Central Arkansas Water (CAW), convened a public hearing at 2:00 p.m., Monday, January 4, 2016, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

CAW Staff in attendance:
Mr. Tad Bohannon, Chief Legal Counsel
Mr. Jeff Mascagni, Chief Financial Officer
Ms. Mary Dyson, Management Secretary

CALL MEETING TO ORDER

Mr. Mascagni called to order the January 4, 2016 Public Hearing at 2:00 p.m.

Mr. Mascagni stated he would answer questions and receive public comments regarding the establishment of new rates and charges for water services for customers of Central Arkansas Water within the service territory established by Maumelle Suburban Improvement District No. 500 of Pulaski County, Arkansas, d/b/a Maumelle Water Management to be effective for water billed on or after the date Central Arkansas Water and Maumelle Water Management are consolidated.

No discussion ensued.

ADJOURNMENT

Mr. Mascagni adjourned the meeting at 2:02 p.m.

Jay Hartman, Secretary/Treasurer
Minutes of a Public Hearing
Central Arkansas Water
January 7, 2016

Central Arkansas Water (CAW), convened a public hearing at 2:00 p.m., Thursday, January 7, 2016, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

CAW Staff in attendance:

Mr. Graham Rich, Chief Executive Officer
Mr. Tad Bohannon, Chief Legal Counsel
Mr. Jeff Mascagni, Chief Financial Officer
Ms. Mary Dyson, Management Secretary

Also in attendance:

Mr. Jack Truemper, Senior Vice President, Stephens, Inc.
Ms. Leigh Ann Biernat, CPA, Senior Vice President, Stephens, Inc.
Mr. John William Spivey III, Wright, Lindsey & Jennings LLP
Mr. Antwan Phillips, Wright, Lindsey & Jennings LLP

CALL MEETING TO ORDER

Mr. Mascagni called to order the January 7, 2016 Public Hearing at 2:00 p.m.

Mr. Mascagni stated he would answer questions and receive public comments on a resolution proposing the issuance of acquisition and construction water revenue bonds in the approximate total principal amount of not to exceed $30,000,000 (the “Bonds”). The Board of Commissioners has determined that in connection with the proposed acquisition by Central Arkansas Water (“CAW”) of the water system and related system improvements and assets owned and operated by Suburban Improvement District No. 500 of Pulaski County, Arkansas (also known as Maumelle Water Management) (the “Maumelle System”) pursuant to that certain Water Consolidation Agreement dated as of October 13, 2015, it will be advantageous to fund construction of various betterments and improvements to the present Maumelle System, including construction of a water pipeline to connect the Maumelle System to the existing CAW System (the “Improvements”) and to acquire the existing Maumelle System.

No discussion ensued.

ADJOURNMENT

Mr. Mascagni adjourned the meeting at 2:02 p.m.

Jay Hartman, Secretary/Treasurer
Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water  

January 14, 2016

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, January 14, 2016, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Dr. Roby Robertson, Chair  
Mr. Anthony Kendall, Vice Chair  
Ms. Marie-Bernarde Miller, Commissioner  
Mr. Jay Hartman, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Mr. John Braune, Commissioner  
Mr. Eddie Powell, Commissioner

CAW Staff in Attendance:

Mr. Tad Bohannon, Interim Chief Executive Officer/Chief Legal Counsel  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Ms. Becky Linker, Chief Administrative Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Randy Easley, Director of Water Quality & Operations  
Mr. Allen Vincent, Director of Information Services  
Mr. John Tynan, Director of Customer Relations & Public Affairs  
Ms. Raven Lawson, Watershed Protection Manager  
Ms. Stephanie Liechty, Conservation Coordinator  
Ms. Samantha Williams, Communications Assistant  
Ms. Mary Dyson, Management Secretary  
Ms. Allegra Rightmire, Administrative Assistant

Also in Attendance:

Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette  
Mr. Stephen Fowler, Arkansas Game & Fish Commission  
Mr. Jack Truemer, Senior Vice President, Stephens, Inc.  
Ms. Leigh Ann Biernat, CPA, Senior Vice President, Stephens, Inc.  
Mr. John R. Tisdale, Wright, Lindsey & Jennings LLP  
Ms. Kayleigh Dulaney, Wright, Lindsey & Jennings LLP  
Mr. Antwan Phillips, Wright, Lindsey & Jennings LLP  
Mr. Barry Haas, Citizen  
Ms. Nell Matthews, League of Women Voters of Pulaski County  
Mr. Tim Daters, P.E., White-Daters & Associates, Inc.  
Ms. Carolyn Shearman, Friends of the Ouachita Trail
CALL MEETING TO ORDER

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Hartman, the minutes of the December 10, 2015 Regular Meeting were unanimously approved.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Kendall, the minutes of the December 16, 2015 Special Called Meeting were unanimously approved.

NEW BUSINESS

Presentation on Arkansas Game & Fish Commission (AGFC) Wildlife Management Area Hunting Regulations

Mr. Fowler with the AGFC presented proposed modifications to the Maumelle Wildlife Management Area (WMA) currently managed collaboratively with CAW. The need for modifications is predicated upon changes to AGFC regulations, and follows CAWs adaptive management philosophy. Any modifications will be incorporated into AGFC’s WMA regulations later this year.

Sale of Water Revenue Bonds, Series 2016

Mr. Mascagni requested Board approval of a Resolution providing for the offering of CAW Acquisition and Construction Water Revenue Bonds (Maumelle Water System Acquisition Project), Series 2016, for the purpose of financing the acquisition of the water system of the Maumelle Suburban Improvement District No. 500 of Pulaski County, Arkansas (also known as “Maumelle Water Management” or “MWM”), and to finance the construction and equipping of extensions, betterments and improvements to complete the integration of CAW’s and MWM’s water systems.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Braune, after due consideration and discussion, Resolution 2016-01 was unanimously approved.

Resolution Authorizing Condemnation of Railroad ROW for Water Main Installation

Mr. Ferguson stated Ben E. Keith Foods, Inc. is in the process of constructing a new water line for its facility in North Little Rock that will be deeded to CAW and become part of CAW’s water system. An easement from Arkansas Midland Railroad (AM) is necessary for this project. CAW staff has attempted to obtain an easement through negotiations, but AM has been unwilling to voluntarily grant the easement to CAW on terms acceptable to both AM and CAW. Mr. Ferguson requested Board approval of a Resolution authorizing the condemnation of an easement for the crossing if negotiations are unsuccessful.

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Miller, after due consideration and discussion, Resolution 2016-02 was unanimously approved.
**CONTRACTS/PURCHASES**

Upon a motion duly made by Commissioner Braune, and seconded by Commissioner Powell, after due consideration and discussion, an annual software maintenance contract in the amount of $309,302 with Systems & Software (S&S) of Colchester, Vermont, was unanimously approved.

Upon a motion duly made by Commissioner Hartman, and seconded by Commissioner Miller, after due consideration and discussion, an annual software maintenance contract in the amount of $68,000 with Azteca Systems, Inc. of Sandy, Utah, was unanimously approved.

**DEPARTMENT UPDATES**

Customer Relations and Public Affairs
Mr. Tynan provided an update on utility public affairs and customer relations.

Water Quality & Operations
Ms. Lawson provided an update on matters pertaining to the watershed.

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

**BOARD BRIEFING**

Mr. Bohannon provided an update on the following:

- Lake Maumelle is 7/10 foot above full pool and Lake Winona is 2/10 of a foot below full pool.
- The City of Little Rock increased its ISO rating from a 2 to a 1. This increased rating was due, in part, to the high quality water that CAW maintains. CAW needs to continue to maintain our high quality of water to enable the city to maintain its high quality ISO rating.
- Mr. Tynan will be leaving CAW. He has worked tirelessly on many issues and will be missed.
  
  Mr. Tynan stated it has been an honor working for and with executive staff and the Board.

**EXECUTIVE SESSION**

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, the Board went into Executive Session with to discuss a personnel issue.

Upon reconvening the regular session, Chair Robertson stated the Board will hold a public interview next Thursday, 1/21 at 4 pm with Mr. Bohannon.

**ADJOURNMENT**

Upon a motion duly made by Commissioner Kendall, and seconded by Commissioner Miller, the meeting was adjourned.
RESOLUTION NO. 2016-01

A RESOLUTION AUTHORIZING THE OFFERING OF NOT TO EXCEED $25,500,000 CENTRAL ARKANSAS WATER ACQUISITION AND CONSTRUCTION WATER REVENUE BONDS (MAUMELLE WATER SYSTEM ACQUISITION PROJECT), SERIES 2016; APPROVING THE FORM OF AN OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM, AND PRELIMINARY OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE SALE OF THE BONDS

WHEREAS, Central Arkansas Water ("CAW") has engaged Stephens Inc. as Financial Advisor, Wright, Lindsey & Jennings LLP, as Bond Counsel and Disclosure Counsel, and Regions Bank, as Trustee, for the issuance of bonds to finance its acquisition of the water system and related assets of the Maumelle Suburban Improvement District No. 500 of Pulaski County, Arkansas (also known as "Maumelle Water Management" or "MWM") (the "MWM Water System"), and to finance the construction and equipping of extensions, betterments and improvements to the CAW Water System which benefit the MWM Water System and to the MWM Water System (together, the "Water System Improvements"); and

WHEREAS, CAW has determined that it is in the best interest of the utility to finance the costs of acquiring the Maumelle Water System and to finance the costs of the Water System Improvements pursuant to the terms of that certain Water Consolidation Agreement by and between CAW and MWM dated as of October 13, 2015 (the "Agreement"); and

WHEREAS, for the purposes of completing the Water System Improvements, acquiring the Maumelle Water System, establishing a debt service reserve, and paying the costs of issuance of bonds, CAW intends to issue not to exceed $25,500,000 of acquisition and construction water revenue bonds; and

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

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

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

Section 1. The bonds shall be designated "Central Arkansas Water Acquisition and Construction Water Revenue Bonds (Maumelle Water System Acquisition Project), Series 2016" (the "Bonds"). The Bonds shall be offered for sale in the aggregate principal amount of not to exceed [$25,500,000] by electronic bids, at such time as may
be approved by the Authorized Officer, upon advice of the Financial Advisor, at such location as may be provided for in the Official Notice of Sale. At such time and place, the Authorized Officer shall meet with the Financial Advisor to receive the bids. The Authorized Officer is hereby authorized to accept the bid providing the lowest “true interest cost” (as defined in the Official Notice of Sale) in the name of CAW if, upon advice of the Financial Advisor, he shall determine to do so is in the best interest of CAW.

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

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

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

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

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

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

ADOPTED: January 14, 2016

ATTEST:  
J. Hartman, Secretary/Treasurer

APPROVED:  
Dr. Roby Robertson, Chair
CERTIFICATE

STATE OF ARKANSAS  )
COUNTY OF PULASKI   )

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2016-01 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION AUTHORIZING THE OFFERING OF NOT TO EXCEED $25,500,000 CENTRAL ARKANSAS WATER ACQUISITION AND CONSTRUCTION WATER REVENUE BONDS (MAUMELLE WATER SYSTEM ACQUISITION PROJECT), SERIES 2016; APPROVING THE FORM OF AN OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM, AND PRELIMINARY OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE SALE OF THE BONDS, adopted January 14, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of January 2016.

Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners
RESOLUTION NO. 2016-02

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

WHEREAS, Ben E. Keith Foods, Inc. ("Ben E. Keith") is in the process of constructing a new water line for its facility in North Little Rock (the "Project") that will be deeded to Central Arkansas Water ("CAW") and become part of CAW's water system; and

WHEREAS, CAW staff have attempted to obtain an easement more specifically described on Exhibit A attached hereto (collectively, the "Easement") at the location shown on Exhibit B attached hereto through negotiation, but the owner of the railway line, Arkansas Midland Railroad ("AM"), has been unwilling to voluntarily grant the Easement to CAW on terms acceptable to both AM and CAW; and

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

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

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

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

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

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

Section 1. CAW has attempted to negotiate an easement acceptable to both AM and CAW for the Easement required by the Project in accordance with the laws of the State of Arkansas, but AM and CAW have been unable to agree upon the value of the land, the damages to be paid, or the terms and conditions of the Easement.
Section 2. The acquisition of the Easement is necessary for the public purpose of constructing, owning, managing, operating, improving, extending, acquiring, reconstructing, equipping, and maintaining CAW's consolidated waterworks treatment and distribution system.

Section 3. Legal counsel for CAW, as selected by C. Tad Bohannon, Interim-Chief Executive Officer ("CAW Counsel"), is hereby authorized and directed to prepare, file and prosecute to completion eminent domain proceedings to acquire the Easement in accordance with the laws and procedures of the State of Arkansas.

Section 4. CAW Counsel is also authorized to obtain an order for immediate possession of the Easement in accordance with the laws and procedures of the State of Arkansas.

Section 5. Notwithstanding the directions set forth in paragraph 3 above, in the event CAW and AM can reach an agreement as to the value and terms of the Easement, as determined acceptable by CAW's Interim-Chief Executive Officer and CAW's Chief Operating Officer, CAW is authorized to accept such Easement, and dispense with or dismiss such eminent domain proceedings, as applicable.

