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AZ CORP COMMISSION  
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BEFORE THE ARIZONA CORPORATION COMMISSION

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| 6 IN THE MATTER OF THE APPLICATION OF )<br>7 ARIZONA WATER COMPANY, AN ARIZONA )<br>8 CORPORATION, FOR AN ORDER AUTHORIZING )<br>9 THE EXECUTION OF A LOAN AGREEMENT )<br>AND THE DELIVERY OF A PROMISSORY NOTE )<br>IN CONNECTION THEREWITH. ) | W-01445A-01-0408<br><br>AMENDMENT TO<br>APPLICATION FOR AUTHORITY<br>TO EXECUTE LOAN<br>AGREEMENT AND DELIVER<br>PROMISSORY NOTE |
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Arizona Water Company, a public service corporation (hereinafter referred to as the "Company"), presents the following amendment to its Application in this docket.

I.

On May 11, 2001 the Company filed its application for an order authorizing the execution of a loan agreement and the delivery of a corresponding promissory note. The Company represented that it was asking Bank of America Arizona (the "Bank") to extend to the Company a line of credit of two million dollars (\$2,000,000) to replace an expiring line of credit.

II.

Since May 11, 2001 the Company has prepared a revised forecast of its short-term borrowing needs based on lower actual net income and advances in aid of construction than originally forecasted. The Company now finds that, instead of two million dollars (\$2,000,000) it must request a line of credit from the Bank in the amount of five million dollars (\$5,000,000), which line of credit will expire on May 31, 2002.

III.

The Company has contacted its loan officer at the Bank concerning a revision to the requested line of credit. Based upon its discussion with the loan officer, the Company believes, and therefore submits that the Bank will agree to the Company's request to increase its line of

1 credit to \$5,000,000, subject to the approval of the Commission. The Company will file a  
2 corresponding amendment to its 1997 Loan Agreement as soon as it becomes available.

3 IV.

4 Attached hereto, marked Exhibit "A", and by this reference made a part of this  
5 Amendment is a certified copy of a resolution adopted by the Board of Directors of the Company  
6 on December 4, 2001, authorizing the execution of a New Amendment to the 1997 Loan  
7 Agreement setting the Company's line of credit at \$5,000,000.

8 V.

9 In all other respects, the Company's May 11, 2001 Application will remain the same, and the  
10 Company hereby renews its request that its Application, as amended herein, be approved at the  
11 earliest possible time.

12 RESPECTFULLY submitted this 7th day of December, 2001.

13 Respectfully submitted,

14 By: Robert W. Geake

15 Robert W. Geake  
16 Vice President and General Counsel  
17 Arizona Water Company  
Post Office Box 29006  
Phoenix, Arizona 85038-9006  
*Attorney for Arizona Water Company*

18 Original and ten (10) copies delivered  
19 this 7th day of December, 2001 to:

20 Arizona Corporation Commission  
21 Docket Control Division  
1200 West Washington Street  
Phoenix, Arizona 85007

22 A copy of the foregoing was mailed this  
23 7th day of December, 2001 to:

24 Hearing Division  
25 Arizona Corporation Commission  
1200 West Washington Street  
26 Phoenix, AZ 85007

27  
28

1 Stephen A. Gibelli  
2 Attorney, Legal Division  
3 Arizona Corporation Commission  
4 1200 West Washington Street  
5 Phoenix, AZ 85007

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By: Robert W. Yeake

**EXHIBIT A**

**ARIZONA WATER COMPANY**

**CERTIFICATE OF RESOLUTION**

**ROBERT W. GEAKE** does by these presents certify that he is the Secretary of Arizona Water Company, an Arizona corporation (hereinafter sometimes referred to as the "Company"); that as such he is familiar with the records and files of the Company; that on December 4, 2001, at a special meeting of the Board of Directors of the Company, the following resolution was adopted:

**"RESOLVED:** That the Company may borrow from Bank of America Arizona or a comparable financial institution or Utility Investment Company when and as needed, from June 1, 2001 through May 31, 2002, an amount not to exceed in the aggregate of \$5,000,000 outstanding at any one time, exclusive of interest and charges, and that any two of the Chairman of the Board, the President, any Vice President, the Treasurer, and the Secretary, or any one of the above and an Assistant Secretary or an Assistant Treasurer be, and they hereby are, authorized from time to time on behalf of the Company to agree to the terms and conditions of such borrowings and to execute notes, loan agreements, other necessary documents and extension or renewals thereof as may be required to evidence such borrowings; and

**"BE IT FURTHER RESOLVED:** That all prior actions of the officers of the Company in borrowing money from or in incurring other obligations to Bank of America Arizona or Utility Investment Company and the execution of any and all instruments and agreements by them are hereby ratified, confirmed and approved; and

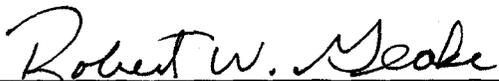
**"BE IT FURTHER RESOLVED:** That Bank of America Arizona and/or such other comparable financial institution selected by the officers of the Company and/or Utility Investment Company may rely upon these resolutions and the certificates of the officers given in connection therewith until written notice of other action of the Board of Directors of the Company is served upon Bank of America Arizona and/or such other comparable financial institution selected by the officers of the Company and/or Utility Investment Company and until all indebtedness and obligations of the Company to Bank of America Arizona and/or such other comparable financial institution selected by the officers of the Company and/or Utility Investment Company are paid and satisfied; and

**"BE IT FURTHER RESOLVED:** That the Chairman of the Board, the President, any Vice President, the Treasurer, the Secretary, an Assistant Secretary or an

Assistant Treasurer are hereby authorized to sign any and all documents, instruments, applications and amendments to the Arizona Corporation Commission, or otherwise, or other instructions necessary to complete such borrowings."

The foregoing resolution is in full force and effect and has not been revoked.

**IN WITNESS WHEREOF**, the said Robert W. Geake has executed this certificate this  
7th day of December, 2001.

  
Secretary