

**ORIGINAL**



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WHY UTILITY CO., INC.  
P O BOX 69  
AJO, AZ. 85321  
Telephone 520-387-7641- Fax 520-387-7086

June 13, 2007

Docket Control Center  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ. 85007

Attn: Bryan Bozzo

RE: DOCKET NO. W-02052-A-05-0528 & W-02052A-05-0529 DECISION NO. 68609  
DATED 3/23/2006

Per our letter dated July 6, 2006, the Why Utility Co., Inc., requested an extension for filing the Approval to Construct the Water Distribution System. The Company wishes to withdraw the request. All of the funding from Rural Development has been consumed for the arsenic removal filtration system. There aren't any funds available at this time to start the water distribution system nor does the Company know if there will be any in the future. This project has been put on hold for now.

Why Utility Co., Inc., had to assume a loan for \$185,000.00, for the filtration system. Final copies of the loan contract are enclosed.

Please call me if more information is needed regarding the water distribution system at 520-387-7641.

Sincerely,

Betty H. Tibbitt  
Sec/Tres.

16 copies of all documents enclosed

Arizona Corporation Commission  
**DOCKETED**

JUN 15 2007

DOCKETED BY NR

AZ CORP COMMISSION  
DOCKET CONTROL

2007 JUN 15 P 1:16

RECEIVED



**First American Title Insurance Company  
National Commercial Services**

2425 E. Camelback Road, Suite 300 • Phoenix, AZ 85016

***Borrower's Final Settlement Statement***

**Property:** vacant land (well site & tank site), AZ

**File No:** NCS-227146-PHX6

**Officer:** Ken Buvala/BDB

**New Loan No:**

**Settlement Date:** 09/22/2006

**Disbursement Date:** 09/26/2006

**Print Date:** 9/26/2006, 10:38 AM

**Buyer:** Why Utility Company, Inc.

**Address:** 130 Ball Road, Why, AZ 85321

**Seller:** N/A

**Address:** vacant land (well site & tank site), AZ

Charge Description	Borrower Charge	Borrower Credit
<b>Deposits in Escrow:</b>		
Receipt No. 7765303 on 09/11/2006 by Why Utility Co Inc.		1,166.00
<b>Adjustments:</b>		
Loan funds to be paid direct to Borrower	185,000.00	
<b>New Loan(s):</b>		
Lender: United States Department of America, acting through the Rural Utilities		
New Loan Amount - United States Department of America, acting through the Rural Utilities		185,000.00
<b>Title/Escrow Charges to:</b>		
Overnight Delivery Service-3 @ \$20.00 - First American Title Insurance Company National Commercial Services	60.00	
Messenger Service-To Tucson Office - First American Title Insurance Company National Commercial Services	20.00	
Policy-Extended ALTA 1992 Lender's - First American Title Insurance Company National Commercial Services	1,086.00	
<b>Totals</b>	<b>186,166.00</b>	<b>186,166.00</b>

**PROMISSORY NOTE**  
(ASSOCIATION OR ORGANIZATION)

State ARIZONA			
County PIMA			
Case No. 02-010-0860254921			
FINANCE OFFICE USE ONLY			
F 91	LN 21	LC	IA

- KIND OF LOAN:  
 ASSOCIATION- ORGANIZATION  
 HOUSING-ORGANIZATION  
 PUBLIC BODY  
 OTHER

Date SEPTEMBER 1, 2006

FOR VALUE RECEIVED, WHY UTILITY COMPANY, INC.

(herein called "Borrower") promises to pay to the order of the United States of America, acting through the Rural Housing Service, Rural Business-Cooperative Service, or Rural Utilities Service within the Rural Development Mission Area, the Farm Service Agency, or their successor Agencies, United States Department of Agriculture, (herein called the "Government") at its office in \_\_\_\_\_

230 N. FIRST AVE., STE. 206, PHOENIX, ARIZONA 85003, or at such other place as the Government may hereafter designate in

writing, the principal amount of ONE HUNDRED EIGHTY FIVE THOUSAND \_\_\_\_\_ dollars

(\$ 185,000.00 \_\_\_\_\_), plus interest on the unused principal balance at the rate of FOUR & ONE FOURTH percent

( 4.250 \_\_\_\_\_ %) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

\$ XXXXXXX on XXXXXXX,  
 \$ INTEREST ONLY on SEPTEMBER 1, 2007,  
 \$ INTEREST ONLY on SEPTEMBER 1, 2008,  
 \$ 820.00 on OCTOBER 1, 2008, and  
 \$ 820.00 thereafter on the 1ST of each MONTH

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby,

if not sooner paid, shall be due and payable FORTY ( 40 ) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

While this note is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment of Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING-ORGANIZATION" is checked. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

WHY UTILITY COMPANY, INC.

