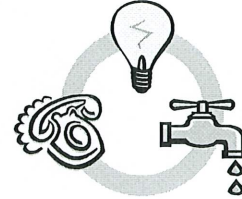


INDUSTRY PUBLIC UTILITIES COMMISSION CITY OF INDUSTRY



SPECIAL MEETING AGENDA
January 23, 2025, 9:00 A.M.

President Cory C. Moss
Commissioner Michael Greubel
Commissioner Steve Marcucci
Commissioner Mark D. Radecki
Commissioner Newell W. Ruggles



Location: City Council Chambers, 15651 Mayor Dave Way, City of Industry, California

Addressing the Commission:

< **Agenda Items:** Members of the public may address the Commission on any matter listed on the Agenda. Anyone wishing to speak to the Commission is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed form should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard by the Commission.

< **Public Comments (Agenda Items Only):** During public comments, if you wish to address the Commission during this Special Meeting, under Government Code Section 54954.3(a), you may only address the Commission concerning any item that has been described in the notice for the Special Meeting.

< At the time of publication, no Commissioners intend to take part in the special meeting remotely under the provisions of AB 2449. Should that change between the time of publication and the start of the meeting, a live webcasting of the meeting will be accessible via the link, meeting ID, and meeting passcode listed below. Whenever possible, an announcement will be made at the start of the meeting via the live webcast to confirm whether or not a Commissioner will join remotely. If they will not be joining remotely, then the live webcast will terminate after the announcement.

www.microsoft.com/microsoft-teams/join-a-meeting

Meeting ID: 229 281 147 094

Meeting Passcode: eE77sb6u

Or call in (audio only)

+1 657-204-3264,

Phone Conference ID: 885 076 164#

Americans with Disabilities Act:

< In compliance with the ADA, if you need special assistance to participate in any City meeting (including assisted listening devices), please contact the City Clerk's Office (626) 333-2211. Notification of at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.

Agendas and other writings:

< In compliance with SB 343, staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 Mayor Dave Way, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Thursday 8:00 a.m. to 5:00 p.m., Friday 8:00 a.m. to 4:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.

1. Call to Order
2. Flag Salute
3. AB 2449 Vote on Emergency Circumstances (if necessary)
4. Roll Call
5. Presentations
6. **CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no separate discussion of these items unless members of the Industry Public Utilities Commission (IPUC) request specific items be removed from the Consent Calendar for separate action.

- 6.1 Consideration of the Register of Demands for January 23, 2025

RECOMMENDED ACTION: Approve the Register of Demands and authorize the appropriate IPUC officials to pay the bills.

- 6.2 Consideration of Amendment No. 1 to the Facilities Contract with Valley Vista Services, Inc., located at 999 South Hatcher Avenue, and revisions to Electric Rule 15 – Distribution Line Extension

RECOMMENDED ACTION: Approve the Amendment.

- 6.3 Report from the General Manager for the La Puente Valley County Water District regarding the Industry Public Utilities Water Operations

RECOMMENDED ACTION: Receive and file the Report.

7. **ACTION ITEMS-NONE**
8. **PUBLIC HEARINGS-NONE**
9. **CLOSED SESSION-NONE**
10. **PUBLIC UTILITIES DIRECTOR COMMENTS**

11. **AB 1234 REPORTS**
12. **COMMISSIONER COMMUNICATIONS**
13. Adjournment. The next regular Industry Public Utilities Commission Meeting is Thursday, February 13, 2025, at 8:30 a.m.

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 6.1

INDUSTRY PUBLIC UTILITIES COMMISSION

AUTHORIZATION FOR PAYMENT OF BILLS

Board Meeting January 23, 2025

<u>FUND</u>	<u>DESCRIPTION</u>	<u>DISBURSEMENTS</u>
122	IPU-ELECTRIC CAPITAL IMPROVEMENT	1,850.00
161	IPUC ELECTRIC FUND	28,165.58
TOTAL ALL FUNDS		30,015.58

<u>BANK</u>	<u>DESCRIPTION</u>	<u>DISBURSEMENTS</u>
IPUCELEC.WF	IPUC ELECTRIC WELLS FARGO CKING	30,015.58
TOTAL ALL BANKS		30,015.58

APPROVED PER PUBLIC UTILITIES DIRECTOR



DATE



Industry Public Utilities Commission
Wells Fargo Electric - Wire Transfers
January 23, 2025

Check	Date	Payee Name	Check Amount
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IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK

WT164	01/07/2025		INDUSTRY PUBLIC UTILITIES COMMIS	\$13,154.08
	Invoice	Date	Description	Amount
	01/07/2025	01/07/2025	TRANSFER PUBLIC BENEFIT CHARGES FOR NOV 2024	\$13,154.08

Checks	Status	Count	Transaction Amount
	Total	1	\$13,154.08

**Industry Public Utilities Commission
Wells Fargo - Electric
January 23, 2025**

Check	Date	Payee Name			Check Amount
IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK					
11651	01/15/2025	FRONTIER			\$292.75
	Invoice	Date	Description	Amount	
	2025-00001100	12/28/2024	12/28-1/27/25 SVC-21912 GARCIA LN	\$129.03	
	2025-00001101	12/28/2024	12/28-1/27/25 SVC-179 S GRAND AVE	\$72.93	
	2025-00001102	12/28/2024	12.28-1/27/25 SVC-21700 BAKER PKWY BLDG 23	\$90.79	
11652	01/23/2025	CNC ENGINEERING			\$16,568.75
	Invoice	Date	Description	Amount	
	511737	01/09/2025	IPUC ELECTRICAL CAPITAL IMPROVEMENTS AT THE II	\$1,290.00	
	511738	01/09/2025	CITY ELECTRICAL FACILITIES	\$13,428.75	
	511739	01/09/2025	AUTOMATIC METER READING	\$150.00	
	511740	01/09/2025	DISTRIBUTION LINE EXTENSION AT 999 HATCHER AVE	\$1,700.00	

Checks	Status	Count	Transaction Amount
	Total	2	\$16,861.50

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 6.2



INDUSTRY PUBLIC UTILITIES COMMISSION

MEMORANDUM

TO: Honorable President Moss and Commissioners

FROM: Joshua Nelson, Public Utilities Director

STAFF: Mathew Hudson, Director of Public Works
Dev Birla, Contract Electrical Utility Director
Len Viejo, ASTRUM Utility Services, LLC

