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Water Infrastructure Finance Authority of Arizona
Janet Napolitano, Governor

AZ CORP COMMISSION
DOCUMENT CONTROL

July 7, 2003

Mr. John Thompson, Chairman
Chloride Domestic Water Improvement District
P.O. Box 86
Chloride Arizona, 86431

W-02033A-03-0379

Dear Mr. Thompson,

The Board of Directors of the Water Infrastructure Finance Authority (WIFA) recently approved the enclosed resolution authorizing WIFA staff to execute a financial assistance agreement with Chloride Domestic Water Improvement District (CDWID).

To facilitate CDWID's attainment of additional water supplies, WIFA would like to provide CDWID the emergency interim funding as authorized by Resolution 2003-010 as soon as possible. However, please be advised that the resolution contains requirements that must be satisfied prior to the execution of a financial assistance agreement, and the subsequent disbursement of funds. Accordingly, WIFA strongly cautions CDWID against incurring project costs until all requirements are met and a closing is imminent.

To move forward, WIFA hereby requests that CDWID provide evidence of compliance with the terms and conditions prescribed in Sections 3 and 4 of Resolution 2003-010. Most specifically, CDWID must provide the following:

1. Documentation confirming Valley Pioneers Water Company (VPWC) has acquired well fields from Phelps Dodge
2. A copy of a wholesale water supply agreement executed by CDWID and VPWC
3. Documentation confirming CDWID qualifies for long-term financial assistance from U.S. Department of Agriculture Rural Development (RD), and significant evidence that RD will provide the financial assistance.

Please forward all documentation evidencing the satisfaction of the above requirements to Adam Williams, WIFA Finance Director. Once CDWID has satisfactorily met the above requirements, Adam will forward draft loan documents and instructions for moving toward loan closing. Please do not hesitate to contact Adam at (602) 364-1323 with any questions or concerns regarding this matter.

Sincerely,

Greg Swartz
Greg Swartz
Executive Director

Arizona Corporation Commission

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