

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 20, 2023

Natalie Wales
Director of Regulatory Policy & Compliance
California Water Service Company
1720 North First Street
San Jose, CA 95112-4598

Dear Ms. Wales,

The Water Division of the California Public Utilities Commission has approved California Water Service Company's Advice Letter No. 2484, filed on June 19, 2023, regarding Well Site License to Water Replenishment District of Southern California in the Dominguez District.

Enclosed is a copy of the advice letter with an effective date of July 19, 2023 and a copy of the July 17, 2023 Disposition Letter for the utility's files.

Please contact Mahdi Jahami at MJ4@cpuc.ca.gov or 916-743-5080, if you have any questions.

Thank you.

Enclosures

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 18, 2023

Natalie Wales
California Water Service Company
1720 North First Street
San Jose, CA 95112
(408) 367-8200

RE: Well Site License to Water Replenishment District of Southern California (WRD)

Pursuant to the matters herein addressed, this letter serves as a formal amendment to the prior disposition letter. It shall supersede and replace the aforementioned letter in its entirety. This revised disposition has been prepared in response to the request by Cal Water for precise clarification regarding the disposition of financial proceeds, specifically under criterion number 3, as elucidated hereunder.

Purpose

California Water Service Company (Cal Water) submitted an advice letter complying with General Order 173 on June 19, 2023, requesting the approval to enter into a license allowing the Water Replenishment District of Southern California (the WRD) to obtain access to and use of a portion of a Cal Water property in the Dominguez District to maintain an existing brackish water well. The net present value of the license fees through the anticipated expiration of the proposed license is \$75,297.29.

Description of Property (location, condition, and use):

The Well Site is situated on a Cal Water-owned property at 405 Maple Avenue, Torrance, California 90503 (APN 7352-012-019) within the Dominguez District. This property spans approximately 1.92 acres or 83,635 square feet and is also known as Station 128_232. On the eastern section of the property, Cal Water manages and maintains an above-ground storage tank with a capacity of 5 million gallons.

Around the year 2000, Cal Water obtained ownership of the property, including the Well Site, through its merger with the Dominguez Water Corporation. Prior to this ownership, the property was burdened by an unrecorded ground lease to West Basin, known as the West Basin Desalter Project Agreement, which was established on May 15, 1992 (referred to as the Original Lease). Under this lease, Dominguez Water granted West Basin permission to install and operate

brackish water wells, as well as other supporting facilities and leasehold improvements on the property.

Over time, West Basin properly abandoned unused wells and removed other supporting facilities and leasehold improvements. Presently, West Basin's leasehold improvements consist of a single brackish-water well and its supporting facilities, collectively known as the Well. The Well Site, which encompasses the area surrounding the Well, is the focus of the proposed license. Notably, the Well Site is physically separated from Cal Water's tank, facilities, and operations, which are situated on the eastern part of the property.

Water Division's Analysis

General Order No. 173 provides for a regulatory review of an advice letter submitted under Public Utilities Code § 851. Specifically, Rule 7.a (5) outlines the procedure to be followed for a review by either the Executive Director or an Industry Division Director:

If an unprotested advice letter is not rejected for any of the reasons stated above and does not require environmental review by the Commission as a Responsible Agency under CEQA, the Executive Director or the Director of the appropriate Commission Industry Division may issue a disposition letter, which either grants, modifies, or denies the advice letter. The disposition letter shall include a supporting analysis by the Industry Division. A copy of the disposition letter shall be served on all persons on whom the advice letter application was served, and the results of the disposition letter shall be posted on the Commission website.

The Water Division is the appropriate Commission Industry Division for water companies under the jurisdiction of the Commission. General Order No. 173, Rule 3, outlines the criteria for review of advice letters for transactions which require Commission approval under Public Utilities Code § 851. Below are the eleven criteria for a § 851 review by advice letter, along with Water Division's analysis and findings.

- 1- *The activity proposed in the transaction will not require an environmental review by the Commission as a Lead Agency under the California Environmental Quality Act (CEQA).*

The proposed license is not considered a "project" under Public Resource Code § 20165, as it does not cause a direct physical change in the environment or a reasonably foreseeable indirect physical change. It allows the Water Replenishment District of Southern California (WRD) continued access to and use of an existing well and well site, which has been operating since approximately 1992. Therefore, no environmental review is necessary.

- 2- *The transaction will not have an adverse effect on the public interest or on the ability of the utility to provide safe and reliable service to customers at reasonable rates.*

The transaction involves granting a license to the WRD for the use and maintenance of an existing brackish water well. The Well Site and Well are located approximately 250 feet from Cal Water's tank and other operating facilities. Neither the Well nor related facilities used or operated by the WRD cross or interfere with Cal Water's facilities or operations. Therefore, approval of the proposed license would not affect the public interest or service to customers, and instead would enable continued operation of an existing improvement on the property.

- 3- *Any financial proceeds from the transaction will be booked to a memorandum account for distribution between shareholders and ratepayers during the next general rate case or other applicable proceeding for that utility.*

Under GO173, Cal Water must meet several requirements, including that in Rule 3.c, which states:

Any financial proceeds from the transaction will be either:

- (1) Booked to a memorandum account for distribution between shareholders and ratepayers during the next general rate case or other applicable proceeding for that utility, or
- (2) Immediately divided between shareholders and ratepayers based on a specific distribution formula previously approved by the Commission for that utility.

Cal Water opted to meet the second requirement by forecasting the unregulated revenue the company will receive from WRD in its GRC test year and apply 10% of those revenues as an offset to the forecasted expenses for the Dominguez District. In addition, requirement "(2)" states that the proceeds should be "immediately" divided between the shareholders and the ratepayer without providing a specific definition to the word "immediately" or a specific timeline. Water Division finds dividing the proceeds in the next GRC satisfies the immediacy requirement defined in the GO. This request is determined to be reasonable based on previous precedence and meeting the GO requirement above.

- 4- *If the transaction results in a fee interest transfer of real property, the property does not have a fair market value in excess of \$5 million.*

The transaction does not involve a fee interest transfer of real property. The transaction involves a license, which is less than fee interest in real property, with a fair market value of the license that is less than \$5 million. The net present value of the license fees through the anticipated expiration of the proposed license is \$75,297.29.¹

¹ AL 2484: Well Site License to Water Replenishment District of Southern California (WRD), page 4

- 5- *If the transaction results in a sale of a building or buildings (without an accompanying fee interest transfer of the underlying land), the building(s) does not have a fair market value in excess of \$5 million.*

The transaction does not involve the sale of a building or buildings, rather it involves licensing the use of the Well Site to the WRD for up to 20 years. The net present value of the license fees through the anticipated expiration of the proposed license is \$75,297.29.

