

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 4, 2023

Tiffany Thong
Manger, Rates and Regulatory Affairs
Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241

Dear Ms. Thong,

The Water Division of the California Public Utilities Commission has approved Liberty Utilities' (Park Water) Advice Letter No. 330, filed on January 13, 2023, regarding authorization to offer a new non-tariffed products and services for an executed contract between Liberty Park Water and Suburban Water Systems and establishment of a Memorandum Account.

Enclosed are copies of the following revised tariff sheets, effective December 24, 2022, for the utility's files:

P.U.C. Sheet No.	Title of Sheet
1586-W	Preliminary Statement, Sheet 33 NN. Suburban Revenue Memorandum Account
1587-W	Preliminary Statement, Sheet 34 NN. Suburban Revenue Memorandum Account (continued)
1588-W	Table Of Contents, Sheet 1

Please contact Jefferson Hancock at JHO@cpuc.ca.gov or 415-703-3453, if you have any questions.

Thank you.

Enclosures



Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241-7002
Tel: 562-923-0711
Fax: 562-861-5902

Advice Letter No. 330-W

January 13, 2023

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Liberty Utilities (Park Water) Corp. (U 314-W) (“Liberty Park Water”) hereby transmits the attached revised tariff sheets applicable to water service in its service territory.

Summary

Liberty Park Water hereby requests authorization from the Commission to offer a new non-tariffed products and services (“NTP&S”) for an executed contract between Liberty Park Water and Suburban Water Systems (“Suburban” or “SWS”) for the temporary transfer of excess water supplies for use in the former Sativa Los Angeles Water District’s water system (“Sativa”). The purpose for this activity is to help provide safe and reliable water source to the Sativa customers.

This filing is made pursuant to Decision (“D.”) 10-10-019 and Rule X of the Commission’s Rules for Water and Sewer Utilities Regarding Affiliate Transactions and the Use of Regulated Assets for Non-Tariffed Utility Services (“NTP&S Rules”).¹

The proposed activity is designated as passive. Therefore, pursuant to Rule X.C, revenues shall be shared as follows: 70% to shareholders and 30% to ratepayers.

Liberty Park Water also requests establishment of a memorandum account to track the customers’ share of revenue associated with the Suburban NTP&S.

Background and Discussion

Liberty Park Water provides water service in Southern Los Angeles County to service areas consisting of four separate systems (Compton, Lynwood, Bellflower/Norwalk, and La Canada).

The Sativa Los Angeles County Water District (“Sativa”) was the interim administrator for the Sativa water system. Sativa provides water service to approximately 1,600 customers located within a residential area in the unincorporated community of Willowbrook and three small non-contiguous areas within the City of Compton. The Sativa water system is adjacent to Liberty Park Water’s Compton system.

Due to problems with water quality, Sativa installed an emergency interconnection to Liberty Park Water’s Compton system in 2019, allowing Sativa to draw clean and safe water on an emergency basis to serve its customers while it searched for a buyer for the water system. In 2019, the sale of the Sativa water system was awarded to Suburban. On August 13, 2021, Suburban filed Application (“A.”) 21-08-01 seeking authorization from the Commission to

¹ This advice letter only addresses the NTP&S Rules because Liberty Park Water’s proposed activity is with a non-affiliated third party.

purchase Sativa assets. While the acquisition application was pending with Commission, Sativa and Liberty Park Water executed a service agreement for Liberty Park Water to continue providing water service to Sativa's customers.² On April 7, 2022, the Commission approved Suburban's Application in Decision 22-04-010.

In December 2022, Liberty Park Water and Suburban executed a month-to-month contract ("Suburban Contract") for Liberty Park Water to continue providing water service through the interconnection to Sativa's customers until Suburban finds an alternate source of water. As such, the contract between Liberty Park Water and Sativa Los Angeles County Water District is terminated as of December 23, 2022. Liberty Park Water will file an advice letter to request refunding of the balance recorded in the Sativa Revenue Memorandum Account approved in Advice Letter 321-W-A once the final balance is available.

