle and Lake Winona and has the authority to enforce the Rules and Regulations.

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

CERTIFICATE


I, Thomas Rimmer, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners as its regular meeting held July 8, 2001.

Attest:

APPROVED:



Thomas Rimmer, Secretary



Anthony Kendall, Chair

RESOLUTION NO. 2010-12

A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF SERIES 2010B REVENUE BONDS FOR THE PURPOSE OF FINANCING THE COSTS OF DESIGNING, CONSTRUCTING AND EQUIPPING CAPITAL IMPROVEMENTS TO THE WATER COLLECTION, TREATMENT AND DISTRIBUTION SYSTEM OF CENTRAL ARKANSAS WATER; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE; APPROVING THE OFFICIAL STATEMENT; 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 Board of Commissioners of the Issuer (the "Commission"); and

WHEREAS, the Commission has determined 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 including (i) the acquisition, construction and/or installation of additional water distribution and transmission mains, and water storage facilities; (ii) facilities updates; (iii) a preliminary study to maximize the efficiency of the Issuer's water treatment and distribution system as may be approved by the Commission; (iv) the costs of related engineering and other services (collectively, the "Improvements") and (iv) creation and funding of a debt service reserve having a total approximate cost of \$9,230,000; and

WHEREAS, the Commission has further determined that the cost of accomplishing the Improvements shall be paid from a combination of the following sources: (1) the proceeds of water revenue bonds issued pursuant to the Act and (2) funds derived from the operating revenues of the Water System; and

WHEREAS, the Issuer previously issued \$13,400,000 of its Refunding Water Revenue Bonds, Series 2010A, dated July 1, 2010 (the "Series 2010A Bonds"), pursuant to the Series 2010A Trust Indenture, dated as of July 1, 2010 (the "Series 2010A Indenture"); and

WHEREAS, pursuant to the Agreement, the Issuer, by letter of its Chief Operating Officer dated January 18, 2010, notified the cities of Little Rock and North Little Rock of its intention to issue the Series 2010B Bonds (identified hereinafter) and neither City as of the date of this resolution has voted its disapproval of the Series 2010B Bonds; and

WHEREAS, pursuant to the Agreement and the Revenue Bond Act of 1987 (Act 852), the Issuer caused to be published on May 15, 2010, a notice of public hearing on the question of issuing the Series 2010B Bonds and thereafter, on June 10, 2010, held a public hearing, as advertised; and

WHEREAS, pursuant to Resolution No. 2010-08 of the Commission dated June 10, 2010, the Chief Financial Officer was authorized to accept the bid resulting in the lowest true interest cost to the Issuer and accordingly the Chief Financial Officer approved the sale of the Series 2010B Bonds in the principal amount of \$9,230,000.00 to Morgan Keegan (the "Purchaser") for a sale price of Ninety-Eight Point Eight Four Five percent (98.845%) of par, being the aggregate sum of \$9,123,431.10 plus accrued interest in the amount of \$4,705.73, resulting in a true interest cost of 3.5042594%; and

WHEREAS, the Series 2010B Bonds will be issued in the aggregate principal amount of \$9,230,000.00; and

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 Series 2010B Bonds to the Purchaser for a price of Ninety-Eight Point Eight Four Five percent (98.845%) of par, being the aggregate sum of \$9,123,431.10, plus accrued interest in the amount of \$4,705.73, is hereby in all respects ratified and approved following the public hearing conducted in accordance with the Agreement and Act 852, and accordingly the Series 2010B Bonds are hereby authorized and ordered to be sold and issued in the total principal amount of \$9,230,000.00. The Series 2010B Bonds shall not be general obligations of the Issuer but shall be special obligations payable solely from revenues of the water system and certain other funds more specifically identified in the Series 2010B Indenture (as hereinafter defined).

Section 2. To prescribe the terms and conditions upon which the Series 2010B Bonds are to be executed, issued, accepted, held and secured, the Chair of the Commission is hereby authorized and directed to execute and acknowledge a Series 2010B Trust Indenture (the "Series 2010B Indenture") by and between the Issuer and the Trustee (as hereinafter defined), and the Secretary of the Commission is hereby authorized and directed to execute and acknowledge the Series 2010B Indenture and the Chair and the Secretary of the Commission are hereby authorized and directed to cause the Series 2010B Indenture to be accepted, executed and acknowledged by the Trustee. The Series 2010B 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. The issuance of the Series 2010B Bonds is hereby authorized for the purposes of (i) providing funds to finance a portion of the costs of the Improvements (ii) to

fund the Series 2010B Debt Service Reserve Fund as provided in the Series 2010B Indenture, and (iii) to pay the costs of issuance of the Series 2010B Bonds. The Series 2010B Bonds will mature, bear interest and be subject to redemption in accordance with the provisions of the Series 2010B Indenture. The Series 2010B Bonds will be issued on a parity of security with the Series 2010A Bonds, the Issuer's \$8,875,000 Refunding Revenue Bonds, Series 2010C, dated July 21, 2010 (the "Series 2010C Bonds"), and all other bonds, if any, to be issued hereafter by the Issuer in accordance with the terms of the Series 2010B Indenture.

Section 4. All actions heretofore taken by the Commission and officers of the Issuer in connection with the offering of the Series 2010B Bonds, including the preparation and distribution of the Official Notice of Sale and the Preliminary Official Statement, preparation of the Official Statement, holding of the public hearing on June 10, 2010, acceptance of the bid received from the Purchaser, and preparation of this Resolution (the "Authorizing Resolution") are hereby in all respects ratified and approved. The Official Statement is deemed a final Official Statement for purposes of the Securities and Exchange Commission Rule 15c2-12. 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 and Chief Executive Officer shall sign and deliver such final Official Statement to the Purchasers for distribution to the owners of the Series 2010B Bonds and other interested persons.

Section 5. The Series 2010B Bonds are hereby designated a "qualified tax-exempt obligations" for purposes of paragraph (3) of Section 265(b) of the Code and the Issuer covenants that the Series 2010B Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$30,000,000 aggregate principal amount of obligations the interest on which is excludable, under Section 103(a) of the Code, from gross income for federal income taxes (excluding, however, private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds, as defined in Section 145 of the Code), including the Series 2010B Bonds, have been, or are reasonably anticipated to be, issued by the Issuer during the calendar year 2010.

Section 6. The appointment of Metropolitan National Bank, Little Rock, Arkansas, to serve as trustee for the Bonds is hereby approved and ratified (the "Trustee").

Section 7. The Chair of the Commission and the Chief Executive Officer are hereby authorized and directed to execute the Series 2010B Bonds on behalf of the Issuer.

Section 8. The Chair, the Secretary, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Commission, 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 performance of all obligations of the Issuer under the Series 2010B Indenture, the issuance, execution, sale and delivery of the Series 2010B Bonds, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Authorizing Resolution. The Chair, the Secretary, Chief Executive Officer,

the Chief Operating Officer, the Chief Financial Officer and the Commission are 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 9. The appointments of Stephens Inc., as Financial Advisor, Wright, Lindsey & Jennings LLP, as Bond Counsel, and Kutak Rock LLP, as Disclosure Counsel, and JW&J Investments, LLC as Structuring Consultant, are hereby approved and ratified.

Section 10. This Authorizing Resolution shall be in effect from and after the date hereof.

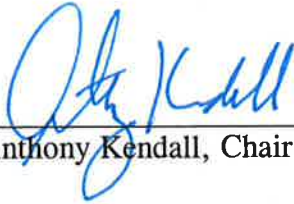
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ADOPTED: July 8, 2010

ATTEST:



Thomas W. Rimmer, Secretary



Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS)

COUNTY OF PULASKI)

CITY OF LITTLE ROCK)

I, Thomas W. Rimmer, 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. 2010-12 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF REVENUE BONDS FOR THE PURPOSE OF FINANCING THE COSTS OF DESIGNING, CONSTRUCTING AND EQUIPPING CAPITAL IMPROVEMENTS TO THE WATER COLLECTION, TREATMENT AND DISTRIBUTION SYSTEMS OF CENTRAL ARKANSAS WATER; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE; APPROVING THE OFFICIAL STATEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO;** passed by the Commission on July 8, 2010, said Resolution now appearing of record in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office on this 8th day of July 2010.



