

Minutes of a Joint Working Session  
Board of Commissioners  
Central Arkansas Water

January 10, 2023

The Board of Commissioners of Central Arkansas Water (CAW) convened in a Joint Working Session with the Little Rock Board of Directors at 4:00 p.m. on Tuesday, January 10, 2023, at Centre at University Park, 6401 West 12th Street, Little Rock.

**CAW COMMISSIONERS PRESENT:**

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

**CAW COMMISSIONERS ABSENT:**

Mr. Kevin Newton, Chair

**COMMENT PERIOD**

The CAW Board of Commissioners offered individual comments regarding the Rate Resolution for 2023 – 2032.



Carmen Smith, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

January 12, 2023

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, January 12, 2023, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

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

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Ms. Janine Woods, Chief People & Inclusion Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Tom Wray, P.E., Senior Engineer  
Mr. Andrew Pownall, P.E., Senior Engineer  
Mr. Chris Shahan, Assistant Director of Distribution  
Ms. Cynthia Edwards, Director of Finance  
Ms. Sharon Sweeney, Water Quality Manager  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Mary Dyson, Executive Assistant

**CAW Staff via Teleconferencing:**

Mr. Alex Harper, GIS Manager  
Mr. Allen Vincent, Director of Information Services  
Ms. Angeline Huey, Senior Accountant  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Bradley Meredith, Water Quality Specialist  
Mr. Brooks Lee, Business Analyst  
Mr. Bryan Rupar, Land Conservation Coordinator  
Ms. Charissa Bratcher, Distribution Administration Assistant  
Ms. Chelsea Boozer, Government Affairs Manager  
Ms. Danielle Nielsen, Accounting Clerk I  
Mr. Danny Dunn, Director of Distribution  
Mr. Doug Farler, Operations Manager  
Mr. Doug Graham, Optimization Manager  
Ms. Jane Hurley, Education and Outreach Specialist  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. John Pfenenger, GIS Database Coordinator  
Mr. Jordan Small, Senior Accountant

Mr. Kevin Hall, Director of Environmental Health & Safety  
Ms. Lauren Schallhorn, Controller  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Mark Stewart, Distribution Supervisor  
Mr. Matthew Smith, Engineer  
Mr. Patrick Greene, Customer Service Field Manager  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Sonia Leszczyna, Human Resources Administrator  
Ms. Tamara Gill, Human Resources Generalist  
Ms. Tatiana Herrington, Director of Human Resources  
Mr. Terry Frazier, Director of Customer Service

**Also, in Attendance:**

Mr. Joseph Flaherty, AR Dem-Gaz  
Mr. Virgil Miller, Little Rock Board of Director / Liaison to CAW Commission  
Mr. Rocky Craley, Raftelis  
Mr. Chamindra Dassanayake, PhD, PE, Hazen & Sawyer  
Mr. Aaron Benzing, PE, Hawkins-Weir Engineers, Inc.

**Also, in Attendance via Teleconferencing:**

Mr. Bailey Moll, JPJ Consulting, LLC  
Mr. Barry Haas, Citizen  
Ms. Kenetta Ridgell, Little Rock Water Reclamation Authority  
Mr. Paul Strickland, PE, Garver Engineers

**CALL TO ORDER**

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

**EMPLOYEE INTRODUCTION**

Mr. Bohannon introduced Ms. Janine Woods, Chief People and Inclusion Officer. Ms. Woods's employment began December 30, 2022.

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Hughes, the minutes of the December 15, 2022, Regular Meeting were unanimously approved.

**PUBLIC COMMENT PERIOD**

Mr. Bohannon introduced Mr. Virgil Miller, Jr., Little Rock Board of Director. Director Miller stated he was recently appointed as liaison between Little Rock Directors and CAW Commission. Director Miller read a proposed resolution of Director Lance Hines ("Hines Resolution") for the following week's meeting of the Little Rock Board of Directors concerning the then-pending rate resolution of CAW ("Rate Resolution") to increase rates over the next ten years. Director Miller shared his thoughts about the Rate Resolution, and he and CAW's Commissioners discussed the Hines Resolution and Rate Resolution at length. At the conclusion of that discussion, Chair

Newton thanked Director Miller for attending and expressed appreciation for the Commission's new working relationship with Director Miller.

## **OLD BUSINESS**

### **Rate Resolution for 2023 – 2032**

Mr. Bohannon stated that Mr. Rocky Craley, Raftelis was present if Commissioners had any questions regarding the proposed rate resolution and requested Board approval.

Commissioner Hughes moved that the Commission adopt the proposed rate resolution, and Commissioner Smith seconded Commissioner Hughes's motion. Following a lengthy discussion by the commissioners about rate resolution, the Commission unanimously adopted the proposed rate resolution.

### **Prospective Amendments to Resolution 2023-01**

Mr. Bohannon presented three proposed amendments to Resolution 2023-01:

**Amendment No. 1** amends Resolution 2023-01 by inserting a new section following Section 12 of Resolution 2023-01 that includes the following language:

*The Board of Commissioners may reduce, defer, or cancel in its unilateral discretion a rate increase at any time in the event that:*

- (a) A capital improvement project that such rate increase is intended to fund is delayed or postponed;*
- (b) Previous rate revenues of Central Arkansas Water are expected to pay in full for a capital improvement project that such rate increase is intended to fund; or*
- (c) Other circumstances that reasonably justify the reduction, deferment, or cancelation of such rate increase.*

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Kendall, after due consideration and discussion, Amendment No. 1 amending Resolution 2023-01 was unanimously approved.

**Amendment No. 2** amends Resolution 2023-01 by inserting a new section following Section 12 of Resolution 2023-01 that includes the following language:

*The Board of Commissioners may adopt and implement in its unilateral discretion additional residential rates for customers who are eligible for federal assistance programs such as the Low Income Home Energy Assistance Program, the Low Income Household Water Assistance Program, Temporary Assistance for Needy Families, Supplemental Security Income, and the Supplemental Nutrition Assistance Program in the event that applicable law permits such adoption and implementation.*

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Barth, after due consideration and discussion, Amendment No. 2 amending Resolution 2023-01 was unanimously approved.

**Amendment No. 3** amends Resolution 2023-01 by inserting a new section following Section 12 of Resolution 2023-01 that includes the following language:

*The Board of Commissioners may adopt and implement in its unilateral discretion a special Volume-Based Rate for any single user of potable water located within the City of Little Rock or the City of North Little Rock with an established or reasonably expected average daily water consumption of no less than 250,000 CCF (1,870,000 gallons per day) for the financing of an economic development project as permitted by law upon the request of the Board of Directors of the City of Little Rock for an economic development project in the City of Little Rock, the City Council of the City of North Little Rock for an economic development project in the City of North Little Rock, or the Little Rock Regional Chamber of Commerce for an economic development project in either the City of Little Rock or the City of North Little Rock. The special Volume-Based Rate shall not be less than sixty percent (60%) of the Volume-Based Rate for Commercial Customers, and the term of the special Volume-Based Rate shall continue for no more than ten (10) years.*

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Kendall, to table consideration of Amendment No. 3 until March 16, 2023, the Commission, after due consideration and discussion, unanimously approved Commissioner McKenzie's motion to table.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Smith, after due consideration and discussion, to direct our CEO, within our 90-day consultation period, to work with Little Rock Board of Directors and North Little Rock City Council to determine a written protocol and process for public notification regarding rates/bonds and involvement of our two member cities, was approved on a 6-1 vote. The Commissioners voting aye were Chair Newton, Vice Chair Barth, Secretary/Treasurer Smith, Commissioners Hartman, Hughes, McKenzie. Those voting nay were Commissioner Kendall.

#### Approval of 2023 Financial Plan

Ms. Edwards requested Board approval of the 2023 Financial Plan.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Hughes, after due consideration and discussion, the 2023 Financial Plan was unanimously approved.

#### **NEW BUSINESS**

#### What is CMAR and How it can Benefit the Jack H. Wilson Water Treatment Plant Renewal & Resiliency Project

Mr. Bohannon, and consultants Aaron Benzing, Hawkins-Weir and Chamindra Dassanayake, Hazen-Sawyer made a presentation on collaborative delivery methods and how a Construction Manager At Risk (CMAR) process can benefit the Jack H. Wilson Water Treatment Plant renewal and resiliency project. Discussion ensued. No action was taken.

#### **CONTRACTS/PURCHASES**

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

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner McKenzie, after due consideration and discussion, a lease agreement with J.A. Riggs Tractor in the amount of \$293,880.00, to lease seventeen Backhoes, seven Excavators, and one Skid Steer was unanimously approved.

## 2-Inch Galvanized Water Main Replacements in North Little Rock – Phase 2 – 2023

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Barth, a construction contract with Diamond Construction in the amount of \$1,964,985.00, to replace approximately 8,600 linear feet of existing water mains identified as being very problematic and high maintenance located in North Little Rock was unanimously approved.

## West Pulaski Water Main Extension – Phase 1A Materials

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hughes, after due consideration and discussion, to purchase materials from Core & Main in the amount of \$1,742,179.89, to expand the CAW service territory to the Ferndale/West Pulaski area (previously West Pulaski Public Water Authority service territory) was unanimously approved.

## West Pulaski Water Main Extension – Phase 1B Materials

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hughes, after due consideration and discussion, to purchase materials from Ferguson Waterworks in the amount of \$282,606.06, to expand the CAW service territory to the Ferndale/West Pulaski area (previously West Pulaski Public Water Authority service territory) was unanimously approved.

## USGS Contract for the 2023 Streamflow and Water Quality Monitoring Work Plan

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Kendall, after due consideration and discussion, an annual contract with USGS in the amount of \$356,436.00 to monitor stream flows and water quality at Lake Maumelle and Lake Winona, was unanimously approved.

## **DEPARTMENT UPDATES**

### Operations

Ms. Sweeney provided an update on lead and copper rule sampling.

### Finance

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

## **BOARD BRIEFING**

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

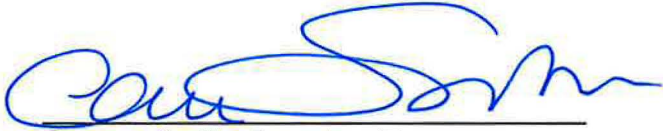
## **EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hughes, the Board went into Executive Session to discuss the annual review of the CEO and General Counsel.

Upon reconvening the regular session, a motion duly made by Commissioner Hughes and seconded by Commissioner Kendall, after due consideration and discussion, to increase the CEO's salary by 7% (the same COLA raise given to other CAW employees) was unanimously approved.

**ADJOURNMENT**

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

A handwritten signature in blue ink, appearing to read 'Carmen Smith', written over a horizontal line.

Carmen Smith, Secretary/Treasurer

**RESOLUTION 2023-01**

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

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

WHEREAS, Raftelis Financial Consultants, Inc., Central Arkansas Water's rate consultants, have completed a Rate Study and made recommendations to modify Central Arkansas Water's current schedule of rates; and

WHEREAS, water rates must be adequate to pay the principal of and interest on all debt issued by the utility, fulfill all other existing debt covenants, provide an adequate depreciation fund, and provide sufficient revenues to properly operate and maintain the waterworks system; and

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

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

Section 1. The Board of Commissioners hereby adopts the rate schedule attached hereto as Exhibit 1 and incorporated herein by reference.

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

Section 3. A copy of this Resolution shall be filed in the corporate offices of Central Arkansas Water where it will be available for public inspection.

ADOPTED: January 12, 2023

Attest:

  
Carmen Smith, Secretary/Treasurer

APPROVED:

  
Kevin Newton, Chair



CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Carmen Smith, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2023-01 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION TO ESTABLISH A SCHEDULE OF RATES FOR CENTRAL ARKANSAS WATER; TO FIX THE EFFECTIVE DATE FOR THESE RATES; AND FOR OTHER PURPOSES**, adopted January 12, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of January 2023.



Carmen Smith, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

# EXHIBIT 1

## RATE SCHEDULE OF CENTRAL ARKANSAS WATER

### Section 1.

#### Effective Dates

This schedule shall become effective for water billed on or after July 1, 2023, January 1, 2024, and each January 1<sup>st</sup> thereafter through 2032, as hereinafter set forth unless otherwise noted.

#### Meter Measurement

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

Section 2. Except as otherwise provided in Section 12, the following schedule of rates is hereby established by Central Arkansas Water for Residential Customer, Commercial Customer, and Sprinkler Customer inside and outside of the corporate limits of the City of Little Rock ("LR"), Arkansas, and the City of North Little Rock ("NLR"), Arkansas, and whose water service meters are located both south (LR) and north (NLR) of the Arkansas River.

#### Availability Charge

The monthly Availability Charge for each Residential Customer and Commercial Customer is as follows:

METER SIZE	INSIDE CITY (RESIDENTIAL AND COMMERCIAL)					
	AVAILABILITY CHARGE					
(diameter)	CURRENT	7/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027
5/8"	\$ 7.85	\$ 8.46	\$ 9.40	\$ 10.44	\$ 11.23	\$ 12.08
3/4"	\$ 10.14	\$ 11.23	\$ 12.47	\$ 13.85	\$ 14.89	\$ 16.01
1"	\$ 14.41	\$ 16.77	\$ 18.62	\$ 20.67	\$ 22.23	\$ 23.90
1 1/2"	\$ 24.37	\$ 30.61	\$ 33.98	\$ 37.72	\$ 40.55	\$ 43.60
2"	\$ 39.52	\$ 47.22	\$ 52.42	\$ 58.19	\$ 62.56	\$ 67.26
3"	\$ 73.07	\$ 99.83	\$ 110.82	\$ 123.02	\$ 132.25	\$ 142.17
4"	\$ 118.85	\$ 177.36	\$ 196.87	\$ 218.53	\$ 234.92	\$ 252.54
6"	\$ 235.08	\$ 362.87	\$ 402.79	\$ 447.10	\$ 480.64	\$ 516.69
8"	\$ 397.64	\$ 778.19	\$ 863.80	\$ 958.82	\$ 1,030.74	\$ 1,108.05
10"	\$ 572.49	\$ 1,165.82	\$ 1,294.07	\$ 1,436.42	\$ 1,544.16	\$ 1,659.98
12"	\$ 1,042.65	\$ 1,470.39	\$ 1,632.14	\$ 1,811.68	\$ 1,947.56	\$ 2,093.63

METER SIZE	INSIDE CITY (RESIDENTIAL AND COMMERCIAL)					
	AVAILABILITY CHARGE					
(diameter)	CURRENT	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032
5/8"	\$ 7.85	\$ 12.96	\$ 13.61	\$ 14.30	\$ 15.02	\$ 15.78
3/4"	\$ 10.14	\$ 17.18	\$ 18.04	\$ 18.95	\$ 19.90	\$ 20.90
1"	\$ 14.41	\$ 25.64	\$ 26.93	\$ 28.28	\$ 29.70	\$ 31.19
1 1/2"	\$ 24.37	\$ 46.77	\$ 49.11	\$ 51.57	\$ 54.15	\$ 56.86
2"	\$ 39.52	\$ 72.14	\$ 75.75	\$ 79.54	\$ 83.52	\$ 87.70
3"	\$ 73.07	\$ 152.48	\$ 160.11	\$ 168.12	\$ 176.53	\$ 185.36
4"	\$ 118.85	\$ 270.85	\$ 284.40	\$ 298.62	\$ 313.56	\$ 329.24
6"	\$ 235.08	\$ 554.16	\$ 581.87	\$ 610.97	\$ 641.52	\$ 673.60
8"	\$ 397.64	\$ 1,188.39	\$ 1,247.81	\$ 1,310.21	\$ 1,375.73	\$ 1,444.52
10"	\$ 572.49	\$ 1,780.33	\$ 1,869.35	\$ 1,962.82	\$ 2,060.97	\$ 2,164.02
12"	\$ 1,042.65	\$ 2,245.42	\$ 2,357.70	\$ 2,475.59	\$ 2,599.37	\$ 2,729.34

METER SIZE	OUTSIDE CITY (RESIDENTIAL AND COMMERCIAL)					
	AVAILABILITY CHARGE					
(diameter)	CURRENT	7/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027
5/8"	\$ 10.28	\$ 10.99	\$ 12.20	\$ 13.55	\$ 14.57	\$ 15.67
3/4"	\$ 13.28	\$ 14.59	\$ 16.20	\$ 17.99	\$ 19.34	\$ 20.80
1"	\$ 18.87	\$ 21.79	\$ 24.19	\$ 26.86	\$ 28.88	\$ 31.05
1 1/2"	\$ 31.90	\$ 39.79	\$ 44.17	\$ 49.03	\$ 52.71	\$ 56.67
2"	\$ 51.73	\$ 61.39	\$ 68.15	\$ 75.65	\$ 81.33	\$ 87.43
3"	\$ 95.64	\$ 129.78	\$ 144.06	\$ 159.91	\$ 171.91	\$ 184.81
4"	\$ 155.58	\$ 230.56	\$ 255.93	\$ 284.09	\$ 305.40	\$ 328.31
6"	\$ 307.72	\$ 471.72	\$ 523.61	\$ 581.21	\$ 624.81	\$ 671.68
8"	\$ 520.51	\$ 1,011.64	\$ 1,122.93	\$ 1,246.46	\$ 1,339.95	\$ 1,440.45
10"	\$ 749.38	\$ 1,515.56	\$ 1,682.28	\$ 1,867.34	\$ 2,007.40	\$ 2,157.96
12"	\$ 1,364.83	\$ 1,911.50	\$ 2,121.77	\$ 2,355.17	\$ 2,531.81	\$ 2,721.70

METER SIZE	OUTSIDE CITY (RESIDENTIAL AND COMMERCIAL)					
	AVAILABILITY CHARGE					
(diameter)	CURRENT	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032
5/8"	\$ 10.28	\$ 16.81	\$ 17.66	\$ 18.55	\$ 19.48	\$ 20.46
3/4"	\$ 13.28	\$ 22.31	\$ 23.43	\$ 24.61	\$ 25.85	\$ 27.15
1"	\$ 18.87	\$ 33.31	\$ 34.98	\$ 36.73	\$ 38.57	\$ 40.50
1 1/2"	\$ 31.90	\$ 60.78	\$ 63.82	\$ 67.02	\$ 70.38	\$ 73.90
2"	\$ 51.73	\$ 93.77	\$ 98.46	\$ 103.39	\$ 108.56	\$ 113.99
3"	\$ 95.64	\$ 198.21	\$ 208.13	\$ 218.54	\$ 229.47	\$ 240.95
4"	\$ 155.58	\$ 352.12	\$ 369.73	\$ 388.22	\$ 407.64	\$ 428.03
6"	\$ 307.72	\$ 720.38	\$ 756.40	\$ 794.22	\$ 833.94	\$ 875.64
8"	\$ 520.51	\$ 1,544.89	\$ 1,622.14	\$ 1,703.25	\$ 1,788.42	\$ 1,877.85
10"	\$ 749.38	\$ 2,314.42	\$ 2,430.15	\$ 2,551.66	\$ 2,679.25	\$ 2,813.22
12"	\$ 1,364.83	\$ 2,919.03	\$ 3,064.99	\$ 3,218.24	\$ 3,379.16	\$ 3,548.12

The monthly Availability Charge for each Sprinkler Customer is as follows:

METER SIZE	INSIDE CITY (SPRINKLER)					
	AVAILABILITY CHARGE					
(diameter)	CURRENT	7/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027
5/8"	\$ 7.85	\$ 5.31	\$ 5.90	\$ 6.55	\$ 7.05	\$ 7.58
3/4"	\$ 10.14	\$ 7.96	\$ 8.84	\$ 9.82	\$ 10.56	\$ 11.36
1"	\$ 14.41	\$ 13.27	\$ 14.73	\$ 16.36	\$ 17.59	\$ 18.91
1 1/2"	\$ 24.37	\$ 26.54	\$ 29.46	\$ 32.71	\$ 35.17	\$ 37.81
2"	\$ 39.52	\$ 42.46	\$ 47.14	\$ 52.33	\$ 56.26	\$ 60.48
3"	\$ 73.07	\$ 92.87	\$ 103.09	\$ 114.43	\$ 123.02	\$ 132.25
4"	\$ 118.85	\$ 167.16	\$ 185.55	\$ 205.97	\$ 221.42	\$ 238.03
6"	\$ 235.08	\$ 344.94	\$ 382.89	\$ 425.01	\$ 456.89	\$ 491.16
8"	\$ 397.64	\$ 742.93	\$ 824.66	\$ 915.38	\$ 984.04	\$ 1,057.85
10"	\$ 572.49	\$ 1,114.40	\$ 1,236.99	\$ 1,373.06	\$ 1,476.04	\$ 1,586.75
12"	\$ 1,042.65	\$ 1,406.26	\$ 1,560.95	\$ 1,732.66	\$ 1,862.61	\$ 2,002.31

METER SIZE	INSIDE CITY (SPRINKLER)					
	AVAILABILITY CHARGE					
(diameter)	CURRENT	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032
5/8"	\$ 7.85	\$ 8.13	\$ 8.54	\$ 8.97	\$ 9.42	\$ 9.90
3/4"	\$ 10.14	\$ 12.19	\$ 12.80	\$ 13.44	\$ 14.12	\$ 14.83
1"	\$ 14.41	\$ 20.29	\$ 21.31	\$ 22.38	\$ 23.50	\$ 24.68
1 1/2"	\$ 24.37	\$ 40.56	\$ 42.59	\$ 44.72	\$ 46.96	\$ 49.31
2"	\$ 39.52	\$ 64.87	\$ 68.12	\$ 71.53	\$ 75.11	\$ 78.87
3"	\$ 73.07	\$ 141.84	\$ 148.94	\$ 156.39	\$ 164.21	\$ 172.43
4"	\$ 118.85	\$ 255.29	\$ 268.06	\$ 281.47	\$ 295.55	\$ 310.33
6"	\$ 235.08	\$ 526.77	\$ 553.11	\$ 580.77	\$ 609.81	\$ 640.31
8"	\$ 397.64	\$ 1,134.55	\$ 1,191.28	\$ 1,250.85	\$ 1,313.40	\$ 1,379.07
10"	\$ 572.49	\$ 1,701.79	\$ 1,786.88	\$ 1,876.23	\$ 1,970.05	\$ 2,068.56
12"	\$ 1,042.65	\$ 2,147.48	\$ 2,254.86	\$ 2,367.61	\$ 2,486.00	\$ 2,610.30

METER SIZE	OUTSIDE CITY (SPRINKLER)					
	AVAILABILITY CHARGE					
(diameter)	CURRENT	7/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027
5/8"	\$ 10.28	\$ 6.90	\$ 7.66	\$ 8.51	\$ 9.15	\$ 9.84
3/4"	\$ 13.28	\$ 10.35	\$ 11.49	\$ 12.76	\$ 13.72	\$ 14.75
1"	\$ 18.87	\$ 17.25	\$ 19.15	\$ 21.26	\$ 22.86	\$ 24.58
1 1/2"	\$ 31.90	\$ 34.50	\$ 38.30	\$ 42.52	\$ 45.71	\$ 49.14
2"	\$ 51.73	\$ 55.19	\$ 61.27	\$ 68.01	\$ 73.12	\$ 78.61
3"	\$ 95.64	\$ 120.73	\$ 134.02	\$ 148.77	\$ 159.93	\$ 171.93
4"	\$ 155.58	\$ 217.31	\$ 241.22	\$ 267.76	\$ 287.85	\$ 309.44
6"	\$ 307.72	\$ 448.41	\$ 497.74	\$ 552.50	\$ 593.94	\$ 638.49
8"	\$ 520.51	\$ 965.81	\$ 1,072.05	\$ 1,189.98	\$ 1,279.23	\$ 1,375.18
10"	\$ 749.38	\$ 1,448.71	\$ 1,608.07	\$ 1,784.96	\$ 1,918.84	\$ 2,062.76
12"	\$ 1,364.83	\$ 1,828.14	\$ 2,029.24	\$ 2,252.46	\$ 2,421.40	\$ 2,603.01

METER SIZE (diameter)	OUTSIDE CITY (SPRINKLER)					
	AVAILABILITY CHARGE					
	CURRENT	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032
5/8"	\$ 10.28	\$ 10.56	\$ 11.09	\$ 11.65	\$ 12.24	\$ 12.86
3/4"	\$ 13.28	\$ 15.82	\$ 16.62	\$ 17.46	\$ 18.34	\$ 19.26
1"	\$ 18.87	\$ 26.37	\$ 27.69	\$ 29.08	\$ 30.54	\$ 32.07
1 1/2"	\$ 31.90	\$ 52.71	\$ 55.35	\$ 58.12	\$ 61.03	\$ 64.09
2"	\$ 51.73	\$ 84.31	\$ 88.53	\$ 92.96	\$ 97.61	\$ 102.50
3"	\$ 95.64	\$ 184.40	\$ 193.62	\$ 203.31	\$ 213.48	\$ 224.16
4"	\$ 155.58	\$ 331.88	\$ 348.48	\$ 365.91	\$ 384.21	\$ 403.43
6"	\$ 307.72	\$ 684.79	\$ 719.03	\$ 754.99	\$ 792.74	\$ 832.38
8"	\$ 520.51	\$ 1,474.89	\$ 1,548.64	\$ 1,626.08	\$ 1,707.39	\$ 1,792.76
10"	\$ 749.38	\$ 2,212.32	\$ 2,322.94	\$ 2,439.09	\$ 2,561.05	\$ 2,689.11
12"	\$ 1,364.83	\$ 2,791.73	\$ 2,931.32	\$ 3,077.89	\$ 3,231.79	\$ 3,393.38

The Central Arkansas Water Board of Commissioners may, at any time by Resolution passed by a majority of the Board of Commissioners, elect to include up to 500 cubic feet of water in the Monthly Minimum Charge before the Volume Based Rates are applicable when adequate cash reserves and revenues are available to meet Central Arkansas Water's upcoming operating, maintenance, and capital expenditure requirements.

Additional Volume Based Monthly Charge

In addition to the monthly Availability Charge, the Tables of Volume-Based Rates as set forth below for calendar years 2023 and beyond shall apply to the amount of water delivered by Central Arkansas Water per month:

Effective July 1, 2023:

CUSTOMER CLASS	INSIDE-CITY \$ PER 100 CF 1 – 5	INSIDE-CITY \$ PER 100 CF 6 - 15	INSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 1.71	\$ 2.23	\$ 2.73
COMMERCIAL	\$ 1.69	\$ 1.69	\$ 1.69
SPRINKLER	\$ 2.23	\$ 2.23	\$ 2.73

CUSTOMER CLASS	OUTSIDE-CITY \$ PER 100 CF 1 – 5	OUTSIDE-CITY \$ PER 100 CF 6 - 15	OUTSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 2.74	\$ 3.56	\$ 4.38
COMMERCIAL	\$ 2.70	\$ 2.70	\$ 2.70
SPRINKLER	\$ 3.56	\$ 3.56	\$ 4.38

Effective January 1, 2024:

CUSTOMER CLASS	INSIDE-CITY \$ PER 100 CF 1 - 5	INSIDE-CITY \$ PER 100 CF 6 - 15	INSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 1.90	\$ 2.48	\$ 3.04
COMMERCIAL	\$ 1.88	\$ 1.88	\$ 1.88
SPRINKLER	\$ 2.48	\$ 2.48	\$ 3.04

CUSTOMER CLASS	OUTSIDE-CITY \$ PER 100 CF 1 - 5	OUTSIDE-CITY \$ PER 100 CF 6 - 15	OUTSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 3.05	\$ 3.96	\$ 4.87
COMMERCIAL	\$ 3.00	\$ 3.00	\$ 3.00
SPRINKLER	\$ 3.96	\$ 3.96	\$ 4.87

Effective January 1, 2025:

CUSTOMER CLASS	INSIDE-CITY \$ PER 100 CF 1 - 5	INSIDE-CITY \$ PER 100 CF 6 - 15	INSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 2.11	\$ 2.76	\$ 3.38
COMMERCIAL	\$ 2.09	\$ 2.09	\$ 2.09
SPRINKLER	\$ 2.76	\$ 2.76	\$ 3.38

CUSTOMER CLASS	OUTSIDE-CITY \$ PER 100 CF 1 - 5	OUTSIDE-CITY \$ PER 100 CF 6 - 15	OUTSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 3.39	\$ 4.40	\$ 5.41
COMMERCIAL	\$ 3.33	\$ 3.33	\$ 3.33
SPRINKLER	\$ 4.40	\$ 4.40	\$ 5.41

Effective January 1, 2026:

CUSTOMER CLASS	INSIDE-CITY \$ PER 100 CF 1 - 5	INSIDE-CITY \$ PER 100 CF 6 - 15	INSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 2.27	\$ 2.97	\$ 3.64
COMMERCIAL	\$ 2.25	\$ 2.25	\$ 2.25
SPRINKLER	\$ 2.97	\$ 2.97	\$ 3.64

CUSTOMER CLASS	OUTSIDE-CITY \$ PER 100 CF 1 - 5	OUTSIDE-CITY \$ PER 100 CF 6 - 15	OUTSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 3.65	\$ 4.73	\$ 5.82
COMMERCIAL	\$ 3.58	\$ 3.58	\$ 3.58
SPRINKLER	\$ 4.73	\$ 4.73	\$ 5.82

Effective January 1, 2027:

CUSTOMER CLASS	INSIDE-CITY \$ PER 100 CF 1 - 5	INSIDE-CITY \$ PER 100 CF 6 - 15	INSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 2.45	\$ 3.20	\$ 3.92
COMMERCIAL	\$ 2.42	\$ 2.42	\$ 2.42
SPRINKLER	\$ 3.20	\$ 3.20	\$ 3.92

CUSTOMER CLASS	OUTSIDE-CITY \$ PER 100 CF 1 - 5	OUTSIDE-CITY \$ PER 100 CF 6 - 15	OUTSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 3.93	\$ 5.09	\$ 6.26
COMMERCIAL	\$ 3.85	\$ 3.85	\$ 3.85
SPRINKLER	\$ 5.09	\$ 5.09	\$ 6.26

Effective January 1, 2028:

CUSTOMER CLASS	INSIDE-CITY \$ PER 100 CF 1 - 5	INSIDE-CITY \$ PER 100 CF 6 - 15	INSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 2.63	\$ 3.44	\$ 4.21
COMMERCIAL	\$ 2.60	\$ 2.60	\$ 2.60
SPRINKLER	\$ 3.44	\$ 3.44	\$ 4.21

CUSTOMER CLASS	OUTSIDE-CITY \$ PER 100 CF 1 - 5	OUTSIDE-CITY \$ PER 100 CF 6 - 15	OUTSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 4.22	\$ 5.46	\$ 6.72
COMMERCIAL	\$ 4.13	\$ 4.13	\$ 4.13
SPRINKLER	\$ 5.46	\$ 5.46	\$ 6.72

Effective January 1, 2029:

CUSTOMER CLASS	INSIDE-CITY \$ PER 100 CF 1 - 5	INSIDE-CITY \$ PER 100 CF 6 - 15	INSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 2.77	\$ 3.62	\$ 4.43
COMMERCIAL	\$ 2.73	\$ 2.73	\$ 2.73
SPRINKLER	\$ 3.62	\$ 3.62	\$ 4.43

CUSTOMER CLASS	OUTSIDE-CITY \$ PER 100 CF 1 - 5	OUTSIDE-CITY \$ PER 100 CF 6 - 15	OUTSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 4.44	\$ 5.74	\$ 7.06
COMMERCIAL	\$ 4.34	\$ 4.34	\$ 4.34
SPRINKLER	\$ 5.74	\$ 5.74	\$ 7.06

Effective January 1, 2030:

CUSTOMER CLASS	INSIDE-CITY \$ PER 100 CF 1 - 5	INSIDE-CITY \$ PER 100 CF 6 - 15	INSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 2.91	\$ 3.81	\$ 4.66
COMMERCIAL	\$ 2.87	\$ 2.87	\$ 2.87
SPRINKLER	\$ 3.81	\$ 3.81	\$ 4.66

CUSTOMER CLASS	OUTSIDE-CITY \$ PER 100 CF 1 - 5	OUTSIDE-CITY \$ PER 100 CF 6 - 15	OUTSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 4.67	\$ 6.03	\$ 7.42
COMMERCIAL	\$ 4.56	\$ 4.56	\$ 4.56
SPRINKLER	\$ 6.03	\$ 6.03	\$ 7.42

Effective January 1, 2031:

CUSTOMER CLASS	INSIDE-CITY \$ PER 100 CF 1 - 5	INSIDE-CITY \$ PER 100 CF 6 - 15	INSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 3.06	\$ 4.01	\$ 4.90
COMMERCIAL	\$ 3.02	\$ 3.02	\$ 3.02
SPRINKLER	\$ 4.01	\$ 4.01	\$ 4.90

CUSTOMER CLASS	OUTSIDE-CITY \$ PER 100 CF 1 - 5	OUTSIDE-CITY \$ PER 100 CF 6 - 15	OUTSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 4.91	\$ 6.34	\$ 7.80
COMMERCIAL	\$ 4.79	\$ 4.79	\$ 4.79
SPRINKLER	\$ 6.34	\$ 6.34	\$ 7.80

Effective January 1, 2032:

CUSTOMER CLASS	INSIDE-CITY \$ PER 100 CF 1 - 5	INSIDE-CITY \$ PER 100 CF 6 - 15	INSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 3.22	\$ 4.22	\$ 5.15
COMMERCIAL	\$ 3.18	\$ 3.18	\$ 3.18
SPRINKLER	\$ 4.22	\$ 4.22	\$ 5.15

CUSTOMER CLASS	OUTSIDE-CITY \$ PER 100 CF 1 - 5	OUTSIDE-CITY \$ PER 100 CF 6 - 15	OUTSIDE-CITY \$ PER 100 CF OVER 15
RESIDENTIAL	\$ 5.16	\$ 6.66	\$ 8.19
COMMERCIAL	\$ 5.03	\$ 5.03	\$ 5.03
SPRINKLER	\$ 6.66	\$ 6.66	\$ 8.19



**Section 3. Private Fire Service** connections for private premises in both the City of Little Rock, Arkansas, and the City of North Little Rock, Arkansas, and consumers outside the municipal boundaries of each city both north and south of the Arkansas River shall pay the following annual fire service charges, effective as of the dates stated.

