



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

BEFORE THE ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES
COMMISSIONER

WILLIAM A. MUNDELL
COMMISSIONER

JEFF HATCH-MILLER
CHAIRMAN

MIKE GLEASON
COMMISSIONER

BARRY WONG
COMMISSIONER

Arizona Corporation Commission

DOCKETED

OCT 11 2006

DOCKETED BY	NR
-------------	----

IN THE MATTER OF THE APPLICATION)
 FOR APPROVAL OF SALE OF)
 ASSETS/TRANSFER OF CERTIFICATE OR)
 CONVENIENCE AND NECESSITY FROM)
 HAROLD & MARY FRARER dba F & F)
 WATER COMPANY TO ST. DAVID)
 SPRINGS, L.L.C.)

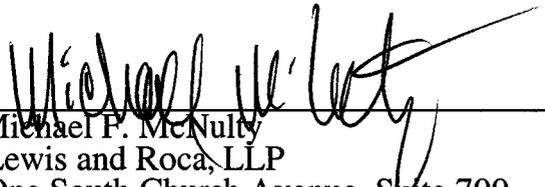
Docket No. W-01898A-06-0326
and
Docket No. W-20460A-06-0326

**FILING OF COCHISE COUNTY
FRANCHISE**

Enclosed is a copy of the Resolution 06-104 adopted on September 12, 2006, by the Cochise County Board of Supervisors at their Formal Board Meeting granting franchise to St. David Springs, L.L.C., and filed with the Cochise County Recorder's Office at Fee #060934866 on September 14, 2006.

RESPECTFULLY SUBMITTED this 10th day of October, 2006.

LEWIS AND ROCA


 Michael P. McNulty
 Lewis and Roca, LLP
 One South Church Avenue, Suite 700
 Tucson, Arizona 85701-1611
 Attorneys for Worden Water Company

RECEIVED

2006 OCT 11 P 4: 09

AZ CORP COMMISSION
DOCUMENT CONTROL

LEWIS
AND
ROCA
LLP

LAWYERS

1 ORIGINAL AND thirteen (13) copies
2 of the foregoing hand-delivered via DHL
3 this 10th day of October, 2006, to

4 Arizona Corporation Commission
5 Utilities Division – Docket Control
6 1200 W. Washington Street
7 Phoenix, Arizona 85007

8 COPY of the foregoing delivered via U.S. Mail
9 this 10th day of October, 2006, to:

10 St. David Springs, L.L.C.
11 1600 North Kolb Road, Suite 118
12 Tucson, AZ 85715

13 F & F Water Company
14 3630 S. Curtis Flats Road
15 St. David, AZ 85630

16 By: 

17 _____
18 Hope I. Bracken
19 Secretary to Michael F. McNulty
20
21
22
23
24
25
26

CERTIFICATE OF CLERK

I, Katie A. Howard, Clerk of the Board of Supervisors of Cochise County, Arizona, do hereby certify that the foregoing excerpt from the minutes of the meeting of the Board of Supervisors of Cochise County, Arizona, held on September 12, 2006, constitutes a true and correct copy of the said minutes insofar as they relate to the Application of St. David Springs, L.L.C., for a water franchise in the County and to the granting of said water franchise pursuant to the resolution hereinabove set out, all as appears in the official records of the Board of Supervisors.

IN WITNESS WHEREOF, I have set my hand and official seal of the Board of Supervisors of Cochise County, Arizona, this 2nd day of October, 2006.

Katie A. Howard

CLERK, BOARD OF SUPERVISORS

COCHISE COUNTY, ARIZONA

Board of Supervisors

Richard R. Searle
Chairman
District 3

Patrick G. Call
Vice-Chairman
District 1

Paul Newman
District 2



Jody N. Klein
County Administrator

James E. Vlahovich
Deputy County Administrator

Katie A. Howard
Clerk

OFFICE OF THE BOARD OF SUPERVISORS

OF COCHISE COUNTY, BISBEE, ARIZONA

RESOLUTION NO. 06 - 104 GRANTING FRANCHISE

KNOW ALL MEN BY THESE PRESENTS, THAT,

WHEREAS, St. David Springs, L.L.C., has applied and petitioned, pursuant to A.R.S. Section 40-283, to the Board of Supervisors of Cochise County, Arizona, for the right, privilege, license, and franchise to construct, install, operate, and maintain along, over, under and across the streets, alleys, and highways, within the County, facilities for the purpose of maintaining and operating water lines and all other facilities pertinent to the transmission, delivery and sale of water for domestic and commercial consumers, as may be approved by the Arizona Corporation Commission; and