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

ADOPTED: January 14, 2016

ATTEST:                  APPROVED:

Jay Hartman, Secretary/Treasurer

Roby Robertson, Ph.D., Chair
CERTIFICATE

STATE OF ARKANSAS  
COUNTY OF PULASKI  

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2016-02 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION FINDING A NECESSITY FOR THE ACQUISITION OF AN EASEMENT OVER AND ACROSS CERTAIN LAND ENABLING COMPLETION OF A PIPELINE INSTALLATION PROJECT; DECLARING SUCH ACQUISITION FOR A PUBLIC PURPOSE; AUTHORIZING CONDEMNATION OF AN EXCLUSIVE WATER LINE EASEMENT OVER AND ACROSS SAID LAND; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted January 14, 2016

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of January 2016.

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

WATERLINE EASEMENT

PART OF THE SE ¼ SE ¼, SECTION 27, T-2-N, R-11-W, PULASKI COUNTY ARKANSAS, MORE PARTICULARLY DESCRIBED AS;

A 25 FOOT WIDE EASEMENT, BEING 12.5 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE;

STARTING AT THE NW CORNER OF LOT 1, BEN E. KEITH ADDITION TO THE CITY OF NORTH LITTLE ROCK, ARKANSAS; THENCE N81°55'21"E ALONG THE NORTH LINE OF LOT 1, SAID ADDITION AND THE SOUTH RIGHT-OF-WAY LINE OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD, 142.69 FT; TO THE POINT OF BEGINNING; THENCE N8°4'39" W, 100 FT TO THE NORTH LINE OF SAID RAILROAD RIGHT OF WAY AND THE POINT OF TERMINATION.

AND

A TEMPORARY CONSTRUCTION EASEMENT 20 FEET WIDE ON EACH SIDE AND ADJACENT TO THE PERMENANT EASEMENT DESCRIBED ABOVE.
Central Arkansas Water (CAW), convened a public hearing at 2:00 p.m., Thursday, January 21, 2016, in the Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

CAW Staff in attendance:

Mr. Tad Bohannon, Interim Chief Executive Officer/Chief Legal Counsel
Mr. Jeff Mascagni, Chief Financial Officer
Ms. Mary Dyson, Management Secretary

CALL MEETING TO ORDER

Mr. Mascagni called to order the January 21, 2016 Public Hearing at 2:00 p.m.

Mr. Mascagni stated he would answer questions and receive public comments regarding the establishment of new rates and charges for water services for customers of Central Arkansas Water.

No discussion ensued.

ADJOURNMENT

Mr. Mascagni adjourned the meeting at 2:01 p.m.

Jay Hartman, Secretary/Treasurer
Minutes of a Special Meeting
Board of Commissioners
Central Arkansas Water

January 21, 2016

The Board of Commissioners of Central Arkansas Water (CAW), convened in a special meeting at 4 p.m. on Thursday, January 21, 2016 in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Dr. Roby Robertson, Chair
Mr. Anthony Kendall, Vice Chair
Mr. Jay Hartman, Secretary/Treasurer
Ms. Carmen Smith, Commissioner
Ms. Marie-Bernarde Miller, Commissioner
Mr. Eddie Powell, Commissioner
Mr. John Braune, Commissioner

CAW Staff in Attendance:

Mr. Tad Bohannon, Interim Chief Executive Officer/Chief Legal Counsel
Ms. Becky Linker, Chief Administrative Officer
Mr. John Tynan, Director of Customer Relations & Public Affairs
Mr. Kevin Hall, Director of Environmental Health & Safety
Ms. Samantha Williams-Davis, Communications Assistant
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette
Ms. Ruth Bell, League of Women Voters
Mr. Tim Daters, P.E., White-Daters & Associates, Inc.
Mr. Barry Haas, Citizen
Mr. Bernie Hochstetter, Citizen
Ms. Rebecca Stahl, Wright, Lindsey & Jennings LLP

CALL MEETING TO ORDER

Chair Robertson called the meeting to order at 4:00 p.m.

Chair Robertson stated the purpose of the meeting is to interview Mr. Bohannon for the role of Chief Executive Officer.

Discussion ensued.

EXECUTIVE SESSION
Upon a motion duly made by Commissioner Powell and seconded by Commissioner Smith, the Board went into Executive Session to discuss a personnel issue.

Upon reconvening the special meeting, a motion duly made by Commissioner Smith and seconded by Commissioner Miller, to appoint Mr. Bohannon as Chief Executive Officer at a salary of $185,000, effective upon his acceptance. After due consideration and discussion, Mr. Bohannon was unanimously appointed as Chief Executive Officer.

Commissioner Smith stated that Chair Robertson will meet with Mr. Bohannon to work out all the transition details.

ADJOURNMENT

Upon a motion duly made by Commissioner Kendall, and seconded by Commissioner Hartman, the meeting was adjourned.

Jay Hartman, Secretary/Treasurer
Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water  

February 11, 2016

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, February 11, 2016, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Dr. Roby Robertson, Chair  
Mr. Anthony Kendall, Vice Chair  
Ms. Marie-Bernarde Miller, Commissioner  
Mr. Jay Hartman, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Mr. John Braune, Commissioner  
Mr. Eddie Powell, Commissioner  

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Ms. Becky Linker, Chief Administrative Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Dale Kimbrow, Manager of Planning, Regionalism & Future Water Source  
Mr. Randy Easley, Director of Water Quality & Operations  
Mr. Terry Bice, Director of Distribution  
Ms. Samantha Williams, Communications Assistant  
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette  
Mr. Jack Truemper, Senior Vice President, Stephens, Inc.  
Ms. Leigh Ann Biernat, CPA, Senior Vice President, Stephens, Inc.  
Mr. John R. Tisdale, Wright, Lindsey & Jennings LLP  
Ms. Kayleigh Dulaney, Wright, Lindsey & Jennings LLP  
Mr. Antwan Phillips, Wright, Lindsey & Jennings LLP  
Mr. Aaron Benzing, P.E. Hawkins Weir Engineers, Inc.  
Mr. John Goff, First Security Bank  
Mr. Andy Arnold, First Security Bank  
Ms. Kathleen Oleson, League of Women Voters of Pulaski County  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Mr. Bailey Moll, JPJ Consulting, LLC  
Mr. Wyck Nesbit, Friday, Eldredge & Clark, LLP  
Mr. Barry Haas, Citizen  
Ms. Carolyn Shearman, Citizen
Mr. Bernie Hochstetter, Citizen

CALL MEETING TO ORDER

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

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Miller, the minutes of the January 14, 2016, Regular Meeting were unanimously approved.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Braune, the minutes of the January 21, 2016, Special Called Meeting were unanimously approved.

NEW BUSINESS


Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hartman, after due consideration and discussion, Resolution 2016-03 was unanimously approved.

Resolution Approving Maumelle Water Management (MWM) Bond Issue

Mr. Mascagni requested Board approval of a Resolution providing for the issuance and sale of MWM Acquisition and Construction Water Revenue Bonds (Maumelle Water System Acquisition Project), Series 2016 for the purpose of consolidating with the Maumelle water system and financing construction of improvements necessary to connect Maumelle's water system with CAW's system.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Miller, after due consideration and discussion, Resolution 2016-04 was unanimously approved.

Agreement and Resolution Regarding the CAW Deferred Compensation 457 Plan and the Employees Savings Plan (401A)

Ms. Linker requested Board approval of several actions needed to provide for the transfer of the MWM 457 Plan into the CAW 457 Plan, as well as other administrative requirements, to include a Resolution authorizing the 457 Plan transfer, approving the Agreement and Plan of Transfer, amending the CAW 457 and 401A Plans, providing for a limited loan program for the transfer of loans from the MWM 457 Plan, and appointing Trustees and members of the CAW Retirement Plan Committee.

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Powell, after due consideration and discussion, Resolution 2016-05 was unanimously approved.
Approve Amendments to the 2016 CAW Financial Plan to Incorporate MWM Operating and Transition Revenues and Expenses

Mr. Mascagni presented a summary of the impacts the MWM merger will have on the previously approved 2016 CAW Financial Plan, and requested Board approval to amend the Plan to incorporate those impacts.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Miller, after due consideration and discussion, an Amendment to the 2016 CAW Financial Plan was unanimously approved.

Resolution Affirming the Debt Surcharges to CAW Customers within the MWM Service Territory

Mr. Mascagni stated on October 8, 2015, that the Board adopted Resolution 2015-15 establishing a schedule of rates and not-to-exceed debt surcharges for future CAW customers within the MWM service territory. Mr. Mascagni requested Board approval of a Resolution affirming a final debt surcharge schedule for CAW customers within the MWM service territory.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Smith, after due consideration and discussion, Resolution 2016-06 was unanimously approved.

Lead Presentation

Recent national news reports regarding lead levels in the drinking water of Flint, Michigan have triggered interest about local sample results, and whether the issues identified in Flint may be applicable to CAW. Mr. Hart presented background information on the pertinent federal regulations, CAW operations and system status, and addressed possible concerns of the community. The presentation showed that CAW results are well below all regulatory levels set by the US Environmental Protection Agency.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Powell, and seconded by Commissioner Hartman, after due consideration and discussion, the purchase of various sizes and types of water meters in the estimated amount of $625,580.85 from multiple vendors, was unanimously approved.

Upon a motion duly made by Commissioner Smith, and seconded by Commissioner Kendall, after due consideration and discussion, renewal of an annual contract with USGS to monitor streamflows and water quality at Lake Maumelle and Lake Winona in the amount $471,912 was unanimously approved.

Upon a motion duly made by Commissioner Powell, and seconded by Commissioner Kendall, after due consideration and discussion, an engineering services contract with Hawkins-Weir Engineers, Inc. in the amount of $498,910 to proceed with the second and third phases of engineering work related to the MWM 30-inch transmission main, was unanimously approved.

DEPARTMENT UPDATES

Regionalism

Mr. Kimbrow provided an update on matters pertaining to regionalism.
Finance

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

BOARD BRIEFING

Mr. Bohannon provided an update on the following:

- CAW’s lake levels are in good shape.
- There was a boating accident on Lake Maumelle yesterday, February 10, 2016, and two boaters are missing. Arkansas Game & Fish Commission has been in charge of the search efforts and recovered both bodies today at approximately 2:30 pm.

Commissioner Miller stated that she asked Ms. Stephanie Liechty, Conservation Coordinator, to make a presentation on CAW’s involvement with the Land & Water Conservation Fund at an (Judge Henry Woods) American Inns of Court meeting. Commissioner Miller commended Ms. Liechty for her participation along with Chris Colclasure, Agency Director, Arkansas Natural Heritage Commission, for a wonderful presentation on the Forest Legacy Program and all the various activities going on in the State involving endemic and endangered species.

EXECUTIVE SESSION

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Miller, the Board went into Executive Session to discuss a personnel issue.

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

ADJOURNMENT

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Kendall, the meeting was adjourned.

Jay Hartman, Secretary-Treasurer
RESOLUTION 2016-03

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

WHEREAS, Central Arkansas Water ("CAW") has engaged Stephens Inc., as Financial Advisor, and Regions Bank, N.A. as Trustee, for the continued issuance of bonds to finance its capital improvement program and to refund outstanding bonds, as appropriate; and

WHEREAS, CAW has previously issued its $17,625,000 original principal amount Water Revenue Bonds, Series 2007 (the "Series 2007 Bonds"), and its $13,500,000 Refunding Water Revenue Bonds, Series 2011B (the Series 2011B Bonds, collectively with the Series 2007 Bonds, the "Prior Bonds"); and

WHEREAS, CAW has determined that it may be possible to refund the Prior Bonds in order to achieve debt service savings; and

WHEREAS, CAW proposes to issue water revenue bonds in the aggregate principal amount not to exceed $14,230,000 for the purpose of refunding the Series 2007 Bonds and possibly an additional aggregate principal amount not to exceed $10,000,000 for the purpose of refunding the Series 2011B Bonds, together with establishing debt service reserves and paying the costs of issuing the bonds; and

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

WHEREAS, the Board of Commissioners of CAW is adopting this resolution for the purpose of giving notice to the Cities and authorizing its Chief Financial Officer, working together with the Financial Advisor, Trustee, and yet to be selected bond counsel and/or disclosure counsel (collectively, "Bond Counsel") to prepare the forms of an Official Notice of Sale, Official Bid Form, and Preliminary Official Statement for presentation and approval by the Board of Commissioners at a later date;

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

Section 1. The Chief Executive Officer is hereby instructed to give notice to the governing bodies of the Cities of Little Rock and North Little Rock that CAW intends to issue water revenue refunding bonds in an amount not to exceed Twenty Four Million
Two Hundred Thirty Thousand Dollars ($24,230,000) for the purpose of refunding the Prior Bonds.

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

Section 3. The Chief Financial Officer, together with the Financial Advisor and the yet to be selected Bond Counsel, are hereby instructed to prepare the forms of an Official Notice of Sale, Official Bid Form, and Preliminary Official Statement necessary for issuance of the bonds for presentation and approval by the Board at a later date.

Section 4. Such preliminary actions as are determined to be necessary by the Chief Executive Officer and Chief Financial Officer are hereby authorized for the marketing of water revenue refunding bonds in order to provide sufficient funds for refunding the Series 2007 Bonds and possibly the 2011B Bonds; provided, however, that at such time as the Chief Executive Officer may determine to be in the best interests of CAW, the final terms of the public sale of the bonds shall be submitted for approval by the Board of Commissioners of CAW, together with the proposed form of the Official Notice of Sale, Official Bid Form, and Preliminary Official Statement.

