

**MINUTES OF A SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF MAUMELLE  
SUBURBAN IMPROVEMENT DISTRICT #500 A/K/A MAUMELLE WATER MANAGEMENT**

**March 30, 2010  
5:00 P.M.**

**Commissioners Present**

Dave Kaufman, Chairman  
Mary Peyton, Vice Chairman  
Ralph Kearney, Secretary

**Managers present**

Barry Heller, General Manager  
Tina Richardson, Business Manager  
Bryan Smith, Water Manager

**Attending**

Vaughan Hankins, MWM Legal Counsel  
Randolph Polk, City Liaison  
Jake Sandlin, Arkansas Democrat

**Purpose of meeting**

The Chairman called the meeting to order and stated that the purpose for the meeting was to approve the rate increase resolution.

Before adopting the resolution, the District's legal counsel, Mr. Hankins, informed the Board that the District had the option to file an administrative appeal of the City's decision to approve an immediate 5% across the board rate increase but refused to approve the District's rate increase of %5 immediately, 5% in 2011 and 5% in 2010. Mr. Hankins stated the appeal would be filed with the Circuit Court and would have to be filed within thirty-days (30) from the date the City board passed its rate increase resolution on March 18<sup>th</sup> 2010. The District could also include in the appeal, a request for a declaratory relief action as to the City's authority to approve the District's rate increases. Mr. Hankins stated the two issues could be heard in the same lawsuit or separately. .

Mr. Oswald stated that his biggest issue with the City's resolution is that the District cannot go forward with its needed planned capital improvements with just an immediate 5% rate increase.

The Chairman stated he would like to move ahead with approving the District's rate increase resolution and discuss this matter at the next regular meeting. The Chairman directed MWM's legal counsel to request from the City's clerk, the record of the City's council meetings.

Commissioner Peyton then made a motion that the District approve the resolution approving an increase in the rates for water and sewer services charged by Maumelle Water Management and for other purposes, with the following amendment; Section 1 to be amended to add that MWM does not concede the City of Maumelle's right, power or authority to approve MWM's rate increases. Maumelle Water Management reserves the right to seek appropriate legal redress with regard to the City of Maumelle's actions of March 18, 2010. The passage of resolution and adoption of this rate increase is not a waiver of such rights or redress. Chairman Kaufman seconded the motion, and upon unanimous vote, the motion passed. (Copy of Resolution attached as Exhibit "A").

**Adjournment**

There being no further business to come before the Board, the Chairman adjourned the meeting at 5:31 p.m.

Approved this \_\_\_\_ day of \_\_\_\_\_, 2010.

**Respectfully submitted**

**Approved**

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**Tina Richardson**  
**Assistant Secretary**

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**Dave Kaufman, Chairman**

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**Mary Peyton, Commissioner**

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**Ralph Kearney, Commissioner**