DATE: January 23, 2025

SUBJECT: Consideration of Amendment No. 1 to the Facilities Contract with Valley Vista Services, Inc., located at 999 South Hatcher Avenue, and revisions to Electric Rule 15 – Distribution Line Extension

Background:

On August 11, 2022, Industry Public Utilities (“IPU”) and Valley Vista Services, Inc. (“VVS”) entered into a Facilities Contract (“FC”) to provide electric service to their Grand Central Recycling and Transfer Station located at 999 South Hatcher Avenue and their corporate office located at 17445 East Railroad Street (“Customer Site”). The transfer of electric service from Southern California Edison (“SCE”) to IPU was accomplished on October 11, 2024. Section 5 of the FC provides that VVS’ monthly electric utility bill over the next 15 years will include an additional charge to reimburse IPU for the cost incurred to expand its distribution system from the SCE Anaheim-Puente Interconnection to the Customer Site (including an imputed interest rate of three percent). The current estimate costs to be recovered is \$2,000,485.50. Section 5 also requires that the Applicant deliver to IPU a note payable recorded against the Customer Site for the cost to be incurred to provide electric service.

Discussion:

IPU and VVS have agreed to modify the monthly recovery of the cost incurred (“Added Monthly Facilities Charge”) to expand its distribution system from 15 years to the difference between VVS’ monthly electric billing applying SCE’s applicable tariff schedules compared to IPU’s applicable tariff schedules effective February 1, 2025. Based upon the difference between SCE’s and IPU’s current applicable tariff schedules, it is anticipated that the estimated cost would be recovered within 6 years. The Amendment will also not require that a note payable for the estimated cost incurred be recorded as a lien against the Customer Site.

Also included is the updated IPU's Electric Rule 15 – Distribution Line Extension and IPU's Electric Rule 16 - Service Extension. Consistent with the past practice, IPU's Electric Rule 15 and Electric Rule 16 were updated to not require that the customer pay for the design up to \$50,000.00 and construction management of the distribution line extension up to \$100,000.00.

Fiscal Impact:

The fiscal impact is that IPU will recover the cost incurred to provide electric service to the Customer Site in six years, instead of fifteen years.

Recommendation:

It is recommended that the Commission approve the Facilities Contract Amendment No. 1 with Valley Vista Services, Inc., Updated Electric Rule 15 – Distribution Line Extensions and Updated Electric Rule 16- Service Extension.

Exhibits:

- A. Facilities Contract Amendment No. 1 with Valley Vista Services, Inc., dated January 23, 2025
- B. Updated Electric Rule 15 – Distribution Line Extensions, dated January 23, 2025
- C. Updated Electric Rule 16 - Service Extension, dated January 23, 2025

JN/DB:jf

EXHIBIT A

Facilities Contract Amendment No. 1 with Valley Vista Services, Inc., dated January 23,
2025

[Attached]

**AMENDMENT NO. 1 TO
FACILITIES CONTRACT WITH
VALLEY VISTA SERVICES, INC.**

This Amendment No. 1 to the Facilities Contract (“FC”) is made and entered unto this 23rd day of January 2025, (“Effective Date of February 1, 2025 ”) by and between the Industry Public Utilities, a public agency organized and existing under the laws of the State of California (“IPU”) and Valley Vista Services, Inc., a California corporation, (“Applicant”)

RECITALS

WHEREAS, on or about August 11, 2022, IPU and Applicant entered into a FC to provide electric service to the Customer Site; and

WHEREAS, Section 5 of the FC provides that the Applicant’s monthly electric utility bill over the next 15 years will include an additional charge to reimburse IPU for the cost to build the Facilities (including an imputed interest rate of three percent) on a monthly basis. Section 5 also requires that the Applicant deliver to IPU a recorded note payable for the cost to be incurred to provide electric service to the Customer Site; and

WHEREAS, for the reasons set forth herein, the Applicant and IPU desire to enter into Amendment No. 1 as set forth below.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements set forth herein, it is agreed the aforesaid Agreement, a copy of which is attached hereto and incorporated herein by reference, shall remain in full force and effect except as otherwise hereinafter provided:

1. Definitions

Hereby amended to add the following definition:

“Added Monthly Facilities Charge” shall mean the difference between the Applicant’s monthly electric billing applying SCE’s applicable tariff schedules compared to IPU’s applicable tariff schedules.

5. Applicant’s Payment Obligation to IPU

Hereby rescinded in its entirety and replaced with the following:

The estimated cost to build the Facilities, as set forth in **Exhibit C** (Costs Estimate of Applicants Payment Obligations) is \$2,000,485.50 plus the amount determined for design and construction management portion. If any new customers are served by these Facilities, a pro-rata share would offset the Applicant’s financial obligation. The Applicant shall be responsible for monthly electric billing applying IPU’s applicable tariff schedules plus the Added Monthly Facilities Charge. The Added Monthly Facilities Charge shall offset the Applicant’s pro-rata share of the estimated cost to build the Facilities. IPU will provide to the Applicant the remaining Facilities cost to recover on June 30th of each year. Upon receipt, the Applicant shall have forty-five (45) days to dispute, in good faith, the remaining Facilities costs to recover. Any proposed adjustment shall be in writing

and shall state the basis for the dispute or adjustment. Any dispute regarding the remaining Facilities Cost is waived if the Applicant does not provide any written proposed adjustment to IPU within forty-five (45) calendar days of receipt.

3. Exhibit C

Exhibit C is hereby rescinded in its entirety and replaced with Exhibit C attached hereto as Attachment 1 and incorporated herein by reference.

4. Merger Clause. This Amendment constitutes the entire agreement between IPU and Applicant concerning the subject matter hereof, and supersedes all previous communications, representations, or contracts, either written or oral, that purport to describe or embody the subject matter hereof. There are no oral understandings, terms, or conditions and neither IPU nor Applicant has relied upon any representation, express or implied, not contained in this Amendment.

5. Ratification of Agreement. The terms and conditions of the FC, including all exhibits and attachments, are ratified in their entirety except to the extent inconsistent with the terms and provisions of this Amendment. In the event of such inconsistency, this Amendment shall control.