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

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

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

ADOPTED: February 11, 2016

ATTEST:  
Jay Hartman, Secretary/Treasurer

APPROVED:  
Dr. Roby Robertson, Chair
CERTIFICATE

STATE OF ARKANSAS )
COUNTY OF PULASKI ) ss

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2016-03 of the Board of Commissioners of Central Arkansas Water, entitled: RESOLUTION APPROVING NOTICE TO THE CITIES OF LITTLE ROCK AND NORTH LITTLE ROCK OF THE INTENT OF CENTRAL ARKANSAS WATER TO ISSUE ONE OR MORE SERIES OF WATER REVENUE REFUNDING BONDS; APPROVING SETTING A DATE FOR A PUBLIC HEARING ON THE ISSUANCE OF THE BONDS; APPROVING THE PREPARATION OF ONE OR MORE OFFICIAL NOTICES OF SALE, OFFICIAL BID FORMS, AND PRELIMINARY OFFICIAL STATEMENTS; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted February 11, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of February, 2016.

[Signature]
Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners
RESOLUTION NO. 2016-04

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF $22,750,000 CENTRAL ARKANSAS WATER ACQUISITION AND CONSTRUCTION WATER REVENUE BONDS (MAUMELLE WATER SYSTEM ACQUISITION PROJECT), SERIES 2016, FOR THE PURPOSES OF FINANCING THE COSTS OF ACQUISITION OF THE MAUMELLE WATER MANAGEMENT WATER SYSTEM AND THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF BETTERMENTS AND IMPROVEMENTS TO THE CENTRAL ARKANSAS WATER SYSTEM; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, AND A CONTINUING DISCLOSURE AGREEMENT; APPROVING THE OFFICIAL STATEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

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

WHEREAS, CAW has entered into a Water Consolidation Agreement with Maumelle Suburban Improvement District No. 500 of Pulaski County, Arkansas (also known as Maumelle Water Management or “MWM”) dated as of October 13, 2015 (the “Agreement”) pursuant to which CAW has agreed to acquire substantially all of MWM’s public water system assets (the “Maumelle Water System”), to assume responsibility for the operations of the Maumelle Water System and to fund acquisition, construction and equipping of necessary betterments and improvements to the CAW water system to enhance the delivery of water system services to the customers in the MWM water service area (the “Improvements”); and

WHEREAS, pursuant to the Consolidation Agreement and the Revenue Bond Act of 1987, as amended, Ark. Code Ann. §§ 19-6-601 et seq., CAW caused to be published on December 26, 2015, a notice of public hearing on the question of issuing revenue bonds and thereafter, on January 7, 2016, held a public hearing, as advertised; and
WHEREAS, pursuant to the authority granted in Commission Resolution No. 2016-01, after due advertisement of an Official Notice of Sale, $22,915,000 (or such lesser amount as shall be as described herein, as follows, sufficient to accomplish the purposes for which issued) of Acquisition and Construction Water Revenue Bonds (Maumelle Water System Acquisition Project), Series 2016 (the "Bonds"), bearing interest at the rate or rates per annum to be specified by the successful bidder, payable serially (or subject to sinking fund redemption) on April 1 in each of the years 2017 through 2046, inclusive, were duly offered for sale on February 10, 2016; and

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

<table>
<thead>
<tr>
<th>Bid Award</th>
<th>Bidder Name</th>
<th>True Interest Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reoffering</td>
<td>Raymond James &amp; Associates, Inc.</td>
<td>3.265414</td>
</tr>
<tr>
<td></td>
<td>Crews &amp; Associates, Inc.</td>
<td>3.283481</td>
</tr>
<tr>
<td></td>
<td>Hutchinson, Shockey, Erley &amp; Co.</td>
<td>3.285882</td>
</tr>
<tr>
<td></td>
<td>Robert W. Baird &amp; Co., Inc.</td>
<td>3.333257</td>
</tr>
</tbody>
</table>

WHEREAS, pursuant to the authority granted in Commission Resolution No. 2016-01, the bid submitted by Raymond James & Associates, Inc. (the “Purchaser”) for the Series 2016 Bonds has been accepted by the Chief Financial Officer of CAW and the principal amount of the Bonds is $22,750,000 and the purchase price is $22,666,052.65;

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

Section 1. Under the authority of the Constitution and laws of the State of Arkansas, including particularly the Act and the Consolidation Agreement, the sale of the Bonds to the Purchaser(s) on the terms of bid as set out above, is hereby in all respects ratified and approved, and accordingly the Bonds are hereby authorized and ordered to be sold and issued in the total principal amount of $22,750,000, for the purposes of completing the acquisition of the Maumelle Water System and accomplishing the Improvements, establishing a debt service reserve, and paying the costs of issuing the Bonds. The Bonds are special obligations of CAW, payable solely from the pledge of the Long Term Debt Surcharge Revenues, subject to CAW’s outstanding Senior Debt and Second Lien Debt (defined hereinafter) and other amounts available under the Indenture identified and authorized in Section 2 hereof. The pledge of the Long Term Debt Surcharge Revenues is made on a junior and subordinate basis to a prior pledge of net revenues of the Water System securing payments with respect to CAW’s Water Revenue Bonds, Series 2007 (the “Senior Debt”), and the pledge of Stabilized Net Revenues securing the payments with respect to CAW’s Revenue
Section 2. To prescribe the terms and conditions upon which the Bonds are to be executed, authenticated, delivered, issued, accepted, held, and secured, the Chair of the Commission is hereby authorized and directed to execute and acknowledge a Trust Indenture, dated as of March 1, 2016, by and between CAW and Regions Bank, as Trustee, and the Secretary of the Commission is hereby authorized and directed to execute and acknowledge the Indenture and the Chair and the Secretary of the Commission are hereby authorized and directed to cause the Indenture to be accepted, executed, and acknowledged by the Trustee. The Indenture is hereby approved in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

Section 3. All actions heretofore taken by the Commission and officers of CAW in connection with the offering of the Bonds, including the preparation and distribution of the Official Notice of Sale, Official Bid Form, and the Preliminary Official Statement, dated February 2, 2016, holding of the public hearing on January 7, 2016, and acceptance of the bid received from the Purchaser are hereby in all respects ratified and approved.

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

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

Section 6. The Chair and Secretary of the Commission and the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer of CAW, for and on behalf of CAW, are authorized and directed to do any and all things necessary to effect the execution and delivery of the Indenture, and the Continuing Disclosure Agreement; the execution, delivery, and distribution of the Official Statement; the execution and delivery of
such other papers and documents necessary to effect the issuance of the Bonds; the performance of all obligations of CAW under the Indenture, and the Continuing Disclosure Agreement; the issuance, execution, sale, and delivery of the Bonds; and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this resolution, the Indenture, and the Continuing Disclosure Agreement. The Chair and Secretary of the Commission and the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer of CAW, for and on behalf of CAW, are further authorized and directed to execute all papers, documents, certificates, and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

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


ATTEST: 

[Signature]

Jay Hartman, Secretary/Treasurer

APPROVED: 

[Signature]

Dr. Roby Robertson, Chair
CERTIFICATE

STATE OF ARKANSAS )
COUNTY OF PULASKI )

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2016-04 of the Board of Commissioners of Central Arkansas Water, entitled: RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF $22,750,000 CENTRAL ARKANSAS WATER ACQUISITION AND CONSTRUCTION WATER REVENUE BONDS (MAUMELLE WATER SYSTEM ACQUISITION PROJECT), SERIES 2016, FOR THE PURPOSES OF FINANCING THE COSTS OF ACQUISITION OF THE MAUMELLE WATER MANAGEMENT WATER SYSTEM AND THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF BETTERMENTS AND IMPROVEMENTS TO THE CENTRAL ARKANSAS WATER SYSTEM; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, AND A CONTINUING DISCLOSURE AGREEMENT; APPROVING THE OFFICIAL STATEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted February 11, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of February, 2016.

Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners
RESOLUTION 2016-05

A RESOLUTION TO AUTHORIZE THE RECEIPT AND ACCEPTANCE OF THE ASSETS AND ASSOCIATED ACCRUED BENEFIT LIABILITIES UNDER THE MAUMELLE WATER MANAGEMENT (MWM) SECTION 457 PLAN TO THE CENTRAL ARKANSAS WATER (CAW) DEFERRED COMPENSATION §457 PLAN; TO APPOINT TRUSTEES TO THE CAW §457 PLAN; TO APPOINT MEMBERS TO THE CAW RETIREMENT PLAN COMMITTEE AND FOR OTHER PURPOSES OUTLINED HEREIN.

WHEREAS, Central Arkansas Water and Maumelle Water Management agreed to consolidate the two utilities effective March 1, 2016 in the best interests of the ratepayers of each utility; and

WHEREAS, certain activities, policies and program amendments must take effect to allow Maumelle Water Management employees to participate fully in the Central Arkansas Water §457 Plan and the Central Arkansas Water Employees Savings Plan (401A Plan); and

WHEREAS, Trustees and a Retirement Plan Committee are necessary for oversight and administration of these plans.

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

Section 1. That the Central Arkansas Water Deferred Compensation §457 Plan is hereby authorized to accept the assets of and assume the accrued benefit liabilities under the Maumelle Water Management Section 457 Plan for employees formerly employed by Maumelle Water Management.

Section 2. That the Agreement and Plan of Transfer is approved and the Retirement Plan Committee of the Central Arkansas Water Deferred Compensation §457 Plan is hereby authorized to execute the Agreement and Plan of Transfer and to execute such other documents and plan amendments as necessary to facilitate the transfers of assets and liabilities from the Maumelle Water Management Section 457 Plan into the Central Arkansas Water Deferred Compensation §457 Plan and to adopt a limited loan program for the Central Arkansas Water Deferred Compensation §457 Plan for the purpose of accepting and administering the loans transferred from the Maumelle Water Management Section 457 Plan.

Section 3. That the Central Arkansas Water §457 Plan and the Central Arkansas Water Employees Savings Plan (401A Plan) are amended to grant Maumelle Water Management employees credit for plan eligibility and vesting purposes for their prior continuous service with Maumelle Water Management.
Section 4. That Thad Luther and Jeff Mascagni are hereby appointed as Trustees of the Central Arkansas Water Deferred Compensation §457 Plan and as Trustees of the Central Arkansas Water Employees Savings Plan (401A Plan).

Section 5. That the employees of Central Arkansas Water who occupy the positions of Chief Operating Officer, Chief Financial Officer, Chief Administrative Officer and Finance Manager are hereby appointed members of the Retirement Plan Committee to oversee the administration of the Central Arkansas Water Employees Savings Plan (401A Plan) and the Central Arkansas Water Deferred Compensation §457 Plan.

Section 6. Central Arkansas Water staff shall revise all policies, procedures and plan documents in a manner consistent with the requirements of this Resolution.

Section 7. All resolutions, or part of the same, that are inconsistent with the provisions of this resolution, are hereby repealed to the extent of such inconsistency.

Section 8. In the event any title, section, paragraph, item, sentence, clause, phrase or word of this resolution is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining portions of the resolution which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional were not originally a part of the resolution.

Section 9. This Resolution shall be in effect immediately upon its adoption.

ADOPTED: February 11, 2016

ATTEST:  

[Signature]

Jay Hartman, Secretary/Treasurer

APPROVED:

[Signature]

Dr. Roby Robertson, Chair
CERTIFICATE

STATE OF ARKANSAS )
) COUNTY OF PULASKI )

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2016-05 of the Board of Commissioners of Central Arkansas Water, entitled: A RESOLUTION TO AUTHORIZE THE RECEIPT AND ACCEPTANCE OF THE ASSETS AND ASSOCIATED ACCRUED BENEFIT LIABILITIES UNDER THE MAUMELLE WATER MANAGEMENT (MWM) SECTION 457 PLAN TO THE CENTRAL ARKANSAS WATER (CAW) DEFERRED COMPENSATION §457 PLAN; TO APPOINT TRUSTEES TO THE CAW §457 PLAN; TO APPOINT MEMBERS TO THE CAW RETIREMENT PLAN COMMITTEE AND FOR OTHER PURPOSES OUTLINED HEREIN, adopted February 11, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of February, 2016.

[Signature]

Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners
AGREEMENT AND PLAN OF TRANSFER
OF THE
MAUMELLE WATER MANAGEMENT SECTION 457 PLAN
INTO THE
CENTRAL ARKANSAS WATER DEFERRED COMPENSATION §457 PLAN

This Agreement and Plan of Transfer herein referred to as “Agreement” is entered into this 11th day of February, 2016, by and between Central Arkansas Water and Maumelle Water Management.

RECITALS:

WHEREAS, Central Arkansas Water sponsors and maintains the Central Arkansas Water Deferred Compensation §457 Plan (the “CAW 457 Plan”); and

WHEREAS, Maumelle Water Management sponsors and maintains the Maumelle Water Management Section 457 Plan (the “MWM 457 Plan”); and

WHEREAS, the CAW 457 Plan and the MWM 457 Plan were created to provide retirement benefits for the employees of Central Arkansas Water (“CAW”) and Maumelle Water Management (“MWM”), respectively; and

WHEREAS, CAW is consolidating with Maumelle Water Management effective as of March 1, 2016; and

WHEREAS, MWM has requested that it be permitted to transfer all of the assets and associated accrued benefit liabilities held and maintained under the MWM 457 Plan, including outstanding loan balances, attributable to former and current employees of MWM (the “Transferred Assets”) to the CAW 457 Plan; and

WHEREAS, CAW desires to amend the CAW 457 Plan to provide that former employees of Maumelle Water Management will be granted credit for all prior continuous employment service with MWM in determining those employees’ years of service required for eligibility and vesting under the CAW 457 Plan; and

WHEREAS, CAW desires to amend the CAW 457 Plan to reflect the transfer of assets and liabilities of the MWM 457 Plan and to incorporate any provisions as are necessary and desirable to accommodate the transfer of the Transferred Assets into the CAW 457 Plan; and

WHEREAS, MWM will amend the MWM 457 Plan to fully vest all of the participants in the MWM 457 Plan effective February 29, 2016.
NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, CAW and MWM agree that the MWM 457 Plan shall transfer all of its assets and associated benefit accrual liabilities to the CAW 457 Plan and that the terms and conditions of the transfer that the parties agree to observe, keep and perform, shall be as follows:

Article I.

