

**PROPOSED RESOLUTION**

**Resolution W-5317  
WD**

**Agenda ID# 24296**

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**WATER DIVISION**

**RESOLUTION W-5317**

**July 2, 2026**

**RESOLUTION**

**Resolution W-5317 California Hot Springs Water and Sewer Company. Sale and Acquisition of California Hot Springs Water Company by Sanctuary of Sacred Waters, a California Religious Corporation, and California Hot Springs Sewer Company by Water Rejuvenation Inc., a California Public Benefit Corporation**

**PROPOSED OUTCOME:**

- Authorizes the sale of California Hot Springs Water Company to Sanctuary of Sacred Waters and the sale of California Hot Springs Sewer Company to Water Rejuvenation Inc.
- Transfers each company's Certificate of Public Convenience and Necessity to the respective acquiring entity.

**SAFETY CONSIDERATIONS:**

- The transfers of each company to a more responsible party will allow for immediate and ongoing responses to outstanding compliance actions.

**ESTIMATED COSTS:**

- There are no costs associated with this resolution.

By Advice Letters 24-W and 16-S, filed March 5, 2026.

**SUMMARY**

By Advice Letters No. 24-W and 16-S, submitted on March 5, 2025, California Hot Springs Water Company (CHS-W) and California Hot Springs Sewer Company (CHS-S), referred to collectively as CHS-U, request Commission approval for the sale of CHS-U and acquisition by Water Rejuvenation Inc. ("WRI"), a California corporation, and Sanctuary of the Sacred Waters ("SW"), a California religious corporation (WRI and SW are referenced herein individually as "Transferee" and collectively as "Transferees"), and Ikigai Hot Springs LLC, a California limited liability company ("Ikigai") or Designee. CHS-U, Transferees, and Ikigai (collectively referred to as "the Parties")

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request to transfer the CHS-U's Certificates of Public Convenience and Necessity (CPCNs) to the Transferees as a result of the acquisition.

Pursuant to Public Utilities (PU) Code sections 851-854 and Resolution ALJ-272, this resolution approves the sale of CHS-U and acquisition by Transferees. Under the terms and conditions outlined in the Settlement and Transfer Agreement (STA), attached as Appendix A, between the California Hot Springs utilities (CHS-U) and the acquiring entities of the Water Company and Sewer Company, Sanctuary of the Sacred Waters and Water Rejuvenation Inc., respectively, the STA was signed on March 2, 2026, by CHS-U and Transferees, providing that the Transferees would purchase CHS-U's water and sewer systems for the agreed-upon nominal consideration price of \$1.00. Accordingly, CHS-U's CPCNs should be transferred to the Transferees.

### **BACKGROUND**

CHS-W and CHS-S are Class D investor-owned water and sewer utilities with 34 water and 31 sewer service connections. Twenty-seven of the 34 water connections are metered. The remaining 7 connections were owned by the current owner of CHS-U, Ronald Gilbert.<sup>1</sup> Twenty-five of the 31 sewer customers are flat-rate sewer service ratepayers. The remaining 6 sewer connections were owned by Ronald Gilbert. CHS-U provides water and sewer service to the community of California Hot Springs and its vicinity, which is located approximately 25 miles southeast of Porterville in Tulare County.

There are approximately eight customers who reside in California Hot Springs year-round. The remaining customers are seasonal residents who fluctuate between active and inactive metered service connections. As such, CHS-W's domestic water supply permit states that it is a transient non-community water system.<sup>2</sup> The median household income (MHI) in the 93207-zip code area where the utility is located is \$49,861.<sup>3</sup>

#### *Organizational Structure of Acquiring Entities*

Under the proposed transaction, Sanctuary of the Sacred Waters ("SW") will acquire and operate the California Hot Springs Water Company ("CHS-W"), and Water Rejuvenation Inc. ("WRI") will acquire and operate the California Hot Springs Sewer Company ("CHS-S"). Ikigai Hot Springs LLC ("Ikigai"), the contractual transferee

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<sup>1</sup> Ikigai Hot Springs, LLC. is now the current owner of these connections as of its acquisition of the hot springs resort, and RV park in 2022.

<sup>2</sup> Health and Safety Code § 116275 defines "Transient noncommunity water system" as a noncommunity water system that does not regularly serve at least 25 of the same persons over six months per year.

<sup>3</sup> U.S. Census Bureau QuickFacts: United States

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under the 2022 Agreement for Transfer of the California Hot Springs Water and Sewer Companies, designated SW and WRI as the entities that will take ownership of the regulated water and sewer utilities, respectively.

Per California Secretary of State filings, Ikigai Hot Springs, LLC is a Limited-Liability Company with Bertram Meyer as listed principal. WRI is a California benefit corporation, and SW is a California nonprofit religious corporation, each with Bertram Meyer listed as Chief Executive Officer and Secretary, and with additional directors or officers as reflected in their public filings. Ownership of WRI resides with its shareholders; SW, as a nonprofit, has no equity owners.

Consistent with the Parties' private Settlement and Transfer Agreement (Appendix A), Bertram Meyer has been overseeing day-to-day operational activities through SW during the transition period prior to Commission approval. This interim operational role is contractual among the Parties and does not affect the Commission's approval of the final transfer of CHS-W to SW and CHS-S to WRI.

As Ikigai, SW, and WRI share common officers and overlapping business addresses, the Commission will apply the Affiliate Transaction Rules<sup>4</sup> following completion of the transfer for transactions between the regulated utilities and their affiliated entities, consistent with Rule I (Jurisdiction and Applicability) and Rule II (Definitions). This condition ensures appropriate separation, cost allocation, and arm's-length treatment following the transfer.

### System Description

The CHS-W's water system is supplied by a set of two developed springs, an east set (Springs 01), which is the primary water source, and a west set (Springs 02), which serves as a backup water source. The CHS-W water system consists of two storage tanks, one water collection box, two booster pumps, and a gravity-fed water distribution system. The utility is a continuous-flow system that pumps untreated spring water to a 3,000-gallon back-pressure tank that continuously overflows. Water is distributed through approximately 5,000 feet of 2-inch and smaller plastic pipe.

