

**RESOLUTION 2006-01**

**RESOLUTION APPROVING CENTRAL  
ARKANSAS WATER INVESTMENT POLICY**

WHEREAS, Central Arkansas Water desires to establish a clear Investment Policy concerning cash funds, reserves and other monies it has available for investment;

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

1. Central Arkansas Water adopts the Investment Policy attached hereto as Exhibit A; and

2. The Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, and the Assistant Director of Finance 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 and to comply with the Investment Policy.

The foregoing resolutions have been duly adopted by the Board of Commissioners of Central Arkansas Water at a meeting of the Board of Commissioners, Central Arkansas Water held on January 12, 2006.

Attest:

APPROVED:

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Dr. Roby Robertson, Secretary/Treasurer

\_\_\_\_\_  
Thomas W. Rimmer, Chair

**RESOLUTION 2006-02**

**VOID - # NOT USED**

**RESOLUTION 2006-03**

**RESOLUTION APPROVING CENTRAL ARKANSAS WATER  
WHISTLE BLOWER POLICY**

WHEREAS, Central Arkansas Water desires to establish a clear Policy for the protection of Whistle Blowers to further the interests of Central Arkansas Water and the conduct of business relationships with honesty and integrity.

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

1. Central Arkansas Water adopts the Whistle Blower Policy attached hereto as Exhibit A; and
2. The Chief Executive Officer, the Chief Operating Officers, the Chief Financial Officer, and the Assistant Director of Finance 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 and to comply with the Whistle Blower Policy.

The foregoing resolutions have been duly adopted by the Board of Commissioners of Central Arkansas Water at a meeting of the Board of Commissioners, Central Arkansas Water held on April 13, 2006.

Attest:

APPROVED:

\_\_\_\_\_  
Dr. Roby Robertson  
Secretary/Treasurer

\_\_\_\_\_  
Tom Rimmer  
Chair

**RESOLUTION 2006 – 04**

**RESOLUTION OF INTENT TO PERMIT AN EMERGENCY METERED  
CONNECTION TO PROVIDE EMERGENCY WATER TO MAUMELLE  
SUBURBAN IMPROVEMENT DISTRICT #500**

WHEREAS, Maumelle Suburban Improvement District #500 (“Maumelle”) would now like to construct an “emergency metered connection” between the Maumelle water system and the Central Arkansas Water (“CAW”) water system to enable Maumelle to take water in case of an emergency situation creating a high demand for water from CAW on a short term basis; and

WHEREAS, Maumelle desires for the Board of Commissioners, Central Arkansas Water to approve the concept of an emergency metered connection before hiring professionals to design and construct the emergency connection;

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

Section 1. The construction of an emergency metered connection between the CAW water system and the Maumelle water system to provide water on an emergency basis to Maumelle is hereby approved. In the event Maumelle ever needs water through the emergency metered connection, Maumelle shall pay for such water in accordance with the rates then in effect, as established by the Commission and amended from time to time, for master-metered customers. Maumelle agrees that all water through the emergency metered connection shall be surplus water and it will be delivered at such rates and under such pressure as not to adversely affect other CAW customers. Maumelle shall be responsible for all costs associated with the design, construction and equipping of the emergency metered connection and any and all other improvements to either the CAW water system or the Maumelle water system necessary to make the emergency connection available.

Section 2. Each or any of the Chief Executive Officer or the Chief Operations Officers is hereby authorized and directed to do any and all things necessary to effect purpose of this Resolution, including, but not limited to the execution of any formal agreement needed to document the understanding of the parties related to the emergency metered connection, the performance of all obligations of CAW under this Resolution, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution.

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

The foregoing resolution has been duly adopted by the Board of Commissioners, Central Arkansas Water at a meeting of the Board of Commissioners, Central Arkansas Water held on June 8, 2006.

Attest:

APPROVED:

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

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Thomas W. Rimmer, Chair

**RESOLUTION 2006 – 05**

**RESOLUTION OF INTENT TO PROCEED WITH ACCEPTANCE  
OF ASSETS AND CUSTOMERS FROM THE 145<sup>th</sup> STREET WATER  
AND SEWER IMPROVEMENT DISTRICT**

WHEREAS, the 145<sup>th</sup> Street Water and Sewer Improvement District (the “District”) owns and operates certain water system improvements (the “Water System”) and sewer system improvements; and

WHEREAS the Board of Commissioners of the District desires to transfer the Water System to Central Arkansas Water (the “Transfer”); and

WHEREAS, the staff of CAW and the Board of Commissioners of the District have negotiated and duly executed a Memorandum of Understanding (attached hereto as Exhibit “A”) setting forth certain terms and conditions for the District to transfer the Water System to CAW; and

WHEREAS, the Memorandum of Understanding requires the District to borrow a substantial sum of money and make substantial improvements (collectively, the “Obligations”) to the Water System before CAW will accept the transfer of the Water System to CAW; and

WHEREAS, the District desires for the Board of Commissioners, Central Arkansas Water (the “Commission”) to express its intent to proceed with the Transfer in accordance with the terms and conditions set forth in the Memorandum of Understanding should the District commence with and complete the Obligations;

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

Section 1. The Transfer of the Water System from the District to CAW in accordance with the terms and conditions of the Memorandum of Understanding is in the best interest of CAW and it is hereby approved.

