

ORIGINAL



0000042799

**Santa Rosa Water Company
Santa Rosa Utility Company
9532 E. Riggs Road
Sun Lakes, AZ 85248**

RECEIVED
2006 FEB 21 A 10: 20

AZ CORP COMMISSION
DOCUMENT CONTROL

February 17, 2006

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

**Re: Santa Rosa Water Company, Docket No. W-04137A-05-0286 and Santa Rosa
Utility Company, Docket No. SW-04136A-05-287**

Dear Docket Control:

Enclosed is a copy of the water franchise for Santa Rosa Water Company and the sewer franchise for Santa Rosa Utility Company that is required to be submitted by October 25, 2006 pursuant to Decision No. 68243.

An original and 15 copies submitted.

Sincerely,


Jim Poulos
General Manager

JP:rc

8



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTTLE

When recorded mail to:

Clerk of the Board
P.O. Box 827
Florence, Arizona 85232

DATE/TIME: 10/20/05 1231
FEE: \$0.00
PAGES: 8
FEE NUMBER: 2005-143513

Expansion and Amendment Of The Santa Rosa Water Company Franchise

WHEREAS, Santa Rosa Water Company had received a domestic water franchise from Pinal County on 11/6/02 to establish and maintain domestic water services in Pinal County, see document fee number 2002-061380 in the Office of the Pinal County Recorder (hereinafter "Original Franchise").

WHEREAS, Santa Rosa Water Company, an Arizona limited liability company, 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 Original Franchise for the purpose of constructing, operating and maintaining domestic water 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 Santa Rosa Water Company's application for the Expansion, 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 October 19, 2005 at the Pinal County Board of Supervisors' Hearing Room, Administration Building A, Florence, Arizona.

WHEREAS, said application for the Expansion and Amendment having come on regularly for hearing at 9:30 a.m. on October 19, 2005; 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 & Blade Tribune and Casa Grande Dispatch published on September 29, 2005, October 6, 2005 and October 13, 2005; and the matter being called for hearing at 9:30 a.m., on October 19, 2005 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,

First Amended
Santa Rosa Water Company Franchise

Section 1: DEFINITIONS

The following terms used in this expansion and amendment of the Original 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: Santa Rosa Water Company, an Arizona limited liability company, its successors and assigns
- E. Grantee's Facilities: Water lines and related appurtenances

Section 2: GRANT

Grantor, on October 19, 2005, hereby grants to Grantee, for a period of time not to exceed the Original Franchise, this expanded and amended franchise (hereinafter "First Amended Franchise") for the purpose of constructing, operating and maintaining domestic water 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 Original Franchise (hereinafter "Franchise Area").

Section 3: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE

The First 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 First Amended Franchise is accepted by County. This First 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 First 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 First Amended Franchise accepts the validity of the terms and conditions of the First 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

First 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 First 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 First Amended Franchise not expressed therein. Grantee by its acceptance of the First 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 First Amended Franchise.

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

D. In case of conflict or ambiguity between the First Amended Franchise and the Original 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 First 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 First 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 First Amended Franchise, all of which will remain in full force and effect for the term of the First Amended Franchise or any renewal or renewals thereof.

Section 6: NOTICE

Notices required under the First 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 Street
Florence, Arizona 85232

Grantee:

Santa Rosa Water Company
9532 E. Riggs Road
Sun Lakes, AZ 85248

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



PINAL COUNTY BOARD OF SUPERVISORS

Sandie Smith, Chairman

ATTEST:

Sheri Cluff, Deputy Clerk of the Board

APPROVED AS TO FORM:

ROBERT CARTER OLSON
PINAL COUNTY ATTORNEY

Rick V. Husk
Deputy County Attorney

Exhibit A

LEGAL DESCRIPTION

SANTA ROSA UTILITY COMPANY
PROPOSED ADDITION TO FRANCHISE AREA

April 5, 2005

PARCEL NO. 1 (Portion of Section 25)

