

ORIGINAL
JOHNSON UTILITIES, L.L



0000063193

5230 East Shea Boulevard * Scottsdale, Arizona 8525
PH: (480) 998-3300; FAX: (480) 483-7908

56

Arizona Corporation Commission
DOCKETED

October 25, 2006

OCT 25 2006

Mr. Brian Bozzo
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

DOCKETED BY NR

RE: Johnson Utilities, L.L.C.: Compliance with Decision No. 68237
ACC Docket No.: WS-02987A-04-0288
CAAG Section 208 Plan & Pinal County Franchise inclusive of the Extension Area

Dear Mr. Bozzo:

Pursuant to the above-referenced matter, Johnson Utilities hereby submits this compliance filing in accordance with the Commission's orders. Enclosed please find the CAAG Section 208 plan amendment referenced in the Decision inclusive of the expansion area attached hereto as Attachment No. 1. Due to its voluminous size a copy of the attachment is not included in the docket filing and three copies have been provided to Mr. Ernest Johnson, Director of the Utilities Division, for staff to review along with a copy for your use. This report was approved by CAAG's Regional Counsel on September 27, 2006. The maps given in the Appendices are also available for review in color online at <http://www.caagcentral.org/208/JUC.html>. Enclosed as well are the Pinal County Franchise Amendments 2, 5, & 6 as requested in the order attached hereto as Attachment Nos. 2, 3, and 4 respectively.

If you need any additional information in regards to this compliance item, please do not hesitate to contact me. Thank you for your time and consideration in this matter.

Sincerely,

Daniel Hodges
Johnson Utilities, LLC

Cc: Mr. Ernest Johnson, Director (Attachment #1- 3 copies)
Docket Control (1 original, 13 copies)
Mr. Richard Sallquist, Sallquist, Drummond & O'Connor (w/o enc.)

AZ CORP COMMISSION
DOCUMENT CONTROL

2006 OCT 25 P 3:29

RECEIVED

ATTACHMENT 1

ON FILE WITH THE DIRECTOR OF THE UTILITIES DIVISION

ATTACHMENT 2

Lm.



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER

KATHLEEN C. FELIX

DATE: 12/08/98 TIME: 1636
FEE : 0.00
PAGES: 6
FEE NO: 1998-050223

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 Johnson Utilities L.L.C., see document number 1995-033065 in the Office of the Pinal County Recorder (hereinafter "Original Franchise").

WHEREAS, Johnson Utilities L.L.C., a(n) Arizona 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 Original 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, 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 November 4, 1998, 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 11:30 A.M. on November 4, 1998; 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 October 15, 1998, October 22, 1998, and October 29, 1998; and the matter being called for hearing at 11:30 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.

Second Amended
Johnson Utility Water and Sewer Franchise

NOW, THEREFORE,

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: Johnson Utilities L.L.C., a(n) Arizona corporation, its successors and assigns
- E. Grantee's Facilities: water and sewer lines and related appurtenances

Section 2: GRANT

Grantor, on November 4, 1998, hereby grants to Grantee, for a period of time not to exceed the Original Franchise, this expanded and amended franchise (hereinafter "Second 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 Original Franchise (hereinafter "Franchise Area").

Section 3: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE

The Second 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 Second Amended Franchise is accepted by County. This Second 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 Second 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 Second Amended Franchise accepts the validity of the terms and conditions of the Second 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 Second 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 Second 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 Second Amended Franchise not expressed therein. Grantee by its acceptance of the Second 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 Second Amended Franchise.

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

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

Section 6: NOTICE

Notices required under the Second 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

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 November 4, 1998.