Effective Date of Plan Transfer

The effective date of the plan transfer shall be as of April 1, 2016. As of that date the MWM 457 Plan shall transfer all its assets, including all participant plan loans, to the CAW 457 Plan and as of that date the CAW 457 Plan will assume all liabilities for the accrued benefits of the MWM 457 Plan attributable to the assets transferred.

Article II.

Effect of Plan Transfer

All current participants in the MWM 457 Plan shall transfer their account balances and shall become 100% vested in the value of their MWM 457 Plan accounts prior to the transfer. Separate accounts for the Participants shall be established under the CAW 457 Plan to receive and account for the assets and accrued benefits of the Participants under the MWM 457 Plan. There shall be no reduction of accrued benefits to Participants in either the MWM 457 Plan or the CAW 457 Plan as a result of the Plan to Plan transfer.

Article III.

Final Contribution

A contribution to the MWM 457 Plan shall be made by MWM for the short Plan Year beginning January 1, 2016 and ending February 29, 2016 equal to the deferrals the participants elected to make to the MWM 457 Plan during that short Plan Year and for the amount of any employer contributions for that period.

Article IV.

Amendment of Plan

The CAW 457 Plan shall be considered to be amended to the extent that it is in conflict with this Agreement and shall be amended by any separate amendments as necessary to bring the
CAW 457 Plan into compliance with this Agreement. The Retirement Plan Committee of CAW is authorized to execute any such plan amendments.

Article V.

Participant Loan Program

CAW shall establish a limited Plan Loan Program under the CAW 457 Plan as necessary to permit the transfer of participant plan loans from the MWM 457 Plan to the CAW 457 Plan, therefore permitting MWM employees to continue to repay their plan loans via payroll deduction. CAW will handle payroll deduction and loan payment remittances to the Trustee/Custodian of the MWM 457 Plan for all payroll processed by CAW after March 1, 2016.

Article VI.

Future Cooperation

CAW and MWM agree to cooperate with one another in connection with the transfer of plan assets and liabilities and in all matters relating thereto. Upon request, MWM shall provide to or make available to CAW all plan records and participant information as reasonably necessary for CAW to record the plan assets and liabilities being transferred to the Central Arkansas Water Deferred Compensation § 457 Plan.

IN WITNESS WHEREOF, this Agreement is executed the date first set forth above.

CENTRAL ARKANSAS WATER BOARD OF COMMISSIONERS

By: ________________________________
   Dr. Roby Robertson, Chair

MAUMELLE WATER MANAGEMENT BOARD OF COMMISSIONERS

By: ________________________________
   Dave Kaufman, Chair
AMENDMENT TO THE  
CENTRAL ARKANSAS WATER  
DEFERRED COMPENSATION § 457 PLAN

This Amendment is made this ____ day of February, 2016, by Central Arkansas Water (the “Employer”) to the Central Arkansas Water Deferred Compensation § 457 Plan (the “Plan”).

Pursuant to the Plan, the Employer hereby amends and modifies the eligibility Section 1.28 of the Plan Agreement to the Plan relating to the definition of service by adding the following:

“All employees who were in active employment service with Maumelle Water Management immediately prior to March 1, 2016, shall be entitled to credit for eligibility and vesting for their prior period of continuous employment service with Maumelle Water Management.”

Where not inconsistent herewith, all the terms and provisions of the Plan shall remain in full force and effect and the Employer hereby ratifies and confirms that Central Arkansas Water Deferred Compensation § 457 Plan, as amended herein.

EXECUTED the date first set forth above.

Central Arkansas Water Board of Commissioners

By: [Signature]

Dr. Roby Robertson, Chair
This Amendment is made this _____ day of February, 2016, by Central Arkansas Water (the “Employer”) to the Central Arkansas Water Employee Savings Plan (the “Plan”).

Pursuant to Article XVIII of the Plan, the Employer hereby amends and modifies the Plan as follows:

1. Effective March 1, 2016, Paragraph 2.6 of the Adoption Agreement is amended in its entirety to read as follows:

   “2.8 **Unrelated and Predecessor Employers.** Months of Service (or Periods of Service) for Eligibility shall include service with the following unrelated and predecessor employers: Little Rock Municipal Water Works and North Little Rock Water Department, but only for employees of either utility who commenced employment with the Employer on or before March 1, 2016. Maumelle Water Management, but only for employees of Maumelle Water Management who commenced employment with the Employer on March 1, 2016, and were in active employment service with Maumelle Water Management immediately prior to March 1, 2016.

   Months of Service (or Periods of Service) for Eligibility with a Related Employer as defined in Section 1.41 of the Plan or with a predecessor Employer, if the Employer maintains the Plan of the predecessor Employer, will be treated as service with the Employer.”

2. Effective March 1, 2016, Paragraph 4.4 of the Adoption Agreement is amended in its entirety to read as follows:

   “2.8 **Unrelated and Predecessor Employers.** Months of Service (or Periods of Service) for Vesting shall include service with the following unrelated and predecessor employers: Little Rock Municipal Water Works and North Little Rock Water Department, but only for employees of either utility who commenced employment with the Employer on or before March 1, 2016. Maumelle Water Management, but only for employees of Maumelle Water Management who commenced employment with the Employer on March 1, 2016, and were in active employment service with Maumelle Water Management immediately prior to March 1, 2016.
Months of Service (or Periods of Service) for Vesting with a Related Employer as defined in Section 1.41 of the Plan or with a predecessor Employer, if the Employer maintains the Plan of the predecessor Employer, will be treated as service with the Employer."

Where not inconsistent herewith, all the terms and provisions of the Plan shall remain in full force and effect and the Employer hereby ratifies and confirms that Central Arkansas Water Employees Savings Plan, as amended herein.

EXECUTED the date first set forth above.

Central Arkansas Water Board of Commissioners

By: [Signature]

Dr. Roby Robertson, Chair
This Participant Loan Program is effective March 1, 2016, for loans made under the Maumelle Water Management Section 457 Plan (the “MWM 457 Plan”) which will be transferred to the Central Arkansas Water Deferred Compensation §457 Plan (the “CAW 457 Plan”). Central Arkansas Water had not established a loan policy to permit loans under the CAW 457 Plan. However, in connection with the transfer of the assets and liabilities of the MWM 457 Plan of the former employees of Maumelle Water Management (“MWM”) into the CAW 457 Plan, a limited loan program is being adopted to permit former MWM employees to continue repayment of their loans which they obtained under the MWM 457 Plan. However, no additional loans will be made to any current or prior employee of Central Arkansas Water or Maumelle Water Management and refinancing or other revisions to the existing loans shall not be permitted.

1. Establishment of Participant Loan Program. Pursuant to Paragraph 8.30 of the CAW 457 Plan, Central Arkansas Water, Plan Sponsor of the CAW 457 Plan, does hereby adopt the CAW 457 Plan Participant Loan Program (the “Loan Program”).

2. Authorization. The Retirement Plan Committee of the CAW 457 Plan is hereby authorized to administer the Loan Program, and to prescribe such forms and regulations as it considers necessary or appropriate to carry out the objectives of this Loan Program according to the provisions set forth below.

3. Conditions and Limitations.

a. Eligibility. Only a participant (a “Borrower”) who formerly received loans from the Maumelle Water Management Section 457 Plan (the “MWM 457 Plan”) shall be eligible to continue the loans they previously secured prior to March 1, 2016.

b. Maximum Principal Amount. The maximum principal amount of all outstanding loans shall not exceed the lesser of (i) fifty percent (50%) of the vested balance of the Borrower's accounts, or (ii) $50,000 reduced by the excess if any, of (1) the highest outstanding loan balance in the previous 12 months ending on the day before the date the loan was made, over (2) the outstanding loan balance on the date the loan was made (in accordance with Internal Revenue Code (“Code”) Section 72(p)(2)(A)(i) and the Treasury Regulations thereunder, as applicable).

c. Duration. The repayment period of any loan shall be no more than five (5) years from the date the loan was made except that if the proceeds of a loan are used to acquire a dwelling to be used as a Borrower's principal residence, the term of the loan would permit a longer repayment period.
d. **Promissory Note.** Each loan shall be evidenced by the Borrower's promissory note in a form satisfactory to the Retirement Plan Committee.

e. **Repayment Method.** A loan to a Participant shall be repaid by substantially level payments *bi-weekly* by payroll deduction.

f. **Purpose.** The loan must be for the Borrower's own purposes and not for the benefit of any other party.

g. **Plan Accounting.** All repayments of principal and interest shall be credited solely to the Borrower's account. The unpaid principal balance of a loan shall be reflected as a receivable for the Borrower's account. The Borrower may be required to pay the reasonable administrative expenses incurred by the Trustee and the Retirement Plan Committee in connection with a loan.

h. **Borrower's Termination of Employment.** If the Borrower's employment with Central Arkansas Water terminates for any reason and the Borrower has an outstanding loan balance, the Borrower must repay the loan in full by the earlier of (i) the date the Borrower requests a distribution of any portion of the vested balance of the borrower's account and (ii) the last day of the calendar quarter following the calendar quarter in which the Borrower terminates employment with Central Arkansas Water. If the Borrower fails to repay the outstanding balance by the deadline set forth in the preceding sentence, such outstanding amount will be deducted from the vested balance of the Borrower’s account in the CAW 457 Plan resulting in a taxable distribution from the CAW 457 Plan whether or not a distribution is made to the Borrower at such time.

i. **Leave of Absence.** The following rules with regards to the repayment of a loan shall apply to a Borrower who is on a bona fide leave of absence with Central Arkansas Water and shall follow the requirements set forth in Treasury Regulations Section 1.72(p)-1, Code Section 414(u) and if applicable, the Soldiers and Sailor Civil Relief Act (regarding the maximum interest rate charged during a period of military service).

   (i) A Borrower who is on an unpaid leave of absence from Central Arkansas Water, or whose rate of pay during the leave of absence is less than the loan installment payments required under the term of the loan, may suspend making payments under the loan for a period not longer than one year (or such longer period pursuant to (ii) below). Notwithstanding the foregoing, the amount of the installments due after the leave ends (or if earlier, after the first year of the leave) must not be less than the amount required under the terms of the original loan and the loan (including interest which accrued during the leave of absence) must be repaid by the latest
permissible term of the loan (the latest date permitted under Code Section 72(p)(2)(B)).

(ii) A Borrower who is on a leave of absence due to military service may suspend making payments under the loan for the period of the military service. Notwithstanding the foregoing, repayment of the loan must resume upon the completion of such period of military service and repayments shall be made in substantially level installments amortized over a period that ends not later than the latest permissible term of the loan (the latest date permitted under Code Section 72(p)(2)(B) plus the period of military service).

4. **Security.** Each loan shall be secured by the assignment of not more than fifty percent (50%) of the Borrower's vested account balances determined immediately after origination of the loan. Other security shall be required as determined reasonably necessary by the Retirement Plan Committee.

5. **Default.** The Retirement Plan Committee shall promptly notify the Trustee of any default in repayment of a loan. A loan default will occur if all payments due during a calendar quarter are not made by the end of the Cure Period. If the Borrower is still employed, a deemed distribution will occur, in accordance with Code Section 72(p) and the applicable Treasury Regulations, at such time as the loan is defaulted. Following termination of employment, a defaulted loan will be offset, pursuant to Code Section 72(p) and the Treasury Regulations thereunder, upon the earlier of (i) the date the Borrower requests a distribution of any portion of the vested balance of the Borrower's account and (ii) the end of the calendar quarter following the calendar quarter during which the borrower terminated employment.

6. **Cure Period.** The period ending on the last day of the calendar quarter following the calendar quarter when a payment on the loan is not made when due.

7. **Refinancing.** Refinancing of loans shall not be permitted.

8. **Amendment or Termination of Program.** Central Arkansas Water may amend or terminate this Loan Program at any time.

9. **Delegation.** The Retirement Plan Committee may delegate to the Trustee any of the Retirement Plan Committee's rights, powers or responsibilities under this Loan Program.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be approved February 11, 2016.

Approved: __________________________ __
Chair, Retirement Plan Committee
RESOLUTION 2016-06

A RESOLUTION AFFIRMING THE DEBT SURCHARGES APPLICABLE TO CENTRAL ARKANSAS WATER CUSTOMERS WITHIN THE MAUMELLE WATER MANAGEMENT SERVICE TERRITORY; AND FOR OTHER PURPOSES

WHEREAS, on October 8, 2015, the Board of Commissioners of Central Arkansas Water ("CAW") adopted Resolution 2015-15 establishing a schedule of rates for Central Arkansas Water within the Maumelle Water Management Service (the "Maumelle Rate Resolution"); and

WHEREAS, the Maumelle Rate Resolution established a schedule of not to exceed debt surcharges to be established by the Chief Financial Officer, and affirmed by the Board of Commissioners of CAW; and

WHEREAS, the Chief Financial Officer, working together with CAW's financial advisor, has recommended the debt surcharges set forth below;

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

Section 1. Debt Surcharges. Pursuant to and in accordance with Section 3 of Resolution 2015-15 of the CAW Board of Commissioners, in addition to the Minimum Monthly Charges and other rates set forth therein, CAW shall also assess the debt surcharges on each meter within the service territory established by MWM. Each debt surcharge will continue until the debt associated with the respective surcharge is repaid.

