



0000017255

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ORIGINAL
RECEIVED

RICHARD L. SALLQUIST

2001 NOV 19 10:50 AM
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November 15, 2001

AZ CORP COMMISSION
DOCUMENT CONTROL

Nancy Cole
Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

W-02234A-00-0371
WS-02987A-99-0583
WS-02987A-00-0618
W-01395A-00-0784
W-02859A-00-0774

Re: Johnson Utilities Company; Decision No. 64062, Compliance

Dear Ms. Cole:

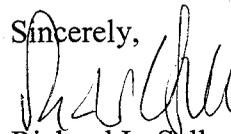
The Subject Decision required the Company to file the County franchises associated with the Certificate of Convenience and Necessity extension granted in that Decision.

Enclosed please find eleven copies of the following Franchises not previously filed with the Commission:

- | | |
|--------------------|-------------------|
| 1. Pinal County | August 2, 2000 |
| 2. Pinal County | December 13, 2000 |
| 3. Pinal County | May 30, 2001 |
| 4. Pinal County | June 20, 2001 |
| 5. Maricopa County | June 6, 2001 |

In the event you have any questions regarding this matter, please do not hesitate to call.

Sincerely,


Richard L. Sallquist
For the Firm

Arizona Corporation Commission
DOCKETED

NOV 19 2001

Enclosures

cc: George Johnson (w/out enclosures)
Tom Campbell (w/out enclosures)

DOCKETED BY 



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTTLE

DATE: 08/04/00 TIME: 1602
FEE : 0.00
PAGES: 8
FEE NO: 2000-032663

Expansion and Amendment Of The Johnson Utility Water and Sewer Franchise

WHEREAS, Johnson Utilities L.L.C. had received a water and sewer franchise from Pinal County to establish and maintain water and sewer services on October 12, 1995 (1995-033065), amended on July 9, 1997 (1997-030624), May 20, 1998 (1998-031193), November 4, 1998 (1998-050223), and November 17, 1999 (1999-053478) (hereinafter "Existing Franchise").

WHEREAS, Johnson Utilities L.L.C., an Arizona limited liability corporation, duly authorized to conduct business in the State of Arizona, has duly filed and presented to the Board of Supervisors of the County of Pinal, State of Arizona, its application for expansion of the Existing Franchise for the purpose of constructing, operating and maintaining water and sewer lines and related appurtenances along, under and across the public streets, alleys and highways, except federal and state highways, within the unincorporated area of Pinal County, Arizona, as described in Exhibit "A" attached hereto (hereinafter "Expansion").

WHEREAS, upon filing of Johnson Utilities L.L.C.'s application for the Expansion, a copy of which is attached hereto as Exhibit "C" without its exhibits, the Board of Supervisors of Pinal County ordered a public notice of its intent to consider the granting of the Expansion to be published in a newspaper of general circulation, in Pinal County, Arizona, stating the time and place for consideration of the Expansion was set for 10: 00 A.M. on August 2, 2000, at the Pinal County Board of Supervisors' Hearing Room, Administration Building No. 1, Florence, Arizona.

WHEREAS, said application for the Expansion and Amendment having come on regularly for hearing at 10:00 A.M. on August 2, 2000; and it appearing from the affidavit of the publisher of the Casa Grande Valley Newspaper that due and regular notice of said time and place set for the consideration of such action has been published for at least once a week for three consecutive weeks prior to said hearing date, to-wit: in the issues of the Florence Reminder and Blade-Tribune published on July 13, July 20, and July 27, 2000; and the matter being called for hearing at 10:00 A.M., and an opportunity having been given to all interested parties to be heard.

WHEREAS, the Board of Supervisors of Pinal County has the power to amend an existing franchise under its general police powers in such matters.

Fifth Amended
Johnson Utility Water and Sewer Franchise

NOW, THEREFORE,

Section 1: DEFINITIONS

The following terms used in this expansion and amendment of the Existing Franchise shall have the following meanings:

- A. County: Pinal County, Arizona
- B. Board: Board of Supervisors of Pinal County, Arizona.
- C. Grantor: Pinal County, by and through its Board of Supervisors
- D. Grantee: Johnson Utilities L.L.C., an Arizona limited liability corporation, its successors and assigns
- E. Grantee's Facilities: water and sewer lines and related appurtenances

Section 2: GRANT

Grantor, on August 2, 2000, hereby grants to Grantee, for a period of time not to exceed the Existing Franchise, this expanded and amended franchise (hereinafter "Fifth Amended Franchise") for the purpose of constructing, operating and maintaining water and sewer lines and related appurtenances along, under and across public streets, alleys and highways, except federal and state highways, under the terms and conditions set forth herein within the unincorporated area of Pinal County, Arizona, as described in the Expansion and the Existing Franchise (hereinafter "Franchise Area").

Section 3: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE

The Fifth Amended Franchise shall be accepted by Grantee by written instrument in the form attached hereto as Exhibit "B" (hereinafter "Acceptance"), executed and acknowledged by it as a deed is required to be, and filed with the Clerk of the Pinal County Board of Supervisors within thirty days after the date this Fifth Amended Franchise is accepted by County. This Fifth Amended Franchise shall be effective upon delivery of the Acceptance to the Clerk of the Pinal County Board of Supervisors in the form required and within the time specified above.

Section 4: LIMITS ON GRANTEE'S RECOURSE

A. Grantee by its acceptance of the Fifth Amended Franchise acknowledges such acceptance relies upon grantee's own investigation and understanding of the power and authority of the County to grant said franchise. Grantee by its acceptance of the Fifth Amended Franchise accepts the validity of the terms and conditions of the Fifth Amended Franchise in their entirety and agrees it will not, at any time, proceed against County in any claim or proceeding challenging any term or provision of the Fifth Amended Franchise as unreasonable, arbitrary or void, or that County did not have the authority to impose such term or condition.

Fifth Amended
Johnson Utility Water and Sewer Franchise

B. Grantee by accepting the Fifth Amended Franchise acknowledges that it has not been induced to accept the same by any promise, verbal or written, by or on behalf of County or by any third person regarding any term or condition of the Fifth Amended Franchise not expressed therein. Grantee by its acceptance of the Fifth Amended Franchise further pledges that no promise or inducement, oral or written, has been made to any employee or official of County regarding receipt of the Fifth Amended Franchise.

