

W-01412A-23-0121

1 Kelly A. Daly (No. 029509)
2 Paloma Scheiferstein (No. 035672)
3 SNELL & WILMER L.L.P.
4 One East Washington Street, Suite 2700
5 Phoenix, Arizona 85004-2556
6 Telephone: 602.382.6000
7 E-Mail: kdaly@swlaw.com
8 pscheiferstein@swlaw.com

NEW APPLICATION

9 Liberty Utilities
10 Todd E. Wiley (No. 015358)
11 14920 W. Camelback Road
12 Litchfield Park, AZ 85340
13 Telephone: 623.298.3770
14 Todd.Wiley@libertyutilities.com

15 Attorneys for Liberty Utilities (Litchfield Park Water & Sewer) Corp.

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

16 JIM O’CONNOR, Chairman
17 LEA MÁRQUEZ PETERSON
18 ANNA TOVAR
19 NICK MYERS
20 KEVIN THOMPSON

21 IN THE MATTER OF THE JOINT
22 APPLICATION OF LIBERTY UTILITIES
23 (LITCHFIELD PARK WATER & SEWER)
24 CORP. AND VALLEY UTILITIES WATER
25 COMPANY, INC. FOR APPROVAL OF
26 TRANSFER OF A PORTION OF EXISTING
27 CERTIFICATE OF CONVENIENCE AND
28 NECESSITY.

DOCKET NO:

**JOINT APPLICATION FOR
TRANSFER OF A PORTION OF
CERTIFICATE OF
CONVENIENCE AND NECESSITY**

23 In accordance with A.A.C. R14-2-402 and A.R.S. §40-285, Liberty Utilities
24 (Litchfield Park Water & Sewer) Corp. (“Liberty Litchfield Park”), an Arizona public
25 service corporation, and Valley Utilities Water Company, Inc., an Arizona public service
26 corporation (“Valley Utilities”), jointly request approval from the Arizona Corporation
27 Commission (“Commission”) for transfer of a portion of Valley Utilities’ existing
28 Certificate of Convenience and Necessity (“CC&N”) for water utility service (the “Transfer

Snell & Wilmer
LLP
LAW OFFICES
One East Washington Street, Suite 2700
Phoenix, Arizona 85004-2556
602.382.6000

1 Area”) to Liberty Litchfield Park and for the expansion of Liberty Litchfield Park’s CC&N
2 for water utility service to include the Transfer Area.

3 **INTRODUCTION**

4 1. Valley Utilities is a public service corporation duly organized and existing
5 under the laws of the State of Arizona and holds a CC&N authorizing the provision of water
6 utility service in certain portions of Maricopa County, Arizona. Valley Utilities’ CC&N
7 currently includes the Transfer Area.

8 2. Liberty Litchfield Park is a public service corporation duly organized and
9 existing under the laws of the State of Arizona and holding CC&Ns authorizing the
10 provision of water and sewer utility service in certain portions of Maricopa County,
11 Arizona. Liberty Litchfield Park’s CC&N for water abuts the Transfer Area.

12 3. The Transfer Area is a proposed approximately 54-acre, mixed use
13 development which shall include 726 multi-family residential units and amenities including
14 a community clubhouse and pool. To date, none of these lots have been developed. The
15 exact timing of any future residences within the Transfer Area is dependent upon market
16 demands and is subject to change. The Transfer Area is located near the southeast corner
17 of El Mirage Road and Northern Avenue and spanning a portion of Glendale, Arizona and
18 unincorporated Maricopa County. The Transfer Area lies within Section 1, Township 2
19 North, Range 1 West of the Gila and Salt River Baseline and Meridian in Maricopa County.
20 The full legal description of the real property in the Transfer Area is attached hereto as
21 **Exhibit 1.**

22 4. The real property is owned by Marbella Ranch East LLC (the “Property
23 Owner”). The Transfer Area is solely owned by the Property Owner. The Property Owner
24 is planning to sell and/or develop the real property in the Transfer Area for residential
25 purposes. The Property Owner has requested that Liberty Litchfield Park provide water
26 utility service to the real property within the Transfer Area. A copy of the request for service
27 letter from the Property Owner to Liberty Litchfield Park is attached hereto as **Exhibit 2.**

28 5. Currently, Valley Utilities is not providing water services to any customers in

1 the Transfer Area. Further, Valley Utilities does not currently have water facilities in the
2 vicinity of the Transfer Area necessary to provide the water services required for the
3 development of the Transfer Area contemplated by the Property Owner. Valley Utilities is
4 willing and has agreed to transfer that portion of Valley Utilities' CC&N relating solely to
5 the Transfer Area to Liberty Litchfield Park, and Liberty Litchfield Park is willing and
6 capable of providing water utility service at just and reasonable rates to the Transfer Area.

7 6. There are no additional terms or conditions imposed on either party as a result
8 of the proposed transfer. Attached as **Exhibit 3** is the Water Service Interconnection
9 Agreement dated August 13, 2021, entered into by Liberty Litchfield Park, Valley Utilities,
10 and Marbella Ranch East LLC (the "Agreement"), which states: "Upon completion of a
11 successful CC&N transfer authorized by the ACC, this agreement will be terminated, and
12 Marbella Ranch East will become a direct customer of Liberty." Under the Agreement,
13 Valley Utilities, Liberty Litchfield Park, and Marbella Ranch East LLC have agreed, subject
14 to the approval of the Commission, to transfer of the portion of Valley Utilities' CC&N
15 relating solely to the Transfer Area to Liberty Litchfield Park. This transfer will have no
16 impact on Liberty, Valley Utilities, or any other utility's services and will involve no
17 financing.

18 INFORMATION SUPPORTING APPLICATION

19 7. Transferor Information:

- 20 a. Valley Utilities' legal name, mailing address and telephone number are: Valley
21 Utilities Water Company, Inc.; 6808 N Dysart Rd Ste. 112, Glendale, Arizona 85307;
22 (623) 935-1100.
- 23 b. Valley Utilities' attorney for this Application is Meghan H. Grabel with Osborn
24 Maledon, P.A., 2929 N Central Ave Ste 2000, Phoenix, AZ 85012. Ms. Grabel's
25 telephone number is 602-640-9399 and her email address is mgrabel@omlaw.com.
- 26 c. Valley Utilities' management contact is Bryan Thomas, President and General
27 Manager, 6808 N Dysart Rd Ste 112, Glendale, AZ 85307. Mr. Thomas's telephone
28 number is 623-935-1100 and his email address is

1 (AZ/TX), 14222 W. McDowell Rd, Goodyear, AZ 85395. Mr. Thompson's telephone
2 number is (623)-695-4342 and his email address is
3 Moses.Thompson@libertyutilities.com.