EFFECTIVE	JULY 1, 2023		JANUARY 1, 2024		JANUARY 1, 2025	
	INSIDE	OUTSIDE	INSIDE	OUTSIDE	INSIDE	OUTSIDE
FIRE HYDRANTS	\$ 88.26	\$ 127.68	\$ 97.97	\$ 141.73	\$ 108.75	\$ 157.33
FIRE CONNECTION MINIMUM CHARGE	\$ 102.35	\$ 148.06	\$ 113.61	\$ 164.35	\$ 126.11	\$ 182.43
AUTOMATIC SPRINKLER SYSTEM MINIMUM CHARGE (1,000 HEADS)	\$ 102.35	\$ 148.06	\$ 113.61	\$ 164.35	\$ 126.11	\$ 182.43
ADDITIONAL HEADS, EACH	\$ 0.10	\$ 0.17	\$ 0.12	\$ 0.19	\$ 0.14	\$ 0.22
STANDPIPE 1 1/4" (OR SMALLER) DIAMETER, EACH	\$ 20.02	\$ 28.98	\$ 22.23	\$ 32.17	\$ 24.68	\$ 35.71
1 1/2" DIAMETER, EACH AT	\$ 31.16	\$ 45.06	\$ 34.59	\$ 50.02	\$ 38.40	\$ 55.53
2" DIAMETER, EACH AT	\$ 51.20	\$ 74.03	\$ 56.84	\$ 82.18	\$ 63.10	\$ 91.22
2 1/2" DIAMETER, EACH	\$ 102.35	\$ 148.06	\$ 113.61	\$ 164.35	\$ 126.11	\$ 182.43

EFFECTIVE	JANUARY 1, 2026		JANUARY 1, 2027		JANUARY 1, 2028	
	INSIDE	OUTSIDE	INSIDE	OUTSIDE	INSIDE	OUTSIDE
FIRE HYDRANTS	\$116.91	\$169.13	\$125.68	\$181.82	\$134.80	\$195.01
FIRE CONNECTION MINIMUM CHARGE	\$135.57	\$196.12	\$145.74	\$210.83	\$156.31	\$226.12
AUTOMATIC SPRINKLER SYSTEM MINIMUM CHARGE (1,000 HEADS)	\$135.57	\$196.12	\$145.74	\$210.83	\$156.31	\$226.12
ADDITIONAL HEADS, EACH	\$0.16	\$0.24	\$0.18	\$0.26	\$0.20	\$0.28
STANDPIPE 1 1/4" (OR SMALLER) DIAMETER, EACH	\$26.54	\$38.39	\$28.54	\$41.27	\$30.61	\$44.27
1 1/2" DIAMETER, EACH AT	\$41.28	\$59.70	\$44.38	\$64.18	\$47.60	\$68.84
2" DIAMETER, EACH AT	\$67.84	\$98.07	\$72.93	\$105.43	\$78.22	\$113.08
2 1/2" DIAMETER, EACH	\$135.57	\$196.12	\$145.74	\$210.83	\$156.31	\$226.12

EFFECTIVE	JANUARY 1, 2029		JANUARY 1, 2030		JANUARY 1, 2031	
	INSIDE	OUTSIDE	INSIDE	OUTSIDE	INSIDE	OUTSIDE
FIRE HYDRANTS	\$ 141.54	\$ 204.77	\$ 148.62	\$ 215.01	\$ 156.06	\$ 225.77
FIRE CONNECTION MINIMUM CHARGE	\$ 164.13	\$ 237.43	\$ 172.34	\$ 249.31	\$ 180.96	\$ 261.78
AUTOMATIC SPRINKLER SYSTEM MINIMUM CHARGE (1,000 HEADS)	\$ 164.13	\$ 237.43	\$ 172.34	\$ 249.31	\$ 180.96	\$ 261.78
ADDITIONAL HEADS, EACH	\$ 0.21	\$ 0.30	\$ 0.23	\$ 0.32	\$ 0.25	\$ 0.34
STANDPIPE 1 1/4" (OR SMALLER) DIAMETER, EACH	\$ 32.15	\$ 46.49	\$ 33.76	\$ 48.82	\$ 35.45	\$ 51.27
1 1/2" DIAMETER, EACH AT	\$ 49.98	\$ 72.29	\$ 52.48	\$ 75.91	\$ 55.11	\$ 79.71
2" DIAMETER, EACH AT	\$ 82.14	\$ 118.74	\$ 86.25	\$ 124.68	\$ 90.57	\$ 130.92
2 1/2" DIAMETER, EACH	\$ 164.13	\$ 237.43	\$ 172.34	\$ 249.31	\$ 180.96	\$ 261.78

EFFECTIVE	JANUARY 1, 2032	
	INSIDE	OUTSIDE
FIRE HYDRANTS	\$ 163.87	\$ 237.06
FIRE CONNECTION MINIMUM CHARGE	\$ 190.01	\$ 274.87
AUTOMATIC SPRINKLER SYSTEM MINIMUM CHARGE (1,000 HEADS)	\$ 190.01	\$ 274.87
ADDITIONAL HEADS, EACH	\$ 0.27	\$ 0.36
STANDPIPE 1 1/4" (OR SMALLER) DIAMETER, EACH	\$ 37.23	\$ 53.84
1 1/2" DIAMETER, EACH AT	\$ 57.87	\$ 83.70
2" DIAMETER, EACH AT	\$ 95.10	\$ 137.47
2 1/2" DIAMETER, EACH	\$ 190.01	\$ 274.87

**Section 4.** The **Infrastructure Fee** is established to fund Wilson Water Treatment Plant Improvements, Lake Maumelle Improvements, and a new 60-inch diameter Raw Water Pipeline. The fee will start at \$0.50 for a 5/8" equivalent meter and increase based on debt service requirements. The fee is established based on cost projections and the Board of Commissioners of Central Arkansas Water, at its discretion, will adjust the fee once actual costs for those three projects and the debt service requirements are known. The infrastructure fee will be removed once all debt for these three projects is retired.

METER SIZE (diameter)	INFRASTRUCTURE FEE				
	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028
5/8"	\$ 0.50	\$ 0.75	\$ 1.00	\$ 1.50	\$ 2.50
3/4"	\$ 0.75	\$ 1.13	\$ 1.50	\$ 2.25	\$ 3.75
1"	\$ 1.25	\$ 1.88	\$ 2.50	\$ 3.75	\$ 6.25
1 1/2"	\$ 2.50	\$ 3.75	\$ 5.00	\$ 7.50	\$ 12.50
2"	\$ 4.00	\$ 6.00	\$ 8.00	\$ 12.00	\$ 20.00
3"	\$ 8.75	\$ 13.13	\$ 17.50	\$ 26.25	\$ 43.75
4"	\$ 15.75	\$ 23.63	\$ 31.50	\$ 47.25	\$ 78.75
6"	\$ 32.50	\$ 48.75	\$ 65.00	\$ 97.50	\$ 162.50
8"	\$ 70.00	\$ 105.00	\$ 140.00	\$ 210.00	\$ 350.00
10"	\$ 105.00	\$ 157.50	\$ 210.00	\$ 315.00	\$ 525.00
12"	\$ 132.50	\$ 198.75	\$ 265.00	\$ 397.50	\$ 662.50

METER SIZE (diameter)	INFRASTRUCTURE FEE			
	1/1/2029	1/1/2030	1/1/2031	1/1/2032
5/8"	\$ 3.50	\$ 3.75	\$ 4.00	\$ 4.25
3/4"	\$ 5.25	\$ 5.63	\$ 6.00	\$ 6.38
1"	\$ 8.75	\$ 9.38	\$ 10.00	\$ 10.63
1 1/2"	\$ 17.50	\$ 18.75	\$ 20.00	\$ 21.25
2"	\$ 28.00	\$ 30.00	\$ 32.00	\$ 34.00
3"	\$ 61.25	\$ 65.63	\$ 70.00	\$ 74.38
4"	\$ 110.25	\$ 118.13	\$ 126.00	\$ 133.88
6"	\$ 227.50	\$ 243.75	\$ 260.00	\$ 276.25
8"	\$ 490.00	\$ 525.00	\$ 560.00	\$ 595.00
10"	\$ 735.00	\$ 787.50	\$ 840.00	\$ 892.50
12"	\$ 927.50	\$ 993.75	\$1,060.00	\$1,126.25

**Section 5.** The **Watershed Protection Fee** is \$0.90 per 5/8" or 3/4" equivalent meter. The Board of Commissioners of Central Arkansas Water, at its discretion, to provide sufficient funding to protect water quality within the water supply lakes, may increase the Watershed Protection Fee up to \$1.80 per 5/8" or 3/4" equivalent meter. The Watershed Protection Fee may only be used for land purchases (including conservation easements), to remove, relocate, remediate or otherwise thwart potentially devastating impacts of the Pegasus pipeline, projects or programs to maintain or improve watershed health, projects or programs to maintain or improve water quality within the water supply lakes, education programs about the importance of maintaining a healthy watershed and water-quality, fund the administration of the Watershed Protection Program, or to service the debt incurred for any of the purposes set forth above.

METER SIZE (diameter)	WATERSHED PROTECTION FEE
5/8"	\$ 0.90
3/4"	\$ 0.90
1"	\$ 1.35
1 1/2"	\$ 2.25
2"	\$ 4.50
3"	\$ 7.20
4"	\$ 13.50
6"	\$ 22.50
8"	\$ 45.00
10"	\$ 72.00

**Section 6.** The following schedule of rates is established by Central Arkansas Water for Wholesale-Metered Customers, whether such Wholesale-Metered Customers are located within or without the political boundaries of any retail area served by Central Arkansas Water, whose rates are determined in accordance with nationally accepted cost of service rate setting standards for the water industry.

Such Wholesale-Metered Customers shall pay an Availability Charge in accordance with Section 2 and an additional amount determined by the following volume-based rates for all water delivered each month by Central Arkansas Water, effective as of the dates stated.

	WHOLESALE-METERED CUSTOMER RATES					
	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF
EFFECTIVE	CURRENT	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028
WHOLESALE-METERED CUSTOMER	\$ 1.52	\$ 1.76	\$ 1.96	\$ 2.11	\$ 2.27	\$ 2.44

	WHOLESALE-METERED CUSTOMER RATES				
	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF
EFFECTIVE	CURRENT	1/1/2029	1/1/2030	1/1/2031	1/1/2032
WHOLESALE-METERED CUSTOMER	\$ 1.52	\$ 2.57	\$ 2.70	\$ 2.84	\$ 2.99

The **Infrastructure Fee** and **Watershed Protection Fee**, pursuant to Section 4 and 5 herein, shall not apply to the sale of water by Central Arkansas Water to Wholesale-Metered Customers at the wholesale meter(s), but instead each Wholesale-Metered Customer shall pay the Infrastructure and Watershed Protection Fee monthly based on the number of individually metered customers (at each applicable meter size) of the Wholesale-Metered Customer as of December 15 of the prior year, as well as those of any subsequent wholesale purchasers from the Wholesale-Metered Customer. Wholesale-Metered Customers obtaining less than one hundred percent (100%) of their total supply from Central Arkansas Water will pay only a proportional share of the Infrastructure Fee and Watershed Protection Fee based on the percentage of water supplied by Central Arkansas Water compared to the total amount of water utilized by the Wholesale-Metered Customer each month. If a Wholesale-Metered Customer takes less than the required minimum amount of water pursuant to the contract between the Wholesale-Metered Customer and Central Arkansas Water, the allocation for determining the amount of the Infrastructure and Watershed Protection Fee to be paid shall be based on the required minimum under the contract, not the amount of water actually taken by the Wholesale-Metered Customer. Wholesale-Metered Customers shall report no later than the 23<sup>rd</sup> day of December each year the total metered consumption and number of active meters by size on the 15<sup>th</sup> day of December. If a Wholesale-Metered Customer fails to report the total metered consumption and number of active meters by size on the 15<sup>th</sup> day of December by the noon on the 23<sup>rd</sup> day of December, Central Arkansas Water shall assume that the Wholesale-Metered Customer received 100 percent of its water from Central Arkansas Water during the prior 12 month period, and that the number of active meters increased by twenty-five percent until month following the month in which the Wholesale-Metered Customer submits the required report. Wholesale-Metered Customers may pass the fee through directly or include it in their rates. Each Wholesale-Metered Customer must assure that each and every wholesale customer of the Wholesale-Metered Customer is paying the applicable amount of Infrastructure and Watershed Protection Fees each month in accordance with the requirements of and calculations provided for in Section 4 and 5.

Section 7. The following schedule of rates is hereby established by Central Arkansas Water for Raw Water Customers.

All Raw Water Customers purchasing raw water shall pay an Availability Charge in accordance with Section 2 (inside or outside) and an additional amount determined by the following rates for all water, effective as of the dates stated.

	RAW WATER RATES					
	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF
EFFECTIVE	CURRENT	7/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027
RAW WATER CUSTOMER	\$ 0.66	\$0.74	\$0.83	\$0.93	\$1.00	\$1.08

	RAW WATER RATES					
	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF	\$ PER 100 CF
EFFECTIVE	CURRENT	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032
RAW WATER CUSTOMER	\$ 0.66	\$1.16	\$1.22	\$1.29	\$1.36	\$1.43

**Section 8.** Bills for service shall be rendered and paid monthly, with the exception of payments for private fire service and Wholesale-Metered Customers. Payments for private fire service shall be due in semi-annual installments in advance of the first (1<sup>st</sup>) day of January and July of each year. For Wholesale-Metered Customers, bills for service shall be rendered and paid monthly in accordance with the terms and conditions of the agreement for the purchase and sale of surplus water between Central Arkansas Water and the Wholesale-Metered Customer. Commencing 6/1/2019, each bill sent by Central Arkansas Water to any customer shall include a “billing fee” of \$1.92 per bill per month. The billing fee shall be reduced to \$1.42 per month for those customers who agree to receive electronic, rather than paper, bills. The billing fee shall be reduced by up to an additional \$0.20 per month for those customers who agree to pay by recurring auto-draft each month. The billing fee shall be reduced by \$0.80 per month when the debt issued in 2018 to pay for the new customer information system is retired.

**Section 9.** For customers other than Wholesale-Metered Customers, a penalty of ten percent (10%) shall be added to a customer bill not paid before the 20<sup>th</sup> day following the Billing Date. If a bill is not paid within 30 days after the Billing Date, service for the affected premise or customer, together with all other premises or accounts in the name of the same customer, may be disconnected. In such event, Central Arkansas Water may levy a reconnection charge for each account disconnected. For Wholesale-Metered Customers, a penalty of ten percent (10%) shall be added to a Wholesale-Metered Customer bill not paid before the 20<sup>th</sup> day following the Billing Date. If a bill is not paid within 30 days after the Billing Date, service for the affected Wholesale-Metered Customer may be restricted, limited, or even fully disconnected, at Central Arkansas Water’s discretion. In such event, Central Arkansas Water may levy a service charge for installation and removal of each device installed to restrict or limit flow or a reconnection charge for each metered disconnected in the case of disconnection.

**Section 10. Repealer.** Except as otherwise provided in Sections 1 and 12, and with the understanding that current rates shall remain in effect until the effective date of the new rates established by this Resolution, all previous rate schedule Resolutions are hereby repealed as of the effective date of the rate schedules established herein.

**Section 11. Severability.** The provisions of this Resolution are separable, and if any portion, section, provision, or phrase of this Resolution shall be declared invalid or unconstitutional, such action shall not affect the validity of the remainder of this Resolution.

Section 12. Definitions.

“Billing Date” means the date on which Central Arkansas Water conveys a customer’s water bill by standard mail, electronic mail, or other means to the customer.

“Residential Customer” means each customer receiving water service at a single building or building unit that is owned, leased, or rented by one party, separately metered, and occupied as a residence.

“Commercial Customer” means each customer receiving water service at (i) a building containing two or more apartments or family units that are rented or leased to tenants as residences and are not separately metered; (ii) a building occupied by a retail or service business; or (iii) a building owned or occupied by a public utility, a department of a municipality, or a state or federal governmental agency.

“Sprinkler Customer” means each customer receiving separately metered water service used exclusively for irrigation sprinkler systems or other outdoor purposes.

“Raw Water Customer” means each customer receiving raw (untreated) rather than potable water pursuant to a special arrangement with Central Arkansas Water.

“Wholesale-Metered Customer” means each entity regulated by the Arkansas Department of Health as a “public water system” purchasing water from Central Arkansas Water pursuant to a written agreement for the purchase and sale of surplus water to which Wholesale rates apply. Any public water system acquiring water from Central Arkansas Water without a written agreement for the purchase and sale of surplus water shall be charged the rates applicable to the “outside the city” Commercial Customer class as established in accordance with Sections 2 of this Resolution, as amended from time to time.

Section 13. The Board of Commissioners may reduce, defer, or cancel in its unilateral discretion a rate increase at any time in the event that:

- (a) A capital improvement project that such rate increase is intended to fund is delayed or postponed;
- (b) Previous rate revenues of Central Arkansas Water are expected to pay in full for a capital improvement project that such rate increase is intended to fund; or
- (c) Other circumstances that reasonably justify the reduction, deferment, or cancelation of such rate increase.

Section 14. The Board of Commissioners may adopt and implement in its unilateral discretion additional residential rates for customers who are eligible for federal assistance programs such as the Low Income Home Energy Assistance Program, the Low Income Household Water Assistance Program, Temporary Assistance for Needy Families, Supplemental Security Income, and the Supplemental Nutrition Assistance Program in the event that applicable law permits such adoption and implementation.

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

February 16, 2023

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, February 16, 2023, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

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

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Ms. Janine Woods, Chief People & Inclusion Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Mr. Terry Frazier, Director of Customer Service  
Mr. Danny Dunn, Director of Distribution  
Ms. Chelsea Boozer, Government Affairs Manager  
Ms. Sharon Sweeney, Water Quality Manager  
Mr. Jessie Austin, Distribution Foreman  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Mary Dyson, Executive Assistant

**CAW Staff via Teleconferencing:**

Mr. Alex Harper, GIS Manager  
Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Angeline Huey, Senior Accountant  
Mr. Brooks Lee, Business Analyst  
Mr. Chris Shahan, Assistant Director of Distribution  
Mr. Doug Farler, Operations Manager  
Mr. Doug Graham, Optimization Manager  
Ms. Jane Hurley, Education and Outreach Specialist  
Mr. Jordan Small, Senior Accountant  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Matthew Smith, Engineer  
Mr. Patrick Greene, Customer Service Field Manager  
Ms. Raven Lawson, Watershed Protection Manager



Mr. Sam Zehtaban, Director of Water Production

**Also, in Attendance:**

Mr. Joseph Flaherty, AR Dem-Gaz

Mr. Virgil Miller, Little Rock Board of Director / Liaison to CAW Commission

**Also, in Attendance via Teleconferencing:**

Mr. Jordan Johnson, JPJ Consulting, LLC

Mr. Barry Haas, Citizen

Ms. Carolyn Shearman, Friends of the Ouachita Trail

Mr. Mark Hedrick, Citizen

Ms. Chelsea Cook, Citizen

**CALL TO ORDER**

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

**EMPLOYEE RECOGNITION**

Mr. Dunn recognized Jessie Austin for 30 years of dedicated service.

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hartman, the minutes of the January 10, 2023, Joint Working Session were unanimously approved.

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner McKenzie, the minutes of the January 12, 2023, Regular Meeting were unanimously approved.

**PUBLIC COMMENT PERIOD**

Director Miller recognized Mr. Bohannon, Ms. Boozer, and Mr. Frazier for attending the Arkansas Community Organization (ACO) meeting on Monday, February 6, 2023, and for answering questions regarding the rate increase in an exemplary manner. Director Miller stated Director Hines plans to submit a revised Resolution for the following week's meeting of the Little Rock Board of Directors and noted their displeasure concerning CAW's rate resolution. Chair Newton thanked Director Miller for attending.

**FINANCIAL REPORT**

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

**POLICY DISCUSSION**

Mr. Bohannon provided an update on CAW's Financial Metrics/Bond Rating and CAW's public stance on HB1370, The Arkansas Cost-Shifting Prevention Act of 2023.

**CONSENT AGENDA**

**a. Resolution of Intent to Issue Water Revenue Bonds**

Approval requested of a Resolution of Signatory Authority and a Resolution of Intent to issue Water Revenue Bonds not to exceed \$11,000,000 for capital improvements needed at the Jack H. Wilson Water Treatment Plant.

**b. Large Capacity Water Pumps and Motors for Raw Water Pump Station No. 12**

Approval requested to purchase three (3) large capacity water pumps and electric motors from Instrument and Supply in the amount of \$1,080,000.00 (sales tax not included). The pumps will be installed at the raw water pump station No. 12 located at Jackson Reservoir. The Board approved an engineering contract for this project in June 2022, and CAW is ordering these pumps to get a spot in line for delivery in late 2023 or early 2024.

**c. Purchase One (1) Dump Truck and Three (3) Crew Trucks**

Approval requested to purchase one (1) new dump truck with dump bed, and three (3) new crew trucks with service bodies and air compressors. Total purchase price for all units is \$716,867.00.

**d. Purchase Two (2) Vacuum Excavation Machines (VAC-Tron)**

Approval requested to purchase two (2) Vacuum Excavation Machines from Vermeer Midsouth in the amount of \$175,788.00. Following a pilot project in 2022, it was determined that trailer-mounted Vac-Tron's were most efficient and flexible to meet CAW's hydro-excavation needs.

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

**INFORMATION SHARING**

2050 Strategic Plan Update

Mr. Bohannon provided an update on the 2050 Strategic Plan.

Lake Management Planning

Ms. Sweeney provided an update on lake management planning.

Government Affairs - LIHWAP

Ms. Boozer provided an update on the LIHWAP program.

**BOARD BRIEFING**

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

**ADJOURNMENT**

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hughes, the meeting was adjourned at 3:09 p.m.



Carmen Smith, Secretary/Treasurer

**RESOLUTION NO. 2023-02**

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

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

WHEREAS, CAW has determined that it will be necessary to issue water revenue bonds in an aggregate principal amount not to exceed \$11,000,000 for the purposes of acquiring and constructing improvements to rehabilitate the Wilson Water Treatment Plant (the "Improvements"), in order to increase its operational efficiency and effectiveness and extend the functional life of the almost 60-year-old facility; and

WHEREAS, proceeds of the bonds will also be used to finance engineering costs for the Improvements, the costs of issuing the bonds and interest during construction;

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

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

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

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

Section 4. That Jeff Mascagni, as Chief Financial Officer, is hereby authorized to

execute, for and on behalf of CAW, such other documents and certificates as may be required by ANRC (i) for participation in the Program, or (ii) to satisfy CAW's obligations under the bond purchase agreement with ANRC and ADFA, once such agreement is approved by the Commission.

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

Section 6. This Resolution shall be in effect from and after the date of its adoption.

ADOPTED: February 16, 2023

ATTEST:

  
\_\_\_\_\_  
Carmen Smith, Secretary Treasurer

APPROVED:

  
\_\_\_\_\_  
Kevin Newton, Chair

CERTIFICATE

STATE OF ARKANSAS      )  
  ) ss  
COUNTY OF PULASKI    )

I, Carmen Smith, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2023-02 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION DESIGNATING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER, THE CHIEF OPERATING OFFICER, AND THE CHIEF FINANCIAL OFFICER OF CENTRAL ARKANSAS WATER TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH THE DRINKING WATER SRF LOAN PROGRAM ADMINISTERED BY THE ARKANSAS NATURAL RESOURCES COMMISSION FOR THE WILSON WATER TREATMENT PLANT PROJECT**, adopted February 16, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of February 2023.



Carmen Smith, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

**RESOLUTION NO. 2023-03**

**A RESOLUTION DELARING THE INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN EXPENDITURES TOWARD THE WILSON WATER TREATMENT PLANT PROJECT NOT TO EXCEED \$11,000,000, AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF BONDS; APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE BONDS; APPROVING SETTING A DATE FOR A PUBLIC HEARING ON THE ISSUANCE OF THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

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

WHEREAS, CAW proposes to design, construct and equip improvements to its Wilson Treatment Plant (the "Improvements") that will consist of engineering and construction activities necessary to rehabilitate, improve operational efficiency and effectiveness, and extend the functional life of the nearly 60-year-old facility; and

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

WHEREAS, CAW proposes to obtain funds to accomplish the Improvements, to pay bond expenses and fund interest during construction from the issuance of bonds; and

WHEREAS, CAW desires to declare its "official intent," within the meaning of United States Treasury Regulation §1.150-2, to issue bonds; and

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

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

Section 1. 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 designing, constructing and equipping the Improvements between the date that is sixty (60) days prior to the date of this Resolution and the date or dates the Bonds (as hereinafter defined) are issued, plus a de minimis amount and preliminary expenditures, with the proceeds of bonds in the principal amount of not to exceed \$11,000,000 (the "Bonds").

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

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

Section 3. The Chief Executive Officer of CAW is hereby instructed to give notice to the governing bodies of the Cities of Little Rock and North Little Rock that CAW intends to issue the Bonds, in an amount not to exceed \$11,000,000, for the purpose of financing the Improvements, funding interest during construction and paying expenses of issuing the Bonds.

Section 4. The Chief Financial Officer of CAW is hereby instructed to schedule and hold a public hearing on the issuance of the Bonds.

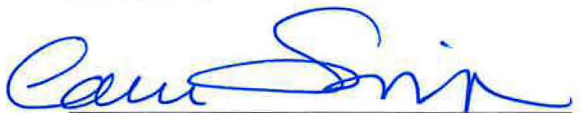
Section 5. A copy of this Resolution shall be filed with the Secretary of CAW where it will be available for public inspection.

Section 6. A copy of this Resolution with original signatures shall be furnished by the Chief Financial Officer of CAW to the Director of the Arkansas Natural Resources Commission.

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

ADOPTED: February 16, 2023

ATTEST:

  
Carmen Smith, Secretary Treasurer

APPROVED:

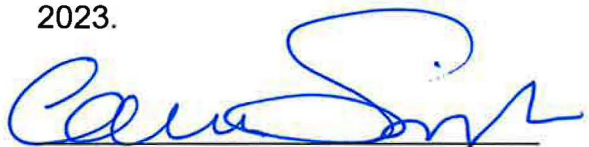
  
Kevin Newton, Chair

CERTIFICATE

STATE OF ARKANSAS     )  
  ) ss  
COUNTY OF PULASKI    )

I, Carmen Smith, Secretary/Treasurer of the Board of Commissioners of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2023-03 of the Board of Commissioners of Central Arkansas Water, entitled: **A RESOLUTION DELARING THE INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN EXPENDITURES TOWARD THE WILSON WATER TREATMENT PLANT PROJECT NOT TO EXCEED \$11,000,000, AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF BONDS; APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE BONDS; APPROVING SETTING A DATE FOR A PUBLIC HEARING ON THE ISSUANCE OF THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO**, adopted February 16, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of February 2023.



Carmen Smith, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners



**CENTRAL ARKANSAS WATER**

**MINUTES OF PUBLIC HEARING  
REGARDING ISSUANCE OF \$2,600,000  
IN MAXIMUM PRINCIPAL AMOUNT OF  
WATER REVENUE BONDS**

**March 14, 2023**

The meeting was called to order by Jeff Mascagni, Chief Financial Officer, Central Arkansas Water, who presided at the meeting. He stated that a public hearing was scheduled to be held at 2 p.m. on March 14, 2023 at the James T. Harvey Administration Building of Central Arkansas Water located at 221 East Capitol Avenue in Little Rock, Arkansas. The public hearing was held to hear comments on the question of Central Arkansas Water issuing \$2,600,000 in maximum principal amount of water revenue bonds (the "bonds") for the purpose of financing costs of hydrilla eradication in Lake Maumelle. Proceeds of the bonds will also pay expenses of issuing the bonds.

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

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

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

**CERTIFICATE**

The undersigned, Secretary/Treasurer of Central Arkansas Water, hereby certifies that the foregoing is a true and perfect written record of a public hearing held at 2 p.m. on the 14th day of March, 2023, which now appears in the records of the Central Arkansas Water in Little Rock, Arkansas.

  
Carmen Smith, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

March 16, 2023

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, March 16, 2023, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

**Present:**

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

**Via Teleconferencing:**

Mr. Jay Hartman, Commissioner  
Ms. Kandi Hughes, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Ms. Janine Woods, Chief People & Inclusion Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Ms. Lauren Schallhorn, Controller  
Ms. Liz Tuck-Rowan, Purchasing Manager  
Mr. David Hindman, Buyer I  
Ms. Bridgette Johnson, Buyer II  
Mr. Allen Vincent, Director of Information Services  
Mr. Jeff Eades, Infrastructure Manager  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Danny Dunn, Director of Distribution  
Ms. Chelsea Boozer, Government Affairs Manager  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Sharon Sweeney, Water Quality Manager  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Mary Dyson, Executive Assistant

**CAW Staff via Teleconferencing:**

Mr. Alex Harper, GIS Manager  
Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Angeline Huey, Senior Accountant  
Ms. Danielle Nielsen, Accounting Clerk I  
Mr. Doug Farler, Operations Manager

Mr. Doug Graham, Optimization Manager  
Ms. Jane Hurley, Education and Outreach Specialist  
Mr. Joe Ginn, Information Services Technician I  
Mr. Jordan Small, Senior Accountant  
Ms. Nichole Freeman, Talent Acquisition Specialist  
Ms. Raven Lawson, Watershed Protection Manager  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Tamara Gill, Human Resources Generalist  
Ms. Tatiana Herrington, Director of Human Resources  
Mr. Terry Frazier, Director of Customer Service

**Also, in Attendance:**

Mr. J. Shepherd Russell, III, Bond Counsel, Friday, Eldredge & Clark LLP  
Mr. Jack Truemper, Senior Vice President, Stephens, Inc.  
Mr. Jordan Johnson, JPJ Consulting, LLC  
Mr. Joseph Flaherty, AR Dem-Gaz  
Ms. Leigh Ann Biernat, Senior Vice President, Stephens, Inc.  
Mr. Virgil Miller, Little Rock Board of Director / Liaison to CAW Commission

**Also, in Attendance via Teleconferencing:**

Mr. Aaron M. Benzing, P.E., Hawkins-Weir Engineers, Inc.  
Mr. Barry Haas, Citizen  
Ms. Chelsea Cook, Citizen

**CALL TO ORDER**

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

**COMMISSIONER RECOGNITION**

Chair Newton presented to Commissioner McKenzie, a pin commemorating his five-years of service on the Board and thanked him for his service.

**APPROVAL OF BOARD MINUTES**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Barth, the minutes of the February 16, 2023, Regular Meeting were unanimously approved.

**PUBLIC COMMENT PERIOD**

No comments.

**FINANCIAL REPORT**

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

**CONSENT AGENDA**

### Hydrilla Remediation

Staff requested Board approval of the purchase of SePRO Herbicide and the Automated Injection Control System in the amount of \$2,503,590.36. The herbicide will be applied in accordance with the 2023 Lake Management Plan to eradicate hydrilla in Lake Maumelle over a 5-year period.

### VMWare Host and VNWare License

Staff requested Board approval of the purchase of a VMWare Host and VMWare License from ConvergeOne in the amount of \$126,177.21. This project will allow CAW to move the servers hosted in our demilitarized zone network to a virtual environment, enabling them to be covered by the disaster recovery policy and also add redundancy to help improve the cybersecurity profile.

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

## **NON-CONSENT AGENDA**

### Procurement Month Proclamation

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Smith, after due consideration and discussion, the Resolution to proclaim March 2023 as "Procurement Month" for CAW was unanimously approved.

### Resolution Authorizing the Issuance of Water Revenue Bond, Series 2023A

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Barth, after due consideration and discussion, the Resolution authorizing the issuance of Water Revenue Bond, Series 2023A, in the amount of \$2,533,000 to finance Hydrilla remediation at Lake Maumelle, was unanimously approved.

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

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Kendall, after due consideration and discussion, the transfer of Series 2023A bond proceeds in the amount of \$2,486,000 into the Rate Stabilization Account, was unanimously approved.

### Jack H. Wilson Water Treatment Plant Improvements – Design Services

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Barth, after due consideration and discussion, approval to amend the existing engineering contract with Hazen and Sawyer in the amount of \$10,203,693 to perform detailed engineering design, assist CAW with the selection of a Construction Manager At Risk (CMAR) Contractor to provide construction services for this project, coordinate with CMAR on design, value engineering, and cost model, and obtain and review CMAR's guaranteed maximum price (GMP) bids for the Jack H. Wilson Renewal and Resiliency Project, was unanimously approved.

## **INFORMATION SHARING**

### Sustainability

Ms. Smith provided an update on the CAW's sustainability efforts and the impact of Act 278 of 2023, to CAW's Cabot solar field and future solar projects.

**BOARD BRIEFING**

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

**ADJOURNMENT**

Upon a motion duly made by Commissioner Barth and seconded by Commissioner Smith, the meeting was adjourned at 3:05 p.m.



Carmen Smith, Secretary/Treasurer

**RESOLUTION NO. 2023-04**

**A RESOLUTION DESIGNATING MARCH 2023 AS “PROCUREMENT MONTH” AT CENTRAL ARKANSAS WATER; AND FOR OTHER PURPOSES**

WHEREAS, public procurement professionals perform an indispensable function for governmental entities and play a vital role in providing for the acquisition of a broad range of goods and services essential for the safe and effective operations of the entity; and

WHEREAS, public procurement professionals require specific knowledge and skills to maintain fair and competitive procurement practices and to evaluate the entity’s procurement program; and

WHEREAS, procurement professionals strategically execute, implement, and manage contracts, and cultivate relationships with suppliers and other organizations to effectively administer procurement agreements; and

WHEREAS, contracting and procurement professionals, through their combined purchasing power, oversee billions of dollars each year while maintaining the highest possible ethical standards and utilizing the latest and most efficient and effective procurement methods available; and

WHEREAS, the work of Central Arkansas Water’s Procurement Office benefits the utility, its rate payers, and the citizens of Central Arkansas through the application of fiscal responsibility, ethical use of rate payer dollars for the operations of the utility, and fair and competitive solicitation practices; and

WHEREAS, March 2023 is recognized as “Procurement Month” by the Institute for Public Procurement, National Procurement Institute, National Association of State Procurement Officials, and other associations;

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

Section 1. The Board of Commissioners hereby proclaims March 2023 as “Procurement Month” for Central Arkansas Water.

ADOPTED: March 16, 2023

ATTEST:

APPROVED:

  
Carmen Smith, Secretary Treasurer

  
Kevin Newton, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  ) ss  
COUNTY OF PULASKI    )

I, Carmen Smith, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2023-04 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION DESIGNATING MARCH 2023 AS "PROCUREMENT MONTH" AT CENTRAL ARKANSAS WATER; AND FOR OTHER PURPOSES**, adopted March 16, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of March 2023.



Carmen Smith, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

RESOLUTION NO. 2023-05

A RESOLUTION AUTHORIZING THE ISSUANCE OF A WATER REVENUE BOND FOR THE PURPOSE OF FINANCING COSTS OF HYDRILLA ERADICATION IN LAKE MAUMELLE; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

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

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

WHEREAS, Lake Maumelle is a major source of water for the Issuer in which hydrilla has been discovered; and

WHEREAS, hydrilla is a federally listed noxious weed that can harm water supply and water intake facilities and make drinking water more costly for consumers; and

WHEREAS, the Issuer has formulated plans for the eradication of hydrilla in Lake Maumelle (the "Project") and will undertake the Project in phases over a period of years; and

WHEREAS, the Issuer proposes to finance all or a portion of the costs of the Project; and

WHEREAS, in order to finance the costs of the first phase of the Project, including bond issuance costs, the Issuer is proposing to issue a Water Revenue Bond (Hydrilla Eradication Project), Series 2023A (the "Bond") in the principal amount of \$2,533,000; and

WHEREAS, with the advice and assistance of Stephens Inc., as Municipal Advisor (the "Municipal Advisor"), and after receiving bids from financial institutions on February 24, 2023, the Issuer has made arrangements with First Security Bank (the "Lender") to purchase the Bond as evidence of a loan from the Lender pursuant to a Letter of Offer and Representation (the "Letter of Offer"); and

WHEREAS, the following documents have been prepared in connection with the issuance of the Bond and have been reviewed by the Issuer and Friday, Eldredge & Clark, LLP, Bond Counsel ("Bond Counsel"): (a) a Loan Agreement between the Issuer and the Lender (the "Loan Agreement") providing for the loan and payment obligations of the Issuer in connection therewith, and (b) the Letter of Offer; and



WHEREAS, the Issuer has the following outstanding issues of revenue bonds: Refunding Water Revenue Bond, Series 2010A (2009 ANRC Project) (the "Series 2010A Bond"), Water Refunding Revenue Bonds, Series 2010C (Watershed Protection Project) (the "Series 2010C Bonds"), Water Revenue Bond, Series 2011A (Wye Mountain Extension Project) (the "Series 2011A Bond"), Capital Improvement Water Revenue Bonds, Series 2012A (the "Series 2012A Bonds"), Refunding Water Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), Refunding Water Revenue Bonds, Series 2016 (the "Series 2016 Refunding Bonds"), Acquisition and Construction Water Revenue Bonds (Maumelle Water System Acquisition Project), Series 2016 (the "Series 2016 Maumelle Bonds"), Water Revenue Bond (Wilson Pump Station #1A Project), Series 2017A (the "Series 2017A Bond"), Capital Improvement Water Revenue Bonds, Series 2018B (the "Series 2018B Bonds"), Water Revenue Bond (Ozark Point Water Treatment Plant Project), Series 2019A (the "Series 2019A Bond"), Water Revenue Bond (POWA Project), Series 2020A (the "Series 2020A Bond"), Capital Improvement and Refunding Water Revenue Bonds, Series 2020B (the "Series 2020B Bonds"), Capital Improvement and Refunding Water Revenue Bonds. Series 2020C (Green Bonds) (the "Series 2020C Bonds"), Refunding Water Revenue Bonds, Series 2020D (Taxable) (the "Series 2020D Bonds"), Water Revenue Bond (Frazier Pike Project), Series 2021A (the "Series 2021A Bond"), Water Revenue Bond (Wye Mountain Project), Series 2021B (the "Series 2021B Bond"), Water Revenue Bond (Ridgefield Project), Series 2022A (the "Series 2022A Bond") and Water Revenue Bond (Wilson Pump Station #1A Project), Series 2022B (the "Series 2022B Bond"); and

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

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

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

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

"Debt Service" means, for any particular Fiscal Year with respect to the Bond, Parity Debt, Junior Debt and other indebtedness issued for System purposes, as applicable, an amount equal to the sum of all principal and interest (net of any interest subsidy with respect to the Bond, Parity Debt, Junior Debt and other indebtedness issued for System purposes paid or payable to or for the account of the Issuer by any governmental body or agency) payable during such Fiscal Year calculated on the assumption that the Bond, the Parity Debt, Junior Debt or other indebtedness issued for System purposes, on the day of calculation cease to be outstanding by reason of, but only by reason of, payment or defeasance; provided, however, after the Stabilized

Net Revenues Adjustment Date, Debt Service on indebtedness paid solely from Special Debt Retirement Charge Revenues shall not be included in the definition of Debt Service.

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

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

"Grant Aid" means any grants in aid made to the Issuer by the federal government, the State, or either or both of the Cities, or any federal subsidy legally available to pay the principal of or interest on the Bond, the Parity Debt, the Junior Debt or other obligations issued for System purposes.

"Junior Debt" shall mean bonds, notes or other forms of indebtedness that are secured in whole or in part by Special Debt Retirement Charge Revenues and from any reserves established only to secure such bonds, notes or other forms of indebtedness. Currently, the Series 2016 Maumelle Bonds, the Series 2020A Bond, the Series 2021A Bond, the Series 2021B Bond and the Series 2022A Bond are included within the definition of Junior Debt.