The person or persons executing this Agreement on behalf of Applicant represents and warrants that he/she has the authority to execute this Agreement on behalf of the Applicant and has the authority to bind Applicant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 to the FC as of the Effective Date.

**“IPU”
INDUSTRY PUBLIC UTILITIES**

**“APPLICANT”
VALLEY VISTA SERVICES, INC.**

By: _____
Cory Moss, President

By: _____
David Perez, President

Attest:

By: _____
Julie Gutierrez-Robles, Secretary

APPROVED AS TO FORM

By: _____
James M. Casso, General Counsel

ATTACHMENT 1

EXHIBIT C

COST ESTIMATE OF APPLICANT'S PAYMENT OBLIGATIONS

Breakdown of revised cost estimate for VVS to reimburse to IPU

Per Contract No. IPU-0013 awarded and approved by IPUC on July 27, 2023, cost allocation to VVS for offsite substructure work such as conduits, vaults, pull boxes, trenching and street restoration including final pavement, installation of cable and devices and pad mount switches is \$1,464,712.90.

The cost of materials, such as feeder and primary cable, transformers, pad mount switch, is \$535,772.60.

Upon reviewing the design and construction management cost, VVS's share will be determined. Rule 15 Amended and attached to be consistent with Rule 16 and all design costs paid by IPU and excluded from reimbursement by VVS.

Change orders after the award of contract such as replacement of vault at Chestnut and Anaheim-Puente Road for safety and future expansion of IPU Facilities in amount \$188,594.67 was all for IPU and paid by IPU.

Rule 15 amended and attached:

IPU consultant provided inspection and construction management of IPU-0013 and was paid by IPU.

Total estimated amount to be reimbursed by VVS \$2,000,485.50 plus the amount determined for design and construction management portion.

**EXHIBIT A TO AMENDMENT NO. 1
FACILITIES CONTRACT WITH VALLEY VISTA SERVICES, INC. DATED AUGUST
11, 2022**

INDUSTRY PUBLIC UTILITIES FACILITIES CONTRACT

THIS FACILITIES CONTRACT ("Contract"), _____ or reference purposes only, is made by and between Industry Public Utilities, a public agency organized and existing under the laws of the State of California ("IPU") and Valley Vista Services, Inc. a California corporation ("Applicant"), for the purposes of providing for the installation of electric distribution line extension and service facilities onsite and such other matters related thereto as are described in further detail in this Contract. IPU and Applicant are hereinafter sometimes referred to collectively as the "Parties" and individually as a "Party."

1. Definitions.

"Conceptual Plans and Specifications" shall mean the conceptual construction documents as the Parties may prepare and shall be replaced by the Final Plans and Specifications.

"Conceptual Easement Area Description" shall mean the conceptual easement area description document as the Parties may prepare and shall be replaced by the Final Easement Area Description after the final Plans and Specification are completed and approved by both parties and before any construction starts at the customer's site.

"Customer Site" shall mean Applicant's Grand Central Recycling and Transfer Station located at 999 South Hatcher Avenue and corporate offices at 17445 East Railroad Street, which is more fully described in the Customer Site Legal Description and Location Map attached as Exhibit A.

"Effective Date" shall have the meaning set forth in Section 17 of this Contract.

"Facilities" shall refer to required off-site distribution line extension (ducts, manholes, cable and devices) along Chestnut Street; and installation of on-site substructures (ducts, pull boxes, switch and transformer pads, etc.) and equipment (pad mount switch, three pad mounted transformers and related primary and secondary cabling etc.) at the Customer Site to be installed in accordance with the Final Plans and Specifications set forth in the attached Exhibit E.

"Final Plans and Specifications" shall mean the set or sets of construction documents as the Parties may prepare and have been designated by IPU as the construction documents for the Facilities covered by this Contract in the attached Exhibit E, as the same may be amended by approved Change Order(s) as set forth in Section 12 hereof.

"IPU Rules" means the most-recently adopted version of IPU Electric Service Rules, Regulations, and Rate Schedules referenced in on _____.

"Southern California Edison ("SCE") System Upgrades" shall mean any required enhancements to the Anaheim-Puente Interconnection specified in their System Impact and Facilities Study.

“Non-bypassable Charge” shall mean Southern California Edison’s rate components for Wildfire Fund Non-Bypassable Bond Charge; Public Purpose Program Charges; Competition Transition Charge; Power Charge Indifference Adjustment; Fixed Recovery Charge.

2. Request for Electrical Service and Facilities Construction. Applicant hereby requests IPU to provide for the installation of electric distribution line facilities and to deliver electricity to the Customer Site. These Facilities shall be installed and maintained in accordance with all applicable IPU Specifications, and all otherwise applicable state, federal and local laws, rules and regulations, including without limitation, IPU Rules in effect as of the Effective Date of this Contract and as may be amended and adopted by Industry Public Utilities Commission (IPUC) from time to time.

3. General Construction Responsibilities of IPU. IPU will install the Distribution Line and Service Extension, as those terms are generally defined in IPU Rules 15 and 16 and as shown on the attached **Exhibit B** (Conceptual Plans and Specifications – Facilities) to serve the Customer Site with electrical service. The Conceptual Plans and Specifications shall be replaced with the Final Plans and Specifications (**Exhibit E**) that will be approved by VVS. These Facilities shall be installed by IPU in accordance with the provisions of Section 2 of this Contract, and the Final Plans and Specifications:

- A. Commission SCE to perform a combined System Impact and Facilities Study to determine any required upgrades to expand the electrical capacity at the SCE Anaheim-Puente interconnection that would provide electric service to the Customer Site;
- B. Design and engineering services of the Facilities to serve the Customer Site;
- C. Trenching, excavating, backfilling, and compacting and asphalt to restore street and customer site back to normal condition;
- D. Furnish imported or suitable natural backfill material as required and proper disposal of trench spoil, as required;
- E. Perform necessary surface repair and boring, as required;
- F. Furnish and install all required conduit and pull and service boxes; and
- G. Furnish and install all required substructures, including vaults, manholes, hand-holes or other terminating or equipment enclosures including slab boxes or pads to support the equipment and bollards around transformer and switch pads to protect against any vehicle traffic, which such equipment shall include, but not be limited to: primary and secondary conductors, pad mounted transformers, pad mounted switch, connectors and junctions with support for mounting, and electric service meters, as required.