- 6- *If the transaction is for the sale of depreciable assets (other than a building or buildings), the assets do not have a fair market value in excess of \$5 million.*

The transaction does not involve the sale of a depreciable asset. It encompasses licensing the use of the Well Site to the WRD for up to 20 years. The net present value of the license fees through the anticipated expiration of the proposed license is \$75,297.29.

- 7- *If the transaction conveys an easement, right-of-way, or other less than fee interest in real property, the fair market value of the easement, right-of-way, or other interest in property does not exceed \$5 million.*

The proposed license is subject to the Commission's General Order No. 69-C dated and effective July 10, 1985 (**General Order 69-C**), which is incorporated by this reference. General Order 69-C provides, in part, that all public utilities under Public Utilities Code § 851 (**Section 851**):

. . . are authorized to grant easements, licenses or permits for use or occupancy, on, over, or under any portion of the operating property of said utilities for right of way, private roads, agricultural purposes, or other limited uses of their several properties without further special authorization by this Commission whenever it shall appear that the exercise of such easement, license or permit will not interfere with the operations, practices and services of such public utilities to and for their . . . consumers . . . provided, however, that each such grant shall be made conditional upon the right of the grantor, either upon order of this Commission or upon its own motion to commence or resume the use of the property in question whenever, in the interest of its services to its patrons or consumers, it shall appear necessary or desirable to do so.

Licensee understands and acknowledges that the proposed license is intended to comply with the rules and limitations on the use of regulated public utility property, including the property implicated in the proposed license, under Section 851 and General Order 69-C, and that Licensee's rights, interest, and obligations under the proposed license is and will be construed and interpreted consistent with such statute and rule.²

² AL 2484: Attachment A- Well Site Access License, pages 7-8

- 8- *If the transfer is a lease or a lease-equivalent, the total net present value of the lease payments, including any purchase option, does not have a fair market value in excess of \$5 million, and the term of the lease will not exceed 25 years.*

Cal Water plans to grant a license for the use of the Well Site to the WRD for a maximum period of 20 years. The fee to be paid to Cal Water under this proposed license will be determined based on the current lease rates of similar industrial properties in the Torrance, California area, as assessed by a reputable commercial real estate broker. Presently, rental rates for comparable properties range from \$1 to \$6.60 per square foot per year, while lease rates for parcels of similar size range from \$1.20 to \$2.88 per square foot per year.

Cal Water has used the median lease rate to establish the fee structure for the Proposed License. The fees will commence at \$2 per square foot per year and will increase by 5% every 5 years, rounded up to the nearest whole dollar. The fee schedule for the proposed license is as follows:³

Period:

Start Date to December 31, 2025

January 1, 2026 to December 31, 2030

January 1, 2031 to December 31, 2035

January 1, 2036 to December 31, 2040

January 1, 2041 to Termination/Expiration

License Fee:

\$6,050.00/year

\$6,355.00/year

\$6,688.00/year

\$7,687.00/year

\$8,072.00/year

The total value of the license fees, considering their present worth until the anticipated expiration of the Proposed License, amounts to \$75,297.29. The term of the license is less than 25 years.

- 9- *This transaction will not materially impact the rate base of the utility.*

The WRD will be responsible for covering all costs and expenses associated with the use of the property, including utilities, services, taxes, and any expenses related to the Well and other improvements or uses by the WRD that can reasonably be passed on to them. The proposed license is designed to be a "net license," meaning Cal Water will not bear or pay any costs or expenses on behalf of the WRD. The continued use of the well by WRD rather than West Basin under the proposed license will not impact the rate base of the Dominguez District. Approval of the proposed license would not affect the public interest or service to customers, and instead would enable continued operation of an existing improvement on the property.

- 10- *If the transaction is a transfer or change in ownership of facilities currently used in regulated utility operations, the transaction will not result in a significant physical or operational change in the facility.*

³ AL 2484: Well Site License to Water Replenishment District of Southern California (WRD), pages 4-5

The well that is to be transferred between West Basin and the WRD is not owned or used by Cal Water in the provision of regulated utility service, and therefore approval of the proposed license will have no physical operational changes to Cal Water's system. Additionally, the license agreement clearly states under *Licensee Work* section:

*Licensee will perform all work for any Modification (a) at Licensee's sole cost and expense, (b) in a good and workmanlike manner, according to final plans and specifications that Cal Water has reviewed and consented to, (c) in compliance with all applicable Laws; (d) using only new materials; and (e) in such way as to not interfere with or disrupt Cal Water's use, access to, or operations on or of the Property.*⁴

11- The transaction does not warrant a more comprehensive review that would be provided through a formal Section 851 application.

Other than the issues discussed above, this request for approval of the proposed license does not merit a more comprehensive review that would be provided through a formal Section 851 application.

Notice and Service of Advice Letters

The submittal of Advice Letter No. 2484 is consistent with the provisions of General Order No. 96-B, Rule 4.2, and General Order No. 173, Rule 5. In accordance with Rule 5 of General Order 173, a copy of this advice letter was transmitted electronically on June 19, 2023 to interested parties that have requested such notification for the Dominguez District (on the mandated advice letter service list), the Water Division, the Public Advocates Office, the Energy Division, and relevant departments of the city and county in which the real property involved in the transaction is located. Water Division did not receive any protests to Advice Letter No. 2484 during the protest period ending July 9, 2023.

Water Division has served a copy of this disposition letter on all parties to whom the advice letter was served. Water Division has posted the results of this disposition letter in the Commission's Daily Calendar.

Conclusion

⁴ AL 2484: Attachment A- Well Site Access License, page 5

Water Division has reviewed Cal Water's Advice Letter 2484 and finds that General Order Nos. 96-B and 173, governing the requirements and process for Section 851 advice letters, have been met. Cal Water's Advice Letter No. 2484, submitted on June 19, 2023, requesting approval for a well site license to the Water Replenishment District of Southern California, is approved.