At this point, it is difficult to anticipate when the Suburban Contract will end. For revenue and costs estimating purposes, Liberty Park Water assumes Suburban will find an alternate source of water to serve its Sativa's customers at the end of 2023. As such, the estimated total gross revenues and costs (December 2022 through December 2023) are \$1,819,308 and \$368,107 respectively.³

In addition, Liberty Park Water requests establishment of the Suburban Revenue Memorandum Account ("SRMA") to track the customers' share of revenue associated with the Suburban Contract. Liberty Park Water will file an advice letter to refund the balance recorded in the SRMA at the termination of the contract.

A copy of the executed Suburban Contract is included in the workpapers.

Compliance with Rule X of the NTP&S Rules

Rule X.B.3 lists five conditions a service must meet to be offered in the open market as an NTP&S. The conditions are as follows:

- The NTP&S utilizes a portion of the excess or unused capacity of a utility asset or resource;
- Such asset or resource has been acquired for the purpose of and is necessary and useful in providing tariffed utility services;
- The involved portion of such asset or resource may only be used to offer the product or service on a non-tariffed basis without adversely affecting the cost, quality or reliability of tariffed utility products and services;
- The products and services can be marketed with minimal or no incremental ratepayer capital, minimal or no new forms of liability or business risk being

² Liberty Park Water filed Advice Letter (AL) 321-W-A seeking Commission approval of the service agreement and establishment of a memorandum account to track customers' share of the revenue associated with the Sativa Contract. The Commission approved AL 321-W-A on May 19, 2022.

³ See workpapers for analysis of revenue and cost forecasts.

- incurred by utility ratepayers, and no undue diversion of utility management attention; and
- The utility's offering of the NTP&S does not violate any California law, regulation, or Commission policy regarding anticompetitive practices.

The Suburban Contract complies with the requirements of Rule X.B.3. Liberty Park Water's surface and groundwater rights are an asset and an essential resource acquired for the purpose of tariffed utility service in order to provide safe and reliable water service.

The Suburban Contract will not affect the cost, quality or reliability of tariffed water service to Liberty Park Water customers. The Suburban Contract is a month-to-month contract which is subject to the following conditions: (a) the availability of such water to Liberty Park Water; (b) the ability of the Parties' water distribution systems to deliver such water through the interconnection described in the contract; and (c) Liberty Park Water's determination that the supply of such water will not have an adverse economic impact on, or result in the impairment of, or jeopardize Liberty Park Water's water system, its customers, or its commitments to third parties. Additionally, the Suburban Contract utilizes minimal time (1% or less) of existing Liberty Park Water personnel for performance.⁴

Liberty Park Water's shareholders will be responsible for all risk associated with the Suburban Contract. Liberty Park Water will track ratepayers' portion of shared net revenues (i.e., gross revenues less production expenses) from the Suburban Contract in the SRMA. Any costs that exceed gross revenues will be borne by Liberty Park Water's shareholders.

The Suburban Contract does not violate any laws, regulations, or Commission policies regarding anticompetitive practices. The Suburban Contract is an arms-length transaction with a non-affiliate third-party. The Suburban Contract requires Liberty Park Water to provide water in compliance with all federal, state, and local law, ordinances, rules and regulations for water quality.

Tier Designation

This is a Tier 1 Advice Letter pursuant to D.10-10-019 and Rule X.G. of the NTP&S Rules.⁵

Effective Date

Pursuant to General Rule 7.3 of General Order 96-B, Liberty Park Water requests this filing become effective on December 24, 2022.

⁴ See workpapers for detailed analysis.

⁵ Rule X.G requires a Tier 3 advice letter for new active NTP&S activities. Temporary water transfer contracts are passive activities, and a Tier 1 designation is appropriate. See Chapter 3 of Public Advocates Office's Report and Recommendations on Special Requests 3, 9, and 12, dated February 16, 2021, in Application 20-07-012.

Notice and Service

This Advice Letter is being served on Liberty Park Water's Advice Letter service list, as well as the service lists for R.09-04-012 and A.21-07-004.

Response or Protest

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order or is not authorized by statute or Commission order upon which the utility relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding;
- (5) The relief requested in the advice letter requires consideration in a formal hearing or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory, provided that such a protest may not be made where it would require re-litigating a prior order of the Commission.