(Name of Borrower)

(CORPORATE SEAL)

*New Dennis*

(Signature of Executive Official)

ATTEST:

PRES

(Title of Executive Official)

*Betty J. Smith*  
(Signature of Attesting Official)

PO BOX 69

(Post Office Box No. or Street Address)

SECY TREAS.  
(Title of Attesting Official)

AJO, AZ 85321

(City, State, and Zip Code)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$		(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(3) \$		(9) \$	
(5) \$		(10) \$	
		TOTAL	

PAY TO THE ORDER OF \_\_\_\_\_

UNITED STATES OF AMERICA  
RURAL DEVELOPMENT  
(Name of Agency)

BY \_\_\_\_\_

**WATER OR WASTE SYSTEM GRANT AGREEMENT**  
**UNITED STATES DEPARTMENT OF AGRICULTURE**  
**RURAL UTILITIES SERVICE**

THIS AGREEMENT dated 9/1/2006 between

WHY UTILITY COMPANY INC

a public corporation organized and operating under \_\_\_\_\_

(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (sewer) system to serve the area under jurisdiction at an estimated cost of \$ 1,349,178 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 185,000 of the development cost through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ 185,000 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ 1,164,178 or 86.29% percent of said development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306 (a) of the Consolidated Farm and Rural Development Act the purpose only of defraying a part not to exceed 86.29% percent of the development costs, as defined by applicable Rural Utilities Service Instructions.

**GRANTEE AGREES THAT GRANTEE WILL:**

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT

APPLICANT CERTIFICATION  
FEDERAL COLLECTION POLICIES FOR CONSUMER OR COMMERCIAL DEBTS

The Federal Government is authorized to check credit information about the applicant(s) including using the federal Credit Alert Interactive Voice Response System (CAIVRS) or its successors to check to see if the applicant(s) are delinquent or in default on a Federal debt.

The Federal Government is also authorized by law to take any or all of the following actions in the event your loan payments become delinquent or you default on your loan:

- Report your name and account information to a credit reporting agency, and the Credit Alert Interactive Voice Response System (CAIVRS).
- Assess interest and penalty charges for the period of time that payment is not made.
- Assess charges to cover additional administrative costs incurred by the government to service your account.
- Offset amounts to be paid to you from your Federal income tax refund.
- Offset amounts to be paid to you under other Federal Programs.
- Refer your account to a private collection agency to collect the amount due.
- Foreclosure on any security you have given for the loan.
- Pursue legal action to collect through the courts.
- Report any written off debt to the Internal Revenue Service as taxable income.
- If you are a current or retired Federal employee, take action to offset your salary, or civil service retirement benefits.
- Debar or suspend you from doing business with the Federal Government either as a participant or principal throughout the executive branch of the Federal Government for the period of debarment or suspension.
- Refer any debt that is delinquent to the Treasury Offset Program (TOP) in accordance with the Debt Collection Improvement Act of 1996.
- Refer any debt that is 180 days delinquent to the Treasury for cross servicing in accordance with the Debt Collection Improvement Act of 1996
- Garnish your wages as allowed by the Debt Collection Improvement Act of 1996.

Any or all of these actions may be used to recover any debts owed when it is determined to be in the interest of the Government to do so.

CERTIFICATION: I/we have read and I/we understand the actions the Federal Government may take in the event that I/we fail to meet my/our scheduled payments in accordance with the terms and conditions of my/our agreement. I/we understand that the above list is not inclusive and that the Federal Government may deem additional actions necessary to collect should I/we become delinquent

_____ (Signature - Individual(s))	_____ (Date)	_____ (Signature - Individual(s))	_____ (Date)
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(SEAL)

9/1/2006  
Date

WHY UTILITY COMPANY INC  
(Name of Applicant)

*Nem Janna*  
(Signature of Authorized Entity Official)

PRES  
(Title of Authorized Entity Official)

PO Box 7128  
(Address)

Why AZ 85321  
(City, State, and Zip Code)

ATTEST:

*Betty Tibbitt*  
(Signature of Attesting Official)

Betty Tibbitt  
Secretary Treasurer  
(Title of Attesting Official)

**CERTIFICATION FOR CONTRACTS, GRANTS AND LOAN**

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or Federal loan, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant or loan.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant or loan, the undersigned shall complete and submit Standard Form - LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including contracts, subcontractors, and subgrants under grants and loans) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**WHY UTILITY COMPANY INC**

by: *Wen Dennis*

9/1/2006

Date