Sincerely,

Terence Shia

Terence Shia, Director
Water Division

Cc: Advice Letter No. 2484 Service List

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Utility Name: California Water Service Company **Date Mailed to Service List:** 06/19/2023
District: Dominguez District
CPUC Utility #: U-60-W **Protest Deadline (20th Day):** 07/09/2023
Advice Letter #: 2484 **Review Deadline (30th Day):** 07/19/2023
Tier: ☐1 ☐2 ☐3 ☐ Compliance **Requested Effective Date:** 07/19/2023
Authorization: GO 173 and PU Code Section 851 **Rate Impact:** n/a
Description: Well Site License to Water Replenishment
District of Southern California (WRD)

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: Natalie Wales

Phone: 408-367-8566

Email: nwales@calwater.com

Utility Contact:

Phone:

Email:

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

DATE

STAFF

COMMENTS

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☐ APPROVED

☐ WITHDRAWN

☐ REJECTED

Signature: _____

Comments: _____

Date: _____

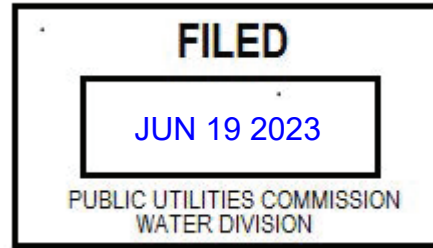


CALIFORNIA WATER SERVICE COMPANY

1720 NORTH FIRST STREET
SAN JOSE, CA 95112 (408) 367-8200

June 19, 2023

Advice Letter No. 2484



To The Public Utilities Commission of the State of California:

California Water Service Company ("Cal Water") respectfully submits this advice letter requesting approval of a license to a third party for a well site on Cal Water's property as described below. *Please note that this advice letter will only be distributed electronically to the Water Division and the attached service lists.*

Summary

Pursuant to General Order 173, Cal Water requests approval to enter into a license allowing the Water Replenishment District of Southern California (the WRD) to obtain access to and use of a portion of a Cal Water property in the Dominguez District to maintain an existing brackish-water well.

Authority for Advice Letter

Under General Order 173 (GO 173), the Commission's advice letter process may be used to obtain approval of certain transactions involving utility property valued at \$5 million or less in lieu of filing a formal application under Public Utilities Code Section 851.

Eligible transactions (Rule 3) and the contents of the advice letter (Rule 4) are described in GO 173. While no tier level is identified, the advice letter is subject to protests within 20 days (Rule 6), and an initial 30-day review period by the Water Division (Rule 7.a(2)). The Water Division may reject, approve, or seek additional information about the advice letter.

Under Rule 7(a)(5), the Commission's Executive Director or the Director of the Water Division may issue a disposition letter resolving the advice letter if it is not rejected, is not subject to a protest, and does not require environmental review by the Commission as a "Responsible Agency" under CEQA.¹ Otherwise, the advice letter will be resolved through a Commission resolution (Rule 7(a)(6)).

The Commission must take action on the advice letter within 120 days of filing unless a protest is submitted or the advice letter was found to be incomplete.

Discussion

Cal Water respectfully requests that the Commission approve a proposed license to the Water Replenishment District of Southern California (the WRD) attached as **Attachment A** (the ***Proposed License***). Under the Proposed License, Cal Water would allow the WRD to access and

¹ The California Environmental Quality Act (codified under PRC §§ 21000 et seq.).



CALIFORNIA WATER SERVICE COMPANY

Advice Letter 2484, Dominguez Well Site License to WRD
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use a portion of Cal Water's property to maintain an existing brackish-water well, built around 1992, that would be owned by the WRD. The area addressed by the Proposed License would be a well site of approximately **3,025 sf** (Well Site) at a station in Cal Water's Dominguez District (Station 128_232 at 405 Maple Ave., Torrance, CA 90503, as further described below and shown on the map of the property provided as Exhibit A to the Proposed License.

Information Requested by General Order 173

1. Interested parties and addresses (aside from Cal Water):

Licensee: Water Replenishment District of Southern California
4040 Paramount Boulevard
Lakewood, California 90712
Phone: (562) 275-4300
Fax: (310)618-2931
Email: RBeste@ wrd.org

The WRD is a water replenishment district under Water Code § 6003. The WRD is a public corporation formed and organized in 1959 under the Water Replenishment District Act of 1955, as amended. As a public corporation, the WRD is also a "political subdivision" of the State of California under Government Code § 67510 and Public Utility Code § 1402.

The WRD is the largest groundwater agency by population in the State of California. The WRD manages and protects local groundwater resources for approximately 4,000,000 residents and serves a 420 square-mile region of southern Los Angeles County. Its service area includes 43 cities and unincorporated parts of the County of Los Angeles.

Interested Party: West Basin Municipal Water District
Donald L. Dear Building
17140 South Avalon Boulevard
Carson, California 90746-1296
Phone: (310) 660-6210
Fax: (888) 821-6552
Email: GregoryR@westbasin.org

West Basin is a municipal water district under Water Code § 71013. West Basin was formed and organized in 1947 under the Municipal Water District Act of 1911, as amended. As a municipal water district, it's also a "political subdivision" of the State of California under Public Utility Code § 1402. As a wholesale water agency, West Basin serves nearly 1,000,000 people. Its service area includes 17 cities and unincorporated areas of the County of Los Angeles.

2. Description of property (present location, condition, and use):

The Well Site is at a Cal Water property located at 405 Maple Avenue, Torrance, California 90503 (APN 7352-012-019) in the Dominguez District. The property is approximately 1.92 acres



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or 83,635 sf (also referred to as Station 128_232). Cal Water operates and maintains a 5-million gallon, above-ground storage tank on the eastern portion of the property.

Cal Water acquired the property containing the Well Site when it merged with the Dominguez Water Corporation around 2000. The property was encumbered by an unrecorded ground lease to West Basin, entitled the *West Basin Desalter Project Agreement*, dated May 15, 1992 (the **Original Lease**). Under the Original Lease, Dominguez Water allowed West Basin to install and operate brackish water wells and other supporting facilities and leasehold improvements on the property.

Through the years, West Basin properly abandoned unused wells and removed other supporting facilities and leasehold improvements. Today, West Basin's leasehold improvements include one brackish-water well and its supporting facilities (the **Well**). The Well Site, an area around and including the Well, is the subject of the Proposed License. The Well Site is located on the western portion of the property, physically separated from Cal Water's tank, facilities, and operations on the eastern portion of the property.

3. Intended use of property:

If the Commission approves the Proposed License in this advice letter, West Basin intends to sell the Well to the WRD, who intends to operate and maintain the Well for the term of the Proposed License. West Basin and the WRD's purchase and sale of the Well is contingent on the Commission's approval of the Proposed License.

Cal Water does not intend to allow the property to be encumbered by the Original Lease and the Proposed License at the same time. If the Commission approves the Proposed License, Cal Water and the West Basin intend to cancel the Original Lease.

As a condition to Cal Water's consent to the sale of the Well by West Basin to the WRD, Cal Water is requiring the memorialization of certain terms and conditions for the WRD's continued use of Cal Water's property in the form and content of the Proposed License, including the reduction of the portion of the property used, the limitation on the exclusive use of the property, and express assumption of risks, costs, and expenses, among other things. Under the negotiated Proposed License, the Well Site will be approximately 3.62% of the area of the property (i.e., 3,025 sf of 83,635 sf).

No facilities or improvements to operate and maintain the Well may cross or interfere with Cal Water's facilities or use of the portions of the property that Cal Water uses and maintains in its day-to-day operations.