A protest shall provide citations or proofs where available to allow staff to properly consider the protest. A response or protest must be made in writing or by electronic mail and must be received by the Division of Water within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission
505 Van Ness Avenue, San Francisco, CA 94102
Water.division@cpuc.ca.gov

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy by mail (or e-mail) to Liberty Park Water, addressed to:

Tiffany Thong
Manager, Rates and Regulatory Affairs
Liberty Utilities
9750 Washburn Road
P. O. Box 7002
Downey, CA 90241
Fax: (562) 861-5902
E-Mail: AdviceLetterService@libertyutilities.com

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division within the 20-day protest period so that a late filed

protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

If you have not received a reply to your protest within 10 business days, contact Tiffany Thong at Tiffany.Thong@libertyutilities.com.

Very truly yours,

LIBERTY UTILITIES (PARK WATER) CORP.

/s/ Tiffany Thong

Tiffany Thong
Manager, Rates and Regulatory Affairs

TT/as

cc: Service List R.09-04-012
Service List A.21-07-003, et al.
Hani Moussa, Cal Advocates (Hani.Moussa@cpuc.ca.gov)
PublicAdvocatesWater@cpuc.ca.gov

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
1586-W	PRELIMINARY STATEMENT Sheet 33	1571-W
1587-W	PRELIMINARY STATEMENT Sheet 34	
1588-W	TABLE OF CONTENTS Sheet 1	1585-W

PRELIMINARY STATEMENT

LL. Drought Revenue Memorandum Account (continued)

4. Accounting Procedure (continued)

D. Monthly interest expense calculated at 1/12 of the most recent month's interest rate on the 3-month non-financial Commercial Paper Rate, published in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances. H.15, (<http://www.federalreserve.gov/Releases/H15/NFCP/M3.txt>), or its successor publication (debit or credit).

5. Effective Date

The 2022 DRMA shall have an effective date of July 1, 2022.

6. Disposition

Disposition of amounts recorded in the 2022 DRMA shall be determined in Liberty Park Water's next General Rate Case application, or as otherwise determined by the Commission if the account's cumulative balance exceeds 2% of Liberty Park Water's adopted gross revenues.

MM. Interim Rates Memorandum Account

1. Purpose

The purpose of the Interim Rates Memorandum Account ("IRMA") is to track the difference between the interim rates and the final rates adopted by the Commission in A.21-07-003, et al for rate case cycle 2022-2024. The authority to establish this account was granted in Administrative Law Judge Park's ("ALJ") ruling dated May 27, 2022 in Application 21-07-003 et al.

2. Applicability

The IRMA applies to all areas served.

3. Effective Date

The IRMA will become effective on July 1, 2022.

4. Disposition

The IRMA will remain in effect until a decision is reached in Liberty Park Water's A.21-07-003, et al. and the new rates are implemented at which time Liberty Park Water will file an Advice Letter requesting amortization of the balance.

NN. Suburban Revenue Memorandum Account

1. Purpose

The purpose of the Suburban Revenue Memorandum Account ("SRMA") is to track the customers' share of revenue (30%) of the net revenue associated with the Suburban Contract. The net revenue is the difference between the gross revenue and associated production expenses (purchased power, replenishment, leased water rights, and chemicals).

2. Effective Date

The SRMA will go into effect on the effective date of Liberty Park Water's Advice Letter 330-W. The SRMA will terminate with the termination of the Suburban Contract.

(N)

(N)

(Continued)

Advice Letter No.	330-W	Issued by	Date Filed	01/13/2023
Decision No.	D.10-10-019	Edward N. Jackson	Effective	12/24/2022
		PRESIDENT	Resolution No.	

PRELIMINARY STATEMENT

Page 34

NN. Suburban Revenue Memorandum Account (continued)

3. Disposition

Liberty Park Water will file an advice letter to refund the balance recorded in the SRMA to customers at the termination of the Suburban Contract.