The Springs 01 (East) source consists of approximately seven hot springs located along the left bank of Deer Creek. Water from Springs 01 flows into catchment basins and is subsequently pressurized by a 1.5 HP pump to deliver hot water at approximately

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<sup>4</sup> Decision 10-10-019: DECISION ADOPTING STANDARD RULES AND PROCEDURES FOR CLASS A AND B WATER AND SEWER UTILITIES GOVERNING AFFILIATE TRANSACTIONS AND THE USE OF REGULATED ASSETS FOR NON-TARIFFED UTILITY SERVICES: [Microsoft Word - 125107.DOC](#)

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120°F to a 3,000 gallon and a 5,000-gallon storage tank. The two storage tanks provide water to 27 CHS-W ratepayers as well as an R.V. park, a resort including pools and spas, a house, a workshop, a community center, a wastewater treatment plant, and a warehouse (formerly a bottling plant), all previously owned by Mr. Gilbert and now owned by Ikigai Hot Springs, LLC.

The Springs 02 (West) source consists of approximately six hot springs located along the left bank of Deer Creek, downstream of the springs supplying the east pressure zone, Springs 01. Water from Springs 02 provides hot water at approximately 120°F to the properties now owned by Ikigai Hot Springs, LLC. Unused water from Springs 02 is discharged to the ground surface near Spring 02. The relevance of Springs 02 (West) for the utility is that it serves as a backup in case of supply needs. For example, when the 2023 Spring flood submerged the east spring pump facility, the west spring's water was pumped to customers instead.

The utility has a total storage capacity of 8,000 gallons.<sup>5</sup> With this storage and source capacity, CHS-W meets its Maximum Day Demand (MDD)<sup>6</sup> as required by GO 103-A.<sup>7</sup> This MDD, as recorded in the State Water Resources Control Board's (SWRCB) Division of Drinking Water's (DDW) 2019 Sanitary Survey,<sup>8</sup> is 34 gallons per minute (GPM). The utility's annual water production averaged 6,500,000 gallons over the last three years for which the Commission has annual reports (2020 through 2022), and its annual water sales averaged 498,221 gallons over those same three years.<sup>9</sup> Historically, CHS-W pumped that same amount of about 6,500,000 gallons of hot water per year through the system to (1) keep delivering hot water to the customers and (2) maintain pressure in the water system. Customers pay for metered consumption and for the portion of operations necessary to provide water service, including costs incurred to produce water in excess of actual sales.

CHS's sewer system collects wastewater from the customers of the California Hot Springs Water Company and routes the wastewater to a sewer plant located on Ikigai's

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<sup>5</sup> 2022 Annual Report of California Hot Springs Water Company, California Public Utilities Commission. March 28, 2023.

<sup>6</sup> The MDD represents the maximum consumption of water in any one day of the year. DDW applied peaking factors to estimate the MDD.

<sup>7</sup> General Order 103-A Rules Governing Water Service, Including Minimum Standards for Operation, Maintenance, Design, and Construction, Section II-B.3.

<sup>8</sup> System No. 5400513 – Sanitary Survey Report. State Water Resources Control Board Division of Drinking Water. July 18, 2019.

<sup>9</sup> CHS-W's 2020 to 2022 Annual Reports: 517,043 gallons for 2020, 480,201 gallons for 2021 and 497,419 gallons for 2022.

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land. Most of the run to the sewer plant is downhill and gravity-fed; however, at certain locations at the service ends, sewer water requires pumping, and therefore energy, to reach the sewer plant. Wastewater collected by CHS-S consists solely of sanitary sewage from occupied cabins and does not include the continuous hot-water production flows from the water system; therefore, with only two year-round residents, and intermittent weekend or seasonal use, the resulting wastewater volume is low.

The collected sewage discharge is treated at a packaged aeration sewage plant, which is situated at the lowest point near the main road in CHS's service territory to collect and treat wastewater. After the sewage plant, the treated effluent is pumped to a higher elevation (again requiring additional energy). Then the treated sewage effluent (discharges) from the plant is sent to five evaporation ponds. The effluent then percolates and evaporates. All the remaining sludge from the treatment plant is hauled off-site on a yearly basis to the Tulare County treatment plant.

### **NOTICE AND PROTESTS**

ALs 24-W and 16-S were served in accordance with General Order 96-B, on March 6, 2026, to adjacent utilities, and persons on the general service list. A notice was also mailed to each customer of CHS-U on March 6, 2026.

No protests were received.

### **DISCUSSION**

Proposed water utility ownership changes are reviewed under Public Utilities Code (PU Code) §§ 851-854. PU Code §§ 851-854 prohibits the sale or transfer of control of a public utility without the advance approval of the Commission. Approval of the sale and purchase of CHS-U by Transferees may be obtained through the AL process since the transaction is valued at less than five million (\$5,000,000), is non-controversial, and does not require environmental review by the Commission as the Lead Agency under the California Environmental Quality Act (CEQA).<sup>10</sup> This established process is reflected in General Order (GO) 173.

In support of the Settlement and Transfer Agreement, Ikigai submitted documentation of expenditures it incurred on behalf of the utilities for electricity, water, and sewer system repairs, as well as for purchased water, totaling \$93,802 as reflected in Section 3

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<sup>10</sup> PU Code § 851 allows transfers or encumbrance of utility property for qualified transactions valued at five million (\$5,000,000) or less to be processed through an AL filing; ALJ-244, pg. 2.

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of the STA, see Appendix A. CHS-W has not paid Ikigai for CHS-W's draw of water since Ikigai's acquisition of the land and water resource in July 2022, despite the 2022 Transfer Agreement signed between CHS-U and Ikigai documenting Ikigai's right to charge for water purchased by CHS-W. Section 3 of the STA specifies that the Transferors (CHS-U) agreed to make a \$55,000 payment to Ikigai as partial settlement, and that SW accepted the remaining balance of \$38,802 as a contractual obligation owed to Ikigai. This settlement obligation is strictly contractual between the Parties and does not determine, imply, or request any ratemaking treatment; any future consideration of such costs would require a separate filing and independent Commission review.

The Commission requires a test of ratepayer indifference when evaluating the sale of a public utility,<sup>11</sup> and for the buyer to demonstrate that the acquisition of the public utility yields a tangible benefit to the ratepayer.<sup>12</sup>

Using the ratepayer indifference test to assess the sale of CHS-U, the Commission evaluated the proposed transaction against the following key metrics: (1) service quality; (2) continuity of service; and (3) the impact of the purchase price on rate base and rates.