4. Financial terms of transaction (complete description):

Cal Water intends to license the use of the Well Site to the WRD for up to 20 years. The fee payable to Cal Water under the Proposed License is based on current, comparable leasehold land values of improved industrial properties around the Torrance, California area, prepared by a reputable commercial real estate broker. Rental rates for improved industrial properties



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Advice Letter 2484, Dominguez Well Site License to WRD
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currently range from \$1/sf/yr to \$6.60/sf/yr. Lease rates for parcels of comparable size to the property range from \$1.20/sf/yr to \$2.88/sf/yr.

Cal Water used the median lease rate to determine the fee under the Proposed License. The fees under the Proposed License would start at \$2/sf/yr and increase 5% every 5 years (rounded up to the nearest whole dollar):

<u>Period:</u>	<u>License Fee:</u>
Start Date to December 31, 2025	\$6,050.00/year
January 1, 2026 to December 31, 2030	\$6,355.00/year
January 1, 2031 to December 31, 2035	\$6,688.00/year
January 1, 2036 to December 31, 2040	\$7,687.00/year
January 1, 2041 to Termination/Expiration	\$8,072.00/year

The net present value of the license fees through the anticipated expiration of the Proposed License is **\$75,297.29**.

The WRD will also bear all of its own costs and expenses to use the property, including, any utilities, services, taxes and costs related to the Well and any other WRD improvements or uses that are reasonably able to be passed through to the WRD. The Proposed License is intended to be a “net license”; Cal Water does not intend to pay or absorb costs or expenses for or on behalf of the WRD.

5. Distribution of financial proceeds (description):

Cal Water treats the lease rent received from West Basin as “unregulated” revenues, 10% of which are shared with customers. The same treatment will apply to the license fees received from WRD. Accordingly, in Cal Water’s general rate case, Cal Water will forecast the unregulated revenue the company will receive from WRD in the test year, and apply 10% of those revenues as an offset to the forecasted expenses for the Dominguez District (which decreases the revenue requirement).

6. Impact on rate base, and effect on service to customers:

The continued use of the well by WRD rather than West Basin under the Proposed License will not impact the rate base of the Dominguez District. Approval of the Proposed License would not affect the public interest or service to customers, and instead would enable continued operation of an existing improvement on the property.

The Well Site and Well are located approximately 250 feet from Cal Water’s tank and other operating facilities. Neither the Well nor related facilities used or operated by the WRD cross or interfere with Cal Water’s facilities or operations. The Well Site is a portion of the western part of the property while Cal Water’s tank and facilities occupy the eastern portion of the property. The physical arrangement of the WRD’s anticipated use and operation of the property, and legal rights and interests under the Proposed License are designed to avoid impacts to or



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interference with Cal Water's use and operation of its property for the benefit of Cal Water's customers and the public.

The license fees will compensate Cal Water's customers for a reasonable market rate for the use of the Well and Well Site, and all of the costs of operating and maintaining the Well Site will be borne by the WRD under the Proposed License.

7. For sales of real property and depreciable assets – original cost, present book value, present fair market value and how it was determined (detailed description):

Not applicable.

8. For leases of real property – fair market value rental and how it was determined (detailed description), and additional information to demonstrate compliance with Rule 3(g) (total net present value of lease payments, less than \$5 million, and less than 25 years):

Not applicable.

9. For easements or rights-of-way – fair market value and how it was determined (detailed description):

The net present value of the license fees through the anticipated expiration of the Proposed License is **\$75,297.29**, as discussed above.

10. Recent past and anticipated future transactions that may appear relevant to proposed transaction (transactions involving same or nearby property, or same interested party, etc.):

The third-party operation of a well not owned by Cal Water that is nevertheless on Cal Water property is an unusual arrangement for Cal Water. Other than the history of the well and property discussed herein, Cal Water is not aware another transaction that would be relevant.

11. Documentation that transaction is eligible for GO 173 (see Rule 3):

As discussed herein, the Proposed License does not require an environmental review, will not have an adverse effect on the public interest or on the ability of Cal Water to provide safe and reliable service at reasonable rates, and all license fees received will be credited to Dominguez customers. The transaction involves a license, which is less than fee interest in real property, with a fair market value rental that is less than \$5 million. Finally, the transaction will have no impact on rate base, the Well that would be transferred between West Basin and the WRD is not owned or used by Cal Water presently, and therefore approval of the Proposed License will have no significant physical operational change to Cal Water's system. There are no relevant circumstances other than those described herein; therefore, this request for approval of the Proposed License does not merit a more comprehensive review beyond this advice letter.



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Environmental information (see Rule 4(m)):

Under Rule 3(a) of General Order 173, an Advice Letter is appropriate for proposed transactions that will not require CEQA review by the CPUC as a lead agency because: (a) the proposed transaction is statutorily or categorically exempt; (b) the proposed transaction is not a “project”; or (c) because another public agency completed environmental review of the project as the lead agency and the Commission is only required to review the project as a responsible agency.

By definition, the Proposed License is not a “project” under Public Resource Code § 20165, which defines a “project” as:

. . . an activity which may cause either a **direct physical change** in the environment, or a **reasonably foreseeable indirect physical change** in the environment, and which is any of the following:

- (a) An activity directly undertaken by any public agency.
- (b) An activity undertaken by a person which is supported, in whole or in part, through contracts, grants, subsidies, loans, or other forms of assistance from one or more public agencies.
- (c) An activity that involves the issuance to a person of a lease, permit, license, certificate, or other entitlement for use by one or more public agencies.

In this case, the granting of the Proposed License will not result in a direct physical change in the environment, nor a reasonably foreseeable indirect physical change in the environment. The Proposed License allows the WRD continued access to and use of the Well and Well Site, which is an existing improvement on the property that has been operated since around 1992.

Tier Designation

This advice letter does not have a tier designation. In accordance with Rule 7 of GO 173, Cal Water requests disposition by the Executive Director or the Director of the Water Division.

Requested Effective Date

Cal Water requests that approval of the Proposed License be granted 30 days from the submission of this advice letter.

Notice and Service

In accordance with Rule 5 of General Order 173, a copy of this advice letter will be transmitted electronically on **June 19, 2023** to interested parties that have requested such notification for the Dominguez District (on the mandated advice letter service list), the Water Division, the Public Advocates Office, the Energy Division, and relevant departments of the city and county in which the real property involved in the transaction is located (see attached Service List). *Please*



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note that this advice letter will only be distributed electronically unless an e-mail address is unavailable.