(N)
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(N)

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and rules affecting the charges and service of the utility, together with other pertinent information:

<u>Subject Matter of Sheet:</u>	<u>C.P.U.C. Sheet No.</u>	
Title Page	1407-W	
Table of Contents	1588-W, 1578-W	(T)
Preliminary Statement.....	1408-W, 1274-W, 1316-W, 1275-W, 1276-W, 1528-W, 1029-W, 1071-W, 1504-W, 1505-W, 1297-W, 1506-W, 1507-W, 1508-W, 1309-W, 1336-W, 1415-W, 1424-W, 1464-W, 1476-W, 1477-W, 1552-W, 1555-W, 1559-W, 1568-W, 1586-W, 1587-W	(T)
Service Area Map Los Angeles County	914-W, 499-W, 1498-W, 1410-W	

Rate Schedules:

Schedule No. PR-1-R Residential Metered Service.....	1581-W, 1563-W
Schedule No. ME-1-R General Metered Service.....	1579-W
Schedule No. PR-1-NR Nonresidential Metered Service.....	1580-W, 1562-W
Schedule No. PR-4F Non-Metered Fire Sprinkler Service.....	1526-W, 1512-W
Schedule No. PR-5 Fire Flow Testing Charge.....	1155-W
Schedule No. PR-6 Reclaimed Water Service.....	1582-W, 1513-W
Schedule No. PR-9CM Construction & Other Temporary Meter Service.....	1158-W
Schedule No. 14.1 Water Shortage Contingency Plan.....	1533-W through 1535-W, 1573-W, 1537-W through 1539-W, 1574-W
Schedule No. LC Late Payment Charge.....	1459-W
Schedule No. UF Surcharge to Fund PUC Reimbursement Fee.....	1584-W
Schedule No. CAP California Assistance Program.....	1519-W, 1520-W
Schedule No. CAP-SC California Assistance Program Surcharge.....	1521-W

LIST OF CONTRACTS AND DEVIATIONS: 723-W

Rules:

No. 1 Definitions	1432-W, 1433-W
No. 2 Description of Service	400-W
No. 3 Application for Service	345-W, 916-W
No. 4 Contracts	346-W
No. 5 Special Information Required on Forms	1453-W, 1454-W, 1434-W, 1435-W
No. 6 Establishment and Re-establishment of Credit	347-W
No. 7 Deposits	1014-W, 1161-W
No. 8 Notices 1436-W through	1439-W
No. 9 Rendering and Payment of Bills	1097-W through 1099-W, 1467-W
No. 10 Disputed Bills	1440-W, 1441-W
No. 11 Discontinuance and Restoration of Service	1460-W, 1443-W through 1452-W
No. 12 Information Available to Public	353-W, 354-W
No. 13 Temporary Service	355-W, 356-W

(Continued)

Attachment
Liberty Utilities (Park Water) Corp. - Suburban Water Systems
Service Agreement

LIBERTY UTILITIES (PARK WATER) CORP. - SUBURBAN WATER SYSTEMS

SERVICE AGREEMENT

This Service Agreement ("Agreement") is made and entered into by and between Liberty Utilities (Park Water) Corp., a California corporation ("Liberty Park Water") and Suburban Water Systems, a California corporation ("Suburban") (each a "Party" and, collectively, the "Parties").

RECITALS

WHEREAS Suburban is required by the Division of Drinking Water ("DDW") to have a metered service connection ("Service" or "Interconnection") between Liberty Park Water's water system and Suburban's water system for the sale and delivery of water to Suburban for use in the former Sativa Los Angeles Water District's water system ("Sativa Water System") pending DDW authorization to operate the manganese treatment facility at the Sativa Water System's Well 5;

WHEREAS Liberty Park Water, a public utility engaged in the business of producing, distributing, and selling water to its customers, subject to the jurisdiction of the California Public Utilities Commission, is not obligated by its tariffs or otherwise to furnish or sell water to any person or entity, including Suburban, for resale;

WHEREAS, the County of Los Angeles, as administrator of the Sativa Water System, installed certain isolation valves, meters, and pressure reducing valves that comprise the Interconnection, and has agreed to convey those assets to Liberty Park Water;

WHEREAS Liberty Park Water owns and operates its own water distribution system adjacent to the Sativa Water System;

