

ORIGINAL



BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

JEFF HATCH-MILLER – Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

2006 NOV -8 1 A 11: 04

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
ENTRADA DEL ORO SEWER COMPANY FOR
AN EXTENSION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY FOR
WASTEWATER SERVICE.

Docket No. SW-04316A-06-0382

Entrada Del Oro Sewer Company hereby files the attached recorded copy of the franchise agreement for the extension area.

RESPECTFULLY SUBMITTED this 8th day of November 2006.

Entrada del Oro Sewer Company

By

Michael W. Patten
ROSHKA DEWULF & PATTEN, PLC
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004
(602) 256-6100

Attorneys for Entrada del Oro Sewer Company

Original and 13 copies of the foregoing
filed this 8th day of November 2006 with:

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

Arizona Corporation Commission
DOCKETED
NOV -8 2006

DOCKETED BY NR

ROSHKA DEWULF & PATTEN, PLC
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TELEPHONE NO 602-256-6100
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1 Copies of the foregoing hand-delivered/mailed
this 8th day of November 2006

2
3 Lyn A. Farmer, Esq.
4 Chief Administrative Law Judge
5 Arizona Corporation Commission
6 1200 West Washington
7 Phoenix, Arizona 85007

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9 Steve Olea
10 Assistant Director, Utilities Division
11 Arizona Corporation Commission
12 1200 West Washington
13 Phoenix, Arizona 85007

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15 Christopher C. Kempley
16 Chief Counsel, Legal Division
17 Arizona Corporation Commission
18 1200 West Washington
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By *Mary Appolito*



When recorded mail to:

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

DATE/TIME: 10/10/06 1237
FEE: \$0.00
PAGES: 9
FEE NUMBER: 2006-141390

Expansion and Amendment Of The Entrada Del Oro Sewer Company Franchise

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WHEREAS, Entrada Del Oro Sewer Company Franchise had received a sewer franchise from Pinal County to establish and maintain sewer services in Pinal County, see document number 2005-089646 in the Office of the Pinal County Recorder (hereinafter "Original Franchise"), approved on July 6, 2005.

WHEREAS, Entrada Del Oro Sewer Company, an 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 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 Entrada Del Oro Sewer 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 September 27, 2006 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 September 27, 2006; 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 published on September 7, September 14, and September 21, 2006; and the Apache Junction News, published on September 11, September 18, and September 25, 2006 and the matter being called for hearing at 9:30 a.m., on September 27, 2006, 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.

First Amended
Entrada Del Oro Sewer Company 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: Entrada Del Oro Sewer Company, a(n) corporation, its successors and assigns
- E. Grantee's Facilities: Wastewater structures, equipment, lines, plants

Section 2: GRANT

Grantor, on September 27, 2006, 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.

F. This Franchise and/or any Amendment thereto is "non-exclusive." Therefore, Grantor makes no assurances that, through this grant, it shall endorse, support, or otherwise encourage the approval of permit requests, zoning, or ANY other approval from a governmental or regulatory agency.

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:

First Amended
Entrada Del Oro Sewer Company Franchise

Grantor:

Clerk of the Pinal County Board of Supervisors
P.O. Box 827
31 N. Pinal Street
Florence, Arizona 85232

Grantee:

Entrada Del Oro Sewer Company
11811 North Tatum Bld. Ste. 1060
Phoenix Arizona 85028

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 September 27, 2006.



PINAL COUNTY BOARD OF SUPERVISORS


Lionel D. Ruiz, 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

First Amended
Entrada Del Oro Sewer Company Franchise

Exhibit A

See Attached Legal Description and Map

LEGAL DESCRIPTION

THAT PORTION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 2 SOUTH, RANGE 10 AND THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 2 SOUTH, RANGE 10 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 6, BEING A 3 INCH PINAL COUNTY BRASS CAP STAMPED 1962 FROM WHICH THE SOUTHEAST CORNER OF SAID SECTION 6, BEING A 3 INCH PINAL COUNTY BRASS CAP STAMPED 1962 BEARS SOUTH 00°48'00" EAST, A DISTANCE OF 2654.73 FEET, SAID POINT BEING THE POINT OF BEGINNING.