4. General Construction Responsibilities of VVS.

A. Approve the Final Plans and Specifications to provide electric service to the Customer Site.

B. Collaborate with SCE for the removal of SCE facilities and equipment after the electrical services are energized from the IPU.

5. Applicant's Payment Obligation to IPU. The estimated cost to build the Facilities, as set forth in **Exhibit C** (Costs Estimate of Applicants Payment Obligations) not including any SCE System Studies or Upgrades, is \$2,440,400.00. The estimated cost to be recovered from Applicant, would be adjusted to reflect the actual cost incurred and any SCE System Upgrades. All costs to be incurred shall be approved by Applicant and IPUC. Prior to IPUC approval, IPU shall notify Applicant of the contract costs, and Applicant shall notify IPU of their approval within five business days; a non-response after this notice period lapses shall be deemed Applicant's approval. If any new customers are served from these Facilities, a pro-rata share would offset the Applicant's financial obligation. The monthly amount to recover the \$2,440,400.00 over 15 years is \$16,853.00 (including an imputed interest rate of three percent (3%)). The \$16,853.00 will be an additional charge on the Applicant's monthly billing. Applicant shall deliver to IPU a recorded note payable for the cost to be incurred to provide electric service to the Customer Site substantially in the form of **Exhibit D**.

Applicant's Payment Obligation to SCE. Applicant shall be responsible for any non-bypassable charges for terminating their electric service with SCE.

6. Service Extensions. Service Extensions within the Customer Site shall be installed at the locations and in accordance with the Final Plans and Specifications and with the requirements of this Contract.

7. General Access. Where it is necessary for IPU to install Facilities on Applicant's Customer Site pursuant to this Contract, Applicant shall grant to IPU by separate instrument and subject to terms and conditions generally applicable to similar entry situations: (a) the right to install, own and maintain such Facilities on Applicant's Customer Site together with sufficient legal and working clearance between all structures now or hereafter erected on Applicant's Customer Site; (b) the right to enter and leave Applicant's premises for any purpose connected with the furnishing of electric service (meter reading, inspection, testing, routine repairs, maintenance, replacement, emergency work, etc.); and (c) the exercise of any and all rights secured to IPU by law or under IPU Rules.

8. Land Rights and Easement. Where formal rights-of-way, easements, land leases, or permits are required by IPU for the installation of the Facilities on and over Applicant's Customer Site, or the Customer Site of others, Applicant understands and agrees that IPU shall not be obligated to install the Facilities unless and until any necessary permanent rights-of-way, easements, land leases, or permits, in a form and content reasonably satisfactory to IPU, are granted to or obtained by IPU without cost to IPU and without the exercise of IPU's power of eminent domain. If IPU is unable to obtain such land rights, Applicant shall obtain them at its sole cost and expense. Such land rights shall include, but are not limited to, the right of access. IPU acknowledges and agrees that the land rights may require a joint trench agreement in a form and with terms and conditions generally applicable to similar situations.

IPU will require 5' wide easement for underground distribution system at the customer's property from the property line to the location of the pad mounted switch and from the pad mounted switch to each of the three proposed locations of the pad mounted transformers at the customer's site. In addition, IPU will require 25'x16' easement for the pad mounted switch and 23'x16' easement for each of three pad mounted transformers. See Exhibit F for more details of the Conceptual Easement Area Description. After the Plans and Specifications are completed and approved by both the parties and the legal description of the easement is prepared and approved by the licensed Surveyor in the State of California, Conceptual Easement Area Description shall be replaced with the Final Easement Area Description. Final Easement document shall be recorded before any construction related to this contract starts at the customer's site.

9. Safety Precautions. Applicant shall ascertain the location of all existing electric, gas, telecommunications, water, wastewater and other surface and below grade lines, structures, improvements and facilities within Applicant's Customer Site ("Existing Improvements") and further shall inspect the Customer Site, both initially and periodically during installation, to verify the location of all existing wet and dry utility improvements and the new Facilities. Applicant shall provide IPU with such as-built drawings as it may have. Each Party shall perform all work in compliance with applicable federal, state, and local laws, rules and regulations, including without limitation, California Government Code section 4216, *et seq.* The Applicant shall inform all persons doing work in proximity to the location of the Facilities, as well as all other improvements described herein, and ensure that all work of non-IPU employees/contractors is planned and conducted in a manner to safeguard persons and Customer Site from injury. Work performed in close proximity to IPU's energized facilities, or others' energized electric facilities also shall be performed in accordance with established Cal-OSHA safety rules and practices, and as may be directed by IPU. Only personnel duly authorized by IPU are allowed to connect or disconnect conductors from the Facilities, or perform any work upon the Facilities.

10. Delays in Construction.

A. Force Majeure. IPU shall not be responsible for any delay in the installation or completion of the Facilities, where such delay results from a shortage of labor or materials or long lead time of equipment and construction material, strike, weather conditions, governmental rule, regulation, or order, including orders or judgments of any court or commission, delay in obtaining necessary land rights, act of God, pandemic, or any other cause or condition beyond the control of IPU. IPU shall provide written notice to the Applicant as soon as possible of the reason for the delay and the expected length of the delay. IPU shall use reasonable commercial efforts to attempt to rectify the cause of the delay.

B. Resources. IPU shall have the right, in the event it is unable, due to an event which qualifies under Section 11(A) above, to obtain sufficient supplies, materials, or labor for all of its construction requirements, to allocate materials and labor to construction projects which it deems, in its sole discretion, most important to serve the needs of its customers. Any delay in construction hereunder resulting from such allocation shall be deemed to be beyond IPU's control. IPU shall immediately provide written notice to Applicant of the cause of such event and the expected length of delay.

C. Revised Costs. If twelve (12) months after the Effective Date of this Contract IPU is prevented from commencing the installation of Facilities for reasons beyond its reasonable control, other than its decision to allocate resources as set forth in Section 11.B above, IPU shall have the right to revise the estimated cost figures specified in Section 4 and Exhibit C to reflect changes in costs arising since the original estimates were determined. IPU shall notify Applicant of such changes and give the Applicant the option to either terminate this Contract or agree to pay IPU the change in the charges. Such election shall be made by the Applicant not later than the tenth (10th) business day after dispatch of notice by IPU; a non-response after this notice period lapses shall be deemed Applicant's agreement to pay the additional charges.