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

"Parity Debt" means the Series 2010A Bond, the Series 2010C Bonds, the Series 2011A Bond, the Series 2012A Bonds, the Series 2014 Bonds, the Series 2016 Refunding Bonds, the Series 2017A Bond, the Series 2018B Bonds, the Series 2019A Bond, the Series 2020B Bonds,

the Series 2020C Bonds, the Series 2020D Bonds, the Series 2022B Bond and any future debt obligations of the Issuer incurred in compliance with the resolutions authorizing and securing the Parity Debt now outstanding.

"Rate Covenant Requirement" has the meaning specified in Section 9(a) hereof.

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

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

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

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

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

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

"Special Purpose Bonds" means (i) such other bonds, notes or other interest bearing obligations to which a portion of the Revenues are pledged, and the proceeds of which are used to finance the design, acquisition, and construction of facilities or projects as the Issuer shall by resolution designate as a Special Purpose Facility, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds as contemplated and permitted by Section 22(d) of this Resolution, or (ii) such other bonds to which the Watershed Protection Fee is pledged and the proceeds of which are used to finance the acquisition of land within the watershed of Lake Maumelle or the design, acquisition, and construction of facilities or projects as the Issuer shall by resolution deem necessary or advisable for protection of water quality within Lake Maumelle.

"Special Purpose Facility" means (a) additional water sources, including but not limited to, a new lake; or (b) such other facilities or projects as the Issuer shall by resolution designate as a Special Purpose Facility, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds of the Issuer as contemplated and permitted by Section 22(d) of this Resolution.

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

"Stabilized Net Revenues Adjustment Date" means the first date on which (i) the Series 2010C Bonds, the Series 2012A Bonds, the Series 2014 Bonds, the Series 2016 Refunding Bonds, the Series 2017A Bond and the Series 2018B Bonds are fully paid or defeased and (ii) the 2010A Bond and the Series 2011A Bond are either paid in full or the owners of the Series 2010A Bond and the Series 2011A Bond have agreed to release any Special Debt Retirement Charge Revenues from the pledge in favor of the Series 2010A Bond and the Series 2011A Bond.

"Subordinate Indebtedness" shall mean bonds, notes, or other forms of indebtedness, the payment of the principal of or interest or redemption premium on which are payable solely from moneys after payment of all periodic obligations on the Bond or any obligations ranking on a parity with the Bond.

"Water Consultant" means any firm, corporation, or individual, including but not limited to registered professional engineers and certified public accountants, who are experienced in the administration, financial affairs, maintenance, construction, or operation of potable water collection treatment, and distribution facilities, appointed and paid by the Issuer, who: (a) is in

fact independent and not under the domination of the Issuer; (b) does not have any substantial interest, direct or indirect, in the Issuer; and (c) is not connected with the Issuer as an officer or employee but who may be regularly retained to make annual or other periodic reports to the Issuer.

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

Section 2. The sale of the Bond to the Lender at a price of par (the "Purchase Price") pursuant to the Letter of Offer, to evidence the loan from the Lender, subject to the terms and provisions hereafter in this Resolution set forth in detail be, and is hereby approved, and the Bond is hereby sold to the Lender. The Chairman is hereby authorized to execute and deliver the Letter of Offer. The Letter of Offer is hereby approved in substantially the form submitted to this meeting, with such changes as shall be approved by the Chairman, his execution to constitute conclusive evidence of such approval.

Section 3. The Chairman and the Secretary of the Issuer are hereby authorized and directed to execute and deliver the Loan Agreement. The Loan Agreement is hereby approved in substantially the form submitted to this meeting, with such changes as shall be approved by the Chairman and Secretary, their execution to constitute conclusive evidence of such approval.

Section 4. The Chairman and Secretary and other officers of the Issuer in accordance with their offices, are authorized and directed to take such action and execute such writings and agreements as may be necessary to carry out the purposes of this Resolution, including the issuance of the Bond and the acceptance of the Lender's offer to purchase the Bond on terms not inconsistent with the provisions of this Resolution.

Section 5. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly the Authorizing Legislation, Central Arkansas Water Revenue Bond (Hydrilla Eradication Project), Series 2023A is hereby authorized and ordered issued in the principal amount of \$2,533,000 the proceeds of the sale of which will be used to finance costs of the first phase of the Project, pay expenses incidental thereto and pay expenses of issuing the Bond.

The Bond shall be dated the date of delivery to the Lender. The Bond shall bear interest at the rate of 5.35% per annum based upon a 360-day year of twelve consecutive 30-day months. Interest shall be payable on March 1, 2024 and on each March 1 and September 1 thereafter. Principal shall be payable in installments on March 1, 2024 and each March 1 thereafter until the unpaid principal is paid in full as follows:

<u>Year</u> <u>(March 1)</u>	<u>Principal</u> <u>Installments</u>
2024	\$320,443.04
2025	396,461.46
2026	418,255.13
2027	441,246.81
2028	465,502.34
2029 (maturity)	491,091.22

The Bond will be registered as to both principal and interest, payable to the Lender, or registered assigns (the "Bondholder"), as set forth hereinafter in the bond form.

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

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

Section 6. The Bond shall be executed on behalf of the Issuer by the Chairman and Secretary of the Issuer and shall have impressed thereon the seal of the Issuer. The Bond is not a general obligation of the Issuer but is a special obligation, the principal of and interest on which, are secured by a pledge of and are payable from Stabilized Net Revenues. The pledge of Stabilized Net Revenues is subordinate to the pledge in favor of the Parity Debt and the Junior Debt. It is understood and agreed that from and after the Stabilized Net Revenues Adjustment Date, that there will not be included in the definition of Revenues any Special Debt Retirement Charge Revenues and such Special Debt Retirement Charge Revenues shall be released from the pledge of this Resolution on the Stabilized Net Revenues Adjustment Date. The Bond and interest thereon shall not constitute an indebtedness of the Issuer within any constitutional or statutory limitation.

Section 7. The Bond shall be in substantially the following form and the Chairman and Secretary of the Issuer are hereby authorized and directed to make all the recitals contained therein:

(form of single registered bond)

UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
CENTRAL ARKANSAS WATER  
WATER REVENUE BOND  
(HYDRILLA ERADICATION PROJECT),  
SERIES 2023A

\$2,533,000

KNOW ALL MEN BY THESE PRESENTS:

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

TWO MILLION FIVE HUNDRED THIRTY-THREE THOUSAND DOLLARS

with interest on the unpaid balance of the total principal amount at the rate of 5.35% per annum based upon a 360-day year and twelve consecutive 30-day months. The principal and interest shall be payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America.

Interest on the unpaid balance of the total principal amount shall be payable on March 1, 2024 and on each March 1 and September 1 thereafter. Principal shall be payable in installments on March 1, 2024 and on each March 1 thereafter until the unpaid principal is paid as follows:

<u>Year</u> <u>(March 1)</u>	<u>Principal</u> <u>Installments</u>
2024	\$320,443.04
2025	396,461.46
2026	418,255.13
2027	441,246.81
2028	465,502.34
2029 (maturity)	491,091.22

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

This bond is issued for the purpose of providing financing of the costs of the first phase of eradication of hydrilla from Lake Maumelle, which is a water source for the Issuer's water system (the "System"). The System consists of collection, holding, treatment and distribution facilities. Proceeds of this bond will also pay costs of authorizing and issuing this bond. This bond is issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 25, Chapter 20, Subchapter 3 of the Arkansas Code of 1987 Annotated, and pursuant to Resolution No. 2023-\_\_ of the Issuer, duly adopted and approved on the 16th day of March, 2023 (the "Authorizing Resolution"). Reference is hereby made to the Authorizing Resolution for the details of the nature and extent of the security and of the rights and obligations of the Issuer and the registered owner of this bond.

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

This bond may be prepaid at the option of the Issuer from funds from any source, in whole or in part, at any time on and after April 1, 2024, at a prepayment price equal to the principal amount being redeemed, plus accrued interest to the prepayment date. Written notice shall be given of such prepayment to the owner of this bond or registered assigns at least five (5) business days prior to the prepayment date.


This bond does not constitute an indebtedness of the Issuer within any constitutional or statutory limitation or provision and shall not constitute and indebtedness of, or pledge the faith and credit of, the State of Arkansas or the Cities of Little Rock and North Little Rock, Arkansas within the meaning of any constitutional provisions or limitations. This bond is a special obligation payable solely from the revenues derived from the operation of the System. In this regard, the pledge of Stabilized Net Revenues is subordinate to the pledge of Stabilized Net Revenues to the Parity Debt and the Junior Debt identified in the Authorizing Resolution. The pledge of Stabilized Net Revenues is subject to reduction to the extent and on and after the date set forth in the Authorizing Resolution. A sufficient amount of Stabilized Net Revenues to pay principal and interest has been duly set aside and pledged as a special fund for that purpose, identified as the "2023A Bond Fund," in the Authorizing Resolution. The Issuer has fixed and has covenanted and agreed to maintain rates for use of the System which shall be sufficient at all times to at least provide for the payment of the reasonable expenses of operation and maintenance of the System, provide for the payment of the principal of and interest on all the outstanding bonds to which System revenues are pledged as the same become due, to establish and maintain any required debt service reserves and to provide a depreciation fund, all as set forth in the Authorizing Resolution.



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

IN WITNESS WHEREOF, Central Arkansas Water has caused this bond to be executed in its name by its Chairman and Secretary, thereunto duly authorized, and its corporate seal to be affixed, all as of the 16th day of March, 2023.

CENTRAL ARKANSAS WATER

By   
Chairman

ATTEST

  
Secretary

(SEAL)

Section 8. The Issuer has heretofore fixed water rates by Resolution No. 2015-15, adopted October 8, 2015, Resolution No. 2015-20, adopted December 10, 2015, Resolution No. 2016-06, adopted February 11, 2016, Resolution No. 2017-10, adopted September 14, 2017, Resolution No. 2018-13, adopted December 20, 2018, Resolution No. 2018-14, adopted December 20, 2018, Resolution No. 2019-09, adopted October 10, 2019, Resolution No. 2019-15, adopted December 12, 2019, Resolution No. 2020-08, adopted May 14, 2020, Resolution No. 2020-09, adopted June 11, 2020, Resolution No. 2021-13, adopted May 13, 2021, Resolution No. 2021-18 adopted July 15, 2021, Resolution No. 2022-08, adopted March 10, 2022 and Resolution No. 2023-01, adopted January 12, 2023. Reference is hereby made to such Resolutions for the details thereof and other provisions pertaining thereto, which water rates are hereby confirmed and continued as provided therein. In this regard, it is recognized however, that the water rates fixed by Resolution No. 2023-01 must be rescinded if the Little Rock City Board of Directors and the North Little Rock City Council disapprove such water rates by resolutions adopted in accordance with the Consolidation Agreement.

Section 9. (a) In order to assure full and continuous performance of the covenants contained herein with a margin for contingencies and temporary unanticipated reduction in Revenues, the Issuer covenants and agrees to establish, fix, prescribe, continue, and collect (directly or through leases, use agreements or other agreements, or licenses or resolutions) rates

and charges for the sale of water furnished by the Issuer which, together with other income, are reasonably expected to yield available Revenues at least equal to the Rate Covenant Requirement for the forthcoming Fiscal Year. The term "Rate Covenant Requirement" shall mean: Stabilized Net Revenues at least equal to 100% of the Debt Service for the forthcoming Fiscal Year for the Bond and any Parity Debt, Junior Debt or other indebtedness issued for System purposes secured by Stabilized Net Revenues expected to be outstanding during the forthcoming Fiscal Year.

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

(c) The Issuer has previously authorized, by the RSA Resolution, the creation of a separate fund of the Issuer designated as the Rate Stabilization Account in order to even out fluctuations in Revenues and help to alleviate the need for short-term adjustments. Moneys in the Rate Stabilization Account will be transferred as determined from time to time by the Issuer. The Issuer may make payments into the Rate Stabilization Account and make withdrawals from the Rate Stabilization Account as provided in the RSA Resolution and as provided in Section 20. For purposes of defining Stabilized Net Revenues, amounts deposited into the Rate Stabilization Account shall decrease Revenues for the Fiscal Year for which they are deposited, and amounts withdrawn from the Rate Stabilization Account shall increase Revenues for the Fiscal Year for which they are withdrawn. Credits to or withdrawals from the Rate Stabilization Account that occur within 90 days after the end of a Fiscal Year may be treated as occurring within such Fiscal Year. The Issuer shall transfer moneys held within the Rate Stabilization Account to the Revenue Fund at such time and in such amounts as may be necessary to pay Operation and Maintenance Costs and to provide Revenues to enable the Issuer to satisfy any of its obligations under this Resolution or as required by any Parity Debt or Subordinate Indebtedness.

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

Section 10. Subject to the limitations of the Consolidation Agreement, the Issuer has, and will have so long as the Bond is outstanding, good, right, and lawful power to own the System and to fix and collect rates, fees, and other charges in connection with the distribution and sale of potable water to its customers. No revenue producing facility or service of the System shall be leased, furnished, or supplied free, but shall always be leased, furnished, or supplied so as to produce Revenues, provided that the Issuer reserves the right (a) to lease, furnish, or supply, free of charge, any such facility or service to the extent that such action does

not materially adversely affect the Issuer's ability to perform the Issuer's obligations under this Resolution, and (b) to adjust the rates, fees, and charges of the System in a manner such that the anticipated aggregate Revenues resulting after the adjustments shall not materially differ from the Revenues anticipated prior to the adjustments.

Section 11. The Issuer will not create, or permit the creation of, any new pledge, lien, charge, or encumbrance upon the Stabilized Net Revenues after the date hereof except as provided in or permitted by this Resolution.

Section 12. Subject to the provisions of the Consolidation Agreement, so long as the Bond is outstanding, except as otherwise provided herein, the Issuer will not sell, lease, or otherwise dispose of all or a substantial part of the System, provided, however, that, to the extent permitted by law, the Issuer may lease or make contracts or grant licenses for the operation of, or grant easements or other rights with respect to, any part of the System if such lease, contract, license, easement, or right does not impede or restrict the operation of the System by the Issuer. The Issuer may, however, from time to time, sell, exchange, or otherwise dispose of any machinery, fixtures, apparatus, tools, instruments, or other movable property or any real property acquired by it, if the Issuer shall determine that such property is no longer needed in connection with the operation and maintenance of the System and the proceeds of any such disposition shall be applied to the replacement of the property so sold or disposed of or the acquisition of property of equal or greater value or shall be deposited into the Revenue Fund.

Section 13. The Issuer will operate the System continuously in an efficient and economical manner, to the extent practicable under then existing conditions. The Issuer will at all times maintain, preserve, and keep the System in good repair, working order, and condition so that the operating efficiency thereof will be of high character. The Issuer will cause all necessary and proper repairs and replacements to be made so that the business carried on in connection with the System may be properly and advantageously conducted at all times in a manner consistent with prudent management and so that the rights and security of the Bondholder may be fully protected and preserved.

Section 14. All Revenues shall be promptly deposited by the Issuer to the credit of the Revenue Fund.

Section 15. The Operation and Maintenance Costs shall be paid by the Issuer from time to time as they become due and payable as a first charge on the Revenue Fund.

Section 16. After paying the Operation and Maintenance Costs as they become due, there shall be paid from the Revenue Fund into the various bond funds and debt service reserves securing the Parity Debt and the Junior Debt, the monthly amounts required to be deposited therein by the resolutions authorizing their issuance.

Section 17. There shall next be paid monthly from moneys in the Revenue Fund the financing fees in connection with Parity Debt and Junior Debt, to the Arkansas Development Finance Authority.

Section 18. (a) After paying the Operation and Maintenance Costs, making the bond fund and debt service reserve deposits required by Section 16 and paying the financing fees required by Section 17, as they become due, there shall be paid, from amounts on deposit in the Revenue Fund, into a special account to be created at First Security Bank and designated "Series 2023A Bond Fund" (the "Bond Fund") for the purpose of paying the principal of and interest on the Bond the amounts specified in (b) below.

(b) There shall be deposited from moneys in the Revenue Fund into the Bond Fund on each March 1 and September 1, commencing March 1, 2024, an amount equal to the principal of and interest on the Bond then due.

(c) All moneys in the Bond Fund shall be used solely for the purpose of paying the principal of and interest on the Bond.

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

Section 19. After making the payments required by Sections 15 through 18, there shall be paid monthly from moneys in the Revenue Fund into the Depreciation Fund, an amount calculated as follows: a flat five percent (5%) of water consumption-based revenues and private fire service revenues (including wholesale revenues) ("Total Depreciation Revenues"). The Depreciation Fund shall be used for replacements and repairs to the System. The monthly deposits may be reduced below five percent (5%) of Total Depreciation Revenues if a rate study acceptable to the Arkansas Natural Resources Commission uses a lower percentage; provided, however, there shall always be deposited into the Depreciation Fund monthly at least three percent (3%) of Total Depreciation Revenues.

Section 20. Moneys in the Revenue Fund in excess of the amounts required to be transferred monthly pursuant to Sections 15 through 19 of this Resolution may be utilized by the Issuer for any lawful System purpose, including deposits to the Rate Stabilization Account pursuant to Section 9. Money in the Rate Stabilization Account shall be used as provided in the RSA Resolution.

Section 21. The principal and interest installments shall be prepayable prior to maturity as provided in the bond form in Section 7 hereof.

Section 22. (a) As long as the Bond is outstanding, the Issuer shall not issue or attempt to issue any bonds having a lien on Revenues or Stabilized Net Revenues except as set forth in this Section 22.

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

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

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

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

(c) The Issuer may issue additional revenue bonds secured in whole or in part by Special Debt Retirement Charge Revenues, provided that there is no event of default with respect to the Bond.

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

(2) The Special Purpose Bonds referred to in this subsection shall be payable as to principal, redemption premium, if any, and interest solely from rentals or other charges derived by the Issuer under and pursuant to a lease or leases relating to the Special Purpose Facilities entered into by and between the Issuer, as lessor, and such person, firm, or corporation, either public or private, as shall lease the Special Purpose Facilities from the Issuer. Before any Special Purpose Facilities shall be constructed or acquired by the Issuer under this subsection, the Issuer shall adopt a resolution describing in reasonable detail the Special Purpose Facilities to be constructed or acquired by the Issuer, authorizing the issuance of the Special Purpose Bonds to finance the cost of construction or acquisition of such Special Purpose Facilities and prescribing

the rights, duties, remedies, and obligations of the Issuer and the holders, from time to time, of such Special Purpose Bonds. In addition, no such Special Purpose Bonds shall be issued by the Issuer to finance Special Purpose Facilities unless:

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

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

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

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

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

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

(e) The Issuer may issue bonds on a parity of security with the Bond so long as the Rate Covenant Requirement is met or projected to be met as certified by the Chief Financial Officer of the Issuer.

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

Section 23. It is covenanted and agreed by the Issuer with the Bondholder that it will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State and by this Resolution, including, without limitation, the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, segregating Revenues and applying them to the respective funds maintained pursuant to this Resolution.

The Issuer covenants and agrees that the Bondholder shall have the protection of all the provisions of the Authorizing Legislation, and that the Issuer will diligently proceed to enforce those provisions to the end of the Bondholder realizing fully upon its security. And, if the Issuer shall fail to proceed within 30 days (or 10 days with respect to a Payment Default (as defined below)) after written request shall have been filed by the Bondholder, the Bondholder may proceed to enforce all such provisions.

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

No waiver of any default shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon. Any costs of enforcement of the Bond or of any provision of this Resolution, including reasonable attorney's fees, shall be paid by the Issuer.

Nothing herein contained shall permit the levy of any attachment or execution upon any of the properties of the Issuer, nor shall any properties of the Issuer be subject to forfeiture by reason of any default hereunder, it being expressly understood and agreed by the Bondholder by

the acceptance of the Bond that the rights of the Bondholder are limited and restricted to the use and application of Revenues, funds and other moneys, securities and funds pledged under this Resolution.

Section 24. When the Bond has been executed and sealed as herein provided, it shall be delivered to the Lender upon payment of the Purchase Price. Sales proceeds shall first be used to pay the expenses of issuing the Bond. The balance shall be deposited into the Rate Stabilization Account and subsequently withdrawn for use to pay Project costs.

Section 25. The terms of this Resolution shall constitute a contract between the Issuer and the Bondholder and no variation or change in the undertaking herein set forth shall be made while the Bond is outstanding unless consented to in writing by the Bondholder.

Section 26. The Issuer agrees that it will keep proper records, books and accounts relating to the operation of the System, which shall be kept separate from all other records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the operation of the System in accordance with generally accepted government accounting standards. Such books shall be available for inspection by the Bondholder, or its agent or the representative, at reasonable times and under reasonable circumstances. The Issuer agrees to have its financial statements audited annually by an independent certified public accountant or the Legislative Joint Auditing Committee, Division of Legislative Audit of the State of Arkansas. The Issuer shall within 180 days after the end of each Fiscal Year file with the Bondholder its annual audited financial statements. If the Issuer's audited financial statements are not available by such date, the Issuer shall file such audited financial statements with the Bondholder within 60 days after receipt thereof by the Issuer.

Section 27. The Issuer covenants and agrees that it will maintain the System in good condition and operate it in an efficient manner and at reasonable cost. The Issuer agrees that, to the extent comparable protection is not otherwise provided to the satisfaction of the Bondholder, it will insure, and at all times keep insured in a responsible insurance company or companies selected by the Issuer and authorized and qualified under the laws of the State to assume the risk thereof, all above-ground structures of the System against loss or damage thereto in amounts and against such risks as are customarily insured against in connection with similar facilities and undertakings as the System. In the event of loss, the proceeds of such insurance shall be applied solely toward the reconstruction, replacement or repair of the System, and in such event the Issuer will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement and repair work.

Section 28. The Issuer shall pay from proceeds of the Bond the costs and expenses of the Lender incurred in connection with its purchase of the Bond, including the Lender's legal fees, in an amount not to exceed \$10,000.



Section 29. The engagement of the Municipal Advisor and Bond Counsel and the payment of their fees and expenses from proceeds of the Bond are hereby confirmed, ratified and approved.

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


Section 31. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: March 16, 2023

ATTEST:

  
\_\_\_\_\_  
Carmen Smith, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Kevin Newton, Chair

(SEAL)

RESOLUTION NO. 2023-05

A RESOLUTION AUTHORIZING THE ISSUANCE OF A WATER REVENUE BOND FOR THE PURPOSE OF FINANCING COSTS OF HYDRILLA ERADICATION IN LAKE MAUMELLE; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

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

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

WHEREAS, Lake Maumelle is a major source of water for the Issuer in which hydrilla has been discovered; and

WHEREAS, hydrilla is a federally listed noxious weed that can harm water supply and water intake facilities and make drinking water more costly for consumers; and

WHEREAS, the Issuer has formulated plans for the eradication of hydrilla in Lake Maumelle (the "Project") and will undertake the Project in phases over a period of years; and

WHEREAS, the Issuer proposes to finance all or a portion of the costs of the Project; and

WHEREAS, in order to finance the costs of the first phase of the Project, including bond issuance costs, the Issuer is proposing to issue a Water Revenue Bond (Hydrilla Eradication Project), Series 2023A (the "Bond") in the principal amount of \$2,533,000; and

WHEREAS, with the advice and assistance of Stephens Inc., as Municipal Advisor (the "Municipal Advisor"), and after receiving bids from financial institutions on February 24, 2023, the Issuer has made arrangements with First Security Bank (the "Lender") to purchase the Bond as evidence of a loan from the Lender pursuant to a Letter of Offer and Representation (the "Letter of Offer"); and

WHEREAS, the following documents have been prepared in connection with the issuance of the Bond and have been reviewed by the Issuer and Friday, Eldredge & Clark, LLP, Bond Counsel ("Bond Counsel"): (a) a Loan Agreement between the Issuer and the Lender (the "Loan Agreement") providing for the loan and payment obligations of the Issuer in connection therewith, and (b) the Letter of Offer; and

CERTIFICATE

The undersigned, Secretary of Central Arkansas Water, hereby certifies that the foregoing pages are a true and perfect copy of Resolution No. 2023-05, adopted at a regular session of the Board of Commissioners of Central Arkansas Water, held at the regular meeting place in the City of Little Rock, Arkansas at 2:00 o'clock p.m., on the 16th day of March, 2023.

GIVEN under my hand and seal on this 16th day of March, 2023.

  
Carmen Smith, Secretary/Treasurer

(SEAL)

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

April 13, 2023

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, April 13, 2023, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

Present:

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

Via Teleconferencing:

Dr. Jay Barth, Vice Chair

Absent

Ms. Kandi Hughes, Commissioner

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Ms. Janine Woods, Chief People & Inclusion Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Ms. Lauren Schallhorn, Controller  
Mr. Allen Vincent, Director of Information Services  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Danny Dunn, Director of Distribution  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Bryan Rugar, Land Conservation Coordinator  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Chelsea Boozer, Government Affairs Manager  
Mr. Alex Harper, GIS Manager  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Mary Dyson, Executive Assistant

CAW Staff via Teleconferencing:

Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Angeline Huey, Senior Accountant  
Ms. Danielle Nielsen, Accounting Clerk I  
Ms. Haley Phillips, Accounting Clerk I

Mr. Jason Lowder, Engineering Technician  
Mr. Joe Ginn, Information Services Technician I  
Mr. Jordan Small, Senior Accountant  
Ms. Mary Macon, Culture & Inclusion Manager  
Mr. Matthew Smith, Engineer  
Ms. Nichole Freeman, Talent Acquisition Specialist  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Sharon Sweeney, Water Quality Manager  
Ms. Tamara Gill, Human Resources Generalist  
Mr. Terry Frazier, Director of Customer Service

Also, in Attendance:

Mr. C.D. Williams, Citizen  
Mr. David Coleman, Partner, Forvis, LLP  
Mr. Joseph Flaherty, AR Dem-Gaz

Also, in Attendance via Teleconferencing:

Mr. Barry Haas, Citizen  
Ms. Chelsea Cook, Citizen  
Mr. Jordan Johnson, JPJ Consulting, LLC

CALL TO ORDER

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

EMPLOYEE RECOGNITION

Chair Newton presented to Mr. Weindorf a pin commemorating his twenty years of service at CAW and thanked him for his service.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner McKenzie, the minutes of the March 16, 2023, Regular Meeting were unanimously approved.

PUBLIC COMMENT PERIOD

No comments.

FINANCIAL REPORT

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

CONSENT AGENDA

Annual Contract for Software Maintenance & Support

Staff requested Board approval of an annual contract for software maintenance & support in the amount of \$279,707.00 with Cayenta to cover licensing fees and support services for the CIS system used by CAW.

### Approve Updates to the Retirement Committee Charter

Staff requested Board approval of updates to the Retirement Committee Charter to substitute the Chief People & Inclusion Officer for the Chief Operating Officer on the committee.

### Equipment Purchase – Two Variable Frequency Drives (VFDs)

Staff requested Board approval to purchase two (2) Variable Frequency Drives in the amount of \$441,287.15 from Evans Enterprises. This price is for equipment only and CAW staff will install them. One each will be installed at respective pump stations located at the Ozark Point and Jack H. Wilson Treatment Plants.

### Fort Roots Veterans Administration Hospital Main Extension, North Little Rock

Staff requested Board approval of a contract for distribution facilities with the U.S. Veterans Administration to install approximately 1,600 linear feet of 12-inch diameter water main and appurtenances. Per the contract, construction of the distribution facilities will be advertised for bid and the contractor will be selected by CAW in accordance with applicable laws, including the Davis-Bacon federal wage and non-discrimination requirements. Payments to the selected contractor will be made by CAW and those expenses will be immediately invoiced to the U.S. Veterans Administration on their existing monthly water service account (net 30 days). The total cost of construction of the facilities is estimated to be \$450,000.00 plus CAW's applicable service charges.

### Little Rock Port Authority Main Extension

Staff requested Board approval of a contract for distribution facilities with the Little Rock Port Authority to install approximately 6,580 linear feet of 16-inch diameter water main and appurtenances. Per the contract, CAW will design and construct the distribution facilities. CAW will bill the Little Rock Port Authority for the cost of materials when invoiced by the supplier and the Little Rock Port Authority shall reimburse CAW for such costs within 30 days. Upon completion of the construction of the distribution facilities, the Little Rock Port Authority shall pay CAW for the actual cost of construction of the distribution facilities, plus an administration fee. The total cost is estimated to be \$1,500,000.00 based on the construction plan.

### Purchase 16-Inch Pipe for Little Rock Port Authority Main Extension

Staff requested Board approval to purchase materials in the amount of \$636,843.55 from Core & Main LP, to install a main extension per the contract for distribution facilities with the Little Rock Port Authority.

### 2-Inch Galvanized Water Main Replacements in Little Rock – Phase 3 – 2023

Staff requested Board approval of a construction contract in the amount of \$1,931,499.11 with Cisneros Family Construction to replace approximately 8,475 linear feet of existing water mains identified as being very problematic and high maintenance located near the Arkansas State Fairgrounds in Little Rock.

### Purchase 6,000 Linear Feet of 6-Inch Ductile Iron Pipe

Staff requested Board approval to purchase 6,000 linear feet of 6-inch ductile iron pipe in the amount of \$143,880.00 from Core & Main LP. The pipe will be used throughout our system on various projects for water main replacements and relocations, as well as individual repairs.

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

### NON-CONSENT AGENDA

#### Approve the CAW 2022 Annual Comprehensive Financial Report

Mr. David Coleman with Forvis, LLP, reviewed the draft 2022 report. Mr. Mascagni requested Board approval of the CAW 2022 Annual Comprehensive Financial Report.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Barth, after due consideration and discussion, the CAW 2022 Annual Comprehensive Financial Report (the Audit) was unanimously approved.

#### Resolution for TAP Grant

Ms. Lawson provided an update on the vision and future goals of the Maumelle Pinnacles Conservation Area (MPCA) on utility-owned property and requested Board approval of a Resolution expressing the willingness of CAW to utilize \$200,00 in federal-aid Transportation Alternatives Program funds toward the total project cost of \$250,000 with a 20% (\$50,000) cash match commitment to complete a series of trail connectors in the area of the MPCA.

Discussion ensued regarding the nature of the trail and if the primary function will be for hiking or a combination of hiking and mountain bikes. There will be some hiking only components but the immediate pieces to be funded would be a combination because the trails would connect to areas that already have mountain bike trails.

Discussion ensued regarding how CAW secured the TAP Grant and that the Department of Administration administers the Grant.

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

#### CAW Participation in Upsizing of Water Mains for Chenal Valley Ph 18-L - Little Rock

Mr. Ferguson requested Board approval of developer participation in the amount of \$111,821.60 with Potlatch Deltic Real Estate LLC for the difference in cost from an 8-inch main to a 16-inch main through a proposed development.

Discussion ensued regarding the determination of the main size. The 16-inch main would provide a connection to a future water tank site in west Little Rock as recommended in previous engineering master plans.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner McKenzie, after due consideration and discussion, the developer participation in the amount of \$111,821.60 was unanimously approved.

### INFORMATION SHARING

#### Lake Maumelle Prescribed Burns

Mr. Rupar provided a Forest Management Update and the Lake Maumelle prescribed burns.

Climate Action Plan Update

Ms. Smith provided an update on CAW's Climate Action Plan.

Tornado Damage Assessment

Mr. Harper provided an update on PAGis Tornado Damage Assessment disaster response program relating to the March 31, 2023, Central Arkansas Tornado.

BOARD BRIEFING

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

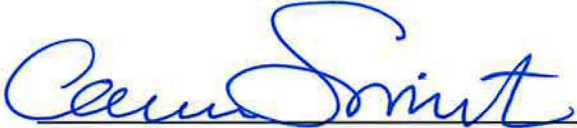
EXECUTIVE SESSION

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, the Board met in Executive Session with Mr. Bohannon to discuss a personnel matter.

Upon reconvening the Regular Session, Chair Newton stated that no action was taken.

ADJOURNMENT

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Kendall, the meeting was adjourned at 5:55 p.m.



Carmen Smith, Secretary/Treasurer



**RESOLUTION 2023-06**

**A RESOLUTION EXPRESSING THE WILLINGNESS OF CENTRAL ARKANSAS WATER TO UTILIZE FEDERAL-AID TRANSPORTATION ALTERNATIVES PROGRAM FUNDS**

WHEREAS, Central Arkansas Water has received a Transportation Alternatives Program grant from the Arkansas Department of Transportation to fashion a project that will complete a 26-mile trail system by constructing up to 11 miles of new, soft surface trail starting at HWY 300 and Natural Areas before continuing on to Bufflehead Bay; and

WHEREAS, Central Arkansas Water understands Federal-aid Transportation Alternatives Program are available at 80% federal participation and 20% local match to develop or improve the Maumelle Pinnacles Conservation Area Trails; 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, this project, using federal funding, will be open and available for use by the general public and maintained by the applicant for the life of the project.

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

Section 1. Central Arkansas Water will participate in accordance with its designated responsibility, including maintenance of this project.

Section 2. Each of the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer is hereby authorized and directed to execute all appropriate agreements and contracts necessary to expedite the construction of the above stated project.

Section 3. The Board of Commissioners of Central Arkansas Water pledges its full support and hereby authorizes the Arkansas Department of Transportation to initiate action to implement this project.

Section 4: This Resolution shall be in effect immediately upon its adoption.

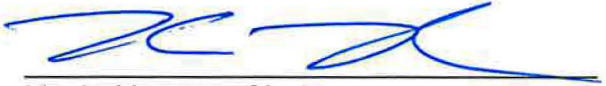
Section 5: A copy of this Resolution shall be filed in the administrative offices of CAW, where it will be available for public inspection.

ADOPTED: April 13, 2023

Attest:

  
Carmen Smith, Secretary/Treasurer

APPROVED:

  
Kevin Newton, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  ) ss  
COUNTY OF PULASKI    )

I, Carmen Smith, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2023-06 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION EXPRESSING THE WILLINGNESS OF CENTRAL ARKANSAS WATER TO UTILIZE FEDERAL-AID TRANSPORTATION ALTERNATIVES PROGRAM FUNDS**, adopted April 13, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of April 2023.



Carmen Smith, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

May 11, 2023

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, May 11, 2023, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

Present:

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

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Cynthia Edwards, Director of Finance  
Ms. Lauren Schallhorn, Controller  
Mr. Itayi Pondwa, Finance Manager  
Mr. Danny Dunn, Director of Distribution  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Doug Farler, Operations Manager  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Michael Mitchell, Watershed Technician  
Ms. Chelsea Boozer, Government Affairs Manager  
Ms. Mary Dyson, Executive Assistant

CAW Staff via Teleconferencing:

Mr. Alex Harper, GIS Manager  
Ms. Angeline Huey, Senior Accountant  
Mr. Ben Thesing, Natural Resource Specialist  
Mr. Brooks Lee, Business Analyst  
Mr. Bryan Rupar, Land Conservation Coordinator  
Ms. Charli Williams, Communications Administration Assistant  
Mr. David Hindman, Buyer III  
Mr. Doug Graham, Optimization Manager  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Mr. Eric Legate, Information Services Technician I  
Ms. Jackie Callahan, Billing Account Supervisor

Mr. Jordan Small, Senior Accountant  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Mark Stewart, Distribution Supervisor  
Ms. Mary Macon, Culture & Inclusion Manager  
Mr. Patrick Greene, Customer Service Field Manager  
Ms. Sharon Sweeney, Water Quality Manager  
Ms. Sonia Leszczyna, Human Resources Administrator  
Ms. Tamara Gill, Human Resources Generalist  
Mr. Terry Frazier, Director of Customer Service

Also, in Attendance:

Mr. Aaron M. Benzing, P.E., Hawkins-Weir Engineers, Inc.  
Mr. Doug Wilson, The Insurance Center  
Mr. Hunter Wilson, The Insurance Center  
Mr. Joseph Flaherty, Reporter, AR Dem-Gaz  
Mr. Thomas Metthe, Photographer, AR Dem-Gaz  
Mr. Virgil Miller, Little Rock Board of Director / Liaison to CAW Commission

Also, in Attendance via Teleconferencing:

Mr. Barry Haas, Citizen  
Ms. Chelsea Cook, Citizen

CALL TO ORDER

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

EMPLOYEE RECOGNITION

Ms. Lawson presented Mr. Michael Mitchell with a pin commemorating his thirty years of service at CAW and thanked him for his service.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Barth, the minutes of the April 13, 2023, Regular Meeting were unanimously approved.

PUBLIC COMMENT PERIOD

No comments.

FINANCIAL REPORT

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

CONSENT AGENDA

Resolution Reappointing Jay Hartman as a Commissioner from Little Rock

Commissioner Hartman's term on the Board expires June 30, 2023. The Board considered a Resolution to reappoint Commissioner Hartman as a representative from the City of Little Rock, Arkansas

### Appointment of 2022-2023 Officers

The one-year term of the current Officers expires June 30, 2023. The Board entertained a motion to appoint Officers for the 2023-2024 year commencing July 1, 2023, as follows:

Dr. Jay Barth, Chair  
Ms. Carmen Smith, Vice-Chair  
Mr. Jay Hartman, Secretary/Treasurer

### Banking Service Agreements

Staff requested Board approval of a Banking Service agreement with First Security Bank to provide Treasury, Lockbox, Trust, and Credit Card services and with Corpay for Virtual Card services. First Security Bank has provided banking services for the last six years.

