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7 Phoenix, Arizona 85012
8 Telephone (602) 916-5000

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AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission
DOCKETED

MAR 23 2007

9 Attorneys for Northern Sunrise Water Company
10 and Southern Sunrise Water Company

DOCKETED BY *SW*

BEFORE THE ARIZONA CORPORATION COMMISSION

11 IN THE MATTER OF THE APPLICATION OF
12 NORTHERN SUNRISE WATER COMPANY FOR A
13 CERTIFICATE OF CONVENIENCE AND
14 NECESSITY TO PROVIDE WATER UTILITY
15 SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20453A-06-0247

16 IN THE MATTER OF THE APPLICATION OF
17 SOUTHERN SUNRISE WATER COMPANY FOR A
18 CERTIFICATE OF CONVENIENCE AND
19 NECESSITY TO PROVIDE WATER UTILITY
20 SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20454A-06-0248

21 IN THE MATTER OF THE JOINT APPLICATION
22 OF NORTHERN SUNRISE WATER COMPANY
23 AND SOUTHERN SUNRISE WATER COMPANY
24 FOR THE APPROVAL OF SALE AND TRANSFER
25 OF WATER UTILITY ASSETS, AND
26 CANCELLATION OF CERTIFICATES OF
CONVENIENCE AND NECESSITY, FOR
MIRACLE VALLEY WATER COMPANY,
COCHISE WATER COMPANY, HORSESHOE
RANCH WATER COMPANY, CRYSTAL WATER
COMPANY, MUSTANG WATER COMPANY,
CORONADO ESTATES WATER COMPANY, AND
SIERRA SUNSET WATER COMPANY, LOCATED
IN COCHISE COUNTY, ARIZONA.

DOCKET NOS. W-20453A-06-0251
W-20454A-06-0251
W-01646A-06-0251
W-01868A-06-0251
W-02235A-06-0251
W-02316A-06-0251
W-02230A-06-0251
W-01629A-06-0251
W-02240A-06-0251

**NOTICE OF COMPLIANCE WITH
DECISION NO. 68826**

23 Pursuant to Decision No. 68826, dated June 29, 2006, Northern Sunrise Water Company
24 and Southern Sunrise Water Company (collectively, "Applicants") submit this Notice of
25 Compliance in the above-referenced matter. Ordering Paragraph number 4 of
26 Decision No. 68826 requires Applicants to file the franchise agreements with Cochise County.

1 Attached hereto as Exhibit A is Resolution No. 06-119 Granting Franchise for
2 Northern Sunrise Water Company. Attached hereto as Exhibit B is Resolution No. 06-120
3 Granting Franchise for Southern Sunrise Water Company.

4 DATED this 23rd day of March, 2007.

5 FENNEMORE CRAIG, P.C.

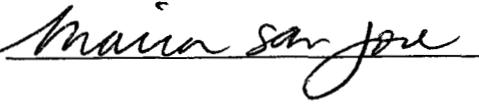
6
7 By: 
8 Jay L. Shapiro
9 Patrick J. Black
10 Attorneys for Applicants,
11 Northern Sunrise Water Company and
12 Southern Sunrise Water Company

11 ORIGINAL and 33 copies delivered
12 this 23rd day of March, 2007 to:

13 Docket Control
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

15 Copy hand-delivered
16 this 23rd day of March, 2007, to:

17 Brian Bozzo, Compliance
18 Utilities Division
19 Arizona Corporation Commission
20 1200 W. Washington St.
21 Phoenix, AZ 85007

21 

22 1897785.1/10577.002

EXHIBIT

A

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 - 119 GRANTING FRANCHISE

KNOW ALL MEN BY THESE PRESENTS, THAT,

WHEREAS, Northern Sunrise Water Company, Inc. 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, November 7, 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 19th day of October, 2006; the 26th day of October, 2006; and the 2nd day of November, 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 7th day of November, 2006 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 Northern Sunrise Water Company, Inc. (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 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 thereof, at its own cost and expense, restore any effected public right-of-way, including any road, street, highway,

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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.

12. Upon termination of the franchise, whether by expiration of its term, or for cause, or by voluntary abandonment,

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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 28th day of Nov November, 2006.

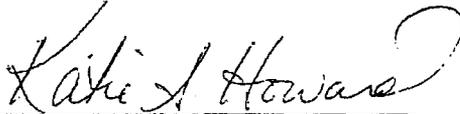
BOARD OF SUPERVISORS

COUNTY OF COCHISE:



Chairman

ATTEST:



Clerk, Board of Supervisors

APPROVED AS TO FORM:



Deputy County Attorney



FEE # 061144322
OFFICIAL RECORDS
COCHISE COUNTY
DATE 11/30/06 HOUR 4
REQUEST OF
COCHISE COUNTY BOARD OF SUPV
CHRISTINE RHODES-RECORDER
FEE : PAGES : 6

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NORTHERN SUNRISE WATER COMPANY, INC.