11. Change Orders and Relocations. All standard design or construction changes made in the field by IPU, which affect the cost to be incurred, will be made using a Contract Change Order form ("Change Order") to be supplied by IPU. These field changes, include, but are not limited to, unforeseeable field conditions which may result in additional costs requiring sketch revisions of work order drawings as determined by IPU. All such revisions shall be integrated with and attached to the Final Plans and Specifications by IPU upon its receipt of the same. Unforeseeable field conditions include, but are not limited to, contaminated soil and/or obstructions. Change Orders, and any necessary revisions required to supersede Exhibits E resulting from any such Change Orders, will constitute formal amendments to this Contract requiring execution by both Parties prior to any work being performed.

Notwithstanding anything to the contrary in this Contract or IPU Rules, if the requested changes are in addition to or substitution for the standard electrical facilities that IPU would normally install, as determined by IPU, then an Added Facilities Contract, to be provided by IPU, shall be required.

12. Termination of Contract.

A. In the event Applicant materially breaches this Contract and fails to cure such breach within the period specified in the notice given to Applicant by IPU in accordance with the provisions of Section 23 hereof, IPU shall have the right to terminate this Contract upon thirty (30) days' written notice to Applicant. If this Contract is terminated due to the material breach of Applicant, or for any reason other than a material breach by IPU, Applicant agrees to reimburse IPU for all cost incurred as well as to satisfy obligations arising under Section 14.A of this Contract, within thirty (30) calendar days of the date such termination is effective.

B. In the event IPU materially breaches this Contract and fails to cure such breach within the period specified in the notice given to IPU by Applicant in accordance with the provisions of Section 23 hereof, Applicant shall have the right to terminate this Contract upon thirty (30) days' written notice to IPU. If this Contract is terminated due the material breach of IPU, Applicant will reimburse IPU for all cost incurred as well as to satisfy obligations arising under Section 14.A of this Contract, within thirty (30) calendar days of the date such termination is effective.

C. As an alternative to terminating this Contract upon the material breach of either Party, the Parties may negotiate and mutually agree to enter into a Superseding Contract. A Superseding Contract, if any, shall be in substantially the same form as this Contract, and shall be executed by

the Parties hereto. In such superseding contract, Facilities shall be installed and maintained in accordance with IPU Specifications, IPU Rules and other applicable state, federal and local laws, rules and regulations in effect as of the date such Superseding Contract is executed.

13. Indemnification and Withholding.

Applicant's Indemnification of IPU. Applicant shall indemnify, defend with counsel reasonably satisfactory to IPU, and hold harmless IPU, its elected and appointed officials, contractors, consultants, agents and employees (collectively "IPU Indemnitees"), from and against all claims, demands, losses, damages, costs, expenses, and legal liability connected with or resulting from injury to or death of persons, including but not limited to employees of IPU or Applicant, their contractors or subcontractors, injury to Customer Site of Applicant, IPU or any third party, or to natural resources, or violation of any local, state or federal law or regulation, including but not limited to environmental laws or regulations, or strict liability imposed by any law or regulation, arising out of, related to, or in any way connected with Applicant's breach of this Contract, or negligent or willful misconduct of Applicant in performing its responsibilities under this Contract, whether active or passive.

Applicant acknowledges that any claims, demands, losses, damages, costs, expenses, and legal liability that arise out of, result from, or are in any way connected with the release of any legally designated hazardous material or waste under this Contract are expressly within the scope of this indemnity, and that costs, expenses, and legal liability for environmental investigations, monitoring, containment, abatements, removal, repair, clean up, restoration, remedial work, penalties, and fines arising from the violation of any local, state or federal law, or regulation, attorney's fees, disbursements, and other response costs are expressly within the scope of this indemnity.

Applicant shall, on IPU's request, pay for the defense of any action, claim or suit asserting a claim or action covered by this indemnity. Applicant shall pay all costs that may be incurred by IPU in enforcing this indemnity, including reasonable attorney's fees.

In addition to any other right to withhold, IPU may withhold from any reimbursement due Applicant hereunder such amounts as, in IPU's reasonable opinion, are reasonably necessary to provide security against all loss, damage, expense, and liability covered by the foregoing indemnification provisions.

This indemnity is effective without reference to the existence or applicability of any insurance coverages which may be required under this Contract or any additional insured endorsements which may extend to IPU.

14. Assignment. Applicant may assign this Contract, in whole or in part, so long as IPU first consents in writing to such Assignment and the party to whom the Contract is assigned ("Assignee") agrees, in writing in form and content reasonably acceptable to IPU and which has been delivered to IPU, to perform the obligations of Applicant hereunder. Assignment of this Contract shall not release Applicant from any of the obligations under this Contract unless otherwise provided for in a written instrument executed by IPU, Applicant and all Assignees or other third parties.

15. Joint and Several Liability. Where two or more individuals or entities are joint applicants under this Contract, IPU shall direct all communications and charges to the Applicant designated below, but all Applicants shall be jointly and severally liable to comply with all terms and conditions herein. Notwithstanding the foregoing, the failure of any Applicant to perform shall excuse IPU's performance as to all Applicants unless IPU waives this right.

16. Warranty. IPU shall warrant that all the materials and workmanship performed or otherwise provided by IPU shall be free of all defects and fit for its intended purposes. IPU shall warrant that the materials it uses and its workmanship and performance under this Contract shall be comparable to the materials, workmanship and performance set forth in the Final Plans and Specifications.

17. Effective Date. This Contract shall be binding and effective when all of the following have occurred: (a) this Contract is signed by Applicant and delivered to IPU within thirty-five (35) days of the date IPU provides the Contract to Applicant; (b) the Contract is approved and executed by IPUC; and (c) the Parties have fully-executed the Electricity Services Agreement addressing the purchase and sale of electricity (the "Effective Date"). If Applicant is a corporation, partnership, joint venture or a group of individuals, the person executing this Contract on behalf of Applicant represents that he or she has the authority to bind said corporation, partnership, joint venture or group of individuals as the case may be and, upon request, shall provide written proof to IPU of the same.