### Tank 2 Exterior Painting

Staff requested Board approval of a construction contract with Leher Enterprises, Inc. in the amount of \$736,777.00 to paint the exterior and make other minor improvements too Tank 2 at Kanis and I-430 in Little Rock.

### Upgrade Motor Controllers at Lake Maumelle Pump Station

Staff requested Board approval of a contract with Keathley Patterson in the amount of \$253,974.40 for the upgrade of two (2) medium voltage drive motor controllers at the Lake Maumelle Pump Station.

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

## INFORMATION SHARING

### Business Insurance Coverage

Ms. Edwards provided an overview of CAW's Business Insurance Coverage and introduced Mr. Doug Wilson, The Insurance Center. Mr. Wilson provided an update on the current insurance market and how the market drives policy costs. Commissioner Smith asked how policy limits are determined. Mr. Wilson responded that CAW sets the limits in a Request for Proposal (RFP) and the limits are industry standards. Commissioner Hughes asked if we would ever consider piecemealing items out and looking at Cyber Security annually to see if we want to increase the limit compared to property and auto that typically do not change much year to year. Ms. Edwards responded that we have not but once we end the three-year contract, we can look at coverage limits on an annual basis for Cyber Security.

### Jack H. Wilson Renewal & Resiliency Project Update

Mr. Weindorf introduced Mr. Andrew Pownall, Senior Engineer, and Mr. Aaron Benzing, Hawkins Weir. Mr. Pownall provided an update on the Jack H. Wilson Water Treatment Plant Renewal & Resiliency Project and the benefits of Construction Manager-at-Risk (CMAR), an alternative collaborative delivery method. Mr. Benzing updated the board on the CMAR respondents and stated that any of the four respondents would do a good job and that CAW staff would be reviewing the submittals to determine which Construction Manager would be the best fit for this specific project. He then described the project scope, and complexities, and performed a

demonstration on how something as seemingly simple as replacing valves can be complex with many different solutions available to the contractor.

#### Five Big Drops – Deep Dives

Mr. Bohannon explained in detail the 2050 Strategic Plan Big Drop that was printed and delivered to the Commissioners prior to the board meeting, and he asked for their input.

After a lengthy discussion, Mr. Bohannon stated that staff clearly had some more work to do and that staff would take the Commissioners comments and concerns to heart and improve the ability of the plan to be easily understood by future staff, and to ensure that it linked directly to the performance measures and work plan timelines.

#### BOARD BRIEFING

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

#### EXECUTIVE SESSION

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, the Board met in Executive Session with Mr. Bohannon to discuss a personnel matter.

Upon reconvening the Regular Session, Chair Newton stated that no action was taken.

#### ADJOURNMENT

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, the meeting was adjourned at 5:06 p.m.



Carmen Smith, Secretary/Treasurer

**RESOLUTION 2023-07**

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

WHEREAS, the term of Mr. Jay Hartman, a member of the Board of Commissioners of Central Arkansas Water ("CAW Board"), expires on June 30, 2023; and

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

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER, THAT** the remaining Commissioners do hereby reappoint Mr. Jay Hartman to a seven-year term, subject to confirmation by the duly elected and qualified members of the Board of Directors of the City of Little Rock and the City Council of the City of North Little Rock, and that his term of office shall be through June 30, 2030.

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

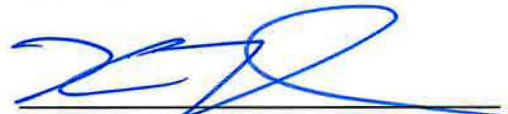
ADOPTED: May 11, 2023

Attest:



Carmen Smith, Secretary/Treasurer

APPROVED:



Kevin Newton, Chair



CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Carmen Smith, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2023-07 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION RE-APPOINTING MR. JAY HARTMAN TO THE BOARD OF COMMISSIONERS OF CENTRAL ARKANSAS WATER AND FOR OTHER PURPOSES**, adopted May 11, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of May 2023.



Carmen Smith, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

June 15, 2023

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, June 15, 2023, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

Present:

Mr. Kevin Newton, Chair  
Ms. Carmen Smith, Secretary/Treasurer  
Mr. Jim McKenzie, Commissioner

Via Teleconferencing:

Dr. Jay Barth, Vice Chair  
Ms. Kandi Hughes, Commissioner  
Mr. Anthony Kendall, Commissioner  
Mr. Jay Hartman, Commissioner

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Ms. Lauren Schallhorn, Controller  
Ms. Jackie Callahan, Billing Account Supervisor  
Ms. DaShunda Boykins, Lead Billing Specialist  
Mr. Itayi Pondwa, Finance Manager  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Danny Dunn, Director of Distribution  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Terry Frazier, Director of Customer Service  
Mr. Patrick Greene, Customer Service Field Manager  
Mr. Lewis Thomas, Lead Meter Reader  
Mr. Allen Vincent, Director of Information Services  
Ms. Mary Dyson, Executive Assistant

CAW Staff via Teleconferencing:

Mr. Alex Harper, GIS Manager  
Ms. Angeline Huey, Senior Accountant  
Mr. Bryan Rugar, Land Conservation Coordinator  
Ms. Charli Williams, Communications Administration Assistant  
Ms. Chelsea Boozer, Government Affairs Manager  
Mr. Doug Graham, Optimization Manager  
Mr. Erije Ben Aissa, GIS Intern

Mr. Jason Lowder, Engineering Technician  
Mr. John Pfenenger, GIS Database Coordinator  
Mr. Jordan Small, Senior Accountant  
Ms. Nichole Lewis-Freeman, Talent Acquisition Specialist  
Ms. Mariela Duran, Distribution Intern  
Ms. Mary Macon, Culture & Inclusion Manager  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Tamara Gill, Human Resources Generalist

Also, in Attendance:

Mr. Joseph Flaherty, Reporter, AR Dem-Gaz

Also, in Attendance via Teleconferencing:

Mr. Aaron Benzing, PE, Hawkins-Weir Engineers, Inc.  
Mr. Barry Haas, Citizen  
Ms. Chelsea Cook, Citizen  
Mr. Jordan Johnson, JPJ Consulting, LLC  
Ms. Ruth Bell, League of Women's Voters

CALL TO ORDER

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hartman, the minutes of the May 11, 2023, Regular Meeting were unanimously approved.

PUBLIC COMMENT PERIOD

No comments.

FINANCIAL REPORT

Ms. Edwards provided a year-to-date financial update on utility operations and demonstrated the cash flow & billing cycles. She introduced Ms. Jackie Callahan, Billing Account Supervisor, and Ms. DaShunda Boykins, Lead Billing Specialist, and recognized them for their outstanding performance in billing.

CONSENT AGENDA

Resolution Changing the Effective Date of Rates for Perla Service Area

Staff requested Board approval of a Rate Resolution changing the effective date of rates for the Perla Service Area from July 1, 2023, to January 1, 2024.

Interior and Exterior Painting of Tank 30B

Staff requested Board approval of a construction contract with Dixie Painting and Sandblasting in the amount of \$519,194.00, to paint the entire interior surface and entire exterior surface of Tank 30B located in Maumelle.

## Fort Roots Veterans Hospital Water Main Extension

Staff requested Board approval of a construction contract with Diamond Construction Company in the amount of \$424,000.00, to extend approximately 1,600 linear feet of water mains to provide a new potable water feed for Fort Roots VA Hospital in North Little Rock. CAW will be reimbursed for the full cost of this project pursuant to an agreement between CAW and the U.S. Veterans Administration that the Board approved in April 2023.

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

## NON-CONSENT AGENDA

### Resolution Authorizing Purchase of Real Property in Lake Maumelle Watershed - Funded with Proceeds from Green Bonds

Ms. Lawson requested Board approval of a Resolution authorizing the purchase of two parcels of real property in Pulaski and Perry Counties comprising approximately 220 acres located in the Lake Maumelle Watershed from the PotlatchDeltic Timber, LLC, for purchase price of \$1.65 million plus closing and survey costs (approximately \$7,400.00 per acre).

After a short discussion, Ms. Lawson explained the priority rankings and factors on scoring properties in the Lake Maumelle Watershed. Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Smith, the Resolution was unanimously approved.

### Business Insurance Coverage

Ms. Edwards requested Board approval of a one-year contract, with an option to renew for an additional one-year period, for business insurance coverage with The Insurance Center.

After a short discussion, Ms. Edwards explained the options for increasing Cyber Liability coverage. Upon a motion duly made by Commissioner Smith and seconded by Commissioner McKenzie, the contract for Business Insurance Coverage in the amount of \$468,956 to include the additional \$2M in Cyber Liability Coverage was unanimously approved.

## INFORMATION SHARING

### Customer Service Year in Review

Mr. Frazier introduced Mr. Patrick Greene, Customer Service Field Manager and Mr. Lewis Thomas, Lead Meter Reader, who jointly provided information on optimizing meter reading and the benefits of RouteSmart Technologies currently being used in the Maumelle service area Pilot Project.

Mr. Frazier provided an update on required features necessary for upgrading the phone system for the betterment of the Utility. He also updated the Board on Promise Pay, an affordability option for customers to help prevent shutoffs.

### Summer Intern Update

Ms. Smith provided an update on the STRIVE and Summer Internship program.

### Jack H. Wilson Renewal & Resiliency Project Update

Mr. Weindorf provided an update on the next steps for the Jack H. Wilson Renewal & Resiliency Project. A recommendation for CMAR will be brought back to the Board for consideration at the July board meeting.

#### BOARD BRIEFING

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

#### EXECUTIVE SESSION

Upon a motion duly made by Commissioner Smith and seconded by Commissioner McKenzie, the Board met in Executive Session with Mr. Bohannon to discuss a personnel matter.

Upon reconvening the Regular Session, Chair Newton stated that no action was taken.

#### ADJOURNMENT

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Smith, the meeting was adjourned at 3:32 p.m.



Jay Hartman, Secretary/Treasurer

**RESOLUTION 2023-08**

**A RESOLUTION TO REVISE THE SCHEDULE OF RATES FOR  
THE CITY OF PERLA, ARKANSAS; AND FOR OTHER  
PURPOSES**

WHEREAS, the Board of Commissioners of Central Arkansas Water serves as the court-appointed receiver of the water and wastewater systems of the City of Perla, Arkansas (“City of Perla”); and

WHEREAS, as receiver, the Board of Commissioners is vested by law with the authority to establish rates on behalf of the City of Perla; and

WHEREAS, water rates must be adequate to pay the principal of and interest on all debt issued by the utility, fulfill all other existing debt covenants, provide an adequate depreciation fund, and provide sufficient revenues to properly operate and maintain the waterworks system; and

WHEREAS, by Resolution 2022-19 passed by the Board of Commissioners on December 15, 2022, the Board of Commissioners adopted water and wastewater rates for customers of the City of Perla;

WHEREAS, the Board of Commissioners, upon the recommendation of staff, wishes to revise the effective date of a portion of such rates from July 1, 2023, to January 1, 2024.

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

Section 1. The Board of Commissioners revises Exhibit 1 of Resolution 2022-19 by striking each instance of the term “7/1/2023” and substituting therefor the term “1/1/2024.”

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

Section 3. A copy of this Resolution shall be filed in the corporate offices of the City of Perla where it will be available for public inspection.

ADOPTED: June 15, 2023

Attest:

APPROVED:

  
Carmen Smith, Secretary/Treasurer

  
Kevin Newton, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  )  
COUNTY OF PULASKI    )

I, Carmen Smith, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2023-08 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION TO REVISE THE SCHEDULE OF RATES FOR THE CITY OF PERLA, ARKANSAS; AND FOR OTHER PURPOSES**, adopted June 15, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of June 2023.



Carmen Smith, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

## RESOLUTION 2023-09

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

WHEREAS, Lake Maumelle is the primary raw water source for Central Arkansas Water ("CAW") and its nearly five hundred thousand (500,000) customers; and

WHEREAS, Lake Maumelle produces eighteen billion (18,000,000,000) gallons of pristine raw water every year for the service of such customers; and

WHEREAS, the management of this natural resource is a core function of CAW, and the abatement of widespread development in the Lake Maumelle Watershed is critical to its long-term preservation; and

WHEREAS, the purchase by CAW of real property in the Lake Maumelle Watershed is a continuous endeavor of CAW in the furtherance of that goal; and

WHEREAS, CAW has negotiated terms of a real estate offer and acceptance agreement for the purchase of approximately two hundred twenty (220) acres of real property in the Lake Maumelle Watershed ("Property") from POTLATCHDELTIC TIMBER, LLC ("Seller") for a total purchase price of ONE MILLION SIX HUNDRED FIFTY THOUSAND and 00/100 DOLLARS (\$1,650,000.00) ("Purchase Price"); and

WHEREAS, the purchase is subject to approval of the Board of Commissioners of CAW ("Commission"); and

WHEREAS, the Commission, based upon the recommendations of staff, determines that the purchase of Property serves the best interests of CAW and its ratepayers and supports the Commission's long-term goal of ensuring the highest quality of raw water in Lake Maumelle.

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

Section 1. The purchase of the Property upon and in accordance with the terms as negotiated is hereby approved.

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

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



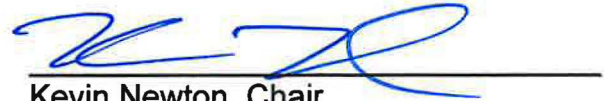
Section 4. A copy of this Resolution shall be filed in the administrative offices of CAW, where it will be available for public inspection.

ADOPTED: [June 15, 2023]

Attest:

  
Carmen Smith, Secretary/Treasurer

APPROVED:

  
Kevin Newton, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  ) ss  
COUNTY OF PULASKI    )

I, Carmen Smith, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2023-09 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY IN THE LAKE MAUMELLE WATERSHED; AND FOR OTHER PURPOSES**, adopted June 15, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of June 2023.



\_\_\_\_\_  
Carmen Smith, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

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

June 26, 2023

The Board of Commissioners of Central Arkansas Water (CAW) convened in a special called meeting at 3:00 p.m. on Monday, June 26, 2023, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

Present:

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

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Ms. Mary Dyson, Executive Assistant

Also, in Attendance

Mr. Joseph Flaherty, Reporter, AR Dem-Gaz

CALL TO ORDER

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

EXECUTIVE SESSION

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

Upon reconvening the Regular Session, Chair Newton stated that no action was taken.

ADJOURNMENT

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Smith, the meeting was adjourned at 5:35 p.m.

  
\_\_\_\_\_  
Jay Hartman, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

July 13, 2023

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, July 13, 2023, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

Present:

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

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Daibelis Serracin, Engineering Intern  
Ms. Cynthia Edwards, Director of Finance  
Mr. Itayi Pondwa, Finance Manager  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Danny Dunn, Director of Distribution  
Ms. Shatoryia Williams, Distribution Intern  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Terry Frazier, Director of Customer Service  
Mr. Patrick Greene, Customer Service Field Manager  
Mr. Raymond Watson, Customer Service Field Rep  
Mr. Allen Vincent, Director of Information Services  
Ms. Denise Clay, Senior Project Manager  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Mary Dyson, Executive Assistant

CAW Staff via Teleconferencing:

Mr. Alex Harper, GIS Manager  
Ms. Angeline Huey, Senior Accountant  
Mr. Brooks Lee, Business Analyst  
Mr. Bryan Rupar, Land Conservation Coordinator  
Ms. Charli Williams, Communications Assistant  
Ms. Chelsea Boozer, Government Affairs Manager  
Ms. Christy Loggins, Training Manager  
Mr. Dave Hindman, Buyer III

Mr. Doug Farler, Operations Manager  
Mr. Doug Graham, Optimization Manager  
Ms. Jane Hurley, Education and Outreach Specialist  
Mr. Jordan Small, Senior Accountant  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Ms. Rachel Wilcox, Watershed Intern  
Ms. Samantha Williams, Communications Specialist & Brand Manager  
Ms. Sharon Sweeney, Water Quality Manager  
Ms. Shirley Tucker, Receptionist

Also, in Attendance:

Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Mr. Jay Chesshir, Greater Little Rock Chamber of Commerce  
Mr. Joseph Flaherty, Reporter, AR Dem-Gaz  
Mr. Virgil Miller, Little Rock Board of Director/Liaison to CAW Commission

Also, in Attendance via Teleconferencing:

Mr. Barry Haas, Citizen  
Mr. Jordan Johnson, JPJ Consulting, LLC

CALL TO ORDER

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

COMMISSIONER RECOGNITION

Chair Barth presented to Commissioner Newton a plaque commemorating his term as Chair during 2022 – 2023. Chair Barth thanked Commissioner Newton for his outstanding leadership.

EMPLOYEE RECOGNITION

Mr. Frazier recognized Mr. Raymond Watson for thirty-five years of service.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Hughes, the minutes of the June 15, 2023, Regular Meeting and June 26, 2023, Special Called Meeting were unanimously approved.

PUBLIC COMMENT PERIOD

No comments.

FINANCIAL REPORT

Ms. Edwards provided a year-to-date financial update on utility operations. She introduced Mr. Itayi Pondwa, Finance Manager, who presented the Semi-Annual Investment Report.

## CONSENT AGENDA

### Resolution Authorizing Purchase of Real Property in Lake Maumelle Watershed - Funded with Proceeds from Green Bonds

Staff requested Board approval of a Resolution authorizing the purchase of a parcel of real property in Perry County comprising approximately 30.11 acres located in the Lake Maumelle Watershed from the Keith and Rayma Jean Hawkins Living Trust, of which Keith Hawkins and Rayma Jean Hawkins are the sole trustees, for a total purchase price of \$209,250 (approximately \$6,949.52 per acre) plus closing costs.

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

## NON-CONSENT AGENDA

### Engineering Services Agreement with Arcadis

Mr. Pownall requested Board approval of an engineering services agreement in the amount of \$323,900.00 with Arcadis to provide a detailed Water System Hydraulic Model Calibration. Mr. Pownall stated the Engineer selection is based on personnel qualifications, experience on comparable size systems, and predeveloped PowerBI calibration tools, computer scripts, and templates.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Hughes, after due consideration and discussion, the engineering service agreement in the amount of \$323,900 with Arcadis was unanimously approved.

### Jack H. Wilson Water Renewal & Resiliency Project – Construction Manager Pre-Construction Services

Mr. Pownall requested Board approval of a pre-construction service contract in the amount of \$810,000.00 with Max Foote Construction Co., LLC to collaborate with the engineering team during the design phase, provide value engineering, constructability reviews, prepare and maintain a project cost estimate, provide detailed construction schedule, and development of guaranteed maximum price (GMP) proposal to deliver the project as the Construction Manager At Risk (CMAR) for the Jack H. Wilson Renewal and Resiliency Project.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Smith, after due consideration and discussion, the CMAR pre-construction service contract in the amount of \$810,000.00 with Max Foote Construction Co., LLC was unanimously approved.

### Resolution Finding that the Procurement of a Web-Based Phone System is an Exceptional Situation for which Competitive Bidding Procurement is Neither Feasible nor Practical

Mr. Johnson explained that Arkansas law generally requires competitive bidding and the acceptance by CAW of the lowest bid. Mr. Johnson said that the procurement of a web-based phone system, however, requires consideration also of a provider's qualifications. Mr. Johnson stated that, upon a finding by the Board that the procurement of a web-based phone system is an exceptional situation for which competitive bidding is neither practical nor feasible, staff would be permitted to consider providers' bid and qualifications.

Mr. Vincent provided details on the web-based phone system and requested Board consideration of the question of the presence of an exceptional situation for which competitive bidding procurement is neither feasible nor practical for the purchase of a new web-based phone system.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hughes, the Board finds the procurement of a web-based phone system is an exceptional situation for which competitive bidding is neither feasible nor practical and the Resolution was unanimously approved.

#### Little Rock Port Authority Main Extension

Mr. Bohannon updated the Board on a Resolution passed by the Little Rock City Board of Directors requesting CAW to participate in the extension of water service for economic development purposes in the Little Rock Port Authority. Mr. Bohannon provided details from CAW's Consolidation Agreement which states CAW may contribute up to one percent annually of CAW's revenues for industrial development activities and that CAW's revenues for 2023 are about seventy-eight million dollars and one percent could be up to \$780,000. The total cost of the project is estimated to be at least \$1,000,000 based on the construction plan.

Mr. Bohannon then introduced Mr. Jay Chesshir, President of the Greater Little Rock Chamber of Commerce, who updated the Board on Little Rock Port Authority project and the request for CAW to install a 16-inch diameter water main which will continue to attract industrial development activities to the area. Mr. Bohannon requested Board consideration of the City of Little Rock request for CAW's participation in the installation of approximately 6,580 linear feet of 16-inch diameter water main, the cost of which will exceed \$780,000. After a brief discussion, the question was asked if we will have a water quality issue if there are not enough water users and Mr. Weindorf responded that an auto-flusher will be installed. Mr. Chesshir then stated that there will be excess water during phase one but the second, third, and fourth phases are already being pushed for. The 16-water main will offer fire protection at all phases. With the passage of federal initiatives for manufacturing, the consensus of the board was supportive of the opportunity to promote growth in the metropolitan area.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hartman, for CAW to contribute up to one percent (\$780,000) of CAW's revenues for the year 2023, towards completion of the Little Rock Port Authority 16-inch water main extension, was unanimously approved.

The board will look at the budget in October to determine if an additional contribution is needed in 2024 to complete the project.

#### INFORMATION SHARING

##### Update on Enterprise Resource Planning (ERP)

Ms. Clay provided an overview of the ERP Replacement Project objectives, KPI's and the project implementation start and stated we are currently in Phase 2 which RFP development and hope to have a vendor selected by mid-October/November 2023.

##### Update on Rainey Case

Chair Barth requested an update on the possibility of a civil case against Mr. Rainey. Mr. Johnson stated that three factors should be considered if CAW decides to go forward with a civil case; 1) the benefits to CAW, 2) the cost to CAW, and 3) the likelihood of success. After a brief discussion, the general consensus among the Board and Staff is to not pursue a civil case at this time.

BOARD BRIEFING

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

EXECUTIVE SESSION

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hughes, the Board met in Executive Session to discuss a personnel matter.

Upon reconvening the Regular Session, Chair Barth stated that no action was taken.

ADJOURNMENT

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner McKenzie, the meeting was adjourned at 4:29 p.m.



Jay Hartman, Secretary/Treasurer



## RESOLUTION 2023-10

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

WHEREAS, Lake Maumelle is the primary raw water source for Central Arkansas Water ("CAW") and its nearly five hundred thousand (500,000) customers; and

WHEREAS, Lake Maumelle produces eighteen billion (18,000,000,000) gallons of pristine raw water every year for the service of such customers; and

WHEREAS, the management of this natural resource is a core function of CAW, and the abatement of widespread development in the Lake Maumelle Watershed is critical to its long-term preservation; and

WHEREAS, the purchase by CAW of real property in the Lake Maumelle Watershed is a continuous endeavor of CAW in the furtherance of that goal; and

WHEREAS, CAW has negotiated terms of a real estate offer and acceptance agreement for the purchase of approximately THIRTY and 11/100 (30.11) acres of real property in the Lake Maumelle Watershed ("Property") from the KEITH AND RAYMA JEAN HAWKINS LIVING TRUST ("Seller"), of which Keith Hawkins and Rayma Jean Hawkins are the sole trustees, for a total purchase price of TWO HUNDRED NINE THOUSAND TWO HUNDRED FIFTY and 00/100 DOLLARS (\$209,250.00) ("Purchase Price"); and

WHEREAS, the purchase is subject to approval of the Board of Commissioners of CAW ("Commission"); and

WHEREAS, the Commission, based upon the recommendations of staff, determines that the purchase of Property serves the best interests of CAW and its ratepayers and supports the Commission's long-term goal of ensuring the highest quality of raw water in Lake Maumelle.

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

Section 1. The purchase of the Property upon and in accordance with the terms as negotiated is hereby approved.


Section 2. Each of the Chief Executive Officer and the Chief Operating Officer is hereby authorized and directed as necessary or required to deliver the Purchase Price monies and to execute and acknowledge documents as necessary to complete the purchase of the Property in accordance with the terms of the Agreement.

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

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

ADOPTED: [July 13, 2023]

Attest:



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Jay Hartman, Secretary/Treasurer

APPROVED:



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Jay Barth, Chair



## **RESOLUTION 2023-11**

### **A RESOLUTION TO FIND THE REQUIREMENTS OF COMPETITIVE BIDDING FOR THE PROCUREMENT OF A WEB-BASED PHONE SYSTEM IS NEITHER FEASIBLE NOR PRACTICAL AND TO WAIVE THE REQUIREMENTS OF COMPETITIVE BIDDING FOR SUCH PROCUREMENT**

WHEREAS, staff of Central Arkansas Water (“CAW”) intends to pursue the procurement of a new web-based phone system; and

WHEREAS, a suitable web-based phone system for CAW will be a complex product that must meet the technical and reliability requirements of CAW, and CAW should only consider purchasing a web-based phone system from a trustworthy, reputable, and experienced vendor; and

WHEREAS, the price of a web-based phone system will exceed \$35,000; and

WHEREAS, generally, Arkansas law requires each public body of cities of the first-class including CAW to employ a formal competitive bidding procedure for each procurement of goods or services of which the public body’s expenditure exceeds \$35,000; and

WHEREAS, Arkansas law permits the governing body of such public body to waive the requirements of competitive bidding in exceptional situations where such formal competitive bidding procedure is deemed not feasible or practical.

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

Section 1: On account of the complexity of web-based phone systems and the interest of CAW in procuring a web-based phone system that meets its technical and reliability needs at a reasonable price from a trustworthy, reputable, and experienced vendor, the Board of Commissioners of CAW (“Commission”) finds that the employing of a formal competitive bidding procedure for the procurement of a web-based phone system is neither feasible nor practical.

Section 2: The Commission hereby waives the requirements of competitive bidding for the procurement of a web-based phone system.

Section 2: This Resolution shall be in effect immediately upon its adoption.

Section 3: A copy of this Resolution shall be filed in the administrative offices of CAW, where it will be available for public inspection.

ADOPTED: [July 13, 2023]

Attest:



---

Jay Hartman, Secretary/Treasurer

APPROVED:



---

Jay Barth, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  ) ss  
COUNTY OF PULASKI   )

I, Jay Hartman, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2023-11 of the Resolutions of Central Arkansas Water, titled: **A RESOLUTION TO FIND THE REQUIREMENTS OF COMPETITIVE BIDDING FOR THE PROCUREMENT OF A WEB-BASED PHONE SYSTEM IS NEITHER FEASIBLE NOR PRACTICAL AND TO WAIVE THE REQUIREMENTS OF COMPETITIVE BIDDING FOR SUCH PROCUREMENT**, adopted July 13, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of July 2023.

A handwritten signature in blue ink, consisting of several overlapping loops and lines, is written over a horizontal line.

Jay Hartman, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

July 13, 2023

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, July 13, 2023, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

Present:

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

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Daibelis Serracin, Engineering Intern  
Ms. Cynthia Edwards, Director of Finance  
Mr. Itayi Pondwa, Finance Manager  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Danny Dunn, Director of Distribution  
Ms. Shatoryia Williams, Distribution Intern  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Terry Frazier, Director of Customer Service  
Mr. Patrick Greene, Customer Service Field Manager  
Mr. Raymond Watson, Customer Service Field Rep  
Mr. Allen Vincent, Director of Information Services  
Ms. Denise Clay, Senior Project Manager  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Mary Dyson, Executive Assistant

CAW Staff via Teleconferencing:

Mr. Alex Harper, GIS Manager  
Ms. Angeline Huey, Senior Accountant  
Mr. Brooks Lee, Business Analyst  
Mr. Bryan Rupar, Land Conservation Coordinator  
Ms. Charli Williams, Communications Assistant  
Ms. Chelsea Boozer, Government Affairs Manager  
Ms. Christy Loggins, Training Manager  
Mr. Dave Hindman, Buyer III

Mr. Doug Farler, Operations Manager  
Mr. Doug Graham, Optimization Manager  
Ms. Jane Hurley, Education and Outreach Specialist  
Mr. Jordan Small, Senior Accountant  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Ms. Rachel Wilcox, Watershed Intern  
Ms. Samantha Williams, Communications Specialist & Brand Manager  
Ms. Sharon Sweeney, Water Quality Manager  
Ms. Shirley Tucker, Receptionist

Also, in Attendance:

Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Mr. Jay Chesshir, Greater Little Rock Chamber of Commerce  
Mr. Joseph Flaherty, Reporter, AR Dem-Gaz  
Mr. Virgil Miller, Little Rock Board of Director/Liaison to CAW Commission

Also, in Attendance via Teleconferencing:

Mr. Barry Haas, Citizen  
Mr. Jordan Johnson, JPJ Consulting, LLC

CALL TO ORDER

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

COMMISSIONER RECOGNITION

Chair Barth presented to Commissioner Newton a plaque commemorating his term as Chair during 2022 – 2023. Chair Barth thanked Commissioner Newton for his outstanding leadership.

EMPLOYEE RECOGNITION

Mr. Frazier recognized Mr. Raymond Watson for thirty-five years of service.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Hughes, the minutes of the June 15, 2023, Regular Meeting and June 26, 2023, Special Called Meeting were unanimously approved.

PUBLIC COMMENT PERIOD

No comments.

FINANCIAL REPORT

Ms. Edwards provided a year-to-date financial update on utility operations. She introduced Mr. Itayi Pondwa, Finance Manager, who presented the Semi-Annual Investment Report.



## CONSENT AGENDA

### Resolution Authorizing Purchase of Real Property in Lake Maumelle Watershed - Funded with Proceeds from Green Bonds

Staff requested Board approval of a Resolution authorizing the purchase of a parcel of real property in Perry County comprising approximately 30.11 acres located in the Lake Maumelle Watershed from the Keith and Rayma Jean Hawkins Living Trust, of which Keith Hawkins and Rayma Jean Hawkins are the sole trustees, for a total purchase price of \$209,250 (approximately \$6,949.52 per acre) plus closing costs.

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

## NON-CONSENT AGENDA

### Engineering Services Agreement with Arcadis

Mr. Pownall requested Board approval of an engineering services agreement in the amount of \$323,900.00 with Arcadis to provide a detailed Water System Hydraulic Model Calibration. Mr. Pownall stated the Engineer selection is based on personnel qualifications, experience on comparable size systems, and predeveloped PowerBI calibration tools, computer scripts, and templates.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Hughes, after due consideration and discussion, the engineering service agreement in the amount of \$323,900 with Arcadis was unanimously approved.

### Jack H. Wilson Water Renewal & Resiliency Project – Construction Manager Pre-Construction Services

Mr. Pownall requested Board approval of a pre-construction service contract in the amount of \$810,000.00 with Max Foote Construction Co., LLC to collaborate with the engineering team during the design phase, provide value engineering, constructability reviews, prepare and maintain a project cost estimate, provide detailed construction schedule, and development of guaranteed maximum price (GMP) proposal to deliver the project as the Construction Manager At Risk (CMAR) for the Jack H. Wilson Renewal and Resiliency Project.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Smith, after due consideration and discussion, the CMAR pre-construction service contract in the amount of \$810,000.00 with Max Foote Construction Co., LLC was unanimously approved.

### Resolution Finding that the Procurement of a Web-Based Phone System is an Exceptional Situation for which Competitive Bidding Procurement is Neither Feasible nor Practical

Mr. Johnson explained that Arkansas law generally requires competitive bidding and the acceptance by CAW of the lowest bid. Mr. Johnson said that the procurement of a web-based phone system, however, requires consideration also of a provider's qualifications. Mr. Johnson stated that, upon a finding by the Board that the procurement of a web-based phone system is an exceptional situation for which competitive bidding is neither practical nor feasible, staff would be permitted to consider providers' bid and qualifications.

Mr. Vincent provided details on the web-based phone system and requested Board consideration of the question of the presence of an exceptional situation for which competitive bidding procurement is neither feasible nor practical for the purchase of a new web-based phone system.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hughes, the Board finds the procurement of a web-based phone system is an exceptional situation for which competitive bidding is neither feasible nor practical and the Resolution was unanimously approved.

#### Little Rock Port Authority Main Extension

Mr. Bohannon updated the Board on a Resolution passed by the Little Rock City Board of Directors requesting CAW to participate in the extension of water service for economic development purposes in the Little Rock Port Authority. Mr. Bohannon provided details from CAW's Consolidation Agreement which states CAW may contribute up to one percent annually of CAW's revenues for industrial development activities and that CAW's revenues for 2023 are about seventy-eight million dollars and one percent could be up to \$780,000. The total cost of the project is estimated to be at least \$1,000,000 based on the construction plan.

Mr. Bohannon then introduced Mr. Jay Chesshir, President of the Greater Little Rock Chamber of Commerce, who updated the Board on Little Rock Port Authority project and the request for CAW to install a 16-inch diameter water main which will continue to attract industrial development activities to the area. Mr. Bohannon requested Board consideration of the City of Little Rock request for CAW's participation in the installation of approximately 6,580 linear feet of 16-inch diameter water main, the cost of which will exceed \$780,000. After a brief discussion, the question was asked if we will have a water quality issue if there are not enough water users and Mr. Weindorf responded that an auto-flusher will be installed. Mr. Chesshir then stated that there will be excess water during phase one but the second, third, and fourth phases are already being pushed for. The 16-water main will offer fire protection at all phases. With the passage of federal initiatives for manufacturing, the consensus of the board was supportive of the opportunity to promote growth in the metropolitan area.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hartman, for CAW to contribute up to one percent (\$780,000) of CAW's revenues for the year 2023, towards completion of the Little Rock Port Authority 16-inch water main extension, was unanimously approved.

The board will look at the budget in October to determine if an additional contribution is needed in 2024 to complete the project.

#### INFORMATION SHARING

##### Update on Enterprise Resource Planning (ERP)

Ms. Clay provided an overview of the ERP Replacement Project objectives, KPI's and the project implementation start and stated we are currently in Phase 2 which RFP development and hope to have a vendor selected by mid-October/November 2023.

##### Update on Rainey Case

Chair Barth requested an update on the possibility of a civil case against Mr. Rainey. Mr. Johnson stated that three factors should be considered if CAW decides to go forward with a civil case; 1) the benefits to CAW, 2) the cost to CAW, and 3) the likelihood of success. After a brief discussion, the general consensus among the Board and Staff is to not pursue a civil case at this time.

BOARD BRIEFING

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

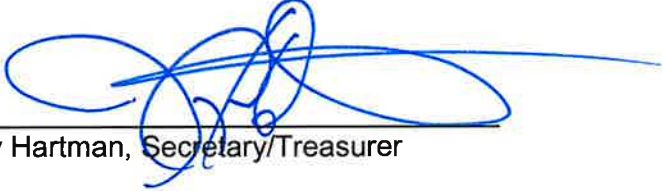
EXECUTIVE SESSION

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hughes, the Board met in Executive Session to discuss a personnel matter.

Upon reconvening the Regular Session, Chair Barth stated that no action was taken.

ADJOURNMENT

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner McKenzie, the meeting was adjourned at 4:29 p.m.



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Jay Hartman, Secretary/Treasurer

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

August 10, 2023

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, August 10, 2023, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

Present:

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

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Mr. Itayi Pondwa, Finance Manager  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Danny Dunn, Director of Distribution  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Terry Frazier, Director of Customer Service  
Mr. Patrick Greene, Customer Service Field Manager  
Ms. Shunda Boykins, Lead Billing Specialist  
Ms. Manessa Johnson, Lead Customer Service Rep-Office  
Ms. Vanessa Daniels, Customer Service Rep-Office  
Ms. Chelsea Boozer, Government Affairs Manager  
Ms. Tamara Gill, Interim Director of Human Resources  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Mary Dyson, Executive Assistant

CAW Staff via Teleconferencing:

Mr. Alex Harper, GIS Manager  
Mr. Allen Vincent, Director of Information Services  
Ms. Angeline Huey, Senior Accountant  
Ms. Jane Hurley, Education and Outreach Specialist  
Mr. Jordan Small, Senior Accountant  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Ms. Naomi Brown, Billing Specialist II  
Ms. Rachel Wilcox, Watershed Intern  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Sharon White, Billing Account Specialist

Ms. Shelley Humphrey, Billing Specialist I  
Ms. Sonia Leszczyna, Human Resource Administrator

Also, in Attendance:

Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Mr. J. Shepherd Russell, III, Bond Counsel, Friday, Eldredge & Clark LLP  
Mr. Josh Snyder, Reporter, AR Dem-Gaz  
Ms. Teletha Leonard, Incoming Director of Human Resources  
Mr. Virgil Miller, Little Rock Board of Director/Liaison to CAW Commission

Also, in Attendance via Teleconferencing:

Mr. Bailey Moll, JPJ Consulting, LLC  
Mr. Barry Haas, Citizen  
Ms. Ruth Bell, League of Women Voters

CALL TO ORDER

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Kendall, the minutes of the July 13, 2023, Regular Meeting were unanimously approved.