PINAL COUNTY BOARD OF SUPERVISORS



Sandie Smith

Sandie Smith, Chairman 11-4-98

by: *Stanley D. Griffis*

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

APPROVED AS TO FORM:

ROBERT CARTER OLSON
PINAL COUNTY ATTORNEY

Eric L. Walberg

Eric L. Walberg, Deputy County Attorney

Exhibit A

JOHNSON UTILITIES
FRANCHISE EXTENSION APPLICATION

All areas within the following described Sections not previously franchised to the Applicant:

Sections 35 and 36, all in Township 3 South Range 7 East

Sections 13 through 36, all in Township 3 South Range 8 East

Sections 16 through 21 and 28 through 33, all in Township 3 South Range 9 East

Sections 1 through 4, 10 through 14 and 23 through 26, all in Township 4 South Range 8 East

Sections 4 through 9, all in Township 4 South Range 9 East

Exhibit B

SAMPLE ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Johnson Utilities L.L.C., a(n) Arizona corporation, does hereby accept the _____ grant of an Second 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 Second 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 Second 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 Second Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said Second Amended Franchise recited to have been or to be made by Grantee.

attyciv\franchise\19981799 E&A Franchise Final



KATHLEEN C. FELIX

DATE: 12/08/98 TIME: 1636
FEE : 0.00
PAGES: 2
FEE NO: 1998-050224

nail to:

ard of Supervisors

ia 85232

(The above space reserved for recording information)

CAPTION HEADING

Acceptance of Expanded and Amended Franchise

ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Johnson Utilities L.L.C., a(n) Arizona corporation, does hereby accept the November 4, 1998 grant of an Second 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 Second 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 Second 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 Second Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said Second Amended Franchise recited to have been or to be made by Grantee.

Dated this 16 day of November, 1998.

Johnson Utilities L.L.C.

By: [Signature]

Title: Manager

STATE OF ARIZONA)
) ss.
County of)

The foregoing instrument was acknowledged before me this 16 day of November, 1998, by George H Johnson, Manager of Johnson Utilities, 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]
Notary Public

My Commission Expires:

June 9, 2002



ATTACHMENT 3

08104100



OFFICIAL RECORDS
PINAL COUNTY RECORDER
LAURA DEAN-LYTTLE

5th Amended

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:

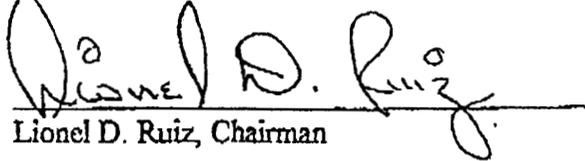
Johnson Utilities L.L.C.
5320 E. Shea Blvd.
Scottsdale, Arizona 85254

Fifth Amended
Johnson Utility Water and Sewer Franchise

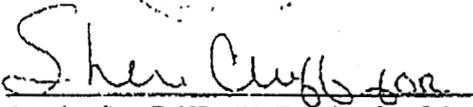
The delivery or mailing of such notice shall be equivalent to direct personal notice and shall be deemed to have been given at the time of delivery. Either party may change its address under this section by written notice to the other party.

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

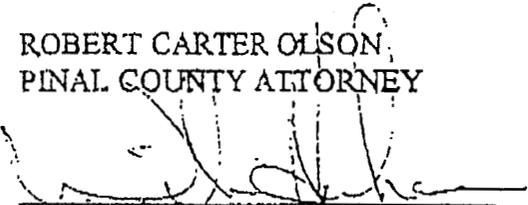

Lionel D. Ruiz, Chairman

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

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.

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:

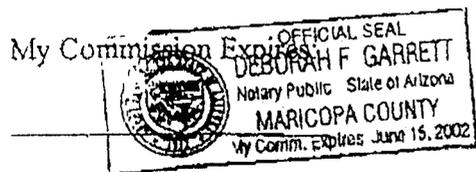
Title:

[Handwritten signature and title: 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: Deborah F. Garrett]
Notary Public



ATTACHMENT 4

6th Amend

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 GASON
PINAL COUNTY ATTORNEY