WHEREAS Suburban anticipates shortly after closing of the Sativa Water System that it will pay for and own an 8-inch pipeline newly installed in Paulsen Avenue, which completely separates the Sativa Water System from Liberty's water system ("the new Paulsen Pipeline") which will provide water to Suburban at the Point of Delivery, (as subsequently defined). WHEREAS the Parties desire to establish a contractual relationship authorizing the provision of water by Liberty Park Water to Suburban to supply the Sativa Water System;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, the Parties hereto agree as follows:

AGREEMENT

1. Location of the Service

1.1. The Service is to be located on the southwest corner of 137th Street and Paulsen at **1605 N. Paulsen Ave., Compton. CA 90222.**

1.2. Liberty Park Water's obligation to supply water shall be subject to the following: (a) the availability of such water to Liberty Park Water; (b) the ability of the Parties' water distribution systems to deliver such water through the Interconnection described in this Agreement; and (c) Liberty Park Water's determination, at its sole discretion, that the supply of such water will not have an adverse economic impact on, or result in the impairment of, or

jeopardize Liberty Park Water's water system, its customers, or its commitments to third parties.

1.3. Water delivered to Suburban pursuant to this Agreement shall be measured and recorded by a water meter with the capability of measuring the expected range of flow within +/- 5% accuracy.

2. Term and Termination

2.1. This Agreement shall commence on the Effective Date (as defined in herein) and shall continue from month to month unless terminated pursuant to or in accordance with this Agreement.

2.2. Either Party may terminate this Agreement upon giving the other party at least ninety (90) days prior written notice.

2.3. In the event this Agreement is terminated for any reason, the Parties shall promptly make an accounting of water exchanges as of the effective date of termination and payment shall be made.

3. Interconnection and Ownership

3.1. There is one Point of Delivery for the water to be supplied pursuant to this Agreement: The Interconnection located at the southwest corner of 137th Street and Paulsen at 1605 N. Paulsen Ave., Compton, CA 90222.

3.2. Liberty Park Water will own and operate any meters and its associated vaults with respect to the Interconnection.

3.3. Suburban shall be responsible for the cost of maintenance of the Service facilities owned by Liberty Park Water, including the water meter. Such maintenance is to include periodic testing of the water meter. If the periodic testing of the water meter discloses that the water meter was not measuring and recording within the +/-5% range of accuracy, an appropriate billing adjustment will be made upon Suburban being provided a written calculation supporting the adjustment. Liberty Park Water will perform or arrange for all necessary maintenance and testing of the water meter, and Suburban shall reimburse Liberty Park Water for the reasonable cost thereof. The meter accuracy test must be performed no less than two times per year, but no more than four times per year, in Liberty's sole discretion. Suburban will be provided advance notice of such tests, and may elect to have staff present for such tests. Suburban will pay Liberty Park Water for such costs within 30 days after receipt of an invoice and the written test report from Liberty Park Water.

3.4. Suburban will perform or arrange for all necessary maintenance and/or repair of those portions of the Interconnection that it owns as described in Sections 4.1 and 4.2. Suburban will have sole responsibility for the costs of such maintenance and/or repair.

3.5. Suburban's right to use the Interconnection and to receive water from Liberty Park Water's water distribution system shall be subject to the limitations in this Agreement, including those limitations in Section 5 (Delivery of Water).

4. Backflow Prevention and Pressure Reduction

4.1. Liberty Park Water requires the installation of a backflow prevention device on the Service. A double check detector assembly installed within a utility vault is acceptable to Liberty Park Water, and shall be installed downstream of the water meter on Suburban's side of the Service, by and at the expense of Suburban, and shall be maintained in proper operating condition by and at the expense of Suburban. This device will be tested twice per year starting from the date of installation.

4.2. Suburban understands that the water pressure in Liberty Park Water's water system may be greater than that in Suburban's water system, and, as a result, a pressure-reducing valve, and related appurtenances, is required on Suburban's side of the Service connection. Suburban shall be responsible for the installation and maintenance of a pressure-reducing valve and related appurtenances at Suburban's expense. This device will be tested a minimum of twice per year starting from the date of installation. Suburban agrees to request written permission from Liberty Park Water to change settings in pressure or flow as described in Section 4.3.

