

ORIGINAL

**JOHNSON UTILITIES, L.L**



0000063195

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PH: (480) 998-3300; FAX: (480) 483-7908

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October 25, 2006

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

RE: Johnson Utilities, L.L.C.: Compliance with Decision No. 68236  
ACC Docket No.: WS-02987A-04-0889  
Johnson Utilities' Pinal County Franchise

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 Johnson Utilities' Pinal County Franchise Amendment 7 for the extension area attached hereto as Attachment No. 1.

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: Docket Control (1 original, 13 copies)  
Richard Sallquist, Sallquist, Drummond & O'Connor

Arizona Corporation Commission  
**DOCKETED**  
OCT 25 2006

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AZ CORP COMMISSION  
DOCUMENT CONTROL

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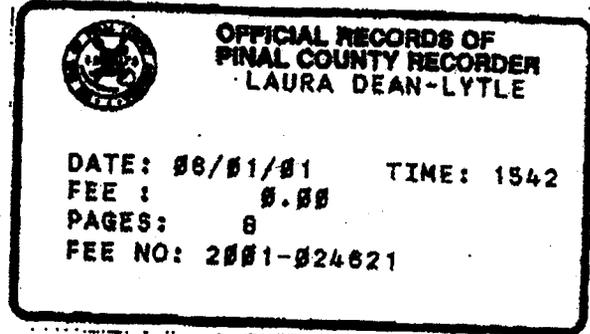
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# ATTACHMENT 1

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When recorded mail to:

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



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(The above space reserved for recording information)

**CAPTION HEADING**

Seventh expansion of Johnson Utilities Company water and sewer utility franchise

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**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 30<sup>th</sup>, 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 30<sup>th</sup>, 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.

Seventh 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 May 30<sup>th</sup>, 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

**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 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.

attyciv\franchise\Johnson Utility Sixth E&A Franchise Pinal



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 30<sup>th</sup>, 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