Response or Protest

Anyone may respond to or protest this advice letter. When submitting a response or protest, please include the utility name and advice letter number in the subject line. 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 on 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; or
- (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 such a protest may not be made where it would require relitigating 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 Water Division 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 Cal Water at the following address:

Natalie Wales
California Water Service Company
1720 North First Street,
San Jose, California 95112
E-mail: cwsrates@calwater.com

Cities and counties requiring Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division within the 20-day protest period so a late-filed protest can be entertained. The informing document should include an estimate of the date the



CALIFORNIA WATER SERVICE COMPANY

Advice Letter 2484, Dominguez Well Site License to WRD
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proposed protest might be voted on. The advice letter process does not provide for any responses, protests or comments, except for the utility's reply, after the 20-day comment period.

Replies: The utility shall reply to each protest and may reply to any response. Each reply must be received by the Water Division within 5 business days after the end of the protest period and shall be served on the same day to the person who filed the protest or response. If you have not received a reply to your protest within 10 business days, contact California Water Service Company at (408) 367-8200, and ask for the Rates Department.

CALIFORNIA WATER SERVICE COMPANY

/s/

Natalie Wales, Director of Rates

cc: Syreeta Gibbs (Public Advocates Office), PublicAdvocatesWater@cpuc.ca.gov

Attachment A

Proposed Well Site Access License

WELL SITE ACCESS LICENSE
(DOM/405 Maple Avenue, Torrance, CA 90503)

Between

CALIFORNIA WATER SERVICE COMPANY,
a California corporation
(*Cal Water*)

and

WATER REPLENISHMENT DISTRICT
OF SOUTHERN CALIFORNIA,
a water replenishment district
under California Water Code §§ 6003, et seq.
(*Licensee*)

(Start Date)

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ATTACHMENTS AND EXHIBITS

Exhibit A (Map of Property)
Exhibit B (Safety and Security Rules)
Exhibit C (Insurance Coverages)

WELL SITE ACCESS LICENSE
(DOM/405 Maple Avenue, Torrance, CA 90503)

This WELL SITE ACCESS LICENSE (this **License**) is made by and between CALIFORNIA WATER SERVICE COMPANY, a California corporation (**Cal Water**), and the WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA, a water replenishment district formed under California Water Code §§ 6003, et seq. (**Licensee**), who may each be referred to as a **Party** and together as the **Parties**.

BACKGROUND

A. Cal Water owns that approximately 1.92-acre parcel of improved property at 405 Maple Avenue, in the City of Torrance, County of Los Angeles, California 90503, also known as Station 128_232, and currently identified by APN 7352-012-019 (the **Property**).

B. Cal Water acquired its interest in the Property by merger with Dominguez Water Corporation, a California corporation around 2000. At that time, the Property was improved with one or more brackish water wells, which were developed and are owned by the West Basin Municipal Water District (**West Basin**), a California municipal water district, under an unrecorded *West Basin Desalter Project Agreement*, dated May 15, 1992, as amended (collectively, the **Lease**).

C. Licensee entered into an agreement with West Basin to purchase West Basin's interest in and to the Lease and to that well on the Property kept by West Basin (the **WRD Well**), among other things.

D. The Lease expires by its terms on May 14, 2026, and Licensee desires to maintain access to the Property to operate and maintain the WRD Well. Cal Water is willing to grant Licensee such access to the Property under the terms of this License, consistent with the rules and limitations under the Public Utility Code.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and obligations below, and other valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties agree as follows:

1. Well Site

1.1. Access. Cal Water grants Licensee and Licensee's staff, employees, contractors, subcontractors, agents, and representatives (the **Licensee's Representatives**) a non-exclusive and revocable license to enter on and use the portion(s) of the Property to keep, manage, maintain, and repair the WRD Well (the **Well Site**), together with the non-exclusive and non-transferrable right on, over, and across the Property for ingress to and egress (an **Access License**) and on, in, and under the Property to install, maintain, operate, repair, and replace necessary

utilities to serve the WRD Well (a **Utility License**), all of which is as shown on the map attached as **Exhibit A**.

1.2. As-Is; Where-Is. Cal Water makes no representation or warranty that the Property is suitable for Licensee's intended use. Cal Water has no duty to prepare the Property for Licensee's entry or use or to discover, remediate, or warn of any condition of the Property, and Licensee accepts its rights and interest under this License "AS IS" and "WHERE-IS", with all faults and conditions, whether known or unknown, at Licensee's own risk. Licensee waives to the fullest extent permitted by law any claim against Cal Water and Cal Water's officers, directors, employees, staff, contractors, subcontractors, advisors, agents and representative (collectively, **Cal Water's Representatives**) for any damage or injury arising from the condition of the Property.

1.3. Limited Interest. This License only gives Licensee permission to keep, maintain, and use the WRD Well on the Property. This License is not a lease or an easement.

1.4. Subordination. This License and the rights and privileges granted to Licensee are subject to and subordinate to the rights and obligations of Cal Water as a regulated public utility to keep, maintain, use, and operate the Property for its operations as a regulated public utility, all of which rights and powers Cal Water may exercise at any and all times, except to the extent or as conditioned under this License.

2. Use and Access

2.1. Hours of Access. Licensee may only access the Property on normal business days (excluding all local, state, and federal holidays) and during Cal Water's normal business hours, except in an emergency or as the Parties otherwise agree.

2.2. Safety and Security. Licensee may install fencing, gates, locks, and other similar security devices to protect the WRD Well, permitted Modifications, and any other personal property Cal Water allows Licensee to keep on the Property. Licensee will comply with all current and future safety and security rules of Cal Water applicable to the Property. Current safety and security rules are attached as **Exhibit B**. Cal Water's adoption of any safety or security rules will not be deemed or construed to create any duty or obligation on Cal Water to provide safety or security for Licensee, Licensee's property, or Licensee's Representatives on the Property.

2.3. Gates and Locks. Licensee will keep all gates to the Property closed and locked except while entering or leaving the Property. Licensee will provide Cal Water with copies of keys, combinations, and codes to any gates or locks installed, kept, or maintained by Licensee.

2.4. Due Care. Licensee will exercise, and cause Licensee's Representatives to exercise, due care and diligence at all times when accessing or using the Property. If Licensee or Licensee's Representatives damage or destroy any part of the Property, Licensee will immediately notify Cal Water.

2.5. Non-Interference. Licensee understands and acknowledges that Cal Water is a regulated public utility, and that at all times Cal Water must be able to use and operate the Property for its purposes as a regulated public utility. Licensee will not use or allow any activity on the Property that interferes or may interfere with Cal Water's use or operations.

2.6. No Nuisance, Waste, or Illegal Use. Licensee will not cause, maintain, suffer, or permit any public or private nuisance, annoyance, inconvenience, damage, or waste, any hazardous condition, or any illegal, immoral, improper, or injurious use on or of the Property.