4.3. Liberty Park Water requires Suburban to receive water in a manner to avoid adverse impacts to the Liberty Park Water's distribution system. Therefore, Suburban agrees to install and maintain any devices necessary to regulate the upstream pressure (pressure upstream of the Interconnection (i.e., Liberty Park Water's system)) and the maximum flow through the Interconnection. The upstream water pressure shall not drop below 60 pounds per square inch (PSI) as a result of using this connection. The maximum flow through this connection shall be limited to 1,500 gallons per minute (GPM).

4.4. Suburban must complete inspections monthly. The inspections will be coordinated with Liberty Park Water and will document the pressure settings, water consumption, downstream (i.e., Suburban's system) water pressure, upstream (i.e., Liberty Park Water's system) water pressure, and all valve positions and operation. The findings of these items must be presented to Liberty Park Water in the form of a monthly report.

5. Delivery of Water

5.1. Liberty Park Water will deliver up to 1,500 GPM of water through this connection. Initial calculations confirm the ability to deliver 1,500 GPM as needed for the Suburban system. Suburban will be provided this reliable and uninterruptible source of water contingent upon meeting the conditions contained in the Agreement. Suburban agrees that it will request water service pursuant to this Agreement only in the case of temporary emergencies, such as a failure or a defect in its wells, pumping, or related equipment and facilities, or the inability of such facilities to provide water in such quantity or of such quality as Suburban deems necessary to meet its customers' needs, which failure, defect, or inability Suburban agrees to repair or correct in a timely manner. Water can be provided at the Service only upon request by

Suburban to Liberty Park Water's central control operator (California Water Operations Department).

5.2. Liberty Park Water will supply only such water at such pressure as may be available from time to time from the operation of its water system. The Parties understand and agree that, in the event Liberty Park Water cannot deliver water to Suburban without negatively affecting Liberty Park Water customers, Liberty Park Water may reduce or suspend indefinitely service under the Agreement until such time as Liberty Park Water deems it appropriate to restore water delivery under this Agreement. Liberty Park Water will attempt to provide no less than twelve (12) hours written notice of its intent to interrupt or curtail such service and will restore such service to Suburban as soon as practicable. Both Parties acknowledge that Liberty Park Water does not have any obligation to provide any guaranteed amounts of water to Suburban and that Liberty Park Water will undertake reasonable commercial efforts to do so when requested by Suburban.

5.3. Although Liberty Park Water will make reasonable efforts to provide water to the Sativa Water System through this connection consistently and as needed, water delivery to Suburban pursuant to this Agreement may be denied, limited, curtailed, or terminated if Liberty Park Water, in its sole discretion, determines that conditions within its water system warrant such a denial, limitation, curtailment, or termination. Liberty Park Water shall have the right to close the Interconnection upon giving five business days' notice to Suburban. Once such conditions are remedied Liberty shall restore normal flow.

5.4. Liberty Park Water agrees that all water provided to Suburban through the interconnection will comply with Title 22 of the California Code of Regulations and all other Federal, State and local law, ordinances, rules and regulations for water quality.

5.5. Because Suburban is providing water service to its customers through Suburban's distribution facilities over which Liberty Park Water does not have any control or responsibility, Liberty Park Water cannot, and does not, make any warranty or representation as to the quality of the water once delivered to Suburban or at its ultimate point of use by Suburban. Suburban shall be solely and exclusively responsible for delivery of water to Suburban's customers after it has taken possession of the water from Liberty Park Water. Suburban acknowledge and agrees that Liberty Park Water shall not have any duties or responsibilities relating to delivery of water to or use of water by Suburban's customers. As such, Suburban shall defend, indemnify and hold harmless Liberty Park Water as to any third-party claim regarding injury or damage resulting from water quality of water delivered under this Agreement, provided that Liberty Park Water is in compliance with section 5.4 of this agreement.

6. Rates and Charges

Water furnished through the Service shall be measured by a water meter that Liberty Park Water will read monthly. Liberty Park Water will bill Suburban, and Suburban agrees to pay Liberty Park Water \$3,600/AF plus any additional charges related to supplying water through this connection will be a "pass-through" cost from Liberty to Suburban). Liberty Park Water will total the water consumption for the meter in preparing its monthly billing to Suburban, and Suburban shall pay Liberty Park Water monthly for the metered usage during the term of this

Agreement. Liberty Park Water will provide Suburban an invoice no later than five (5) working days after the close of the month. Suburban will pay the invoice in full within fifteen (15) days of receipt. The payment of the invoice will be considered late if the payment is not received within thirty (30) days. Late payments will be subject to a 10% late fee.