Thomas W. Rimmer, Secretary

RESOLUTION NO. 2010-13

A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF SERIES 2010C REFUNDING REVENUE BONDS FOR THE PURPOSE OF FINANCING THE ACQUISITION OF PROPERTY IN THE LAKE MAUMELLE WATERSHED; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE; APPROVING THE OFFICIAL STATEMENT; 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 Board of Commissioners of the Issuer(the "Commission"); and

WHEREAS, the Commission has determined that in order for it to continue to provide quality water service to the Issuer's customers, that it is necessary to (i) finance to the purchase of approximately Nine Hundred Fifteen (915) acres of real property within the Lake Maumelle watershed (the "Project"); and (ii) create and fund a debt service reserve, having a total approximate cost of \$8,830,000; and

WHEREAS, the Commission has further determined that the cost of accomplishing the Project shall be paid from a combination of the following sources: (1) the proceeds of water revenue bonds issued pursuant to the Act and (2) funds derived from the operating revenues of the water system; and

WHEREAS, the Issuer previously issued \$13,400,000 of its Refunding Water Revenue Bonds, Series 2010A, dated July 1, 2010 (the "Series 2010A Bonds"), pursuant to the Series 2010A Trust Indenture, dated as of July 1, 2010 (the "Series 2010A Indenture"); and

WHEREAS, pursuant to the Agreement, the Issuer, by letter of its Chief Operating Officer dated January 18, 2010, notified the cities of Little Rock and North Little Rock of its intention to issue the Series 2010C Bonds (identified hereinafter) and neither City as of the date of this resolution has voted its disapproval of the Series 2010C Bonds; and

WHEREAS, pursuant to the Agreement and the Revenue Bond Act of 1987 (Act 852), the Issuer caused to be published on May 15, 2010, a notice of public hearing on the question of issuing the Series 2010C Bonds and thereafter, on June 10, 2010, held a public hearing, as advertised; and

WHEREAS, pursuant to Resolution No. 2010-09 of the Commission dated June 10, 2010, the Chief Financial Officer was authorized to accept the bid resulting in the lowest true interest cost to the Issuer and accordingly the Chief Financial Officer approved the sale of the Series 2010C Bonds in the principal amount of \$8,830,000.00 to Crews & Associates, Inc. (the "Purchaser") for a sale price of Ninety-Eight Point Four Six Eight percent (98.468%) of par, being the aggregate sum of \$8,694,680.40 plus accrued interest in the amount of \$4,540.94, resulting in a true interest cost of 3.5728635%; and

WHEREAS, the Series 2010C Bonds will be issued in the aggregate principal amount of \$8,830,000.00; and

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 Series 2010C Bonds to the Purchaser for a price of Ninety-Eight Point Four Six Eight percent (98.468%) of par, being the aggregate sum of \$8,694,680.40, plus accrued interest in the amount of \$4,540.94, is hereby in all respects ratified and approved following the public hearing conducted in accordance with the Agreement and Act 852, and accordingly the Series 2010C Bonds are hereby authorized and ordered to be sold and issued in the total principal amount of \$8,830,000. The Series 2010C Bonds shall not be general obligations of the Issuer but shall be special obligations payable solely from revenues of the water system and certain other funds more specifically identified in the Series 2010C Indenture (as hereinafter defined).

Section 2. To prescribe the terms and conditions upon which the Series 2010C Bonds are to be executed, issued, accepted, held and secured, the Chair of the Commission is hereby authorized and directed to execute and acknowledge a Series 2010C Trust Indenture (the "Series 2010C Indenture") by and between the Issuer and the Trustee (as hereinafter defined), and the Secretary of the Commission is hereby authorized and directed to execute and acknowledge the Series 2010C Indenture and the Chair and the Secretary of the Commission are hereby authorized and directed to cause the Series 2010C Indenture to be accepted, executed and acknowledged by the Trustee. The Series 2010C 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. The issuance of the Series 2010C Bonds is hereby authorized for the purposes of (i) providing funds to finance a portion of the costs of the Project (ii) to fund the Series 2010C Debt Service Reserve Fund as provided in the Series 2010B Indenture, and (iii) to pay the costs of issuance of the Series 2010C Bonds. The Series 2010C Bonds will mature, bear interest and be subject to redemption in accordance with the provisions of the Series 2010C Indenture. The Series 2010C Bonds will be issued on a parity of security with the Series 2010A Bonds, the Issuer's \$9,230,000 Revenue Bonds, Series 2010B, dated July 21,

2010 (the “Series 2010B Bonds”), and all other bonds, if any, to be issued hereafter by the Issuer in accordance with the terms of the Series 2010C Indenture.

Section 4. All actions heretofore taken by the Commission and officers of the Issuer in connection with the offering of the Series 2010C Bonds, including the preparation and distribution of the Official Notice of Sale and the Preliminary Official Statement, preparation of the Official Statement, holding of the public hearing on June 10, 2010, acceptance of the bid received from the Purchaser, and preparation of this Resolution (the “Authorizing Resolution”) are hereby in all respects ratified and approved. The Official Statement is deemed a final Official Statement for purposes of the Securities and Exchange Commission Rule 15c2-12. 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 and Chief Executive Officer shall sign and deliver such final Official Statement to the Purchasers for distribution to the owners of the Series 2010A Bonds and other interested persons.

Section 5. The Series 2010C Bonds are hereby designated a “qualified tax-exempt obligations” for purposes of paragraph (3) of Section 265(b) of the Code and the Issuer covenants that the Series 2010C Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$30,000,000 aggregate principal amount of obligations the interest on which is excludable, under Section 103(a) of the Code, from gross income for federal income taxes (excluding, however, private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds, as defined in Section 145 of the Code), including the Series 2010C Bonds, have been, or are reasonably anticipated to be, issued by the Issuer during the calendar year 2010.

Section 6. The appointment of Metropolitan National Bank, Little Rock, Arkansas, to serve as trustee for the Bonds is hereby approved and ratified (the “Trustee”).

Section 7. The Chair of the Commission and the Chief Executive Officer are hereby authorized and directed to execute the Series 2010C Bonds on behalf of the Issuer.

Section 8. The Chair, the Secretary, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Commission, 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 performance of all obligations of the Issuer under the Series 2010C Indenture, the issuance, execution, sale and delivery of the Series 2010C Bonds, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Authorizing Resolution. The Chair, the Secretary, Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Commission are 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 9. The appointments of Stephens Inc., as Financial Advisor, Wright, Lindsey & Jennings LLP, as Bond Counsel, and Kutak Rock LLP, as Disclosure Counsel, and JW&J Investments, LLC as Structuring Consultant, are hereby approved and ratified.

Section 10. This Authorizing Resolution shall be in effect from and after the date hereof.

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ADOPTED: July 8, 2010

ATTEST:



Thomas W. Rimmer, Secretary



Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS)

COUNTY OF PULASKI)

CITY OF LITTLE ROCK)

I, Thomas W. Rimmer, 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. 2010-13 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF SERIES 2010C REFUNDING REVENUE BONDS FOR THE PURPOSE OF FINANCING THE ACQUISITION OF PROPERTY IN THE LAKE MAUMELLE WATERSHED; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE; APPROVING THE OFFICIAL STATEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO;** passed by the Commission on July 8, 2010, said Resolution now appearing of record in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office on this 8th day of July 2010.



Thomas W. Rimmer, Secretary

RESOLUTION NO. 2010-14

A RESOLUTION APPROVING THE FACILITY PLAN FOR IMPROVEMENTS NECESSARY FOR CENTRAL ARKANSAS WATER TO CONNECT TO THE WYE MOUNTAIN WATER SYSTEM; AMENDING THE DECLARATION OF INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN CAPITAL IMPROVEMENTS AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the Wye Mountain Water Facilities Board of Perry County, Arkansas owns and operates the Wye Mountain Water System, a rural water system whose purpose is to provide safe dependable and affordable potable water to customers located within the water system's service area ("Wye Mountain"); and

WHEREAS, Wye Mountain serves customers in northwestern Pulaski and eastern Perry Counties and currently receives its water supply from the City of Perryville; and

WHEREAS, Central Arkansas Water ("CAW") owns and operates the water system providing water to the central Arkansas cities of Little Rock, North Little Rock, and other cities and unincorporated areas of Pulaski County, as well as supplying water on a wholesale basis to other neighboring central Arkansas cities and communities; and

WHEREAS, Wye Mountain has determined that it needs to obtain a new, safe, and more dependable water supply for its customers to meet the future growth anticipated in its service area and has determined that it is in the best interest of its customers to obtain such from CAW; and

WHEREAS, CAW has previously indicated its desire to provide water to Wye Mountain; and

WHEREAS, both CAW and Wye Mountain acknowledge that improvements will need to be made to both CAW's water distribution system and Wye Mountain's water distribution system; and

WHEREAS, connection of the CAW's water system to Wye Mountain's water system will require the improvements to the CAW Water System specifically set forth in the "facility plan" presented to the Board of Commissioners at this meeting (the "Facility Plan"); and

WHEREAS, CAW has determined that it is in the best interest of CAW and the public to acquire, design, construct and equip a portion of the improvements set forth in the Facility Plan, more particularly described as a water transmission main adjacent to Arkansas State Highway 10 running West from CAW'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 (the "Improvements"); and

WHEREAS, CAW does not have funds on hand to pay the costs of the Improvements and the expenses related thereto; and

WHEREAS, CAW proposed to obtain funds to accomplish the Improvements and to pay expenses from issuing tax-exempt bonds; and

WHEREAS, in September 2008 CAW previously declared its “official intent,” within the meaning of United States Treasury Regulation §1.150-2, to issue tax-exempt bonds to pay for the Improvements; and

WHEREAS, CAW desires to amend its declaration of “official intent” to issue tax-exempt bonds and to reimburse itself for expenses from the proceeds of such bonds.