Section 2. Each or any of the Chief Executive Officer or the Chief Operating Officers is hereby authorized and directed to do any and all things necessary to effect purpose of this Resolution, including, but not limited to the execution of any formal agreement needed to complete the Transfer in accordance with the terms and conditions of the Memorandum of Understanding, the performance of all obligations of CAW under this Resolution and the Memorandum of Understanding, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution.

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

The foregoing resolution has been duly adopted by the Board of Commissioners, Central Arkansas Water at a meeting of the Board of Commissioners, Central Arkansas Water held on June 8, 2006.

Attest:

APPROVED:

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

\_\_\_\_\_  
Thomas W. Rimmer, Chair

## Memorandum of Understanding

Between

**145<sup>th</sup> Street Water and Sewer Improvement District**

and

**Central Arkansas Water**

The purpose of this Memorandum of Understanding (MOU) is to reach concurrence on the actions required of Central Arkansas Water (CAW) and the 145<sup>th</sup> Street Water and Sewer Improvement District (145<sup>th</sup> Street) to facilitate transferring ownership, operation, management, and maintenance of the 145<sup>th</sup> Street public water system to CAW. Signing of MOU will also confirm the intent of both parties to actively pursue the transfer; however, it should be emphasized that a final binding agreement between both parties must be approved by their respective operating boards.


**It is understood** that 145<sup>th</sup> Street will take the following actions to facilitate the transfer of ownership:

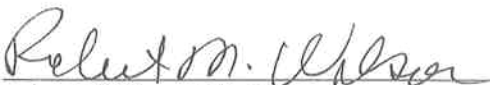
- Construct via contract or force account the following improvements:
  - Install 3,500 feet of 12” main and interconnect to CAW
  - Perform miscellaneous repairs primarily consisting of the replacement of valve boxes and meter boxes that do not meet CAW standards.
  - Install twelve (12) Fire Hydrants
  - All improvement must comply with Central Arkansas Water construction standards.
- Raze the existing elevated storage tank, remove and dispose of all materials from the tank site in an environmentally approved manner.
- Approve a rate structure consisting of CAW outside city water rates plus a debt service fee essentially based on the actual cost of required construction/demolition, and five (5) year financing. The debt service fee will vary for different classes of customers based on equivalents to a standard 5/8-inch residential meter.
- Make current 145<sup>th</sup> Street personnel available to CAW staff as necessary to facilitate an orderly transition of assets and customers.
- Assign all water distribution easements to CAW.
- Turn over to CAW all system maps, as-built drawings, customer billing data, and other electronic and paper records used to support current operations.

**It is understood** that CAW will take the following actions to facilitate the transfer of ownership:

- Through CAW's Utility Billing Services, bill and collect water service charges consistent with 145<sup>th</sup> Street's new rate structure and transfer all revenue generated by the debt service fee portion of the bill to 145<sup>th</sup> Street. The debt service fee will continue to be collected until such time all debt incurred to facilitate the transfer of ownership has been retired and all ancillary costs associated with the transfer have been paid in full. CAW will retain all water revenues in excess of the debt service fee. Collection and billing of current 145<sup>th</sup> Street customers by Utility Billing Services will be initiated on a date mutually agreed to by the two entities. It should be noted that CAW is currently upgrading its customer service software and until this software is fully implemented, billing and collection services cannot be initiated. CAW currently projects the software upgrade will be completed in November of 2006.
- Take over all responsibilities associated with managing, operating, and maintaining the 145<sup>th</sup> Street water distribution system upon certification by CAW's Director of Engineering that all necessary improvements itemized previously have been constructed, and billing and collection services have been initiated by CAW's Utility Billing Services.
- Provide wastewater billing and collection services to 145<sup>th</sup> Street for the standard fee CAW's Utility Billing Services charges other billing customers of similar nature. It is understood that wastewater user rates will be set by 145<sup>th</sup> Street's governing body.
- Direct legal counsel to draft an agreement that embodies the provisions of this MOU for the approval of both governing bodies.