The Southwest Quarter of Section 25, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

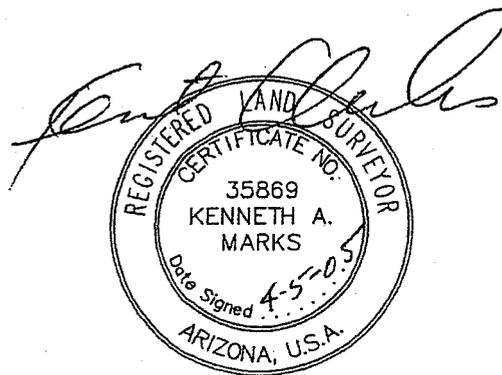
The above described parcel contains 172.74 acres, more or less.

PARCEL NO. 2 (Portion of Section 26)

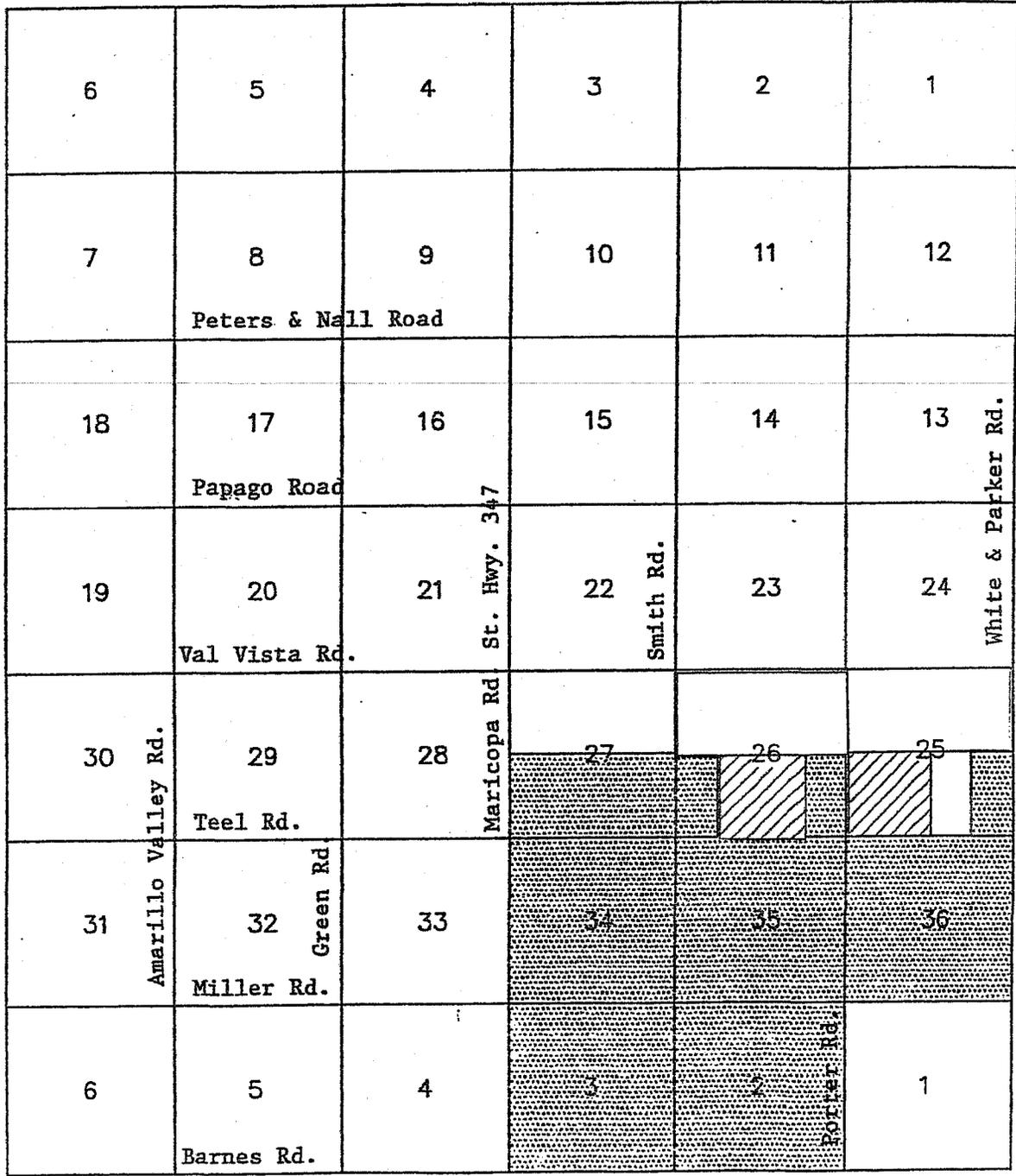
The West Half of the Southeast Quarter and the East Half of the Southwest Quarter of Section 26, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