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

Section 1. CAW hereby adopts the Facility Plan and directs the staff to make the necessary Improvements to CAW’s water distribution system to assure that the Improvements are built and operated in conformance with the Facility Plan.

Section 2. CAW hereby amends and re-declares its official intent and reasonable expectation to reimburse itself for original expenditures paid from its general or operating funds that are used in acquiring, designing, constructing and equipping the Improvements between the date that is sixty (60) days prior to the date of Resolution 2008-09 dated September 11, 2008, the date the Series 2010D Bonds (as hereinafter defined) are issued, plus a de minimis amount and preliminary expenditures, with the proceeds of tax-exempt bonds in the principal amount of not to exceed Four Million Dollars (\$4,000,000) (the “Series 2010D Bonds”).

Section 3. CAW shall reimburse itself for the original expenditures from proceeds of the Series 2010D Bonds within eighteen (18) months after the later of:

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

Section 4. The appointment of Wright, Lindsey & Jennings LLP, as Bond Counsel, is hereby approved and ratified.

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

Section 6. A copy of this Resolution shall be filed with Secretary of CAW where it will be available for public inspection.

Section 7. A copy of this Resolution with original signatures shall be furnished by the Chief Financial Officer of CAW to the Executive Director of the Arkansas Natural Resources Commission.

ADOPTED: July 8, 2010

ATTEST:



Thomas Rimmer, Secretary

APPROVED:



Anthony Kendall, Chair

APPROVED AS TO FORM:




C. Tad Bohannon,
Counsel for Central Arkansas Water

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Thomas Rimmer, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2010-14 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION APPROVING THE FACILITY PLAN FOR IMPROVEMENTS NECESSARY FOR CENTRAL ARKANSAS WATER TO CONNECT TO THE WYE MOUNTAIN WATER SYSTEM; AMENDING THE DECLARATION OF INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN CAPITAL IMPROVEMENTS AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted July 8, 2010.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of July 2010.



Thomas Rimmer, Secretary
Board of Commissioners
Central Arkansas Water

RESOLUTION NO. 2010-15

**RESOLUTION APPROVING AGREEMENT FOR ESTABLISHMENT AND
OPERATION OF MAUMELLE RIVER WILDLIFE MANAGEMENT AREA
BETWEEN CENTRAL ARKANSAS WATER AND THE ARKANSAS STATE
GAME AND FISH COMMISSION; AUTHORIZING THE CHIEF EXECUTIVE
OFFICER TO EXECUTE SUCH AGREEMENT; AND PRESCRIBING OTHER
MATTERS RELATING THERETO**

WHEREAS, the Arkansas Game and Fish Commission ("AGFC") and Central Arkansas Water ("CAW") previously entered into a Memorandum of Agreement in June 2008, whereby the parties agreed, among other things, to develop a program for the management of fish and wildlife and their habitats within Lake Maumelle and certain property surrounding Lake Maumelle (the "Wildlife Management Area"); and

WHEREAS, CAW desires to grant a license for the control, management, restoration, conservation and regulation of birds, fish, game, and wildlife resources within the Wildlife Management Area; and

WHEREAS, AGFC desires to accept the license granted by CAW.

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

Section 1. The Agreement for Establishment and Operation of Maumelle River Wildlife Management Area (the "Agreement") presented to the Board of Commissioners, Central Arkansas Water, at this meeting is hereby approved and Graham Rich, as Chief Executive Officer of CAW, is authorized to execute such Agreement on behalf of CAW.

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 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: July 8, 2010

ATTEST:



Thomas Rimmer, Secretary

APPROVED:



Anthony Kendall, Chair

RESOLUTION 2010-16

VOID

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

July 21, 2010

The Board of Commissioners, Central Arkansas Water (CAW), convened in a Special Called meeting at 2 p.m. Wednesday, July 21, 2010, in the third floor 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
Ms. Adrienne Bradley, Vice Chair
Mr. Thomas W. Rimmer, Secretary/Treasurer
Mr. Jay Hartman, Commissioner
Mr. Eddie Powell, Commissioner
Dr. Roby Robertson, Commissioner
Ms. Francille Turbyfill, Commissioner

CAW staff in attendance:

Mr. Graham W. Rich, Chief Executive Officer
Ms. Becky Wahlgreen, Director of Human Resources
Ms. Connie Horn, Management Secretary
Ms. Samantha Williams, Communications Assistant

Also in attendance:

Ms. Ruth Bell, League of Women Voters of Pulaski County
Ms. Carol Langston, Candidate for Board Vacancy
Mr. Barry Haas, Representative of Citizens Protecting Maumelle Watershed
Ms. Carmen Sanders Simpson, Candidate for Board Vacancy
Mr. Sylvester L. Smith, III, Candidate for Board Vacancy
Ms. Kathy Wells, President of the Coalition of Little Rock Neighborhoods

CALL MEETING TO ORDER

Mr. Anthony Kendall, Chair, called to order the July 21, 2010 meeting of the Board of Commissioners.

Chair Kendall said the purpose of the meeting is to interview the three finalist candidates to fill the Board vacancy created by the retirement of Ms. Francille Turbyfill, Commissioner.

Chair Kendall informed each candidate that they would each receive identical questions from the Board. Chair Kendall noted that there might also be follow-up questions a Commissioner might have in response to the candidates' comments. The Board interviewed each candidate individually.

The candidates were interviewed in the following order:

Ms. Carol Langston
Ms. Carmen Sanders Simpson
Mr. Sylvester L. Smith, III

EXECUTIVE SESSION

Following the interviews, Chair Kendall said that the Board would meet in Executive Session to make a decision on the Board vacancy.

OPEN SESSION

Upon reconvening, Chair Kendall said that the 10 résumés received showed varied backgrounds and remarkable talents and commitment on the part of the applicants to their community. He further stated that the Board had narrowed down the 10 applicants to three excellent choices for interviews. He added that all three of the finalists had excellent qualifications and would be a great benefit to the CAW Board.

Upon a motion duly made by Commissioner Turbyfill and seconded by Mr. Eddie Powell, Commissioner, the Board unanimously adopted a resolution for Ms. Carmen Sanders Simpson to fill the vacant position on the Board of Commissioners.

Chair Kendall noted that Ms. Simpson's position as Commissioner is subject to confirmation by the governing bodies of the cities of North Little Rock and Little Rock.

ADJOURNMENT

With there being no further business, Chair Kendall adjourned the meeting.



Adrienne Bradley, Vice Chair

RESOLUTION 2010-17

A RESOLUTION APPOINTING CARMEN SANDERS SIMPSON TO THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, AND FOR OTHER PURPOSES

WHEREAS, the term of Ms. Francille Turbyfill, a member of the Board of Commissioners, Central Arkansas Water ("CAW Board"), expired on June 30, 2010; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, THAT the remaining commissioners do hereby appoint Ms. Simpson to a seven-year term, subject to confirmation by the duly elected and qualified members of the City Council of the City of North Little Rock, Arkansas and the Board of Directors of the City of Little Rock, Arkansas, and that her term of office shall be through June 30, 2017.

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

CERTIFICATE

I, Thomas W. Rimmer, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners at a meeting held July 21, 2010.


Thomas W. Rimmer, Secretary

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

August 12, 2010

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, August 12, 2010, 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
Ms. Adrienne Bradley, Vice Chair
Mr. Jay Hartman, Commissioner
Mr. Eddie Powell, Commissioner
Ms. Carmen Sanders Simpson, Commissioner

Absent:

Mr. Thomas W. Rimmer, Secretary/Treasurer
Dr. Roby Robertson, Commissioner

CAW staff in attendance:

Mr. Graham W. Rich, P.E., Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Gary Pittman, Chief Financial Officer
Mr. Darrell Boggs, Director of Distribution
Ms. Marie Crawford, Director of Communications
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Gary Hum, Director of Source & Treatment
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. Stephanie Hymel, Stewardship Coordinator
Mr. Thomas Wray, P.E., Engineer
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
Mr. Barry Haas, Citizens Protecting Maumelle Watershed
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Ms. Marita Steele, Account Executive, Advantage Communications, Inc.
Mr. Paul Strickland, P.E., Project Manager, Garver Engineers

CALL MEETING TO ORDER

Mr. Anthony Kendall, Chair, called to order the August 12, 2010 Meeting of the Board of Commissioners.

INTRODUCTION OF GUESTS

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made and seconded, the minutes of the July 8, 2010, Regular Meeting and the July 21, 2010 Special Called Meeting were approved.