Acknowledgement as to concurrence with the conditions stated above:

  
Thad Luther, Chief Operating Officer  
Central Arkansas Water

  
Robert Wilson, Chairman  
145<sup>th</sup> Street Water & Sewer  
Improvement District



**RESOLUTION 2006-06**

**A RESOLUTION RE-APPOINTING MR. THOMAS W. RIMMER TO THE BOARD OF COMMISSIONERS, CENTRAL ARKANSAS WATER, AND FOR OTHER PURPOSES**

WHEREAS, the term of Mr. Thomas W. Rimmer, a member of the Board of Commissioners, Central Arkansas Water ("CAW Board"), expired on June 30, 2006; 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 approval 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 re-appoint Mr. Rimmer to a seven-year term, subject to approval 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 will be July 1, 2006, through June 30, 2013.

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 approve this appointment.

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**CERTIFICATE**

I, Tony Kendall, Vice Chair of the Board of Commissioners, Central Arkansas Water, certify that, as such Vice Chair, I have custody of the Minutes and documents of Central Arkansas Water, and that the above and foregoing is a correct copy of a resolution adopted by said Board of Commissioners at its regular meeting held June 8, 2006.

ATTEST:

APPROVED:

\_\_\_\_\_  
M. Jane Dickey  
Commissioner

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

**RESOLUTION 2006 – 07**

**RESOLUTION AUTHORIZING AMENDMENT TO ASSIGNMENT AND ASSUMPTION AGREEMENT (ANTENNA LEASES) AND TRANSFER OF RESERVOIR PARK PROPERTY TO THE CITY OF LITTLE ROCK, ARKANSAS**

WHEREAS, Central Arkansas Water (“CAW”), the City of Little Rock (the “City”), and other parties previously entered into an Assignment and Assumption Agreement (Antenna Leases) (the “Antenna lease Agreement”) dated as of midnight on the 30<sup>th</sup> of June, 2001; and

WHEREAS, the City and CAW desire to amend the Antenna Lease Agreement to allocate a greater portion of the revenue generated from the antenna leases to CAW; and

WHEREAS, the City desires to obtain ownership of the park property below Jackson Reservoir;

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

Section 1. CAW is authorized to enter into the First Amendment to Assignment and Assumption Agreement (Antenna Leases) presented to the Board of Commissioners, Central Arkansas Water, and Tony Kendall, as Chair of the Board of Commissioners, Central Arkansas Water, is authorized to execute such First Amendment on behalf of CAW.

Section 2. Provided the City agrees and enters into the First Amendment to Assignment and Assumption Agreement (Antenna Leases), CAW is also authorized to delivery to the City a quitclaim deed transferring ownership of the park property below the Jackson Reservoir from CAW to the City, and Tony Kendal, as Chair of the Board of Commissioners, Central Arkansas Water, is authorized to execute such quitclaim deed on behalf of CAW..

Section 3. Each or any of the Chair, Secretary, Chief Executive Officer or the Chief Operations Officers is hereby authorized and directed to do any and all things necessary to effect purpose of this Resolution, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution.

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

The foregoing resolution has been duly adopted by the Board of Commissioners, Central Arkansas Water at a meeting of the Board of Commissioners, Central Arkansas Water held on July 13, 2006.

Attest:

APPROVED:

\_\_\_\_\_  
Dr. Roby Robertson, Vice Chair

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

**RESOLUTION NO. 2006-08**

**A RESOLUTION OF SUPPORT BY CENTRAL ARKANSAS WATER  
TO FORMALLY ENDORSE THE GOALS AND MISSION OF THE MID-  
ARKANSAS WATER ALLIANCE IN GAINING SUPPLEMENTAL  
DRINKING WATER FROM GREERS FERRY LAKE AND LAKE  
OUACHITA**

WHEREAS, the Mid-Arkansas Water Alliance (“MAWA”) is an unprecedented cooperative effort of twenty-seven water utilities in eight mid-Arkansas counties that together serve over 750,000 citizens with drinking water, and

WHEREAS, Central Arkansas Water (“CAW”) is a member in good standing of the Mid-Arkansas Water Alliance, and

WHEREAS, Central Arkansas Water supplies water for over 388,000 people in Pulaski , Saline and Lonoke counties, and

WHEREAS, the continued growth and prosperity of our communities is dependent upon an adequate and dependable source of quality drinking water, and

WHEREAS, several competent engineering studies have recommended that the mid-Arkansas region use water from Ouachita and Greers Ferry lakes for future water supply needs, and

WHEREAS, the Mid-Arkansas Water Alliance has requested a 20 million gallon per day reallocation from Lake Ouachita and a 15 million gallon a day reallocation from Greers Ferry Lake in order to meet the future water needs of the region, and

WHEREAS, the draft Environmental Assessment conducted by the Corps of Engineers indicates no negative environmental impact on either lake of this reallocation request,

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

Section 1. This support of MAWA’s objectives is strongly endorsed and approved and by this resolution makes that support known to the U.S. Army Corps of Engineers and the Arkansas Congressional delegation. The execution of this agreement by any of the person duly authorized to do so by Section 2 hereof shall constitute conclusive evidence of the approval of CAW.