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

**Exhibit A
Page 1 of 2**

**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

Exhibit A
Page 2 of 2

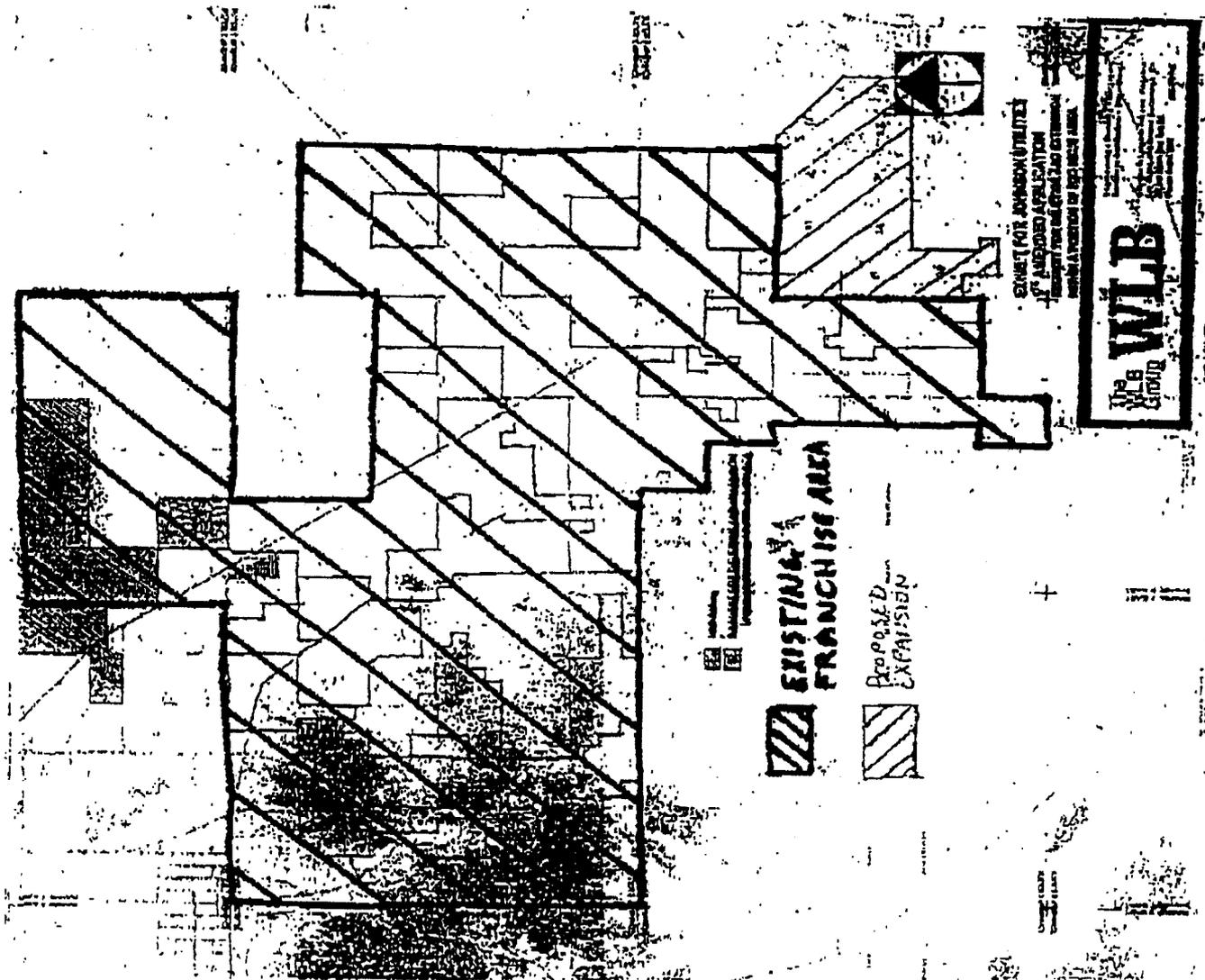


Exhibit B

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.

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:

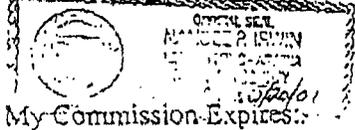
[Handwritten signature]
Managing Member

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