EMPLOYEE RECOGNITION

Mr. Frazier recognized Mr. Patrick Greene for thirty years of service.

EMPLOYEE INTRODUCTION

Mr. Bohannon introduced Ms. Teletha Leonard, CAW's Incoming Director of Human Resources. Ms. Leonard will begin at CAW on October 2.

PUBLIC COMMENT PERIOD

No comments.

FINANCIAL REPORT

Ms. Edwards provided a year-to-date financial update on utility operations. She introduced Ms. Shunda Boykins, Lead Billing Specialist, and participant in AWWA's Transformative Water Leadership Academy, who presented her capstone project Consumer Acceptance of Online Communication.

CONSENT AGENDA

Resolution Authorizing the Issuance of Water Revenue Bonds, Series 2023B, Jack H. Wilson Treatment Plant

Staff requested Board approval of a Resolution authorizing the issuance of Water Revenue Bonds, Series 2023B not to exceed \$11,000,000 to finance the cost of planning and designing capital improvements at the Jack H. Wilson Treatment Plant.

#### Special Surface Repairs at the Arkansas State Police Headquarters

Staff requested Board approval of a construction contract in the amount of \$178,210.00 with Redstone Construction Group to replace asphalt and concrete surfaces over recently installed water mains in front of and along the Arkansas State Police Headquarters located south of Interstate 30 and east of Geyer Springs Road.

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

#### NON-CONSENT AGENDA

##### Resolution Opposing Mining near Lake Winona

Ms. Lawson requested Board approval of a Resolution opposing the permitting of the proposed Lake Winona Quartz Mine by the United States Forest Service. Ms. Lawson described the proposed 32-acre tract in the Ouachita National Forest and the proximity to tributaries and Lake Winona. Ms. Lawson explained the timeline to review the initial proposal and provide comments in the Summer 2021. In September 2022, CAW received a draft environment assessment (EA) completed by the USFS. The EA highlighted three concerns with one being “mining activities are close to Lake Winona, which is a critical water supply”. CAW provided comments on the EA in November 2022. The USFS replied in January 2023, accepting three out of five requests for inclusion in the final EA. The draft decision to permit the mine has been issued by the USFS which opened the 45-day opposition period.

After a short discussion, Ms. Lawson stated that CAW staff wishes for CAW to urge the United States Forest Service to deny the proposed Lake Winona Mine permit, to withdraw formally and permanently all land within one-half mile of the Lake Winona high-water mark from future mining exploration, and to reserve these lands for conservation purposes.

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

#### INFORMATION SHARING

##### Financing Update

Ms. Edwards provided a financing update on outstanding debt. She proceeded to explain the difference between Total Debt Service vs Rate Funded Debt Service and changes since the rate model was completed.

##### Operations Update

Mr. Weindorf provided an overview of upcoming projects for the remainder of 2023. Mr. Weindorf highlighted the installation of 12-inch connection under Interstate 40 at Harris Road, the Pump Station No. 12 and Jackson Reservoir intake structure improvements, Jackson Reservoir fence replacement, conditional assessment of 72-inch raw water transmission main, galvanized pipe replacement project north of the river, West Pulaski Water extension, and rehabilitate intake structures at Lake Maumelle and Lake Winona.

### Health Insurance Update

Ms. Gill provided an overview of Cigna Health Insurance claims and employee experiences. CAW's Medical Loss Ratio is at 95% through June 2023 and 92% of CAW employees have medical plan coverage.

### LIHWAP Update

Ms. Boozer and Mr. Frazier provided a recap on statewide benefits of the LIHWAP Program and on CAW's targeted outreach via email and text messaging. Mr. Frazier introduced Ms. Vanessa Daniels, Customer Service Rep-Office, who was recognized by LIHWAP State Program Administrator for caring about her customers and providing excellent customer service.

Ms. Boozer stated the LIHWAP program is federally funded, and it will end. However, CAW is working to advocate for a permanent program in unison with national water associations.

### BOARD BRIEFING

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

### ADJOURNMENT

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hartman, the meeting was adjourned at 3:41 p.m.

  
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Jay Hartman, Secretary/Treasurer

## **RESOLUTION NO. 2023-12**

A RESOLUTION AUTHORIZING THE ISSUANCE OF A WATER REVENUE BOND FOR THE PURPOSE OF FINANCING THE COST OF PLANNING AND DESIGNING CAPITAL IMPROVEMENTS TO THE WATER SYSTEM OF CENTRAL ARKANSAS WATER; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

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

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

WHEREAS, the Board of Commissioners of the Issuer has determined that extensions, betterments and improvements to the System (the "Improvements") are necessary in order to make the services of the System adequate for the needs of the Issuer's customers; and

WHEREAS, the Improvements include particularly, without limitation, the Wilson Water Treatment Plant Project; and

WHEREAS, in order to finance the costs of planning and designing the Improvements, interest during construction and bond issuance costs, the Issuer is making arrangements for the sale of a bond in the maximum principal amount of \$11,000,000 to the Arkansas Development Finance Authority, as purchaser (the "Bondholder"), at a price of par for a bond pursuant to a Bond Purchase Agreement (the "Agreement") among the Issuer, the Bondholder and the Arkansas Natural Resources Commission ("Natural Resources"), which has been presented to and is before this meeting; and

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



Water Treatment Plant Project), Series 2019A (the "Series 2019A Bond"), Water Revenue Bond (POWA Project), Series 2020A (the "Series 2020A Bond"), Capital Improvement and Refunding Water Revenue Bonds, Series 2020B (the "Series 2020B Bonds"), Capital Improvement and Refunding Water Revenue Bonds, Series 2020C (Green Bonds) (the "Series 2020C Bonds"), Refunding Water Revenue Bonds, Series 2020D (Taxable) (the "Series 2020D Bonds"), Water Revenue Bond (Frazier Pike Project), Series 2021A (the "Series 2021A Bond"), Water Revenue Bond (Wye Mountain Project), Series 2021B (the "Series 2021B Bond"), Water Revenue Bond (Ridgefield Project), Series 2022A (the "Series 2022A Bond"), Water Revenue Bond (Wilson Pump Station #1A Project), Series 2022B (the "Series 2022B Bond") and Water Revenue Bond (Hydrilla Eradication Project), Series 2023A (the "Series 2023A Bond"); and

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

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

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

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

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

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

"Debt Service" means, for any particular Fiscal Year with respect to the bonds or Parity Debt, as applicable, an amount equal to the sum of all principal and interest (net of any interest subsidy with respect to the bond or Parity Debt paid or payable to or for the account of the Issuer by any governmental body or agency) payable during such Fiscal Year calculated on the

assumption that the bond or the Parity Debt, on the day of calculation cease to be outstanding by reason of, but only by reason of, payment or defeasance.

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

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

"Frazier Pike Long Term Debt Surcharge Revenues" means collections of the long-term debt surcharge levied by the Issuer pursuant to Resolution No. 2021-13 for collection from customers within the Frazier Pike System service area and pledged to secure the Series 2021A Bond.

"Frazier Pike System" means the water system acquired from the Frazier Pike Public Facilities Board of Pulaski County, Arkansas and any extensions, betterments and improvements of such system.

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

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

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

amortization of intangibles or other bookkeeping entries of a similar nature; interest charges and charges for the payment of principal, or amortization, of bonded or other indebtedness of the Issuer, or costs, or charges made therefor; or losses from the sale, abandonment, reclassification, revaluation, or other disposition of any properties.

"Parity Debt" means the Series 2010A Bond, the Series 2010C Bonds, the Series 2011A Bond, the Series 2012A Bonds, the Series 2014 Bonds, the Series 2016 Refunding Bonds, the Series 2017A Bond, the Series 2018B Bonds, the Series 2019A Bond, the Series 2020B Bonds, the Series 2020C Bonds, the Series 2020D Bonds, the Series 2022B Bond and any future debt obligations of the Issuer incurred in compliance with Section 30(b) of this Resolution and secured and payable on a parity of security with the bond.

"POWA Revenues" means the Revenues derived by the Issuer from the POWA System.

"POWA System" means the water system acquired by the Issuer from Paron-Owensville Water Authority of the State of Arkansas and any extensions, betterments and improvements of such system.

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

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

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

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

Special Purpose Facilities; (d) the proceeds of sale of the bond, Parity Debt, Subordinate Indebtedness (excluding the Series 2016 Maumelle Bonds) or other obligations issued for System purposes; (e) the proceeds of the Watershed Protection Fee; (f) franchise fees; or (g) Special Debt Retirement Charge Revenues.

"Ridgefield Long Term Debt Surcharge Revenues" means collections of the long-term debt surcharge levied by the Issuer pursuant to Resolution No. 2022-08 for collection from customers within the Ridgefield System service area and pledged to secure the Series 2022A Bond.

"Ridgefield System" means the water system acquired from Ridgefield Property Owners Association and any extensions, betterments and improvements of such system.

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

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

"Special Debt Retirement Charge Indebtedness" shall mean bonds, notes or other forms of indebtedness that are secured solely by Special Debt Retirement Charge Revenues and from any reserves established only to secure such bonds, notes or other forms of indebtedness. From and after the Stabilized Net Revenue Adjustment Date, the Series 2016 Maumelle Bonds, the Series 2021A Bond, the Series 2021B Bond and the Series 2022A Bond are included within the definition of Special Debt Retirement Charge Indebtedness.

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

"Special Purpose Bonds" means (i) such other bonds, notes or other interest bearing obligations to which a portion of the Revenues are pledged, and the proceeds of which are used to finance the design, acquisition, and construction of facilities or projects as the Issuer shall by resolution designate as a Special Purpose Facility, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds as contemplated and permitted by Section 30(d) of this Resolution, or (ii) such other bonds to which the Watershed Protection Fee is pledged and the proceeds of which are used to finance the acquisition of land within the watershed of Lake Maumelle or the design, acquisition, and construction of facilities

or projects as the Issuer shall by resolution deem necessary or advisable for protection of water quality within Lake Maumelle.

"Special Purpose Facility" means (a) additional water sources, including but not limited to, a new lake; or (b) such other facilities or projects as the Issuer shall by resolution designate as a Special Purpose Facility, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds of the Issuer as contemplated and permitted by Section 30(d) of this Resolution.

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

"Stabilized Net Revenues Adjustment Date" means the first date on which (i) the Series 2010C Bonds, the Series 2012A Bonds, the Series 2014 Bonds, the Series 2016 Refunding Bonds, the Series 2017A Bond and the Series 2018B Bonds are fully paid or defeased and (ii) the 2010A Bond and the Series 2011A Bond are either paid in full or the owners of the Series 2010A Bond and the Series 2011A Bond have agreed to release any Special Debt Retirement Charge Revenues from the pledge in favor of the Series 2010A Bond and the Series 2011A Bond.

"Subordinate Indebtedness" shall mean the Series 2016 Maumelle Bonds, the Series 2020A Bond, the Series 2021A Bond, the Series 2021B Bond, the Series 2022A Bond, the Series 2023A Bond and other bonds, notes, or other forms of indebtedness, the payment of the principal of or interest or redemption premium on which are payable solely from moneys after payment of all periodic obligations hereunder or under the provisions of any Parity Debt.

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

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

"Wye Mountain Long Term Debt Surcharge Revenues" means the collections of the long term debt surcharge levied by the Issuer pursuant to Resolution No. 2021-18 for collections from

customers within the Wye Mountain System service area and pledged to secure the Series 2021B Bond.

"Wye Mountain System" means the water system acquired by the Issuer from Wye Mountain Water Facilities Board of Perry County, Arkansas and any extensions, betterments and improvements of such system.

Section 2. The sale to the Bondholder of a bond from the Issuer in the maximum principal amount of \$11,000,000 at a price of par and otherwise subject to the terms and provisions hereafter in this Resolution set forth in detail be, and is hereby approved and the bond is hereby sold to the Bondholder. The Chairman is hereby authorized and directed to execute and deliver the Agreement on behalf of the Issuer and to take all action required on the part of the Issuer to fulfill its obligations under the Agreement. The Agreement is hereby approved in substantially the form submitted to this meeting with such changes as may be approved by the Chairman of the Issuer, his execution to constitute complete evidence of such approval.

Section 3. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly the Authorizing Legislation, Central Arkansas Water Water Revenue Bond (Wilson Treatment Plant Project), Series 2023B (the "bond") is hereby authorized and ordered issued in the maximum principal amount of \$11,000,000 the proceeds of the sale of which will be used to finance planning and design costs of the Improvements, pay expenses incidental thereto, pay interest during construction and pay expenses of issuing the bond.

The bond shall be dated the date of delivery to the Bondholder. The bond shall bear interest at the rate of 0.75% per annum based upon a 360-day year of twelve consecutive 30-day months. Interest shall be payable each April 15 and October 15 after the Bond is issued. Principal shall be payable in installments on April 15, 2028 and on each April 15 and October 15 thereafter until the unpaid principal is paid in full as follows:

[The remainder of this page intentionally left blank.]

Date	Principal	Date	Principal
04/15/2028	\$230,866	04/15/2038	\$274,809
10/15/2028	232,886	10/15/2038	277,213
04/15/2029	234,924	04/15/2039	279,639
10/15/2029	236,979	10/15/2039	282,086
04/15/2030	239,053	04/15/2040	284,554
10/15/2030	241,145	10/15/2040	287,044
04/15/2031	243,254	04/15/2041	289,556
10/15/2031	245,384	10/15/2041	292,090
04/15/2032	247,530	04/15/2042	294,645
10/15/2032	249,696	10/15/2042	297,223
04/15/2033	251,881	04/15/2043	299,824
10/15/2033	254,085	10/15/2043	302,448
04/15/2034	256,308	04/15/2044	305,094
10/15/2034	258,551	10/15/2044	307,763
04/15/2035	260,814	04/15/2045	310,456
10/15/2035	263,096	10/15/2045	313,172
04/15/2036	265,397	04/15/2046	315,913
10/15/2036	267,719	10/15/2046	318,677
04/15/2037	270,062	04/15/2047	321,465
10/15/2037	272,425	10/15/2047	324,274

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

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

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

Section 4. The bond shall be executed on behalf of the Issuer by the Chairman and Secretary of the Issuer and shall have impressed thereon the seal of the Issuer. The bond is not a general obligation of the Issuer but is a special obligation, the principal of and interest on which, and Financing Fee in connection therewith, are secured by a pledge of and are payable from Stabilized Net Revenues. The pledge of Stabilized Net Revenues is on a parity with the pledge in favor of the Parity Debt. The pledge of Stabilized Net Revenues is senior to the pledge in

favor of the Series 2016 Maumelle Bonds, the Series 2020A Bond, the Series 2021A Bond, the Series 2021B Bond, the Series 2022A Bond and the Series 2023A Bond. It is understood and agreed that from and after the Stabilized Net Revenues Adjustment Date, that there will not be included in the definition of Revenues any Special Debt Retirement Charge Revenues and such Special Debt Retirement Charge Revenues shall be released from the pledge of this Resolution on the Stabilized Net Revenues Adjustment Date. The bond and interest thereon shall not constitute an indebtedness of the Issuer within any constitutional or statutory limitation.

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

(form of single registered bond)

UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
CENTRAL ARKANSAS WATER  
WATER REVENUE BOND  
(WILSON TREATMENT PLANT PROJECT),  
SERIES 2023B

No. R-1

\$11,000,000

KNOW ALL MEN BY THESE PRESENTS:

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

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

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

Interest on the unpaid balance of the total principal amount shall be payable on October 15, 2023 and on each April 15 and October 15 thereafter. Principal shall be payable in installments on April 15, 2028 and on each April 15 and October 15 thereafter until the unpaid principal is paid as follows:



Date	Principal	Date	Principal
04/15/2028	\$230,866	04/15/2038	\$274,809
10/15/2028	232,886	10/15/2038	277,213
04/15/2029	234,924	04/15/2039	279,639
10/15/2029	236,979	10/15/2039	282,086
04/15/2030	239,053	04/15/2040	284,554
10/15/2030	241,145	10/15/2040	287,044
04/15/2031	243,254	04/15/2041	289,556
10/15/2031	245,384	10/15/2041	292,090
04/15/2032	247,530	04/15/2042	294,645
10/15/2032	249,696	10/15/2042	297,223
04/15/2033	251,881	04/15/2043	299,824
10/15/2033	254,085	10/15/2043	302,448
04/15/2034	256,308	04/15/2044	305,094
10/15/2034	258,551	10/15/2044	307,763
04/15/2035	260,814	04/15/2045	310,456
10/15/2035	263,096	10/15/2045	313,172
04/15/2036	265,397	04/15/2046	315,913
10/15/2036	267,719	10/15/2046	318,677
04/15/2037	270,062	04/15/2047	321,465
10/15/2037	272,425	10/15/2047	324,274

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

This bond is issued for the purpose of providing financing of the costs of planning and designing extensions, betterments and improvements to the Issuer's water system, consisting of collection, holding, treatment and distribution facilities (the "System"), costs of authorizing and issuing this bond, and interest during construction and is issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 25, Chapter 20, Subchapter 3 of the Arkansas Code of 1987 Annotated, and pursuant to Resolution No. 2023-\_\_\_ of the Issuer, duly adopted and approved on the 10th day of August, 2023 (the "Authorizing Resolution"). Reference is hereby made to the Authorizing Resolution for the details of the nature and extent of the security and of the rights and obligations of the Issuer and the registered owner of this bond.

This bond may be assigned with the written approval of the Arkansas Natural Resources Commission ("Natural Resources"), and in order to effect such assignment the assignor shall promptly notify the Secretary of the Issuer by registered mail, and the assignee shall surrender this bond along with a written approval of Natural Resources to the Secretary of the Issuer for

transfer on the registration records. Every assignee shall take this bond subject to all payments and prepayments of principal and interest (as reflected by the Payment Record maintained by the Secretary of the Issuer), prior to such surrender for transfer.

This bond may be prepaid at the option of the Issuer from funds from any source, in whole but not in part, at any time on and after October 15, 2033, at a prepayment price equal to the principal amount outstanding, plus accrued interest to the prepayment date. Notice shall be given of such prepayment to the owner of this bond or registered assigns at least 90 days prior to the prepayment date. Such notice shall be in writing mailed to the address of the owner of this bond or registered assigns at the address as reflected on the bond registration books of the Secretary of the Issuer.

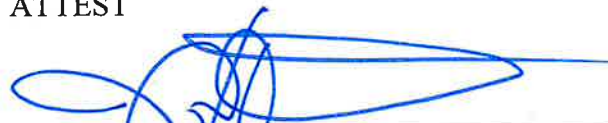
This bond does not constitute an indebtedness of the Issuer within any constitutional or statutory limitation or provision and shall not constitute and indebtedness of, or pledge the faith and credit of, the State of Arkansas or the Cities of Little Rock and North Little Rock, Arkansas within the meaning of any constitutional provisions or limitations. This bond is a special obligation payable solely from the revenues derived from the operation of the System. In this regard, the pledge of Stabilized Net Revenues is on a parity with the pledge of Stabilized Net Revenues to the Parity Debt identified in the Authorizing Resolution. The pledge of Stabilized Net Revenues is subject to reduction to the extent and on and after the date set forth in the Authorizing Resolution. A sufficient amount of Stabilized Net Revenues to pay principal and interest has been duly set aside and pledged as a special fund for that purpose, identified as the "ADFA Bond Fund," in the Authorizing Resolution. The Issuer has fixed and has covenanted and agreed to maintain rates for use of the System which shall be sufficient at all times to at least provide for the payment of the reasonable expenses of operation and maintenance of the System, provide for the payment of the principal of and interest on all the outstanding bonds to which System revenues are pledged as the same become due, to establish and maintain any required debt service reserves and to provide a depreciation fund, all as set forth in the Authorizing Resolution.

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

IN WITNESS WHEREOF, Central Arkansas Water has caused this bond to be executed in its name by its Chairman and Secretary, thereunto duly authorized, and its corporate seal to be affixed, all as of the 10th day of August, 2023.

CENTRAL ARKANSAS WATER

ATTEST

  
\_\_\_\_\_  
Jay Hartman, Secretary/Treasurer

By  \_\_\_\_\_  
Jay Barth, Chair

(SEAL)

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

Section 6. The Issuer has heretofore fixed water rates by Resolution No. 2015-15, adopted October 8, 2015, Resolution No. 2015-20, adopted December 10, 2015, Resolution No. 2016-06, adopted February 11, 2016, Resolution No. 2017-10, adopted September 14, 2017, Resolution No. 2018-13, adopted December 20, 2018, Resolution No. 2018-14, adopted December 20, 2018, Resolution No. 2019-09, adopted October 10, 2019, Resolution No. 2019-15, adopted December 12, 2019, Resolution No. 2020-08, adopted May 14, 2020, Resolution No. 2020-09, adopted June 11, 2020, Resolution No. 2021-13, adopted May 13, 2021, Resolution No. 2021-18 adopted July 15, 2021, Resolution No. 2022-08, adopted March 10, 2022 and Resolution No. 2023-01, adopted January 12, 2023. Reference is hereby made to such Resolutions for the details thereof and other provisions pertaining thereto, which water rates are hereby confirmed and continued as provided therein. The rates in effect for water service at this time shall not be reduced without the prior written consent of Natural Resources and the Bondholder.

Section 7. (a) In order to assure full and continuous performance of the covenants contained herein with a margin for contingencies and temporary unanticipated reduction in Revenues, the Issuer covenants and agrees to establish, fix, prescribe, continue, and collect (directly or through leases, use agreements or other agreements, or licenses or resolutions) rates and charges for the sale of water furnished by the Issuer which, together with other income, are reasonably expected to yield available Revenues at least equal to the Rate Covenant Requirement for the forthcoming Fiscal Year. The term "Rate Covenant Requirement" shall mean: Stabilized Net Revenues at least equal to the sum of (A) 120% of the Debt Service for the forthcoming

Fiscal Year for the bond, the Series 2020A Bond and any Parity Debt and (B) 100% of the amounts, if any, required by the terms and conditions for any Parity Debt to be deposited into applicable debt service reserve funds for such Parity Debt during the forthcoming Fiscal Year.

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

(c) The Issuer has previously authorized, by the RSA Resolution, the creation of a separate fund of the Issuer designated as the Rate Stabilization Account in order to even out fluctuations in Revenues and help to alleviate the need for short-term adjustments. Moneys in the Rate Stabilization Account will be transferred as determined from time to time by the Issuer. The Issuer may make payments into the Rate Stabilization Account and make withdrawals from the Rate Stabilization Account as provided in the RSA Resolution and as provided in Section 27. For purposes of defining Stabilized Net Revenues, amounts deposited into the Rate Stabilization Account shall decrease Revenues for the Fiscal Year for which they are deposited, and amounts withdrawn from the Rate Stabilization Account shall increase Revenues for the Fiscal Year for which they are withdrawn. Credits to or withdrawals from the Rate Stabilization Account that occur within 90 days after the end of a Fiscal Year may be treated as occurring within such Fiscal Year. The Issuer shall transfer moneys held within the Rate Stabilization Account to the Revenue Fund at such time and in such amounts as may be necessary to pay Operation and Maintenance Costs and to provide Revenues to enable the Issuer to satisfy any of its obligations under this Resolution or as required by any Parity Debt or Subordinated Indebtedness.

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

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

anticipated aggregate Revenues resulting after the adjustments shall not materially differ from the Revenues anticipated prior to the adjustments.

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

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

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

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

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

Section 14. (a) After paying the Operation and Maintenance Costs as they become due, there shall be paid as a second charge on the Revenue Fund, from amounts on deposit in the Revenue Fund or proceeds of the bond as hereinafter provided, into an account of the Issuer in a special fund to be created by the Bondholder and designated "Series 2023B" (the "ADFA Bond Fund") for the purpose of paying the principal of and interest on the bond the amounts specified in (b) below.

(b) There shall be deposited from proceeds of the bond or, at the direction of the Issuer, from moneys in the Revenue Fund into the ADFA Bond Fund on each April 15 and October 15 after the bond is issued and delivered until October 15, 2027, the interest due on the bond on such dates. Commencing on each April 15 and October 15 thereafter, there shall be deposited from money or into the AFDA Bond Fund, an amount equal to the principal and interest on of the bond then due.

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

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

(e) Also as a second charge on the Revenue Fund, there shall be paid from amounts on deposit in the Revenue Fund the amounts required to be paid into the bond funds established for any Parity Debt.

(f) If there are not sufficient moneys to satisfy the requirements of this Section 14 with respect the bond and all Parity Debt, all moneys available for distribution among such Parity Debt and the bond shall be distributed on a pro rata basis to the deficient bond funds; such distribution to be determined by multiplying the amount available for distribution by the proportion that the deficiency for each bond series bears to the total deficiency for all bond series.

(g) To the extent available prior to the Stabilized Net Revenues Adjustment Date and at all times thereafter, the payments required by this Section shall be paid from moneys in the Revenue Fund outside of the Long Term Debt Surcharge Revenue Account, the POWA Revenue Account, the Frazier Pike Long Term Debt Surcharge Revenue Account, the Wye Mountain

Long Term Debt Surcharge Revenue Account and the Ridgefield Long Term Debt Surcharge Revenue Account.

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

Section 16. There shall be paid as a fourth charge on the Revenue Fund from moneys in the Revenue Fund the Financing Fee and all other financing fees in connection with Parity Debt, to the Authority. The Financing Fee shall be payable on each date interest on the bond is due and shall be calculated on the same basis as interest on the bond. The payment of the Financing Fee is expressly made subordinate to the payment of the principal of and interest on the bond and the Parity Debt. To the extent available prior to the Stabilized Net Revenues Adjustment Date and at all times thereafter, the payments required by this Section shall be paid from moneys in the Revenue Fund outside of the Long Term Debt Surcharge Revenue Account, the POWA Revenue Account, the Frazier Pike Long Term Debt Surcharge Revenue Account, the Wye Mountain Long Term Debt Surcharge Revenue Account and the Ridgefield Long Term Debt Surcharge Account.

Section 17. As a fifth charge on the Revenue Fund, but only to the extent of moneys available in the Long Term Debt Surcharge Account in the Revenue Fund, there shall be made the various deposits and transfers required by the indenture securing the Series 2016 Maumelle Bonds, including deposits and transfers to the bond fund and debt service reserve fund established for the benefit of the Series 2016 Maumelle Bonds. From and after the Stabilized Net Revenues Adjustment Date, moneys in the Maumelle Long-Term Debt Surcharge Account (i) shall only be used to make deposits and transfers to the bond fund and debt service reserve fund established for the benefit of the Series 2016 Maumelle Bonds and (ii) shall no longer be subject to the lien and pledge securing the bond.

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

(b) Also as a sixth charge on the Revenue Fund, but only to the extent of moneys in the POWA Account in the Revenue Fund, there shall be paid the amounts required to be paid into the bond funds established for any debt ranking on a parity with the Series 2020A Bond.

Section 19. There shall be paid as a seventh charge on the Revenue Fund from moneys in the POWA Account in the Revenue Fund the financing fees in connection with the Series 2020A Bond and any debt ranking on a parity with the Series 2020A Bond, to the Authority.

Section 20. (a) As an eighth charge on the Revenue Fund, but only to the extent of moneys available in the Frazier Pike Long Term Debt Surcharge Account in the Revenue Fund, there shall be paid to Natural Resources on December 1 of each year the principal of and interest on the bond due that date. From and after the Stabilized Net Revenues Adjustment Date, moneys in the Frazier Pike Long Term Debt Surcharge Account (i) shall only be used to make payments on the Series 2021A Bond and (ii) shall no longer be subject to the lien and pledge securing the Parity Debt.

(b) Also as an eighth charge on the Revenue Fund, but only to the extent of moneys in the Frazier Pike Long Term Debt Surcharge in the Revenue Fund, there shall be paid the amounts required to be paid into the bond funds established for any debt ranking on a parity with the Series 2021A Bond.

Section 21. (a) As a ninth charge on the Revenue Fund, but only to the extent of moneys available in the Wye Mountain Long Term Debt Surcharge Account in the Revenue Fund, there shall be paid into an account of the Issuer in a special fund created by the Authority and designated "Series 2021B" for the purpose of paying the principal of and interest on the Series 2021B Bond the amounts necessary to pay the principal of and interest on the Series 2021B Bond when due. From and after the Stabilized Net Revenues Adjustment Date, moneys in the Wye Mountain Long Term Debt Surcharge Account (i) shall only be used to make payments on the Series 2021B Bond and (ii) shall no longer be subject to the lien and pledge securing the Parity Debt.

(b) Also as a ninth charge on the Revenue Fund, but only to the extent of moneys in the Wye Mountain Long Term Debt Surcharge in the Revenue Fund, there shall be paid the amounts required to be paid into the bond funds established for any debt ranking on a parity with the Series 2021B Bond.

Section 22. There shall be paid as a tenth charge on the Revenue Fund from moneys in the Wye Mountain Long Term Debt Surcharge Account in the Revenue Fund the financing fees



in connection with the Series 2021B Bond and any debt ranking on a parity with the Series 2021B Bond, to the Authority.

Section 23. (a) As an eleventh charge on the Revenue Fund, but only to the extent of moneys available in the Ridgefield Long Term Debt Surcharge Account in the Revenue Fund, there shall be paid into an account of the Issuer in a special fund created by the Authority and designated "Series 2022A" for the purpose of paying the principal of and interest on the Series 2022A Bond when due the amounts necessary to pay the principal of and interest on Series 2022A Bond when due. From and after the Stabilized Net Revenues Adjustment Date, moneys in the Ridgefield Long Term Debt Surcharge Account (i) shall only be used to make payments on the Series 2022A Bond and (ii) shall no longer be subject to the lien and pledge securing the Parity Debt.

(b) Also as a eleventh charge on the Revenue Fund, but only to the extent of moneys in the Ridgefield Long Term Debt Surcharge Account in the Revenue Fund, there shall be paid the amounts required to be paid into the bond funds established for any debt ranking on a parity with the Series 2022A Bond.

Section 24. There shall be paid as a twelfth charge on the Revenue Fund from moneys in the Ridgefield Long Term Debt Surcharge Account in the Revenue Fund the Financing Fee and all other financing fees in connection with any debt ranking on a parity with the Series 2022A Bond, to the Authority.

Section 25. (a) As a thirteenth charge on the Revenue Fund, there shall be paid from the moneys in the Revenue Fund, into an account of the Issuer heretofore created and designated as "Series 2023A Bond Fund" for the purpose of paying the principal and interest on the Series 2023A Bond when due, the amounts necessary to pay the principal and interest on the Series 2023 Bond when due.

(b) Also as a thirteenth charge on the Revenue Fund, there shall be paid the amounts required to be paid into the bond funds established for any debt ranking on a parity with the Series 2023A Bond.

Section 26. As a fourteenth charge on the Revenue Fund, there shall be paid monthly from moneys in the Revenue Fund into the Depreciation Fund, an amount calculated as follows: a flat five percent (5%) of water consumption-based revenues and private fire service revenues (including wholesale revenues) ("Total Depreciation Revenues"). The Depreciation Fund shall be used for replacements and repairs to the System. The monthly deposits may be reduced below five percent (5%) of Total Depreciation Revenues if a rate study acceptable to ANRC uses a lower percentage; provided, however, there shall always be deposited into the Depreciation Fund monthly at least three percent (3%) of Total Depreciation Revenues.

Section 27. Moneys in the Revenue Fund in excess of the amounts required to be transferred pursuant to Sections 13 through 26 of this Resolution may be utilized by the Issuer for any lawful System purpose, including deposits to the Rate Stabilization Account pursuant to

Section 7. Money in the Rate Stabilization Account shall be used as provided in the RSA Resolution.

Section 28. The Issuer shall assure that (i) not in excess of 10% of the proceeds of the bond is used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the bond during the term thereof is, under the terms of the bond or any underlying arrangement, directly or indirectly secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed moneys used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the proceeds of the bond are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the bond during the term thereof is, under the terms of the bond or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of proceeds of the bond used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Improvements.

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

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

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

Section 29. The principal and interest installments shall be prepayable prior to maturity as provided in the bond form in Section 5 hereof.

Section 30. (a) As long as the bond is outstanding, the Issuer shall not issue or attempt to issue any bonds having or claimed to be entitled to a priority of lien on Revenues or Stabilized Net Revenues over the lien securing the bond.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 31. It is covenanted and agreed by the Issuer with the Bondholder, the Authority and Natural Resources that it will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State and by this Resolution, including, without limitation, the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, segregating Revenues and applying them to the respective funds maintained pursuant to the this Resolution.

The Issuer covenants and agrees that the Bondholder shall have the protection of all the provisions of the Authorizing Legislation, and that the Issuer will diligently proceed to enforce those provisions to the end of the Bondholder realizing fully upon its security. And, if the Issuer

shall fail to proceed within 30 days after written request shall have been filed by the Bondholder, the Bondholder may proceed to enforce all such provisions.

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

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

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

Section 32. When the bond has been executed and sealed as herein provided, it shall be delivered to the Bondholder upon payment of all or a portion of the purchase price in accordance with the Agreement. Sale proceeds in the amount necessary to make all or a portion of the semiannual interest and Financing Fee payments due on each April 15 and October 15 to and including October 15, 2027 shall be applied, unless otherwise directed by the Issuer, to the payment of Financing Fees and interest on the bond on such dates. The balance of the sale proceeds shall be deposited, as and when received, in a special account of the Issuer hereby created in a bank that is a member of the Federal Deposit Insurance Corporation and designated

the "2023B Water Construction Fund" (the "Construction Fund"). The moneys in the Construction Fund shall be used for reimbursing the Issuer for the costs paid in planning and designing the Improvements, expenses incidental thereto and the expenses of issuing the bond approved in accordance with the Agreement. Payments from the Construction Fund shall be by check or voucher signed by a person designated by the Issuer, and drawn on the depository. Each such check or voucher shall briefly specify the purpose of the expenditure.

Section 33. The terms of this Resolution shall constitute a contract among the Issuer, the Bondholder and Natural Resources and no variation or change in the undertaking herein set forth shall be made while the bond is outstanding unless consented to in writing by the Bondholder and Natural Resources.

Section 34. The Issuer agrees that it will keep proper records, books and accounts relating to the operation of the System, which shall be kept separate from all other records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the operation of the System in accordance with generally accepted government accounting standards. Such books shall be available for inspection by the Bondholder and Natural Resources, or the agent or the representative of either, at reasonable times and under reasonable circumstances. The Issuer agrees to have its financial statements audited annually by an independent certified public accountant or the Legislative Joint Auditing Committee, Division of Legislative Audit of the State of Arkansas. The Issuer shall within 180 days after the end of each Fiscal Year file with the Authority and Natural Resources its annual audited financial statements. If the Issuer's audited financial statements are not available by such date, the Issuer shall file such audited financial statements with the Authority and Natural Resources within 60 days after receipt thereof by the Issuer.

Section 35. The Issuer covenants and agrees that it will maintain the System in good condition and operate it in an efficient manner and at reasonable cost. The Issuer agrees that, to the extent comparable protection is not otherwise provided to the satisfaction of the Bondholder and Natural Resources, it will insure, and at all times keep insured in a responsible insurance company or companies selected by the Issuer and authorized and qualified under the laws of the State to assume the risk thereof, all above-ground structures of the System against loss or damage thereto in amounts and against such risks as are customarily insured against in connection with similar facilities and undertakings as the System. In the event of loss, the proceeds of such insurance shall be applied solely toward the reconstruction, replacement or repair of the System, and in such event the Issuer will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement and repair work.

Section 36. The provisions of this Resolution are hereby declared to be separable, and if any provision shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of this Resolution.

Section 37. Reference in this Resolution to "Bondholder" shall include the original Bondholder or any registered assign thereof.

Section 38. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: August 10, 2023.

ATTEST:



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Jay Hartman, Secretary/Treasurer

(SEAL)

APPROVED:



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Jay Barth, Chair

CERTIFICATE

The undersigned, Secretary of Central Arkansas Water, hereby certifies that the foregoing pages are a true and perfect copy of Resolution No. 2023-12, adopted at a regular session of the Board of Commissioners of Central Arkansas Water, held at the regular meeting place in the City of Little Rock, Arkansas at 2:00 o'clock p.m., on the 10th day of August, 2023.

GIVEN under my hand and seal on this 10th day of August, 2023.



