

ORIGINAL
Watco, Inc.

P.O. Box 1270
Show Low, Arizona 85902
(928) 537-8739



0000039997

January 24, 2006

VIA U.S. MAIL

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

***Re: Docket Control Number W-01979A-05-0645
Watco, Inc. Request for Extension of CC&N***

Dear Sir or Madam:

Enclosed per your instruction are the original and thirteen copies of Navajo County Resolution No. 83-05 granting a Non-Exclusive Franchise for Public Utility Purposes.

Please let me know if there is anything else you require.

Sincerely,

Mark Grapp

RECEIVED

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AZ CORP COMMISSION
DOCUMENT CONTROL

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2005-36416

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Requested By: BOARD OF SUPERVISORS

Navajo County Recorder - Laurette Justman

12-06-2005 08:45 AM Recordings Fee \$0.00

RESOLUTION NO. 83-05

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF
NAVAJO COUNTY, GRANTING A NON-EXCLUSIVE
FRANCHISE FOR PUBLIC UTILITY PURPOSES
PURSUANT TO A.R.S. § 40-283 TO WATCO**

BE IT RESOLVED by the Board of Supervisors of Navajo County as follows:

Section 1. There is hereby granted to WATCO, an Arizona public service corporation, public utility or political subdivision, its successors and assigns ("Franchisee"), the right, privilege and non-exclusive franchise to construct, install, maintain and operate on, over, along, across and under the present and future public streets, avenues, alleys, highways, bridges, roads and other public ways in the unincorporated areas of Navajo County under the jurisdiction of the Board of Supervisors, all lines, pipes, cables and other facilities customarily associated with the Applicant's business of supplying water service to its customers.

Section 2. All facilities to be constructed or installed pursuant to this Franchise shall be constructed, installed and maintained in accordance with Navajo County standards, specifications and permit and insurance requirements for work within the public rights of way, as administered by the Navajo County Department of Public Works and Risk Manager.

Section 3. If any facility constructed or installed pursuant to this Franchise is found to interfere unduly with vehicular or pedestrian traffic, Franchisee shall, at its own expense and within a reasonable time after notice thereof by the Department of Public Works, remove or relocate the facility so as to eliminate the undue interference.

Section 4. Franchisee shall bear all expenses, including damage and compensation, for any alteration of the direction, surface, grade or alignment of a public road or other public way, made for the purpose of this Franchise.

Section 5. This Franchise is subject at all times to such regulations and limitations on the use of the public roads and other public ways as the Board of Supervisors may deem best for the public safety and welfare from time to time.

Section 6. If the Board of Supervisors takes action to dispose of an unnecessary public roadway pursuant to A.R.S. § 28-7201 *et seq.*, the Board shall include in the instrument of disposal specific and appropriate language to preserve Franchisee's rights of use as they existed before the disposal.

Section 7. If Franchisee's exercise of its rights under this Franchise causes disturbance of pavement, sidewalk, driveway or other improved surface, or planting or other ground cover, Franchisee shall, at its expense, promptly restore the surface to its prior condition in a manner satisfactory to the Department of Public Works.

Section 8. If Franchisee's facilities within any public road or other public way must be permanently or temporarily relocated due to the relocation, realignment or improvement of the road or way by Navajo County or another governmental entity (including a County Improvement District), Franchisee shall cooperate fully and shall bear the expense of relocating its facilities; provided, however, that if Franchisee's facilities were originally installed before the road or way was granted to Navajo County or the public, Navajo County (or the governmental entity undertaking the relocation, realignment or improvement) shall bear the expense of relocating Franchisee's facilities.

Section 9. To the full extent permitted by law, Franchisee shall indemnify, defend and hold harmless Navajo County and its officials, employees and agents from and against any loss, claim, expense or liability arising out of Franchisee's exercise of its rights under this Franchise.

Section 10. This Franchise shall continue and exist for a period of 25 years from the date hereof.

Section 11. The right, privilege and franchise granted herein shall be binding upon and inure to the benefit of Franchisee, its successors and assigns; provided, however, that no transfer or assignment shall be made without the prior written approval of the Board of Supervisors.

Section 12. Any and all franchisees previously granted to Franchisee by the Board of Supervisors, and any and all resolutions and parts thereof that may conflict with the terms hereof, are hereby repealed.

Section 13. If any provision of this Franchise is adjudged to be invalid or unenforceable in whole or part, the remaining provisions shall not be affected.

PASSED AND ADOPTED on 12/05/05, at Holbrook, Navajo County, Arizona.

Jerry Brunner
Chairman, Board of Supervisors

Attest:

Darlene Fraley
Clerk of the Board

The foregoing terms and conditions are hereby accepted by Franchisee.

By Mark Grapp
Title President