Section 2. Each or any of the Chair, Secretary, Chief Executive Officer or the Chief Operations Officers is hereby authorized to execute the Resolution on behalf of CAW.

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

**ADOPTED:** August 10, 2006

ATTEST:

APPROVED:

\_\_\_\_\_  
Jay Hartman, Secretary

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

CERTIFICATE

STATE OF ARKANSAS    )  
                                  )  
COUNTY OF PULASKI    )

I, Jay Hartman, Secretary of Central Arkansas Water, do hereby certify that the foregoing is a true and correct copy of Resolution 2006-08 of the Resolutions of Central Arkansas Water, entitled: A RESOLUTION OF SUPPORT BY CENTRAL ARKANSAS WATER TO FORMALLY ENDORSE THE GOALS AND MISSION OF THE MID-ARKANSAS WATER ALLIANCE IN GAINING SUPPLEMENTAL DRINKING WATER FROM GREERS FERRY LAKE AND LAKE OUACHITA, AND PRESCIBING OTHER MATTERS RELATING HERETO, adopted August 10, 2006.

In WITNESS WHEREOF, I have hereunto set my hand this 10th day of August, 2006.

\_\_\_\_\_  
Secretary  
Board of Commissioners  
Central Arkansas Water

**RESOLUTION 2006 – 09**

**RESOLUTION AUTHORIZING AMENDMENT TO WATER SERVICES  
CONTRACT BETWEEN CENTRAL ARKANSAS WATER AND THE  
CITY OF CABOT, ARKANSAS**

WHEREAS, the City of Little Rock (“Little Rock”) and the City of Cabot (“Cabot”) previously entered into an Agreement (the “Agreement”) dated July 11, 1998, for the Little Rock Municipal Water Works to provide water to Cabot; and

WHEREAS, Central Arkansas Water (“CAW”) is the successor in interest to Little Rock in the Agreement;

WHEREAS, CAW and Cabot desire to amend the Agreement to permit Cabot to purchase additional water from CAW;

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

Section 1. CAW is authorized to enter into the Second Amendment to the Agreement presented to the Board of Commissions, Central Arkansas Water, and Tony Kendal, as Chair of the Board of Commissioners, Central Arkansas Water, is authorized to execute such Second Amendment on behalf of CAW.

Section 2. Each or any of the Chair, Secretary, Chief Executive Officer or the Chief Operations Officers is hereby authorized and directed to do any and all things necessary to effect purpose of this Resolution, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution.

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

The foregoing resolution has been duly adopted by the Board of Commissioners of Central Arkansas Water at a meeting of the Board of Commissioners of Central Arkansas Water held on August 10, 2006 .

Attest:

APPROVED:

\_\_\_\_\_  
Jay Hartman, Secretary

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

**RESOLUTION 2006 – 10**

**RESOLUTION AUTHORIZING AMENDMENT TO WATER SERVICES  
CONTRACT BETWEEN CENTRAL ARKANSAS WATER AND THE  
CITY OF BRYANT, ARKANSAS**

WHEREAS, the City of Little Rock (“Little Rock”) and the City of Bryant (“Bryant”) previously entered into an Agreement (the “Agreement”) dated July 11, 1998, for the Little Rock Municipal Water Works to provide water to Bryant; and

WHEREAS, Central Arkansas Water (“CAW”) is the successor in interest to Little Rock in the Agreement;

WHEREAS, CAW and Bryant desire to amend the Agreement to permit Bryant to purchase additional water from CAW;

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

Section 1. CAW is authorized to enter into the Second Amendment to the Agreement presented to the Board of Commissions, Central Arkansas Water, and Tony Kendal, as Chair of the Board of Commissioners, Central Arkansas Water, is authorized to execute such Second Amendment on behalf of CAW.

Section 2. Each or any of the Chair, Secretary, Chief Executive Officer or the Chief Operations Officers is hereby authorized and directed to do any and all things necessary to effect purpose of this Resolution, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution.

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

The foregoing resolution has been duly adopted by the Board of Commissioners of Central Arkansas Water at a meeting of the Board of Commissioners of Central Arkansas Water held on August 10, 2006.

Attest:

APPROVED:

\_\_\_\_\_  
Jay Hartman, Secretary

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