

RECEIVED
Clear Springs Utili



Docket #W-01689A-05-0629

2006 JUL 19 P 3: 56

Arizona Corporation Commission
DOCKETED

AZ CORP COMMISSION
DOCUMENT CONTROL GENERAL BORROWING RESOLUTIONS

JUL 19 2006

ORIGINAL

To: Water Infrastructure Finance Authority of Arizona

DOCKETED BY
NR

THIS IS TO CERTIFY that, at a meeting of the Board of Directors of Clear Springs Utilities Company, Inc. a corporation duly organized and existing under the laws of the State of Arizona, which meeting was properly and duly called in accordance with the Bylaws and Articles of Incorporation of said corporation, and held on the 9th day of May, 2006, at which meeting at least a quorum of said Board of Directors was present and those present constituted a legally sufficient number qualified to act and transact matters as outlined below, the following Resolutions were adopted and the same have not been altered, amended or revoked:

RESOLVED THAT this corporation is hereby authorized and empowered to enter into a loan transaction with WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA ("Lender") and borrow pursuant thereto, and that, E. H. Lewis the President of this corporation, be, and he is hereby, authorized and empowered to act on behalf of this corporation, and in such capacity such officer is authorized and empowered to borrow from time to time on behalf of, and in the name of, the corporation from Lender such sums of money as such authorized officer or person may deem expedient, not exceeding in the aggregate at any one time the principal sum of forty thousand six hundred forty and No/100 Dollars (\$40,640), on such terms and conditions as such authorized person or officer so acting hereunder may approve, including, without limitation, conferring the power to appoint a receiver, and to pledge, set over, transfer, assign, mortgage, hypothecate, grant security interests in, and otherwise encumber as security for the repayment of each of such loans, any assets of the corporation as may be required and agreed upon between such authorized officer or person and Lender, and to execute and deliver to Lender on behalf of, and in the name of, the corporation, the corporation's evidence(s) of indebtedness stating the corporation's promise and obligation to pay said principal sum(s), together with any other amounts which may be provided for in such instrument(s) evidencing said indebtedness and from time to time, when any obligation evidencing any of such loans matures, to renew the loan(s) in whole or in part until the same are paid in full; and

FURTHER RESOLVED, that such authorized officer or person, be, and he is hereby, authorized and empowered to execute on behalf of, and in the name of, the corporation from time to time loan agreements, instruments granting Lender a security interest in any assets of the corporation, and supplements to each, together with any and all other security agreements, instruments and documents as may be required and agreed upon between such officer or person and Lender or which such officer or person may deem expedient in carrying out the intents and purposes of the Resolutions set forth herein; and

FURTHER RESOLVED, that these Resolutions relate solely to general corporate borrowing and do not in any manner whatsoever limit the amount of any corporate borrowing heretofore or hereafter made under any other financing arrangement, and that these Resolutions are mutually exclusive, cumulative as to amounts and shall not serve to revoke or alter any Resolutions previously delivered to Lender or (unless specifically otherwise provided) be revoked by any Resolutions subsequently

delivered to Lender relating to general or specific financing arrangements between Lender and the corporation; and

RESOLVED FURTHER, that for action of the Lender in reliance thereon, the Secretary of this corporation certify and deliver to the said Lender a copy of these Resolutions, and that these Resolutions shall remain in full force and effect until written notice of their repeal shall have been received by Lender and until all indebtedness which may have been incurred as aforesaid shall have been paid and satisfied.

WE FURTHER CERTIFY that the authority conferred is not inconsistent with the Laws of the State of Arizona or the State wherein this corporation was chartered, nor the Charter or Bylaws of this corporation.

IN WITNESS WHEREOF, the President and Secretary of this corporation have hereunto set their hands officially and affixed the seal of this corporation this 9th day of May 2006.



President

ATTEST:



Secretary

(SEAL)

Exhibit B

Technical Terms and Conditions

**Section 1
Budget**

Uses by Budget Item	Amount Budgeted
Planning.....	0.00
Design & Engineering.....	1,200.00
Legal/Debt Authorization.....	0.00
Financial Advisor.....	0.00
Land/System Acquisition.....	0.00
Equipment/Materials.....	8,747.30
Construction/Installation/Improvement.....	29,887.70
Insepection & Construction Management.....	805.00
Project Officer.....	0.00
Administration.....	0.00
Staff Training.....	0.00
Capitalized Interest.....	0.00
Other.....	0.00
Total Budget.....	\$ 40,640.00

Boi

**Section 2
Project Description**

The Clear Springs Utility Co. project is to replace the Well No.16 well pump. This pump was damaged in July 2003 and has been out of service since that time.

The specific work that must be done includes replacement of 50-HP turbine pump and motor, 500' of cable, 520' of pump pipe, three 4" check valves, one 500' air line, one well plate, 4" fitting for hook-up, two 120 gal pressure tanks, one variable speed drive and transducer controller, and pulling of the existing pump.

**Section 3
Estimated Observation and Disbursement Schedule**

WIFA Withholding % (released after Final Observation)	10%
Final Observation 90% Loan Disbursal	\$ 36,576.00
WIFA Withholding	\$ 4,064.00

Exhibit A of Loan Agreement

Section 1: Financial Assistance Terms and Conditions
Clear Springs Utility
18-May-06

Loan Number..... 920110-06

Closing Date..... 05/23/06

Financial Assistance Terms and Conditions

Original Loan Amount as of the Closing Date..... \$ 40,640.00
 Final Loan Amount as of Release of Retention..... \$ 40,640.00
 Loan Term..... 20
 First Fixed Monthly Payment..... 12/01/06
 Final Fixed Monthly Payment..... 05/01/26

Debt Service Reserve Fund Requirements (Held by WIFA)

Total Reserve Amount..... \$ 3,647.52
 Monthly Deposit..... \$ 60.79
 Reserve Funded by (Date)..... 11/01/11

Repair and Replacement Fund Requirement (Held by Borrower)

Begin Funding on (Date)..... 12/01/11
 Annual Amount..... \$ 729.50
 Monthly Deposit..... \$ 60.79

Monthly Payment

Period #7 - 1st Debt Service Payment

Maximum Payment (Includes interest payable from Closing to 1st Payment)..... \$ 1,427.34
 Minimum Payment \$ 364.75

WIFA will calculate the first payment due on Period #7; payment will depend on actual loan draws.

Periods #8 through #66..... \$ 364.75
 Periods #67 through #120..... \$ 303.96
 Periods #121 through #180..... \$ 303.96
 Periods #181 through #240..... \$ 303.96