C. Grantee by its acceptance of the Fifth Amended Franchise further acknowledges that it has carefully read the terms and conditions of the Fifth Amended Franchise and accepts without reservation the obligations imposed by the terms and conditions herein.

D. In case of conflict or ambiguity between the Fifth Amended Franchise and the Existing Franchise, the provision which provides the greatest benefit to County, as determined solely by County, shall prevail.

E. The Board's decision concerning its selection and awarding of the Fifth Amended Franchise shall be final.

Section 5: SEVERABILITY

If any section, provision, term or covenant or any portion of any section, provision, term or covenant of the Fifth Amended Franchise is determined to be illegal, invalid or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory agency having jurisdiction thereof, such determination shall have no effect on any remaining portion of such section, provision, term or covenant or the remaining sections, provisions, terms or covenants of the Fifth Amended Franchise, all of which will remain in full force and effect for the term of the Fifth Amended Franchise or any renewal or renewals thereof.

Section 6: NOTICE

Notices required under the Fifth Amended Franchise shall be delivered or sent by certified mail, postage prepaid to:

Grantor:

Clerk of the Pinal County Board of Supervisors
P.O. Box 827
31 N. Pinal
Florence, Arizona 85232

Grantee:

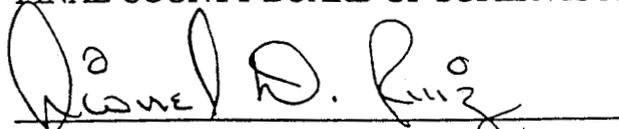
Johnson Utilities L.L.C.
5320 E. Shea Blvd.
Scottsdale, Arizona 85254

Fifth Amended
Johnson Utility Water and Sewer Franchise

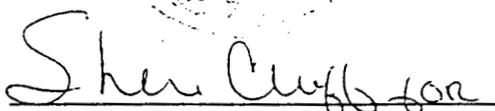
The delivery or mailing of such notice shall be equivalent to direct personal notice and shall be deemed to have been given at the time of delivery. Either party may change its address under this section by written notice to the other party.

IN WITNESS WHEREOF, the Board of Supervisors of Pinal County, Arizona, by its Chairman and its Clerk, thereunto duly authorized, has hereunto set its hand and cause its official seal to be affixed on August 2, 2000.

PINAL COUNTY BOARD OF SUPERVISORS

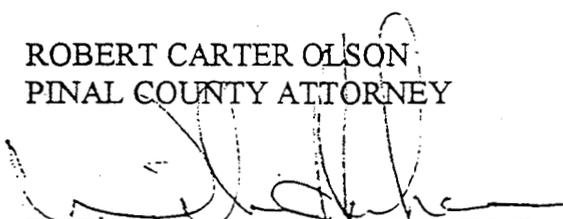

Lionel D. Ruiz, Chairman

ATTEST:


Stanley D. Griffis, Ph.D., Clerk of the Board

APPROVED AS TO FORM:

ROBERT CARTER OLSON
PINAL COUNTY ATTORNEY


William H. McLean
Chief Civil Deputy County Attorney

Fifth Amended
Johnson Utility Water and Sewer Franchise

Requested Utility Franchise Expansion

- Sections 19-36, Township 2 South, Range 8 East
- Sections 34, 35 & 36, Township 4 South, Range 8 East
- Section 3, Township 5 South, Range 8 East
- Sections 7, 8 & 9, Township 3 South, Range 9 East
- East One-half of Sections 15, 22 and 27, Township 4 South, Range 8 East

All G&SRB&M, Pinal County, Arizona

Exhibit B

SAMPLE ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Johnson Utilities L.L.C., an Arizona limited liability corporation, does hereby accept the _____ grant of a Fifth Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain water and sewer lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, a copy of which is attached to the Fifth Amended Franchise, which is made a part hereof.

Grantee unconditionally accepts the franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the Fifth Amended Franchise. Grantee accepts such provisions, terms and conditions and expressly waives any and all objections to the reasonableness or legality of any provisions of the same or any part thereof, or as to the legal right or authority of the County of Pinal to impose the same.

Grantee declares that the statements and recitals in said Fifth Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said Fifth Amended Franchise recited to have been or to be made by Grantee.

attyciv\franchise\Johnson Utility Fifth E&A Franchise Final

ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Johnson Utilities L.L.C., an Arizona limited liability corporation, does hereby accept the August 2, 2000 grant of a Fifth Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain water and sewer lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, a copy of which is attached to the Fifth Amended Franchise, which is made a part hereof.

Grantee unconditionally accepts the franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the Fifth Amended Franchise. Grantee accepts such provisions, terms and conditions and expressly waives any and all objections to the reasonableness or legality of any provisions of the same or any part thereof, or as to the legal right or authority of the County of Pinal to impose the same.

Grantee declares that the statements and recitals in said Fifth Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said Fifth Amended Franchise recited to have been or to be made by Grantee.

Dated this 9th day of August, 2000.

Johnson Utilities L.L.C.

By:

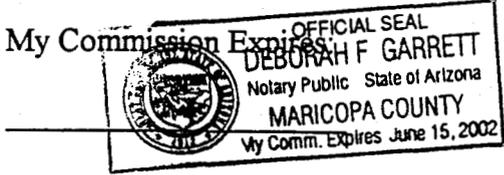
Title:

[Handwritten signature]
[Handwritten signature]
Managing Partner

STATE OF ARIZONA)
) ss.
County of)

The foregoing instrument was acknowledged before me this 9th day of August, 2000, by *George H. Johnson, Managing Partner* of *Johnson Utilities* an Arizona limited liability corporation, and being authorized to do so, executed the foregoing instrument on behalf of the corporation for the purposes therein stated.

[Handwritten signature]
Notary Public





OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTTLE

DATE: 01/17/01 TIME: 1100
FEE : 0.00
PAGES: 7
FEE NO: 2001-002045

Expansion and Amendment Of The Johnson Utility Water and Sewer Franchise

WHEREAS, Johnson Utilities L.L.C. had received a water and sewer franchise from Pinal County to establish and maintain water and sewer services on October 12, 1995 (1995-033065), amended on July 9, 1997 (1997-030624), May 20, 1998 (1998-031193), November 4, 1998 (1998-050223), November 17, 1999 (1999-053478), and August 2, 2000 (2000-032663) (hereinafter "Existing Franchise").

