

**AGREEMENT FOR DEVELOPMENT OF EFFLUENT RECHARGE FACILITY,
EFFLUENT DISPOSAL
AND PURCHASE AND SALE OF EFFLUENT**

AMENDMENT NO. 1

This Amendment No. 1 to the Agreement for Development of Effluent Recharge Facility, Effluent Disposal and Purchase and Sale of Effluent is made this 22nd day of January, 2019 (the "Effective Date"), between the Central Arizona Water Conservation District ("CAWCD"), a multi-county water conservation district organized and existing under the laws of the State of Arizona, and Liberty Utilities (Litchfield Park Water & Sewer) Corp. (hereinafter "LIBERTY"). LIBERTY and CAWCD are sometimes collectively referred to herein as the "Parties."

RECITALS

A. On February 7, 2014, LIBERTY and CAWCD entered into the Agreement for Development of Effluent Recharge Facility, Effluent Disposal and Purchase and Sale of Effluent (the "Agreement").

B. Subsection 5.1.2.1 of the Agreement states that the Long-Term Storage Credits to be sold by LIBERTY will be sold to CAWCD pursuant to an ADWR Facility Permit to be obtained by LIBERTY for the Effluent Recharge Project.

C. On July 17, 2015, LIBERTY obtained water storage permit 73-224000.0000 (defined in the Effluent Recharge Project Operating Agreement as the "Permit") for the Effluent Recharge Project.

D. LIBERTY and CAWCD are amending the Agreement to include reference to the Permit.

E. Subsection 4.1.7.1 of the Agreement states that Liberty must remedy any shortfalls in delivery of CAWCD's full Effluent Entitlement in any year by either delivering 103% of the shortfall amount in the subsequent year or by transferring to CAWCD an amount of Long-Term Storage Credits equivalent to 103% of the shortfall.

F. Liberty and CAWCD additionally wish to amend subsection 4.1.7 of the Agreement to include an additional method for addressing shortfalls in delivery of CAWCD's full Effluent Entitlement in which Liberty transfers Long-Term Storage Credits to CAWCD in the exact amount of the shortfall, within the same year that the shortfall occurs.

G. Pursuant to subsection 20 of the Agreement, any amendment to the Agreement must be by express written agreement of the Parties.

NOW, THEREFORE, in consideration of the mutual and dependent covenants herein contained, it is agreed as follows:

AGREEMENT

1. Amendment of subsection 4.1.7. Subsection 4.1.7 of the Agreement is hereby amended to read as follows:

New subsection 4.1.7.2 Make Up of Shortfall; Alternate Method for Transfer of Long-Term Storage Credits. Liberty may, at its discretion, offset the shortfall volume by transferring to CAWCD, by January 31 of the year following the shortfall year, an amount of Long-Term Storage Credits equivalent to the shortfall volume. For each acre-foot of Long-Term Storage Credits transferred pursuant to this subsection 4.1.7.2, CAWCD shall pay LIBERTY the same rate that it would have paid LIBERTY for the Effluent Delivery Charge, as defined in subsection 3.1.10, in the year of the shortfall.

Current subsection 4.1.7.2 is renumbered as subsection 4.1.7.3

2. Amendment of subsection 5.1.2.2. Subsection 5.1.2.2 of the Agreement is hereby amended to read as follows:

5.1.2.2. The Long-Term Storage Credits to be sold by LIBERTY will be stored pursuant to ADWR Water Storage Permit No. 73-572386.0200 or 73-224000.0000.

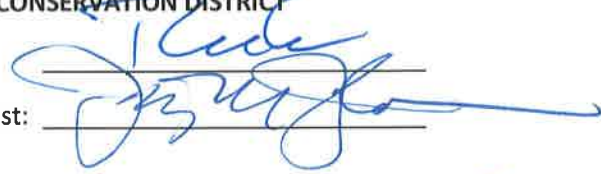
3. Except as amended herein, all terms, conditions, and provisions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, this Amendment is executed by the Parties hereto.

CENTRAL ARIZONA WATER CONSERVATION DISTRICT

By: _____

Attest: _____



LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP.

By: _____

Attest: _____

