

BULK WATER AGREEMENT

This BULK WATER AGREEMENT ("Agreement") made this ____ day of _____, 2026, by and between LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP., an Arizona corporation ("Liberty"), and the CITY OF GOODYEAR, an Arizona municipal corporation ("Goodyear") is for the provision of bulk water by Goodyear to Liberty on an annual basis. Liberty and Goodyear are individually referred to as a "Party" and collectively referred to as "Parties" below.

RECITALS

WHEREAS, Liberty is a public service corporation authorized by the Arizona Corporation Commission ("Commission") to provide water service within Liberty's Certificate of Convenience and Necessity ("CC&N") as approved by the Commission in the vicinity of Goodyear's corporate boundaries;

WHEREAS, Goodyear provides water to certain city residents within the corporate boundaries of Goodyear and outside the CC&N of Liberty;

WHEREAS, Liberty, as part of its water supply strategies, has requested that Goodyear provide up to one million gallons per day of potable water to Liberty pursuant to the terms of this Agreement.

WHEREAS, Goodyear presently has sufficient water production capacity to provide Liberty with up to one million gallons per day of potable water. The Parties understand and agree, however, that the amount of water available to Liberty under this Agreement is intended to be a temporary arrangement and that the amount may be decreased depending on demands for water by customers within Goodyear's service area.

WHEREAS, Liberty and Goodyear previously entered into a Bulk Water Agreement dated June 6, 2022 ("Prior Agreement"), which has since expired;

WHEREAS, pursuant to the Prior Agreement, Liberty constructed all Existing Interconnection Facilities necessary for Goodyear to deliver bulk water to Liberty;

WHEREAS, the Parties agree that all necessary Existing Interconnection Facilities have been constructed and no further construction is required for purposes of the Agreement;

WHEREAS, the Parties wish to enter the Agreement to continue the provision of bulk water from Goodyear to Liberty under the terms set forth herein.

AGREEMENT

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

1. RECITALS. The recitals set forth above are incorporated by this reference as if fully set forth herein and are acknowledged and agreed to by the Parties.

2. TERM. The initial term of this Agreement shall be one (1) year from the date the Agreement is executed by both Parties. This Agreement may be renewed for up to three (3) successive one (1) year terms upon written agreement of both Parties which agreement shall be fully executed prior to the expiration of the then-current term. If a written agreement renewing this Agreement is not fully executed by both Parties prior to the expiration of the then-current term, this Agreement shall expire at the end of such term. In no event shall the total term of this Agreement exceed four (4) years, inclusive of the initial term and any renewals.

3. DEFINITIONS. Capitalized Terms not defined in the foregoing Recitals are defined as follows:

a. “Existing Interconnection Facilities” means all Interconnection Facilities constructed pursuant to the Prior Agreement by and between Liberty and Goodyear that exist as of the effective date of this Agreement.

b. “Liberty Connection Point” means the water line located within McDowell Road at the intersection of Sarival Avenue and McDowell Road.

c. “Monthly Water Delivery Costs” means the monthly fee Liberty is required to pay Goodyear for the water delivered to Liberty pursuant to the terms of this Agreement. It shall consist of the following charges: (i) a monthly meter fee for each meter installed, which fee shall be based on the size of the meter(s) installed (the “Monthly Meter Fee”) and (ii) a monthly fee for the water delivered to Liberty based on the volume of the delivery (the “Monthly Water Fee”). The monthly fees referred to herein shall be based on the water rates and charges included in the Four-Year Water Wastewater and Solid Waste Rate Structures adopted by Goodyear in Resolution 2025-2499. The Monthly Water Fee shall be based on the rates charged for irrigation water within the City. Liberty understands and agrees that water rates and charges are subject to change at the sole discretion of Goodyear subject to Goodyear’s compliance with the statutory requirements for increasing such fees.

d. “Site 21” means the City of Goodyear property at 1280 N. Sarival Avenue, Goodyear, AZ 85338, as legally described in that certain special warranty deed recorded as instrument 2006-0313707 in the official records or Maricopa County Recorder.

4. MAINTENANCE OF EXISTING INTERCONNECTION FACILITIES. Liberty owns all Existing Interconnection Facilities located outside of the perimeter walls around Site 21, including all delivery lines connecting Site 21 to the Liberty Connection. Liberty shall, at its sole cost and expense, maintain all Existing Interconnection Facilities located outside the perimeter walls around Site 21. Goodyear shall, at its sole cost and expense, maintain all Existing Interconnection Facilities located inside the perimeter walls around Site 21. Subject to Liberty's compliance with applicable requirements for the issuance of permits, Goodyear shall provide permits needed for maintenance, repair, and removal of Existing Interconnection Facilities located outside the perimeter walls around Site 21.