WHEREAS, Johnson Utilities L.L.C., an Arizona limited liability corporation, duly authorized to conduct business in the State of Arizona, has duly filed and presented to the Board of Supervisors of the County of Pinal, State of Arizona, its application for expansion of the Existing Franchise for the purpose of constructing, operating and maintaining water and sewer lines and related appurtenances along, under and across the public streets, alleys and highways, except federal and state highways, within the unincorporated area of Pinal County, Arizona, as described in Exhibit "A" attached hereto (hereinafter "Expansion").

WHEREAS, upon filing of Johnson Utilities L.L.C.'s application for the Expansion, a copy of which is attached hereto as Exhibit "C" without its exhibits, the Board of Supervisors of Pinal County ordered a public notice of its intent to consider the granting of the Expansion to be published in a newspaper of general circulation, in Pinal County, Arizona, stating the time and place for consideration of the Expansion was set for 9:30 A.M. on December 13, 2000, at the Pinal County Board of Supervisors' Hearing Room, Administration Building No. 1, Florence, Arizona.

WHEREAS, said application for the Expansion and Amendment having come on regularly for hearing at 9:30 A.M. on December 13, 2000; and it appearing from the affidavit of the publisher of the Florence Reminder & Blade Tribune that due and regular notice of said time and place set for the consideration of such action has been published for at least once a week for three consecutive weeks prior to said hearing date, to-wit: in the issues of the Florence Reminder and Blade Tribune published on November 22, November 30, and December 7, 2000; and the matter being called for hearing at 9:30 A.M., and an opportunity having been given to all interested parties to be heard.

WHEREAS, the Board of Supervisors of Pinal County has the power to amend an existing franchise under its general police powers in such matters.

Sixth Amended
Johnson Utility Water and Sewer Franchise

NOW, THEREFORE,

Section 1: DEFINITIONS

The following terms used in this expansion and amendment of the Existing Franchise shall have the following meanings:

- A. County: Pinal County, Arizona
- B. Board: Board of Supervisors of Pinal County, Arizona.
- C. Grantor: Pinal County, by and through its Board of Supervisors
- D. Grantee: Johnson Utilities L.L.C., an Arizona limited liability corporation, its successors and assigns
- E. Grantee's Facilities: water and sewer lines and related appurtenances

Section 2: GRANT

Grantor, on December 13, 2000, hereby grants to Grantee, for a period of time not to exceed the Existing Franchise, this expanded and amended franchise (hereinafter "Sixth Amended Franchise") for the purpose of constructing, operating and maintaining water and sewer lines and related appurtenances along, under and across public streets, alleys and highways, except federal and state highways, under the terms and conditions set forth herein within the unincorporated area of Pinal County, Arizona, as described in the Expansion and the Existing Franchise (hereinafter "Franchise Area").

Section 3: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE

The Sixth Amended Franchise shall be accepted by Grantee by written instrument in the form attached hereto as Exhibit "B" (hereinafter "Acceptance"), executed and acknowledged by it as a deed is required to be, and filed with the Clerk of the Pinal County Board of Supervisors within thirty days after the date this Sixth Amended Franchise is accepted by County. This Sixth Amended Franchise shall be effective upon delivery of the Acceptance to the Clerk of the Pinal County Board of Supervisors in the form required and within the time specified above.

Section 4: LIMITS ON GRANTEE'S RECOURSE

A. Grantee by its acceptance of the Sixth Amended Franchise acknowledges such acceptance relies upon grantee's own investigation and understanding of the power and authority of the County to grant said franchise. Grantee by its acceptance of the Sixth Amended Franchise accepts the validity of the terms and conditions of the Sixth Amended Franchise in their entirety and agrees it will not, at any time, proceed against County in any claim or proceeding challenging any term or provision of the Sixth Amended Franchise as unreasonable, arbitrary or void, or that County did not have the authority to impose such term or condition.

B. Grantee by accepting the Sixth Amended Franchise acknowledges that it has not been induced to accept the same by any promise, verbal or written, by or on behalf of County or by any third person regarding any term or condition of the Sixth Amended Franchise not expressed therein. Grantee by its acceptance of the Sixth Amended Franchise further pledges that no promise or inducement, oral or written, has been made to any employee or official of County regarding receipt of the Sixth Amended Franchise.

C. Grantee by its acceptance of the Sixth Amended Franchise further acknowledges that it has carefully read the terms and conditions of the Sixth Amended Franchise and accepts without reservation the obligations imposed by the terms and conditions herein.

D. In case of conflict or ambiguity between the Sixth Amended Franchise and the Existing Franchise, the provision which provides the greatest benefit to County, as determined solely by County, shall prevail.

E. The Board's decision concerning its selection and awarding of the Sixth Amended Franchise shall be final.

Section 5: SEVERABILITY

If any section, provision, term or covenant or any portion of any section, provision, term or covenant of the Sixth Amended Franchise is determined to be illegal, invalid or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory agency having jurisdiction thereof, such determination shall have no effect on any remaining portion of such section, provision, term or covenant or the remaining sections, provisions, terms or covenants of the Sixth Amended Franchise, all of which will remain in full force and effect for the term of the Sixth Amended Franchise or any renewal or renewals thereof.

Section 6: NOTICE

Notices required under the Sixth Amended Franchise shall be delivered or sent by certified mail, postage prepaid to:

Grantor:

Clerk of the Pinal County Board of Supervisors
P.O. Box 827
31 N. Pinal
Florence, Arizona 85232

Grantee:

Johnson Utilities L.L.C.
5320 E. Shea Blvd.
Scottsdale, Arizona 85254

Sixth Amended
Johnson Utility Water and Sewer Franchise

The delivery or mailing of such notice shall be equivalent to direct personal notice and shall be deemed to have been given at the time of delivery. Either party may change its address under this section by written notice to the other party.

IN WITNESS WHEREOF, the Board of Supervisors of Pinal County, Arizona, by its Chairman and its Clerk, thereunto duly authorized, has hereunto set its hand and cause its official seal to be affixed on December 13, 2000.