<table>
<thead>
<tr>
<th>METER SIZE (diameter)</th>
<th>TRANSITION</th>
<th>INTERMEDIATE</th>
<th>LONG TERM</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>$ 4.26</td>
<td>$ 4.92</td>
<td>$ 15.67</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>4.26</td>
<td>4.92</td>
<td>15.67</td>
</tr>
<tr>
<td>1&quot;</td>
<td>21.73</td>
<td>25.09</td>
<td>79.92</td>
</tr>
<tr>
<td>1 1/2&quot;</td>
<td>32.38</td>
<td>37.39</td>
<td>119.09</td>
</tr>
<tr>
<td>2&quot;</td>
<td>43.45</td>
<td>50.18</td>
<td>159.83</td>
</tr>
<tr>
<td>3&quot;</td>
<td>54.10</td>
<td>62.48</td>
<td>199.01</td>
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<tr>
<td>4&quot;</td>
<td>65.18</td>
<td>75.28</td>
<td>239.75</td>
</tr>
<tr>
<td>6&quot;</td>
<td>129.05</td>
<td>149.05</td>
<td>474.71</td>
</tr>
<tr>
<td>8&quot;</td>
<td>218.10</td>
<td>251.89</td>
<td>802.25</td>
</tr>
</tbody>
</table>
Section 2. Severability. The provisions of this Resolution are separable, and if any portion, section, provision, or phrase of this Resolution shall be declared invalid or unconstitutional, such action shall not affect the validity of the remainder of this Resolution.

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

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

ADOPTED: February 11, 2016

ATTEST:

Jay Hartman, Secretary/Treasurer

APPROVED:

Dr. Rady Robertson, Chair
CERTIFICATE

STATE OF ARKANSAS )
COUNTY OF PULASKI ) ss

I, Jay Hartman, 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 #2016-06 of the Board of Commissioners of Central Arkansas Water, entitled: A RESOLUTION AFFIRMING THE DEBT SURCHARGES APPLICABLE TO CENTRAL ARKANSAS WATER CUSTOMERS WITHIN THE MAUMELLE WATER MANAGEMENT SERVICE TERRITORY; AND FOR OTHER PURPOSES, passed by adopted February 11, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of February, 2016.

[Signature]

Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners
Minutes of a Regular Meeting
Board of Commissioners
Central Arkansas Water
March 10, 2016

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, March 10, 2016, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Dr. Roby Robertson, Chair
Mr. Anthony Kendall, Vice Chair
Ms. Marie-Bernarde Miller, Commissioner
Mr. Jay Hartman, Secretary/Treasurer
Ms. Carmen Smith, Commissioner
Mr. John Braune, Commissioner
Mr. Eddie Powell, Commissioner

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer
Mr. Thad Luther, P.E., Chief Operating Officer
Mr. Robert Hart, P.E., Technical Services Officer
Mr. Jeff Mascagni, Chief Financial Officer
Mr. Jim Ferguson, P.E., Director of Engineering
Mr. Dale Kimbrow, Manager of Planning, Regionalism & Future Water Source
Mr. Randy Easley, Director of Water Quality & Operations
Mr. Doug Graham, Assistant Director of Operations
Mr. Kevin Hall, Director of Environmental Health & Safety
Mr. Robert Martin, Safety Specialist
Ms. Kelly Marshall, Customer Service Representative – Office
Mr. Dennis Yarbro, Supervisor of Water Sources
Ms. Liz Tuck-Rowan, Purchasing Manager
Mr. Jay Ginn, Industrial Electrician
Ms. Samantha Williams, Communications Assistant
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Ms. Erin Brogdon Wright, Lindsey & Jennings LLP
Mr. J. Shepherd Russell, III, Friday, Eldredge & Clark, LLP
Mr. Jay Halstead, Program Specialist, CLEAResult
Ms. Kathleen Oleson, League of Women Voters of Pulaski County
Ms. Mary Carol Poole, Paschall Strategic Communications
Ms. Carolyn Shearman, Citizen

CALL MEETING TO ORDER

Chair Robertson called the meeting to order at 2:00 p.m.
COMMISSIONER RECOGNITION

Chair Robertson presented a 5-year service pin to Commissioner Miller for her service to the Board.

EMPLOYEE RECOGNITION

Mr. Bohannon introduced Mr. Robert Martin, Safety Specialist, who presented the 2015 John Robinson Award for Safety to Mr. Dennis Yarbro, Supervisor of Water Sources. The John Robinson Award for Safety is awarded annually for excellence in workplace safety.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Braune, the minutes of the February 11, 2016, Regular Meeting were unanimously approved.

NEW BUSINESS

Check Presentation 2015 Entergy Solutions Arkansas Program

Mr. Luther introduced and recognized Ms. Tuck-Rowan, Purchasing Manager, for receiving the Manager of the Year Award from the State Chapter of the National Institute of Governmental Purchasing.

Ms. Tuck-Rowan stated as part of our sustainability efforts, this is CAW’s 4th year to participate in the Entergy Solutions Arkansas program, as administered by CLEAResult. In 2015, CAW replaced older light fixtures at the Clearwater Operations Maintenance Complex and is expected to reduce its energy consumption by approximately 197,970 kilowatt-hours per year. For reducing its usage, Entergy presented CAW an incentive check in the amount of $29,467.05.

Resolution Approving Bond Counsel Selection for Refunding Series 2007 Bonds and the Series 2011B Bonds

Mr. Mascagni requested Board approval of a Resolution for a professional services contract with Friday, Eldredge & Clark, LLP as Bond Counsel for the potential refunding of Series 2007 and Series 2011B Water Revenue Bonds.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Kendall, after due consideration and discussion, Resolution 2016-07 was unanimously approved.

Approve Payments to Retain DeGray Lake Right of First Refusal

Mr. Kimbrow requested Board approval of a payment in the amount of $154,426.20 to the Ouachita River Water District (ORWD) and the Corps of Engineers to retain the Right of First Refusal for 120 MGD from DeGray Lake. The City of Hot Springs has paid its pro-rata share of $25,742.85 to CAW for the right to 20 MGD; therefore, CAW’s net payment will be $128,683.35.

Upon a motion duly made by Commissioner Kendall, and seconded by Commissioner Miller, after due consideration and discussion, the payment to ORWD and the Corps of Engineers was unanimously approved.
CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Braune, after due consideration and discussion, the purchase of four (4) mid-size trucks in the amount of $86,980 from Superior Buick Chevrolet GMC, were unanimously approved.

Upon a motion duly made by Commissioner Kendall, and seconded by Commissioner Miller, after due consideration and discussion, the Maumelle Treatment Facility annual chemical contracts with the following companies, were unanimously approved:

<table>
<thead>
<tr>
<th>Company</th>
<th>Chemical</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2 Industries</td>
<td>Liquid Polyphosphate</td>
<td>$11,467.50</td>
</tr>
<tr>
<td>Univar USA</td>
<td>Liquid Sodium Hydroxide</td>
<td>$66,024.00</td>
</tr>
<tr>
<td>AmeriChemm, LLC</td>
<td>Aluminum Chlorohydrate</td>
<td>$95,040.00</td>
</tr>
<tr>
<td>DPC Industries</td>
<td>Liquid Chlorine</td>
<td>$19,692.00</td>
</tr>
</tbody>
</table>

DEPARTMENT UPDATES

Water Quality and Operations

Mr. Easley provided an update on matters pertaining to the watershed.

Regionalism

Mr. Kimbrow provided an update on matters pertaining to regionalism.

Finance

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

BOARD BRIEFING

Mr. Bohannon provided an update on the following:

- Lake Maumelle is 1.4 feet over the spillway and Lake Winona is 1.2 feet over the spillway.

- Commissioners Powell and Miller will be attending the AMWA 2016 Water Policy Conference in Washington, D.C. on March 20 – 23, 2016.

- Mr. Bohannon stated he will be making a presentation on Lead (Water Quality), Aging Infrastructure, and Current Projects at the NLR City Council Meeting on Monday, March 14, 2016, at 6 p.m.

EXECUTIVE SESSION

Upon a motion duly made by Commissioner Smith the Board went into Executive Session to discuss personnel matters.

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

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Miller, the meeting was adjourned.

Jay Hartman, Secretary/Treasurer
RESOLUTION NO. 2016-07

A RESOLUTION AUTHORIZING AND APPROVING THE SELECTION OF FRIDAY, ELDREDGE & CLARK, LLP, AS BOND COUNSEL FOR REFUNDING THE CENTRAL ARKANSAS WATER WATER REVENUE BONDS, SERIES 2007, AND THE CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 2011B; AND FOR OTHER PURPOSES

WHEREAS, Central Arkansas Water ("CAW") has determined that selection of legal counsel to serve as bond counsel for the upcoming issuance of one or more series of refunding water revenue bonds to refund the Central Arkansas Water Water Revenue Bonds, Series 2007, and the Central Arkansas Water Refunding Water Revenue Bonds, Series 2011B (collectively, the "Bonds"); and

WHEREAS, CAW staff solicited proposals for bond counsel from interested legal firms and in response thereto received proposals from: Friday, Eldredge & Clark, LLP, Williams & Anderson PLC, Rose Law Firm, Wright, Lindsey & Jennings LLP, Kutak Rock LLP, Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., and Gilmore & Bell PC; and

WHEREAS, after careful and considered review of all proposals, Friday, Eldredge & Clark, LLP is hereby recommended to serve as bond counsel for the Bonds.

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

Section 1. Friday, Eldredge & Clark, LLP is hereby approved to serve as bond counsel for issuance of the Bonds.

Section 2. The Chief Executive Officer of CAW is hereby authorized to enter into an engagement letter with Friday, Eldredge & Clark, LLP to serve as bond counsel for issuance of the Bonds.

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

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

ADOPTED: March 10, 2016

ATTEST:

[Signature]
Jay Hartman, Secretary/Treasurer

APPROVED:

[Signature]
Dr. Roby Robertson, Chair
CERTIFICATE

STATE OF ARKANSAS )
) COUNTY OF PULASKI )


IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of March, 2016.

[Signature]

Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners
The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, April 14, 2016, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

**Present:**

Dr. Roby Robertson, Chair  
Mr. Anthony Kendall, Vice Chair  
Mr. Jay Hartman, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Mr. John Braune, Commissioner  
Mr. Eddie Powell, Commissioner

**CAW Staff in Attendance:**

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Ms. Becky Linker, Chief Administrative Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Dale Kimbrow, Manager of Planning, Regionalism & Future Water Source  
Mr. Thomas Wray, P.E., Senior Engineer  
Mr. Terry Bice, Director of Distribution  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Douglas Shackelford, Director of Public Affairs & Communications  
Ms. Samantha Williams, Communications Assistant  
Ms. Mary Dyson, Management Secretary

**Also in Attendance:**

Ms. Robin Scott, Thomas & Thomas, LLP  
Ms. Erin Brogdon Wright, Lindsey & Jennings LLP  
Mr. Aaron Benzing, P.E. Hawkins Weir Engineers, Inc.  
Mr. Paul Strickland, P.E., Garver Engineers  
Ms. Nell Matthews, League of Women Voters of Pulaski County  
Ms. Mary Carol Poole, Paschall Strategic Communications
CALL MEETING TO ORDER

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

SPECIAL ANNOUNCEMENT

Chair Robertson announced that Commissioner Miller has resigned from the CAW Board of Commissioners, effective immediately, due to her appointment to the position of Deputy City Attorney with the City of North Little Rock. Chair Robertson expressed appreciation to Commissioner Miller for her dedicated service and her contributions to the Board and expressed how much she will be missed.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Braune and seconded by Commissioner Powell, the minutes of the March 10, 2016, Regular Meeting were unanimously approved.

NEW BUSINESS

Approve the 2015 Audit for CAW

Mr. Mascagni introduced Ms. Scott from Thomas & Thomas, LLP who presented a review of the draft 2015 Comprehensive Annual Financial Report (CAFR) for CAW. The Board was asked to approve the 2015 CAFR.

Upon a motion duly made by Commissioner Powell, and seconded by Commissioner Smith, after due consideration and discussion, the 2015 CAFR was unanimously approved.

Improvements to Ozark Point Treatment Plant and Jack H. Wilson Treatment Plant Pump Station 1A

Mr. Hart and Mr. Ferguson presented information on capital improvements needed at the Ozark Point Treatment Plant and at Pump Station 1A located at the Jack H. Wilson Treatment Plant. CAW staff is ready to move forward with discussions with the Arkansas Natural Resources Commission to obtain financing from the State Revolving Loan Fund and commence construction in 2017. No action was required.

contracts/purchases

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Braune, after due consideration and discussion, contracts to modify and improve the JTH east employee parking lot, with Arkansas Asphalt Paving Company in the amount of $59,300 and with Nichols Landscape Company in the amount of $15,657, for a combined total of $74,957, was unanimously approved.
Upon a motion duly made by Commissioner Powell, and seconded by Commissioner Smith, after due consideration and discussion, approval of a lease of the first floor of the Paragon Building for development of Fassler Hall, was unanimously approved.

Upon a motion duly made by Commissioner Smith, and seconded by Commissioner Braune, after due consideration and discussion, the purchase of two (2) Crew Truck-Cab Chassis’ with Service Bodies and one (1) Dump Truck Chassis with Dump Bed in the total amount of $296,697 from Truck Centers of Arkansas, was unanimously approved.