2.7. No Liens, Encumbrances, or Encroachment. Licensee will not directly or indirectly create, cause, or allow the Property to become subject to any liens, attachments, judgments, or other encumbrances or create, cause, or allow any of Licensee's permitted Modifications or personal property to encroach or trespass onto another property.

2.8. Compliance with Laws. Licensee will use the WRD Well and the Property and exercise its rights and interests under this License in compliance with all Laws applicable to Licensee, regardless of when any of the Laws become effective or if the benefit of actions required to be taken or avoided by Licensee have a useful life beyond the term of this License. **Laws** means all federal, state, county, and municipal laws, private land use regulations, environmental and hazardous materials laws, rules, orders, ordinances, directions, regulations and requirements, including any laws concerning the construction, maintenance, operation, or use of the Property

3. Term

The **Term** of this License will begin on _____ (the **Start Date**) and expire on the earlier of (a) termination (as provided below); or (b) at 11:59 PM (PST/PDT) on the day immediately before the 20th anniversary of the Start Date. The term may not exceed 20 years from the Start Date.

4. Fees and Costs

4.1. License Fee. On the Start Date and then on the first day of each calendar year during the Term of this License, Licensee will pay to Cal Water in immediately available funds and legal tender of the United State of America (USD), without any demand, offset, or deduction the **License Fee** as follows:

<u>Period:</u>	<u>License Fee:</u>
Start Date to December 31, 2025	\$6,050.00/year
January 1, 2026 to December 31, 2030	\$6,355.00/year
January 1, 2031 to December 31, 2035	\$6,688.00/year
January 1, 2036 to December 31, 2040	\$7,687.00/year
January 1, 2041 to Termination/Expiration	\$8,072.00/year

4.2. Taxes. Licensee will pay before the same becomes delinquent, or reimburse to Cal Water, all real, personal property, sales, use, income, business, conveyance or transfer, and

other taxes, fees, and assessments attributable to the WRD Well, Modifications, Licensee's use of the Property, or the License Fees or Additional License Fees constructively or actually received by Cal Water from Licensee. On Cal Water's request, Licensee will promptly execute affidavits and other documents as necessary or proper in connection with such taxes or assessments.

4.3. Administrative Fee. Cal Water may charge or collect from Licensee a non-refundable **Administrative Fee** of One Thousand Five Hundred and NO/100 Dollars (**\$1,500.00**) to compensate Cal Water for its costs and expense of reviewing requests from Licensee or Licensee's Representatives for Cal Water's consent, approval, or review of or under this License.

4.4. Additional License Fees. All monetary obligations of Licensee to Cal Water under this Licensee, including any payments or reimbursements of fees, costs, or expenses owed or payable to Cal Water by Licensee other than the License Fee will be **Additional License Fees**.

4.5. Proration. If any periodic payment by Licensee to Cal Water begins or ends on a day other than the first day a calendar month or other period; then the payment in that partial month or period will be prorated based on the actual number of days of the month or period.

4.6. Licensee's Costs. Unless the Parties otherwise agree in writing, Licensee will bear all costs and expenses to use the Property, including, but not limited to, all Utilities and Services that Licensee may need or deem convenient to use the WRD Well and any permitted Modifications, the costs of damages or destruction caused by Licensee and Licensee's Representatives, and the costs, penalties, and interest of any violations of public laws, rules, or ordinances.

5. Utility Services

5.1. Utilities and Services. Licensee may at its sole cost and expense obtain utilities and services Licensee deems necessary for the Permitted Uses, excluding, however, liquified gasses, oils, and fuels (the **Utilities and Services**). All Utilities and Services will be separately metered and billed to Licensee. Any utility or service may only be installed with Cal Water's prior written consent and must be configured, installed, and operated to prevent any interruption to or interference with Cal Water's operations.

5.2. Availability, Failure, or Inadequacy of Utility Services. Unless the Parties otherwise agree, Cal Water will not provide any utilities, services, or emergency backup or standby power to or for Licensee, and will have no liability for the unavailability, failure, or inadequacy of any utilities or services that Licensee may want or need.

6. Maintenance and Repairs

6.1. Licensee Obligations. Licensee will maintain all of Licensee's property kept, maintained, or allowed on the Property in good repair and in a neat, clean, and safe condition, reasonable wear and tear excepted. Licensee will repair all damage to the Property caused by Licensee or Licensee's Representatives use of the Property. If Licensee fails to repair any such

damage, Cal Water may, in its sole discretion, repair such damage at Licensee's sole cost and expense, and Licensee will promptly reimburse Cal Water for all costs and expenses it incurs.

6.2. Cal Water Obligations. Cal Water will repair all damage to the WRD Well, permitted Modifications, and personal property allowed on the Property caused by Cal Water or Cal Water's Representatives. However, Cal Water will have no obligation or liability for damage caused by vandalism, adverse weather conditions, or causes beyond Cal Water's reasonable control.

7. Modifications

7.1. No Modifications. Licensee may not make, cause, or permit any Modification to the Property, the WRD Well, or any of Licensee's equipment or property on the Property, except with Cal Water's prior written consent, which Cal Water may grant, deny, or condition in its sole discretion. **Modification** means any improvement to or on the Property made by Licensee or serving or benefiting Licensee's access, use, or the WRD Well, including any change, alteration, relocation, addition, replacement, substitution, installation, or removal of any foundations, materials, structures, equipment, conduits, appurtenances or fixtures; and any structural, geotechnical, or other destructive tests, borings, or ground-disturbing or altering activities that in Cal Water's judgment is or is likely to be permanent, immovable, irremediable, or unable to be promptly removed.

7.2. No Representations. Cal Water's approval of a proposed Modification will not imply or be construed as a review, approval, representation, or warranty that a proposed Modification complies with any applicable Laws; that a proposed Modification is structurally sound, safe, or suitable for Licensee's use; or that a proposed Modification will not potentially interfere with Cal Water's use or operation of the Property. No expenditures or improvements made by Licensee will alter or limit Cal Water's right to terminate this License.

7.3. Licensee Work. Licensee will perform all work for any Modification (a) at Licensee's sole cost and expense, (b) in a good and workmanlike manner, according to final plans and specifications that Cal Water has reviewed and consented to, (c) in compliance with all applicable Laws; (d) using only new materials; and (e) in such way as to not interfere with or disrupt Cal Water's use, access to, or operations on or of the Property.

7.4. Record Drawings. Within thirty (30) days of the completion of work on a Modification, Licensee will deliver two (2) sets of as-built drawings in printed, full-size format and one set in electronic format (native file format or PDF) to Cal Water (the **As-Built Drawings**).

7.5. Severance of Improvements. All equipment, furnishings, goods, and Modifications that are tangible, personal property of Licensee will be severed from and not be construed, deemed, or allowed to become improvements to the Property.