PINAL COUNTY BOARD OF SUPERVISORS
Lionel D. Ruiz
Lionel D. Ruiz, Chairman 12-13-00

ATTEST:

Stanley D. Griffis
Stanley D. Griffis, Ph.D., Clerk of the Board

APPROVED AS TO FORM:

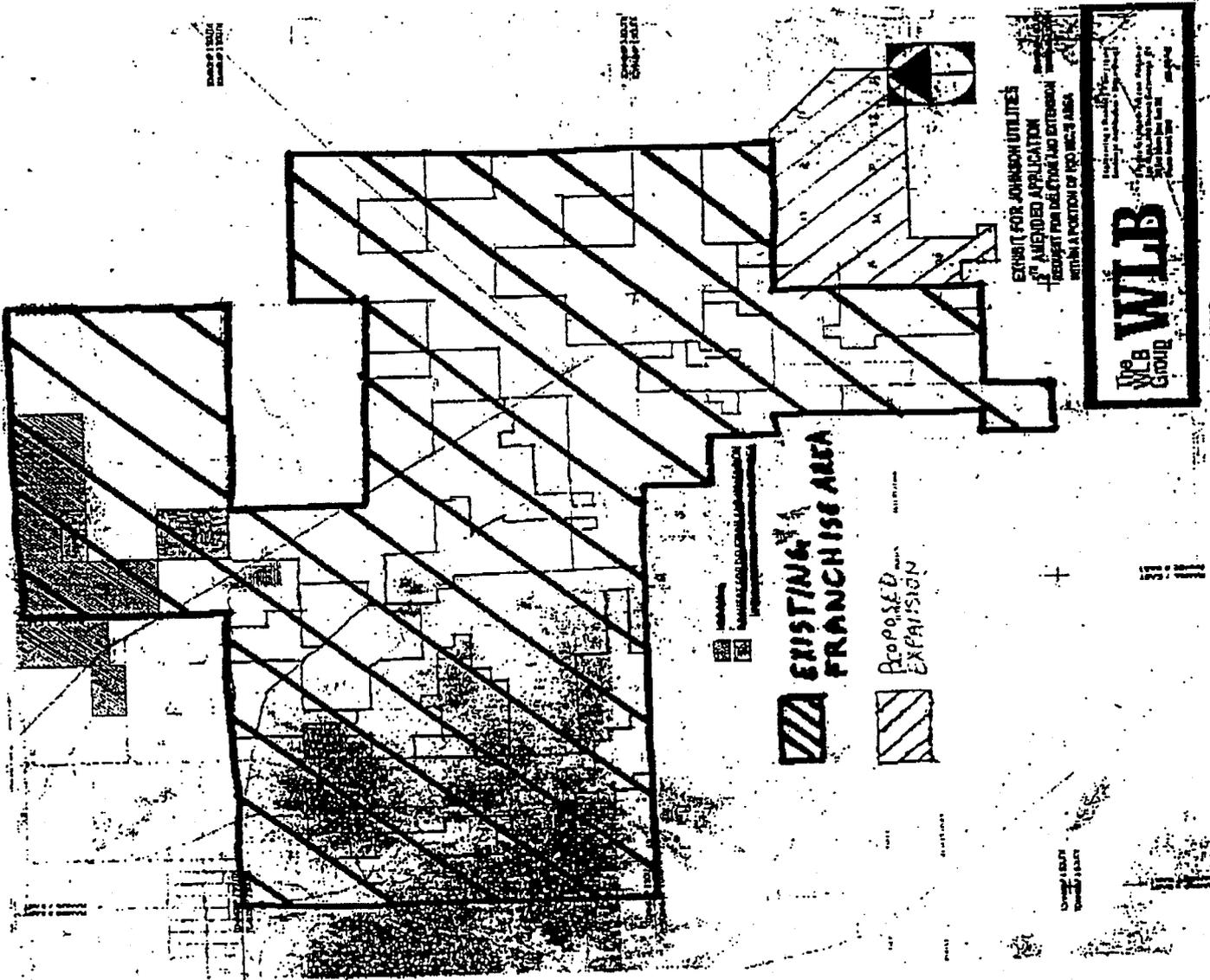
ROBERT CARTER OLSON
PINAL COUNTY ATTORNEY

William H. McLean
William H. McLean
Chief Civil Deputy County Attorney

**Requested Utility Franchise Expansion
Johnson Utilities Company**

Property located in Sections 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 30, 31 and 32, Township 4 South, Range 9 East, G. & S.R.M., Pinal County, Arizona, being more particularly described as follows:

That portion of the South half of Section 14 lying South and West of the Central Arizona Canal;
That portion of Section 15 lying South and West of the Central Arizona Canal;
All of Section 16;
All of Section 17;
All of Section 18;
All of Section 19;
All of Section 20;
All of Section 21;
All of Section 22;
The West half of Section 23;
The North half of Section 30;
The North half of the South half of Section 30;
The South half of the Southeast quarter of Section 30;
The North half of the Northeast quarter of Section 31;
And
The Northwest quarter of the Northwest quarter of Section 32;
All in Township 4 South, Range 9 East, G. & S.R.M., Pinal County, Arizona



EXISTING FRANCHISE AREA

PROPOSED EXPANSION

EXHIBIT FOR JOHNSON UTILITIES
AMENDED APPLICATION
REQUEST FOR DELFTON AND EXTENSION
WITH A POSITION OF TWO MILES

The WLB Group

Exhibit B

SAMPLE ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Johnson Utilities L.L.C., an Arizona limited liability corporation, does hereby accept the _____ grant of a Sixth Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain water and sewer lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, a copy of which is attached to the Sixth Amended Franchise, which is made a part hereof.

Grantee unconditionally accepts the franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the Sixth Amended Franchise. Grantee accepts such provisions, terms and conditions and expressly waives any and all objections to the reasonableness or legality of any provisions of the same or any part thereof, or as to the legal right or authority of the County of Pinal to impose the same.

Grantee declares that the statements and recitals in said Sixth Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said Sixth Amended Franchise recited to have been or to be made by Grantee.

ar\yciv\franchise\Johnson Utility Sixth E&A Franchise Final

ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Johnson Utilities L.L.C., an Arizona limited liability corporation, does hereby accept the December 13, 2000, grant of a Sixth Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain water and sewer lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, a copy of which is attached to the Sixth Amended Franchise, which is made a part hereof.

Grantee unconditionally accepts the franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the Sixth Amended Franchise. Grantee accepts such provisions, terms and conditions and expressly waives any and all objections to the reasonableness or legality of any provisions of the same or any part thereof, or as to the legal right or authority of the County of Pinal to impose the same.