DEPARTMENT UPDATES

Water Quality and Operations

Ms. Lawson provided an update on matters pertaining to the watershed.

Finance

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

BOARD BRIEFING

Mr. Bohannon provided an update on the following:

- Lake Maumelle and Lake Winona are both full.
- Doug Shackelford, Director of Public Affairs & Communications, was introduced.
- Senator David Johnson will be joining CAW as General Counsel, after the Fiscal Session is over.
- Maumelle Water Consolidation Update:
  - Current:
    - Thirty employees completed all pre-employment requirements and have joined CAW and two employees have been leased to NLR Wastewater
    - Finance is maintaining two separate billing systems, books, and budgets
    - Distribution, Engineering, and GIS have inspected all of MWM’s former facilities for safety and operational improvements
  - Future:
    - Integrating accounts and billing system
    - Build Transmission Main
    - Closing Maumelle Office

Mr. Bohannon read an excerpt from Commissioner Miller’s resignation letter expressing her enjoyment working with CAW Staff and leaving more knowledgeable about
producing high quality water and protecting the Watershed. She also thanked the Board for their efforts to protect our water source, keep rates low, develop sound fiscal policies, and for their commitment to being good stewards. She expressed that she will miss her fellow Board members and that she has learned so much about policymaking and stewardship.

Ms. Linker presented the proposed schedule for the upcoming Board member replacement:

- **4/17/16 – 5/6/16** Advertise to fill vacancy and accept resumes/letters of interest
- **5/12/16** Review resumes and determine interviews - CAW Board Meeting
- **5/16/16 – 5/19/16** Interview & Appointment - Special Call Board Meeting (TBD)
- **6/7/16** Appointment Confirmation - Little Rock City Board of Directors
- **6/13/16** Appointment Confirmation - North Little Rock City Council
- **7/14/16** Oath of Office - CAW Regular Board Meeting (early start time)
  1:30 p.m. Oath of Office & Reception
  2:00 p.m. Board Meeting

**ADJOURNMENT**

Upon a motion duly made by Commissioner Powell and seconded by Chair Robertson, the meeting was adjourned.

[Signature]
Jay Hartman, Secretary/Treasurer
RESOLUTION NO. 2016-08

RESOLUTION APPROVING FORM OF LEASE FOR PARAGON BUILDING; AUTHORIZING THE CHAIRPERSON TO EXECUTE SUCH CONTRACT; AND PRESCRIBING OTHER MATTERS RELATING THERETO

WHEREAS, Central Arkansas Water ("CAW") desires to lease a portion of the Paragon Building to Fassler Hall Little Rock, LLC.

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

Section 1. After study and upon the recommendations of staff, the Board of Commissioners of Central Arkansas Water hereby approves, in the form represented to this Board, with those changes deemed necessary and agreed to, if any, by the Chief Executive Officer, the Lease Agreement by and between Central Arkansas Water, as landlord, and Fassler Hall Little Rock, LLC, as tenant (the "Lease").

Section 2. CAW is authorized to enter into the Lease, and the Chief Executive Officer is authorized to execute the Contract on behalf of CAW.

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

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

ADOPTED: April 14, 2016

ATTEST:  

[Signature]
Jay Hartman, Secretary/Treasurer

APPROVED:

[Signature]
Dr. Roby Robertson, Chair
CERTIFICATE

STATE OF ARKANSAS )
COUNTY OF PULASKI )

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2016-08 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION APPROVING FORM OF LEASE FOR PARAGON BUILDING; AUTHORIZING THE CHAIRPERSON TO EXECUTE SUCH CONTRACT; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted April 14, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of April, 2016.

[Signature]
Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners
Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water  
May 12, 2016

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, May 12, 2016, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Dr. Roby Robertson, Chair  
Mr. Anthony Kendall, Vice Chair  
Mr. Jay Hartman, Secretary/Treasurer  
Ms. Carmen Smith, Commissioner  
Mr. John Braune, Commissioner  
Mr. Eddie Powell, Commissioner

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Ms. Becky Linker, Chief Administrative Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. David Johnson, General Counsel  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Dale Kimbrow, Manager of Planning, Regionalism & Future Water Source  
Mr. Randy Easley, Director of Water Quality & Operations  
Ms. Raven Lawson, Watershed Protection Manager  
Mr. Douglas Shackelford, Director of Public Affairs & Communications  
Ms. Samantha Williams, Communications Assistant  
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. Jack Truemper, Senior Vice President, Stephens, Inc.  
Ms. Erin Brogdon, Wright, Lindsey & Jennings LLP  
Mr. J. Shepherd Russell, III, Friday, Eldredge & Clark, LLP  
Mr. W. Taylor Marshall, Friday, Eldredge & Clark, LLP  
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette  
Mr. Paul Strickland, P.E., Garver Engineers  
Ms. Mary Carol Poole, Paschall Strategic Communications  
Ms. Ruth Bell, League of Women Voters  
Ms. Carolyn Shearman, Citizen  
Mr. Barry Haas, Citizen

CALL MEETING TO ORDER

Chair Robertson called the meeting to order at 2:00 p.m.
EMPLOYEE RECOGNITION

Mr. Bohannon recognized Mr. Mascagni for ten years of service.

APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Braune, the minutes of the April 14, 2016, Regular Meeting were unanimously approved.

NEW BUSINESS

Resolution Commending Commissioner Marie-Bernarde Miller

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Braune, after due consideration and discussion, the Resolution expressing sincere appreciation to Ms. Miller for her distinguished service to CAW, its customers, and honoring her contributions to the Board and utility, was unanimously approved.


Mr. Mascagni introduced Mr. Truemper, Senior Vice President with Stephens, Inc. who proceeded to update the Board on current market conditions, projected savings, and next steps associated with the potential Refunding Water Revenue Bonds, Series 2016 and the debt service savings through the refunding of its outstanding water revenue 2007 and 2011B series bonds.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Hartman, after due consideration and discussion, the Resolution authorizing the offering for sale of CAW Refunding Water Revenue Bonds, Series 2016, was unanimously approved.

Resolution of Intent and Resolution of Signatory Authority to obtain Arkansas Natural Resources Commission (ANRC) State Revolving Funds

Mr. Mascagni requested Board approval of a Resolution of Intent and Resolution of Signatory Authority to obtain ANRC State Revolving Funds for capital improvements needed at the Ozark Point Treatment Plant and at Pump Station 1A located at the Jack H. Wilson Treatment Plant.

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Powell, after due consideration and discussion, the Resolution of Intent to obtain ANRC State Revolving Funds for capital improvements, was unanimously approved.

Upon a motion duly made by Commissioner Braune and seconded by Commissioner Smith, after due consideration and discussion, the Resolution of Signatory Authority to execute certain documents in connection with ANRC State Revolving Funds, was unanimously approved.

Amendment and Restatement of the Central Arkansas Water Employees Savings Plan

Ms. Linker provided an overview of the Employees Savings Plan (401A Plan) document and stated it must be amended, restated and submitted to the IRS for approval every six years. The
last amendment and restatement was in 2010. Ms. Linker requested Board approval of a Resolution ratifying the amended and restated plan.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Braune, after due consideration and discussion, the Resolution ratifying the amended and restated plan, was unanimously approved.

Resolution Approving terms of Wholesale Water Agreement with Mid-Arkansas Public Water Authority

Mr. Bohannon requested Board approval of a Resolution authorizing a new wholesale water agreement with Mid-Arkansas Public Water Authority for a term of 10 years with a standard automatic renewal provision for an additional 10 years. The contract minimum is for 100,000 GPD with a maximum of 300,000 GPD.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Powell, after due consideration and discussion, the Resolution approving a new wholesale water agreement with Mid-Arkansas Public Water Authority, was unanimously approved.

Appointment of Commission Officers and Reappointment of a Commissioner

Chair Robertson appointed Commissioner Powell to serve as the nominating committee for the election of 2016-2017 Commission Officers and the appointment/reappointment of Commissioner Hartman. Chair Robertson asked Commissioner Powell to report back at the June Board Meeting.

DEPARTMENT UPDATES

Water Quality & Operations

Ms. Lawson provided an update on matters pertaining to the watershed.

Finance

Mr. Mascagni provided a year-to-date financial update on utility operations and provided the annual report on CAW’s Red Flag Policy as required by federal law.

BOARD BRIEFING

Mr. Bohannon provided an update on the following:

- Lake Maumelle and Lake Winona are both full.
- CAW Recreation Study opens today for public review and comments.
- Pulaski County Quorum Court will consider technical amendments to the watershed codes on May 24. CAW Staff has reviewed the amendments, provided comments, and will continue to stay involved and track the progress of the ordinance to amend the Pulaski County Subdivision Rules and Regulations.
- CAW Employee Appreciation Day is June 16th at Dickey Stephens Park.
- CAW was recently selected as a finalist for the 2016 ENVY Stewardship Award.
EXECUTIVE SESSION

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Braune, the Board went into Executive Session with Mr. Bohannon to review resumes and determine interviews for the Board vacancy.

Upon reconvening the regular session, Chair Robertson stated the Board selected the following four candidates to be interviewed at a Special Call Meeting on Wednesday, May 18, beginning at 1:30 pm:

- Mr. Khayyam M. Eddings
- Ms. Kandi N. Hughes
- Mr. Cleveland M. Jones
- Ms. Markita T. Tyler

ADJOURNMENT

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Powell, the meeting was adjourned.

Anthony Kendall, Vice Chair
In Honor and Appreciation

Commissioner Marie-Bernarde Miller

Resolution 2016-09

WHEREAS, Ms. Marie-Bernarde Miller began her distinguished service on the Central Arkansas Water (CAW) Board of Commissioners on February 17, 2011, and provided exemplary vision and leadership for the Board and Central Arkansas Water; and

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

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

WHEREAS, she was integral in addressing and formulating sound public policy on the challenging issues of watershed management and future water source to ensure the utility continues to meet the water supply needs of the central Arkansas area.

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

We, Carmen Smith, Eddie Powell, Jay Hartman, John Braune, Dr. Roby Robertson, and Anthony Kendall, as members of the Board of Commissioners, Central Arkansas Water, hereby do certify that the above and foregoing is a correct copy of the resolution adopted on this 12th day of May 2016.

Dr. Roby Robertson, Chair
Anthony Kendall, Vice Chair
Carmen Smith, Commissioner
Eddie Powell, Commissioner
John Braune, Commissioner
RESOLUTION NO. 2016-10

RESOLUTION AUTHORIZING THE OFFERING OF NOT TO EXCEED $21,435,000 CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 2016; APPROVING THE FORM OF AN OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM, AND PRELIMINARY OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE SALE OF THE BONDS

WHEREAS, Central Arkansas Water ("CAW") has engaged Stephens Inc. as Financial Advisor, Friday, Eldredge & Clark, LLP as Bond Counsel, and Regions Bank as Trustee for the issuance of refunding bonds, as hereinafter described; and

WHEREAS, CAW has outstanding its Water Revenue Bonds, Series 2007 and Refunding Water Revenue Bonds, Series 2011B (collectively, the "Bonds to be Refunded"); and

WHEREAS, CAW has determined that it is in the best interest of CAW and its ratepayers to refund the Bonds to be Refunded in order to achieve debt service savings; and

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

WHEREAS, upon the advice of the Chief Financial Officer, the Board is now prepared to authorize the offering of bonds for sale to accomplish the refunding of the Bonds to be Refunded, to fund a debt service reserve and to pay costs of issuing the bonds;

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

Section 1. The bonds shall be designated Central Arkansas Water Refunding Water Revenue Bonds, Series 2016 (the "Bonds"). The Bonds shall be offered for sale in the aggregate principal amount of not to exceed $21,435,000 by electronic bids, at such time as may be approved by the Chief Financial Officer upon advice of the Financial Advisor, at such location as may be provided for in the Official Notice of Sale. At such time and place, the Chief Financial Officer shall meet with the Financial Advisor to receive the bids. The Chief Financial Officer is hereby authorized to accept the bid providing the lowest "true interest cost" (as defined in the Official Notice of Sale) in the name of CAW if, upon advice of the Financial Advisor, he shall determine to do so is in the best interest of CAW.
Section 2. The Official Notice of Sale and Official Bid Form, substantially in the forms exhibited to and before the Board at the meeting at which this resolution is adopted, are hereby approved.

Section 3. The Preliminary Official Statement, substantially in the form exhibited to and before the Board at the meeting at which this resolution is adopted, is hereby approved for use in connection with the sale of the Bonds and the Chief Financial Officer is hereby authorized to declare the Preliminary Official Statement “final” for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934 except for such terms and conditions as are determined by the sale.

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

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

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

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

ADOPTED: May 12, 2016

ATTEST:  

[Signature]
Jay Hartman, Secretary/Treasurer

APPROVED:  

[Signature]
Dr. Roby Robertson, Chair
CERTIFICATE

STATE OF ARKANSAS )
) COUNTY OF PULASKI )

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2016-10 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION AUTHORIZING THE OFFERING OF NOT TO EXCEED $21,435,000 CENTRAL ARKANSAS WATER REFUNDING WATER REVENUE BONDS, SERIES 2016; APPROVING THE FORM OF AN OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM, AND PRELIMINARY OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE SALE OF THE BONDS, adopted May 12, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of May, 2016.