### Service Quality and Continuity of Service

The STA provides for an orderly transition of CHS-U's utility operations and service continuity. Following the Commission's approval of the acquisition of CHS-U, Transferees plan to invest in the system and modernize the infrastructure. Furthermore, the transferees possess the Technical, Managerial, and Financial (TMF) capacity to continue operating CHS-U without disruption. Buyer has cash assets exceeding \$60,000, with no liabilities.

#### 1.) Managerial Qualifications

- a. The Secretary and Treasurer of Sanctuary of the Sacred Waters and Water Rejuvenation Inc. is Bertram Meyer, who has been CEO and founder of multiple companies, has raised in excess of \$150M in venture funding and managed over 300 employees. He holds an MSc in Physics and physical Engineering and an MBA from INSEAD, the highest ranked business school outside the US.

#### 2.) Financial Qualifications

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<sup>11</sup> Under the ratepayer indifference test, any sale of a public utility should not have any net consequences that cause the ratepayer to prefer the seller to the buyer.

<sup>12</sup> See D.15-09-015 at 6; D.15-08-036 at 4, D.05-04-047 at 9-11; D.04-01-066 at 8-11; and D.01-09-057 at 26-28.

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- a. The buyer brings \$60,000 in cash, of which part is equity and part is funded through a long-term loan as well as \$15,000 in working capital funding.

### 3.) Technical Qualifications

- a. Buyer (Sanctuary of the Sacred Waters and Water Rejuvenation Inc.) will assume technical and managerial responsibility for CHS-U and will have access to an on-site team of licensed plumbing professionals and operators who are familiar with the system. The buyer also has the best available institutional knowledge of the water system, given its ongoing on-site presence and involvement in identifying, documenting, and addressing system needs. In addition, Buyer may retain, as needed and subject to availability, Jim Human and Joe Turner—individuals with historical familiarity with the system—to support transition activities and continuity of operations. Kelly Grove has agreed to continue handling the regular sampling for testing of the sewer and water.

### Impact of the Purchase Price on Rate Base

There will be no immediate impact on the rate base due to the purchase price, because it is for a nominal price, and current rates will not change upon the transfer of CHS-W's CPCN to SW and CHS-S's CPCN to WRI. However, the ratepayers have been informed that any potential changes to rates and assessments in the future will be determined by Transferees' requests to the Commission.

WD staff's review and analysis of the sale and acquisition of CHS-U to Transferees shows that it meets the ratepayer indifference test; is reasonable; is in the public interest; and provides a tangible benefit for the customers of CHS-U. This tangible benefit includes that the new owner is significantly more responsive in responding to customer complaints and being on-site in person rather than living out-of-state as the current owner does. WD staff have determined that SW and WRI intend to repair, upgrade, and modernize the drinking and wastewater systems, which have been neglected for four years.

### CEQA Review

CEQA review is not required by the proposed sale. CEQA applies to a "project" or action "which has a potential for resulting in either a direct physical change in the

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environment, or a reasonably foreseeable indirect physical change . . . [and involves] the issuance to a person of a lease, permit, license, certificate, or entitlement for use by one or more public agencies.”<sup>13</sup> Pursuant to this review, the WD has determined that CEQA does not apply as this advice letter filing involves only a transfer of ownership of the existing water and sewer facilities and no new construction or changes in the source of water supply or sewer treatment and discharge facilities are being proposed. There is no evidence of any other changes in the operation of CHS-U, and accordingly, approval of Advice Letters No. 24-W and No. 16-S is not a CEQA projects and there is no possibility that the transactions may have any significant effect on the environment.<sup>14</sup> As such, the approval of Advice Letters No. 24-W and No. 16-S are exempt from CEQA.

### Permit Requirement

Pursuant to the provisions of California Health and Safety Code CH&S section 116525(a), SWRCB requires any person or entity operating a public water system to obtain a Domestic Water Supply Permit (permit) to operate that water system. CHS-U received its Domestic Water Supply Permit from the Division of Drinking Water on August 20, 2019. As a condition for Commission approval of the acquisitions, Transferees are directed to obtain a new Domestic Water Supply Permit from the SWRCB for the water system and an operating permit from the RWQCB for the sewer system.

## ENVIRONMENTAL AND SOCIAL JUSTICE

In February 2019, the Commission adopted an Environmental and Social Justice Action Plan (ESJ Action Plan) to serve as a roadmap to expand public inclusion in Commission decision-making processes to targeted communities across California. The ESJ Action Plan establishes a series of goals related to health and safety, consumer protection, program benefits, and enforcement in all the sectors the Commission regulates. On April 7, 2022, the Commission adopted Version 2.0 of the ESJ Action Plan to guide its decisions and determine that its broad regulatory authority continues to advance equity throughout the state. With this Resolution, the Commission addresses two goals of the ESJ Action Plan: Goal #1: “Consistently integrate equity and access considerations throughout Commission regulatory activities,” and Goal #3: “Strive to improve access

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<sup>13</sup> CEQA Guidelines, CALIFORNIA CODE OF REGULATIONS TITLE 14, Sections 15378(a) (2003)

<sup>14</sup> CEQA Guidelines, CALIFORNIA CODE OF REGULATIONS TITLE 14, Section 15061(b)(3) “A project is exempt from CEQA if...it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment...”).

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to high-quality water, communications, and transportation services for ESJ communities.”

Although the California Hot Springs, CA area of the proposed transfer is not classified as a disadvantaged community, the WD considered equity and access considerations through its review of the proposed transaction in this resolution. The California Communities Environmental Health Screening Tool, Version 4 (CalEnviroScreen 4.0)<sup>15</sup> provided by the California Environmental Protection Agency, identifies disadvantaged communities by collecting multiple metrics and outputting a single value at the census tract scale. CalEnviroScreen 4.0 ranks California Hot Springs in the 46th percentile of the highest scoring census tracts statewide, the census tract then increases into the 100th percentile for Drinking Water and falls further to the 50th percentile for Groundwater Threats.

Given WD’s review of these current definitions and considerations, the proposed acquisition of CHS-U by Transferee is expected to improve existing system conditions for customers in the California Hot Springs area by providing CHS-U customers with responsive water system management, including proposed repairs and improvements.