The above described parcel contains 168.80 acres, more or less.

The aggregate area of the above-described parcels is 341.54 acres.

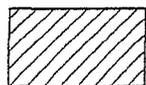


T5S R3E R4E T5S



LEGEND

EXISTING FRANCHISE AREA 

PROPOSED ADDITION TO FRANCHISE AREA 

SANTA ROSA WATER CO.
WATER FRANCHISE

Exhibit B

SAMPLE ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Santa Rosa Water Company, an Arizona limited liability company, does hereby accept the _____ grant of a First Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain domestic water 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, 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 First 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 First Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said First Amended Franchise recited to have been or to be made by Grantee.



**OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTTLE**

When recorded mail to:

Clerk of the Board Office
P.O. Box 827
Florence, Arizona 85232

DATE/TIME: 10/20/05 1231
FEE: \$0.00
PAGES: 2
FEE NUMBER: 2005-143514

(The above space reserved for recording information)

CAPTION HEADING

Acceptance of expanded and amended Santa Rosa Water Company Water Utility Franchise

ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Santa Rosa Utility Company, a(n) Arizona limited liability company, does hereby accept the October 19, 2005 grant of a First Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain 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, 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 First 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 Fourth Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said Fourth Amended Franchise recited to have been or to be made by Grantee.

Dated this 19th day of October, 2005.

SANTA ROSA UTILITY COMPANY

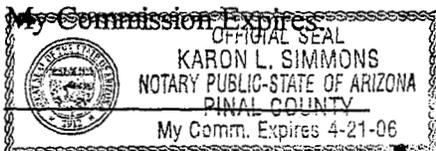
By: [Signature]

Title: V.P.

STATE OF ARIZONA)
) ss.
County of)

The foregoing instrument was acknowledged before me this 19th day of October, 2005, by James L. Poulos of Peacho Water Co., a(n) Arizona corporation, and being authorized to do so, executed the foregoing instrument on behalf of the corporation for the purposes therein stated.

[Signature: Karon L. Simmons]
Notary Public





When recorded mail to:

Clerk of the Board
P.O. Box 827
Florence, Arizona 85232

DATE/TIME: 10/20/05 1231
FEE: \$0.00
PAGES: 8
FEE NUMBER: 2005-143511

Expansion and Amendment Of The Santa Rosa Utility Company Sewer Franchise

WHEREAS, Santa Rosa Utility Company had received a sewer franchise from Pinal County on 11/6/02 to establish and maintain sewer services in Pinal County, see document fee number 2002-061379 in the Office of the Pinal County Recorder (hereinafter "Original Franchise").

WHEREAS, Santa Rosa Utility Company, a(n) Arizona limited liability company, 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 Original Franchise for the purpose of constructing, operating and maintaining 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 Santa Rosa Utility Company's application for the Expansion, 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 October 19, 2005 at the Pinal County Board of Supervisors' Hearing Room, Administration Building A, Florence, Arizona.