[Signature]
Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners
RESOLUTION NO. 2016-11

A RESOLUTION DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN EXPENDITURES TOWARD TWO CAPITAL IMPROVEMENT PROJECTS NOT TO EXCEED $17,000,000 ON PROJECT #1 AND $5,000,000 ON PROJECT #2; AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF TWO SEPARATE BOND ISSUES; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, Central Arkansas Water ("CAW") proposes to design, construct and equip improvements to its Ozark Water Treatment Plant and Wilson Treatment Plant Pumping Station #1A (collectively, the "Improvements"). The Improvements at the Ozark Treatment Plant ("Project #1") consist of the engineering and construction activities necessary to rehabilitate, improve the efficiency and effectiveness, and extend the functional life of the 77-year old plant. Project #1 will consist of structural rehabilitation of and improvements to the flocculation and sedimentation basins, clearwells, filter/control/chemical building, filter pipe gallery, and the backwash/sludge/wastewater system. The Improvements at Wilson Treatment Plant Pumping Station #1A (Project #2) consist of the engineering and construction activities necessary to improve operational efficiency and effectiveness and extend the functional life of the 52-year old pumping facility. Project #2 will include pump and motor replacement, electrical upgrades, and building renovation and repair.

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 and to pay expenses from the issuance of tax-exempt bonds; and

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

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 (as hereinafter defined) are issued, plus a de minimis amount and preliminary expenditures, with the proceeds of tax-exempt bonds in the principal amount of not to exceed Seventeen Million Dollars ($17,000,000) (the “Project #1 Bond”) and Five Million Dollars ($5,000,000) (the “Project #2 Bond”, which collectively with the Project #1 Bond may be referred to as 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 project is placed in service, but in no event more than three (3) years after the original expenditure is paid.

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

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

Section 5. A copy of this Resolution with original signature shall be furnished by the Chief Financial Officer of CAW to the Executive Director of the Arkansas Natural Resources Commission.

ADOPTED: May 12, 2016

ATTEST: 

[Signature]

Dr. Roby Robertson, Chair
CERTIFICATE

STATE OF ARKANSAS )

COUNTY OF PULASKI )

I, Jay Hartman, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2016-11 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION DECLARING THE INTENT OF CENTRAL ARKANSAS WATER TO MAKE CERTAIN EXPENDITURES TOWARD CAPITAL IMPROVEMENTS AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF TWO SEPARATE BOND ISSUES; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted May 12, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of May, 2016.

[Signature]
Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners
RESOLUTION NO. 2016-12

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 (SRF) LOAN PROGRAM ADMINISTERED BY THE ARKANSAS NATURAL RESOURCES COMMISSION

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

WHEREAS, the Board of Commissioners of Central Arkansas Water (the “Commission”) has determined that it is in the best interest of the customers of the System to apply for loan assistance from the Arkansas Natural Resources Commission (the “ANRC”) under the Drinking Water SRF Loan Program (the "Program"), in order to make expenditures not to exceed $17,000,000 on Project #1 and $5,000,000 on Project #2 toward certain capital improvements to the System;

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 Program administered by the ANRC.

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

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

Section 4. That Jeff Mascagni, as Chief Financial Officer, is hereby authorized to execute, for and on behalf of Central Arkansas Water, such other documents and certificates as may be required by ANRC (i) for participation in the Program, or (ii) to satisfy CAW’s obligations under the bond purchase agreement with ANRC, once such agreement is approved by the Commission.

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

ADOPTED: May 12, 2016

ATTEST:

[Signature]

Jay Hartman, Secretary/Treasurer

APPROVED:

[Signature]

Dr. Roby Robertson, Chair
CERTIFICATE

STATE OF ARKANSAS  

COUNTY OF PULASKI

I, Jay Hartman, Secretary of the Board of Commissioners, Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2016-12 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION DESIGNATING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER, THE CHIEF OPERATING OFFICER, AND THE CHIEF FINANCIAL OFFICER OF CENTRAL ARKANSAS WATER TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH THE DRINKING WATER SRF LOAN PROGRAM ADMINISTERED BY THE ARKANSAS NATURAL RESOURCES COMMISSION, adopted May 12, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of May, 2016.

Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners
RESOLUTION 2016-13

RESOLUTION APPROVING AMENDMENT AND RESTATEMENT OF THE CENTRAL ARKANSAS WATER EMPLOYEES SAVINGS PLAN TO INCORPORATE PROVISIONS REQUIRED BY THE PENSION PROTECTION ACT (PPA) OF 2006 AND SUBSEQUENT AMENDMENTS TO THE PLAN SINCE IT WAS LAST AMENDED AND RESTATED IN 2010.

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

WHEREAS, Central Arkansas Water desires to amend the Savings Plan to adopt required provisions enacted by the Pension Protection Act of 2006 (“PPA”); and

WHEREAS, Central Arkansas Water desires to incorporate amendments to the Savings Plan since it was last amended and restated.

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

Section 1. Central Arkansas Water amends its Central Arkansas Water Employees Savings Plan effective January 1, 2016, for the purpose of adopting required provisions of PPA and to incorporate amendments to the Savings Plan since it was last amended and restated in 2010; as set forth in the Central Arkansas Water Employees Savings Plan dated January 1, 2016; and

Section 2. Central Arkansas Water hereby ratifies, confirms and approves the Adoption Agreement related to the Savings Plan executed by C. Tad Bohannon, Chief Executive Officer; and

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

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

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

ADOPTED: May 12, 2016

ATTEST:  

[Signature]

Jay Hartman, Secretary/Treasurer

APPROVED:  

[Signature]

Dr. Roby Robertson, Chair
CERTIFICATE

STATE OF ARKANSAS )
COUNTY OF PULASKI )

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2016-13 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION APPROVING AMENDMENT AND RESTATEMENT OF THE CENTRAL ARKANSAS WATER EMPLOYEES SAVINGS PLAN TO INCORPORATE PROVISIONS REQUIRED BY THE PENSION PROTECTION ACT (PPA) OF 2006 AND SUBSEQUENT AMENDMENTS TO THE PLAN SINCE IT WAS LAST AMENDED AND RESTATED IN 2010, adopted May 12, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of May, 2016.

Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners
RESOLUTION NO. 2016-14

RESOLUTION APPROVING TERMS OF WHOLESALE WATER SUPPLY AGREEMENT BETWEEN CENTRAL ARKANSAS WATER AND MID-ARKANSAS PUBLIC WATER AUTHORITY; AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE SUCH AGREEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO

WHEREAS, Central Arkansas Water ("CAW") and Mid-Arkansas Public Water Authority ("Mid-Arkansas") desire to enter into a new agreement pursuant to which CAW shall sell, and Mid-Arkansas shall buy, surplus potable water.

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

Section 1. The Wholesale Water Supply Agreement by and between CAW and Mid-Arkansas (the "Agreement") with such terms and conditions as are ordinarily included in CAW's standard wholesale contracts is hereby authorized; provided, however that such Agreement includes the following terms and conditions:

i. The Minimum Purchase shall be 100,000 gallons per day.
ii. The Maximum Purchase shall be 300,000 gallons per day.
iii. If Mid-Arkansas takes more than the Maximum Purchase on any day during the months of June, July, August, or September, Mid-Arkansas shall pay a peaking charge of $5,000 in each month the Maximum Purchase is exceeded in addition to the otherwise applicable charges.
iv. The rates charged for water up to the Maximum Purchase shall be those wholesale rates in effect at the time of billing. Any water taken in excess of the Maximum Purchase Amount shall be billed at the rates applicable to the "outside the city" Commercial customer class.
v. The initial term shall be for ten (10) years with a standard automatic renewal provision for an additional ten (10) years.

Section 2. CAW is authorized to enter into the Agreement, and Tad Bohannon, as Chief Executive Officer, is authorized to execute the Agreement on behalf of CAW.

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

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

ADOPTED: May 12, 2016
ATTEST:  
Jay Hartman, Secretary/Treasurer  

APPROVED:  
Dr. Roby Robertson, Chair
CERTIFICATE

STATE OF ARKANSAS  )
COUNTY OF PULASKI   )

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2016-14 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION APPROVING TERMS OF WHOLESALE WATER SUPPLY AGREEMENT BETWEEN CENTRAL ARKANSAS WATER AND MID-ARKANSAS PUBLIC WATER AUTHORITY; AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE SUCH AGREEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO, adopted May 12, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of May, 2016.

[Signature]

Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners
May 18, 2016

The Board of Commissioners, Central Arkansas Water (CAW), convened in a Special Call meeting at 2:30 p.m. Wednesday, May 18, 2016, in the third floor Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Dr. Roby Robertson, Chair
Mr. Anthony Kendall, Vice Chair
Mr. Jay Hartman, Secretary/Treasurer
Mr. John Braune, Commissioner
Mr. Eddie Powell, Commissioner
Ms. Carmen Smith, Commissioner

CAW Staff in attendance:

Mr. Tad Bohannon, Chief Executive Officer
Ms. Becky Linker, Chief Administrative Officer
Mr. Douglas Shackelford, Director of Public Affairs & Communications
Ms. Samantha Williams-Davis, Communications Assistant
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Ms. Markita Tyler, Board Applicant
Ms. Kandi Hughes, Board Applicant
Mr. Barry Haas, Citizen
Ms. Kathleen Olsen, League of Women Voters of Pulaski County
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette

CALL MEETING TO ORDER

Chair Robertson called to order the May 18, 2016, special call meeting of the Board of Commissioners.

Chair Robertson stated the purpose of the meeting is to interview two of the four finalist candidates to fill the Board vacancy created by the resignation of Commissioner Marie-Bernarde Miller.

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

The candidates were interviewed in the following order:
EXECUTIVE SESSION

The Board met in Executive Session. Chair Robertson reconvened the regular session and stated no action was taken.

After discussion, Chair Robertson announced that the Board would like to interview the remaining applicants at a Special Call Meeting at 4:00 p.m. on Wednesday, June 8, 2016.

ADJOURNMENT

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, the meeting was adjourned.

Anthony Kendall, Vice Chair
Minutes of a Special Call Meeting  
Board of Commissioners  
Central Arkansas Water  

June 8, 2016  

The Board of Commissioners, Central Arkansas Water (CAW), convened in a Special Call meeting at 4:00 p.m. Wednesday, June 8, 2016, in the third floor Board Room of the James T. Harvey Administration Building. The building location is 221 East Capitol Avenue in Little Rock, Arkansas.  

Present:  

Dr. Roby Robertson, Chair  
Mr. Anthony Kendall, Vice Chair  
Mr. Jay Hartman, Secretary/Treasurer  
Mr. John Braune, Commissioner  
Mr. Eddie Powell, Commissioner  
Ms. Carmen Smith, Commissioner  

CAW Staff in attendance:  

Mr. Tad Bohannon, Chief Executive Officer  
Ms. Becky Linker, Chief Administrative Officer  
Mr. Douglas Shackelford, Director of Public Affairs & Communications  
Ms. Samantha Williams-Davis, Communications Assistant  
Ms. Mary Dyson, Management Secretary  

Also in Attendance:  

Mr. Cleveland M. Jones, Board Applicant  
Mr. Khayyam M. Eddings, Board Applicant  
Ms. Ruth Bell, League of Women Voters of Pulaski County  
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette  

CALL MEETING TO ORDER  

Chair Robertson called the special call meeting to order at 4:00 p.m.  

Chair Robertson stated the purpose of the meeting is to interview the final two candidates to fill the Board vacancy created by the resignation of Commissioner Marie-Bernarde Miller.  

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

The candidates were interviewed in the following order:  

   Mr. Cleveland M. Jones  
   Mr. Khayyam M. Eddings
The Board met in Executive Session to discuss the applicant’s qualifications to fill the Board vacancy.

Chair Robertson reconvened the regular session and stated the six resumes we received for the current Board vacancy showed varied backgrounds and remarkable talents and commitment on the part of the applicants to their community. The Board had the difficult task of narrowing down the six applicants to four excellent choices for interviews. The four candidates were very impressive in their interviews – the Board could not have made a mistake in choosing any of the finalists.

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Powell, the Board unanimously adopted a resolution for Ms. Kandi Hughes to fill the vacant position on the Board of Commissioners.

Chair Robertson noted that Ms. Hughes position as Commissioner is subject to confirmation by the governing bodies of the cities of Little Rock and North Little Rock.

**ADJOURNMENT**

Upon a motion duly made by Commissioner Hartman and seconded by Commissioner Kendall, the meeting was adjourned.

Jay Hartman, Vice Chair
RESOLUTION NO. 2016-15

A RESOLUTION APPOINTING MS. KANDI N. HUGHES TO THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, AND FOR OTHER PURPOSES

WHEREAS, the term of Ms. Marie-Bernarde Miller, a member of the Board of Commissioners, Central Arkansas Water (“CAW Board”), ended on April 13, 2016, due to Ms. Miller’s resignation; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, that the remaining commissioners do hereby appoint Ms. Kandi N. Hughes to serve the remainder of a seven-year term ending June 30, 2022, 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.

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

ADOPTED: June 8, 2016

ATTEST: 

Jay Hartman, Secretary/Treasurer

APPROVED:

Roby Robertson, Ph.D., Chair
CERTIFICATE

STATE OF ARKANSAS  )
COUNTY OF PULASKI  )

I, Jay Hartman, Secretary/Treasurer of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2016-15 of the Resolutions of Central Arkansas Water, entitled: RESOLUTION APPOINTING MS. KANDI N. HUGHES TO THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, AND FOR OTHER PURPOSES, adopted June 8, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of June, 2016.

Jay Hartman, Secretary/Treasurer
Central Arkansas Water Board of Commissioners
Minutes of a Regular Meeting  
Board of Commissioners  
Central Arkansas Water  

June 9, 2016

The Board of Commissioners of Central Arkansas Water (CAW), convened in a regular meeting at 2 p.m. on Thursday, June 9, 2016, in the Board Room of the James T. Harvey Administration Building located at 221 East Capitol Avenue in Little Rock, Arkansas.