- 4 d. Liberty Litchfield Park's operator certified by the Arizona Department of
5 Environmental Quality ("ADEQ") is Terry Gilbertson, Senior Operations Manager,
6 whose business address is 14222 W. McDowell Rd, Goodyear, AZ 85395. Mr.
7 Gilbertson's telephone number is (623) 298-4825.
- 8 e. The name, address and corporate structure for Liberty Litchfield Park are set forth in
9 the attached **Exhibit 5**, including the amount of stock authorized and subsequently
10 issued. The names, titles and mailing addresses for Liberty Litchfield Park's officers
11 and directors are also set forth on the attached **Exhibit 5**. Liberty Litchfield Park does
12 not own an interest in any other utility companies. Liberty Litchfield Park's parent
13 company owns seven other public service corporations providing water and
14 wastewater utility services in Arizona.
- 15 f. A Certificate of Good Standing for Liberty Litchfield Park is attached hereto as
16 **Exhibit 6**.

17 9. Property Owner Information:

- 18 a. Legal name, mailing address and telephone number are: Marbella Ranch East LLC;
19 8601 N. Scottsdale Road, Ste. 335, Scottsdale, Arizona 85253; (602) 469-8050.
- 20 b. Property Owner's management contact is John Wittrock. Mr. Wittrock's telephone
21 number is (602) 469-8050 and his email address is john@marbellacustomhomes.com.
- 22 c. Marbella Ranch East LLC requests and supports this Application.

23 10. Valley Utilities is not currently holding any customer security deposits for
24 customers in the Transfer Area, and Valley Utilities does not owe any refunds due on main
25 extension agreements or refunds due on meter and service line installations for any customer
26 within the Transfer Area.

27 11. Liberty Litchfield Park proposes to charge its existing rates and charges as
28 approved by the Commission at the time services commence for water utility service to

1 customers within the Transfer Area.

2 12. Liberty Litchfield Park will enter necessary main extension agreements with
3 the Property Owner and/or developer for water service to the Transfer Area.

4 13. Upon granting of this Application, Liberty Litchfield Park will submit a
5 request for a franchise from the Board of Supervisors of Maricopa County authorizing it to
6 use the roads, streets, and alleys in the County which lie within the boundaries of the
7 Transfer Area.

8 14. ADEQ Approvals to Construct issued for needed facilities to be constructed
9 in the Transfer Area will be provided to the Commission as soon as they are received by
10 Liberty Litchfield Park.

11 15. A map of Liberty Litchfield Park's water CC&N area is attached as **Exhibit 7**.
12 A map showing deletion of the Transfer Area from Valley Utilities' CC&N area is attached
13 as **Exhibit 8**. A map showing the Transfer Area for inclusion within Liberty Litchfield
14 Park's water CC&N is attached as **Exhibit 9**.

15 **CONCLUSION**

16 16. There is a need for regulated water utility service in the Transfer Area to
17 ensure public health and to foster orderly growth, which Valley Utilities, Liberty Litchfield
18 Park, and the Property Owner all agree Liberty Litchfield Park is situated to provide for the
19 Transfer Area. Therefore, for the reasons stated herein, Valley Utilities and Liberty
20 Litchfield Park believe that this Application is in the public interest and should be granted
21 by the Commission.

22 WHEREFORE, Valley Utilities and Liberty Litchfield Park respectfully request the
23 following:

24 A. That the Commission consider and act upon this Application as timely as
25 possible and to schedule a hearing, if necessary;

26 B. That upon completion of said hearing, the Commission enter an order
27 approving this Application and transferring that portion of Valley Utilities' CC&N
28 delineated as the Transfer Area set forth on **Exhibits 8** and **9** to Liberty Litchfield Park and

1 approving an extension of Liberty Litchfield Park's CC&N to include the Transfer Area;
2 and

3 C. That the Commission grant such other and further relief as may be appropriate
4 under the circumstances herein.

5 RESPECTFULLY SUBMITTED this 15th day of May, 2023.

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

SNELL & WILMER L.L.P.

By: /s/ Paloma Scheiferstein
Kelly A. Daly
Paloma Scheiferstein
One East Washington Street, Suite 2700
Phoenix, Arizona 85004-2556

and

LIBERTY UTILITIES

Todd Wiley
V.P. and Associate & General Counsel
14920 W. Camelback Road
Litchfield Park, Arizona 85340

Attorneys for Liberty Utilities (Litchfield
Park Water & Sewer) Corp.

ORIGINAL eFiled
this 15th day of May 2023 with:

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

/s/ Paloma Scheiferstein

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBITS

Exhibit 1: Legal Description of Transfer Area

Exhibit 2: Request for Service Letter

Exhibit 3: Water Service Interconnection Agreement

Exhibit 4: Financial Information for Valley Utilities Water Company, Inc.

Exhibit 5: Corporate Information for Liberty Utilities (Litchfield Park Water & Sewer) Corp.

Exhibit 6: Certificate of Good Standing for Liberty Utilities (Litchfield Park Water & Sewer) Corp. from the Arizona Corporation Commission

Exhibit 7: Map of Existing Water Service Area for Liberty Utilities (Litchfield Park Water & Sewer) Corp.

Exhibit 8: Map Showing Deletion of Transfer Area from Valley Utilities Water Company, Inc.