WHEREAS, the Board of Supervisors ordered that public notice be given in the manner provided by A.R.S. Section 40-283, of the filing of said Application and of the intention of the Board to grant said Application, and fixed, Tuesday, September 12, 2006 at 09:00 A.M. at the regular meeting place of the Board in the City of Bisbee, Arizona, as the time and place for the consideration of the matter; and

WHEREAS, it appears from the affidavit of publication of the Sierra Vista Herald that due and regular notice of said date, time, and place set for the consideration of such action has been published once a week for three (3) consecutive weeks prior to the said date of the hearing, to-wit: in the issues of the 24th day of August, 2006; the 31st day of August, 2006; and the 7th day of September, 2006, of said newspaper, and the matter being called at 09:00 o'clock A.M., and it appearing that the Board of Supervisors has not received a petition signed by more than 50% of the qualified electors of said County asking the Board to deny said Application on or before the date set for consideration thereof; and

WHEREAS, said Application came on regularly to be heard on the 12th day of September before the Board of Supervisors of Cochise County, and the Board considered the Application for the franchise;

NOW, THEREFORE, it being determined by the Board of Supervisors of Cochise County that the grant of this franchise is regular, proper, authorized by law and in the best interest of Cochise County, and the inhabitants thereof;

NOW, THEREFORE, IT IS HEREBY ORDAINED:

1. That this Board of Supervisors of Cochise County, Arizona, acting for and on behalf of said County (the "County"), does hereby grant unto St. David Springs, L.L.C., (hereinafter called "Grantee") for the right, privilege, license, and franchise to construct, install, operate, and maintain along, over, under and across the streets, alleys, and highways, within the County, facilities for the purpose of maintaining and operating water lines and all other facilities pertinent to the transmission, delivery and sale of water for domestic and commercial consumers, and to construct, install, maintain, and operate a sewer system and all other facilities pertinent to the transportation and disposal of sewer for domestic and commercial consumers or entities of Cochise County, exclusive of State highways and those areas within the corporate boundaries of any city or town. This grant is subject to the terms, conditions, and limitations expressed below or incorporated herein by reference.
2. The County reserves the right to impose future restrictions and limitations upon the exercise of the rights granted herein as it deems best for the public safety and welfare. The Grantee is further required to comply with all lawful applicable ordinances of Cochise County regulating the conduct of work within the public rights-of-way; as such ordinances are now enacted or may be amended or adopted from time to time.
3. The franchise granted hereby shall not be exclusive, and nothing herein shall be construed to prevent the County from granting other like or similar franchises to any other person, firm, or corporation.
4. The Grantee shall bear all expenses, including damages and compensation for the alteration of the direction, surface, grade, or alignment of a public roadway, which may arise in connection with its exercise of the rights granted herein.
5. The Grantee shall erect, construct, and maintain all facilities authorized herein in a good and workmanlike manner and in compliance with all valid laws, ordinances, and regulations, which may be in, force from time to time. All such work shall be performed in such a manner as may be necessary to avoid any unreasonable damage, disturbance, or modification to existing public rights-of-ways, including roads, streets, highways, bridges, borrow ditches or shoulders thereon.
6. The Grantee shall, immediately upon erecting, constructing, replacing or repairing its facilities, or any part

060934866

thereof, at its own cost and expense, restore any effected public right-of-way, including any road, street, highway, bridge, borrow ditch or shoulder thereon, to not less than the same condition which existed prior to the Grantee's action.