7. Indemnity

7.1. With the exception of any claim, cause of action, or any liability, loss, damage, or expense arising solely from the quality of water, presence of pollutants, pesticides or chemicals, or safety of water delivered to the Service, Suburban hereby releases and agrees to indemnify, hold harmless, and defend Liberty Park Water and its directors, officers, employees, agents, and contractors from and against any claim, cause of action, or any liability, loss, damage, or expense, including reasonable attorneys' fees, which Liberty Park Water or its directors, officers, employees, agents, and contractors may incur or suffer by reason of any claim asserted by or on behalf of Suburban or Suburban's customers, the public, or other person or entity, directly or indirectly arising from this Agreement, or relating to any water or water service furnished pursuant to this Agreement, including, without limitation to, Liberty Park Water's active or passive negligence.

7.2. With the exception of any claim, cause of action, or any liability, loss, damage, or expense arising solely from the quality of water, presence of pollutants, pesticides or chemicals, or safety of water delivered to the Service, to the fullest extent permitted by law, Suburban shall indemnify, defend, and hold harmless Liberty Park Water, its parent and affiliates, and its current and former officers, directors, agents, employees, representatives, and its successors and assigns from and against all claims, demands, actions, liabilities, losses, damages, costs, and expenses, including reasonable attorneys' fees and expenses arising from or relating to (a) any acts or omission of Suburban, its employees, contractors, consultants, and/or agents; (b) delivery of water by Suburban to Suburban's customers; (c) the quality of water delivered by Suburban to Suburban's customers; (d) Suburban's use of water and/or the Interconnection; (e) Suburban's breach of a representation, warranty, covenant, or obligation under the Agreement; (f) Suburban's gross negligence or willful acts or omissions in performing under this Agreement.

8. Limitation of Liability

In no event shall either Party be liable to the other Party, whether under breach of contract, tort (including negligence), strict liability or any other theory of liability, whenever arising, for consequential, punitive, special, or indirect damages of any nature.

9. Continuation of Agreement

Subject to the provisions of Section 5 (Delivery of Water) of this Agreement and provided that Suburban complies with and performs all of the terms and conditions required of it under this Agreement, this Agreement shall remain in effect until terminated by either party hereto upon 90 days' written notice given to the other party.

10. Notices

Any formal notice, demand, or request provided for in this Agreement, or given or made in connection with this Agreement-including any invoices under this Agreement-shall be in writing and shall be deemed to be properly given or made by one of the following methods: personal delivery; recognized overnight delivery service; facsimile; certified U.S. Mail, postage prepaid:

If to Liberty Park Water:

Liberty Utilities (Park Water) Corp.
9750 Washburn Road
Downey, CA 90241
Attn: Frank M. Heldman, Sr. Director of Operations
Tel: (562) 805-2015

If to Suburban:

Suburban Water Systems
1325 N. Grand Ave.
Covina, CA 91724
Attn: Craig Gott, President
Tel: (626) 543-2554

10.1. Any formal notice, demand, or request personally delivered shall be deemed received upon receipted delivery; if by recognized overnight delivery service, upon receipted delivery; if by U.S. Mail, it will be deemed received three (3) business days following deposit in the U.S. Mail.

10.2. A Party may at any time, by written notice, change the designation or the address of the person so specified.

10.3. This Section does not apply to notices and requests of a routine character in connection with delivery or receipt of water or in connection with operation of facilities. Such notices and requests shall be given in such manner as the operating representatives from time to time shall specify.

11. Laws, Regulations, Permits

11.1. This Agreement shall be governed by, and interpreted in accordance with, the laws of the State of California without regard to principles of conflicts of law.

11.2. Parties shall give all notices required by law and comply with all laws, ordinances, rules, and regulations. Any permits or licenses applicable to the operation of the Sativa Water System, including without limitation, National Pollution Discharge Elimination System permits, shall be secured, paid for, and complied with by Suburban.