### **COMPLIANCE**

CHS-U has several compliance issues with the SWRCB and Commission. These include an enforcement action, items highlighted in the most recent Sanitary survey described below, and not having filed Annual Reports for either the water or sewer systems since 2022.

#### **Outstanding Commission Compliance Issues**

Pursuant to PU Code section 433(a), public utilities are required to pay an annual Public Utilities Reimbursement Fee to the Commission. WD confirmed with the Commission’s Fiscal Office that CHS-U is current with its Public Utilities Reimbursement Fee payments. However, CHS-U has not filed its Annual Reports since 2022. CHS-U is working on an updated annual report for 2025, and WD will monitor that the Transferees will timely submit their Annual Reports in the future.

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<sup>15</sup> <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>

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**Outstanding SWRCB Compliance Issues**

There is one outstanding SWRCB enforcement action against CHS-U issued by the Regional Water Quality Control Board (RWQCB) regarding CHS-S; this action constitutes a violation of Waste Discharge Requirements Order No. 2014-0154-DWQ-R5306, issued on December 22, 2025, in response to a June 26, 2025, inspection. This Notice of Violation listed 32 violations; CHS-U responded to all but 4, which are items 3, 4, 5, and 7 in the table below. The initial violation that led to an inspection by RWQCB was that effluent was overflowing onto Hot Springs Road, and that the ‘Discharger’ does not own or control the land upon which the settling ponds receiving the wastewater are located. The due date for a written response of actions taken or planned to remedy these violations was March 2, 2026, and this has been accomplished by now.

At the time of the inspection, the owner of the ponds was Ronald Gilbert, while Bertram Meyer owned the land. This bifurcated ownership structure, prior to the filing of this Advice Letter, and the STA shown in Appendix A made the utility’s operations difficult to manage.

**NOV of Waste Discharge Requirements: California Hot Springs Sewer Company**

<b>Violations</b>	<b>Description/Location</b>	<b>Law/Code/Order</b>
<b>1</b>	Overflow of wastes.	Discharge Prohibition A.5
<b>2</b>	Discharge of wastes to land not owned or controlled by the Discharger.	Discharge Prohibition A.6
<b>3</b>	Failure to submit Spill Prevention and Emergency Response Plan.	Provision E.1.a.
<b>4</b>	Failure to submit a Sampling Analysis Plan.	Provision E.1.b.
<b>5</b>	Failure to submit a Sludge Management Plan.	Provision E.1.c.
<b>6</b>	Failure to keep facility in good working order.	Provision E.2.r.
<b>7</b>	Failure to submit change of ownership documentation.	Provision E.2.w.
<b>8-32</b>	Various Self-Monitoring Report (MRP) violations	Provision E.4.a. and various sections of the Order and MRP
<b>Required Response</b>	<b>By 2 March 2026</b> , Submit a written response describing actions taken or planned to address the violations and prevent future violations.	

The Division of Drinking Water (DDW) issued Citation No. 04-24-26C-001 on February 10, 2026, for the failure to collect nitrate samples from both the East and West springs. DDW has since confirmed that California Hot Springs has completed all required corrective actions associated with this citation and that the citation is no longer outstanding.

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Sanitary Survey

The Sanitary Survey for California Hot Springs Water Company was conducted on April 23, 2025, and found 2 significant and 5 minor deficiencies. The deficiencies are listed in the table below, and all 7 of them have passed their reporting deadlines without being addressed; therefore, CHS-W has 7 ongoing compliance issues as of the filing of the Advice Letters.

<b>Significant Deficiencies</b>
1. By June 20, 2025, the Water System is required to take the following action at the East Spring and submit photo documentation to the Division: <ul style="list-style-type: none"><li>a. Install a downturned unthreaded sample tap.</li><li>b. Properly clean and screen the catch basin including exterior corrugated steel roof and overflow.</li><li>c. Properly seal leaks from the catch basin.</li><li>d. Properly repair leaks from the catch basin discharge.</li></ul>
2. By June 20, 2025, the Water System is required to take the following action at the West Spring and submit photo documentation to the Division: <ul style="list-style-type: none"><li>a. Verify that the overflow for each distribution pipe along the suspension bridge is properly screened.</li></ul>

<b>Minor Deficiencies</b>
1. By June 30, 2025, the Water System is required to submit a plan and timeline to address the defects at the 2,600-gallon polyethylene storage tank. Defects include the following: <ul style="list-style-type: none"><li>a. Tank inaccessible for proper interior inspection.</li><li>b. Visible lip on tank hatch allowing potential for water intrusion. Hatch must be properly secured.</li><li>c. No tank overflow. Visible signs of overfilling. The tank must have an adequate overflow.</li></ul>
2. By June 30, 2025, the Water System is required to submit a plan and timeline to address the defects at both storage tanks. Defects include the following: <ul style="list-style-type: none"><li>a. No professional inspection or cleaning record of tank interior. The tank interior must be inspected and cleaned</li></ul>
3. By June 30, 2025, the Water System is required to submit the Annual Inventory Report for reporting years 2023 and 2024.
4. By June 30, 2025, the Water System is required to submit a revised BSSP and map to the Division for review and approval.
5. By July 1, 2025, the Water System is required to complete a cross-connection control plan.

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Through SW's on-site operational oversight, Bertram Meyer has begun addressing outstanding compliance issues, including required reporting, monitoring activities, and preparation of overdue Commission Annual Reports. Following the transfer, SW and WRI will continue implementing corrective actions and work toward resolving all outstanding water and sewer compliance items in coordination with DDW, RWQCB, and the Commission. Given the current rate of progress by the utility, compliance can be expected to progress later this year, by October 31, 2026. At that time, the WD staff will conduct a review of the system to determine whether additional compliance actions are necessary.

### UTILITY SAFETY

Water utility safety considers several factors such as water quality, system design, operation and maintenance, and service.

One of the highest safety priorities for the Commission is ensuring that water utilities serving water for human consumption provide water that is not harmful or dangerous to health. While the Compliance section of this resolution notes several previous reporting citations and current deficiencies related to infrastructure in the most recent Sanitary Survey, as previously noted, CHS-U has several compliance issues with the SWRCB; these do not relate to drinking water quality standards. However, ongoing reporting issues and recent wastewater-related issues may affect customers. SW and WRI have begun implementing corrective actions to address wastewater-related issues, including repairs completed in late July 2025. WRI will continue coordinating with RWQCB to complete the remaining corrective measures after transfer. The four remaining items from the NOV should be addressed by October 31, 2026, unless CHS-U provides justification for a later date to be reviewed and approved by WD who should coordinate the request with the RWQCB.