18. Governing Law; Interpretation; Ambiguities and Venue. This Contract is deemed to have been made in the State of California, and its interpretation, construction, enforcement and remedies are to be applied pursuant to, and in accordance with the laws of the State of California for contracts made and to be performed therein. This Contract is in all respects intended by each Party hereto to be deemed and construed to have been jointly prepared by the Parties, and the Parties hereby expressly agree that any uncertainty or ambiguity existing herein shall not be interpreted against either of them. Except as expressly limited by this Section, all of the applicable rules of interpretation of contract shall govern the interpretation of any uncertainty or ambiguity of this Contract. The venue for any legal disputes between IPU and Applicant shall be in the Superior Court of the County of Los Angeles, California for all purposes.

19. Notices. Any notice to be provided pursuant to this Contract shall be in writing, and all such notices shall be delivered by personal service or by deposit in the United States mail, certified or registered, return receipt requested, with postage prepaid, and addressed to the Parties as follows:

If to IPU:

Industry Public Utilities
15625 Mayor Dave Way
City of Industry, California 91744
Attention: Public Utilities Director

With a copy to:

Casso & Sparks, LLP
13300 Crossroads Pkwy N., Ste 410
City of Industry, California 91744
Attention: James M. Casso General Counsel

If to the Applicant: Valley Vista Services, Inc.
17445 East Railroad Street
City of Industry, California 91744
Attention: David Perez

Notices, payments, and other documents shall be deemed delivered upon receipt by personal service or as of the second (2nd) day after deposit in the United States mail.

20. Estimated Completion Date. The Parties anticipate that the Facilities will be fully installed, inspected and ready for Applicant's use approximately twenty-four (24) months after the Effective Date of this Contract. However, the Parties acknowledge and agree that this date is an estimate only, and that the actual completion date shall subsequently be determined by mutual written agreement of the Parties. Neither Party will be found in material breach of this Contract solely on the basis that the Facilities were not ready for Applicant's use on the estimated completion date.

21. Incorporation of Exhibits. The following Exhibits are attached to this Contract and are expressly incorporated as part hereof by this reference:

- A. Exhibit A Customer Site Legal Description and Location Map
- B. Exhibit B Conceptual Plans and Specifications - Facilities
- C. Exhibit C Costs Estimate of Applicant's Payment Obligations
- D. Exhibit D Form of Note Payable
- E. Exhibit E Final Plans and Specifications – Facilities
- F. Exhibit F Conceptual Easement Area Description

22. Default. Failure or delay by any Party to this Contract to perform any material term or provision hereof shall constitute a default; provided however, that if the Party who is otherwise claimed to be in default by the other Party commences to cure, correct or remedy the alleged default within thirty (30) calendar days after receipt of written notice specifying such default and shall diligently complete such cure, correction or remedy, such Party shall not be deemed to be in default hereunder.

The Party which may claim that a default has occurred shall give written notice of default to the Party in default, specifying the alleged default. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default; provided, however, the injured Party shall have no right to exercise any remedy for a default hereunder without delivering the written default notice, as specified herein. Any failure or delay by a Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any rights or remedies associated with a default.

23. Amendments; Entire Agreement. This Contract may be modified or amended only by a written instrument signed by both Parties. This Contract and Exhibits A through F attached hereto represent the entire agreement of the Parties and supersede any prior written or oral agreements between them specifically relating to the subject matter hereof. The foregoing notwithstanding, the Parties acknowledge and agree that a separate agreement between the Parties and/or IPU Rules will address the purchase and sale of electricity.

24. Counterparts. This Contract may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

25. Attorneys Fees. If any action, suit or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this Contract or as a result of any alleged breach of any provision hereof, the prevailing Party in such suit or proceeding shall be entitled to recover its costs and expenses, including reasonable attorney's fees, from the losing Party, and any judgment or decree rendered in such a proceeding shall include an award thereof.

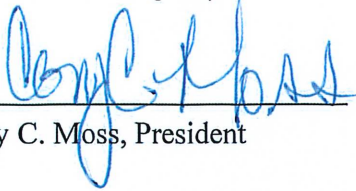
26. Captions and Headings. The captions and headings contained in this Contract are provided for identification purposes only and shall not be interpreted to limit or define the content of the provisions described under the respective caption or heading.

27. Severability. If any one or more of the sentences, clauses, paragraphs or sections contained herein is declared invalid, void or unenforceable by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Contract and shall not affect, impair or invalidate any of the remaining sentences, clauses, paragraphs or sections contained herein.

[END OF PAGE - SIGNATURES ON FOLLOWING PAGE]

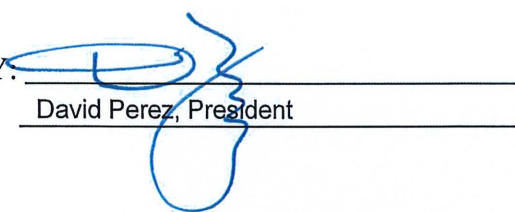
IN WITNESS WHEREOF, the Parties hereto have executed this Contract indicating their agreement to and acceptance of the terms herein as of the dates set forth below.

**INDUSTRY PUBLIC UTILITIES
COMMISSION**
a California Public Agency

BY: 
Cory C. Moss, President

Date: 8/17/2022

Valley Vista Services, Inc.
a California corporation

BY: 
David Perez, President

Date: 8/15/2022

EXHIBIT B

Updated Electric Rule 15 – Distribution Line Extensions, dated January 23, 2025

[Attached]

ELECTRIC RULE 15 – DISTRIBUTION LINE EXTENSIONS

APPLICABILITY: This rule is applicable to extension of IPU's electric Distribution Lines necessary to furnish permanent electric service to Applicants (the "Rule"), and will be made in accordance with the following provisions:

A. GENERAL INFORMATION

1. INTRODUCTION

Electric system modifications required to accommodate new loads and new physical connections to the Utility's existing electric system shall be made under the provisions of this Rule and are referred to as "Distribution Line Extensions". Modifications and new physical connections include the design and installation of wires, lines and other electric equipment necessary to physically connect, expand, relocate or change electric facilities. All facilities installed under the provisions of this Rule, shall be owned, operated, and maintained by the Utility, also referred to herein as IPU. "Utility" and "IPU" shall be used interchangeably and shall have the same meaning herein.