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Jay Hartman, Secretary/Treasurer

(SEAL)



## RESOLUTION 2023-13

### **A RESOLUTION OPPOSING THE PERMITTING OF THE PROPOSED LAKE WINONA QUARTZ MINE (OQC-304P) BY THE UNITED STATES FOREST SERVICE, (JESSIEVILLE-WINONA-FOURCHE RANGER DISTRICT, OUACHITA NATIONAL FOREST, SALINE COUNTY, ARKANSAS)**

WHEREAS, the United States Forest Service issued a draft decision to allow permitting of the "Lake Winona Mine (OQC-304P)" as posted on the 2nd of July 2023; and

WHEREAS, in the Environmental Assessment (September 2022) for this project, the United States Forest Service identified three issues during the scoping phase: 1) mining activities may reduce lands suitable for timber production; 2) mining activities resulting in topsoil removal and stock piling may compromise soil productivity; and 3) **mining activities are close to Lake Winona, which is a critical water supply;** and

WHEREAS, the proposed mine is located on the eastern end of and less than 1,000 feet from Lake Winona with one perineal and two intermittent streams located within the proposed 32-acre tract; and sediment is the number one cause of water pollution in Arkansas; and

WHEREAS, Central Arkansas Water has a vested interest in the protection of Lake Winona as a primary drinking water source for Central Arkansas and the utility's 500,000 consumers; and

WHEREAS, Lake Winona was constructed for the sole purpose of being a drinking water supply in 1936; and

WHEREAS, Central Arkansas Water has been an active partner in working to protect not only Lake Winona, but also the surrounding Ouachita National Forest and Scenic and Wilderness Areas; and

WHEREAS, Central Arkansas Water operates the Paron water treatment plant which draws raw water from Lake Winona. This plant has known turbidity limitations which render it difficult to adequately treat water for consumption during high-sedimentation events; and

WHEREAS, the mine operator has expressed interest in mining during the winter months and the United States Forest Service has placed a restriction in the proposed permit for tree cutting activities to only occur from November 1 to February 28 to mitigate for Northern Long-Ear Bat and Indiana Bat migration disturbance; and

WHEREAS, soil disturbance from logging and mining during these months increases the disturbance potential to Lake Winona. These months see increased rains and a loss of vegetative cover meaning sediment runoff potential increases. This increased sediment into the lake will lower the lake's water quality during this time; and

WHEREAS, the mine operator has expressed interest to add an additional road to the tract. The allowances for this do allow roads to be constructed on steep grades (maximum 20%); and sediment loading into Lake Winona is already suspected to come from existing unpaved roads in the area and small, seasonal mining roads are historically undermaintained; and

WHEREAS, increased sedimentation would cause water quality and turbidity problems in Lake Winona, thus creating unnecessary drinking water treatment issues and increased cost to treat water from Lake Winona; and

WHEREAS, changes in operations caused by excess sediment would create increased costs to pump and treat water from an alternate source and/or undue costs to purchase water from another system and would cause an unjust burden on water ratepayers.

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

Section 1. Central Arkansas Water use this Resolution as public record of opposition to the proposed Lake Winona Mine (OQC-304P).

Section 2. The Board of Commissioners of Central Arkansas Water requests that the United States Forest Service deny the proposed Lake Winona Mine .

Section 3. The Board of Commissioners of Central Arkansas Water requests that the United States Forest Service formally and permanently withdraw ALL land within one-half mile of the Lake Winona high-water mark from future mining exploration and reserve these lands for conservation purposes.

Section 4: This Resolution shall be in effect immediately upon its adoption.

Section 5: A copy of this Resolution be sent to the United States Forest Service within the stated 45-day period of opposition of Decision to Permit.

Section 6: A copy of this Resolution shall be filed in the administrative offices of CAW, where it will be available for public inspection.

ADOPTED: August 10, 2023

Attest:

  
Jay Hartman, Secretary/Treasurer

APPROVED:

  
Jay Barth, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  ) ss  
COUNTY OF PULASKI    )

I, Jay Hartman, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2023-13 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION OPPOSING THE PERMITTING OF THE PROPOSED LAKE WINONA QUARTZ MINE (OQC-304P) BY THE UNITED STATES FOREST SERVICE, (JESSIEVILLE-WINONA-FOURCHE RANGER DISTRICT, OUACHITA NATIONAL FOREST, SALINE COUNTY, ARKANSAS)**, adopted August 10, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of August 2023.

  
\_\_\_\_\_  
Jay Hartman, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

September 14, 2023

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, September 14, 2023, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

Present:

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

Via Teleconferencing:

Mr. Jim McKenzie, Commissioner  
Ms. Kandi Hughes, Commissioner

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Ms. Lauren Schallhorn, Controller  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Danny Dunn, Director of Distribution  
Ms. Raven Lawson, Watershed Protection Manager  
Ms. Chelsea Boozer, Government Affairs Manager  
Ms. Tamara Gill, Interim Director of Human Resources  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Doug Graham, Optimization Manager  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Mary Dyson, Executive Assistant

CAW Staff via Teleconferencing:

Mr. Alex Harper, GIS Manager  
Mr. Allen Vincent, Director of Information Services  
Mr. Andrew Pownell, Senior Engineer  
Ms. Angeline Huey, Senior Accountant  
Mr. Brooks Lee, Business Analyst  
Mr. Bryan Rupa, Land Conservation Coordinator  
Ms. Christy Loggins, Training Manager  
Ms. Danielle Nielsen, Accounting Clerk II  
Mr. David Hindman, Buyer III  
Mr. Doug Farler, Operations Manager

Mr. Jason Lowder, Engineering Technician  
Mr. Jordan Small, Senior Accountant  
Ms. Kelsey Burnett, Content Specialist  
Mr. Matthew Smith, Engineer  
Mr. Patrick Greene, Customer Service Field Manager  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Sharon Sweeney, Water Quality Manager  
Ms. Sonia Leszczyna, Human Resource Administrator  
Mr. Terry Frazier, Director of Customer Service

Also, in Attendance:

Mr. Aaron Benzing, PE, Hawkins-Weir Engineers, Inc.  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Mr. Cole Rogers, Benefit Consultant, McGriff  
Mr. J. Shepherd Russell, III, Bond Counsel, Friday, Eldredge & Clark LLP  
Ms. Mary Hennigan, Reporter, AR Times  
Mr. Paul Strickland, PE, Garver Engineers  
Mr. Virgil Miller, Little Rock Board of Director/Liaison to CAW Commission

Also, in Attendance via Teleconferencing:

Mr. Bailey Moll, JPJ Consulting, LLC  
Mr. Barry Haas, Citizen  
Ms. Ruth Bell, League of Women Voters  
Mr. Tim Daters, Principal Engineer, White-Daters & Associates

CALL TO ORDER

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Kendall, the minutes of the August 10, 2023, Regular Meeting were unanimously approved.

PUBLIC COMMENT PERIOD

No comments.

FINANCIAL REPORT

Ms. Schallhorn provided a year-to-date financial update on utility operations. She stated CAW received the GFOA Distinguished Budget Award for our 2023 Financial Plan. Ms. Schallhorn stated that CAW will begin using ClearGov, a new digital software, for the 2024 Financial Plan. She proceeded to provide an online preview of ClearGov. She stated that a link will be sent to Commissioners for review.

CONSENT AGENDA

Jackson Reservoir Fence Replacement

Staff requested Board approval of a contract in the amount of \$104,000.00, with Nichols Landscape, Inc. to replace that portion of the security fence around the Jackson Reservoir that

was destroyed by the March 31, 2023, tornado (section A), and additional fencing in need of replacement (section B).

#### Jackson Reservoir Intake Structure Rehabilitation and Raw Water Pump Station No. 12 Reconstruction/ Rehabilitation

Staff requested Board approval of a construction contract in the amount of \$4,975,000.00 with TOLM Group, Inc. for rehabilitation of the Jackson Reservoir intake structure located within the reservoir, and for the significant reconstruction/ rehabilitation of the existing raw water pumping station (PS No. 12) located below the reservoir dam.

#### 12-Inch Water Main Crossing of Interstate 40 at Harris Road – North Little Rock – 2023

Staff requested Board approval of a construction contract in the amount of \$768,048.00 with J.R. Fox company to install a 12-inch connection under the intersection of Interstate 40 and Harris Road. This project will eliminate two dead-end mains, improve fire flows, and support future growth in an area of North Little Rock enhancing water quality and increasing system redundancy.

#### Resolution Amending Resolution No. 2019-08, Authorizing a Revised Repayment Schedule for the Outstanding CAW Water Revenue Bond (Ozark Point Water Treatment Plant Project), Series 2019A.

Staff requested Board approval of a Resolution amending Resolution No. 2019-08 authorizing a revised repayment schedule for the outstanding CAW Water Revenue Bond, Series 2019A.

#### Resolution Amending Resolution No. 2020-07, Authorizing a Revised Repayment Schedule for the Outstanding CAW Water Revenue Bond (POWA Project), Series 2020A

Staff requested Board approval of a Resolution amending Resolution No. 2020-07 authorizing a revised repayment schedule for the outstanding CAW Water Revenue Bond, Series 2020A.

#### Resolution of Signatory Authority and Resolution of Intent to Issue Water Revenue Bonds Notice of Debt Issuance for Wrightsville Consolidation and System Improvements

Staff requested Board approval of a Resolution of Signatory Authority and a Resolution of Intent to issue Water Revenue Bonds not to exceed \$16,000,000 for capital improvements needed for the Wrightsville Wastewater System. Adoption of these Resolutions does not obligate CAW or the Board in any way.

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

Mr. Bohannon commented on the Wrightsville project and noted discussions are being held with Wrightsville and both Little Rock and North Little Rock city officials due to the 90-day review period before issuing bonds. Mr. Bohannon stated there is five million dollars in grant money available if we do things in a timely manner. He also stated CAW will hold public meetings regarding this project.

### INFORMATION SHARING

#### Lake Maumelle Watershed Update

Ms. Lawson provided an update on land prioritization and purchasing. She proceeded to explain the goals for CAW's Watershed Protection Program and managing Land Acquisitions and Conservation, Forest Management: *Fire, Thinning, Roads, Restoration & Reforestation*, Monitoring, Education and Outreach, Risk Mitigation and Emergency Response, and Wildlife and Recreation.

### 2024 Benefit Renewal

Ms. Gill provided an overview of 2024 benefit contracts maintaining CAW's employee group health, dental, life, vision, and disability insurance coverages with Cigna, Delta Dental, Trustmark, Legal Shield, and with MetLife for Basic Life and AD&D, Disability, Voluntary Life and AD&D, Accident, Critical Illness and Hospital.

### Lead and Coper Rule Update

Mr. Weindorf provided an update on EPA's Lead and Copper Rule and stated that CAW is fully compliant, and CAW's plan surpasses recommendations set forth in AWWA standard. He stated that between late 2017 and early 2020, CAW successfully removed all known lead service lines from the distribution system at a cost of approximately \$370,000.

### Administration Building Update

Ms. Smith provided an overview of JTH renovation costs and possible options to build and relocate.

### BOARD BRIEFING

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

### EXECUTIVE SESSION

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

Upon reconvening the Regular Session, Chair Barth stated that no action was taken.

### ADJOURNMENT

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Kendall, the meeting was adjourned at 5:04 p.m.



Jay Hartman, Secretary/Treasurer

**RESOLUTION NO. 2023-14**

**A RESOLUTION AMENDING RESOLUTION NO. 2019-08; AUTHORIZING A REVISED REPAYMENT SCHEDULE FOR THE OUTSTANDING CENTRAL ARKANSAS WATER WATER REVENUE BOND (OZARK POINT WATER TREATMENT PLANT PROJECT), SERIES 2019A; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

WHEREAS, Central Arkansas Water (the "Issuer") has issued its Water Revenue Bond (Ozark Point Water Treatment Plant Project), Series 2019A (the "Bond") in order to provide financing of improvements to the Ozark Point Water Treatment Plant (the "Project");

WHEREAS, the Issuer entered into a Bond Purchase Agreement, dated August 15, 2019, as amended and supplemented by a Supplement to Bond Purchase Agreement effective as of April 15, 2021 (collectively, the "Bond Purchase Agreement"), with the Arkansas Natural Resources Commission ("ANRC") and the Arkansas Development Finance Authority (the "Bondholder") providing for the purchase by the Bondholder of the Bond in the maximum principal amount of \$37,000,000; and

WHEREAS, the Project has been completed and Issuer has drawn only \$36,468,279.92 of the authorized principal amount of the Bond and the Bond will be in the outstanding principal amount of \$36,468,279.92 as of October 15, 2023; and

WHEREAS, the Bond will need to be reamortized over the remaining term of the Bond; and

WHEREAS, the Bond was issued under and pursuant to Resolution No. 2019-08 adopted August 15, 2019, as amended and supplemented by Resolution No. 2021-10 adopted May 13, 2021 (collectively "Resolution No. 2019-08");

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

Section 1. Section 3 of Resolution No. 2019-08, as heretofore amended by Resolution No. 2021-10, is hereby amended by adding at the end thereof the following:

"Notwithstanding the above, effective October 15, 2023, the principal amount of the Bond shall be reduced to \$36,468,279.92, with such principal amount to be repaid in principal installments as follows:

[Remainder of page intentionally left blank.]



Date	Principal	Date	Principal
Oct 15, 2024	\$708,266.00	Oct 15, 2034	\$ 908,023.00
Apr 15, 2025	717,119.00	Apr 15, 2035	919,373.00
Oct 15, 2025	726,083.00	Oct 15, 2035	930,865.00
Apr 15, 2026	735,159.00	Apr 15, 2036	942,501.00
Oct 15, 2026	744,349.00	Oct 15, 2036	954,282.00
Apr 15, 2027	753,652.00	Apr 15, 2037	966,211.00
Oct 15, 2027	763,074.00	Oct 15, 2037	978,289.00
Apr 15, 2028	772,612.00	Apr 15, 2038	990,517.00
Oct 15, 2028	782,269.00	Oct 15, 2038	1,002,899.00
Apr 15, 2029	792,048.00	Apr 15, 2039	1,015,434.00
Oct 15, 2029	801,949.00	Oct 15, 2039	1,028,127.00
Apr 15, 2030	811,973.00	Apr 15, 2040	1,040,979.00
Oct 15, 2030	822,122.00	Oct 15, 2040	1,053,992.00
Apr 15, 2031	832,399.00	Apr 15, 2041	1,067,166.00
Oct 15, 2031	842,804.00	Oct 15, 2041	1,080,506.00
Apr 15, 2032	853,339.00	Apr 15, 2042	1,094,012.00
Oct 15, 2032	864,006.00	Oct 15, 2042	1,107,687.00
Apr 15, 2033	874,806.00	Apr 15, 2043	1,121,534.00
Oct 15, 2033	885,741.00	Oct 15, 2043	1,135,552.00
Apr 15, 2034	896,812.00	Apr 15, 2044	1,149,748.92"

Section 3. The Chairman, for and on behalf of the Issuer, is hereby authorized and directed to enter into a supplement to the Bond Purchase Agreement having terms consistent with the provisions of this Resolution.

Section 4. The Chairman and Secretary, for and on behalf of the Issuer, are authorized to execute and deliver a new bond certificate providing (a) that this Resolution has been adopted, (b) for the new debt service payment schedule, (c) for the new principal amount and (d) such other terms as consistent with this Resolution. The new bond certificate shall be a bond issued under the provisions of Resolution No. 2019-08 and shall be entitled to the benefits, security and terms of Resolution No. 2019-08 except as to the principal retirement schedule set forth herein.

Section 5. The provisions of this Resolution are hereby declared to be separable, and if any provision shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of this Resolution.

Section 6. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 7. Resolution No. 2019-08, as amended and supplemented hereby, shall remain in full force and effect.

PASSED: September 14, 2023.

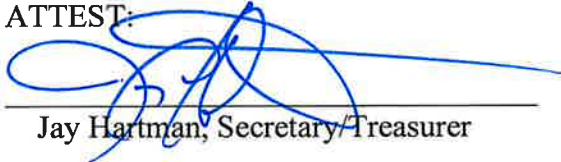
APPROVED:



A handwritten signature in blue ink, appearing to read 'Jay Barth', written over a horizontal line.

Jay Barth, Chair

ATTEST:



A handwritten signature in blue ink, appearing to read 'Jay Hartman', written over a horizontal line.

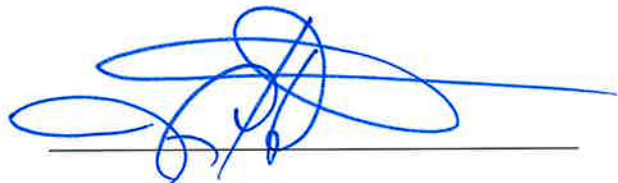
Jay Hartman, Secretary/Treasurer

(SEAL)

CERTIFICATE

The undersigned, Secretary of Central Arkansas Water, hereby certifies that the foregoing pages are a true and perfect copy of Resolution No. 2023-14, adopted at a regular session of the Board of Commissioners of Central Arkansas Water, held at the regular meeting place in the City of Little Rock, Arkansas at 2:00 o'clock p.m., on the 14th day of September, 2023.

GIVEN under my hand and seal on this 14th day of September, 2023.



Jay Hartman, Secretary/Treasurer

(SEAL)

**RESOLUTION NO. 2023-15**

**A RESOLUTION AMENDING RESOLUTION NO. 2020-07;  
AUTHORIZING A REVISED REPAYMENT SCHEDULE FOR THE  
OUTSTANDING CENTRAL ARKANSAS WATER WATER REVENUE  
BOND (POWA PROJECT), SERIES 2020A; AND PRESCRIBING OTHER  
MATTERS RELATING THERETO.**

WHEREAS, Central Arkansas Water (the "Issuer") has issued its Water Revenue Bond (POWA Project), Series 2020A (the "Bond") in order to provide financing of the acquisition of the water system owned by Paron-Owensville Water Authority of the State of Arkansas and improvements thereto (the "Project");

WHEREAS, the Issuer entered into a Bond Purchase Agreement, dated May 14, 2020, as amended and supplemented by a Supplement to Bond Purchase Agreement effective as of April 15, 2021 (collectively, the "Bond Purchase Agreement"), with the Arkansas Natural Resources Commission ("ANRC") and the Arkansas Development Finance Authority (the "Bondholder") providing for the purchase by the Bondholder of the Bond in the maximum principal amount of \$6,050,000; and

WHEREAS, the Project has been completed and Issuer has drawn only \$4,748,409.98 of the authorized principal amount of the Bond and the Bond will be in the outstanding principal amount of \$4,748,409.98 as of October 15, 2023; and

WHEREAS, the Bond will need to be reamortized over the remaining term of the Bond; and

WHEREAS, the Bond was issued under and pursuant to Resolution No. 2020-07 adopted May 14, 2020, as amended and supplemented by Resolution No. 2021-11 adopted May 13, 2021 (collectively "Resolution No. 2020-07");

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

Section 1. Section 3 of Resolution No. 2020-07, as heretofore amended by Resolution No. 2021-11, is hereby amended by adding at the end thereof the following:

"Notwithstanding the above, effective October 15, 2023, the principal amount of the Bond shall be reduced to \$4,748,409.98, with such principal amount to be repaid in principal installments as follows:

[Remainder of page intentionally left blank.]

Date	Principal	Date	Principal
Oct 15, 2024	\$ 99,658.00	Oct 15, 2034	\$118,627.00
Apr 15, 2025	100,530.00	Apr 15, 2035	119,665.00
Oct 15, 2025	101,410.00	Oct 15, 2035	120,713.00
Apr 15, 2026	102,297.00	Apr 15, 2036	121,768.00
Oct 15, 2026	103,192.00	Oct 15, 2036	122,834.00
Apr 15, 2027	104,095.00	Apr 15, 2037	123,909.00
Oct 15, 2027	105,006.00	Oct 15, 2037	124,993.00
Apr 15, 2028	105,925.00	Apr 15, 2038	126,087.00
Oct 15, 2028	106,852.00	Oct 15, 2038	127,190.00
Apr 15, 2029	107,787.00	Apr 15, 2039	128,303.00
Oct 15, 2029	108,730.00	Oct 15, 2039	129,426.00
Apr 15, 2030	109,681.00	Apr 15, 2040	130,558.00
Oct 15, 2030	110,641.00	Oct 15, 2040	131,701.00
Apr 15, 2031	111,609.00	Apr 15, 2041	132,853.00
Oct 15, 2031	112,586.00	Oct 15, 2041	134,015.00
Apr 15, 2032	113,571.00	Apr 15, 2042	135,188.00
Oct 15, 2032	114,565.00	Oct 15, 2042	136,370.00
Apr 15, 2033	115,567.00	Apr 15, 2043	137,564.00
Oct 15, 2033	116,578.00	Oct 15, 2043	138,768.00
Apr 15, 2034	117,598.00	Apr 15, 2044	139,999.98"

Section 3. The Chairman, for and on behalf of the Issuer, is hereby authorized and directed to enter into a supplement to the Bond Purchase Agreement having terms consistent with the provisions of this Resolution.

Section 4. The Chairman and Secretary, for and on behalf of the Issuer, are authorized to execute and deliver a new bond certificate providing (a) that this Resolution has been adopted, (b) for the new debt service payment schedule, (c) for the new principal amount and (d) such other terms as consistent with this Resolution. The new bond certificate shall be a bond issued under the provisions of Resolution No. 2020-07 and shall be entitled to the benefits, security and terms of Resolution No. 2020-07 except as to the principal retirement schedule set forth herein.

Section 5. The provisions of this Resolution are hereby declared to be separable, and if any provision shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of this Resolution.

Section 6. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 7. Resolution No. 2020-07, as amended and supplemented hereby, shall remain in full force and effect.

PASSED: September 14, 2023.

APPROVED:



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Jay Barth, Chair

ATTEST:



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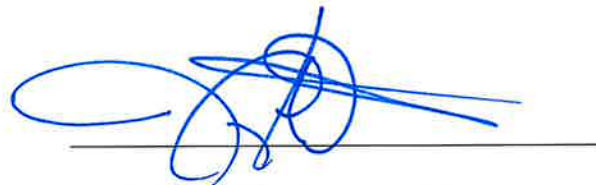
Jay Hartman, Secretary/Treasurer

(SEAL)

CERTIFICATE

The undersigned, Secretary of Central Arkansas Water, hereby certifies that the foregoing pages are a true and perfect copy of Resolution No. 2023-15, adopted at a regular session of the Board of Commissioners of Central Arkansas Water, held at the regular meeting place in the City of Little Rock, Arkansas at 2:00 o'clock p.m., on the 14th day of September, 2023.

GIVEN under my hand and seal on this 14th day of September, 2023.



Jay Hartman, Secretary/Treasurer

(SEAL)

**RESOLUTION NO. 2023-16**

**A RESOLUTION DESIGNATING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER, THE CHIEF OPERATING OFFICER, AND THE DIRECTOR OF FINANCE OF CENTRAL ARKANSAS WATER TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH THE CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM ADMINISTERED BY THE ARKANSAS NATURAL RESOURCES COMMISSION FOR THE WRIGHTSVILLE SEWER PROJECT.**

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

WHEREAS, the City of Wrightsville, Arkansas (the "City") owns and operates a sewer system (the "Wrightsville Sewer System"); and

WHEREAS, CAW provides water service to the City and residents of the City; and

WHEREAS, the Wrightsville Sewer System is in disrepair and needs improvements thereto; and

WHEREAS, the Act grants the authority to CAW to own, operate and finance sewer systems and, in order to serve a public purpose, CAW proposes to acquire the Wrightsville Sewer System from the City and to make improvements thereto; and

WHEREAS, CAW has determined that it will be necessary to issue sewer revenue bonds in an aggregate principal amount not to exceed Sixteen Million (\$16,000,000) for the purpose of acquiring the Wrightsville Sewer System from the City and making improvements thereto, and paying the cost of issuing the bonds and interest during construction;

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

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

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

Section 3. That Blake Weindorf, as Chief Operating Officer, is hereby authorized to



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

Section 4. That Cynthia Edwards, as Director of Finance, is hereby authorized to execute, for and on behalf of Central Arkansas Water, such other documents and certificates as may be required by ANRC (i) for participation in the Program, or (ii) to satisfy CAW's obligations under the bond purchase agreement with ANRC and ADFA, once such agreement is approved by the Commission.

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

ADOPTED: September 14, 2023.

ATTEST:

  
\_\_\_\_\_  
Jay Hartman, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Jay Barth, Chair



**RESOLUTION NO. 2023-17**

**A RESOLUTION APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE SEWER REVENUE BONDS; TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF THE BOND ISSUE; APPROVING SETTING A DATE FOR A PUBLIC HEARING ON THE ISSUANCE OF THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.**

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

WHEREAS, the City of Wrightsville, Arkansas (the "City") owns and operates a sewer system (the "Wrightsville Sewer System"); and

WHEREAS, CAW provides water service to the City and residents of the City; and

WHEREAS, the Wrightsville Sewer System is in disrepair and needs improvements thereto; and

WHEREAS, the Act grants the authority to CAW to own, operate and finance sewer systems and, in order to serve a public purpose, CAW proposes to acquire the Wrightsville Sewer System from the City and to make improvements thereto (collectively, the "Improvements"); and

WHEREAS, CAW proposes to obtain funds to accomplish the Improvements and to pay issuance expenses and interest during construction from the proceeds of the Bonds to be purchased by the Arkansas Development Finance Authority ("ADFA") under the Clean Water State Revolving Loan Fund Program (the "RLF Program") administered by the Arkansas Natural Resources Commission; and

WHEREAS, CAW proposes to repay the Bonds with revenues received from the operation of the Wrightsville Sewer System, and not CAW's water revenues; and

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

WHEREAS, CAW desires to declare its "official intent" for the issuance of the Bonds within the meaning of United States Treasury Regulation §1.150-2.

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

Section 1. 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 designing, 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 the Bonds in the aggregate principal amount of not to exceed Sixteen Million (\$16,000,000).

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

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

Section 3. The Bonds shall be repaid from revenues received from the operation of the Wrightsville Sewer System.

Section 4. The Chief Executive Officer is hereby instructed to give notice to the governing bodies of the Cities of Little Rock and North Little Rock that CAW intends to issue the Bonds, in an amount not to exceed Sixteen Million (\$16,000,000) to finance the Improvements and paying the cost of issuing the Bonds and interest during construction.

Section 5. The Director of Finance is hereby instructed to schedule a public hearing on the issuance of the Bonds.

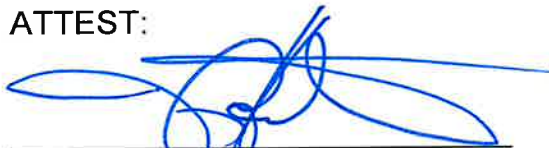
Section 6. The issuance of the Bonds through the RLF Program is hereby approved and the Chief Executive Officer, Chief Legal Counsel, Director of Finance, and other officers and employees of CAW are hereby authorized and directed to carry out or cause to be carried out all appropriate actions, to execute such other certificates or documents to evidence authority as authorized herein, and to take such other actions as they, in consultation with bond counsel, shall consider necessary or advisable in connection with this Resolution in order to prepare for the sale of the Bonds to ADFA.

Section 7. This Resolution shall be in effect upon its adoption and approval.

Section 8. A copy of this Resolution shall be filed in the corporate offices of CAW where it will be available for public inspection.

ADOPTED: September 14, 2023.

ATTEST:

  
\_\_\_\_\_  
Jay Hartman, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Jay Barth, Chair



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

October 12, 2023

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, October 12, 2023, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

Present:

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

Absent:

Mr. Kevin Newton, Commissioner

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Ms. Cynthia Edwards, Director of Finance  
Ms. Lauren Schallhorn, Controller  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Danny Dunn, Director of Distribution  
Ms. Raven Lawson, Watershed Protection Manager  
Ms. Teletha Leonard, Director of Human Resources  
Ms. Tamara Gill, Human Resources Generalist  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Sharon Sweeney, Water Quality Manager  
Mr. Allen Vincent, Director of Information Services  
Mr. Patrick Greene, Customer Service Field Manager  
Mr. Ricky Brown, Lead Customer Service Field Rep.  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Mary Dyson, Executive Assistant

CAW Staff via Teleconferencing:

Mr. Alex Harper, GIS Manager  
Mr. Andrew Pownell, Senior Engineer  
Ms. Angeline Huey, Senior Accountant  
Ms. Chelsea Boozer, Government Affairs Manager  
Ms. Danielle Nielsen, Accounting Clerk II  
Mr. David Hindman, Buyer III  
Mr. Doug Farler, Operations Manager

Mr. Doug Graham, Optimization Manager  
Ms. Haley Phillips, Accounting Clerk I  
Ms. Jane Hurley, Education & Outreach Specialist  
Mr. Jason Lowder, Engineering Technician  
Mr. Jordan Small, Senior Accountant  
Mr. John Pfenenger, GIS Database Coordinator  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Ms. Liz Tuck-Rowan, Purchasing Manager  
Ms. Mary Macon, Culture & Inclusion Manager  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Sonia Leszczyna, Human Resource Administrator

Also, in Attendance:

Mr. Aaron Benzing, PE, Hawkins-Weir Engineers, Inc.  
Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Mr. Joseph Flaherty, AR Dem-Gaz  
Mr. Virgil Miller, Little Rock Board of Director/Liaison to CAW Commission

Also, in Attendance via Teleconferencing:

Mr. Bailey Moll, JPJ Consulting, LLC  
Mr. Barry Haas, Citizen  
Ms. Chelsea Cook, Citizen  
Ms. Ruth Bell, League of Women Voters

CALL TO ORDER

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

EMPLOYEE RECOGNITION

Mr. Greene recognized Ricky Brown for 30 years of dedicated service.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner Smith, the minutes of the September 14, 2023, Regular Meeting were unanimously approved.

PUBLIC COMMENT PERIOD

No comments.

MODIFY AGENDA

Mr. Bohannon requested that item 6(c), a "Resolution Authorizing the Purchase of Real Property located at 1500 Riverfront Drive in Little Rock", be removed from the agenda. Mr. Bohannon believes that Ms. Smith has thoroughly investigated all downtown options that have been made available to CAW over the past several years. She has looked at some options two or three times.

He further informed the Commission that after speaking with some of the elected officials in Little Rock he asked staff to put together an RFP for CAW Administrative Offices & Use of Current

Properties. The RFP would provide a final opportunity for any property owner, real estate agent, or developer to submit proposals for any space that is available that might work for CAW.

Commissioner Hughes asked for the timeline. Mr. Bohannon responded that the proposals are due back by November 8, the next board meeting is November 16, and we have deferred the study period on the Riverdale building until November 18.

Commissioner Hughes commented that she does not think this was something new or recent and asked Mr. Bohannon to provide a brief timeline of when the idea of the Utility relocating from the current building began. Mr. Bohannon responded that the Utility has been exploring opportunities for about seven years. There have been numerous conversations about what to do with this building and the parking lots. CAW has had several buildings under contract – all of which has been reported about in various publications, including the *Arkansas Democrat Gazette* and *Arkansas Business*. He continued,

I think we have met with every commercial realtor in town concerning one piece of property or another. We have looked at the Bank of America building, Heifer International building, AT&T building, AP&L building, M&M Chon's space. We have looked at numerous properties exploring many different opportunities. When we started seven years ago, we always kept in mind that being a vibrant part of downtown was a big part of CAW's continued support of the cities, but part of the conversation also was what is the highest and best use for the property that we own. We have initial concept plans for apartments in parking lot C, because there is a need for housing. The ultimate question is whether an office building with three surface parking lots is the best use for downtown property in the redevelopment quarter between Riverfront Park and MacArthur Park? What happens at CAW's existing location is just as important, and maybe even more important, than where the Utility has its administrative offices. All of those things have been part of the process as staff has moved through the decision-making process.

Mr Bohannon requested that the Commission allow us to take a short period of time to make sure we are meeting the needs of the community and to see if there happens to be any option we missed.

With no objections, the agenda was modified.

## FINANCIAL REPORT

Ms. Schallhorn provided a year-to-date financial update on utility operations. Ms. Schallhorn proceeded to provide an overview on the focus item, 2024 Budget Assumptions, Consumption, Revenue, Headcount, Payroll, Capital from Rates, and Debt Service.

## CONSENT AGENDA

### Resolution Honoring Reverend Hezekiah Stewart

Staff requested Board approval of a Resolution in Remembrance of Reverend Hezekiah Stewart and to express sincere appreciation for his distinguished service and to honor his contributions to the Central Arkansas community and the customers of the Utility.

### Resolution Honoring Patrick Henry Hays



Staff requested Board approval of a Resolution in Remembrance of Patrick Henry Hays's decades-long service to North Little Rock, his commitment to advancing the shared interests of the people of Central Arkansas, and his leadership envisioning and securing the benefits of a unified community water system.

### 2-Inch Galvanized Water Main Replacements – North Little Rock – Phase 1 – 2024

Staff requested Board approval of a construction contract in the amount of \$1,956,212.00 with Diamond Construction Company to replace approximately 8,100 linear feet of existing water mains identified as being very problematic and high maintenance located in North Little Rock.

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

### NON-CONSENT AGENDA

#### 2024 Health Insurance Renewal

Ms. Gill made a presentation on the contracts maintaining CAWs employee group health, dental, life, vision, and disability insurance coverages for calendar year 2024 and requested Board approval to: renew with Cigna for medical coverage with CAW incurring the 7% premium increase on employer portion of premium; renew with Delta Dental for 2-year rate increase of 9%, CAW will continue to pay Employee-Only rate for all coverage tiers with no increase in 2025; renew with EyeMed through Delta Dental/Delta Vision for vision coverage through 2024; continuation with MetLife for Basic Life/AD&D, Disability, Voluntary Life/AD&D, Accident, Critical Illness and Hospital Indemnity through 2025; renew with Trustmark for Universal Life/LTC through 2024; and renew with Legal Shield for IDShield through 2024.

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner McKenzie, after due consideration and discussion, the contracts maintaining CAW's employee group health, dental, life, vision, and disability insurance coverages for calendar year 2024 was unanimously approved.

Commissioner Kendall stated that he hopes employees understand that premium increases will not be incurred by CAW every year.

#### Purchase of Web-Based Phone System Equipment and Service Agreement for a Web-Based Phone System

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Kendall, after due consideration and discussion, the purchase of a web-based phone system for the amount of \$788,605 from Dialpad, Inc. was unanimously approved.

The system will have a one-time cost of \$38,605 for installation along with a five-year service agreement with an annual cost of \$150,000 for the Unified Communications as a Service (UCaaS) cloud-based system.

#### Wrightsville Wastewater Treatment Plant and Collection System Improvements – Engineering Services

Mr. Weindorf provided an update on Wrightsville and stated approximately one year ago the Department of Environmental Quality (DEQ) reached out to CAW regarding Wrightsville Wastewater Collection System and Treatment Facility and they were on the verge of issuing a

consent administrative order for continued violations at their treatment plant due to either poor or no maintenance over the years. CAW has provided water service continuously to this area since the 1960's. The wastewater system was installed in 1993, and there are a lot of improvements needed. CAW staff have been there (at Wrightsville expense) maintaining and operating a lot of the facilities. We have replaced pumps at pump stations, maintained equipment at the wastewater plant and significantly reduced violations since. A Feasibility Agreement was signed in September 2022, and it has been extended twice due to delays in approval of grant funds. We were able to secure a Five Million dollar grant from Arkansas Natural Resources Commission through their ARPA Fund Allocation, which has moved the project forward. The most recent revision to the Consolidation Agreement was approved unanimously by the Wrightsville City Council on October 9. CAW will bring the Consolidation Agreement to the CAW Board for consideration at the December 14 board meeting.

Mr. Weindorf proceeded to outline project costs and deadlines. Chair Barth asked for clarification on the roles of Little Rock Water Reclamation Authority (LRWRA) and CAW. Mr. Weindorf responded that LRWRA is tied by their jurisdictional guidelines and boundaries at the hard city limit stop. However, after working with the mayor and other key city stakeholders, we have determined a potential way for LRWRA to assist CAW with O&M. The concept is that LRWRA could maintain the linear assets such as the manholes, and the collection system trunk lines, and CAW will maintain the vertical assets such as the Lift Stations and Treatment plant. This makes sense because the resources and crews needed to maintain the linear assets are already in place with LRWRA and CAW has current abilities to maintain the vertical assets.

Chair Barth commented that he does not want CAW wandering towards commitments that are really hard to back out of as we take this step. This is just not ideal. In fact, it is way less than ideal.

Mr. Weindorf requested board approval of an engineering agreement with Hawkins-Weir Engineers for detailed Design Services for the Wrightsville Wastewater Treatment Plant and Collection System Improvements, including CMAR project delivery consultation and Sanitary Sewer Evaluation Survey in the amount of \$2,240,000.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hughes, after due consideration and discussion, the engineering contract with Hawkins-Weir Engineers was approved on a 4-0-1 vote. Those Commissioners voting aye were Commissioners Smith, Hartman, Kendall, and Hughes. Chair Barth abstained from the vote. Commissioner Newton was absent, and Commissioner McKenzie was out of the room during the vote.

## INFORMATION SHARING

### Lake Maumelle Water Quality Update

Ms. Sweeney provided a water quality update and discussed the Hydrilla Eradication Plan and continued monitoring. SePRO Herbicide was applied in April & May in accordance with the 2023 Lake Management Plan to eradicate hydrilla in Lake Maumelle. In August 2023, there was no visible hydrilla vegetation, water clarity was improved, and there was no adverse impact on native vegetation. Herbicide treatment is necessary for 2-3 years after no tubers ( $< 1$  tuber/m<sup>2</sup>) detected. CAW will continue herbicide treatment for 5-8 years.