Grantee declares that the statements and recitals in said Sixth Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said Sixth Amended Franchise recited to have been or to be made by Grantee.

Dated this 3rd day of January, 2001.

Johnson Utilities L.L.C.

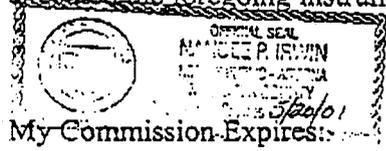
By:

Title:

[Handwritten signature]
Managing Member

STATE OF ARIZONA)
County of Maricopa) ss.

The foregoing instrument was acknowledged before me this 3rd day of January, 2001, by GEORGE H. JOHNSON, MANAGING MEMBER of JOHNSON UTILITIES, LLC, an Arizona limited liability corporation, and being authorized to do so, executed the foregoing instrument on behalf of the corporation for the purposes therein stated.



[Handwritten signature]
Notary Public

May 20, 2001



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTTLE

When recorded mail to:

Pinal County Board of Supervisors
P.O. Box 827
Florence, Arizona 85232

DATE: 06/01/01 TIME: 1542
FEE : 0.00
PAGES: 8
FEE NO: 2001-024621

(The above space reserved for recording information)

CAPTION HEADING

Seventh expansion of Johnson Utilities Company water and sewer utility franchise

Expansion and Amendment Of The Johnson Utility Water and Sewer Franchise

WHEREAS, Johnson Utilities L.L.C. had received a water and sewer franchise from Pinal County to establish and maintain water and sewer services on October 12, 1995 (1995-033065), amended on July 9, 1997 (1997-030624), May 20, 1998 (1998-031193), November 4, 1998 (1998-050223), November 17, 1999 (1999-053478), August 2, 2000 (2000-032663), and December 13, 2000 (2001-002045) (hereinafter "Existing Franchise").

WHEREAS, Johnson Utilities L.L.C., an Arizona limited liability corporation, duly authorized to conduct business in the State of Arizona, has duly filed and presented to the Board of Supervisors of the County of Pinal, State of Arizona, its application for expansion of the Existing Franchise for the purpose of constructing, operating and maintaining water and sewer lines and related appurtenances along, under and across the public streets, alleys and highways, except federal and state highways, within the unincorporated area of Pinal County, Arizona, as described in Exhibit "A" attached hereto (hereinafter "Expansion").

WHEREAS, upon filing of Johnson Utilities L.L.C.'s application for the Expansion, a copy of which is attached hereto as Exhibit "C" without its exhibits, the Board of Supervisors of Pinal County ordered a public notice of its intent to consider the granting of the Expansion to be published in a newspaper of general circulation, in Pinal County, Arizona, stating the time and place for consideration of the Expansion was set for 9:30 A.M. on May 30th, 2001, at the Pinal County Board of Supervisors' Hearing Room, Administration Building No. 1, Florence, Arizona.

WHEREAS, said application for the Expansion and Amendment having come on regularly for hearing at 9:30 A.M. on May 30th, 2001; and it appearing from the affidavit of the publisher of the Florence Reminder & Blade Tribune that due and regular notice of said time and place set for the consideration of such action has been published for at least once a week for three consecutive weeks prior to said hearing date, to-wit: in the issues of the Florence Reminder and Blade-Tribune published on May 10, 2001, May 17, 2001, and May 24, 2001; and the matter being called for hearing at 9:30 A.M., and an opportunity having been given to all interested parties to be heard.

WHEREAS, the Board of Supervisors of Pinal County has the power to amend an existing franchise under its general police powers in such matters.

NOW, THEREFORE,

Section 1: DEFINITIONS

The following terms used in this expansion and amendment of the Existing Franchise shall have the following meanings:

- A. County: Pinal County, Arizona
- B. Board: Board of Supervisors of Pinal County, Arizona.
- C. Grantor: Pinal County, by and through its Board of Supervisors
- D. Grantee: Johnson Utilities L.L.C., an Arizona limited liability corporation, its successors and assigns
- E. Grantee's Facilities: water and sewer lines and related appurtenances

Section 2: GRANT

Grantor, on May 30th, 2001, hereby grants to Grantee, for a period of time not to exceed the Existing Franchise, this expanded and amended franchise (hereinafter "Seventh Amended Franchise") for the purpose of constructing, operating and maintaining water and sewer lines and related appurtenances along, under and across public streets, alleys and highways, except federal and state highways, under the terms and conditions set forth herein within the unincorporated area of Pinal County, Arizona, as described in the Expansion and the Existing Franchise (hereinafter "Franchise Area").

Section 3: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE

The Seventh Amended Franchise shall be accepted by Grantee by written instrument in the form attached hereto as Exhibit "B" (hereinafter "Acceptance"), executed and acknowledged by it as a deed is required to be, and filed with the Clerk of the Pinal County Board of Supervisors within thirty days after the date this Sixth Amended Franchise is accepted by County. This Seventh Amended Franchise shall be effective upon delivery of the Acceptance to the Clerk of the Pinal County Board of Supervisors in the form required and within the time specified above.

Section 4: LIMITS ON GRANTEE'S RECOURSE

A. Grantee by its acceptance of the Seventh Amended Franchise acknowledges such acceptance relies upon grantee's own investigation and understanding of the power and authority of the County to grant said franchise. Grantee by its acceptance of the Seventh Amended Franchise accepts the validity of the terms and conditions of the Seventh Amended Franchise in their entirety and agrees it will not, at any time, proceed against County in any claim or proceeding challenging any term or provision of the Seventh Amended Franchise as unreasonable, arbitrary or void, or that County did not have the authority to impose such term or condition.

B. Grantee by accepting the Seventh Amended Franchise acknowledges that it has not been induced to accept the same by any promise, verbal or written, by or on behalf of County or by any third person regarding any term or condition of the Seventh Amended Franchise not expressed therein. Grantee by its acceptance of the Seventh Amended Franchise further pledges that no promise or inducement, oral or written, has been made to any employee or official of County regarding receipt of the Seventh Amended Franchise.

C. Grantee by its acceptance of the Seventh Amended Franchise further acknowledges that it has carefully read the terms and conditions of the Seventh Amended Franchise and accepts without reservation the obligations imposed by the terms and conditions herein.