Exhibit 9: Map Showing Transfer Area for Inclusion in Liberty Utilities (Litchfield Park Water & Sewer) Corp.'s CC&N

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit 1
Legal Description of Transfer Area

LEGAL DESCRIPTION

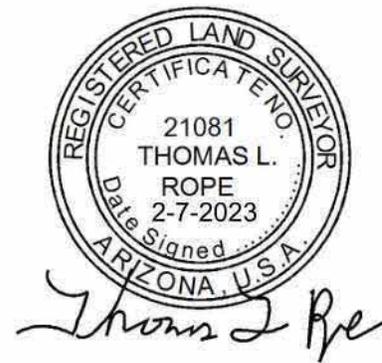
MARBELLA RANCH EAST – OVERALL (PARCELS 1&2)

That portion of the Northwest quarter of Section 1, Township 2 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

Commencing at the West quarter corner of said Section 1, from whence the Northwest corner of Section 1 bears North 01° 22' 44" West (Basis of Bearings) a distance of 2637.27 feet;
Thence South 89° 20' 32" East along the East-West mid-section line of Section 1 a distance of 65.04 feet to the East line of the West 65.00 feet of the Northwest quarter of Section 1;
Thence North 01° 22' 44" West along said East line a distance of 40.03 feet to the **POINT OF BEGINNING**;
Thence continuing North 01° 22' 44" West along said East line a distance of 985.45 feet to the South line of that Parcel described in Warranty Deed recorded in Document No. 2013-1076915, Official Records;
Thence North 88° 37' 16" East along said South line of said Parcel a distance of 5.21 feet;
Thence North 00° 05' 53" East along the East line of said Parcel a distance of 184.22 feet to the Southeast corner of that Parcel described in Final Order in Condemnation recorded in Document No. 2016-052973, Official Records;
Thence continuing North 00° 05' 53" East along the East line of said Parcel a distance of 118.19 feet to South line of GLO Lot 4 and the South line of that Parcel described in Warranty Deed recorded in Document No. 2013-815877, Official Records;
Thence South 89° 06' 36" East along said South line a distance of 7.00 feet;
Thence North 00° 51' 49" East along the East line of said Parcel a distance of 229.76 feet;
Thence North 31° 52' 29" East along said East line a distance of 29.23 feet to the Southeast corner of that Parcel described in Warranty Deed recorded in Document No. 2013-734627, Official Records;
Thence North 01° 22' 44" West along the East line of said Parcel a distance of 59.52 feet;
Thence North 46° 22' 44" West along the East line of said Parcel a distance of 26.87 feet;
Thence North 01° 22' 44" West along the East line of said Parcel a distance of 209.78 feet to the Northwest of that Parcel described in Warranty Deed recorded in Document No. 2021-826412, Official Records;
Thence South 89° 06' 37" East along the North line of said Parcel a distance of 1231.05 feet to the East line of GLO Lot 4;
Thence continuing South 89° 06' 37" East a distance of 238.05 feet;
Thence South 22° 59' 57" West a distance of 585.16 feet to the Southeast corner of GLO Lot 4;
Thence South 00° 59' 31" East a distance of 1322.93 feet to the South line of the Northwest quarter of Section 1;
Thence North 89° 20' 32" West along said South line a distance of 218.64 feet;
Thence North 01° 22' 44" West a distance of 40.03 feet to the North line of the South 40.00 feet of the Northwest quarter of Section 1;
Thence North 89° 20' 32" West along said North line a distance of 1025.65 feet to the **POINT OF BEGINNING**.

Containing 53.7289 acres

Land Survey Services PLC
20651 W. Pasadena Avenue
Buckeye, AZ 85396-1255



Job No. 18070

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit 2
Request for Service Letter

Marbella Ranch east LLC

May 5, 2023

Liberty Utilities
14920 W Camelback Rd,
Litchfield Park, AZ 85340

Re: Request for Service

To Whom it may Concern:

Marbella Ranch East, LLC, requests water and sewer service to be established for our 55-acre project called Marbella Ranch East at the southeast corner of El Mirage Rd and Northern Ave. We have a fully executed bulk water agreement and request will-serve letters for water and sewer from Liberty Utilities. We acknowledge that Marbella East will not receive wastewater treatment service until the completion of the Sarival Water Reclamation Facility.

Sincerely,



John Wittrock
Manager

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit 3
Water Service Interconnection Agreement

*Water Service Interconnection Agreement
Between Liberty Litchfield Park, Valley Utilities, and Marbella Ranch East
For Marbella Ranch East Water Service*

WATER SERVICE INTERCONNECTION AGREEMENT

This **Water Service Interconnection Agreement ("Agreement")** is made this 13th day of August 2021 (the "Effective Date"), by and between **Liberty Utilities (Litchfield Park Water & Sewer) Corp.**, an Arizona Corporation ("Liberty Litchfield Park"), **Valley Utilities Water Co., Inc.**, an Arizona Corporation ("Valley Utilities"), and **Marbella Ranch East, LLC**, an Arizona limited liability corporation ("Marbella"), for water supply to be provided by Liberty Litchfield Park to Valley Utilities for the purpose of serving an apartment complex called Marbella Ranch East that is located on Assessor's Parcel Number (APN) 501-54-012M, which is within the Certificate of Convenience and Necessity ("CC&N") service area of Valley Utilities. Liberty Litchfield Park, Valley Utilities, and Marbella Ranch East, LLC. may be individually referred to as a "Party" and/or collectively as "Parties" in this Agreement.

RECITALS

1. Liberty Litchfield Park is an Arizona public service corporation holding a CC&N authorized by the Arizona Corporation Commission ("Commission") to provide water service within Liberty Litchfield Park's certificated service area in Maricopa County.
2. Valley Utilities is an Arizona public service corporation holding a CC&N authorized by the Commission to provide water service within Valley Utilities' certificated service area in Maricopa County. Valley Utilities has determined that it currently does not have the infrastructure to serve the proposed Marbella Ranch East complex.
3. Liberty Litchfield Park presently has or will have sufficient water production capacity to provide temporary water service to Valley Utilities to serve the needs of Marbella Ranch East. Liberty Litchfield Park is willing to provide temporary water supply service to Valley Utilities at the Point of Delivery (as defined herein) on the terms and conditions set forth in this Agreement, and will, upon execution of this Agreement, take steps to maintain such service to Valley Utilities.
4. Valley Utilities and Marbella Ranch East have agreed separately to this agreement for the release of the CC&N water service area to Liberty through a joint filing to the Arizona Corporation Commission (ACC) that will place this area within Liberty's CC&N. Upon completion of a successful CC&N transfer authorized by the ACC, this agreement will be terminated, and Marbella Ranch East will become a direct customer of Liberty.

TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the covenants herein, Liberty Litchfield Park, Valley Utilities, and Marbella hereby agree as follows.

1. **Term.** The term of this Agreement shall be from the effective date until the ACC has authorized the transition of this parcel from Valley Utilities CC&N to Liberty Litchfield Park CC&N. Any Party may terminate this Agreement at any time on 60 days prior written notice.