### CONCLUSION

Pursuant to PU Code sections 851-854, the Commission finds that the sale of CHS-W and CHS-S is in public interest and does not warrant a more comprehensive review that would be provided through a formal PU Code section 851 application. The sales should be approved. The transfer and sale of CHS-W will relieve the utility of its duty to provide regulated utility water service, and CHS-W's CPCN should be transferred to SW. The transfer and sale of CHS-S will relieve the utility of its duty to provide regulated utility sewer service, and CHS-S's CPCN should be transferred to WRI.

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### COMMENTS

PU Code section 311(g)(1) provides that resolutions must generally be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission.

There were no protests or concerns received from the parties on the service list of Advice Letters No. 16-S and 24-W when the advice letter was served on March 6, 2026. This is an uncontested matter that pertains solely to a water corporation in which the resolution grants the relief requested.

Accordingly, pursuant to PU Code section 311(g)(3), the otherwise applicable 30-day period for public review and comment is being waived.

### FINDINGS AND CONCLUSIONS

1. By Advice Letter No 24-W submitted on March 5, 2026, California Hot Springs Water Company (CHS-W) requests Commission approval for the sale of CHS-W and acquisition by Sanctuary of the Sacred Waters (SW), a California Religious Corporation, and to transfer CHS-W's Certificate of Public Convenience and Necessity (CPCN).
2. By Advice Letter No. 16-S submitted on March 5, 2026, California Hot Springs Sewer Company (CHS-S) requests Commission approval for the sale of CHS-S and acquisition by Water Rejuvenation, Inc. (WRI), a California Public Benefit Corporation, and to transfer CHS-S's Certificate of Public Convenience and Necessity (CPCN).
3. CHS-W is a Class D water utility with 27 currently active residential metered service connections and 7 connections for which water service has been provided at no expense by the previous owner of the utility.
4. CHS-S is a Class D sewer utility with 25 currently active residential flat-rate service connections, and 6 connections for which sewer service has been provided at no expense by the previous owner of the utility.
5. On March 2, 2026, the "Settlement Transfer Agreement" was signed by CHS-U and Transferees, providing that the Transferors would pay Ikigai \$55,000.00 as

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partial settlement of utility expenditures, and that SW would accept the remaining \$38,802.00 balance as a contractual obligation owed to Ikigai.

6. Advice Letters No. 24-W, and 16-S were served in accordance with General Order 96-B, on March 6, 2026, to adjacent utilities and persons on the general service list. CHS-U customers were sent notices of the sale on March 6, 2026. No protests were received.
7. California Hot Springs Water Company received its Domestic Water Supply Permit from the State Water Resources Control Board's Division of Drinking Water on August 20, 2019.
8. The sale of CHS-W and CHS-S and acquisition by Transferees meets the ratepayer indifference test; is reasonable; is in the public interest; and provides a tangible benefit for the customers of CHS-U.
9. The cost of water laid out in the Advice Letters will not be addressed in this resolution and will be a matter for a future General Rate Case.
10. The sale of CHS-U and acquisition by Transferees does not involve a project under CEQA, and there is no possibility that the transaction may have any significant effect on the environment. The approval of AL 24-W and 16-S is exempt from CEQA.
11. CHS-W has one outstanding SWRCB enforcement action against CHS-U issued by the Regional Water Quality Control Board (RWQCB) regarding CHS-S; this action constitutes a violation of Waste Discharge Requirements Order No. 2014-0154-DWQ-R5306, issued on December 22, 2025. Additionally, CHS-W has 7 deficiencies to be addressed from the DDW's June 2025 Sanitary Survey. Finally, CHS-U has not filed its annual reports with the Commission since 2022.
12. To address the compliance issues facing the wastewater and drinking water systems, SW and WRI have begun implementing corrective actions, including repairs completed in late July 2025. The parties will continue coordinating with the SWRCB, RWQCB, and WD to complete the remaining corrective measures after the transfer is complete. The outstanding compliance issues should be addressed by October 31, 2026, unless SW and WRI justify a later date to be reviewed and approved by WD.

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13. The Water Division confirmed with the CPUC's Fiscal Office that CHS-U is current with its annual fee payments.
14. Pursuant to Public Utilities Code sections 851-854, the sale of CHS-U to Transferees is in the public interest and should be approved.
15. The sale of CHS-U should relieve CHS-U of its duty to provide regulated water and sewer service to its customers, and CHS-U's Certificates of Public Convenience and Necessity should be transferred to the new entity.

**THEREFORE, IT IS ORDERED THAT:**

1. Pursuant to Public Utilities Code sections 851-854, this Resolution approves the sale of California Hot Springs Water and Sewer Company and acquisition by Sanctuary of the Sacred Water and Water Rejuvenation Inc. under the terms and conditions set forth in the March 2, 2026, Settlement and Transfer agreement between California Hot Springs Water and Sewer Company and Sanctuary of the Sacred Water and Water Rejuvenation Inc (Attached in Appendix A).
2. The permanent transfer of operations of California Hot Springs Water and Sewer Company's water and sewer systems to Sanctuary of the Sacred Water and Water Rejuvenation Inc., respectively, is conditioned on Sanctuary of the Sacred Water and Water Rejuvenation Inc. obtaining the necessary SWRCB and RWQCB operating permits, respectively. Within ten (10) days of receiving the operating permits, Sanctuary of the Sacred Waters and Water Rejuvenation Inc. shall notify the Water Division.
3. As a condition of approval, Ikigai Hot Springs LLC, Sanctuary of the Sacred Waters, and Water Rejuvenation Inc. shall comply with the Affiliate Transaction Rules adopted in Decision (D.) 10-10-019, to the extent applicable to water and sewer utilities, including requirements related to separation, arm's-length transactions, cost allocation, and reporting.
4. Sanctuary of the Sacred Water and Water Rejuvenation Inc. shall submit Tier 1 Advice Letters, within five (5) days after closing the purchase and sale transaction, updating the water and sewer tariff Title pages with the new utility names, addresses, and appropriate contact information.