NEW BUSINESS

Resolution of Commendation for former Commissioner Francille Turbyfill

Chair Kendall said that Ms. Francille Turbyfill, former Commissioner, has retired after over 14 years of service to the utility. He commended Ms. Turbyfill for her commitment to protecting the water quality of CAW and the Central Arkansas community.

Upon a motion made by Mr. Eddie Powell, Commissioner, and seconded by Mr. Jay Hartman, Commissioner, a resolution was approved commending Ms. Turbyfill for her years of service.

Chair Kendall noted that the resolution would be presented to Ms. Turbyfill at a reception to be held immediately prior to the September Board Meeting.

Informational Presentation of Watershed Forest Management Plan

Ms. Stephanie Hymel reviewed the history of the plans for management of the forest lands located in the Lake Maumelle Watershed. Ms. Hymel discussed current conditions of the watershed and the desired future plans for forest management. She added that these plans will aid in improvement of overall forest health, wildlife habitat and, ultimately, water quality.

Contracts/Purchases

Upon a motion duly made and seconded, the following contracts/purchases were approved:

- An engineering contract with the professional association of Jacobs/Jordan, Jones and Goulding/Carollo/Crist Engineers for \$706,795 to perform a Treatability Study to determine specific treatment improvements needed for compliance with EPA’s Stage II Disinfectant/Disinfectant By-product Regulations.
- Contracts totaling \$150,531.50 with the following vendors for the purchase of various size and type of meter fittings:

Arkansas Water	\$43,057.50
Ferguson Waterworks	\$6,364.00
L.R Winwater	\$101,110.00
- A contract with Building & Utility, Inc. for \$126,255.00 for the installation of approximately 300 linear feet of 12-inch diameter water line on West Pershing Blvd. near Scenic Drive in North Little Rock.

DEPARTMENT UPDATES

Watershed

Mr. Martin Maner, P.E., Director of Watershed Management, provided an update on watershed issues.

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

- CAW, along with Carollo Engineers, will host a workshop on September 15 titled "Managing Drinking Water Resources for a Sustainable Future".

EXECUTIVE SESSION

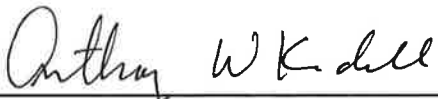
The Board met in Executive Session to discuss a personnel issue.

Upon reconvening, Chair Kendall asked for a motion.

Upon a motion made by Commissioner Hartman, and seconded by Ms. Adrienne Bradley, Commissioner, the Board approved a two percent increase to the base pay for Mr. Rich.

ADJOURNMENT

With there being no further business, Chair Kendall adjourned the meeting.



Anthony W. Kendall, Chair

In Honor and Appreciation

Commissioner Francille Turbyfill

Resolution 2010-18

WHEREAS, Ms. Francille Turbyfill served on the Central Arkansas Water Board of Commissioners since the Board's formation in 2001 and prior to that time served with the Board of Commissioners for the North Little Rock Water Department, from 1996-2001; and

WHEREAS, during her tenure she provided exemplary vision and leadership for the Board and Central Arkansas Water; and

WHEREAS, Ms. Turbyfill was instrumental in the historic consolidation of the Little Rock and the North Little Rock water systems, taking a leadership role in executing the merger and fostering unprecedented support from elected officials and rate payers; and

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

WHEREAS, she also committed more than a decade to 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; and

WHEREAS, the utility's world-class standing in water quality, affordability, service, and system integrity is directly attributable to her commitment to excellence; and

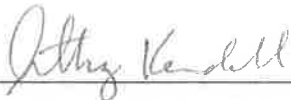
WHEREAS, Ms. Turbyfill has served for fourteen years, nine years on the Central Arkansas Water Board of Commissioners and five years on the North Little Rock Water Department Board of Commissioners, and retires with a legacy of distinction and accomplished leadership.

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

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

* * * * *

We, Adrienne Bradley, Jay Hartman, Anthony Kendall, Eddie Powell, Thomas W. Rimmer, Carmen Sanders Simpson, and Dr. Roby Robertson, 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 12th day of August 2010.



Anthony Kendall, Chair



Adrienne Bradley, Vice Chair



Thomas W. Rimmer, Secretary



Jay Hartman, Commissioner



Eddie Powell, Commissioner



Dr. Roby Robertson, Commissioner



Carmen Sanders Simpson, Commissioner

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

September 9, 2010

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, September 9, 2010, 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

Absent:

Ms. Adrienne Bradley, Vice Chair

CAW staff in attendance:

Mr. Graham W. Rich, P.E., Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Gary Pittman, Chief Financial Officer
Mr. Darrell Boggs, Director of Distribution
Ms. Marie Crawford, Director of Communications
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Gary Hum, Director of Source & Treatment
Mr. Martin Maner, Director of Watershed Management
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. Jonathon Long, P.E., 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. Ruth Bell, League of Women Voters of Pulaski County
Ms. Erin Brogdan, Attorney with Wright, Lindsey & Jennings, L.L.P.
Ms. Olivia Dedner, Vice President of Advantage Communications, Inc.
Mr. Barry Haas, Citizens Protecting Maumelle Watershed
Ms. Kristin Netterstrom, Reporter with the *Arkansas Democrat-Gazette*

Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Mr. Charlie Ross, Photographer
The Honorable Mark Stodola, Mayor, City of Little Rock
Mr. Paul Strickland, P.E., Project Manager, Garver Engineers

CALL MEETING TO ORDER

Mr. Anthony Kendall, Chair, called to order the September 9, 2010 Meeting of the Board of Commissioners.

INTRODUCTION OF GUESTS

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made and seconded, the minutes of the August 12, 2010 regular meeting were approved.

NEW BUSINESS

Resolution to Terminate Option to Purchase Property

- a. Mr. Rich addressed the Board on the proposed termination of CAW's "Option to Purchase" 40 Acres Adjacent to the 915 acres CAW purchased (formerly the Winrock Sod Farm). He said that releasing this option to purchase will allow CAW to use the allocated funds for other parcels of land vital to maintaining the water quality of Lake Maumelle. He added that the 40 acres currently falls under Pulaski County Land Use Ordinances.

Mr. Tad Bohannon, legal counsel for CAW, spoke on the restrictive covenants that would be placed on the 40 acres:

- i. minimum lot size of 5 acres
- ii. no wastewater disposal within the 100 year flood plain
- iii. 30% minimum undisturbed area
- iv. 8% maximum impervious surface
- v. all road and driveways must be paved
- vi. no dumping
- vii. no livestock
- viii. no permanent structures within 100 year flood plain
- ix. no amendment without CAW's consent, which may be withheld for any reason

Ms. Ruth Bell, League of Women Voters of Pulaski County, voiced concern about the effectiveness of enforcement by restrictive covenants.

Upon a motion duly made and seconded, the resolution was approved.

OLD BUSINESS

Strategic Task Update

Mr. Martin Maner, Director of Watershed Management, provided an update on the status of various initiatives undertaken to protect Lake Maumelle since the Watershed Management Plan was approved by the Board in February 2007.

Pulaski County Land Use Plan

Mr. Maner also mentioned that Pulaski County officials will hold a public meeting on September 13 to hear comments on the proposed Land Use Plan.

Contracts/Purchases

Upon a motion duly made and seconded, the Board approved the purchase of two Storage Area Networks Servers (SANS) from Presidio for \$96,527.54. The SANS will be purchased under state contract.

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

- CAW, along with Carollo Engineers, will host a workshop on September 15 titled "Managing Drinking Water Resources for a Sustainable Future". Commissioners and staff were encouraged to attend.

Chair Kendall also encouraged Commissioners to attend the Land Use Plan public meeting, if possible.

ADJOURNMENT

With there being no further business, Chair Kendall adjourned the meeting.



Thomas W. Rimmer, Secretary/Treasurer

RESOLUTION NO. 2010-19

**RESOLUTION APPROVING RELEASE OF OPTION TO PURCHASE
REAL ESTATE; AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO
EXECUTE THE APPROPRIATE AGREEMENTS; AND PRESCRIBING
OTHER MATTERS RELATING THERETO**

WHEREAS, the Trust for Public Land ("TPL") contracted to purchase approximately nine hundred and fifteen (915) acres of land in Pulaski County commonly referred to as the Winrock Grass Farm (the "Grass Farm Property") and acquired an option to purchase an additional forty (40) acres of land between the Grass Farm Property and Higginbotham Road (the "Option Property"); and

WHEREAS, Central Arkansas Water ("CAW") leased the Grass Farm Property from TPL and, as part of that transaction, TPL assigned all of its rights to acquire the Option Property to CAW; and

WHEREAS, CAW purchased the Grass Farm Property from TPL; and

WHEREAS, Canterbury Park Limited Partnership ("Canterbury") desires to sell the Option Property as eight (8) separate five (5) acres parcels; and

WHEREAS, Canterbury desires that CAW release its option to acquire the Option Property; and

WHEREAS, CAW is willing to release its option to acquire the Option Property provided Canterbury agrees to certain conditions and restrictions on and relating to the Option Property as specifically set forth in the "Agreement for Termination of Option Agreement (for Remainder Lots) and Restrictive Covenant" and its Exhibits.