*Water Service Interconnection Agreement
Between Liberty Litchfield Park, Valley Utilities, and Marbella Ranch East
For Marbella Ranch East Water Service*

2. **Definitions.** Under this Agreement, the following terms shall have the meanings and definitions set forth below.

a. **Liberty Litchfield Park Tariffs.** The tariffs and documents filed with the Commission that list the water utility services offered by Liberty Litchfield Park and set forth the terms and conditions and a schedule of the rates and charges for those water utility services.

b. **Commodity Charge.** The approved rate per consumption as set forth in Liberty Litchfield Park's approved Tariffs.

c. **Point of Delivery.** The point of delivery of water to Valley Utilities at the Interconnection Facility as more particularly described as a meter to be set on the east side of El Mirage Road right-of-way approximately 735 feet north of the southwest corner of the Marbella Ranch East parcel.

3. **Interconnection Facilities.** Marbella will be responsible for the design and installation of the Interconnection Facilities and the selection of the appropriately sized meter to serve their complex and will complete the necessary agreements with Valley Utilities and Liberty Litchfield Park for review, approval, and acceptance of the Interconnection Facilities.

4. **Meter.** Marbella will install a meter set in accordance with Liberty Litchfield Park's standards as part of their construction of the Interconnection Facilities. Any and all costs of maintenance, repair and annual testing required for the Meter, Meter Box, and Cross-Connection Control Assemblies shall be at the sole expense of Marbella, its successor or assigns. Each year, Marbella shall submit records of annual testing to the Liberty Utilities Cross Connection Control Representative for the Cross-Connection Control Assembly. Liberty Litchfield Park, Valley Utilities, and shall coordinate the design, sizing and location of the Meter and Interconnection Facility and the Parties agree that the Meter and Interconnection Facility are adequately sized for Liberty Litchfield Park's water service under this Agreement. Such meter shall be owned and operated by Liberty Litchfield Park.

5. **Permits.** If required, Marbella shall obtain and provide continuing permits and/or easements in favor of Liberty Litchfield Park for the installation of the Interconnection Facility and appurtenant facilities for the sole purpose of carrying out this Agreement.

6. **Payment for and Removal of Meters.** Meters shall be paid for by Marbella in accordance with the Liberty Litchfield Park Tariffs and subject to refund under those tariffs as applicable. At the termination of this Agreement, Liberty Litchfield Park shall remove the Meter and bill Valley Utilities for this removal of the interconnect into Valley Utilities CC&N. When Liberty Litchfield Park is granted the transfer of the CC&N service area from Valley Utilities by the ACC, Valley Utilities will no longer be required to pay for the removal of this meter but Marbella Ranch East will become the successor to this requirement as they become a direct customer of Liberty Litchfield Park.

7. **Lack of Interest in Interconnection Facility, Water Rights and Withdrawal Authorities Valley Utilities.** Valley Utilities shall not have any right, title and/or interest in any interconnection facilities on Liberty Litchfield Park's side of the Meter up to and including the Meter. Further, Valley Utilities shall not have any right, title and/or interest in any Liberty Litchfield

*Water Service Interconnection Agreement
Between Liberty Litchfield Park, Valley Utilities, and Marbella Ranch East
For Marbella Ranch East Water Service*

Park water right or withdrawal authority under state law. Liberty Litchfield Park will be responsible for all repair and maintenance of facilities on Liberty Litchfield Park's side of the Meter.

8. Lack of Interest in Interconnection Facilities, Water Rights and Withdrawal Authorities/Liberty Litchfield Park. Liberty Litchfield Park shall not have any right, title and/or interest in any interconnection facilities on Marbella's side of the Meter. Further, Liberty Litchfield Park shall not have any right, title or interest in any Valley Utilities water right or withdrawal authority under state law.

9. Interconnection Facility Maintenance. Liberty Litchfield Park shall be responsible for repair and maintenance of all interconnection facilities and appurtenant facilities on Liberty Litchfield Park's side of the Meter. Valley Utilities or Marbella shall be responsible for the costs of repair, replacement and/or maintenance of all facilities on Valley Utilities' side of the Meter, including the Meter and Cross-Connection Control Assembly.

10. Valley Utilities Operational Responsibilities. Valley Utilities shall operate and be responsible for maintaining any and all water distribution facilities that they own downstream of the Point of Delivery. At all times during the term of this Agreement, Valley Utilities shall ensure that Liberty Litchfield Park is provided with an up to date map of Valley Utilities' service area showing all transmission mains, distribution facilities and other plant and facilities.

11. Bulk Water Supply.

a. Delivery of Water. Commencing on the effective date of this Agreement, Valley Utilities shall have the opportunity to take delivery of bulkwater from Liberty Litchfield Park at the Point of Delivery. In the event that the Point of Delivery is changed as deemed necessary by Liberty Litchfield Park, Valley Utilities shall be responsible for any and all costs related to relocation of the Point of Delivery, including the cost of installing a new Meter and/or Interconnection Facility and removal of the existing interconnection facilities. Valley Utilities covenants and warrants that all water delivered under this Agreement shall be utilized solely by Valley Utilities to provide water service to customers within Valley Utilities' certificated service area.

b. Curtailement of Bulk Water Supply. Valley Utilities will be subject to all conservation and curtailement of usage as requested by Liberty Litchfield Park in accordance with conservation plans and service reductions established within those conservation plans.

c. Monthly Charge. Valley Utilities shall pay Liberty Litchfield Park monthly for the metered usage during the term of this Agreement. Liberty Litchfield Park will total the water consumption for the Meter in preparing its monthly billing to Valley Utilities. Billing and payment shall be in accordance with the Liberty Litchfield Park Tariffs.

d. Payment of Tariff Charges. Valley Utilities shall pay all charges under the Liberty Litchfield Park Tariffs, including the monthly minimum charges for the Meter installed, whether any water is consumed during that billing period or not, plus the Commodity Charge for all water consumed as set forth below. These tariffed rates may be changed from time to time as requested by Liberty Litchfield Park and approved by the Commission, and any

*Water Service Interconnection Agreement
Between Liberty Litchfield Park, Valley Utilities, and Marbella Ranch East
For Marbella Ranch East Water Service*

such changed tariff rates approved by the Commission shall apply to this Agreement upon the effective date of such tariffs.