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5. Within ten (10) days of closing the purchase and sale transaction, California Hot Springs Water and Sewer Company shall notify the Commission of the date the transaction closes by mailing or emailing a letter to the Director of the Water Division.
  
6. California Hot Springs Water and Sewer Company's Certificates of Public Convenience and Necessity shall be transferred to Sanctuary of the Sacred Water and Water Rejuvenation Inc., respectively, as of the date the purchase and sale transaction closes.

This resolution is effective today.

Commissioner Signature blocks to be added  
upon adoption of the resolution

The foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on July 2, 2026; the following Commissioners voting favorably thereon:

July 2, 2026

, at <Voting meeting location>, California

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**APPENDIX A**

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**July 2, 2026**

**AGREEMENT FOR TRANSFER OF CALIFORNIA HOT SPRINGS SEWER AND WATER  
COMPANIES BETWEEN  
RONALD W. GILBERT AND MARY E. GILBERT, INDIVIDUALLY AND AS TRUSTEES  
OF THE RONALD W. GILBERT AND MARY E. GILBERT FAMILY TRUST CREATED AUGUST  
5, 1998 TRANSFERORS**

**WATER REJUVENATION INC. AND SANCTUARY OF THE SACRED WATERS  
TRANSFEREES**

**AND IKIGAI HOT SPRINGS, LLC**

THIS AGREEMENT FOR TRANSFER OF CALIFORNIA HOT SPRINGS SEWER AND WATER COMPANIES (the “**Agreement**”) is made and entered into as of the date of complete execution as evidenced by the date of the last signature below and the date on which both Advice Letters are signed (the “**Contract Date**”) with an effective date as determined under Section 4 of this Agreement (the “**Effective Date**”) by and between: Ronald W. Gilbert and Mary E. Gilbert, Individually and as Trustees of the Ronald W. Gilbert and Mary E. Gilbert Family Trust Created August 5, 1998 (collectively “**Transferors**” and “**Sellers**”), Water Rejuvenation Inc., a California corporation (“**WRI**”) and Sanctuary of the Sacred Waters, a California religious corporation (“**SW**”) (WRI and SW are referenced herein individually as “**Transferee**” and collectively as “**Transferees**”), and Ikigai Hot Springs LLC, a California limited liability company (“**Ikigai**”). Transferors, Transferees and Ikigai are collectively referred to as “**the Parties**.”

**RECITALS**

This Agreement is entered into in view of the following.

- A. The above named Transferors, as Transferor, entered into an Agreement for Transfer of the California Hot Springs Water and Sewer Companies (the “**Sewer and Water Company Agreement**”) with Ikigai, or Designee, as Transferee, as of March 18, 2022.
- B. More than 3.5 years have elapsed since the closing of the Sewer and Water Company Agreement.
- C. Ikigai has designated WRI to be the Transferee that will acquire California Hot Springs Sewer Company (“**Sewer Company**”) in exchange for the Transfer Payment;
- D. Ikigai has designated SW to be the Transferee that will acquire California Hot Springs Water Company (“**Water Company**”) in exchange for the Transfer Payment.
- E. Concurrent with this Agreement, Transferor is signing advice letters to the California Public Utility Commission (the “**PUC**”) for the purpose of initiating the transfer of ownership and issuance of Certificates of Public Convenience and Necessity (“**CPCN**”) and utility service tariffs of Water Company to SW and Sewer Company to

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WRI [in substantially the form attached as Annex A] (the “**Advice Letters**”). The date when (i) a final CPCN has been issued to SW for Water Company, (ii) to WRI for Sewer Company, and (iii) the utility services tariffs of Water Company and Sewer Company have been transferred to SW and WRI, respectively, is referred to herein as “Complete Transfer” or the “**Complete Transfer Date**.”

- F. Ikigai Hot Springs, LLC or its designee also desires to purchase the residential real property located at 41904 Hot Springs Drive, California Hot Springs, CA 93207.

For good and valuable consideration, Transferors and Transferees hereby agree as follows:

1. **Incorporation of Recitals.** The Recitals above are adopted by the Parties and expressly incorporated in this Agreement.

2. **Transfer of Sewer and Water Companies.**

A. **Transfer of Rights of Sewer Company.** Effective upon Complete Transfer, all rights of Sewer Company (including all rights in personal property, bank account balances, receivables, facilities, pipelines, structures, fixtures, pumps, and other tangible and intangible assets of any kind) shall transfer to WRI by operation of this Agreement.

B. **Transfer of Rights of Water Company.** Effective upon Complete Transfer, all rights of Water Company (including all rights in personal property, bank account balances, receivables, facilities, pipelines, structures, fixtures, pumps, and other tangible and intangible assets of any kind) shall transfer to SW by operation of this Agreement.

C. **Immediate Assumption of Operational Control.** SW shall assume control of the operations of each of the Companies on the Contract Date. From the Contract Date through the time of Complete Transfer, SW, acting through its corporate Secretary and Treasurer, Bertram Meyer, shall act as Interim Manager of the Companies, including SW acting as an agent on behalf of WRI for Sewer Company until Complete Transfer. SW agrees that it will assume full responsibility for operation of the Companies from the Contract Date onward, and will be exclusively responsible for all costs and liabilities incurred in connection with the Companies from the Contract Date onward, subject to the transitional allocation and timing provisions for the Mandated Items described below. For purposes of this Agreement, the “**Mandated Items**” means: (i) mandated repairs and compliance work required by the State Water Resources Control Board and/or any Regional Water Quality Control Board prior to Contract Date for the Companies, including without limitation the requirements identified in the May 20, 2025 letter; (ii) replacement of the West Springs bridge, which licensed structural engineer Donald David has recommended be “treated . . . as unsafe to occupy or cross,” pending comprehensive assessment and rehabilitation or replacement. (Report of Double D Engineering dated in a report dated November 17, 2025); and (iii) installation of new utility piping in the most cost-effective manner after bridge replacement to connect utility customers located west of the West Springs bridge. The Parties agree that (A) the responsibility and obligation to carry out the mandated water system repairs and achieve compliance for the

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Water Company shall be transferred to SW; (B) the responsibility and obligation to replace the West Springs bridge and dismantle and remove the existing bridge shall be transferred to Ikigai; and (C) the responsibility and obligation to install new utility piping after bridge replacement to reconnect customers located west of the West Springs bridge shall be transferred to SW. Given the lead time required to plan, procure, and commence the Mandated Items, Transferors shall remain

responsible and liable for third-party claims and liabilities arising out of, attributable to, or based upon conditions existing prior to the Contract Date with respect to the Mandated Items until the earlier of (x) three

(3) months after the Contract Date, or (y) the date the responsible Party (SW or Ikigai, as applicable) commences physical work on the applicable Mandated Item, provided that Bertram Meyer shall provide Transferors at least two (2) days advance notice of the commencement of such work. The first-party costs of undertaking the work associated with the Mandated Items shall be borne by the parties identified in this Paragraph 2.C. However, any third-party claims associated with the Mandated Items will be subject to the above temporal restrictions. Except as expressly set forth in this Agreement, Transferors remain responsible for all liabilities, obligations, and fines that arose or accrued prior to the Contract Date, including any fines, penalties, or assessments imposed upon either of the Companies by any governmental authority for any period prior to the Contract Date.