12. Waiver

No waiver or failure to exercise any right, option or privilege under the terms of this Agreement on any occasion shall be construed to be a waiver of any other right, option or privilege on any other occasion.

13. Assignment

This Agreement may not be assigned by either Party without the express written consent of the other Party with such consent not to be unreasonably withheld.

14. Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all oral or written representations or written agreements that may have

been entered into between the Parties. Except as otherwise provided in this Agreement, no modification or revision shall be of any force or effect, unless the Parties agree to such modification or revision in a writing executed by the Parties.

15. Multiple Counterparts

This Agreement may be executed in counterparts, including via facsimile and PDF, each of which shall be an original, and all of which when taken together shall constitute one and the same instrument.

16. Effective Date and Authority

16.1. The effective date of this Agreement shall be the latest date of execution hereinafter set forth below the names of the signatories hereto.

16.2. In the event the last signatory fails to set forth the execution date opposite the name of its signatory, the effective date shall be the date upon which the last signatory's executed copy of the Agreement is transmitted to the other Party.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date hereinafter respectively set forth.

LIBERTY UTILITIES (PARK WATER) CORP.

SUBURBAN WATER SYSTEMS

By: Edward Jackson

By: Craig Gott
FE161386726808B3BAA39C0FB6235BB0 contractworks.

Name: Edward Jackson

Name: Craig Gott

Title: Chief Financial Officer

Title: President

Date: 12/20/2022

Date: 12/20/2022

City of Artesia
18747 Clarkdale Avenue
Artesia, CA 90701

City of Santa Fe Springs Water Dept.
11710 Telegraph Road
Santa Fe Springs, CA 90670
janetmartinez@santafesprings.org

Suburban Water Systems
Attention: Kiki Carlson
1325 N. Grand Avenue, Suite 100
Covina, CA 91724-4044
kcarlson@swwc.com

Suburban Water Systems
Attention: Robert Kelly
1325 N. Grand Avenue, Suite 100
Covina, CA 91724-4044

City of Cerritos Water Department
18125 Bloomfield Avenue
Cerritos, CA 90703

Bellflower Somerset Mutual Water Co.
10016 E. Flower St.
P. O. Box 1697 (90707)
Bellflower, CA 90706

City of Norwalk Water Department
12700 S. Norwalk Boulevard
Norwalk, CA 90650

City of Compton Water Department
205 W. Willowbrook
Compton, CA 90220
ccornwell@comptoncity.org

Golden State Water Company
Ronald Moore, Regulatory Affairs
630 E. Foothill Blvd
San Dimas, CA 91773
regulatoryaffairs@gswater.com

City of Lynwood Water Department
Attention: Joseph Kekula
11330 Bullis Road
Lynwood, CA 90262

City of Paramount Water Department
16400 Colorado Avenue
Paramount, CA 90723
sho@paramountcity.com

City of Bell Gardens
Attention: Steve Steinbrecher
7100 Garfield Avenue
Bell Gardens, CA 90201
ssimonian@bellgardens.org
joropeza@bellgardens.org
aclark@bellgardens.org

Dominguez/California Water Service
2632 W. 237th Street
Torrance, CA 90505-5272
hwind@calwater.com

Calif. Public Utilities Commission
Attention: Ting-Pong Yuen
ORA Water
505 Van Ness Avenue
San Francisco, CA 94102

California Water Service Company
Attention: Daniel Armendariz
East Los Angeles District
2000 S. Tubeway Avenue
Commerce, CA 90040

Central Basin Municipal Water District
6252 Telegraph Road
Commerce, CA 90040

City of Bellflower
Attention: Jeff Stewart, City Manager
16600 Civic Center Drive
Bellflower, CA 90706

San Gabriel Valley Water Company
Christina Sluss, Rate Analyst
csluss@sgvwater.com

Nina Jazmadarian
General Manager
Foothill Municipal Water District
4536 Hampton Road
La Canada Flintridge, CA 91011
Nina.jaz@fmwd.com

City of LaCanada Flintridge
Mark Alexander
City Manager
malexander@lcf.ca.gov