12. Reporting Requirements. The Parties agree that the water delivered under this Agreement shall not be used for obtaining or supporting Valley Utilities' Designation of Assured Water Supply or any Certificate of Assured Water Supply with the Arizona Department of Water Resources ("ADWR"). All water delivered under this Agreement shall be reported to ADWR by Liberty Litchfield Park on its Annual Report for the year in which the water was delivered to Valley Utilities.

13. No Duty to Provide Water. Both Parties acknowledge that Liberty Litchfield Park does not have any obligation to provide any guaranteed amounts of water to Valley Utilities, and that Liberty Litchfield Park will undertake reasonable commercial efforts to do so. Valley Utilities expressly agrees that it shall not consider any water deliveries pursuant to this Agreement to be a permanent or temporary replacement for any water supplies Valley Utilities currently relies upon and shall not represent to any third party that water deliveries pursuant to this Agreement can be used to serve as a replacement for any other water supplies utilized by Valley Utilities.

14. Regulatory Requirements. Liberty Litchfield Park will comply with regulatory requirements of applicable agencies regarding the provision of potable water to Valley Utilities, including regularly scheduled water quality testing. The test results shall be available to Valley Utilities upon reasonable request during normal business hours. Because Valley Utilities is providing water service to its customers through Valley Utilities' distribution facilities over which Liberty Litchfield Park does not have any control or responsibility, Liberty Litchfield Park cannot, and does not, make any warranty or representation as to the quality of the water once delivered to Valley Utilities, or at its ultimate point of use by Valley Utilities. Valley Utilities shall be solely and exclusive responsible for delivery of water to Valley Utilities' customer after it has taken possession of the water from Liberty Litchfield Park. Valley Utilities acknowledges and agrees that Liberty Litchfield Park shall not have any duties or responsibilities relating to delivery of water to or use of water by Valley Utilities' customer. As such, Valley Utilities shall defend, indemnify and hold harmless Liberty Litchfield Park as to any third-party claim regarding injury or damage resulting from water quality of water delivered under this Agreement.

Liberty Litchfield Park will provide water to Valley Utilities under this Agreement in compliance with applicable federal, state, and local safe drinking water standards at the requested location. As a customer of Liberty Litchfield Park, Valley Utilities will be provided with Liberty Litchfield Park's Water Quality Report and will be notified if any conditions are encountered that may affect the water service to this location. The Parties understand and agree that Valley Utilities will be solely responsible for compliance with any and all applicable federal, state, and local safe drinking water standards relating to delivery of water to the City of Glendale and/or any other customer of Valley.

15. Notices. All notices, payments, consents, approvals or other communications required or permitted to be given under this Agreement shall be in writing and shall become effective immediately upon receipt, if personally delivered, 24 hours after such are deposited in the United States Mail, postage prepaid, addressed as shown below or to such other address as either Party hereto may designate from time to time in writing:

*Water Service Interconnection Agreement
Between Liberty Litchfield Park, Valley Utilities, and Marbella Ranch East
For Marbella Ranch East Water Service*

Liberty Litchfield Park:

Matthew Garlick, President
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
14920 W. Camelback Rd.
Litchfield Park, Arizona 85340

Valley Utilities:

Bryan Thomas, CPA, CFO
Valley Utilities Water Company, Inc.
6808 N. Dysart Road, Suite 112
Glendale, AZ 85307

Marbella Ranch East, LLC

John Wittrock
8601 N Scottsdale Rd
Suite 335
Scottsdale, AZ 85253

16. Indemnification. To the full extent permitted by law, Valley Utilities shall defend, indemnify, and hold harmless Liberty Litchfield Park for, from, and against any and all claims, penalties, costs, damages, or losses of any kind, including reasonable attorney fees, arising from and/or relating to (i) any acts or omission of Valley Utilities, its employees, contractors, consultants, and/or agents; (ii) delivery of water by Valley Utilities to Valley Utilities' customers' (iii) the quality of water delivered by Valley Utilities to Valley Utilities' customers; and/or (iv) the use of water by Valley Utilities and/or any interconnections between Valley Utilities and Liberty Litchfield Park under this Agreement.

17. Regulatory Approval. The Parties agree that specific regulatory approval of this Agreement is not required. In the event regulatory approval is required, the Parties agree to cooperate fully and promptly in any proceedings before any regulatory agency. The regulatory approval required for the CC&N transfer from Valley Utilities to Liberty Litchfield Park shall be filed within 90 days of the agreement being signed.

18. Governing Law. This Agreement shall be governed by the laws of the state of Arizona. Any action arising out of this Agreement shall be commenced and maintained in the Superior Court of the state of Arizona in and for the county of Maricopa.

19. Modification/Waiver. This Agreement shall not be modified, extended, or waived in whole or in part except by written instrument executed by both Parties. No waiver by a Party of any breach by the other party of any provision of this Agreement shall in any way be construed to be a waiver of any future or subsequent breach by the Party or bar the right of that Party to insist on strict performance by the other Party of any provisions of this Agreement in the future.

20. 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.

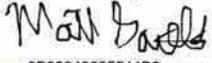
*Water Service Interconnection Agreement
Between Liberty Litchfield Park, Valley Utilities, and Marbella Ranch East
For Marbella Ranch East Water Service*

21. Effective. This Agreement shall become effective and binding upon execution by the Parties. This Agreement constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and expressly supersedes and revokes all other prior or contemporaneous agreements, promises, representations and assurances of any nature whatsoever with respect to the subject matter hereof.

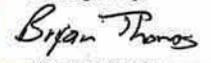
*Water Service Interconnection Agreement
Between Liberty Litchfield Park, Valley Utilities, and Marbella Ranch East
For Marbella Ranch East Water Service*

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and shall be effective as of the day and year first above written.

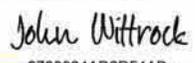
**LIBERTY UTILITIES (LITCHFIELD
PARK WATER & SEWER) CORP.**

DocuSigned by:

By: _____
0809043205544B2...
Matthew Garlick
President

**VALLEY UTILITIES WATER
COMPANY INC.**

DocuSigned by:

By: _____
769170513387AAE...
Bryan Thomas
CPA, CFO

MARBELLA RANCH EAST, LLC

DocuSigned by:

By: _____
2700084AD2D54AB...
John Wittrock
Manager

*Water Service Interconnection Agreement
Between Liberty Litchfield Park, Valley Utilities, and Marbella Ranch East
For Marbella Ranch East Water Service*

EXHIBIT A

POINT OF DELIVERY

*Water Service Interconnection Agreement
Between Liberty Litchfield Park, Valley Utilities, and Marbella Ranch East
For Marbella Ranch East Water Service*

Exhibit A
Point of Delivery



Vicinity Map



Point of Delivery Map

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit 4
Financial Information for Valley Utilities Water Company, Inc.