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

Section 1. The Chair of the Commission, Anthony Kendall, is hereby authorized and directed to execute the Agreement for Termination of Option Agreement (for Remainder Lots) and Restrictive Covenant, together with the Exhibits attached thereto, including specifically the Termination of Option Agreement (for Remainder Lots) and the Restrictive Covenant Agreement (collectively the "Agreements"), and the Agreements are hereby approved in the form submitted to this meeting.

Section 2. CAW's General Counsel, C. Tad Bohannon, is authorized to deliver the fully executed Agreements to the appropriate persons or entities, as needed, to assure that CAW's option to acquire the Option Property is released only if the Restrictive Covenant Agreement is recorded in a timely manner so the covenants contained therein become covenants that "run with the land."

Section 3. 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 4. This Resolution shall be in effect upon its adoption and approval.

ADOPTED: September 9, 2010

ATTEST:



Thomas W. Rimmer, Secretary

APPROVED:




Anthony Kendall, Chair

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

I, Thomas W. Rimmer, Secretary of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2010-19 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION APPROVING RELEASE OF OPTION TO PURCHASE REAL ESTATE; AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE APPROPRIATE AGREEMENTS; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted September 9, 2010.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of September 2010.



Thomas W. Rimmer, Secretary
Board of Commissioners, Central Arkansas Water

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

October 14, 2010

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, October 14, 2010, 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

Via Telephone:

Ms. Adrienne Bradley, Vice Chair

CAW staff in attendance:

Mr. Graham W. Rich, P.E., Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Gary Pittman, Chief Financial Officer
Mr. Darrell Boggs, Director of Distribution
Ms. Marie Crawford, Director of Communications
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Gary Hum, Director of Source & Treatment
Mr. Martin Maner, P.E., Director of Watershed Management
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. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.
Ms. Deena Coston, C.P.A., Controller
Ms. Connie Horn, Management Secretary
Ms. Stephanie Hymel, Stewardship Coordinator
Mr. Jonathon Long, P.E., Watershed Administrator
Mr. Jeff Mascagni, C.P.A., Controller
Mr. Blake Weindorf, P.E., Senior Engineer
Ms. Samantha Williams, Communications Assistant

Also in attendance:

Ms. Kate Althoff, Citizens Protecting Maumelle Watershed
Ms. Ruth Bell, League of Women Voters of Pulaski County
Mr. Kyle Breckenridge, P.E., CDM
Ms. Erin Brogdan, Attorney with Wright, Lindsey & Jennings, L.L.P.
Ms. Olivia Dedner, Vice President of Advantage Communications, Inc.
Ms. Paula Gregorie, Property Owner
Mr. Barry Haas, Citizens Protecting Maumelle Watershed

Mr. Danny Moore, Videographer with ARCOM Productions, Inc.
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Mr. Paul Strickland, P.E., Project Manager, Garver Engineers

CALL MEETING TO ORDER

Mr. Anthony Kendall, Chair, called to order the October 14, 2010 meeting of the Board of Commissioners.

INTRODUCTION OF GUESTS

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

APPROVAL OF BOARD MINUTES

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

PUBLIC COMMENT

Capital Investment Charges

Ms. Gregorie said she would like to have a better understanding as to what CIC's are and why she and others on her street would be charged these fees when obtaining new service. She also asked if the main on Stewart road was part of the Salem Water Authority Project and what part West Pulaski Water Authority (West Pulaski) had to do with the project. She went on to say that she and her neighbors had received correspondence from West Pulaski that said they could sign up for a \$75 deposit.

Mr. Blake Weindorf, P.E., Senior Engineer, explained that the main on Stewart Road was installed in 2005 per the CAW Master Plan in place at the time in order to provide future capacity and to connect to a future proposed tank site. He also said that Salem Water Authority did tie on to the main on Stewart Road to serve their master meter but that it wasn't part of the Salem Water Authority Project. Additionally, he stated that any information they received from West Pulaski Water Authority was in error as West Pulaski should not be contacting property owners along areas that have access to existing CAW mains. Mr. Weindorf said he would contact West Pulaski Water Authority and let them know that any monies paid by this specific group should be refunded and that they should not solicit property owners along existing CAW mains.

Mr. Weindorf said that this issue goes back to a resolution that was approved in 2002 by CAW assigning CIC's to water mains installed by CAW and establishing the procedures to recoup a portion of the cost of the main installation from new system customers benefiting from the expanded water facilities. He stated that CAW, as a rule, only lays mains to conform to the Water Master Plan and not to draw in water customers.

Mr. Rich said that currently staff recommends no change to the policy. He added that staff will review the policy and resolution concerning these charges and report back to the Board next month.

Chair Kendall asked that staff look at the policy to ensure that it is fair in order to avoid exceptions to the policy.

NEW BUSINESS

Health Insurance Renewal

Ms. Becky Wahlgreen, Director of Human Resources, explained the process of renewing CAW's health insurance coverage for employees. She said that CAW's health insurance renewal with Health Advantage will reflect a 3% increase to premiums, with no change in deductibles or co-pays. She added that this increase is very low compared with projected increases of 9%-12% nationally and 7% locally.

Ms. Wahlgreen said that over the last eight years, national premiums have increased a total of 70%, while CAW's premiums have only increased 9.4%. She said that CAW was able to keep premium increases low by increased cost sharing by employees through small changes in benefits.

Upon a motion duly made by Dr. Roby Robertson, Commissioner, and seconded by Mr. Eddie Powell, Commissioner, renewal of the employee health insurance plan with Health Advantage was approved.

Resolution Approving Amendments to Employee's Section 125 Cafeteria Plan and 401(a) Savings Plan.

Ms. Wahlgreen outlined proposed amendments to the Employee's Section 125 Cafeteria Plan and 401(a) Savings Plan under new provisions of the HEART (Heroes Earnings Assistance and Relief Tax) Act and the Pension Protection and Affordable Care Act ("Health Care Reform").

Upon a motion duly made by Commissioner Powell, and seconded by Mr. Jay Hartman, Commissioner, the amendments were approved.

2011 Financial Plan

Mr. Gary Pittman, Chief Financial Officer, presented a draft of the 2011 Financial Plan. He said that the plan was being given to the Board for their review and would be presented for their approval at the November Board Meeting.

Maryland Avenue Office Building

Mr. Thad Luther, Chief Operating Officer, said that he and Mr. Rich have been in discussions with the City of North Little Rock concerning use of the office building that is part of CAW's Maryland Avenue facility.

Mr. Luther said that repairs to the viaduct near the North Little Rock Electric Department facility will require them to relocate. He said they are interested in using the office building that is part of the Maryland Avenue facility.

Mr. Luther explained that CAW has leases with the North Little Rock Airport Commission on several tracts making up the property on Maryland Avenue. He said that if CAW releases its lease on the tract containing the office building, it would maintain leases on the tracts that contain the water tanks, warehouse, and other buildings used by the crews serving the area north of the Arkansas River.

Mr. Luther said that CAW currently has a 99-year lease on the land where the storage tanks are located; the lease on the property where the warehouse is located expires in 2022. Staff will pursue a longer term on warehouse property.

No action was required at this time.

CONTRACTS

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

- a. Change orders in the amount of \$124,556.25 for the Sodium Hypochlorite Conversion Project at the Wilson and Ozark Point Water Treatment Plants.
- b. An annual contract with Vertex Chemical Corporation in the amount of \$300,000 for the purchase of sodium hypochlorite.
- c. A contract with Building & Utility Contractors, Inc. for \$64,900 to replace two 4-inch meter assemblies at Fort Roots (V.A.) in North Little Rock with one 6-inch meter assembly.

DEPARTMENT UPDATES

Watershed

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

Mr. Jonathan Long, P.E, Watershed Administrator, provided a report on an emergency response exercise that was performed with city, county, and state emergency responder agencies participating.

Mr. Long said that this exercise provided valuable information as to what changes, if any, needed to be made to make the plan more efficient and provide a more timely response.

Ms. Stephanie Hymel, Stewardship Coordinator, provided examples of the signage that will be placed in the Lake Maumelle Watershed along walking trails that she, along with the Arkansas Game & Fish Commission, has worked on over the last year to provide for public use.

Regionalism

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

Engineering

Mr. Jim Ferguson, P.E., Director of Engineering, provided an update on 2010 engineering projects.

Finance

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

BOARD BRIEFING

Mr. Rich provided a briefing on the following:


- Mr. Darrell Boggs, Director of Distribution, is being deployed as a Major in the U.S. Army

to serve in Afghanistan as an advisor on water matters. Mr. Rich wished Mr. Boggs good luck and a safe return.