D. In case of conflict or ambiguity between the Seventh Amended Franchise and the Existing Franchise, the provision which provides the greatest benefit to County, as determined solely by County, shall prevail.

E. The Board's decision concerning its selection and awarding of the Seventh Amended Franchise shall be final.

Section 5: SEVERABILITY

If any section, provision, term or covenant or any portion of any section, provision, term or covenant of the Seventh Amended Franchise is determined to be illegal, invalid or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory agency having jurisdiction thereof, such determination shall have no effect on any remaining portion of such section, provision, term or covenant or the remaining sections, provisions, terms or covenants of the Seventh Amended Franchise, all of which will remain in full force and effect for the term of the Seventh Amended Franchise or any renewal or renewals thereof.

Section 6: NOTICE

Notices required under the Seventh Amended Franchise shall be delivered or sent by certified mail, postage prepaid to:

Grantor:

Clerk of the Pinal County Board of Supervisors
P.O. Box 827
31 N. Pinal
Florence, Arizona 85232

Grantee:

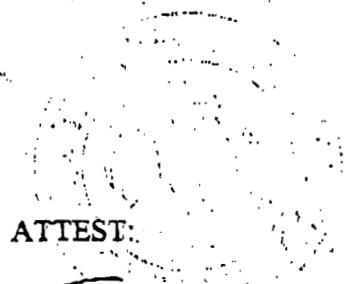
Johnson Utilities L.L.C.
5320 E. Shea Blvd.
Scottsdale, Arizona 85254

Seventh Amended
Johnson Utility Water and Sewer Franchise

The delivery or mailing of such notice shall be equivalent to direct personal notice and shall be deemed to have been given at the time of delivery. Either party may change its address under this section by written notice to the other party.

IN WITNESS WHEREOF, the Board of Supervisors of Pinal County, Arizona, by its Chairman and its Clerk, thereunto duly authorized, has hereunto set its hand and cause its official seal to be affixed on May 30th, 2001.

PINAL COUNTY BOARD OF SUPERVISORS


Jimmie B. Kerr
Jimmie B. Kerr, Chairman 5/30/01

ATTEST:

Sheri Cluff
Sheri Cluff, Deputy Clerk of the Board

APPROVED AS TO FORM:

ROBERT CARTER OLSON
PINAL COUNTY ATTORNEY

Rick V. Husk
Rick V. Husk
Deputy County Attorney

**Pinal County
Exhibit A**

**Requested Utility Franchise
Johnson Utilities Company**

Property located in Sections 7, 8, 9, 16, 17, and 18, Township 2 South, Range 8 East, G. & S.R.M., Pinal County, Arizona, being more particularly described as follows:

All of Section 7,
All of Section 8,
The East half of Section 9,
All of Section 16,
All of Section 17,
and
All of Section 18;

All in Township 2 South, Range 8 East, G. & S.R.M., Pinal County, Arizona

ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Johnson Utilities L.L.C., an Arizona limited liability corporation, does hereby accept the May 30, 2001, grant of a Seventh Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain water and sewer lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, a copy of which is attached to the Seventh Amended Franchise, which is made a part hereof.

Grantee unconditionally accepts the franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the Seventh Amended Franchise. Grantee accepts such provisions, terms and conditions and expressly waives any and all objections to the reasonableness or legality of any provisions of the same or any part thereof, or as to the legal right or authority of the County of Pinal to impose the same.

Grantee declares that the statements and recitals in said Seventh Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said Seventh Amended Franchise recited to have been or to be made by Grantee.

Dated this 25 day of June, 2001.

Johnson Utilities L.L.C.

By:

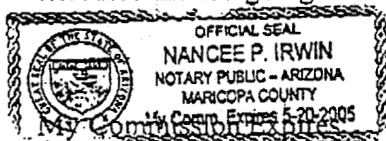
Title:

[Handwritten signature]
Managing Member

STATE OF ARIZONA)
) ss.
County of)

The foregoing instrument was acknowledged before me this 25th day of June, 2001, by George H. JOHNSON,

of JOHNSON UTILITIES, LLC, an Arizona limited liability corporation, and being authorized to do so, executed the foregoing instrument on behalf of the corporation for the purposes therein stated.



Nancee P. Irwin
Notary Public

May 20, 2005



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYILE

DATE: 06/22/01 TIME: 1538
FEE : 0.00
PAGES: 9
FEE NO: 2001-028018

When recorded mail to:

Pinal County Board of Supervisors
P.O. Box 827
Florence, Arizona 85232

(The above space reserved for recording information)

CAPTION HEADING

Franchise expansion of Johnson Utilities Company
of its water and sewer utility franchise located in all of
Sections 1, 2, 3, 4, 9, 10, 11, & 12, T3S, R8E, G&SRB&M, Pinal County, Arizona.

Expansion and Amendment Of The Johnson Utility Water and Sewer Franchise

WHEREAS, Johnson Utilities L.L.C. had received a water and sewer franchise from Pinal County to establish and maintain water and sewer services on October 12, 1995 (1995-033065), amended on July 9, 1997 (1997-030624), May 20, 1998 (1998-031193), November 4, 1998 (1998-050223), November 17, 1999 (1999-053478), August 2, 2000 (2000-032663), December 13, 2000 (2001-002045), and May 30, 2001 (2001-024621) (hereinafter "Existing Franchise").

WHEREAS, Johnson Utilities L.L.C., an Arizona limited liability corporation, duly authorized to conduct business in the State of Arizona, has duly filed and presented to the Board of Supervisors of the County of Pinal, State of Arizona, its application for expansion of the Existing Franchise for the purpose of constructing, operating and maintaining water and sewer lines and related appurtenances along, under and across the public streets, alleys and highways, except federal and state highways, within the unincorporated area of Pinal County, Arizona, as described in Exhibit "A" attached hereto (hereinafter "Expansion").

WHEREAS, upon filing of Johnson Utilities L.L.C.'s application for the Expansion, a copy of which is attached hereto as Exhibit "C" without its exhibits, the Board of Supervisors of Pinal County ordered a public notice of its intent to consider the granting of the Expansion to be published in a newspaper of general circulation, in Pinal County, Arizona, stating the time and place for consideration of the Expansion was set for 9:30 A.M. on June 20, 2001, at the Pinal County Board of Supervisors' Hearing Room, Administration Building No. 1, Florence, Arizona.