Valley Utilities Water Company Inc.
Balance Sheet
As of December 31, 2022

| | <u>Dec 31, 22</u> |
|---------------------------------------|-----------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 131.10 · Chase - Checking | 190,726.38 |
| Total Checking/Savings | <u>190,726.38</u> |
| Other Current Assets | |
| 141.00 · Accounts Receivable | 291,065.57 |
| 146.02 · Due From Tierra Buena | 17,177.30 |
| 151.00 · Plant Materials & Supplies | 54,004.58 |
| 162.01 · Prepaid Income Tax | 410,647.00 |
| 162.02 · Prepaid Expenses | 43,864.14 |
| 174.01 · Other Receivables | 840.00 |
| Total Other Current Assets | <u>817,598.59</u> |
| Total Current Assets | <u>1,008,324.97</u> |
| Fixed Assets | |
| 101 · Plant In Service | |
| 303.00 · Land | 831,559.91 |
| 304.00 · Structures & Improvements | 529,088.55 |
| 307.00 · Wells & Springs | 3,024,404.50 |
| 310.00 · Power Generation Equip. | 329,178.24 |
| 311.00 · Pumping Equipment | 2,729,892.87 |
| 320.00 · Water Treatment Equip. | 2,139,391.49 |
| 320.40 · Arsenic Media | 120,755.48 |
| 330.00 · Distribution Reservoirs | 1,431,616.75 |
| 331.00 · Transmission & Dist. Mains | 6,586,600.98 |
| 333.00 · Services | 987,616.77 |
| 334.00 · Meters | 773,573.33 |
| 335.00 · Hydrants | 534,261.80 |
| 339.00 · Other Plant & Misc. Equip. | 174,967.04 |
| 340.00 · Office Furniture & Equipment | 106,839.40 |
| 340.10 · Computer & Software | 73,009.41 |
| 341.00 · Transportation Equipment | 352,874.31 |
| 343.00 · Tools, Shop & Garage Equip. | 76,123.48 |
| 345.00 · Power Operated Equip. | 78,588.72 |
| 347.00 · Miscellaneous Equipment | 61,030.33 |
| 348.00 · Other Tangible Plant | 6,089.51 |
| Total 101 · Plant In Service | <u>20,947,462.87</u> |
| 105 · Construction Work In Progress | 994,639.50 |
| 108.00 · Accumulated Depreciation | <u>(7,179,962.00)</u> |
| Total Fixed Assets | <u>14,762,140.37</u> |

| | <u>Dec 31, 22</u> |
|--|-----------------------------|
| Other Assets | |
| 186.10 · Deferred Rate Case Expense | 6,270.50 |
| 186.30 · Investment in CoBank | 5,557.86 |
| 186.60 · Deferred PFAS Expenses | 147,259.07 |
| 190.10 · Deferred FIT Asset | 676,981.00 |
| 190.20 · Deferred SIT Asset | 184,166.00 |
| Total Other Assets | <u>1,020,234.43</u> |
| TOTAL ASSETS | <u><u>16,790,699.77</u></u> |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 231.00 · Accounts Payable | 226,640.64 |
| Total Accounts Payable | <u>226,640.64</u> |
| Other Current Liabilities | |
| 233.01 · Due To Parent Company | 26,598.11 |
| 235.00 · Security Deposits | 94,621.00 |
| 236.01 · Sales Taxes Payable | 11,338.77 |
| 236.02 · Property Taxes Payable | 38,701.19 |
| 241.04 · Unclaimed Property | 1,752.87 |
| 241.05 · Customer Advances | 17,160.96 |
| 241.07 · Simple IRA Liability | 14,848.75 |
| 241.10 · Other Accrued Liabilities | 42,486.36 |
| Total Other Current Liabilities | <u>247,508.01</u> |
| Total Current Liabilities | 474,148.65 |
| Long Term Liabilities | |
| 224.20 · CoBank Note Payable | 336,155.19 |
| 224.21 · CoBank Loan Origination Fee | (2,065.92) |
| 252.10 · Meter Deposits | 195,755.83 |
| 252.20 · AIAC - Pre 2018 | 1,588,685.10 |
| 252.30 · AIAC - Post 2017 | 3,594,227.35 |
| 252.31 · AIAC - Post 2020 | 2,057,119.67 |
| 252.35 · AIAC In Progress | 882,500.00 |
| 271.00 · Contributions in Aid of Constr. | 5,225,207.24 |
| 272.00 · Accum. Amortization - CIAC | (1,906,374.00) |
| Total Long Term Liabilities | <u>11,971,210.46</u> |
| Total Liabilities | 12,445,359.11 |
| Equity | |
| 201.00 · Capital Stock | 150,000.00 |
| 211.00 · Additional Paid in Capital | 264,987.50 |
| 215.00 · Retained Earnings | 3,673,589.34 |
| Net Income | 256,763.82 |
| Total Equity | <u>4,345,340.66</u> |
| TOTAL LIABILITIES & EQUITY | <u><u>16,790,699.77</u></u> |