7. The County does not waive or relinquish any rights it may have to the full and complete use of the public rights-of-way subject to this franchise, whether for road purposes or otherwise. In the event that the location of the Grantee's facilities may interfere or conflict with the County's use, expanded use, improvement, or maintenance of the County's rights-of-way, the County may require the Grantee to relocate, at the Grantee's expense, all facilities which give rise to such interference or conflict. The County will provide the Grantee with reasonable notice of any relocation requirement and will provide a reasonable period of time for the Grantee to perform such relocation.

8. The Grantee assumes the responsibility for all liability for any injury or damage to any person or property, or to the road and right-of-way itself, caused by or arising out of the exercise of the rights granted herein and attributable to any act or commission of the Grantee. The Grantee shall indemnify, defend and hold harmless Cochise County, its officers, departments, employees and agents from and against any and all suits, actions, legal or administrative proceedings, claims, demands or damages of any kind or nature, including all costs of legal defense, arising out of the exercise of these rights which are attributed to any act or omission of the Grantee, its agents, employees, or anyone acting under its direction, control or on its behalf.

9. This franchise is granted for a term of twenty-five (25) years from the date of its authorization by the County. This franchise may not be sold, leased, assigned, or conveyed without the express consent of the County, which consent shall not be unreasonably withheld.

10. The County reserves the right to alter or amend the terms of this franchise in any manner necessary to protect the safety or welfare of the public or the public interest. This reservation includes, but is not limited to, the authority to impose such franchise fee, rental or use payments, or other form of compensation or assessment as the County may be authorized, now or in the future, to impose under the laws of the State of Arizona.

11. This franchise may be terminated by the County in the event that the Grantee fails to comply with the terms and conditions of this franchise. The Board of Supervisors, or its designee, shall provide the Grantee with written notice of noncompliance and allow the Grantee a period of not less than thirty (30) days to remedy any breach. If the Grantee continues to fail to comply with the terms of this franchise after this notice and remedy period, the Board of Supervisors may revoke all rights granted herein and render this franchise null and void.

060934866

12. Upon termination of the franchise, whether by expiration of its term, or for cause, or by voluntary abandonment, and after written notice from the County, the Grantee shall remove all of its facilities installed pursuant to the rights granted herein within one hundred eighty (180) days of such termination, and shall repair any damages caused thereby. All such facilities which are not removed within this period shall be deemed to be abandoned and shall become the property of the County.

13. This franchise will not be effective for any purpose until the Grantee has indicated its acceptance in writing below.

14. The rights, privileges, and franchise granted herein are made pursuant to the laws of Arizona, including A.R.S. 40-283, which are incorporated herein by reference.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Cochise, State of Arizona, has caused these presents to be executed and signed by the Chairman of the Board of Supervisors on this 12th day of September, 2006.

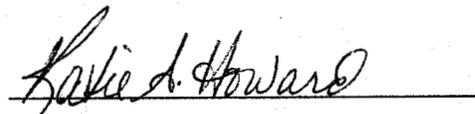
BOARD OF SUPERVISORS

COUNTY OF COCHISE:



Chairman

ATTEST:



Clerk, Board of Supervisors

APPROVED AS TO FORM:



Deputy County Attorney



FEE # 060934866
OFFICIAL RECORDS
COCHISE COUNTY
DATE 09/14/06 HOUR 4
REQUEST OF
COCHISE COUNTY BOARD OF SUPV
CHRISTINE RHODES-RECORDER
FEE : PAGES : 6

060934866

**ST DAVID SPRINGS, L.L.C.
LEGAL DESCRIPTION**

Sections 20, 21, 22, 26, 27, 28, 29, 32, 33, 34, and 35 of Township 18 South, Range 21 East; and Sections 1, 2, 3, 4, and 5 of Township 19 South, Range 21 East of the Gila and Salt River Base and Meridian, Cochise County, Arizona

060934866

ACCEPTANCE OF FRANCHISE

This is to certify that the Grantee, St. David Springs, L.L.C., has on the 28th day of August, 2006,

accepted the foregoing franchise. Grantee agrees that it will be bound by, observe, and carry out the terms and conditions of such franchise.

Dated: 8/28/06

GRANTEE: St. David Springs, L.L.C.

By: Enclave St. David, L.L.C., Manager
By: Startender, L.L.C., Member

Rodger Ford

By: Rodger Ford

Title: Manager