2. ENGINEERING & DESIGN.

IPU will be responsible for planning, designing, and engineering of Distribution Line Extensions using IPU's standards for material, design, and construction. IPU shall prepare a preliminary design and preliminary estimate of cost requirements attributable to a line extension upon the request of the Applicant. The Applicant shall provide all information required to develop the requested preliminary design and cost estimate and final design. All costs associated with the design, plans and specifications up to \$50,000.00 will be paid by IPU and any amount above \$50,000.00 will be reimbursed to IPU by the Applicant.

3. LINE EXTENSION LOCATION

- a. Nearest Source: IPU shall design and construct the distribution line extension from the nearest existing source of available capacity to the Applicant's Point of Delivery(s) along the shortest practical route which is deemed suitable and solely by IPU. IPU may, however, design and construct the line extension along an alternate route when such route, in the sole and absolute opinion of IPU, is mutually beneficial.
- b. Rights of Way & Easements: The Utility shall attempt to install distribution line extensions along public roads or upon public lands or private property, across which satisfactory rights of way may be obtained without cost to IPU. The Applicant shall, without reimbursement, make or procure conveyance to the Utility such rights of way for any line extension across property owned or controlled by the Applicant or others,

which in the opinion of the Utility, is deemed necessary for, or incidental to, the supplying of service to the Applicant.

- c. Underground/Overhead Underground Extensions shall be installed where required to comply with applicable laws and ordinances or similar requirements of governmental authorities. Overhead Extensions may be installed only where underground extensions are not required and at the sole discretion of IPU.

4. CONTRACTS

Each Applicant requesting a Distribution Line Extension will be required to execute a written contract, prior to IPU performing its work on the Distribution Line Extension. A template for the contract has been included as Appendix 1.

B. INSTALLATION RESPONSIBILITIES & OPTIONS

1. APPLICANT RESPONSIBILITY

Improvements: The Applicant shall, at no expense to IPU, provide all labor, equipment and materials necessary for and incidental to the installation of all trenching, backfilling, excavation, pavement removal, restoration, conduits, risers, and substructures including vaults, switch pads, transformer pads, pull boxes, capacitor pads enclosures and boxes underneath pads, as deemed necessary and appropriate, and specified by the IPU for any underground distribution line extension and alteration, and all other work and materials relating to such structures and substructures. All such materials shall become the property of IPU and shall be maintained by IPU upon inspection and acceptance by the IPU.

Joint Trench: Joint trenching shall be required when the utilities, including electric, telephone and/or cable television utilities, serve the Applicant from the same direction, or along any compatible route, provided such arrangements are not in conflict with Utility's Standards, and Utility incurs no additional expense peculiar to such arrangements.

Liability. IPU shall incur no liability whatsoever, for any damage, loss or injury occasioned by:

- i. Applicant-owned equipment or Applicant's transmission and delivery of energy or,
- ii. The negligence, omission of proper protective devices, want of proper care, or wrongful act of Applicant, or any agents, employees, or licensees of Applicant, on the part of the Applicant in installing, maintaining, using, operating, or interfering with any such conductors, lines, machinery, or apparatus.

2. IPU or UTILITY RESPONSIBILITY

IPU or the Utility shall be responsible for the furnishing of all materials required and the construction of the Distribution Line Extension facilities except those portions specifically designated as Applicant's responsibility. At the applicant's expense, IPU responsibilities shall include the furnishing and installation of cables and devices such as cable junctions, splices and terminators etc., pad mounted switches, pad mounted transformers, capacitor banks, and other electric facilities required to complete the Distribution Line Extension.

3. INSTALLATION OPTIONS

- a. **UTILITY PERFORMED (APPLICANT RESPONSIBLE) WORK.** Where requested by Applicant and mutually agreed upon, IPU may perform that portion of the Distribution Line Extension work normally installed by Applicant according to Section B.1 in this section, provided Applicant advances to IPU payment for the total estimated installed cost or agree to pay under a special rate up to the amount determined by IPU and approved by IPUC, by signing an Electrical Service Agreement and Facilities Contract and approval of IPUC if the distribution line extension is more than 1000' in length.
- b. **APPLICANT PERFORMED (UTILITY RESPONSIBLE) WORK.** Applicant may elect to install that portion of the Distribution Line Extension normally installed by IPU in accordance with IPU design and specifications using qualified contractors for public works projects or from the list of contractors approved by SCE.

C. COST RESPONSIBILITY

Except as otherwise, specifically provided in this Rule, all costs (substructure work such as conduits, vaults, pull boxes, , switch pads, transformer pads, capacitor pads ,and other related equipment) associated with a Distribution Line Extension shall be the responsibility of the Applicant to pay in advance or pay under a special rate up to the amount determined by IPU and approved by IPUC, by signing an Electrical Services Agreement and Facilities Contract and approval of IPUC if the distribution line extension is more than 1000' in length. In addition to those costs specifically delineated elsewhere, the Utility's estimated and actual costs for a Line Extension shall include, but are not limited to, all regulatory, environmental and other governmental fees, materials and installation including but not limited to cable and related cable devices such as cable junctions, terminators and connectors, pad mounted transformers, pad mounted ,switches, capacitor banks, other such appurtenances. associated overheads and other such costs which, in the reasonable opinion of the Utility, are related to such line extension, or any alternation, modification or improvement of existing facilities which is required to provide the requested service to the Applicant. IPU will pay for design, developing plans and specifications for bidding costs up to \$50,000.00 and any amount above \$50,000.00 will be reimbursed to IPU by the Applicant. IPU will also pay for the construction

management up to \$100,000.00 and any cost above that amount will be reimbursed to IPU by the applicant.