- Mr. Terry Bice, formerly Distribution Supervisor, has been named Assistant Director of Distribution. Mr. Bice has worked at CAW for 23 years and will serve as "Acting Director" during Mr. Boggs' absence.
- CAW will hold its annual Lake Sweep on November 6.

ADJOURNMENT

With there being no further business, Chair Kendall adjourned the meeting.



Thomas W. Rimmer, Secretary/Treasurer

RESOLUTION 2010-20

RESOLUTION APPROVING AMENDMENTS TO THE CENTRAL ARKANSAS WATER EMPLOYEES SAVINGS PLAN AND THE CENTRAL ARKANSAS WATER SECTION 125 CAFETERIA PLAN TO REFLECT RECENT LAW CHANGES PURSUANT TO THE HEROES EARNINGS ASSISTANCE AND RELIEF TAX ACT OF 2008 AND THE PATIENT PROTECTION AND AFFORDABLE CARE ACT OF 2010

WHEREAS, Central Arkansas Water maintains the Central Arkansas Water Employees Savings Plan (the "Savings Plan") and the Central Arkansas Water Section 125 Cafeteria Plan (the "Cafeteria Plan") for the benefit of its employees; and

WHEREAS, Central Arkansas Water desires to amend the Savings Plan to adopt certain provisions enacted by the Heroes Earning Assistance and Relief Tax Act of 2008; and

WHEREAS, Central Arkansas Water desires to amend the Cafeteria Plan to comply with the required and optional provisions of the Heroes Earning Assistance and Relief Tax Act of 2008 ("HEART") and the Patient Protection and Affordable Care Act of 2010 ("PPACA").

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

1. Central Arkansas Water amends its Central Arkansas Water Employees Savings Plan effective January 1, 2010, for the purpose of adopting certain optional provisions of HEART which provide for certain benefits to be provided to Participants who die or become disabled while performing qualified military service and, in addition, to permit differential wage payments to be treated as Compensation for purposes of determining contributions and benefits under the terms of the Plan, all as set forth in the Amendment attached as Exhibit A hereto; and

2. Central Arkansas Water amends its Central Arkansas Water Section 125 Cafeteria Plan to permit certain distributions to be made to Participants called to qualified military service, effective January 1, 2010; to permit pre-tax contributions to be used to purchase group health plan coverage on behalf of an Employee's eligible dependent who has not attained age 27 as of the end of the Employee's taxable year, effective January 1, 2011; and to permit Participants who elect to participate in the Unreimbursed Medical/Dental Plan to submit claims for reimbursement of medical expenses for themselves, their spouse and their eligible dependents up to age 27, effective January 1, 2011.

3. The Chief Executive Officer and the Director of Human Resources are authorized and directed to execute all documents, instruments and certificates required or necessary to carry out the foregoing resolution and take all other actions necessary or desirable in connection with the foregoing resolution.

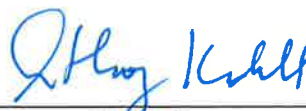
The foregoing resolutions have been duly adopted by the Board of Commissioners of Central Arkansas Water at a meeting of the Board of Commissioners of Central Arkansas Water held on October 14, 2010.

Attest:

APPROVED:



Thomas W. Rimmer
Secretary/Treasurer



Anthony Kendall
Chair

Exhibit A

CENTRAL ARKANSAS WATER EMPLOYEES SAVINGS PLAN

GOOD FAITH AMENDMENT PURSUANT TO THE THE HEROES EARNINGS ASSISTANCE AND RELIEF TAX ACT OF 2008

This Amendment is adopted by Central Arkansas Water ("Employer") for the Central Arkansas Water Employees Savings Plan (the "Plan"). The Employer hereby amends and modifies the Plan to be generally effective as of January 1, 2010, unless otherwise noted, to adopt, in good faith, certain provisions of the Heroes Earnings Assistance and Relief Tax Act of 2008 ("HEART"). The provisions of this Amendment are only intended to cover those optional provisions of HEART and shall not be deemed to override or supersede the good faith amendments which were previously incorporated to comply with the requirements of HEART.

SECTION 1. CONTRIBUTIONS ON DEATH OR DISABILITY

- 1.1 **Death or Disability.** For purposes of contributions and allocations under the terms of the Plan, any Participant who dies or becomes disabled while performing qualified military service (as defined in Code §414(u)) will be deemed to have resumed employment with the Employer in accordance with the Participant's reemployment rights under USERRA on the day preceding such death or Disability and will be deemed to have terminated employment on the actual date of death or Disability.
- 1.2 **Contributions Contingent on Employee Contributions.** With respect to Employer contributions that are contingent on the amount of a Participant's employee contribution made to the Plan (i.e., Employer Matching Contributions), a Participant who dies or becomes disabled while performing qualified military service shall be deemed to have made an employee contribution to the Plan during the first five years of qualified military service for purposes of determining the Employer contribution available to the Participant under Code §414(u)(8)(C). For this purpose, the Employer contribution, up to a maximum of five years, for the period of qualified military service will be determined based on the actual average employee contributions made by the Participant during the 12-month period prior to qualified military service or, if service with the Employer is less than 12 months, the average actual employee contributions for the actual length of continuous service with the Employer.
- 1.3 **Vesting.** For purposes of determining service for vesting under the terms of the Plan, any Participant who dies or becomes disabled while performing qualified military service will be deemed to have resumed employment with the Employer on the day preceding such death or Disability and will be deemed to have terminated employment on the actual date of death or Disability. Such vesting

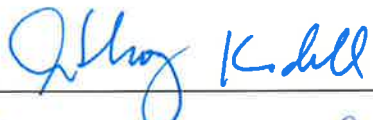
shall apply to all of the Participant's Accounts under the Plan and shall also apply to any Employer contribution that the Participant is entitled to receive pursuant to Section 1.1 or 1.2 above.

SECTION 2. DIFFERENTIAL WAGE PAYMENTS

- 2.1 **Differential Wage Payments.** Differential wage payments, as defined by Code §3401(h)(2), which are made by the Employer to Participants during a period of qualified military service will be treated as Compensation for purposes of contributions and benefits under the terms of the Plan.

Executed this 14th day of OCTOBER, 2010.

CENTRAL ARKANSAS WATER

By: 

Title: CHAIR, BOARD OF COMMISSIONERS

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

November 11, 2010

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. Thursday, November 11, 2010, 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

Via Telephone:

Ms. Adrienne Bradley, Vice Chair

CAW staff in attendance:

Mr. Graham W. 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. Martin Maner, P.E., Director of Watershed Management
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. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.
Ms. Deena Coston, C.P.A., Controller
Mr. Val Henry, Customer Relations Specialist, Part-time
Ms. Connie Horn, Management Secretary
Ms. Stephanie Hymel, Stewardship Coordinator
Mr. Jeff Mascagni, C.P.A., Controller
Ms. Doris Moore, Customer Service Assistant Supervisor
Mr. Blake Weindorf, P.E., Senior Engineer
Ms. Samantha Williams, Communications Assistant

Also in attendance:

Ms. Kate Althoff, Citizens Protecting Maumelle Watershed
Ms. Erin Brogdan, Attorney with Wright, Lindsey & Jennings, L.L.P.
Ms. Olivia Dedner, Vice President of Advantage Communications, Inc.
Mr. Barry Haas, Citizens Protecting Maumelle Watershed
Ms. Tiffany Jones, Customer

Mr. Danny Moore, Videographer with ARCOM Productions, Inc.
Ms. Kristin Netterstrom, Reporter, Arkansas Democrat-Gazette
Ms. Vivian Ozura, Account Executive, Advantage Communications, Inc.
Mr. John Ruffiner, Production Assistant, ARCOM Productions, Inc.
Mr. Paul Strickland, P.E., Project Manager, Garver Engineers
Mr. Bill Wussick, Cemetery Director, Arkansas State Veterans Cemetery, North Little Rock

CALL MEETING TO ORDER

Mr. Anthony Kendall, Chair, called to order the November 11, 2010 meeting of the Board of Commissioners.

INTRODUCTION OF GUESTS

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

APPROVAL OF BOARD MINUTES

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

CERTIFICATE OF APPRECIATION

Mr. Bill Wussick, Cemetery Director for the Arkansas State Veterans Cemetery in North Little Rock, presented the Board with a Certificate of Appreciation for the utility's assistance in locating water leaks and in determining ways to conserve water and minimize the Cemetery's water usage. Mr. Wussick said that the utility's quick and efficient response to their request for help in reducing their monthly water usage was certainly appreciated.

Mr. Wussick said that one result of CAW's assistance in reducing the Cemetery's monthly water usage was a \$754,000 grant from the federal government.

RECOGNITION OF CAW SERVICE MEMBERS

Chair Kendall said that the Board is proud of the CAW employees who are active or retired members of the Armed Forces. He said that CAW currently has two employees who are active members, 37 employees who are retired from the service, 38 retirees who served, and two Commissioners who served.