LEGAL DESCRIPTION

The SE $\frac{1}{4}$, SW $\frac{1}{4}$, SE $\frac{1}{4}$ and Lot 5 of Section 18; Lots 1 and 2 of Section 19; and those portions of Lots 3 and 4, the NE $\frac{1}{4}$ SW $\frac{1}{4}$, and the N $\frac{1}{2}$ SE $\frac{1}{4}$, lying South of the South right-of-way of the State Highway No. 82 and East of the Easterly right-of-way line of the East leg of State Highway No. 92, where the East leg of the "Y" of State Highway No. 92 makes its junction with said State Highway no. 82, in Section 18;

EXCEPTING therefrom, however, that portion of Lot 3, the NW $\frac{1}{4}$ W $\frac{1}{4}$, and the N1/2 SE $\frac{1}{4}$, particularly described as follows:

Beginning at a point on the East line of the SE $\frac{1}{4}$ of Section 18, 470.8 feet South of the East quarter corner of said Section to a point on the South line of State Highway No. 82; thence S. 88° 30' W. 3,871.06 feet along the South line of the right-of-way of Arizona State Highway No. 82 to the intersection of the South right-of-way line of said Arizona State Highway No. 82, and the Easterly curve right-of-way line of Arizona State Highway No. 92, which curve has a radius of 1,909.86 feet on the curved line of the curved highway and a radius of 1,859.86 feet on the line of a 50-foot right-of-way; thence Southwesterly, 889.29 feet along the curved right-of-way line of said Arizona State Highway No. 92 to a point at the intersection of the Easterly curved right-of-way line of said Arizona State Highway No. 92 and the South line of this parcel; thence N. 88° 30' E. to a point on the East line of the Southeast quarter of said Section 18, 400 Feet South of the point of beginning; thence North along the East line of said Section 18, 400 feet to the point of beginning;

All being in Township 20 S., Range 20 of the G. & S. R. B. & M., Cochise County, Arizona

That portion of the East Half (E $\frac{1}{2}$) of the West Half (W $\frac{1}{2}$), and of the West Half (W $\frac{1}{2}$) of the West Half (W $\frac{1}{2}$) of the East Half (E $\frac{1}{2}$) of Section 14, Township 20 South, Range 19 East, G&SRB&M, in Cochise County, Arizona

Section 18, Township 20 South, Range 20 East, G&SRB&M, Cochise County, Arizona, lying North of State Highway 82 and East of State Highway 90

The SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 12. The W $\frac{1}{2}$ of the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 13, the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 13. The E $\frac{1}{2}$ of the E $\frac{1}{2}$ of the E $\frac{1}{2}$ of Section 14; T20S, R19E

Excluding any area within the legal boundaries of the Whetstone Water Improvement District

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ACCEPTANCE OF FRANCHISE

This is to certify that the Grantee, Northern Sunrise Water Company, Inc., has on the 31 day of October, 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: October 31/06

GRANTEE:

Robert Dodd

By: Robert Dodd

Title: President

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EXHIBIT

B

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lpm 0-03

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 - 120 GRANTING FRANCHISE

KNOW ALL MEN BY THESE PRESENTS, THAT,

WHEREAS, Southern Sunrise Water Company, Inc., 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, November 7, 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 19th day of October, 2006; the 26th day of October, 2006; and the 2nd day of November, 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 7th day of November, 2006 before the Board of Supervisors of Cochise County, and the Board considered the Application for the franchise;

Cochise County • 1415 Melody Lane, Building G • Bisbee, Arizona 85603
(520) 432-9200 • FAX: (520) 432-5016 • email: board@co.cochise.az.us
http://www.cochisecounty.com or http://www.co.cochise.az.us

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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 Southern Sunrise Water Company, Inc., (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 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 thereof, at its own cost and expense, restore any effected public right-of-way, including any road, street, highway,

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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.

12. Upon termination of the franchise, whether by expiration of its term, or for cause, or by voluntary abandonment,

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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 7th day of November, 2006.

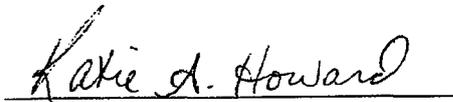
BOARD OF SUPERVISORS

COUNTY OF COCHISE:



Chairman

ATTEST:



Clerk, Board of Supervisors

APPROVED AS TO FORM:



Deputy County Attorney



FEE # 061143328
OFFICIAL RECORDS
COCHISE COUNTY
DATE 11/21/06 HOUR 1
REQUEST OF
COCHISE COUNTY BOARD OF SUPV
CHRISTINE RHODES-RECORDER
FEE : PAGES : 6

061143328

SOUTHERN SUNRISE WATER COMPANY, INC.

LEGAL DESCRIPTION

Lots 1 and 2 and the South half of the Northeast quarter and the south half of Section 5; and the east half of the Northwest quarter of Section 8, all in Township 23 South, Range 21 East, G&S.R.B.&M., Cochise County, Arizona

North Half (N $\frac{1}{2}$) of the Northwest Quarter (NW $\frac{1}{4}$) and the Southeast Quarter (SE $\frac{1}{4}$) of the Northwest Quarter (NW $\frac{1}{4}$) of Section 17, Township 23 South, Range 21 East, G&SRB&M, Cochise County, Arizona.

South $\frac{1}{2}$ of Section 31, Twp. 23 S., Range 22 E., G&S.R.B. &M. Cochise County, Arizona

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ACCEPTANCE OF FRANCHISE

This is to certify that the Grantee, Southern Sunrise Water Company, Inc., has on the 31 day of October, 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: October 31, 2006

GRANTEE:

Robert Dodds

By: Robert Dodds

Title: President

061143328