D. SUBSTATION, HIGH VOLTAGE DISTRIBUTION & UPGRADES TO SOUTHERN CALIFORNIA EDISON (SCE) INTERCONNECTION AND RELATED SUB-TRANSMISSION SYSTEM

When the installation of a substation, high voltage distribution facility and/or upgrade(s) to SCE's interconnection and related sub-transmission system, in the opinion of the IPU, is required for the purpose of providing service to the Applicant, the Applicant shall be required to submit payment equal to the IPU's cost. Where the substation and/or high voltage distribution facilities shall also serve other IPU customers the costs shall be prorated by Capacity and the Applicant shall be required to pay the prorated portion allocated to the Applicant. Capacity to be utilized by the Applicant's project is estimated by the IPU to be the greater of: (i) the Project's estimated Capacity based on the maximum electric demand the Project had forecasted to be served or (ii) the Project's actual Capacity.

Applicant shall provide a substation site unless mutually agreed by the Applicant and IPU to a substation site other than at applicant's property. If the substation is located at the applicant's property, then the grading of that site to finished grade, rights-of way and easements as required for the distribution and high voltage distribution lines to the substation all at no cost to the Utility. Upon completion of the grading subject to the satisfaction of the IPU, the substation site shall be and remain the sole property of the IPU.

EXHIBIT C

Updated Electric Rule 16-Service Extension, dated January 23, 2025

[Attached]

ELECTRIC RULE 16 – SERVICE EXTENSIONS

APPLICABILITY: This rule is applicable to both (1) IPU Service Facilities that extend from IPU's Distribution Line facilities to the Service Delivery Point, and (2) service-related equipment required of Applicant on Applicant's Premises to receive electric service (the "Rule").

A. GENERAL INFORMATION

1. SERVICE FACILITIES

IPU Service Facilities shall consist of (a) primary or secondary underground or overhead service conductors, (b) poles to support overhead service conductors, (c) service transformers, (d) IPU-owned metering equipment, and (e) other IPU-owned service-related equipment. All facilities installed under the provisions of this rule, shall be owned, operated, and maintained by the Utility.

2. DESIGN.

IPU will be responsible for planning, designing, and engineering its Service Extensions using IPU's standards for design, materials and construction.

3. SERVICE LOCATION.

- a. Service Delivery Point: Where IPU's Service Facilities are connected to either Applicant's conductors or other service termination facility designated and approved by IPU. The Service Delivery Point will generally be at the secondary voltage level of the transformer.
- b. Nearest Route: Service Facilities shall extend from the point of connection at the Distribution Line to Applicant's nearest property line abutting upon any street, road, or right-of-way, along which Utility already has or will install distribution facilities. Service Facilities on private property shall be installed along the shortest, most practical and available route (clear of obstructions) as necessary to reach a Service Delivery Point designated by IPU.
- c. Rights-of-Way or Easements: May be required by IPU to install Service Facilities on Applicant's property to serve Applicant.
- d. Underground/Overhead Underground Service Extensions shall be installed where required to comply with applicable laws and ordinances or similar requirements of governmental authorities. Overhead Service Extensions may be installed only where underground extensions are not required and at the sole discretion of IPU.

4. CONTRACTS.

Each Applicant requesting service may be required to execute a written contract(s) prior to IPU performing its work to establish service. A template for the contract has been included as Appendix 1.

B. INSTALLATION RESPONSIBILITIES

1. APPLICANT RESPONSIBILITY In accordance with IPU's design, specifications, and requirements for the installation of Service Extensions, subject to IPU's inspection and approval, Applicant is responsible for:

a. Improvements:

- i) Providing (or paying for) a route on property that is clear of obstructions which would inhibit the construction of either underground or overhead Service Extensions.
- ii) All necessary excavation, digging, trenching, backfilling, pavement removal and restoration as may be required to extend service facilities
- iii) Furnishing, installing (or paying for) all Conduits (including pull wires) and Substructures on Applicant's Premises. Conveying ownership to IPU upon acceptance of those Conduits and Substructures.

c. Electric Protective Devices: If Applicant's electric service requires electric protective devices beyond that required for standard service connections, Applicant is responsible to furnish, install, own and maintain all necessary Protective Devices on Applicant's Premises as specified by IPU.

d. Space for pad mounted Switch and pad mounted Transformer: Applicant shall provide space on Applicant's Premises at a location approved by IPU for a pad mounted transformer installation including any necessary pad mounted switches, bollards or any other protective structures, and metering equipment if IPU determines that Applicant's load to be served is such that a separate transformer installation is required.

e. PADMOUNTED EQUIPMENT. In IPU's standard installation, Applicant shall furnish and install at its expense, Substructures and any required Protective Structures as specified by IPU for the proper installation of the transformer, switches, metering equipment, etc. as determined by IPU.

f. Liability. IPU shall incur no liability whatsoever, for any damage, loss or injury occasioned by:

- i. Applicant-owned equipment or Applicant's transmission and delivery of energy or,
 - ii. The negligence, omission of proper protective devices, want of proper care, or wrongful act of Applicant, or any agents, employees, or licensees of Applicant, on the part of the Applicant in installing, maintaining, using, operating, or interfering with any such conductors, lines, machinery, or apparatus.

2. IPU RESPONSIBILITY IPU will furnish, install, own, and maintain the following Service Facilities as applicable after Applicant meets all requirements to receive service:
 - a. Service: A set of service conductors to supply permanent service from the Distribution Line source to the Service Delivery Point approved by IPU.
 - b. Meter: The necessary metering equipment including instrument transformers, test facilities, meters, associated metering equipment and the metering enclosures.
 - c. Transformer: The transformer, including any necessary switches, electrical protective structures and metering equipment, etc. When either a pad mounted or overhead transformer is installed on Applicant's Premises, the Service Extension shall include the primary conductors from the connection point at the distribution supply line to the transformer and the secondary conductors, if any, from the transformer to the Service Delivery Point.

C. COST RESPONSIBILITY

Except as otherwise, specifically provided in this Rule or as specified in a Contract between Applicant and IPU, all costs of Substructure such as conduits and pull boxes, pad mounted switch and pad mount transformer and primary and secondary cable exclusive of metering, associated with a Service Extension shall be the responsibility of the Applicant. All metering related costs including the cost of the meter, telemetry, installation, etc., shall be paid for by IPU. Applicant shall pay the estimated amount of cost associated with the service extension in advance or pay under special rate by signing an Electrical Services Agreement and Facilities Contract and approved by IPUC if it involves distribution line extension of more than 1000-feet in length and multiple services and more than one pad mount transformer and one pad mount switch.

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 6.3
Verbal Presentation