5. DELIVERY OF WATER: The obligation of Goodyear to deliver water to Liberty under this Agreement is subject to Liberty's compliance with this Agreement, the availability of water, peak flow rates, and the physical deliverability of water to Liberty as determined solely by Goodyear. Except as otherwise provided herein and subject to availability of water in a given month, Goodyear shall deliver a maximum of one million gallons per day (MGD) at a flow rate not to exceed 700 gallons per minute.

- a. Goodyear shall not be obligated to deliver water to Liberty unless the Existing Interconnection Facilities are in good working order.
- b. Goodyear shall not be obligated to deliver water to Liberty to the extent such deliveries to Liberty may negatively impact the delivery of water to customers located within Goodyear's service area as determined by Goodyear. Goodyear may reduce or suspend water deliveries to Liberty until the conditions causing the need for the reduction or suspension of water deliveries have been resolved, which conditions Goodyear shall resolve as soon as practicable. Notwithstanding the foregoing, if the condition causing the need for the reduction or suspension of water deliveries is the result of some failure of any Existing Interconnection Facilities located outside the perimeter walls around Site 21 or a failure of any other Liberty improvements, such as damage to Liberty's water line within McDowell Road, Goodyear shall have no obligation to deliver water to Liberty until Liberty has repaired such improvements and notified Goodyear that the improvements are operational and deliveries can be resumed.
- c. Except in the event of an emergency, Goodyear shall, prior to reducing or suspending water deliveries to Liberty, notify Liberty of the reduction or suspension of water deliveries by calling (602) 757-2607 or (480) 748-5339, or such other phone number as provided to Goodyear by Liberty and in writing. Except in the event of an emergency, Goodyear shall provide Liberty with at least 30 days' written notice prior to any planned reduction or suspension of water deliveries. In the event of an emergency that causes the reduction or suspension of water deliveries to Liberty without prior written notice, the city shall, as soon as reasonably practicable, provide Liberty notice of the reductions or suspension of water deliveries by calling (602) 757-2607 or (480) 748-5339, or such other phone number as provided to Goodyear by Liberty and in writing. Once the conditions causing the need for the reduction or suspension of water deliveries under this Agreement have been resolved, Goodyear shall notify Liberty by calling (602) 757-2607 or (480) 748-5339, or such other phone number as provided to Goodyear by Liberty in writing, that the conditions causing the need for the reduction or suspension of water deliveries have been resolved and deliveries will be resumed.
- d. If Liberty does not want to take delivery of all or part of the one (MGD) Goodyear has committed, subject to the terms and conditions of this Agreement, to deliver, Liberty shall notify the city at least twenty-four (24) hours in advance, that its water deliveries are to be suspended or reduced by calling the City of Goodyear Public Works on-Call

Production Line at (623) 606-4163 or such other phone number as provided to Liberty by Goodyear in writing.

6. INVOICE AND PAYMENT. On a monthly basis, Goodyear shall send a utility bill to Liberty at 14920 W. Camelback Road, Litchfield Park, Arizona 85340 for the Monthly Water Delivery Costs, as defined in 3(c) above. Liberty shall pay the amount billed within thirty (30) days of the date of the utility bill. Any failure by Liberty to pay such amounts when due shall entitle Goodyear to immediately suspend water deliveries under this Agreement.

7. WATER RIGHTS. Liberty shall not have any right, title, and/or interest in any of Goodyear's water rights or withdrawal authority under state law.

8. TYPE OF WATER DELIVERED; REPORTING REQUIREMENTS; CREDITS. All water delivered under this Agreement shall be reported as recovered effluent to the Arizona Department of Water Resources ("ADWR"), by Goodyear on its Annual Report for the year in which the water was delivered to Liberty. Prior to December 1 of each year in which water deliveries are made under this Agreement, Liberty shall assign to Goodyear a sufficient number of long-term storage credits to equal or exceed the amount of water delivered by Goodyear to Liberty under this Agreement. The long-term storage credits shall be effluent, or Central Arizona Project water stored underground in Liberty's underground storage facilities, or at another location acceptable to Goodyear at Goodyear's sole discretion. If the number of long-term storage credits assigned to Goodyear by Liberty exceeds actual water deliveries under this Agreement, then Goodyear may retain the credits for use in the subsequent year of deliveries under this Agreement. If the number of long-term storage credits assigned to Goodyear by Liberty is less than the actual amount of water delivered to Liberty, then Liberty shall before January 15 of the year after the delivery year, assign additional credits to Goodyear to remedy such deficit. If Liberty fails to timely assign long-term storage credits as required in this paragraph, Goodyear shall not deliver any additional water under this Agreement until Goodyear receives the required long-term storage credits. as required in this paragraph. Moreover, if Liberty fails to timely assign long-term storage credits as required in this paragraph, Goodyear may terminate this Agreement with thirty (30) days advance written notice to Liberty. Prior to termination, Goodyear shall provide Liberty with written notice of the deficiency and a 30-day period to cure the failure by assigning the required credits. Long-term storage credits shall be deemed assigned upon the completion of the following: (1) both parties have approved a form of assignment application for transfer of the credits, (2) both parties have executed the assignment application form, and (3) the original executed form and sufficient application fees have been delivered to ADWR. Liberty shall pay all application fees for such assignments. If ADWR fails to assign the agreed credits, the Parties will work cooperatively to complete the assignment of credits consistent with the intent of this paragraph.