**i. Handling of Third-Party Claims Against Transferors.** SW's authority as Interim Manager of the Companies does not extend to the handling or consideration of any third-party claims which implicate Transferors' indemnification obligations under Paragraph 6(b) of this Agreement. All such claims shall be immediately forwarded to Transferors.

From the Contract Date through the Complete Transfer Date, SW shall provide activity summaries to Transferors on a bi-weekly basis.

**D. Transfer of Operations on the Contract Date.** Immediately upon the Contract Date, Transferors shall cease all participation in the operation of Sewer Company and Water Company. SW as Interim Manager shall be responsible for collecting the payments of all customers of the Sewer Company and the Water Company. SW as Interim Manager shall be empowered to represent the Water Company and the Sewer Company to PUC, waterboard and local authorities, and shall have full authority to execute any applications, reports, or representations on behalf of Water Company or Sewer Company. Upon the Contract Date, the name on the Southern California Edison account for both companies will be changed to Transferees and PO Box/Address and Mail shall be transferred and directed to the Transferees. Upon the Contract Date, Transferors shall cease to be responsible for any new reports, reporting or ongoing regulatory compliance (such transfer of responsibility does not apply to unfiled annual reports due before Contract Date or compliance issues that may have arisen before Contract Date).

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E. **No Assumption of Prior Debt; Warranty; Indemnity.** Except for the obligations expressly set forth in this Agreement (the “**Express Assumed Obligations,**” including, without limitation, the obligations set forth in Paragraph 3 and the allocation of responsibilities for the Mandated Items in Paragraph 2.C), neither Ikigai nor any Transferee nor either Company shall assume or be liable for any debts, liabilities, obligations, or accounts payable of either Company of any kind (whether known or unknown, disclosed or undisclosed), including without limitation any obligations to Transferors or the Gilberts or any third party, that arose or accrued prior to the Contract Date. Transferors and the Gilberts represent and warrant that, other than the Express Assumed Obligations, there are no unpaid or unsatisfied debts, liabilities, obligations, or accounts payable of either Company as of the Contract Date. Transferors shall hold harmless, indemnify, and defend Ikigai and the Transferees from and against any and all costs, liabilities, penalties, fines, damages,

and third-party claims (including demands for payment) arising from or based upon any such pre-Contract Date debts, liabilities, obligations, acts, omissions, or conditions of either Company.

3. **Documentation of Claimed Invoices and Expenses; Settlement Payment; Assumption of Purchased Water Balance.** Transferors acknowledge receipt of a documentation package from Ikigai offered in support of Ikigai’s claims that amounts are due and owing for (i) unpaid electricity bills, (ii) unpaid water and sewer system repairs paid for by Ikigai, and (iii) unpaid purchased water, in the asserted aggregate amount of Ninety-Three Thousand Eight Hundred Two Dollars (\$93,802.00) (the “**Claimed Amount**”). Without admitting liability or wrongdoing, and solely as a compromise settlement of disputed claims, the Parties agree to resolve and handle the Claimed Amount as follows: Within seven (7) days after complete execution of this Agreement, Transferors shall pay Fifty-Five Thousand Dollars (\$55,000.00) to Ikigai. The Parties agree that such payment is made as partial settlement of the Claimed Amount and, by agreement, is applied to the electricity and repair components and a portion of the purchased water component. The remaining balance of Thirty-Eight Thousand Eight Hundred Two Dollars (\$38,802.00), representing the unpaid purchased water component, shall be assumed by SW as an obligation and liability owed to Ikigai, and SW shall be responsible for payment and satisfaction of such assumed obligation on terms agreed between Ikigai and SW. Nothing in this Paragraph 3 shall be construed as an admission by Transferors as to the validity or amount of any underlying invoice, expense, or claim, except for the Parties’ agreement to make the payment and assumption described above as part of this settlement.

1.B **SALT Program Fees.** Transferors acknowledge that there are outstanding fees due under Tulare County’s SALT program (calculation to be attached as Annex B). Within seven (7) days after complete execution of this Agreement, Transferors shall remit such outstanding SALT program fees to Water Rejuvenation Inc. (WRI), who will assume the responsibility to achieve compliance.

2.B **Records and Cooperation for Past Annual Reports.** To enable restoration of regulatory compliance, within ten (10) days after complete execution of this Agreement

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Transferors shall provide Bertram Meyer (and/or his designees) with complete copies of all expense receipts, paid invoices, unpaid invoices, notes and workpapers relating to annual reports, and all financial records in Transferors' possession or control for the Companies for the period Jan 1, 2022 through the Contract Date, in reasonably organized form, so that approximate annual reports for past years can be prepared and filed to restore compliance.

4. **Transfer Approval.** The transfer of the companies pursuant shall be deemed complete and the Effective Date of this Agreement is when the transfer of ownership described herein has been approved by the California Public Utilities Commission (PUC) and any other state or local agency whose approval of such transfer is required by law, and such transfer has been reflected in a certificate of public conveyance or other equivalent certification from the PUC (herein, "**Transfer Approval**"). It is understood that Transferor and Transferees will seek such Transfer Approval upon signature of this Agreement and will promptly, faithfully and proactively collaborate in any communication or actions reasonably needed for such approval to occur.