WHEREAS, said application for the Expansion and Amendment having come on regularly for hearing at 9:30 a.m. on October 19, 2005; 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 & Blade Tribune and Casa Grande Dispatch published on September 29, 2005, October 6, 2005 and October 13, 2005; and the matter being called for hearing at 9:30 a.m., on October 19, 2005, 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,

First Amended
Santa Rosa Utility Company Franchise

Section 1: DEFINITIONS

The following terms used in this expansion and amendment of the Original 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: Santa Rosa Utility Company, a(n) Arizona limited liability company, its successors and assigns
- E. Grantee's Facilities: sewer lines and related appurtenances

Section 2: GRANT

Grantor, on , hereby grants to Grantee, for a period of time not to exceed the Original Franchise, this expanded and amended franchise (hereinafter "First Amended Franchise") for the purpose of constructing, operating and maintaining 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 Original Franchise (hereinafter "Franchise Area").

Section 3: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE

The First 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 First Amended Franchise is accepted by County. This First 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 First 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 First Amended Franchise accepts the validity of the terms and conditions of the First 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

First 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 First 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 First Amended Franchise not expressed therein. Grantee by its acceptance of the First 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 First Amended Franchise.

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

D. In case of conflict or ambiguity between the First Amended Franchise and the Original 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 First 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 First 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 First Amended Franchise, all of which will remain in full force and effect for the term of the First Amended Franchise or any renewal or renewals thereof.

Section 6: NOTICE

Notices required under the First 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 Street
Florence, Arizona 85232

Grantee:

Santa Rosa Utility Company
9532 E. Riggs Road
Sun Lakes, AZ 85248

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 .



PINAL COUNTY BOARD OF SUPERVISORS

Sandie Smith
Sandie Smith, Chairman 10-19-05

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

Exhibit A

LEGAL DESCRIPTION

SANTA ROSA UTILITY COMPANY
PROPOSED ADDITION TO FRANCHISE AREA

April 5, 2005

PARCEL NO. 1 (Portion of Section 25)

The Southwest Quarter of Section 25, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

The above described parcel contains 172.74 acres, more or less.

PARCEL NO. 2 (Portion of Section 26)

