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 6-1-09

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF MESA, ARIZONA, AUTHORIZING THE EXECUTION OF ONE OR MORE LOAN AGREEMENTS WITH THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA AND APPROVING RELATED DOCUMENTS AND ACTIONS**

**WHEREAS**, the City of Mesa, Arizona (the "City") has applied to the Water Infrastructure Finance Authority of Arizona ("WIFA") for up to four loans (the "Loans") to be evidenced by one or more loan agreements (the "Loan Agreements") between the City and WIFA; and

**WHEREAS**, pursuant to Arizona Revised Statutes §§ 9-571 and 9-539, the City may obligate the Revenues generated by its utility systems to repay loans from WIFA on a parity with existing bonds of the City; and

**WHEREAS**, WIFA has determined that the City has met the requirements of Arizona Revised Statutes § 49-1221 *et seq.* (the "Act") and the rules promulgated thereunder (the "Rules") and has approved or will approve, the City's application for the Loans in the aggregate amount of not to exceed \$4,230,000 for the following sewer and water improvement projects (the "Projects"), of which up to \$626,000 may be forgiven:

<u>Sewer Projects</u>	<u>Requested Amount</u>	<u>Amount Forgiven</u>	<u>Adjusted Amount</u>
Energy Efficiency for Reclaimed Water Delivery	\$ 315,000	\$126,000	\$ 189,000
Rehabilitated Old Sulfide Station	1,485,000	--	1,485,000
<u>Water Projects</u>			
Redrill Old Downtown Well	1,000,000	500,000	500,000
Replacement of Water Lines	1,430,000	--	1,430,000

**WHEREAS**, the terms and conditions under which the Loans will be made and the obligations of the City with respect to the Loans are set forth in the draft Loan Agreements presented to the Mayor and Council at the meeting at which this resolution was adopted with such additions and deletions as may be appropriate; and

**WHEREAS**, an election was held in the City on March 7, 2006, at which the qualified electors of the City approved the issuance and sale of utility system revenue bonds in the aggregate remaining authorized amount of \$56,885,000 for sewer system purposes and \$54,222,000 for water system purposes; and

**WHEREAS**, it is in the City's best interests to receive financial assistance from WIFA for the estimated eligible project cost of not to exceed \$1,800,000 for sewer purposes and \$2,430,000 for water purposes, at a rate of interest as may be agreed to in the Loan Agreements but not exceeding seven percent (7%) per annum for not to exceed twenty (20) years.

**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF MESA, ARIZONA** as follows:

**Section 1.** The Mayor of the City (the "Mayor") is hereby authorized and directed to execute, and the Clerk to attest, Loan Agreements between the City and WIFA to evidence the Loans. The Loan Agreements shall be substantially in the form presented to the Mayor and Council at the meeting at which this resolution was adopted, completed to show the final principal amount, payment schedule, interest rates and other terms and provisions and with such other modifications, completions, insertions or deletions as the Mayor may approve, the Mayor's execution thereof to be conclusive evidence of such approval.

**Section 2.** The Mayor or any member of the Council of the City, the Clerk, the City Manager and the Finance Director, as appropriate, are each authorized and directed to sign any certificates and other documents and instruments and take such actions as are necessary or appropriate to consummate the transactions contemplated by this resolution and the Loan Agreements and to ensure that the City has completed all requirements of WIFA prior to the closing of the Loans.

**Section 3.** All actions of the officers and agents of the City which conform to the purposes and intent of this resolution and which further the completion of the transactions as contemplated by this resolution, whether heretofore or hereafter taken are hereby ratified, confirmed and approved. The proper officers and agents of the City are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the City as may be necessary to carry out the terms and intent of this resolution.

**Section 4.** If any section, paragraph, subdivision, sentence, clause or phrase of this resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this resolution. The Mayor and Council hereby declare that they would have adopted this resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the Loan Agreements pursuant hereto even if any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this resolution may be held illegal, invalid or unenforceable.

**PASSED, ADOPTED AND APPROVED** on \_\_\_\_\_, 2009.

\_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
Clerk

**APPROVED AS TO FORM:**

**GUST ROSENFELD P.L.C.**

By: \_\_\_\_\_  
Special Counsel