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AZ CORP COMMISSION
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF YARNELL WATER IMPROVEMENT
ASSOCIATION, AN ARIZONA NON-PROFIT
CORPORATION, FOR AUTHORITY (1) TO
ISSUE EVIDENCE OF INDEBTEDNESS IN
AN AMOUNT NOT TO EXCEED \$767,000.00
IN CONNECTION WITH (A) THE
CONSTRUCTION OF WATER SYSTEM
INFRASTRUCTURE IMPROVEMENTS AND
(B) REPAYMENT OF EXISTING DEBT; AND
(2) TO ENCUMBER ITS REAL PROPERTY
INTERESTS AND WATER SYSTEM
INFRASTRUCTURE AS SECURITY FOR
SUCH INDEBTEDNESS.

Docket No. W-02255A-09-0258

**SUPPLEMENTAL EXHIBIT
TO YARNELL'S APPLICATION
FOR FINANCING AUTHORITY
FILED MAY 22, 2009**

**(CONSENT RESOLUTIONS OF
BOARD OF DIRECTORS OF
YARNELL WATER
IMPROVEMENT ASSOCIATION)**

Arizona Corporation Commission

DOCKETED

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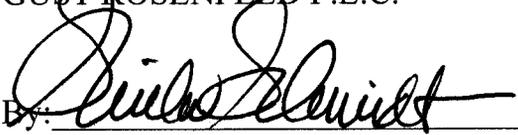
Yarnell Water Improvement Association ("Yarnell" or the "Company"), an Arizona public service corporation, filed its Application on May 22, 2009, applying for authority from the Arizona Corporation Commission ("Commission") to (1) incur indebtedness in an amount not to exceed \$767,000.00 and to encumber its real property and utility plant and system to secure such indebtedness for the purposes described in the Application; (2) enter into the necessary agreements and to take action as may be required to obtain the grant funding in an amount not to exceed \$533,000.00; and (3) to take such other and further action as may be necessary to effectuate the purposes of the Company's Application.

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In its Application, Yarnell stated that a corporate resolution authorizing the contemplated transaction would be filed with the Commission as a late filed exhibit. A copy of the Consent Resolutions In Lieu of a Special Meeting of the Board of Directors of Yarnell Water Improvement Association, dated June 5, 2009, is attached to this supplemental filing, as an exhibit to the Company's Application.

RESPECTFULLY SUBMITTED this 10th day of June 2009.

GUST ROSENFELD P.L.C.



By: Shiela B. Schmidt
Shiela B. Schmidt
Attorneys for Applicant Yarnell Water
Improvement Association

ORIGINAL and 13 copies delivered this 10th day of June 2009, to:

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

By: Phyllis A. Evans

**SUPPLEMENTAL EXHIBIT
TO YARNELL'S APPLICATION
FOR FINANCING AUTHORITY
FILED MAY 22, 2009**

**(CONSENT RESOLUTIONS OF BOARD OF DIRECTORS OF YARNELL
WATER IMPROVEMENT ASSOCIATION)**

CONSENT RESOLUTIONS IN LIEU OF
A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF
YARNELL WATER IMPROVEMENT ASSOCIATION

1. WHEREAS, Yarnell Water Improvement Association (the "Corporation"), an Arizona nonprofit corporation, desires to make improvements (the "Improvement Project") to the Corporation's existing water plant and water delivery system (the "System").

RESOLVED, that the acts of the officers and directors of the Corporation in investigating, and planning the Improvement Project, are hereby ratified and confirmed.

RESOLVED FURTHER, that the Corporation be and it hereby is authorized and empowered to undertake all actions necessary to complete the Improvement Project.

RESOLVED FURTHER, that Bernie Dickson, the President of the Corporation, acting alone, be, and he hereby is, authorized and empowered, for and on behalf of the Corporation and in its name, to execute, acknowledge and deliver all documents and instruments as are necessary to complete the Improvement Project, together with any amendments, modifications, changes or supplements thereto, as such officer deems appropriate (the exercise of which shall be a conclusive proof of the appropriateness of the same).

2. WHEREAS, the Corporation has received proposals for work to be performed in furtherance of the Improvement Project, including specifically, a proposal for engineering services to be performed by Claycomb/Rockwell Associates, Inc.;

RESOLVED, that the acts of the officers and directors of the Corporation in reviewing and approving such proposals, are hereby ratified and confirmed.

3. WHEREAS, in connection with the Improvement Project, the Corporation desires to enter into an agreement (the "Agreement") with the United States Department of Agriculture ("USDA"), pursuant to which the USDA will, in part grant and, in part loan, funds to the Corporation through the Rural Utilities Service Program to fund the costs of the Improvement Project;

WHEREAS, pursuant to the Agreement and as security for the funds to be loaned to the Corporation pursuant to the Agreement, the Corporation will grant the USDA a security interest in some or all the Corporation's real property and in the System;

WHEREAS, pursuant to Section 9.1 of Article IX of the By-Laws of the Corporation, the directors of the Corporation are empowered to authorize one or more officers to enter into any contract or execute and deliver any instrument on behalf of the Corporation; and

WHEREAS, pursuant to Arizona Revised Statutes ("ARS") § 10-11201, the directors of the Corporation are authorized to mortgage, pledge, dedicate to the repayment of

indebtedness, whether with or without recourse, or otherwise encumber any or all of the property of the Corporation.

RESOLVED, that the acts of the officers and directors of the Corporation in negotiating the Agreement, and all documents attached or referred to therein or required thereby, are hereby ratified and confirmed.

RESOLVED FURTHER, that the Corporation be and it hereby is authorized and empowered: (1) to execute all documents that are attached or referred to in the Agreement to which the Corporation is a party; (2) to enter into such other documents and instruments as may be necessary or appropriate, in the discretion of Bernie Dickson, the President of the Corporation, to carry out the intent and purposes of the Agreement and such other documents, and all other documents and instruments as may be required thereunder; and (3) to perform all acts for the Corporation, including without limitation all duties, obligations and covenants of the Corporation under the Agreement and all other documents and instruments referred to therein or required thereby.

RESOLVED FURTHER, that Bernie Dickson, the President of the Corporation, acting alone, be, and he hereby is, authorized and empowered, for and on behalf of the Corporation and in its name, to execute, acknowledge and deliver all documents and instruments as are referred to in the immediately preceding resolution, together with any amendments, modifications, changes or supplements thereto, as such officer deems appropriate (the exercise of which shall be a conclusive proof of the appropriateness of the same).

RESOLVED FURTHER, that all of the acts of the officers of the Corporation that are in conformity with the intent and purposes of the foregoing resolutions, whether heretofore or hereafter taken or done, shall be, and the same hereby are, ratified, confirmed and approved in all respects.

The undersigned, being the board of directors of the Corporation, acting pursuant to ARS § 10-3821 and pursuant to Section 9.1 of Article IX of the Bylaws of the Corporation, do hereby consent to the adoption of, and do hereby adopt, the foregoing resolutions, declare them to be in full force and effect as if they were adopted at a special meeting of the board of directors of the Corporation, and direct that the same be placed in the official minutes and records of the Corporation as official resolutions of the board of directors of the Corporation.

[The remainder of this page intentionally left blank.]

Dated June 5, 2009.

DIRECTORS:

Bernie Dickson
Bernie Dickson

Michael Fikes
Michael Fikes

Dean Weatherly
Dean Weatherly

Tammy Zudell
Tammy Zudell

Robert Hedden
Robert Hedden