### LIWHIP Update

Mr. Bohannon provided an update on the Low-Income Household Water Assistance Program benefits paid and how CAW compared to other similarly sized U.S. systems in collecting more funding

assistance on behalf of its customers than many utilities its size thanks to program advocacy and outreach. There has been a national push from water utilities and organizations to continue a permanent, federal LIHWAP. However, no proposal for a permanent program has been introduced in Congress yet.

#### BOARD BRIEFING

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

#### ADJOURNMENT

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Hughes, the meeting was adjourned at 3:41 p.m.



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Jay Hartman, Secretary/Treasurer

**RESOLUTION 2023-18**

**A RESOLUTION TO HONOR THE  
LONGTIME SERVICE TO CENTRAL ARKANSAS OF  
THE REVEREND HEZEKIAH STEWART**

WHEREAS, The Reverend Hezekiah Stewart, a beloved Central Arkansas community member, passed away on September 20, 2023; and

WHEREAS, The Reverend Hezekiah Stewart, as the founder and longtime leader of Watershed Human and Community Development Agency, Inc., provided food, clothing, utility bill assistance, transportation, job guidance, counseling, career development, life skills, disaster relief, and other critical services to Central Arkansas residents young and old for many years; and

WHEREAS, The Reverend Hezekiah Stewart assisted nearly three thousand Central Arkansas individuals and families who were experiencing financial crisis, age-related challenges, unforeseen catastrophic healthcare needs, job loss, death of loved ones, and changes in family status by providing and ensuring access to drinking water; and

WHEREAS, The Reverend Hezekiah Stewart touched countless lives through his kindness, compassion, and loving heart every season of every year.

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

Section 1: The Board of Commissioners of CAW honors and expresses its sincere gratitude for The Reverend Hezekiah Stewart's decades-long service to Central Arkansas, his tireless work to provide life's most essential resources to countless persons, and his enduring commitment to safeguard access to drinking water for residents of our community.

ADOPTED: [October 12, 2023]

Attest:

  
\_\_\_\_\_  
Jay Hartman, Secretary/Treasurer

APPROVED:

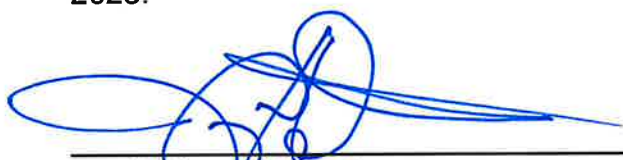
  
\_\_\_\_\_  
Jay Barth, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  ) ss  
COUNTY OF PULASKI    )

I, Jay Hartman, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2023-18 of the Resolutions of Central Arkansas Water, titled: **A RESOLUTION TO HONOR THE LONGTIME SERVICE TO CENTRAL ARKANSAS OF THE REVEREND HEZEKIAH STEWART**, adopted October 12, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of October 2023.



---

Jay Hartman, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

**RESOLUTION 2023-19**

**A RESOLUTION TO HONOR THE  
LONGTIME SERVICE TO CENTRAL ARKANSAS OF  
PATRICK HENRY HAYS**

WHEREAS, Patrick Henry Hays, a beloved Central Arkansas community member, passed away on October 4, 2023; and

WHEREAS, Patrick Henry Hays, as the longest-serving mayor of North Little Rock, held the position of mayor continuously from 1989 to 2012 and worked steadfastly throughout his tenure to advance the very best interests of North Little Rock and its citizens; and

WHEREAS, Patrick Henry Hays worked closely and cooperatively with other leaders of Central Arkansas to advance the shared interests of all of its communities and people throughout his time as mayor including in particular the years 2000 and 2001, which marked the beginning of a new era in interlocal cooperation for the Cities of Little Rock and North Little Rock ("Cities") as the Cities embraced the findings of a study from the University of Arkansas at Little Rock titled "Water for Our Future: Overcoming Regional Paralysis" that formed the impetus for the Cities to unify their respective, separate water utilities and led each of the Cities' governing bodies and water commissions to lend their unanimous support in the consolidation of Little Rock Municipal Water Works and the North Little Rock Water Department as Central Arkansas Water; and

WHEREAS, city and water officials, North Little Rock Mayor Patrick Henry Hays, Little Rock Mayor Jim Dailey, North Little Rock Water Commission Chair Francille Turbyfill, and Little Rock Municipal Water Works Commission Chair Jane Dickey executed the historic consolidation agreement on March 5, 2001; and

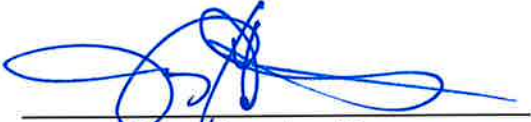
WHEREAS, Patrick Henry Hays, was instrumental in creating the largest public drinking water system in the State of Arkansas, which today has an annual operating and capital improvement budget in excess of \$75,000,000 and whose water serves nearly 500,000 people in Central Arkansas.

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

Section 1: The Board of Commissioners of CAW honors and expresses its sincere gratitude for Patrick Henry Hays's decades-long service to North Little Rock, his commitment to advancing the shared interests of the people of Central Arkansas, and his leadership envisioning and securing the benefits of a unified community water system.

ADOPTED: [October 12, 2023]

Attest:

  
\_\_\_\_\_  
Jay Hartman, Secretary/Treasurer

APPROVED:

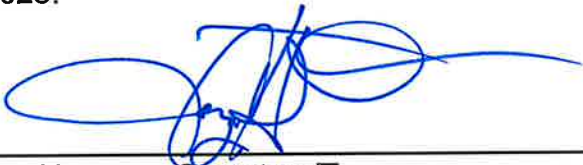
  
\_\_\_\_\_  
Jay Barth, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
                                  ) ss  
COUNTY OF PULASKI    )

I, Jay Hartman, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2023-19 of the Resolutions of Central Arkansas Water, titled: **A RESOLUTION TO HONOR THE LONGTIME SERVICE TO CENTRAL ARKANSAS OF PATRICK HENRY HAYS**, adopted October 12, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of October 2023.



---

Jay Hartman, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners



Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

November 16, 2023

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, November 16, 2023, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

Present:

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

Via Teleconferencing:

Mr. Kevin Newton, Commissioner

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Ms. Cynthia Edwards, Director of Finance  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Danny Dunn, Director of Distribution  
Ms. Raven Lawson, Watershed Protection Manager  
Ms. Teletha Leonard, Director of Human Resources  
Mr. Sam Zehtaban, Director of Water Production  
Ms. Sharon Sweeney, Water Quality Manager  
Ms. Chelsea Boozer, Government Affairs Manager  
Mr. Andrew Pownell, Senior Engineer  
Mr. Robbie Billingsley, Water Regulations Specialist III  
Mr. James Crain, Foreman  
Mr. James Moore, Foreman  
Mr. Jewel Easter, Water Distribution Specialist I  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Mary Dyson, Executive Assistant

CAW Staff via Teleconferencing:

Mr. Alex Harper, GIS Manager  
Mr. Allen Vincent, Director of Information Services  
Mr. Bryan Rugar, Land Conservation Coordinator  
Mr. Doug Farler, Operations Manager  
Mr. Doug Graham, Optimization Manager  
Ms. Jane Hurley, Education & Outreach Specialist  
Mr. Jim Ferguson, P.E., Director of Engineering

Mr. Jordan Small, Senior Accountant  
Mr. Kevin Hall, Director of Environmental Health & Safety  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Sonia Leszczyna, Human Resource Administrator  
Ms. Tamara Gill, Human Resources Generalist  
Mr. Terry Frazier, Director of Customer Service

Also, in Attendance:

Ms. Carolyn Shearman, Friends of the Ouachita Trail  
Mr. J. Shepherd Russell, III, Bond Counsel, Friday, Eldredge & Clark LLP  
Mr. Joseph Flaherty, AR Dem-Gaz  
Mr. Lott Johnson, Citizen  
Mr. Virgil Miller, Little Rock Board of Director/Liaison to CAW Commission

Also, in Attendance via Teleconferencing:

Mr. Barry Haas, Citizen  
Mr. Jordan Johnson, JPJ Consulting, LLC

CALL TO ORDER

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

EMPLOYEE RECOGNITION

Mr. Weindorf recognized Robbie Billingsley for 30 years of dedicated service.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hartman, the minutes of the October 12, 2023, Regular Meeting were unanimously approved.

PUBLIC COMMENT PERIOD

No comments.

FINANCIAL REPORT

Ms. Edwards provided a year-to-date financial update on utility operations. She proceeded to provide a financial forecast through December 31, 2023, as a focus item.

CONSENT AGENDA

Resolution Authorizing the Issuance of Water Revenue Bonds, Series 2023C (ANRC–West Pulaski), West Pulaski Water Extension Project

Staff requested Board approval of a Resolution authorizing the issuance of Water Revenue Bonds, Series 2023C (ANRC–West Pulaski) of \$16,300,000 and Water Revenue Bonds, Series 2023D (ANRC–West Pulaski) of \$2,200,000 to finance the cost of installation of water mains and appurtenances in the unserved area of Western Pulaski County. The Series 2023D are subject to principal forgiveness.

### West Pulaski Water Extension Area 1A

Staff requested Board approval of a construction contract in the amount of \$2,325,178.00 with Boyles Construction, Inc. for West Pulaski Water Extension Phase 1A, expanding CAW's distribution system to unserved properties in the Ferndale/West Pulaski area.

### Conditional Assessment of 72-Inch Raw Water Main

Staff requested Board approval of an engineering services contract in the amount of \$903,325.00 with Pure Technologies U.S. Inc. for a comprehensive condition assessment of the 72-inch diameter raw water main that extends from the Lake Maumelle pump station to its discharge point at the Jack H. Wilson Water Treatment Plant

### 2-Inch Galvanized Water Main Replacements – Little Rock – 2024 – Phase 1

Staff requested Board approval of a construction contract in the amount of \$2,028,278.43 with Cisneros Family Construction to replace approximately 8,200 linear feet of existing water mains identified as being very problematic and high maintenance in three areas of Little Rock.

### Vehicle Maintenance Contract with Little Rock Water Reclamation Authority

Staff requested Board approval of a one-year contract extension with Little Rock Water Reclamation Authority to provide fleet maintenance services for all CAW vehicles and equipment. The 2024 estimated cost for CAW fleet maintenance is \$614,910.00. This is the fourth of five extension options.

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

## NON-CONSENT AGENDA

### Draft 2024 Financial Plan

Ms. Edwards presented highlights of the draft 2024 Financial Plan. Staff will present the final 2024 Financial Plan and request approval at the December meeting.

### Annual Contract for Utility Locate Services

Mr. Dunn provided an update on utility location services for 2023 and requested board approval of a supplement to our current ArkUPS agreement in the amount of \$555,849.00 for 2024. Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Smith, after due consideration and discussion, the supplement agreement for 2024 with Arkansas Utility Protection Services, Inc. (ArkUPS), in the amount of \$555,849.00 was unanimously approved.

### Request for Exclusion from Settlement Agreements in PFAS Class Action Cases

Mr. Johnson provided information on the pending PFAS class action cases, health effects of PFAS, and how CAW tests for PFAS. He stated that PFAS is not in CAW's water. Mr. Johnson requested Board approval of a Resolution that directs staff to submit requests for exclusion from the 3M and DuPont PFAS class action settlements and settlement agreements.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hughes, after due consideration and discussion, the Resolution directing Staff to draft and file requests for

exclusion from settlement agreements in two pending PFAS class action cases: In re: Aqueous Film-Forming Foams Products Liability Litigation, MDL No. 2-18-mn-2873-RMG, City of Camden, et al. v. 3M Company, Case No. 2:23-cv-03147-RMG and City of Camden, et al. v. E.I. DuPont De Nemours and Company (n/k/a EIDP, Inc.), et al., 2:23-cv-03230-RMG, was unanimously approved.

#### Resolution Authorizing the Purchase of Real Property Located in the Lake Maumelle Watershed

Ms. Lawson provided an update on the Forest Legacy Grant phases. Ms. Lawson requested Board approval of a Resolution authorizing the purchase of 2,023 acres of real property, to be funded from \$6M in Forest Legacy Grant funds, \$1.64M in 2020C Green Bonds, and \$2.06M in Watershed Protection Funds.

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Smith, after due consideration and discussion, the Resolution authorizing the purchase of approximately 2,023 acres of real property in the Lake Maumelle Watershed, from PotLatch Deltic, LLC. for a total purchase price of \$9,700,000 plus closing costs, was unanimously approved.

#### Clearwater Warehouse Expansion

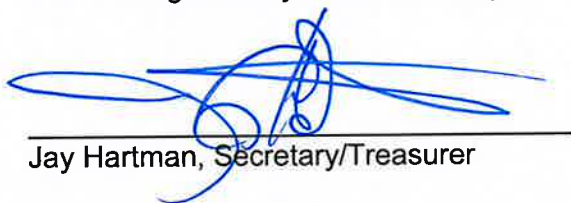
Ms. Smith provided an update on the Clearwater Warehouse expansion and requested board approval of a construction contract to Moser Construction LLC, which was the low bidder. Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hughes, after due consideration and discussion, a construction contract in the amount of \$1,201,521.63 with Moser Construction LLC for expanding the current Clearwater Warehouse to the north, adding approximately 7,500 square feet, and enclosing the valve shed was unanimously approved.

#### BOARD BRIEFING

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

#### ADJOURNMENT

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Hughes, the meeting was adjourned at 3:31 p.m.



Jay Hartman, Secretary/Treasurer

RESOLUTION NO. 2023-20

A RESOLUTION AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS FOR THE PURPOSE OF FINANCING COSTS OF CAPITAL IMPROVEMENTS TO THE WATER SYSTEM OF CENTRAL ARKANSAS WATER; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

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

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

WHEREAS, the Board of Commissioners of the Issuer has determined that extensions, betterments and improvements to the System are necessary in order to serve customers in a certain area of west Pulaski County in and around the vicinity of Ferndale not currently served by a water system (the "Improvements"); and

WHEREAS, in order to finance a portion of the costs of the Improvements, including bond issuance costs and interest during construction, the Issuer is making arrangements for the sale of a bond in the principal amount of \$16,300,000 (the "Series 2023C Bond") to the Arkansas Development Finance Authority, as purchaser (the "Bondholder"), at a price of par for a bond bearing interest at the rate of 1.25% per annum pursuant to a Series 2023C Bond Purchase Agreement (the "2023C Agreement") among the Issuer, the Bondholder and the Arkansas Natural Resources Commission ("Natural Resources"), which has been presented to and is before this meeting; and

WHEREAS, in order to finance a portion of the costs of the Improvements, including bond issuance costs, the Issuer is also making arrangements for the sale of a \$2,200,000 principal amount bond (the "Series 2023D Bond") to the Bondholder, at a price of par for a bond bearing interest at the rate of 1.25% per annum pursuant to a Series 2023D Bond Purchase Agreement (the "2023D Agreement") amount the Issuer, the Bondholder and Natural Resources, which has been presented to and is before this meeting; and

WHEREAS, the Issuer has the following outstanding issues of revenue bonds: Refunding Water Revenue Bond, Series 2010A (2009 ANRC Project) (the "Series 2010A Bond"), Water Refunding Revenue Bonds, Series 2010C (Watershed Protection Project) (the "Series 2010C Bonds"), Water Revenue Bond, Series 2011A (Wye Mountain Extension Project) (the "Series 2011A Bond"), Capital Improvement Water Revenue Bonds, Series 2012A (the "Series 2012A Bonds"), Refunding Water Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), Refunding Water Revenue Bonds, Series 2016 (the "Series 2016 Refunding Bonds"), Acquisition and Construction Water Revenue Bonds (Maumelle Water System Acquisition Project), Series 2016

(the "Series 2016 Maumelle Bonds"), Water Revenue Bond (Wilson Pump Station #1A Project), Series 2017A (the "Series 2017A Bond"), Capital Improvement Water Revenue Bonds, Series 2018B (the "Series 2018B Bonds"), Water Revenue Bond (Ozark Point Water Treatment Plant Project), Series 2019A (the "Series 2019A Bond"), Water Revenue Bond (POWA Project), Series 2020A (the "Series 2020A Bond"), Capital Improvement and Refunding Water Revenue Bonds, Series 2020B (the "Series 2020B Bonds"), Capital Improvement and Refunding Water Revenue Bonds. Series 2020C (Green Bonds) (the "Series 2020C Bonds"), Refunding Water Revenue Bonds, Series 2020D (Taxable) (the "Series 2020D Bonds"), Water Revenue Bond (Frazier Pike Project), Series 2021A (the "Series 2021A Bond"), and Water Revenue Bond (Wye Mountain Project), Series 2021B (the "Series 2021B Bond"), Water Revenue Bond (Ridgefield Project), Series 2022A (the "Series 2022A Bond"), Water Revenue Bond (Wilson Pump Station #1A Project), Series 2022B (the "Series 2022B Bond"), Water Revenue Bond (Hydrilla Eradication Project), Series 2023A (the "Series 2023A Bond") and Water Revenue Bond (Wilson Treatment Plant Project), Series 2023B (the "Series 2023B Bond"); and

WHEREAS, the Issuer is authorized under the provisions of Amendment No. 65 to the Arkansas Constitution and the Authorizing Legislation to issue and sell the Series 2023C Bond and the Series 2023D Bond (collectively, the "bonds"); and

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

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

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

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

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

"Debt Service" means, for any particular Fiscal Year with respect to the bonds, Senior Parity Debt or Parity Debt, as applicable, an amount equal to the sum of all principal and interest (net of any interest subsidy with respect to the bonds, Senior Parity Debt or Parity Debt paid or

payable to or for the account of the Issuer by any governmental body or agency) payable during such Fiscal Year calculated on the assumption that the bonds, Senior Parity Debt or the Parity Debt, on the day of calculation cease to be outstanding by reason of, but only by reason of, payment or defeasance.

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

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

"Frazier Pike Long Term Debt Surcharge Revenues" means collections of the long-term debt surcharge levied by the Issuer pursuant to Resolution No. 2021-13 for collection from customers within the Frazier Pike System service area and pledged to secure the Series 2021A Bond.

"Frazier Pike System" means the water system acquired from the Frazier Pike Public Facilities Board of Pulaski County, Arkansas and any extensions, betterments and improvements of such system.

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

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

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

bookkeeping entries of a similar nature; interest charges and charges for the payment of principal, or amortization, of bonded or other indebtedness of the Issuer, or costs, or charges made therefor; or losses from the sale, abandonment, reclassification, revaluation, or other disposition of any properties.

"Parity Debt" means any future debt obligations of the Issuer incurred in compliance with Section 32(d) of this Resolution and secured and payable on a parity of security with the bonds.

"POWA Revenues" means the Revenues derived by the Issuer from the POWA System.

"POWA System" means the water system acquired by the Issuer from Paron-Owensville Water Authority of the State of Arkansas and any extensions, betterments and improvements of such system.

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

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

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

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



"Ridgefield Long Term Debt Surcharge Revenues" means collections of the long-term debt surcharge levied by the Issuer pursuant to Resolution No. 2022-08 for collection from customers within the Ridgefield System service area and pledged to secure the Series 2022A Bond.

"Ridgefield System" means the water system acquired from Ridgefield and any extensions, betterments and improvements of such system.

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

"Senior Parity Debt" means the Series 2010A Bond, the Series 2010C Bonds, the Series 2011A Bond, the Series 2012A Bonds, the Series 2014 Bonds, the Series 2016 Refunding Bonds, the Series 2017A Bond, the Series 2018B Bonds, the Series 2019A Bond, the Series 2020B Bonds, the Series 2020C Bonds, the Series 2020D Bonds, the Series 2022B Bond, the Series 2023B Bond and any future debt obligations of the Issuer incurred in compliance with Section 32(b) of this Resolution and secured and payable on a parity of security with such bonds.

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

"Special Debt Retirement Charge Indebtedness" shall mean bonds, notes or other forms of indebtedness that are secured solely by Special Debt Retirement Charge Revenues and from any reserves established only to secure such bonds, notes or other forms of indebtedness. From and after the Stabilized Net Revenues Adjustment Date, the Series 2016 Maumelle Bonds, the Series 2021A Bond, the Series 2021B Bond, the Series 2022A Bond and the bonds are included within the definition of Special Debt Retirement Charge Indebtedness.

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

"Special Purpose Bonds" means (i) such other bonds, notes or other interest bearing obligations to which a portion of the Revenues are pledged, and the proceeds of which are used to finance the design, acquisition, and construction of facilities or projects as the Issuer shall by resolution designate as a Special Purpose Facility, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds as contemplated and permitted by Section 32(f) of this Resolution, or (ii) such other bonds to which the Watershed Protection Fee is pledged and the proceeds of which are used to finance the acquisition of land within the watershed of Lake Maumelle or the design, acquisition, and construction of facilities or projects as the Issuer shall by resolution deem necessary or advisable for protection of water quality within Lake Maumelle.

"Special Purpose Facility" means (a) additional water sources, including but not limited to, a new lake; or (b) such other facilities or projects as the Issuer shall by resolution designate as a Special Purpose Facility, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds of the Issuer as contemplated and permitted by Section 32(f) of this Resolution.

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

"Stabilized Net Revenues Adjustment Date" means the first date on which (i) the Series 2010C Bonds, the Series 2012A Bonds, the Series 2014 Bonds, the Series 2016 Refunding Bonds, the Series 2017A Bond and the Series 2018B Bonds are fully paid or defeased and (ii) the 2010A Bond and the Series 2011A Bond are either paid in full or the owners of the Series 2010A Bond and the Series 2011A Bond have agreed to release any Special Debt Retirement Charge Revenues from the pledge in favor of the Series 2010A Bond and the Series 2011A Bond.

"Subordinate Indebtedness" shall mean the Series 2016 Maumelle Bonds, the Series 2020A Bond, the Series 2021A Bond, the Series 2021B Bond, the Series 2022A Bond, the Series 2023A Bond and other bonds, notes, or other forms of indebtedness, the payment of the principal of or interest or redemption premium on which are payable solely from moneys after payment of all periodic obligations under the provisions of any Senior Parity Debt.

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

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

"West Pulaski Long Term Debt Surcharge Revenues" means the collections of the long term debt surcharge levied by the Issuer pursuant to Resolution No. 2020-03 for collections from customers within the West Pulaski Service Area and pledged to secure the bonds.

"West Pulaski Service Area" means the customers of the System in a certain area of west Pulaski County in and around the vicinity of Ferndale not currently served by a water system.

"Wye Mountain Long Term Debt Surcharge Revenues" means the collections of the long term debt surcharge levied by the Issuer pursuant to Resolution No. 2021-18 for collections from customers within the Wye Mountain System service area and pledged to secure the Series 2021B Bond.

"Wye Mountain System" means the water system acquired by the Issuer from Wye Mountain Water Facilities Board of Perry County, Arkansas and any extensions, betterments and improvements of such system.

Section 2. The sale to the Bondholder of up to \$18,500,000 in aggregate principal amount of bonds, consisting of a \$16,300,000 Series 2023C Bond and a \$2,200,000 Series 2023D Bond, from the Issuer at a price of par for bonds bearing interest at the rate of 1.25% per annum and otherwise subject to the terms and provisions hereafter in this Resolution set forth in detail be, and is hereby approved and the bonds are hereby sold to the Bondholder. The Chair is hereby authorized and directed to execute and deliver the 2023C Agreement and the 2023D Agreement (collectively, the "Agreements") on behalf of the Issuer and to take all action required on the part of the Issuer to fulfill its obligations under the Agreements. The Agreement is hereby approved in substantially the form submitted to this meeting with such changes as may be approved by the Chair of the Issuer, his execution to constitute complete evidence of such approval.

Section 3. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly the Authorizing Legislation, Central Arkansas Water Water Revenue Bond (West Pulaski Project), Series 2023C in the principal amount of \$16,300,000 and Central Arkansas Water Water Revenue Bond (West Pulaski Project), Series 2023D in the principal amount of \$2,200,000 are hereby authorized and ordered issued the proceeds of the sale of which will be used to finance costs of the Improvements, pay expenses incidental thereto, fund interest during construction and pay expenses of issuing the bonds.

The bonds shall be dated the date of delivery to the Bondholder. The bonds shall bear interest at the rate of 1.25% per annum based upon a 360-day year of twelve consecutive 30-day months. Interest shall be payable each April 15 and October 15 after the bonds are issued. Principal shall be payable in installments on October 15, 2027 and on each April 15 and October 15 thereafter until the unpaid principal is paid in full as follows:

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SERIES 2023C BOND

<u>Date</u>	<u>Principal</u>	<u>Date</u>	<u>Principal</u>
10/15/2027	\$191,685	10/15/2042	\$268,129
04/15/2028	193,841	04/15/2043	271,146
10/15/2028	196,023	10/15/2043	274,196
04/15/2029	198,228	04/15/2044	277,281
10/15/2029	200,458	10/15/2044	280,400
04/15/2030	202,712	04/15/2045	283,555
10/15/2030	204,993	10/15/2045	286,745
04/15/2031	207,300	04/15/2046	289,970
10/15/2031	209,631	10/15/2046	293,232
04/15/2032	211,989	04/15/2047	296,531
10/15/2032	214,374	10/15/2047	299,867
04/15/2033	216,786	04/15/2048	303,241
10/15/2033	219,225	10/15/2048	306,653
04/15/2034	221,691	04/15/2049	310,102
10/15/2034	224,186	10/15/2049	313,591
04/15/2035	226,708	04/15/2050	317,118
10/15/2035	229,258	10/15/2050	320,686
04/15/2036	231,837	04/15/2051	324,294
10/15/2036	234,446	10/15/2051	327,943
04/15/2037	237,083	04/15/2052	331,632
10/15/2037	239,750	10/15/2052	335,363
04/15/2038	242,447	04/15/2053	339,136
10/15/2038	245,175	10/15/2053	342,951
04/15/2039	247,933	04/15/2054	346,809
10/15/2039	250,722	10/15/2054	350,711
04/15/2040	253,543	04/15/2055	354,657
10/15/2040	256,395	10/15/2055	358,646
04/15/2041	259,280	04/15/2056	362,681
10/15/2041	262,196	10/15/2056	366,761
04/15/2042	265,146	04/15/2057	370,932

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SERIES 2023D BOND

<u>Date</u>	<u>Principal</u>	<u>Date</u>	<u>Principal</u>
10/15/2027	\$25,872	10/15/2042	\$36,190
04/15/2028	26,163	04/15/2043	36,597
10/15/2028	26,457	10/15/2043	37,009
04/15/2029	26,755	04/15/2044	37,425
10/15/2029	27,056	10/15/2044	37,846
04/15/2030	27,361	04/15/2045	38,272
10/15/2030	27,668	10/15/2045	38,702
04/15/2031	27,980	04/15/2046	39,138
10/15/2031	28,295	10/15/2046	39,578
04/15/2032	28,613	04/15/2047	40,023
10/15/2032	28,934	10/15/2047	40,474
04/15/2033	29,260	04/15/2048	40,929
10/15/2033	29,589	10/15/2048	41,390
04/15/2034	29,922	04/15/2049	41,855
10/15/2034	30,259	10/15/2049	42,326
04/15/2035	30,599	04/15/2050	42,802
10/15/2035	30,943	10/15/2050	43,283
04/15/2036	31,292	04/15/2051	43,771
10/15/2036	31,643	10/15/2051	44,263
04/15/2037	31,999	04/15/2052	44,761
10/15/2037	32,359	10/15/2052	45,265
04/15/2038	32,723	04/15/2053	45,773
10/15/2038	33,092	10/15/2053	46,289
04/15/2039	33,464	04/15/2054	46,809
10/15/2039	33,840	10/15/2054	47,336
04/15/2040	34,221	04/15/2055	47,868
10/15/2040	34,606	10/15/2055	48,407
04/15/2041	34,996	04/15/2056	48,952
10/15/2041	35,389	10/15/2056	49,502
04/15/2042	35,787	04/15/2057	50,028

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

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

Payment of principal and interest shall be in any coin or currency of the United States of America which, as at the time of payment, shall be legal tender for the payment of debts due the

United States of America. When the principal of and interest on the bonds have been fully paid, they shall be canceled and delivered to the Secretary of the Issuer.

Section 4. The bonds shall be executed on behalf of the Issuer by the Chair and Secretary of the Issuer and shall have impressed thereon the seal of the Issuer. The bonds are not general obligations of the Issuer but are special obligations, the principal of and interest on which, and Financing Fee in connection therewith, are secured by a pledge of and are payable from West Pulaski Long Term Debt Surcharge Revenues. The pledge of West Pulaski Long Term Debt Surcharge Revenues is subordinate to the pledge in favor of the Senior Parity Debt; provided, however, from and after the Stabilized Net Revenues Adjustment Date, the West Pulaski Long Term Debt Surcharge Revenues shall be released from the pledge in favor of the Senior Parity Debt. The bonds and interest thereon shall not constitute an indebtedness of the Issuer within any constitutional or statutory limitation.

Section 5. The bonds shall be in substantially the following form, with appropriate variations between series, and the Chair and Secretary of the Issuer are hereby authorized and directed to make all the recitals contained therein:

(form of single registered bond)

UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
CENTRAL ARKANSAS WATER  
WATER REVENUE BOND  
(WEST PULASKI PROJECT),  
SERIES 2023\_

No. R\_-1

[\$16,300,000] [\$2,200,000]

KNOW ALL MEN BY THESE PRESENTS:

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

[SIXTEEN MILLION THREE HUNDRED  
THOUSAND DOLLARS]

[TWO MILLION TWO HUNDRED  
THOUSAND DOLLARS]

(or the total principal amount outstanding as reflected  
by the Record of Payment of Advances attached hereto)

with interest on the unpaid balance of the total principal amount at the rate of 1.25% per annum based upon a 360 day year and twelve consecutive 30 day months. The principal and interest shall

be payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America.

Interest on the unpaid balance of the total principal amount shall be payable on April 15, 2024 and on each April 15 and October 15 thereafter. Principal shall be payable in installments on October 15, 2027 and on each April 15 and October 15 thereafter until the unpaid principal is paid as follows:

Date	Amount
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(There will be inserted the applicable schedule set forth in Section 3 of this Resolution.)

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

This bond is issued for the purpose of providing financing a portion of the costs of acquiring, constructing and equipping extensions, betterments and improvements to the water system of the Issuer (the "System") in order to serve customers in a certain area of west Pulaski County in and around the vicinity of Ferndale not currently served by a water system (the "West Pulaski Service Area"), interest during construction, and costs of authorizing and issuing this bond, and is issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 25, Chapter 20, Subchapter 3 of the Arkansas Code of 1987 Annotated, and pursuant to Resolution No. 2023-\_\_ of the Issuer, duly adopted and approved on the 16th day of November, 2023 (the "Authorizing Resolution"). Reference is hereby made to the Authorizing Resolution for the details of the nature and extent of the security and of the rights and obligations of the Issuer and the registered owner of this bond.

[Series 2023C - This bond may be assigned with the written approval of the Arkansas Natural Resources Commission ("Natural Resources"), and in order to effect such assignment the assignor shall promptly notify the Secretary of the Issuer by registered mail, and the assignee shall surrender this bond along with a written approval of Natural Resources to the Secretary of the Issuer for transfer on the registration records. Every assignee shall take this bond subject to all payments and prepayments of principal and interest (as reflected by the Payment Record maintained by the Secretary of the Issuer), prior to such surrender for transfer.] [Series 2023D – This bond may be assigned to the Arkansas Natural Resources Commission ("Natural Resources"), and in order to effect such assignment the assignor shall promptly notify the Secretary of the Issuer by registered mail, and Natural Resources shall surrender this bond to the Secretary of the Issuer for transfer on the registration records. Natural Resources shall take this bond subject to all payments and prepayments of principal and interest (as reflected by the Payment Record maintained by the Secretary of the Issuer), prior to such surrender for transfer.]

This bond may be prepaid at the option of the Issuer from funds from any source, in whole or in part at any time on and after April 15, 2033, at a prepayment price equal to the principal amount outstanding, plus accrued interest to the prepayment date. Notice shall be given of such prepayment to the owner of this bond or registered assigns at least 90 days prior to the prepayment date. Such notice shall be in writing mailed to the address of the owner of this bond or registered assigns at the address as reflected on the bond registration books of the Secretary of the Issuer.

This bond does not constitute an indebtedness of the Issuer within any constitutional or statutory limitation or provision and shall not constitute and indebtedness of, or pledge the faith and credit of, the State of Arkansas or the Cities of Little Rock and North Little Rock, Arkansas within the meaning of any constitutional provisions or limitations. This bond is a special obligation payable solely from the revenues derived from a long-term debt surcharge to customers in the West Pulaski Service Area (the "West Pulaski Long Term Debt Surcharge Revenues"). In this regard, the pledge of West Pulaski Long Term Debt Surcharge Revenues in favor of this bond is a parity with the Issuer's Water Revenue Bond (West Pulaski Project) Series 2023\_, which bond is being issued simultaneously with the issuance of this bond. In addition, the pledge of West Pulaski Long Term Debt Surcharge Revenues to this bond is subordinate to the Senior Parity Debt identified in the Authorizing Resolution until the Stabilized Net Revenues Adjustment Date as defined in the Authorizing Resolution. A sufficient amount of West Pulaski Long Term Debt Surcharge Revenues to pay principal and interest has been duly set aside and pledged as a special fund for that purpose, identified as the "ADFA Bond Fund," in the Authorizing Resolution. The Issuer has fixed and has covenanted and agreed to maintain rates for use of the System which shall be sufficient at all times to at least provide for the payment of the reasonable expenses of operation and maintenance of the System, provide for the payment of the principal of and interest on all the outstanding bonds to which System revenues are pledged as the same become due, to establish and maintain any required debt service reserves and to provide a depreciation fund, all as set forth in the Authorizing Resolution.

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

IN WITNESS WHEREOF, Central Arkansas Water has caused this bond to be executed in its name by its Chair and Secretary, thereunto duly authorized, and its corporate seal to be affixed, all as of the \_\_\_\_\_ day of \_\_\_\_\_, 2023.



CENTRAL ARKANSAS WATER

By  \_\_\_\_\_  
Chair

ATTEST

  
\_\_\_\_\_  
Secretary

(SEAL)

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

Section 6. (a) The Issuer has heretofore fixed a long term debt surcharge on customers in the West Pulaski Service Area pursuant to Resolution No. \_\_\_\_ - \_\_, adopted \_\_\_\_\_, 202\_\_\_. Reference is hereby made to such Resolution for the details thereof and other provisions pertaining thereto, which long-term debt surcharge is hereby confirmed and continued as provided therein. The long-term debt surcharge in effect for water service to customers in the West Pulaski Service Area at this time shall not be reduced without the prior written consent of Natural Resources.

(b) The Issuer has heretofore fixed water rates by Resolution No. 2015-15, adopted October 8, 2015, Resolution No. 2015-20, adopted December 10, 2015, Resolution No. 2016-06, adopted February 11, 2016, Resolution No. 2017-10, adopted September 14, 2017, Resolution No. 2018-13, adopted December 20, 2018, Resolution No. 2018-14, adopted December 20, 2018, Resolution No. 2019-09, adopted October 10, 2019, Resolution No. 2019-15, adopted December 12, 2019, Resolution No. 2020-03, adopted February 13, 2020, Resolution No. 2020-08, adopted May 14, 2020, Resolution No. 2020-09, adopted June 11, 2020, Resolution No. 2021-13, adopted May 13, 2021, Resolution No. 2021-18 adopted July 15, 2021, Resolution No. 2022-08, adopted March 10, 2022 and Resolution No. 2023-01, adopted January 12, 2023. Reference is hereby made to such Resolutions for the details thereof and other provisions pertaining thereto, which water rates are hereby confirmed and continued as provided therein. The rates in effect for water service at this time shall not be reduced without the prior written consent of Natural Resources and the Bondholder.

Section 7. (a) In order to assure full and continuous performance of the covenants contained herein with a margin for contingencies and temporary unanticipated reduction in Revenues, the Issuer covenants and agrees to establish, fix, prescribe, continue, and collect (directly or through leases, use agreements or other agreements, or licenses or resolutions) rates and charges for the sale of water furnished by the Issuer which, together with other income, are reasonably expected to yield available Revenues at least equal to the Rate Covenant Requirement for the forthcoming Fiscal Year. The term "Rate Covenant Requirement" shall mean: Stabilized Net Revenues at least equal to the sum of (A) 120% of the Debt Service for the forthcoming Fiscal Year for the Series 2020A Bond and the Senior Parity Debt and (B) 100% of the amounts, if any,

required by the terms and conditions for any Senior Parity Debt to be deposited into applicable debt service reserve funds for such Senior Parity Debt during the forthcoming Fiscal Year.