WHEREAS, said application for the Expansion and Amendment having come on regularly for hearing at 9:30 A.M. on June 20, 2001; and it appearing from the affidavit of the publisher of the Florence Reminder & Blade Tribune that due and regular notice of said time and place set for the consideration of such action has been published for at least once a week for three consecutive weeks prior to said hearing date, to-wit: in the issues of the Florence Reminder and Blade-Tribune published on May 31, 2001, June 7, 2001, and June 14, 2001; and the matter being called for hearing at 9:30 A.M., and an opportunity having been given to all interested parties to be heard.

WHEREAS, the Board of Supervisors of Pinal County has the power to amend an existing franchise under its general police powers in such matters.

Eighth Amended
Johnson Utility Water and Sewer Franchise

NOW, THEREFORE,

Section 1: DEFINITIONS

The following terms used in this expansion and amendment of the Existing Franchise shall have the following meanings:

- A. County: Pinal County, Arizona
- B. Board: Board of Supervisors of Pinal County, Arizona.
- C. Grantor: Pinal County, by and through its Board of Supervisors
- D. Grantee: Johnson Utilities L.L.C., an Arizona limited liability corporation, its successors and assigns
- E. Grantee's Facilities: water and sewer lines and related appurtenances

Section 2: GRANT

Grantor, on June 20, 2001, hereby grants to Grantee, for a period of time not to exceed the Existing Franchise, this expanded and amended franchise (hereinafter "Eighth Amended Franchise") for the purpose of constructing, operating and maintaining water and sewer lines and related appurtenances along, under and across public streets, alleys and highways, except federal and state highways, under the terms and conditions set forth herein within the unincorporated area of Pinal County, Arizona, as described in the Expansion and the Existing Franchise (hereinafter "Franchise Area").

Section 3: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE

The Eighth Amended Franchise shall be accepted by Grantee by written instrument in the form attached hereto as Exhibit "B" (hereinafter "Acceptance"), executed and acknowledged by it as a deed is required to be, and filed with the Clerk of the Pinal County Board of Supervisors within thirty days after the date this Sixth Amended Franchise is accepted by County. This Eighth Amended Franchise shall be effective upon delivery of the Acceptance to the Clerk of the Pinal County Board of Supervisors in the form required and within the time specified above.

Section 4: LIMITS ON GRANTEE'S RECOURSE

A. Grantee by its acceptance of the Eighth Amended Franchise acknowledges such acceptance relies upon grantee's own investigation and understanding of the power and authority of the County to grant said franchise. Grantee by its acceptance of the Eighth Amended Franchise accepts the validity of the terms and conditions of the Eighth Amended Franchise in their entirety and agrees it will not, at any time, proceed against County in any claim or proceeding challenging any term or provision of the Eighth Amended Franchise as unreasonable, arbitrary or void, or that County did not have the authority to impose such term or condition.

B. Grantee by accepting the Eighth Amended Franchise acknowledges that it has not been induced to accept the same by any promise, verbal or written, by or on behalf of County or by any third person regarding any term or condition of the Eighth Amended Franchise not expressed therein. Grantee by its acceptance of the Eighth Amended Franchise further pledges that no promise or inducement, oral or written, has been made to any employee or official of County regarding receipt of the Eighth Amended Franchise.

C. Grantee by its acceptance of the Eighth Amended Franchise further acknowledges that it has carefully read the terms and conditions of the Eighth Amended Franchise and accepts without reservation the obligations imposed by the terms and conditions herein.

D. In case of conflict or ambiguity between the Eighth Amended Franchise and the Existing Franchise, the provision which provides the greatest benefit to County, as determined solely by County, shall prevail.

E. The Board's decision concerning its selection and awarding of the Eighth Amended Franchise shall be final.

Section 5: SEVERABILITY

If any section, provision, term or covenant or any portion of any section, provision, term or covenant of the Eighth Amended Franchise is determined to be illegal, invalid or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory agency having jurisdiction thereof, such determination shall have no effect on any remaining portion of such section, provision, term or covenant or the remaining sections, provisions, terms or covenants of the Eighth Amended Franchise, all of which will remain in full force and effect for the term of the Eighth Amended Franchise or any renewal or renewals thereof.

Section 6: NOTICE

Notices required under the Eighth Amended Franchise shall be delivered or sent by certified mail, postage prepaid to:

Grantor:

Clerk of the Pinal County Board of Supervisors
P.O. Box 827
31 N. Pinal
Florence, Arizona 85232

Grantee:

Johnson Utilities L.L.C.
5320 E. Shea Blvd.
Scottsdale, Arizona 85254

Eighth Amended
Johnson Utility Water and Sewer Franchise

The delivery or mailing of such notice shall be equivalent to direct personal notice and shall be deemed to have been given at the time of delivery. Either party may change its address under this section by written notice to the other party.

IN WITNESS WHEREOF, the Board of Supervisors of Pinal County, Arizona, by its Chairman and its Clerk, thereunto duly authorized, has hereunto set its hand and cause its official seal to be affixed on June 20, 2001.

PINAL COUNTY BOARD OF SUPERVISORS


Jimmie B. Kerr
Jimmie B. Kerr, Chairman

ATTEST:

Sheri Cluff
Sheri Cluff, Deputy Clerk of the Board

APPROVED AS TO FORM:

ROBERT CARTER OLSON
PINAL COUNTY ATTORNEY

Rick V. Husk
Rick V. Husk
Deputy County Attorney

**Pinal County
Exhibit A**

**Requested Utility Franchise
Johnson Utilities Company**

All of Sections 1, 2, 3, 4, 9, 10, 11, and 12, in Township 3 South, Range 8 East,
G. & S.R.M., Pinal County, Arizona.

ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Johnson Utilities L.L.C., an Arizona limited liability corporation, does hereby accept the June 20, 2001, grant of a Eighth Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain water and sewer lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, a copy of which is attached to the Eighth Amended Franchise, which is made a part hereof.

Grantee unconditionally accepts the franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the Eighth Amended Franchise. Grantee accepts such provisions, terms and conditions and expressly waives any and all objections to the reasonableness or legality of any provisions of the same or any part thereof, or as to the legal right or authority of the County of Pinal to impose the same.

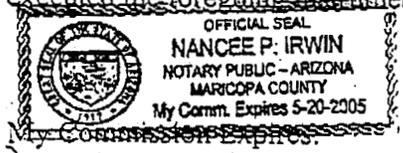
Grantee declares that the statements and recitals in said Eighth Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said Eighth Amended Franchise recited to have been or to be made by Grantee.