Chair Kendall thanked everyone for their service to our country.

OLD BUSINESS

2011 Financial Plan

Mr. Gary Pittman, Chief Financial Officer, said that Commissioners had received a draft of the 2011 Financial Plan at the October meeting so they could review the plan. He said that he received input from the Board on crafting the final draft of the 2011 Financial Plan.

Upon a motion duly made by Mr. Eddie Powell, Commissioner, and seconded by Mr. Jay Hartman, Commissioner, the 2011 Financial Plan was approved.

Capital Investment Charges

Mr. Blake Weindorf, Senior Engineer, reviewed concerns on Capital Investment Charges (CIC) voiced at the October Board Meeting by a customer.

Mr. Weindorf said he had reviewed CAW's CIC policy and believes the policy should not undergo any changes.

Mr. Weindorf said that the concern goes back to a resolution that was approved in 2002 by CAW Board assigning CIC's to water mains installed by CAW and establishing the procedures to recoup a portion of the cost of the main installation from new system customers benefiting from the expanded water facilities.

Mr. Weindorf stated that any information property owners on Stewart Road received from West Pulaski Water Authority was in error as West Pulaski should not be contacting property owners along areas that have access to existing CAW mains. Mr. Weindorf said he had contacted West Pulaski Water Authority and let them know that any monies paid to them by this specific group should be refunded and that West Pulaski Water Authority should not solicit property owners along existing CAW mains.

NEW BUSINESS

Sustainability Presentation – Strategic Task 5.8

Ms. Stephanie Hymel, Stewardship Coordinator, made a presentation on Strategic Planning Task 5.8 — Develop an Environmental Sustainability Plan for CAW.

Ms. Hymel said that as a result of this task, a Sustainability Committee was formed with the goal of reducing CAW's energy consumption, reducing waste sent to landfills, and reducing customer water usage.

Ms. Hymel said that the committee has made several recommendations to CAW management, of which many have been implemented. She added that the committee will continue to work to make CAW a more environmentally efficient utility.

Ms. Hymel added that many of the goals of the Sustainability Committee relate directly to the ten attributes of Effective Utility Management.

Lake DeGray Water Supply

Mr. Rich provided a presentation on the advantages/disadvantages of purchasing CAW's allotted 120 million gallons per day (MGD) from Lake DeGray, rather than making interest-only payments.

He explained that in 1988 CAW entered into an agreement with the Corps of Engineers to make annual interest-only payments of \$154,426 until 2028 for the "first right of refusal".

Mr. Rich said that no action by the Board is being requested at this time.

Land Purchases in the Maumelle Watershed – Strategic Task 2.10

Mr. Rich updated the Board on property purchased in the Maumelle Watershed over the last three years. He said that over the last three years, CAW has purchased 1,780+ acres in the Maumelle Watershed. He added that in 2009 the Board approved a watershed protection fee to be added to water bills to finance the purchase of lands in the watershed.

CONTRACTS

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

- a. A contract with S & J Construction Company in the amount of \$4,558,754.96 for the installation of approximately 20,300 linear feet of 42-inch diameter ductile iron water main which is Section G (ninth and final phase) of the Northbelt Transmission Main.
- b. A contract with HoJo Excavation, Inc. in the amount of \$416,730 for the replacement of 2-inch and 3-inch galvanized pipe in eight separate locations in Little Rock.
- c. A supplement to the current contract with Arkansas Utility Protection Services, Inc. (ArkUps) in the amount of \$400,964 for the marking of various utilities in preparation for pavement cuts and excavations required to repair utility services and mains.

DEPARTMENT UPDATES

Watershed

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

- On December 6, 2010 Pulaski County Planning Department will hold two workshops to receive feedback from the public on the recommended Preferred Land Use concept.
- The Site Evaluation Tool (SET) developed by Tetra Tech and adopted by Pulaski County has been utilized to assess development scenarios in Pulaski County. Over 60 SET runs have been made, and have revealed insights regarding phosphorus runoff loading values in relation to development scenarios.
- A real-time spill exercise was conducted October 13, 2010 to test response time and assure proper protocol is followed.
- On November 18, representatives of ExxonMobil and CAW staff will tour Lake Maumelle to assess suitable sites for the “boom box”.
- The Arkansas Game & Fish Commission has completed, via a contractor, boundary marking of the Maumelle Watershed Management Area.
- A meeting was held with staff of Arkansas Game & Fish on October 28, 2010 to address various concerns and issues regarding enforcement within the watershed.

Engineering

Mr. Jim Ferguson, P.E., Director of Engineering, provided an update on engineering projects.

Finance

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

PUBLIC COMMENT

Ms. Tiffany Jones, customer, spoke to the Board on a concern regarding her water bill. Chair Kendall asked staff to follow-up on Ms. Jones concerns and see if they could work out a solution agreeable to both parties.

BOARD BRIEFING

Mr. Rich provided a briefing on the following:

- The Southshore Sweep at Lake Maumelle was held on November 6. Volunteers included CAW employees and members of the public. Because of the low water level in the lake, volunteers were able to access areas normally covered with water.
- Lake Maumelle's water level is down eight feet.
- Mr. Gary Pittman announced that CAW was awarded The Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). GFOA also recognized the CAW Finance Section with an Award of Financial Reporting Achievement for preparing the award-winning Comprehensive Annual Financial Report.
- Repairs to the Lake Maumelle Dam have been completed.

COMMISSIONER RESIGNATION

Chair Kendall said that Ms. Adrienne Bradley, Commissioner, has tendered her resignation from the Board, effective December 1, 2010. He said that Ms. Bradley came onto the Board in August 2008, and has been a very effective Board member during her tenure at CAW. Chair Kendall thanked Ms. Bradley for her service.

Chair Kendall said that the Board is accepting Letters of Interest to serve out the remainder of Commissioner Bradley's term which expires June 2015. Chair Kendall stated that, as per enacting legislation, the applicant must be a resident of the City of Little Rock.

Chair Kendall said that, tentatively, the Board will conduct interviews of applicants for the Board position following the December 9 Board Meeting.

ADJOURNMENT

With there being no further business, Chair Kendall adjourned the meeting.



Thomas W. Rimmer, Secretary/Treasurer

Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water

December 9, 2010

The Board of Commissioners, Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m., Thursday, November 9, 2010, 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. Martin Maner, P.E., Director of Watershed Management
Ms. Becky Wahlgreen, Director of Human Resources
Mr. Dale Kimbrow, Manager of Planning, Regionalism and Future Water Source
Mr. Tad Bohannon, Attorney for CAW with Wright, Lindsey & Jennings, L.L.P.
Ms. Karen Hightower, Engineering Administrative Assistant
Ms. Stephanie Hymel, Stewardship Coordinator

Also in Attendance:

Mr. Paul Strickland, P.E., Garver Engineers
Ms. Kate Althoff, Coordinator of Citizens Protecting Maumelle Watershed
Mr. Barry Haas, Representative of Citizens Protecting Maumelle Watershed
Ms. Olivia Dedner, Vice President of Advantage Communications, Inc.
Ms. Erin Brogdan, Attorney with Wright, Lindsey & Jennings, L.L.P.

CALL MEETING TO ORDER

Mr. Anthony Kendall, Chair, called to order the December 9, 2010 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 November 11, 2010 regular meeting were approved.

Chair Kendall stated that, upon completion of the agenda items, the Commission will go into an Executive Session to review the applications to fill the Commission seat that is currently vacant.

Mr. Jay Hartman, Commissioner, was appointed as a nominating committee member to recommend a Vice Chair and Secretary (if necessary) to the Board during the January 2011 Commission Meeting.

CONTRACTS

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

- a. A contract with Diamond Construction Company in the amount of \$343,322 for the relocation of approximately 1,400 feet of 12-inch ductile iron pipe and approximately 1,100 feet of 8-inch ductile iron pipe associated with the Arkansas Highway and Transportation Department's (AHTD) I-430 & I-630 interchange modifications.

Mr. Jim Ferguson, Director of Engineering, stated that two of the three easements required for the I-430/I-630 project have been obtained and one outstanding easement at the Marriott Hotel on Financial Centre Parkway may need to be condemned. Tad Bohannon, attorney for Central Arkansas Water (CAW), said that CAW needs the authority to proceed with the condemnation if negotiations fail. The cost of the easement is 100% reimbursable by AHTD.

After discussion concerning wording for approval of the condemnation, Mr. Rich recommended that the language be written down and presented to the Commission for approval later in the meeting. Mr. Bohannon left the meeting to prepare a Resolution for Commission approval.