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

(c) The Issuer has previously authorized, by the RSA Resolution, the creation of a separate fund of the Issuer designated as the Rate Stabilization Account in order to even out fluctuations in Revenues and help to alleviate the need for short-term adjustments. Moneys in the Rate Stabilization Account will be transferred as determined from time to time by the Issuer. The Issuer may make payments into the Rate Stabilization Account and make withdrawals from the Rate Stabilization Account as provided in the RSA Resolution and as provided in Section 29. For purposes of defining Stabilized Net Revenues, amounts deposited into the Rate Stabilization Account shall decrease Revenues for the Fiscal Year for which they are deposited, and amounts withdrawn from the Rate Stabilization Account shall increase Revenues for the Fiscal Year for which they are withdrawn. Credits to or withdrawals from the Rate Stabilization Account that occur within 90 days after the end of a Fiscal Year may be treated as occurring within such Fiscal Year. The Issuer shall transfer moneys held within the Rate Stabilization Account to the Revenue Fund at such time and in such amounts as may be necessary to pay Operation and Maintenance Costs and to provide Revenues to enable the Issuer to satisfy any of its obligations required by any Senior Parity Debt.

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

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

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

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

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

Section 12. All Revenues shall be promptly deposited by the Issuer to the credit of the Revenue Fund. The Maumelle Long Term Debt Surcharge Revenues shall be deposited into the Long Term Debt Surcharge Revenue Account in the Revenue Fund. The POWA Revenues shall be deposited into the POWA Revenue Account in the Revenue Fund. The Frazier Pike Long Term Debt Surcharge Revenues shall be deposited into the Frazier Pike Long Term Debt Surcharge Revenue Account in the Revenue Fund. The Wye Mountain Long Term Debt Surcharge Revenues shall be deposited into the Wye Mountain Long Term Debt Surcharge Revenue Account in the Revenue Fund. The Ridgefield Long Term Debt Surcharge Revenues shall be deposited into the Ridgefield Long Term Debt Surcharge Revenue Account in the Revenue Fund. The West Pulaski Long Term Debt Surcharge Revenues shall be deposited into the West Pulaski Long Term Debt Surcharge Revenue Account in the Revenue Fund.

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

Section 14. After paying the Operation and Maintenance Costs as they become due, there shall be paid as a second charge on the Revenue Fund, from amounts on deposit in the Revenue Fund, the amounts required to be paid monthly into the bond funds for the Senior Parity Debt. To the extent available prior to the Stabilized Net Revenues Adjustment Date and at all

times thereafter, the monthly payments required by this Section shall be paid from moneys in the Revenue Fund outside of the Long Term Debt Surcharge Revenue Account, the POWA Revenue Account, the Frazier Pike Long Term Debt Surcharge Revenue Account, the Wye Mountain Long Term Debt Surcharge Revenue Account, the Ridgefield Long Term Debt Surcharge Revenue Account and the West Pulaski Long Term Debt Surcharge Revenue Account.

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

Section 16. There shall be paid monthly as a fourth charge on the Revenue Fund from moneys in the Revenue Fund the financing fees in connection with Senior Parity Debt, to the Authority. To the extent available prior to the Stabilized Net Revenues Adjustment Date and at all times thereafter, the monthly payments required by this Section shall be paid from moneys in the Revenue Fund outside of the Long Term Debt Surcharge Revenue Account, the POWA Revenue Account, the Frazier Pike Long Term Debt Surcharge Revenue Account, the Wye Mountain Long Term Debt Surcharge Revenue Account, the Ridgefield Long Term Debt Surcharge Account and the West Pulaski Long Term Debt Surcharge Account.

Section 17. As a fifth charge on the Revenue Fund, but only to the extent of moneys available in the Long Term Debt Surcharge Account in the Revenue Fund, the various deposits and transfers required by the indenture securing the Series 2016 Maumelle Bonds, including deposits and transfers to the bond fund and debt service reserve fund established for the benefit of the Series 2016 Maumelle Bonds. From and after the Stabilized Net Revenues Adjustment Date, moneys in the Maumelle Long-Term Debt Surcharge Account (i) shall only be used to make deposits and transfers to the bond fund and debt service reserve fund established for the benefit of the Series 2016 Maumelle Bonds and (ii) shall no longer be subject to the lien and pledge securing the Senior Parity Debt.

Section 18. (a) As a sixth charge on the Revenue Fund, but only to the extent of moneys available in the POWA Account in the Revenue Fund, there shall be paid into an account of the Issuer in a special fund created by the Authority and designated "Series 2020A" for the purpose of

paying the principal of and interest on the Series 2020A Bond the amounts necessary to pay the principal of interest on the Series 2020A Bond when due.

(b) Also as a sixth charge on the Revenue Fund, but only to the extent of moneys in the POWA Account in the Revenue Fund, there shall be paid the amounts required to be paid monthly into the bond funds established for any debt ranking on a parity with the Series 2020A Bond.

Section 19. There shall be paid monthly as a seventh charge on the Revenue Fund from moneys in the POWA Account in the Revenue Fund the financing fees in connection with the Series 2020A Bond and any debt ranking on a parity with the Series 2020A Bond, to the Authority.

Section 20. (a) As an eighth charge on the Revenue Fund, but only to the extent of moneys available in the Frazier Pike Long Term Debt Surcharge Account in the Revenue Fund, there shall be paid to Natural Resources on December 1 of each year the principal of and interest on the Series 2021A Bond due that date. From and after the Stabilized Net Revenues Adjustment Date, moneys in the Frazier Pike Long Term Debt Surcharge Account (i) shall only be used to make payments on the Series 2021A Bond and (ii) shall no longer be subject to the lien and pledge securing the Senior Parity Debt.

(b) Also as an eighth charge on the Revenue Fund, but only to the extent of moneys in the Frazier Pike Long Term Debt Surcharge in the Revenue Fund, there shall be paid the amounts required to be paid into the bond funds established for any debt ranking on a parity with the Series 2021A Bond.

Section 21. (a) As a ninth charge on the Revenue Fund, but only to the extent of moneys available in the Wye Mountain Long Term Debt Surcharge Account in the Revenue Fund, there shall be paid into an account of the Issuer in a special fund created by the Authority and designated "Series 2021B" for the purpose of paying the principal of and interest on the Series 2021B Bond the amounts necessary to pay the principal of interest on the Series 2021B Bond when due. From and after the Stabilized Net Revenues Adjustment Date, moneys in the Wye Mountain Long Term Debt Surcharge Account (i) shall only be used to make payments on the Series 2021B Bond and (ii) shall no longer be subject to the lien and pledge securing the Senior Parity Debt.

(b) Also as a ninth charge on the Revenue Fund, but only to the extent of moneys in the Wye Mountain Long Term Debt Surcharge in the Revenue Fund, there shall be paid the amounts required to be paid into the bond funds established for any debt ranking on a parity with the Series 2021B Bond.

Section 22. There shall be paid monthly as a tenth charge on the Revenue Fund from moneys in the Wye Mountain Long Term Debt Surcharge Account in the Revenue Fund the financing fees in connection with the Series 2021B Bond and any debt ranking on a parity with the Series 2021B Bond, to the Authority.

Section 23. (a) As an eleventh charge on the Revenue Fund, but only to the extent of moneys available in the Ridgefield Long Term Debt Surcharge Account in the Revenue Fund, there shall be paid into an account of the Issuer in a special fund created by the Authority and designated "Series 2022A" for the purpose of paying the principal of and interest on the Series

2022A Bond when due the amounts necessary to pay the principal of and interest on Series 2022A Bond when due. From and after the Stabilized Net Revenues Adjustment Date, moneys in the Ridgefield Long Term Debt Surcharge Account (i) shall only be used to make payments on the Series 2022A Bond and (ii) shall no longer be subject to the lien and pledge securing the Parity Senior Debt.

(b) Also as a eleventh charge on the Revenue Fund, but only to the extent of moneys in the Ridgefield Long Term Debt Surcharge Account in the Revenue Fund, there shall be paid the amounts required to be paid into the bond funds established for any debt ranking on a parity with the Series 2022A Bond.

Section 24. There shall be paid as a twelfth charge on the Revenue Fund from moneys in the Ridgefield Long Term Debt Surcharge Account in the Revenue Fund the financing fees in connection with the Series 2022A Bond and any debt ranking on a parity with the Series 2022A Bond, to the Authority.

Section 25. (a) As a thirteenth charge on the Revenue Fund, but only to the extent of moneys available in the West Pulaski Long Term Debt Surcharge Account in the Revenue Fund, there shall be paid into an account of the Issuer in a special fund to be created by the Bondholder and designated "Series 2023C & D" (the "ADFA Bond Fund") for the purpose of paying the principal of and interest on the bonds the amounts specified in (b) below. From and after the Stabilized Net Revenues Adjustment Date, moneys in the West Pulaski Long Term Debt Surcharge Account (i) shall only be used to make payments on the bonds and (ii) shall no longer be subject to the lien and pledge securing the Senior Parity Debt.

(b) There shall be deposited from proceeds of the bonds or, at the direction of the Issuer, from moneys in the West Pulaski Long Term Debt Surcharge Account in the Revenue Fund, into the ADFA Bond Fund on each April 15 and October 15 after the bonds are issued and delivered until April 15, 2027, the interest due on the bonds on such dates. Commencing on each April 15 and October 15 thereafter, there shall be deposited from money in the West Pulaski Long Term Debt Surcharge Account into the AFDA Bond Fund, an amount equal to the principal and interest on of the bonds then due.

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

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

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

(f) If there are not sufficient moneys to satisfy the requirements of this Section 25 with respect to the bonds and all Parity Debt, all moneys available for distribution among such Parity Debt and the bonds shall be distributed on a pro rata basis to the deficient bond funds; such distribution to be determined by multiplying the amount available for distribution by the proportion that the deficiency for each bond series bears to the total deficiency for all bond series.

Section 26. There shall be paid monthly as a fourteenth charge on the Revenue Fund from moneys in the West Pulaski Long Term Debt Surcharge Account in the Revenue Fund the Financing Fee and all other financing fees in connection with Parity Debt, to the Authority. The Financing Fee shall be payable on each date interest on the bonds is due and shall be calculated on the same basis as interest on the bonds. The payment of the Financing Fee is expressly made subordinate to the payment of the principal of and interest on the bonds.

Section 27. (a) As a fifteenth charge on the Revenue Fund, there shall be paid from the moneys in the Revenue Fund, into an account of the Issuer heretofore created and designated as "Series 2023A Bond Fund" for the purpose of paying the principal and interest on the Series 2023A Bond when due, the amounts necessary to pay the principal and interest on the Series 2023 Bond when due.

(b) Also as a fifteenth charge on the Revenue Fund, there shall be paid the amounts required to be paid into the bond funds established for any debt ranking on a parity with the Series 2023A Bond.

Section 28. As a sixteenth charge on the Revenue Fund, there shall be paid monthly from moneys in the Revenue Fund into the Depreciation Fund, an amount calculated as follows: a flat five percent (5%) of water consumption-based revenues and private fire service revenues (including wholesale revenues) ("Total Depreciation Revenues"). The Depreciation Fund shall be used for replacements and repairs to the System. The monthly deposits may be reduced below five percent (5%) of Total Depreciation Revenues if a rate study acceptable to Natural Resources uses a lower percentage; provided, however, there shall always be deposited into the Depreciation Fund monthly at least three percent (3%) of Total Depreciation Revenues.

Section 29. Moneys in the Revenue Fund in excess of the amounts required to be transferred monthly pursuant to Sections 13 through 28 of this Resolution may be utilized by the Issuer for any lawful System purpose, including deposits to the Rate Stabilization Account pursuant to Section 7. Money in the Rate Stabilization Account shall be used as provided in the RSA Resolution.

Section 30. The Issuer shall assure that (i) not in excess of 10% of the proceeds of the bonds is used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the bonds during the term thereof is, under the terms of the bonds or any underlying arrangement, directly or indirectly secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be

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

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

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

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

Section 31. The principal and interest installments shall be prepayable prior to maturity as provided in the bond form in Section 5 hereof.

Section 32. (a) As long as the bonds are outstanding, the Issuer shall not issue or attempt to issue any bonds having or claimed to be entitled to a priority of lien on Revenues or Stabilized Net Revenues over the lien securing the Senior Parity Debt.

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

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

(2) The additional revenue bonds are being issued to refund any outstanding Senior Parity Debt if the refunded Senior Parity Debt is defeased on the date of delivery of the refunding Senior Parity Debt and if the annual debt service of the refunding Senior Parity Debt



does not exceed the annual Debt Service of the Senior Parity Debt in any Fiscal Year by more than \$5,000; or

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

(c) As long as the bonds are outstanding, the Issuer shall not issue or attempt to issue any bonds secured solely by a pledge of West Pulaski Long Term Debt Surcharge Revenues having or claimed to be entitled to a priority of lien on West Pulaski Long Term Debt Surcharge Revenues over the lien securing the bonds.

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

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

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

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

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

(2) The Special Purpose Bonds referred to in this subsection shall be payable as to principal, redemption premium, if any, and interest solely from rentals or other charges derived by the Issuer under and pursuant to a lease or leases relating to the Special Purpose Facilities entered into by and between the Issuer, as lessor, and such person, firm, or corporation, either public or private, as shall lease the Special Purpose Facilities from the Issuer. Before any Special Purpose Facilities shall be constructed or acquired by the Issuer under this subsection, the Issuer shall adopt a resolution describing in reasonable detail the Special Purpose Facilities to be constructed or acquired by the Issuer, authorizing the issuance of the Special Purpose Bonds to finance the cost of construction or acquisition of such Special Purpose Facilities and prescribing

the rights, duties, remedies, and obligations of the Issuer and the holders, from time to time, of such Special Purpose Bonds. In addition, no such Special Purpose Bonds shall be issued by the Issuer to finance Special Purpose Facilities unless:

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

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

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

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

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

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

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

Section 33. It is covenanted and agreed by the Issuer with the Bondholder, the Authority and Natural Resources that it will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State and by this Resolution, including, without limitation, the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, segregating Revenues and applying them to the respective funds maintained pursuant to the this Resolution.

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

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

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

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

Section 34. When the bonds have been executed and sealed as herein provided, they shall be delivered to the Bondholder upon payment of all or a portion of the purchase price in accordance with the Agreement. Sales proceeds in the amount necessary to make all or a portion of the semiannual interest and Financing Fee payments due on each April 15 and October 15 to and including April 15, 2027 shall be applied, unless otherwise directed by the Issuer, to the payment of Financing Fees and interest on the bonds on such dates. The balance of the sale proceeds shall be deposited, as and when received, in a special account of the Issuer hereby created in a bank that is a member of the Federal Deposit Insurance Corporation and designated the "2023C & D Water Construction Fund" (the "Construction Fund"). The moneys in the Construction Fund

shall be used for reimbursing the Issuer for the costs of the Improvements and the expenses of issuing the bonds approved in accordance with the Agreement. Payments from the Construction Fund shall be by check or voucher signed by a person designated by the Issuer, and drawn on the depository. Each such check or voucher shall briefly specify the purpose of the expenditure.

Section 35. The terms of this Resolution shall constitute a contract among the Issuer, the Bondholder and Natural Resources and no variation or change in the undertaking herein set forth shall be made while the bonds are outstanding unless consented to in writing by the Bondholder and Natural Resources.

Section 36. The Issuer agrees that it will keep proper records, books and accounts relating to the operation of the System, which shall be kept separate from all other records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the operation of the System in accordance with generally accepted government accounting standards. Such books shall be available for inspection by the Bondholder and Natural Resources, or the agent or the representative of either, at reasonable times and under reasonable circumstances. The Issuer agrees to have its financial statements audited annually by an independent certified public accountant or the Legislative Joint Auditing Committee, Division of Legislative Audit of the State of Arkansas. The Issuer shall within 180 days after the end of each Fiscal Year file with the Authority and Natural Resources its annual audited financial statements. If the Issuer's audited financial statements are not available by such date, the Issuer shall file such audited financial statements with the Authority and Natural Resources within 60 days after receipt thereof by the Issuer. The West Pulaski Long Term Debt Surcharge Revenues shall be separately identified in the financial statements.

Section 37. The Issuer covenants and agrees that it will maintain the System in good condition and operate it in an efficient manner and at reasonable cost. The Issuer agrees that, to the extent comparable protection is not otherwise provided to the satisfaction of the Bondholder and Natural Resources, it will insure, and at all times keep insured in a responsible insurance company or companies selected by the Issuer and authorized and qualified under the laws of the State to assume the risk thereof, all above-ground structures of the System against loss or damage thereto in amounts and against such risks as are customarily insured against in connection with similar facilities and undertakings as the System. In the event of loss, the proceeds of such insurance shall be applied solely toward the reconstruction, replacement or repair of the System, and in such event the Issuer will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement and repair work.

Section 38. The Issuer is hereby authorized to accept the forgiveness of the principal of the Series 2023D Bond under the terms of the 2023D Agreement. Other than as set forth in the 2023D Agreement, all rights of the Bondholder and Natural Resources under this Resolution with respect to the Series 2023D Bond shall cease when all advances have been made against the purchase price of the Series 2023D Bond under the 2023D Agreement and the principal amount has been forgiven in accordance with the 2023D Agreement.

Section 39. The provisions of this Resolution are hereby declared to be separable, and if any provision shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of this Resolution.

Section 40. Reference in this Resolution to "Bondholder" shall include the original Bondholder or any registered assign thereof.

Section 41. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: November 16, 2023.

APPROVED:

  
\_\_\_\_\_  
Jay Barth, Chair

ATTEST:


  
\_\_\_\_\_  
Jay Hartman, Secretary/Treasurer

(SEAL)

CERTIFICATE

The undersigned, Secretary of Central Arkansas Water, hereby certifies that the foregoing pages are a true and perfect copy of Resolution No. 2023-20, adopted at a regular session of the Board of Commissioners of Central Arkansas Water, held at the regular meeting place in the City of Little Rock, Arkansas at 2:00 o'clock p.m., on the 16th day of November, 2023.

GIVEN under my hand and seal on this 16th day of November, 2023.



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Jay Hartman, Secretary/Treasurer

(SEAL)

## **RESOLUTION 2023-21**

### **A RESOLUTION TO REQUEST EXCLUSION FROM MULTI-DISTRICT CLASS ACTION LITIGATION CONCERNING PER- AND POLYFLUOROALKYL SUBSTANCES; AND FOR OTHER PURPOSES**

WHEREAS, per-and polyfluoroalkyl substances (PFAS) are a group of chemicals used to make fluoropolymer coatings and products that resist heat, oil, stains, grease, and water; and

WHEREAS, PFAS persist in the environment, and exposure in people can occur by consuming PFAS-contaminated water or food; and

WHEREAS, the Environmental Protection Agency adopted Unregulated Contaminant Monitoring Rule known as UMCR5 that requires testing by many water systems in the United States including Central Arkansas Water ("CAW") of certain PFAS; and

WHEREAS, CAW has diligently been testing for PFAS in its reservoirs and treatment facilities pursuant to UMCR5 protocol and, to date, has detected no PFAS; and

WHEREAS, the Board of Commissioners remains concerned about CAW's potential exposure to PFAS; and

WHEREAS, water utilities in the United States filed multidistrict class action litigation against 3M Company identified as *In re: Aqueous Film-Forming Foams Products Liability Litigation*, MDL No. 2-18-mn-2873-RMG, *City of Camden, et al. v. 3M Company*, Case No. 2:23-cv-03147-RMG ("3M Class Action") and *City of Camden, et al. v. E.I. DuPont De Nemours and Company (n/k/a EIDP, Inc.), et al.*, 2:23-cv-03230-RMG ("DuPont Class Action"); and

WHEREAS, the class representative plaintiffs and defendants have entered settlement agreements in each of 3M Class Action and DuPont Class Action pending court approval, and CAW is subject to such settlement agreements in the event that CAW declines to request exclusion from such settlement agreements; and

WHEREAS, by the terms of the 3M Class Action settlement agreement, 3M Company has agreed to pay between \$10,500,000,000 and \$12,500,000,000 to water utilities including \$6,875,000,000 to water utilities that have detected the presence of PFAS in their water systems and between \$3,625,000,000 and \$5,625,000,000 to water utilities that have not detected the presence of PFAS in their water systems; and

WHEREAS, by the terms of the Dupont Class Action settlement agreement, DuPont De Nemours and Company and other defendants have agreed to pay \$1,185,000,000 to water utilities; and

WHEREAS, serious questions remain about the extent to which the settlement proceeds of 3M Class Action and DuPont Class Action will cover the true PFAS damages

caused by the defendants in 3M Class Action and DuPont Class Action and sustained by water utilities across the United States that may require massive remediation in the future; and

WHEREAS, a multistate coalition of more than twenty state attorneys general have objected to the settlement amounts offered by 3M Company in the 3M Class Action and the defendants in the DuPont Class Action.

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

Section 1. The Board of Commissioners directs the Chief Executive Officer to request exclusion of CAW from 3M Class Action and DuPont Class Action settlements and settlement agreements.

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

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

ADOPTED: [November 16, 2023]

Attest:

  
\_\_\_\_\_  
Jay Hartman, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Jay Barth, Chair



CERTIFICATE

STATE OF ARKANSAS    )  
  ) ss  
COUNTY OF PULASKI    )

I, Jay Hartman, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2023-21 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION TO REQUEST EXCLUSION FROM MULTI-DISTRICT CLASS ACTION LITIGATION CONCERNING PER- AND POLYFLUOROALKYL SUBSTANCES; AND FOR OTHER PURPOSES**, adopted November 16, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of November 2023.



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Jay Hartman, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

## **RESOLUTION 2023-21**

### **A RESOLUTION TO REQUEST EXCLUSION FROM MULTI-DISTRICT CLASS ACTION LITIGATION CONCERNING PER- AND POLYFLUOROALKYL SUBSTANCES; AND FOR OTHER PURPOSES**

WHEREAS, per-and polyfluoroalkyl substances (PFAS) are a group of chemicals used to make fluoropolymer coatings and products that resist heat, oil, stains, grease, and water; and

WHEREAS, PFAS persist in the environment, and exposure in people can occur by consuming PFAS-contaminated water or food; and

WHEREAS, the Environmental Protection Agency adopted Unregulated Contaminant Monitoring Rule known as UMCR5 that requires testing by many water systems in the United States including Central Arkansas Water ("CAW") of certain PFAS; and

WHEREAS, CAW has diligently been testing for PFAS in its reservoirs and treatment facilities pursuant to UMCR5 protocol and, to date, has detected no PFAS; and

WHEREAS, the Board of Commissioners remains concerned about CAW's potential exposure to PFAS; and

WHEREAS, water utilities in the United States filed multidistrict class action litigation against 3M Company identified as *In re: Aqueous Film-Forming Foams Products Liability Litigation*, MDL No. 2-18-mn-2873-RMG, *City of Camden, et al. v. 3M Company*, Case No. 2:23-cv-03147-RMG ("3M Class Action") and *City of Camden, et al. v. E.I. DuPont De Nemours and Company (n/k/a EIDP, Inc.), et al.*, 2:23-cv-03230-RMG ("DuPont Class Action"); and

WHEREAS, the class representative plaintiffs and defendants have entered settlement agreements in each of 3M Class Action and DuPont Class Action pending court approval, and CAW is subject to such settlement agreements in the event that CAW declines to request exclusion from such settlement agreements; and

WHEREAS, by the terms of the 3M Class Action settlement agreement, 3M Company has agreed to pay between \$10,500,000,000 and \$12,500,000,000 to water utilities including \$6,875,000,000 to water utilities that have detected the presence of PFAS in their water systems and between \$3,625,000,000 and \$5,625,000,000 to water utilities that have not detected the presence of PFAS in their water systems; and

WHEREAS, by the terms of the Dupont Class Action settlement agreement, DuPont De Nemours and Company and other defendants have agreed to pay \$1,185,000,000 to water utilities; and

WHEREAS, serious questions remain about the extent to which the settlement proceeds of 3M Class Action and DuPont Class Action will cover the true PFAS damages

caused by the defendants in 3M Class Action and DuPont Class Action and sustained by water utilities across the United States that may require massive remediation in the future; and

WHEREAS, a multistate coalition of more than twenty state attorneys general have objected to the settlement amounts offered by 3M Company in the 3M Class Action and the defendants in the DuPont Class Action.

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

Section 1. The Board of Commissioners directs the Chief Executive Officer to request exclusion of CAW from 3M Class Action and DuPont Class Action settlements and settlement agreements.

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

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

ADOPTED: [November 16, 2023]

Attest:

  
\_\_\_\_\_  
Jay Hartman, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Jay Barth, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  ) ss  
COUNTY OF PULASKI    )

I, Jay Hartman, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2023-21 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION TO REQUEST EXCLUSION FROM MULTI-DISTRICT CLASS ACTION LITIGATION CONCERNING PER- AND POLYFLUOROALKYL SUBSTANCES; AND FOR OTHER PURPOSES**, adopted November 16, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of November 2023.



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Jay Hartman, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

## RESOLUTION 2023-22

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

WHEREAS, Lake Maumelle is the primary raw water source for Central Arkansas Water ("CAW") and its nearly five hundred thousand (500,000) customers; and

WHEREAS, Lake Maumelle produces eighteen billion (18,000,000,000) gallons of pristine raw water every year for the service of such customers; and

WHEREAS, the management of this natural resource is a core function of CAW, and the abatement of widespread development in the Lake Maumelle Watershed is critical to its long-term preservation; and

WHEREAS, the purchase by CAW of real property in the Lake Maumelle Watershed is a continuous endeavor of CAW in the furtherance of that goal; and

WHEREAS, CAW has negotiated prospective terms of a real estate offer and acceptance agreement for the purchase of approximately TWO THOUSAND TWENTY-THREE (2,023) ACRES of real property in the Lake Maumelle Watershed ("Property") from POTLATCHDELTIC TIMBER, LLC ("Seller") for a total purchase price of NINE MILLION SEVEN HUNDRED THOUSAND and 00/100 DOLLARS (\$9,700,000.00) plus closing costs ("Purchase Price"); and

WHEREAS, the Board of Commissioners of CAW, based upon the recommendations of staff, determines that the purchase of Property serves the best interests of CAW and its ratepayers and supports the Commission's long-term goal of ensuring the highest quality of raw water in Lake Maumelle.

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

Section 1. The purchase of Property for Purchase Price from Seller is hereby approved, and CAW staff may proceed with finalizing and entering a formal written contract for such purchase.

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

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

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

ADOPTED: [November 16, 2023]

Attest:

  
\_\_\_\_\_  
Jay Hartman, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Jay Barth, Chair

CERTIFICATE

STATE OF ARKANSAS    )  
  ) ss  
COUNTY OF PULASKI    )

I, Jay Hartman, Secretary/Treasurer of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2023-22 of the Resolutions of Central Arkansas Water, entitled: **A RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY IN THE LAKE MAUMELLE WATERSHED; AND FOR OTHER PURPOSES**, adopted November 16, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of November 2023.



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Jay Hartman, Secretary/Treasurer  
Central Arkansas Water Board of Commissioners

Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water

December 14, 2023

The Board of Commissioners of Central Arkansas Water (CAW) convened in a regular meeting at 2:00 p.m. on Thursday, December 14, 2023, via Teams and in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue, Little Rock, Arkansas.

Present:

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

Via Teleconferencing:

Ms. Kandi Hughes, Commissioner  
Mr. Anthony Kendall, Commissioner

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer  
Mr. David Johnson, General Counsel  
Mr. Blake Weindorf, P.E., Chief Operating Officer  
Ms. Cynthia Edwards, Director of Finance  
Ms. Linda Smith, Director of Sustainability and Facilities  
Mr. Danny Dunn, Director of Distribution  
Ms. Teletha Leonard, Director of Human Resources  
Mr. Sam Zehtaban, Director of Water Production  
Mr. Doug Farler, Operations Manager  
Mr. Doug Graham, Optimization Manager  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Itayi Pondwa, Finance Manager  
Mr. Doug Shackelford, Director of Public Affairs & Communications  
Ms. Mary Dyson, Executive Assistant

CAW Staff via Teleconferencing:

Mr. Alex Harper, GIS Manager  
Mr. Andrew Pownall, P.E., Senior Engineer  
Ms. Angeline Huey, Senior Accountant  
Mr. Bryan Rugar, Land Conservation Coordinator  
Ms. Danielle Nielsen, Accounting Clerk II  
Mr. David Hindman, Buyer III  
Mr. Eric Legate, Information Services Technician I  
Ms. Jane Hurley, Education & Outreach Specialist  
Mr. Jason Lowder, Engineering Technician  
Mr. Jordan Small, Senior Accountant  
Mr. Kevin Hall, Director of Environmental Health & Safety



Ms. Mary Macon, Culture & Inclusion Manager  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Rodney Riles, Network Administrator  
Ms. Samantha Williams-Davis, Communications Specialist & Brand Manager  
Ms. Sharon Sweeney, Water Quality Manager  
Ms. Sonia Leszczyna, Human Resource Administrator  
Ms. Suzette Ginn, Communications Assistant  
Mr. Terry Frazier, Director of Customer Service

Also, in Attendance:

Mr. Joseph Flaherty, AR Dem-Gaz  
Mr. Paul Strickland, Garver  
Mr. Virgil Miller, Little Rock Board of Director/Liaison to CAW Commission

Also, in Attendance via Teleconferencing:

Mr. Jordan Johnson, JPJ Consulting, LLC

CALL TO ORDER

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner McKenzie and seconded by Commissioner Hartman, the minutes of the November 16, 2023, Regular Meeting were unanimously approved.

PUBLIC COMMENT PERIOD

No comments.

FINANCIAL REPORT

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

CONSENT AGENDA

Annual Purchase of Chemicals

Staff requested Board approval of new chemical contracts for the ongoing use in the water treatment process at the treatment plants for 2024. Bids for these contracts total \$3,585,659.25 but will be expensed throughout the year as needed.

Annual Contract for Purchase of Various Sizes and Types of Water Meters

Staff requested Board approval for the purchase of various sizes and type of water meters from Neptune Technology in the estimated amount of \$1,213,600.00 for 2024.

Annual Contract for Asphalt Surface Repairs

Staff requested Board approval of a one-year contract extension with Redstone Construction Group estimated at \$667,448.04, to perform asphalt restoration work needed after CAW crews

make repairs or modifications to existing mains. This contract is a 2.6% increase from 2023. Actual payment will be based on completed work and unit costs. This is the last of three extension options.

#### Annual Contract for Concrete Surface Repairs

Staff requested Board approval of a contract with Vic's Construction estimated at \$241,124.45, to perform concrete restoration work needed after CAW crews make repairs or modifications to existing mains. This contract is a 2.6% increase from 2023. Actual payment will be based on completed work and unit costs. This is the first of three extension options.

#### Lake Maumelle Chemical Feed Equipment

Staff requested Board approval of the purchase of one Velodyne 2000# Bulk Super Sack Carbon Feeder and Pump System in the amount of \$146,000.00 from Instrument and Supply, Inc.

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

#### NON-CONSENT AGENDA

##### Approval of 2024 Financial Plan

Ms. Edwards requested Board approval of the 2024 Annual Financial Plan as submitted in draft form at the November meeting.

Upon a motion duly made by Commissioner Hughes and seconded by Commissioner McKenzie, after due consideration and discussion, the 2024 Financial Plan was unanimously approved.

##### Wrightsville Wastewater Consolidation Agreement

Mr. Bohannon updated the Board on the status of Wrightsville Wastewater, projected costs, and the next steps. He stated the Little Rock Water Reclamation Authority (LRWRA) is very interested in assisting with this project. The idea is LRWRA has the equipment, expertise, and manpower to maintain, repair, and rehabilitate the underground sewer lines. CAW will maintain the treatment plant. Commissioner Hartman asked what will happen to Sweet Home if the financial assistant does not come through. Mr. Bohannon responded they are a customer of Wrightsville and will have a wholesale rate.

Mr. Bohannon requested Board approval of a Resolution to enter into a Wastewater Consolidation Agreement as presented and approved by the City of Wrightsville and related agreements.

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

##### 2024 Strategic Plan and Work Plan Update

Mr. Bohannon provided an update on CAW's 2024 Strategic Plan and Work Plan. He introduced the program that will track the strategic plan progress and stated it should be available to the Board by March 2024. He proceeded to update the Board on CAW's 2024 Work Plan and upcoming critical projects and how they tie back to the 5 Big Drops.

## INFORMATION SHARING

### Operations Update

Mr. Weindorf provided a brief update on the Jack H. Wilson Water Treatment Plant Renewal and Resiliency project and stated that the project is on track. He then proceeded to update the Board on the recent 72" raw water line repair. This is only the fourth repair that has ever been made to the 72" raw water line. The 72" line runs parallel to a 48" all the way from Lake Maumelle into the Wilson Treatment Plant and carries about 60% of our flow to our service area. The 72" is the most important pipe in our system. Thanks to our right of way maintenance and valve maintenance we were able to control the water and complete the repair.

Mr. Weindorf provided an update on the status of Jackson Reservoir intake rehabilitation. The Reservoir should be filled back up by the Spring/Summer.

## BOARD BRIEFING

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

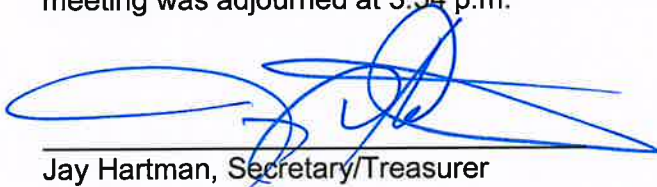
## EXECUTIVE SESSION

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Hartman, the Board met in Executive Session to discuss the annual review of the CEO and General Counsel.

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

## ADJOURNMENT

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Newton, the meeting was adjourned at 3:54 p.m.



Jay Hartman, Secretary/Treasurer

**RESOLUTION 2023-23**

**A RESOLUTION TO APPROVE CENTRAL ARKANSAS WATER'S ENTERING INTO A WASTEWATER CONSOLIDATION AGREEMENT WITH THE CITY OF WRIGHTSVILLE, ARKANSAS, A WHOLESALE WASTEWATER SERVICE AGREEMENT WITH THE ARKANSAS DEPARTMENT OF CORRECTIONS, A WHOLESALE WASTEWATER SERVICES AGREEMENT AND AN AMENDMENT TO AN EXISTING BILLING SERVICES AGREEMENT WITH SWEET HOME, HIGGINS AND RED OAK SEWER FACILITIES BOARD OF PULASKI COUNTY; AND FOR OTHER PURPOSES**

WHEREAS, Central Arkansas Water ("CAW") drafted a Wastewater Consolidation Agreement for the consolidation of CAW and the City of Wrightsville's wastewater system, and, on or about October 9, 2023, the City of Wrightsville executed such agreement, the executed copy of which is attached hereto as Exhibit 1, although CAW has not yet executed such agreement; and

WHEREAS, CAW drafted a Wholesale Wastewater Services Agreement for the provision by CAW as the owner and operator of the City of Wrightsville's wastewater system of wholesale wastewater services to the Wrightsville Unit of the Arkansas Department of Corrections ("ADC"), a copy of which is attach hereto as Exhibit 2, although neither CAW nor ADC has executed such agreement; and

WHEREAS, CAW drafted a Wholesale Wastewater Services Agreement for the provision by CAW as the owner and operator of the City of Wrightsville's wastewater system of wholesale wastewater services to Sweet Home, Higgins and Red Oak Sewer Facilities Board of Pulaski County ("SHHRO"), a copy of which is attach hereto as Exhibit 3, although neither CAW nor SHHRO has executed such agreement; and

WHEREAS, CAW drafted an amendment to an existing Billing Services Agreement between CAW SHHRO, a copy of which is attached hereto as Exhibit 4, that would require CAW to withhold monies otherwise due from CAW to SHHRO under the existing Billing Services Agreement for payment of fees due from SHHRO to CAW under the Wholesale Wastewater Services Agreement attached hereto as Exhibit 3, although neither CAW nor SHHRO has executed such amendment; and

WHEREAS, CAW staff has identified strong rationale for CAW's entering into the aforementioned agreements and amendment and becoming the wastewater provider for the people of the City of Wrightsville, the Wrightsville Unit of ADC, and SHHRO.

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

Section 1. The Board of Commissioners approves CAW's entering into the Wastewater Consolidation Agreement with the City of Wrightsville, Arkansas, identified as Exhibit 1.

Section 2. The Board of Commissioners approves CAW's entering into a Wholesale Wastewater Service Agreement with ADC in substantially the same form as Exhibit 2.

Section 3. The Board of Commissioners approves CAW's entering into a Wholesale Wastewater Service Agreement with SHHRO in substantially the same form as Exhibit 3.

Section 4. The Board of Commissioners approves CAW's entering into an amendment to the existing Billing Services Agreement between CAW and SHHRO in substantially the same form as Exhibit 4.

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


Section 6. A copy of this Resolution shall be filed in the administrative offices of CAW, where it will be available for public inspection.

ADOPTED: [December 14, 2023]

Attest:

  
\_\_\_\_\_  
Jay Hartman, Secretary/Treasurer

APPROVED:

  
\_\_\_\_\_  
Jay Barth, Chair