Valley Utilities Water Company Inc.
Profit & Loss
 January through December 2022

| | <u>Jan - Dec 22</u> |
|---|---------------------|
| Ordinary Income/Expense | |
| Income | |
| 461 · Water Revenue | |
| 461.10 · Metered Water Revenue | 2,611,968.71 |
| 462.20 · FSSC | 1,545.60 |
| Total 461 · Water Revenue | <u>2,613,514.31</u> |
| 471 · Misc. Service Revenues | 61,851.74 |
| Total Income | <u>2,675,366.05</u> |
| Expense | |
| 601.00 · Salaries & Wages | 693,066.24 |
| 604.00 · Employee Pensions & Benefits | 13,794.75 |
| 610.00 · Purchased Water | 4,876.18 |
| 615.00 · Purchased Power | 228,132.18 |
| 618.00 · Chemicals | 35,739.72 |
| 620.10 · Repairs & Maintenance | 38,066.90 |
| 620.20 · Office Supplies & Expense | 37,196.23 |
| 631.00 · Contractual Svcs - Engineering | 350.00 |
| 632.00 · Contractual Svcs - Accounting | 12,742.27 |
| 633.00 · Contractual Svcs - Legal | 6,088.23 |
| 634.02 · Contractual Svcs - Triton | 244,800.00 |
| 635.00 · Contract Svcs - Water Testing | 9,653.42 |
| 636.00 · Contractual Svcs - Other | 33,445.20 |
| 641.00 · Rental of Building | 34,793.96 |
| 650.00 · Transportation Expenses | 29,093.46 |
| 657.00 · Insurance - General Liability | 51,170.50 |
| 657.10 · Insurance - Health and Life | 96,837.22 |
| 667.00 · Regulatory Expense | 17,289.33 |
| 675.00 · Miscellaneous Expenses | 55,311.52 |
| 403.00 · Depreciation Expense | 550,634.00 |
| 408.11 · Property Tax Expense | 77,402.38 |
| 408.12 · Payroll Tax Expense | 46,644.33 |
| 409.10 · Federal Income Tax Expense | 95,309.00 |
| 409.20 · State Income Tax Expense | 21,795.00 |
| 410.10 · Deferred FIT | (28,022.00) |
| 410.20 · Deferred SIT | (5,033.00) |
| 427.10 · Security Deposit Interest | 4,909.55 |
| Total Expense | <u>2,406,086.57</u> |
| Net Ordinary Income | <u>269,279.48</u> |

| | <u>Jan - Dec 22</u> |
|-------------------------------------|--------------------------|
| Other Income/Expense | |
| Other Income | |
| 419.00 · Interest Income | 531.61 |
| 419.01 · CoBank Patronage Dividends | 5,152.57 |
| Total Other Income | <u>5,684.18</u> |
| Other Expense | |
| 427.00 · Interest Expense | 18,199.84 |
| Total Other Expense | <u>18,199.84</u> |
| Net Other Income | <u>(12,515.66)</u> |
| Net Income | <u><u>256,763.82</u></u> |

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit 5
Corporate Information for
Liberty Utilities (Litchfield Park Water & Sewer) Corp.

EXHIBIT 5

CORPORATE INFORMATION

Applicant Proper Name: Liberty Utilities (Litchfield Park Sewer) Corp.

Applicant Address: 14920 W. Camelback Road
Litchfield Park, AZ 85340

Corporate Structure: For-profit Chapter "C" Corporation
500,000 Shares authorized
7,820 shares issued on February 24, 2003

Officers: Moses Thompson, President
14920 W. Camelback Road
Litchfield Park, AZ 85340

Crystal Greene, Vice President Finance
14920 W. Camelback Road
Litchfield Park, AZ 85340

Directors: Arun Banksota, Director
354 Davis Road
Oakville, ON L6J 2X1

Johnny Johnston, COO
354 Davis Road
Oakville, ON L6J 2X1

Brian Thomas
14920 W. Camelback Road
Litchfield Park, AZ 85340

Virginia L. Grebbien
913 Encanada Drive
La Habra Heights, CA 90631

Christopher Robert Stump
14920 W. Camelback Road
Litchfield Park, AZ 85340

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit 6
Certificate of Good Standing for
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
from the Arizona Corporation Commission

STATE OF ARIZONA



**Office of the
CORPORATION COMMISSION**

CERTIFICATE OF GOOD STANDING

I, the undersigned Executive Director of the Arizona Corporation Commission, do hereby certify that:

LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP.

ACC file number: 00456262

was incorporated under the laws of the State of Arizona on 09/21/1954;

That all annual reports owed to date by said corporation have been filed or delivered for filing, and all annual filing fees owed to date have been paid; and

That, according to the records of the Arizona Corporation Commission, said corporation is in good standing in the State of Arizona as of the date this Certificate is issued.

This Certificate relates only to the legal existence of the above named entity as of the date this Certificate is issued, and is not an endorsement, recommendation, or approval of the entity's condition, business activities, affairs, or practices.

IN WITNESS WHEREOF, I have hereunto set my hand, affixed the official seal of the Arizona Corporation Commission, and issued this Certificate on this date: **03/20/2023**