Dated this 27th day of June, 2001.

Johnson Utilities L.L.C.
By: [Signature]
Title: MANAGING MEMBER

STATE OF ARIZONA)
County of Maricopa) ss.

The foregoing instrument was acknowledged before me this 27th day of June, 2001, by CREOPINE H. JOHNSON of Johnson Utilities, L.L.C., an Arizona limited liability corporation, and being authorized to do so, executed the foregoing instrument on behalf of the corporation for the purposes therein stated.



[Signature]
Notary Public

May 20, 2005

WHEREAS, the said application coming on regularly for hearing on said day and it appearing by the affidavit of the duly authorized agent of the said time and place set for the consideration of such application has been published for at least once a week for the three-week period prior to said date set forth herein, to-wit:

In the issues of the said newspaper on May 10, 17, and 24, 2001, and it appearing that no sufficient protest has been filed by the qualified electors of the said County petitioning said Board of Supervisors to deny such license and franchise, and it further appearing the best interests of Maricopa County will be served by the granting of said application and the franchise referred to therein;

NOW, THEREFORE, the Board of Supervisors of Maricopa County, State of Arizona, acting on behalf of said County does hereby grant unto JOHNSON UTILITIES, LLC, dba JOHNSON UTILITIES COMPANY, doing business in Maricopa County, Arizona, subject to the terms, conditions and limitations hereinafter contained, the right, privilege, license and franchise to construct, maintain and operate a sewage system consisting of lines, connections, manholes, and all necessary equipment, for a period of not-to-exceed twenty-five (25) years or for a period of one (1) year after the franchised area is annexed by a municipality, whichever is shorter, for the supplying of this service along, upon, under and across the public highways, roads, alleys and thoroughfares (excepting State highways) within that portion of Maricopa County, Arizona, hereinabove described, under such restrictions and limitations and upon such terms as this Board at any time may provided, not inconsistent with the laws of the State of Arizona, or the orders and rules of the Corporation Commission of the State of Arizona, specifically providing, however, that:

- 1) All rights hereunder are granted under the express condition that the Board of Supervisors of said Maricopa County shall have the power at any time to impose such restrictions and limitations and to make such regulations on such highways, roads, and thoroughfares as may be deemed best for the public safety, health, welfare and convenience.
- 2) All rights hereby granted shall be exercised so as to not interfere or conflict with any easements or rights-of-way heretofore granted by said Board of Supervisors and now in force.
- 3) All rights hereby granted shall be exercised so as not to interfere or conflict with any easement, either public or private, of whatsoever nature, which has been acquired in or to the proper use of said highway, roads, and thoroughfares, or any portion thereof.
- 4) All rights hereby granted shall be exercised so as not to interfere or conflict with or endanger in any way the proper use by the public of said highways, roads, and thoroughfares, or any portion thereof.
- 5) That the said Grantee shall bear all expenses incurred including damages and compensation for the alteration of the course, direction, surface, grade or alignment of any of the said highways, roads and thoroughfares necessarily made by the said grantee for the purpose of this franchise; that said grantee will maintain his equipment from time to time as may be needed, without the necessity of notice from Maricopa County. In the event the said grantee shall fail to make any repairs within ten days from the time same becomes necessary, then Maricopa County may cause the same to be made, and said grantee agrees to pay Maricopa County the cost thereof.

- 6) That all property of the franchise be installed and operated by the said grantee and shall be placed, removed or relocated, initially and throughout the term of this franchise, along, in, over, under and across the said highway, roads and thoroughfares, in such a manner and location as the Board of Supervisors or its duly authorized agents may designate. Such placement, removal or relocation shall be done at the sole expense of the grantee upon a determination by the Board of Supervisors of Maricopa County that such placement, removal or relocation is necessary.

If the grantee fails or refuses to so remove or relocate, Maricopa County may so remove or relocate, at the sole expense of grantee, such expense to include any and all damages and compensation of whatsoever nature arising therefrom.

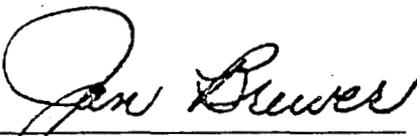
In this section the term "property" includes conduits, pipe, wires, poles, or other structures and appliances used to supply or deal in gas, electricity, lights, water, heat, refrigeration, power, telephones, telegraph, television and other public utilities.

Any finding or determination made by the Board of Supervisors pursuant hereto shall be final and binding upon the grantee whether or not such findings or determinations relates to the requirements of public safety or welfare, the use of public roads or the need for proposed improvements, and whether or not the function to be served by such removal or relocation is of a governmental or proprietary nature.

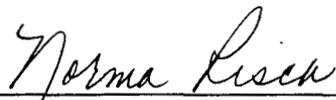
- 7) That said grantee shall indemnify and save harmless, the said County of Maricopa from all costs, expense and liabilities in connection with the granting of this franchise and exercise of the same by them.
- 8) That the rights of any person claiming to be injured in any manner by the maintenance of said projects and equipment shall not be affected hereby.
- 9) That the terms and conditions of this franchise shall inure to the benefit of, and be binding upon, all the heirs and assigns of the said Grantee.
- 10) That the franchise and privilege herein granted shall not be deemed to be exclusive and the said Board of Supervisors hereby expressly reserves the right and power to grant from time to time similar franchises and privileges over the same territory and highways, roads and thoroughfares.
- 11) This franchise is granted upon the express condition that the Certificate of Convenience and Necessity be procured from the Corporation Commission of the State of Arizona and the Certificate of Assured Water Supply be procured from the Arizona Department of Water Resources and proof thereof submitted to the Board of Supervisors within six months from the date of granting of this franchise; and if such Certificates are not granted within six months from said date, then this franchise to be void, otherwise to be in full force and effect for the time herein specified.
- 12) All materials and construction methods used with the public right-of-way shall conform to the applicable standards, specifications and special provisions currently in effect in Maricopa County.

- 13) The Franchise holder shall obtain a construction permit from the Office of the County Engineer prior to construction of any facilities in the public right-of-way.

DATED this 6th day of June, 2001


Chairman, Board of Supervisors

ATTEST:


Deputy Clerk, Board of Supervisors