8. Landowner's Reserved Rights

In addition to any other rights Cal Water may have under this License, at law, or in equity, Cal Water expressly reserves the following rights:

8.1. Relocation. If the Modifications, or Utilities or Services, or Licensee's use of the Property interferes with Cal Water's operations, Cal Water shall consult with Licensee, and both shall confer on ways to continue Licensee's use in light of Cal Water's needs. If after exploring and exhausting alternatives, the Parties agree that there are no alternatives for Licensee to continue its use of the Property under this License, Cal Water may terminate this License under Section 13.1. If modification of this License is reasonably possible to accommodate Licensee's continued use of the Property, the Parties shall work together to relocate or reconfigure the Well Site, WRD Well, Modifications, or Utilities or Services, or Licensee's other Permitted Use of the Property to avoid, reduce, or eliminate the extent of such interference. Unless the Parties otherwise agree, the cost and expense of such relocation or reconfiguration of Licensee's equipment will be borne by Licensee.

8.2. Other Permittees. Cal Water may license or permit other parties to use the Property (a **Permittee**). Licensee will address and resolve any interference issues with a Permittee's use with the Permittee.

9. Insurance

9.1. Coverages. During the term of this License, Licensee will obtain, keep, and maintain at its sole cost and expense, or cause Licensee's Representatives to obtain, keep, and maintain, policies of insurance that insure all liabilities of Licensee or Licensee's Representatives for Licensee or Licensee's Representatives' use of the Property, as the case may be. The policies of insurance will be in the categories and minimum amounts as shown in **Exhibit C the Coverages**). Cal Water may require reasonable increases in the Coverages, but no more frequently than once in any twelve-month period.

9.2. General Requirements. All policies will be issued by a licensed insurance carrier qualified to do business in the State of California with an A.M. Best rating of A or better, financial category class of VIII, as rated in the most currently available A.M. Best rating book. All policies will require no less than thirty (30) days written notice from the insurance company to Cal Water before any cancellation or non-renewal of the policy.

9.3. Certificates of Insurance. On the Start Date and thereafter as Cal Water may request, Licensee shall provide a Certificate of Insurance (COI) naming California Water Service Company as an additional insured on all policies of Coverages.

9.4. Waiver of Subrogation. Licensee releases Cal Water and waives Licensee's right of recovery against Cal Water for loss or damage caused by fire or other perils covered by Licensee's property insurance. However, Licensee does not waive its right against Cal Water with

respect to any claims for loss or damage by fire or other perils caused by the gross negligence or willful misconduct of Cal Water.

9.1. Primary; Non-Contributing. Licensee understands and acknowledges that all Coverages required under this License will be primary, and that any insurance coverage obtained or maintained by Cal Water will be secondary and non-contributing.

10. Indemnification

10.1. Assumption of Risk. Licensee and Licensee's Representatives assume all risks of personal injury or wrongful death and of loss or damage to property by whomsoever owned on the Property arising out of or in connection with the exercise of the rights or performance of the obligations under this License and waives all claims that it may have against Cal Water for any such injury or death or damage.

10.2. Indemnification. Each Party will indemnify, defend, and hold the other Party harmless from any and all claims, demands, costs, liabilities, losses, expenses, and damages, including, but not limited to reasonable attorney's fees and costs, experts and consultants' fees, and court costs, arising out of or in connection with claims of third-parties, whether arising in law or equity, for personal injury, property damage, breach of contract and any representations or warranties, tort, or otherwise arising from work performed by a Party or its respective representatives with respect to the use of the Property and performance of or compliance with this License, but only to the extent and proportion such damage or loss is caused by the indemnitor, and except as provided otherwise in this License. The Parties intend that each Party will bear its respective cost, damage, and liability under this License.

10.3. Limitation on Liability. Licensee's remedies, and Cal Water's liabilities, are limited as provided in this License. Neither Party will be liable for any punitive, special, or consequential or incidental damages, claims of lost business or income.

11. Representations and Warranties

Licensee represents and warrants to Landowner the following:

11.1. Ownership of WRD Well. Licensee owns all of the right, title, and interest in and to the tangible personal property of the WRD Well and all of the right, title, and interest in and to the use of the water developed from the WRD Well.

11.2. Inspection. Licensee inspected or had a reasonable opportunity to inspect the Property and any portion of the Property Licensee deemed necessary for any conditions, defects, hazards, or dangers and Licensee is satisfied with the condition of the Property in its as-is and where-is condition and is suitable and sufficient for Licensee's purposes.

11.3. Authority. Licensee has the necessary and appropriate power and authority to enter into this License and perform the obligations of the Licensee under this License. Those persons signing this License on behalf of Licensee, in the capacities or offices shown, are

authorized to and have the power to execute and deliver this instrument to Cal Water on behalf of Licensee.

12. General Order 69-C

This License is subject to General Order No. 69-C of the Public Utilities Commission of the State of California dated and effective July 10, 1985 (**General Order 69-C**), which is incorporated by this reference. General Order No. 69-C provides, in part, that all public utilities under Public Utilities Code § 851 (**Section 851**):

. . . are authorized to grant easements, licenses or permits for use or occupancy, on, over, or under any portion of the operating property of said utilities for right of way, private roads, agricultural purposes, or other limited uses of their several properties without further special authorization by this Commission whenever it shall appear that the exercise of such easement, license or permit will not interfere with the operations, practices and services of such public utilities to and for their . . . consumers . . . provided, however, that each such grant shall be made conditional upon the right of the grantor, either upon order of this Commission or upon its own motion to commence or resume the use of the property in question whenever, in the interest of its services to its patrons or consumers, it shall appear necessary or desirable to do so.

Licensee understands and acknowledges that this License is intended to comply with the rules and limitations on the use of regulated public utility property, like the Property, under Section 851 and General Order 69-C, and that Licensee's rights, interest, and obligations under this License are and will be construed and interpreted consistent with such statute and rule.

13. Termination

13.1. Cal Water Termination. Cal Water may terminate this License, subject to compliance with the process outlined in Section 8.1 of this License with at least thirty ninety (90) days' prior written notice to Licensee.

13.2. Licensee Termination. Licensee may terminate this License with at least ninety (90) days' prior written notice to Cal Water; provided that Licensee is not then in an uncured default under this License.

13.3. No Condemnation. Cal Water's exercise of any of its reserved rights or of its right to terminate this License will not constitute or be deemed a taking or condemnation and Licensee will have no right to claim any damages under theory of condemnation, eminent domain, or taking.

13.4. No Offset or Reletting. Notwithstanding Cal Water's general obligation to mitigate its damages for a breach of contract, Cal Water has no obligation to license or re-let any part or portion of the Property to mitigate or offset damages that Cal Water may be entitled to under this License.