9. REGULATORY REQUIREMENTS. Goodyear will comply with the requirements of all applicable regulatory agencies regarding the provision of potable water to Liberty, including regularly scheduled water quality testing, which testing shall be performed at EPDS #21 as identified in Goodyear's Public Water System permit. The test results shall be available to Liberty upon reasonable request during normal business hours. However, due to the intervening factor of Liberty providing service to its customers through Liberty's distribution facilities over which Goodyear has no control or responsibility, Goodyear cannot, and does not, make any warranty or

representation as to the quality of the water once the water leaves Site 21. Liberty shall be solely and exclusively responsible for the delivery of water of appropriate water quality to Liberty's customers after it has taken possession of the water from Goodyear at the point of delivery. Liberty acknowledges and agrees that Goodyear shall not have any duties or responsibilities relating to the delivery of water to or use of water by Liberty's customers.

10. **NOTICES.** All notices, payments, consents, approvals, or other communications required or permitted to be given hereunder 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:

To Liberty:

Crystal Greene, Secretary/Treasurer
Liberty Utilities (Litchfield Park Water & Sewer) Corp.
14920 W. Camelback Rd.
Litchfield Park, AZ 85340

Copy to:

Stephen.Emedi@libertyutilities.com
notices@APUCorp.com

To City of Goodyear:

City Manager
City of Goodyear
1900 N. Civic Square
Goodyear, Arizona 85395

Copy to:

City Attorney
City of Goodyear
1900 N. Civic Square
Goodyear, Arizona 85395

11. **INDEMNIFICATION.** Notwithstanding anything to the contrary in this Agreement, and to the extent permitted by law, Liberty shall defend, indemnify, and hold harmless Goodyear for, from, and against any and all claims, penalties, costs, damages, or losses of any kind including reasonable attorneys' fees arising directly as a result of the negligent acts or omission of Liberty, its employees or agents related to its use of water delivered pursuant to this Agreement. The Parties understand and agree that this indemnity clause is limited to the extent any such claims, penalties, costs, damages, or losses are caused by the actions or inaction of Liberty.

12. **CONFLICT OF INTEREST.** This Agreement is subject to the provisions of A.R.S. § 38-511, as amended.

13. E-VERIFY REQUIREMENTS. To the extent applicable under A.R.S. § 41-4401, as amended, and solely related to the services provided under this Agreement, the Parties warrant compliance, on behalf of themselves and any and all subcontractors, if any, with all federal immigration laws and regulation that relate to their employees and compliance with the E-Verify requirements under A.R.S. § 23-214(A). A Party's breach of the above-mentioned warranty shall be deemed a material breach of this Agreement and the non-breaching Party may terminate this Agreement. The Parties retain the legal right to inspect the papers of the other Party to ensure that the Party is complying with the above-mentioned warranty under this Agreement.

14. NON-DISCRIMINATION. The Parties agree not to discriminate against any person on the basis of race, color, religion, age, gender, or national origin in the performance of this Contract and shall comply with the terms and intent of Title VI of the Civil Rights Act of 1964, P.L. 88-354.

15. GOVERNING LAW, JURISDICTION, AND VENUE. This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the laws of the state of Arizona, without regard to choice of law or conflicts of laws principles thereof. 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.

16. MODIFICATION OR WAIVER. This Agreement shall not be modified, extended, or waived in whole or in part except by written instrument executed by both Parties and adopted in the manner in which this Agreement was adopted.

17. NO WAIVER. 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.

18. ASSIGNMENT. This Agreement shall not be assigned.

19. ENTIRE AGREEMENT. The Parties agree that this document contains the entire Agreement between the Parties and supersedes any previous agreement, written or oral, between the Parties. The Parties have not relied on any representations other than those which are set forth in this Agreement.

20. EFFECTIVE DATE. 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 promises, representations, and assurances of any nature whatsoever with respect to the subject matter hereof.

21. AUTHORIZATIONS. The signatories to this Agreement represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for which they sign and that no further action or approvals are necessary before the execution of this Agreement.

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

LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP. Signed by: By: <u>Moses Thompson</u> 84C5F40CBB754EE... Moses Thompson, Its: President Date Signed: <u>3/3/2026</u>	CITY OF GOODYEAR By: _____ Kini Knudson, Its: Interim City Manager Date Signed: _____
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ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
Goodyear City Attorney