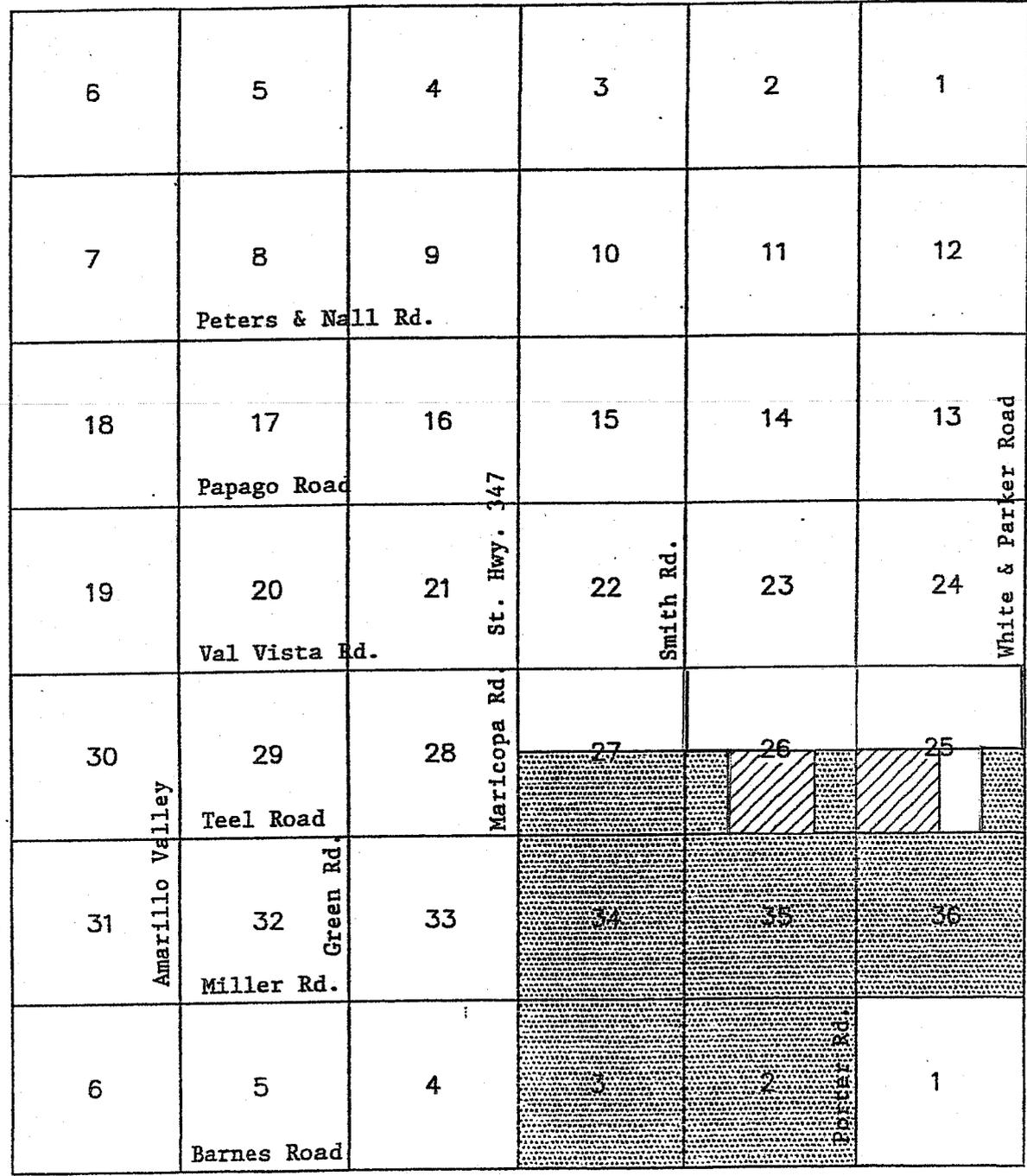
The West Half of the Southeast Quarter and the East Half of the Southwest Quarter of Section 26, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

The above described parcel contains 168.80 acres, more or less.

The aggregate area of the above-described parcels is 341.54 acres.

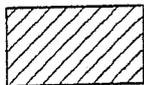


T5S R3E R4E T5S



LEGEND

SERVICE AREA 

PROPOSED ADDITION TO FRANCHISE AREA 

SANTA ROSA UTILITY CO.
SEWER FRANCHISE AREA

Exhibit B

SAMPLE ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Santa Rosa Utility Company, a(n) Arizona limited liability company, does hereby accept the _____ grant of a First Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain 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, 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 First 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 First Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said First Amended Franchise recited to have been or to be made by Grantee.

2



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTTLE

When recorded mail to:

Clerk of the Board Office
P.O. Box 827
Florence, Arizona 85232

DATE/TIME: 10/20/05 1231
FEE: \$0.00
PAGES: 2
FEE NUMBER: 2005-143512

(The above space reserved for recording information)

CAPTION HEADING

Acceptance of expanded and amended Santa Rosa Utility Company Sewer Franchise

ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Santa Rosa Water Company, an Arizona limited liability company, does hereby accept the October 19, 2005 grant of a First Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain domestic water 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, 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 First 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 First Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said First Amended Franchise recited to have been or to be made by Grantee.

Dated this 19th day of October, 2005.

SANTA ROSA WATER COMPANY

By: [Signature]

Title: V.P.

STATE OF ARIZONA)
) ss.
County of)

The foregoing instrument was acknowledged before me this 19th day of October, 2005, by James L. Paulos of Pinal Water Co, a(n) Arizona limited liability company, and being authorized to do so, executed the foregoing instrument on behalf of the company for the purposes therein stated.

[Signature]
Notary Public