14. Surrender

14.1. Well Decommission. On or before the cancellation, termination, or expiration of this License, Licensee will remove or cause to be removed from the Property, as applicable, all Modifications, Utilities and Services, and all of Licensee's equipment, facilities, and improvements, except as Cal Water may accept from Licensee in writing. Licensee will decommission and seal or cause to be decommissioned and sealed the WRD Well in compliance with all applicable Laws and restore any portion of the Property used by Licensee under this License to the condition as near as reasonably possible that existed before the Start Date, reasonable wear and tear excepted.

14.2. Reports and Surveys. Cal Water may request Licensee to perform or cause to be performed (at Licensee's expense) an environmental, title, and other reviews or surveys of the portions of the Property Licensee used under this License, which may include but is not limited to: land title, boundary, topographic, and as-built surveys, phase 1 and phase 2 environmental assessments, hazardous materials studies, and geotechnical surveys.

14.3. Landowner's Acceptance. The termination of this License is not effective and Cal Water's rights and Licensee's obligations will continue until all of the requirements of this Section 14 are completed, satisfied, or waived by Cal Water.

15. Notice and Emergency Contacts

All notices or demands are deemed to have been given or made when delivered by reputable overnight courier or by certified United States Mail, return receipt requested, postage prepaid, and addressed to the respective parties as follows:

Licensee: Water Replenishment District
of Southern California
4040 Paramount Boulevard
Lakewood, CA 90712
Attn: _____
P: (____) ____ - _____ (daytime)
P: (____) ____ - _____ (afterhours)
E: _____

Copy to: _____

Cal Water: Rancho Dominguez District
California Water Service Company
2632 West 237th Street
Torrance, CA 90505
Attn: District Manager
P: (310) 257-1400 (daytime & afterhours)
E: RFelix@calwater.com

Copy to: Legal Department
California Water Service Company
1720 N First Street
San Jose, CA 95112
Attn: Associate General Counsel
P: (408) 501-1711
E: LegalDepartment@calwater.com

The address to which any notice or demand may be given to either Party may be changed by written notice.

16. General Terms

16.1. No Transfers. Licensee may not assign, transfer, sublet, collocate, enter into any operations or management agreement for, or otherwise transfer or encumber any part of the Property, WRD Well, Modification, or Licensee's interest under this License, whether voluntarily, involuntarily, or by operation of law (a **Transfer**). Any attempted Transfer is void and Licensee will not be relieved of its obligations under this License.

16.2. No Third-Party Beneficiaries. This License does not create or confer any right on or interests in any third-party beneficiary, and no person claiming by, through, or under a Party is or may be deemed a third-party beneficiary.

16.3. Integration. This instrument constitutes the complete and entire agreement with respect to the subject matter of this License and there are no other contemporaneous agreements, whether in writing or oral, concerning the subject matter of this License.

16.4. Amendment. This License cannot be amended, except by a written instrument signed or acknowledged by the Parties.

16.5. Construction. Each Party has been represented by or had a reasonable opportunity to consult with its own legal counsel and advisors; has substantially and materially contributed to the preparation of this License; and neither Party will be deemed the drafter of this Agreement. If this License is construed by a court, it will not be construed against either Party.

16.6. Severability. If any provision of this License is deemed by court with jurisdiction to be invalid or unenforceable, such provision will be severed from this License and the remainder of this License will be enforceable to the fullest extent permitted by law.

16.7. No Waiver. A Parties waiver or delay or refusal to enforce a term, provision, right, or remedy under this License, or otherwise at law or in equity, will not be deemed or construed as a waiver or ability of that Party to insist on performance, compliance with, or default under such term or provision, or of that Party's right or power to assert any claims or pursue any actions against the other Party.

16.8. Venue. Any claim, cause, or action arising from this License will be litigated or brought and venued in a state superior court in the County of Los Angeles.

16.9. Waiver of Jury Trial. Each Party knowingly, voluntarily, and irrevocably waives all right to have any claim, cause, or matter triable under or arising from this License to be tried before or to a jury. Any claim, cause, or action under or arising from this License will be tried exclusively to a judge in a bench trial.

16.10. Reasonable Cooperation. Each Party will reasonably cooperate with the other to negotiate and execute further documents or instruments and take such actions or refrain from acting as reasonably necessary to carry out the purpose of this License.

16.11. No Recordation. No Party may record this License, whether in long or short-form, or any notice or memorandum of the same, except with the other Parties' prior written consent.

16.12. Survival. The following sections survive the expiration, cancellation, or termination of this License:

16.13. Counterparts. This instrument may be signed electronically, by PDF, email, facsimile or other method of electronic or digital signature and in one or more counterparts. Each counterpart will be deemed an original and all counterparts, when taken together, will constitute one and the same instrument.

[Remainder of page intentionally left blank. Signatures on the following page(s).]

IN WITNESS WHEREOF, the Parties have executed this License as of the date first set forth above.

APPROVED BY COMMISSION ON:

WATER REPLENISHMENT DISTRICT
of the Los Angeles Groundwater Basin,
a water replenishment district formed
under California Water Code §§ 6000, et
seq.

[Date] (By Resolution 22-####)

APPROVED AS TO FORM AND LEGALITY:

/S/
[Name]
General Counsel

By: _____
[Name]
Its: [Title]

Licensee

CALIFORNIA WATER SERVICE COMPANY,
a California corporation

By: _____

Its:

Cal Water

[illegible]

Exhibit B
(Safety and Security Rules)

[Reserved]

Exhibit C
(Insurance Coverages)

Coverage(s):	Minimums:
<input checked="" type="checkbox"/> Commercial General Liability Bodily Injury & Property Damage Personal Injury Fire Damage Medical Expenses Products & Completed Operations Advertising Injury Hired & Non-Owned Auto	\$5,000,000.00 per occurrence; and \$10,000,000.00 aggregate
<input checked="" type="checkbox"/> Commercial Property	\$2,000,000.00 per occurrence
<input checked="" type="checkbox"/> Commercial Automobile Bodily Injury Property Damage	\$1,000,000.00 per occurrence
<input checked="" type="checkbox"/> Workers Compensation	By statutory requirement
<input checked="" type="checkbox"/> Pollution Liability Existing Conditions	\$5,000,000.00 per occurrence; and \$10,000,000.00 aggregate



Dominguez District

ADVICE LETTER FILING MAILING LIST
PER SECTION III (G) OF GENERAL ORDER NO. 96-A

ANDY DARLAK

City of Torrance Public Works

20500 Madrona Ave

Torrance, CA 90630

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**Water Replenishment District of
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RBeste@wrd.org

ONLY FOR SERVICE AREA MAPS:

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