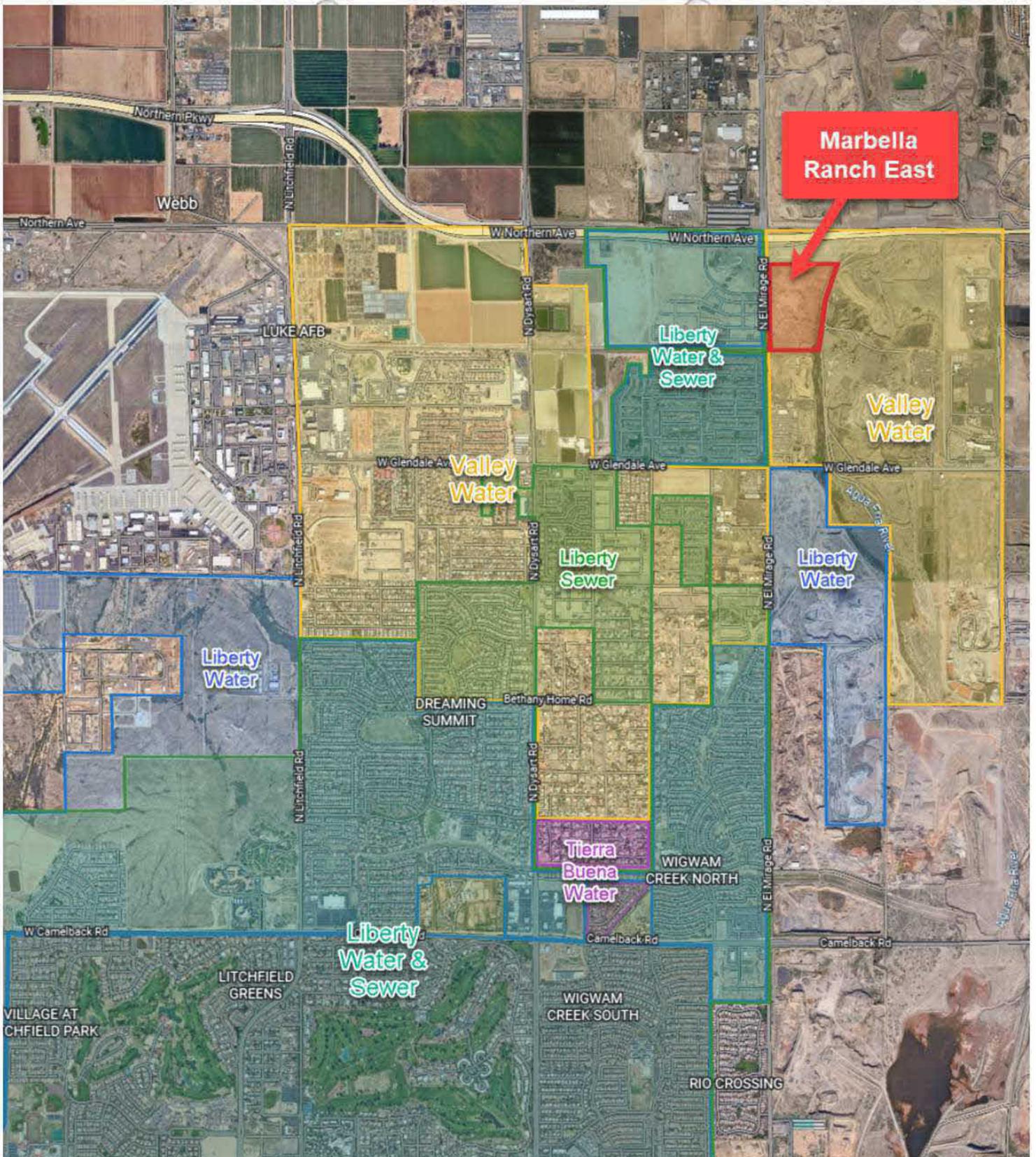


A handwritten signature in cursive script, reading "Kim Battista".

Kim Battista, Interim Executive Director

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit 7
Map of Existing Water Service Area for
Liberty Utilities (Litchfield Park Water & Sewer) Corp.



CC&N Extension and Nearby Service Areas

Map:

11-2



**Liberty Utilities (Litchfield Park
Water & Sewer) Corp.**

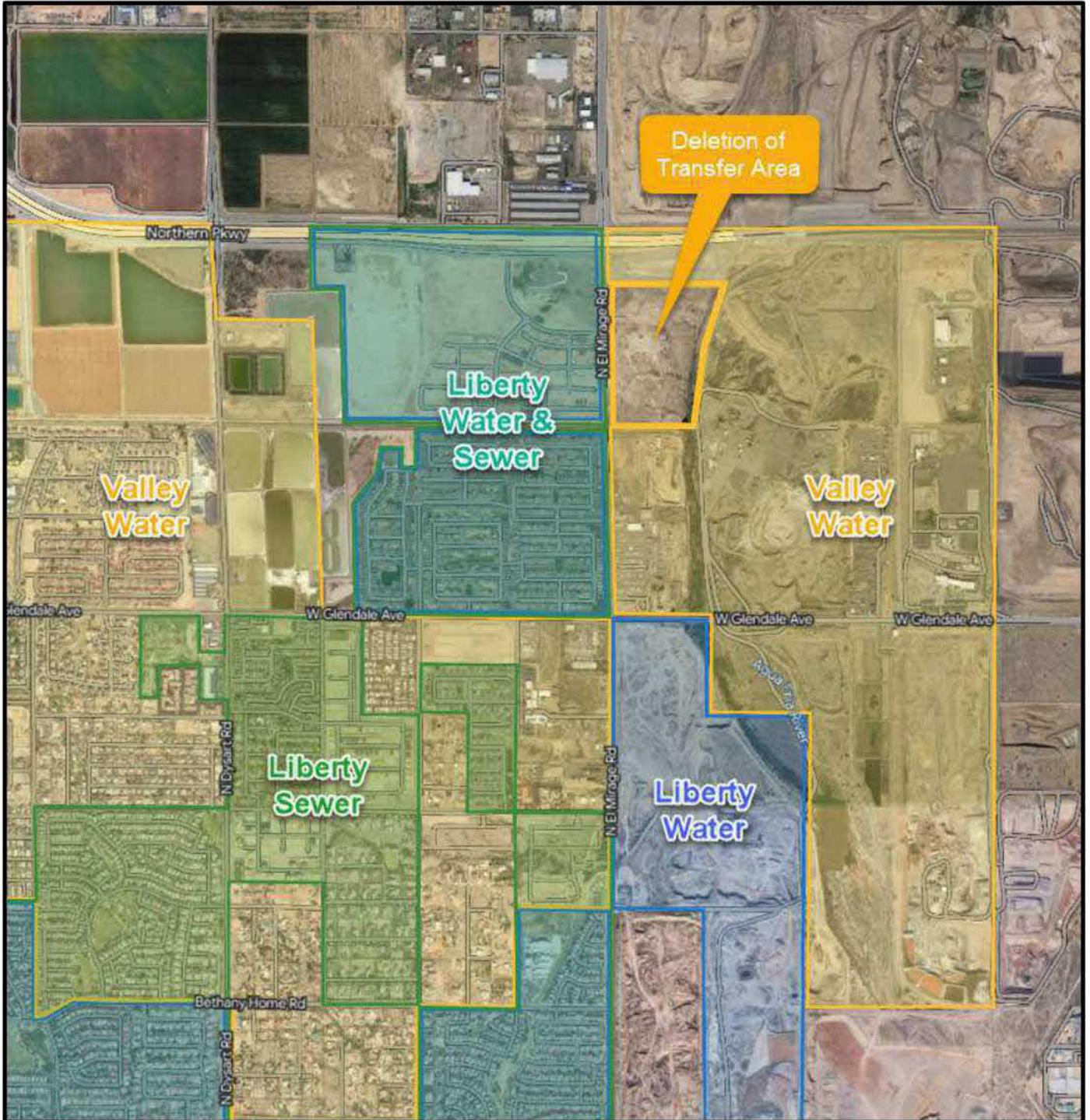
DATE:
4-13-2022

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit 8
Map Showing Deletion of Transfer Area from
Valley Utilities Water Company, Inc.

Marbella Ranch East

Deletion of Transfer Area from Valley Utilities



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit 9
Map Showing Transfer Area for Inclusion in
Liberty Utilities (Litchfield Park Water & Sewer) Corp.'s CC&N

Marbella Ranch East

Transfer Area for Inclusion in Liberty Utilities CC&N