THENCE ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 6, ALSO BEING THE CENTERLINE OF RANCH 160 BOULEVARD, SOUTH 89°39'15" WEST, A DISTANCE OF 1324.50 FEET TO THE EAST 1/16TH CORNER, A FOUND 1/2 INCH REBAR;

THENCE ALONG THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 6, NORTH 00°48'07" WEST, A DISTANCE OF 2656.74 FEET TO A FOUND 1/2 INCH REBAR AT THE CENTER-EAST 1/16TH CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 6;

THENCE NORTH 89°44'27" EAST ALONG THE EAST-WEST MID-SECTION LINE, A DISTANCE OF 1324.61 FEET TO A FOUND 3 INCH PINAL COUNTY BRASS CAP STAMPED 1962 AT THE EAST CORNER OF SAID SECTION 6;

THENCE NORTH 89°27'10" EAST ALONG THE NORTH LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1327.27 FEET TO A FOUND 3/4 INCH PIPE AT THE CENTER-WEST 1/16TH CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 6;

THENCE SOUTH 00°47'37" EAST ALONG THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 5, A DISTANCE OF 2654.99 FEET TO A FOUND 1/2 INCH REBAR WITH A TAG STAMPED LS 2217 AT THE WEST 1/16TH CORNER OF SAID SOUTHWEST QUARTER OF SECTION 5;

THENCE SOUTH 89°27'49" WEST ALONG THE SOUTH LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 5, ALSO BEING THE CENTERLINE OF RANCH 160 BOULEVARD, A DISTANCE OF 1325.98 TO THE SOUTHWEST CORNER OF SAID SECTION 5, SAID POINT BEING THE POINT OF BEGINNING;

CONTAINING 7,038,176 SQUARE FEET (161.57 ACRES) MORE OR LESS

EXCEPTING A PARCEL OF LAND SITUATED WITHIN THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 2 SOUTH, RANGE 10 EAST OF THE GILA AND SALT

RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 6, SAID POINT BEING A BRASS CAP;

THENCE SOUTH $89^{\circ}39'15''$ WEST ALONG THE SOUTH LINE OF SAID SECTION 6, A DISTANCE OF 220.63 FEET TO A POINT;

THENCE NORTH $00^{\circ}01'45''$ WEST, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING NORTH $00^{\circ}01'45''$ WEST, A DISTANCE OF 99.44 FEET TO A POINT ON A 50 FOOT RADIUS OF NON-TANGENT CURVE, CONCAVE TO THE NORTHWEST, WHOSE RADIAL BEARING IS NORTH $20^{\circ}39'23''$ EAST;

THENCE EASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $104^{\circ}47'58''$, A DISTANCE OF 91.45' TO A POINT;

THENCE SOUTH $84^{\circ}08'35''$ EAST, A DISTANCE OF 101.34 FEET TO A POINT 50.00 FEET WEST OF THE EAST LINE OF SECTION 6;

THENCE SOUTH $00^{\circ}48'00''$ EAST, A DISTANCE OF 129.77 FEET, RUNNING 50.00 FEET WEST AND PARALLEL WITH THE EAST LINE OF SAID SECTION 6 TO A POINT LYING 50.00 FEET NORTH OF THE SOUTH LINE OF SAID SECTION 6;

THENCE SOUTH $89^{\circ}39'15''$ WEST, A DISTANCE OF 169.96 FEET, RUNNING 50.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID SECTION 6 TO THE POINT OF BEGINNING;

EXCEPTING ALL URANIUM, THORIUM OR OTHER MATERIALS WHICH ARE OR MAY BE DETERMINED TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIALS, AS RESERVED IN THE PATENT TO THE LAND.

ALSO, EXCEPTING A PARCEL OF LAND SITUATED WITHIN THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 2 SOUTH, RANGE 10 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 5, SAID POINT BEING A BRASS CAP;

THENCE NORTH $89^{\circ}27'49''$ EAST ALONG THE SOUTH LINE OF SAID SECTION 5, A DISTANCE OF 1207.43 FEET TO A POINT;

THENCE NORTH $00^{\circ}32'11''$ WEST, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING NORTH $00^{\circ}32'11''$ WEST, A DISTANCE OF 131.55 FEET TO A POINT;

THENCE NORTH 89°27'49" EAST, A DISTANCE OF 117.73 FEET TO A POINT;

THENCE SOUTH 00°47'37" EAST, A DISTANCE OF 131.55 FEET TO A POINT
LYING 50.00 FEET NORTH OF THE SOUTH LINE OF SAID SECTION 5;

THENCE SOUTH 89°27'49" WEST, A DISTANCE OF 118.33 FEET, RUNNING 50.00
FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID SECTION 5 TO
THE POINT OF BEGINNING;

EXCEPTING ALL URANIUM, THORIUM OR OTHER MATERIALS WHICH ARE OR
MAY BE DETERMINED TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION
OF FISSIONABLE MATERIALS, AS RESERVED IN THE PATENT TO THE LAND.

Exhibit B

SAMPLE ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Entrada Del Oro Sewer Company, a(n) Arizona corporation, 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.