Present:

Dr. Roby Robertson, Chair  
Mr. Anthony Kendall, Vice Chair  
Ms. Carmen Smith, Commissioner  
Mr. John Braune, Commissioner  
Mr. Eddie Powell, Commissioner

Absent:

Mr. Jay Hartman, Secretary/Treasurer

CAW Staff in Attendance:

Mr. Tad Bohannon, Chief Executive Officer  
Mr. Thad Luther, P.E., Chief Operating Officer  
Ms. Becky Linker, Chief Administrative Officer  
Mr. Robert Hart, P.E., Technical Services Officer  
Mr. Jeff Mascagni, Chief Financial Officer  
Mr. David Johnson, General Counsel  
Mr. Jim Ferguson, P.E., Director of Engineering  
Mr. Randy Easley, Director of Water Quality & Operations  
Mr. Douglas Shackelford, Director of Public Affairs & Communications  
Ms. Samantha Williams-Davis, Communications Assistant  
Ms. Mary Dyson, Management Secretary

Also in Attendance:

Mr. Jack Truemper, Senior Vice President, Stephens, Inc.  
Ms. Leigh Ann Biernat, CPA, Senior Vice President, Stephens, Inc.  
Mr. J. Shepherd Russell, III, Friday, Eldredge & Clark, LLP  
Mr. W. Taylor Marshall, Friday, Eldredge & Clark, LLP  
Ms. Kayleigh Dulaney, Wright, Lindsey, Jennings, LLP  
Mr. Doug Wilson, Insurance Center  
Ms. Chelsea Boozer, Reporter, Arkansas Democrat-Gazette  
Mr. Paul Strickland, P.E., Garver Engineers  
Ms. Ruth Bell, League of Women Voters

CALL MEETING TO ORDER

Chair Robertson called the meeting to order at 2:00 p.m.
APPROVAL OF BOARD MINUTES

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Braune, the minutes of the May 12, 2016, Regular Meeting were unanimously approved. Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Smith, the minutes of the May 18, 2016, Special Call Meeting were unanimously approved.

OLD BUSINESS

Appointment/Reappointment of Commissioner

Commissioner Powell stated the Nominating Committee recommends, in the form of a motion, the reappointment of Commissioner Hartman to a seven-year term beginning July 1, 2016. After due consideration and discussion, the motion was unanimously approved.

Appointment of 2016-2017 Board Officers

Commissioner Powell stated the Nominating Committee recommends, in the form of a motion, the nomination of the following to serve as Board Officers for the 2016-2017 term beginning July 1, 2016. After due consideration and discussion, the motion was unanimously approved.

Mr. Tony Kendall – Chair
Mr. Jay Hartman – Vice Chair
Ms. Carmen Smith – Secretary/Treasurer

Sale of CAW Water Revenue Bonds, Series 2016

Mr. Mascagni introduced Mr. Truemper, Senior Vice President with Stephens, Inc. who proceeded to update the Board on the winning bid for the issuance and sale of CAW Refunding Water Revenue Bonds, Series 2016.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Braune, after due consideration and discussion, the Resolution authorizing the issuance and sale of CAW Refunding Water Revenue Bonds, Series 2016, was unanimously approved.

CONTRACTS/PURCHASES

Upon a motion duly made by Commissioner Kendall and seconded by Commissioner Powell, after due consideration and discussion, a three-year contract for business insurance coverage with the Insurance Center and a premium of $259,237 for the first year was unanimously approved.

Upon a motion duly made by Commissioner Powell and seconded by Commissioner Smith, after due consideration and discussion, an engineering contract with Garver Engineers, Inc. in the amount of $572,357 for detailed design and additional engineering services related to the full restoration and rehabilitation of Jack H. Wilson Pump Station 1A was unanimously approved, as quoted.

DEPARTMENT UPDATES
Finance

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

BOARD BRIEFING

Mr. Bohannon provided an update on the following:

- Lake Winona is 0.9 feet below the spillway and Lake Maumelle is 0.1 foot above the spillway
- Recognized and welcomed David Johnson, General Counsel
- CAW will have a swearing in ceremony for Kandi Hughes on July 14, at 1:30 p.m., if confirmed by the Cities of Little Rock and North Little Rock
- Strategic Planning Retreat is scheduled for Thursday, September 29, 2016
- CAW Employee Appreciation Day is June 16th at Dickey Stephens Park
- Thanked Dr. Robertson for being Chair and for his support and advice

ADJOURNMENT

Upon a motion duly made by Commissioner Smith and seconded by Commissioner Kendall, the meeting was adjourned.

Jay Hartman, Vice Chair
RESOLUTION 2016-16

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

WHEREAS, the term of Mr. Jay Hartman, a member of the Board of Commissioners, Central Arkansas Water ("CAW Board"), expires on June 30, 2016; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, THAT the remaining commissioners do hereby 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, 2023.

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

ADOPTED: June 9, 2016

ATTEST:  

APPROVED:

Anthony Kendall, Vice Chair  

Roby Robertson, Ph.D., Chair
CERTIFICATE

STATE OF ARKANSAS  
COUNTY OF PULASKI  

I, Anthony Kendall, Vice Chair of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2016-16 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION RE-APPOINTING MR. JAY HARTMAN TO THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, AND FOR OTHER PURPOSES, adopted June 9, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of June, 2016.

Anthony Kendall, Vice Chair  
Central Arkansas Water Board of Commissioners
RESOLUTION NO. 2016-17

A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF $17,860,000 REFUNDING WATER REVENUE BONDS, SERIES 2016 FOR THE PURPOSE OF FINANCING THE COSTS OF ADVANCE REFUNDING CENTRAL ARKANSAS WATER’S OUTSTANDING WATER REVENUE BONDS, SERIES 2007 AND CURRENT REFUNDING ITS OUTSTANDING REFUNDING WATER REVENUE BONDS, SERIES 2011B; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE AND A CONTINUING DISCLOSURE AGREEMENT; APPROVING THE OFFICIAL STATEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

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

WHEREAS, the Issuer owns and operates the consolidated water system of the Cities (the "Water System"); and

WHEREAS, for the purpose of achieving debt service savings, the Board of Commissioners of the Issuer (the "Commission") has determined to issue refunding water revenue bonds to advance refund the Issuer's outstanding Water Revenue Bonds, Series 2007 (the "Series 2007 Bonds") and to current refund the Issuer's outstanding Refunding Water Revenue Bonds, Series 2011B (the "Series 2011B Bonds" and together with the Series 2007 Bonds, the "Bonds Refunded"); and

WHEREAS, pursuant to the Consolidation Agreement, the Issuer, by letter of its Chief Executive Officer dated February 12, 2016, notified the Cities of its intention to issue refunding water revenue bonds, and neither City as of the date of this resolution has voted its disapproval of the issuance of the refunding water revenue bonds; and

WHEREAS, pursuant to the Consolidation Agreement, the Issuer caused to be published on May 1, 2016, a notice of public hearing on the question of issuing revenue bonds and thereafter, on May 11, 2016, held a public hearing, as advertised; and

WHEREAS, pursuant to the authority granted in Commission Resolution No. 2016-10, after due advertisement of an Official Notice of Sale, $20,185,000 (or such lesser amount as sufficient to accomplish the purpose for which issued) of Refunding Water Revenue Bonds, Series 2016 (the "Bonds"), bearing interest at the rate or rates per annum to be specified by the successful bidder, payable serially (or subject to
sinking fund redemption) on October 1 in each of the years 2016 through 2027, inclusive, were duly offered for sale on June 8, 2016; and

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

<table>
<thead>
<tr>
<th>Bidder</th>
<th>True Interest Cost*</th>
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<tbody>
<tr>
<td>Robert W. Baird &amp; Co., Inc.</td>
<td>1.579986</td>
</tr>
<tr>
<td>Raymond James &amp; Associates, Inc.</td>
<td>1.631098</td>
</tr>
<tr>
<td>Citigroup Global Markets Inc.</td>
<td>1.706511</td>
</tr>
<tr>
<td>Bank of America Merrill Lynch</td>
<td>1.708082</td>
</tr>
<tr>
<td>Crews &amp; Associates, Inc.</td>
<td>1.779935</td>
</tr>
</tbody>
</table>

*before adjustment to issue size

WHEREAS, pursuant to the authority granted in Commission Resolution No. 2016-10 and upon the advice of Stephens Inc. as the Issuer’s Financial Advisor, the bid submitted by Robert W. Baird & Co., Inc. (the "Purchaser"), has been accepted by the Chief Financial Officer of the Issuer and the principal amount of the Bonds reduced to $17,860,000 and the purchase price for the Bonds set at $19,756,395.41.

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

Section 1. Under the authority of the Constitution and laws of the State of Arkansas, including particularly the Act and the Consolidation Agreement, the sale of the Bonds to the Purchaser on the terms of its bid as set out above, is hereby in all respects ratified and approved, and accordingly the Bonds are hereby authorized and ordered to be sold and issued in the total principal amount of $17,860,000 for the purpose of (i) advance refunding the outstanding Series 2007 Bonds, (ii) current refunding the outstanding Series 2011B Bonds, (iii) funding a debt service reserve for the Bonds and (iv) paying the costs of issuing the Bonds. The Bonds are special obligations of the Issuer, payable solely from Stabilized Net Revenues (as defined in the Indenture identified herein). The pledge of Stabilized Net Revenues is on a parity of security with the pledge thereof to the Issuer's Refunding Water Revenue Bond, Series 2010A, the Issuer's Refunding Revenue Bonds, Series 2010C (Watershed Protection Project), the Issuer's Water Revenue Bond, Series 2011A (Wye Mountain Extension Project), the Issuer's Capital Improvement Water Revenue Bonds, Series 2012A, the Issuer's Refunding Water Revenue Bonds, Series 2014 and the Issuer's Refunding Water Revenue Bonds, Series 2015. The pledge of Stabilized Net Revenues securing the Bonds is senior to the pledge in favor of the Issuer's Acquisition and Construction Water Revenue Bonds (Maumelle Water System Acquisition Project), Series 2016. The Issuer reserves the right to issue bonds on a parity of security with the Bonds and on a subordinate basis with the Bonds upon terms set forth in the Indenture. The Bonds do
not constitute an indebtedness of the City of Little Rock, the City of North Little Rock, or
the State of Arkansas within any constitutional provisions or limitations and are not
backed by the full faith and credit of the State of Arkansas, the City of Little Rock or the
City of North Little Rock.

**Section 2.** To prescribe the terms and conditions upon which the Bonds are to
be executed, authenticated, delivered, issued, accepted, held, and secured, the Chair
and the Secretary of the Commission are hereby authorized and directed to execute a
Trust Indenture, dated as of the date of delivery of the Bonds (the "Indenture"), by and
between the Issuer and Regions Bank, as Trustee (the "Trustee"), and the Chair and
the Secretary of the Commission are hereby authorized and directed to cause the
Indenture to be accepted and executed by the Trustee. The Indenture is hereby
approved in substantially the form submitted to this meeting with such changes as shall
be approved by such persons executing the document, their execution to constitute
conclusive evidence of such approval.

**Section 3.** All actions heretofore taken by the Commission and officers of the
Issuer in connection with the offering of the Bonds, including the preparation and
distribution of the Official Notice of Sale, Official Bid Form, and the Preliminary Official
Statement, the holding of the public hearing on May 11, 2016, and the acceptance of
the bid received from the Purchaser are hereby in all respects ratified and approved.

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

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

**Section 6.** The Continuing Disclosure Agreement of the Issuer, dated as of the
date of delivery of the Bonds (the "Continuing Disclosure Agreement"), in substantially
the form attached to the Official Statement, with such modifications as shall be
approved by the person executing the document, his execution to constitute conclusive
evidence of such approval, is hereby authorized and approved. The Chair of the
Commission or the Chief Executive Officer of the Issuer are each hereby authorized
and directed to execute and deliver the Continuing Disclosure Agreement.

**Section 7.** The Series 2007 Bonds shall be called for redemption on October
1, 2017. The Series 2011B Bonds shall be called for redemption on October 1, 2016.

**Section 8.** The Chair and Secretary of the Commission and the Chief
Executive Officer, Chief Operating Officer, and Chief Financial Officer of the Issuer, for
and on behalf of the Issuer, are authorized and directed to do any and all things
necessary to effect the execution and delivery of the Indenture and the Continuing
Disclosure Agreement; the execution, delivery, and distribution of the Official Statement; the execution and delivery of such other papers and documents necessary to effect the issuance of the Bonds and the defeasance and redemption of the Bonds Refunded; the performance of all obligations of the Issuer under the Indenture and the Continuing Disclosure Agreement; the issuance, execution, sale, and delivery of the Bonds; and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this resolution, the Indenture and the Continuing Disclosure Agreement. The Chair and Secretary of the Commission and the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer of the Issuer, for and on behalf of the Issuer, are further authorized and directed to execute all papers, documents, certificates, and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

Section 9. This resolution shall be in effect from and after the date of its adoption.

APPROVED June 9, 2016.

ATTEST: Anthony Kendall, Vice Chair

APPROVED: Roby Robertson, Ph.D., Chair
CERTIFICATE

STATE OF ARKANSAS )
COUNTY OF PULASKI )


IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of June, 2016.

Anthony Kendall, Vice Chair
Central Arkansas Water Board of Commissioners
Placeholder for 6/9/2016 Minutes.