- b. A one-year contract extension for asphalt street repairs with RedStone Construction Group in the amount of \$454,402.51 to perform asphalt restoration work needed after CAW crews make repairs or modifications to existing mains. The contract amount is based on estimated quantities and actual payment will be based on completed work and unit costs.
- c. A one-year contract extension for concrete street repairs with Cinergi Contractors in the amount of \$83,584.48 to perform concrete restoration work needed after CAW crews make repairs or modifications to existing mains. The contract amount is based on estimated quantities and actual payment will be based on completed work and unit costs.
- d. Purchase of 8-inch and 16-inch ductile iron pipe from Arkansas Water and Little Rock Winwater in the amounts of \$33,750 and \$31,240, respectively. The pipe is needed to relocate and replace mains along East 9th and East 6th Streets that are in conflict with Little Rock street and drainage improvements. The overall cost of the project is \$135,000. Work will be performed by CAW distribution crews.

e. Annual purchase of chemicals

<u>Company</u>	<u>Chemical</u>	<u>Bid Amount</u>
Arkansas Lime Company	Quicklime	\$ 110,437.50
G. S. Robins	Potassium Permanganate	\$ 123,200.00
Harcros Chemical	Powdered Activated Carbon	\$ 16,494.00
General Chemical	Liquid Aluminum Sulfate	\$ 691,900.00
Harcros Chemical	Hydrofluosilicic Acid	\$ 153,865.30
Arkansas Lime Company	Hydrated Lime	\$ 20,858.75
Allied Universal Corporation	Liquid Chlorine	\$ 15,717.00
Simply Aquatics, Inc.	Bimetallic Glassy Phosphate	\$ 242,560.00
Harcros Chemical	Sodium Silicofluoride	\$ 31,960.00

f. Purchase of various types and sizes of service fittings used by CAW crews to install new and replacement water service connections based on the low bids received from four local vendors as follows:

Consolidated Pipe	\$58,935.00
HD Supply, Inc.	\$121,066.50
Ferguson Waterworks	\$14,336.50
Little Rock Winwater	\$21,817.50

PUBLIC COMMENT

Mr. Barry Haas, Citizens Protecting Maumelle Watershed, thanked the Board of Commissioners, present and past, for their willingness to allow the public to participate in the processes that affect the quality of water.

DEPARTMENT UPDATES

Watershed

Mr. Martin Maner, P.E., Director of Watershed Management, provided an update on the recommended comprehensive land use concept.

Dr. Roby Robertson, Commissioner, asked for a comparison of what is contained in the plan to what is being done as the project progresses. Potential problems that would affect the Watershed need to be addressed in advance.

Mr. Maner will provide a more in-depth analysis report to the Commission in February or March.

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.

PUBLIC COMMENTS

Ms. Kate Althoff, Citizens Protecting Maumelle Watershed, thanked the Board of Commissioners for the opportunity to speak.

Ms. Althoff referenced the comprehensive land use plan and that it shouldn't be taken for granted that the Pulaski County Quorum Court would approve that plan.

Ms. Althoff suggested that the commission consider extending the application period when a board vacancy is advertised.

Ms. Althoff mentioned the low lake water levels, the concern for invasive water species and the effect on water quality. CAW is aware that potential invasive species from boating activities could be present as a result of low water levels. Any vegetative species growing during low water periods will not be tolerant of high water and will be covered up when heavy rainfall comes.

Mr. Gary Hum, Supervisor of Source and Treatment, stated that there are no water quality issues at this time.

Resolution Authorizing Easement Condemnation

Mr. Tad Bohannon re-entered the meeting and presented the proposed resolution authorizing CAW to institute condemnation proceedings for acquisition of the final easement at Financial Centre Parkway and Shackelford Road in conjunction with the I-430/I-630 Interchange modifications by AHTD in the event that CAW is unable to negotiate with the property owner, C2 Land, L.P.

Upon motions duly made and seconded, the resolution to proceed with condemnation of the remaining easement at Financial Centre Parkway and Shackelford Road was approved.

Mr. Ferguson advised the Board that condemnation proceedings may be necessary on two other projects; 1) State Highway 5, Otter Creek Road West to County Line Road; and 2) Northbelt Section G.

BOARD BRIEFING

Mr. Rich received a letter from Mr. Norvell Plowman, a customer, complimenting Mr. Brandon Lackey, Foreman, and Mr. David Abbott and Mr. Larry Sims, both Water Distribution Specialists, on their initiative and promptness in locating and repairing a water leak at his residence.

EXECUTIVE SESSION

The Board met in Executive Session to review resumes for a vacant Board position.

Upon reconvening, Chair Kendall said that the Board would meet on Wednesday, December 15, 2010, at 1:00 p.m. to interview the following Board applicants for the vacant Board position: Charles T. "Charlie" Crow, George W. "Russ" Gray, Marie-Bernarde Miller, Anne Roberts, and Carolyn Shearman.

ADJOURNMENT

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



Thomas W. Rimmer, Secretary

Resolution 2010- 21

Whereas, the Arkansas State Highway and Transportation Department (“AHTD”) is in the process of widening and reconfiguring the intersection at Financial Center Parkway and Shackelford Road (the “Highway Project”); and

Whereas, AHTD requires that Central Arkansas Water (“CAW”) relocate its 12-inch water line adjacent to Financial Center Parkway in order to complete the Highway Project; and

Whereas, CAW has negotiated acquisition of all but one of the necessary easements for relocation of its 12-inch water line; and

Whereas, CAW continues to negotiate with C2 Land, L.P. , the property owner, for acquisition of the final easement needed for the relocation project; and

Whereas, time is of the essence and CAW requires the authority to institute condemnation proceedings in the event CAW is unable to acquire the necessary easement from C2 Land, L.P. in a timely manner through the negotiation process.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of Central Arkansas Water, that in the event Central Arkansas Water is unable to negotiate an exclusive easement for relocation of a 12-inch water main on property belonging to C2 Land, L.P. adjacent to Financial Center Parkway, C. Tad Bohannon, as outside general counsel for Central Arkansas Water, is hereby authorized to institute condemnation proceedings to acquire the easement by power of eminent domain.

Adopted: December 9, 2010



Thomas W. Rimmer, Secretary

RESOLUTION 2010-22

A RESOLUTION APPOINTING **MARIE-BERNARDE MILLER** TO THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, AND FOR OTHER PURPOSES

WHEREAS, the term of Ms. Adrienne Bradley, a member of the Board of Commissioners, Central Arkansas Water ("CAW Board"), ended on December 1, 2010 due to Ms. Bradley's resignation; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, THAT the remaining commissioners do hereby appoint **MARIE-BERNARDE MILLER** to serve the remainder of a seven-year term ending June 30, 2015, subject to confirmation by the duly elected and qualified members of the Board of Directors of the City of Little Rock, Arkansas and the City Council of the City of North Little Rock, Arkansas.

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

CERTIFICATE

I, Thomas W. Rimmer, Secretary of the Board of Commissioners, Central Arkansas Water, certify that, as such Secretary, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners at a meeting held December 15, 2010.



Thomas W. Rimmer, Secretary

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

December 15, 2010

The Board of Commissioners, Central Arkansas Water (CAW), convened in a Special Called meeting at 1 p.m. Wednesday, December 15, 2010, in the third floor 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

CAW staff in attendance:

Mr. Graham W. Rich, Chief Executive Officer
Ms. Becky Wahlgreen, Director of Human Resources
Ms. Marie Crawford, Director of Communications
Ms. Connie Horn, Management Secretary

CALL MEETING TO ORDER

Mr. Anthony Kendall, Chair, called to order the December 15, 2010 meeting of the Board of Commissioners.

Chair Kendall said the purpose of the meeting is to interview the four finalist candidates to replace Ms. Adrienne Bradley, Commissioner, who resigned from the Board.

Chair Kendall informed each candidate that they would each receive identical questions from the Board. Chair Kendall noted that there might also be follow-up questions a Commissioner might have in response to the candidates' comments. The Board interviewed each candidate individually.

The candidates were interviewed in the following order:

Ms. Carolyn Shearman
Mr. Charles T. (Charlie) Crow
Ms. Marie-Bernarde Miller
Ms. Anne Roberts

EXECUTIVE SESSION

Following the interviews, Chair Kendall said that the Board would meet in Executive Session to make a decision on the Board vacancy.

OPEN SESSION

Upon reconvening, Chair Kendall said that the résumés received showed varied backgrounds and remarkable talents and commitment on the part of the applicants to their community. He further stated that the Board had narrowed down the applicants to four excellent choices for interviews. He added that all the finalists had excellent qualifications and would be a great benefit to the CAW Board.

Upon a motion duly made by Dr. Roby Robertson, Commissioner and seconded by Ms. Carmen Sanders Simpson, Commissioner, the Board unanimously adopted a resolution for Ms. Marie-Bernarde Miller to fill the vacant position on the Board of Commissioners.

Chair Kendall noted that Ms. Miller's position as Commissioner is subject to confirmation by the governing bodies of the cities of Little Rock and North Little Rock.

ADJOURNMENT

With there being no further business, Chair Kendall adjourned the meeting.



Thomas W. Rimmer, Secretary/Treasurer