5. **Sale of 41904 Hot Springs Drive.** The parties agree that Ikigai will purchase the real property located at 41904 Hot Springs Drive, California Hot Springs 93207, commonly known as Tulare County Assessor's Parcel No. 327-270-001, for the price of five hundred thousand dollars (\$500,000.00) in the condition as inspected on February 12, 2026 or materially equivalent. The sale will be further memorialized and finalized through an agreement to be prepared by Brian Gilbert.

### 6. **Indemnification Provisions.**

A. **Indemnification of Gilberts by Transferees.** Notwithstanding any other provision of this Agreement or any other agreement, each Transferee (solely with respect to the Company it will acquire) and the Transferees jointly (with respect to matters affecting both Companies) shall hold harmless, indemnify, and defend Ronald W. Gilbert and Mary E. Gilbert, in both their individual capacities and their capacities as Trustees of the Ronald W. Gilbert and Mary E. Gilbert Family Trust created August 5, 1998, and their agents, co-venturers, members and employees, from and against all costs, liabilities, and third-party claims for either of the Companies, liability for which arises from acts or omissions occurring on or after the Contract Date and are brought by third parties who are not agents, co-venturers, or affiliates of Transferors. For clarity, with respect to the Mandated Items, this indemnity applies only after the applicable transitional period described in Paragraph 2.C. This indemnity does not apply to liabilities that arose or accrued prior to the Contract Date (including, without limitation, any fines, penalties, or assessments imposed by any governmental authority for any period prior to the Contract Date).

B. **Indemnification of Ikigai and Transferees by Transferors.** Notwithstanding any other provision of this Agreement or any other agreement, Transferors shall hold harmless, indemnify, and defend Transferees, Ikigai and its agents, co-venturers, members and employees, from and against all costs, liabilities, and third-party claims for either of the Companies which arose prior to the Contract Date or are based upon alleged acts or omissions

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of the Utilities prior to Contract Date and are brought by third parties other than Ikigai, Transferees, or the agents, co-venturers or affiliates of Ikigai or either Transferee. Without limiting the foregoing, Transferors shall bear and remain solely responsible for any fines, penalties, or assessments imposed by any governmental authority for any period prior to the Contract Date.

### **7. General Release With 1542 Waiver**

A. **Release of Transferors.** Ikigai and Transferees, each on its own behalf and each on behalf of its respective successors, predecessors, affiliates, assigns, designees, employees, agents, and attorneys, hereby release Transferors, and each of Transferors' respective successors, predecessors and family members, and each of them (collectively "Transferor Releasees") from any and all claims, demands, causes of action, suits, liens, obligations, charges, losses, damages, judgments, attorneys' fees, costs, promises, liabilities, and demands of every nature, kind, and description whatsoever, in law or in equity, whether known or unknown, fixed or contingent, suspected or unsuspected, matured or not matured, liquidated or unliquidated, which Ikigai and Transferees may have ever had, now have, or may claim to have had against Transferors, in any manner related to or arising from the events and transactions between the parties associated with this

Agreement or the Sewer and Water Company Agreement dated March 18, 2022, whether directly or indirectly, by reason of any act or omission whatsoever, concerning any matter, cause, or thing, from the beginning of time to the Contract Date of this Agreement (hereafter, "the Ikigai Released Matters").

B. **Release of Ikigai and Transferees.** Transferors on their own behalf and each on behalf of their respective successors, predecessors, affiliates, assigns, designees, employees, agents, and attorneys, hereby release Ikigai, Transferees, and each of Ikigai's respective successors, predecessors and family members, and each of them (collectively "Transferee Releasees") from any and all claims, demands, causes of action, suits, liens, obligations, charges, losses, damages, judgments, attorneys' fees, costs, promises, liabilities, and demands of every nature, kind, and description whatsoever, in law or in equity, whether known or unknown, fixed or contingent, suspected or unsuspected, matured or not matured, liquidated or unliquidated, which Transferor may have ever had, now have, or may claim to have had against Ikigai and Transferees, in any manner related to or arising from the events and transactions between the parties associated with this Agreement, the Sewer and Water Company Agreement dated March 18, 2022, whether directly or indirectly, by reason of any act or omission whatsoever, concerning any matter, cause, or thing, from the beginning of time to the Contract Date of this Agreement (the "Gilbert Released Matters").

### **C. 1542 Waiver.**

Except for the obligations contained in this Agreement, and on the express condition that the Agreement and the Advice Letters have been fully executed by the Parties, all Parties granting the foregoing releases acknowledge that there is a risk that, subsequent to the execution of this Agreement and the Advice Letters, they may incur, suffer or sustain injury,



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To Transferees & 42265 Hot Springs Ct.  
Ikigai: PO Box 65  
California Hot Springs, CA  
93207  
[berti.s.meyer@googlemail.com](mailto:berti.s.meyer@googlemail.com)

Copy to:

Bertram Meyer  
24 Ayala Court  
San Rafael, CA 94903  
[berti.s.meyer@googlemail.com](mailto:berti.s.meyer@googlemail.com)

And copy to:

Stephen G. Preonas  
Katzoff & Riggs LLP  
1500 Park Ave., Suite 300  
Emeryville, CA 94608  
[spreonas@katzoffriggs.com](mailto:spreonas@katzoffriggs.com)

9. **Dismissal of Actions.** Within three (3) business days of complete execution of this Agreement:

A. The parties shall jointly request dismissal of the entire action in Tulare County Superior Court Case No. VCU321154, *Gilbert v. Ikigai Hot Springs, LLC et al.*, with prejudice.

B. Ikigai shall dismiss with prejudice the litigation pending before the CPUC in Case No. C-25-05-005, *Ikigai Hot Springs, LLC v. Gilbert*.

10. **Counterparts.** This Agreement may be executed in one or more counterparts and each such counterpart shall be deemed to be an original; all counterparts so executed shall constitute one instrument and shall be binding on all of the parties to this Agreement notwithstanding that all of the parties are not signatory to the same counterpart.

11. **Construction.** This Agreement shall be governed by and construed under the laws of the State of California. The Parties acknowledge that each party and/or its counsel have reviewed and revised this Agreement and that no rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Agreement or any schedules or exhibits to it or any document executed and delivered by either party in connection with this Agreement. All captions in this Agreement are for reference only and shall not be used in the interpretation of this Agreement or any related document. If any provision of this Agreement shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of this Agreement and all such other provisions shall remain in full force and effect.

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12. **Legal Counsel.** Each party in entering into this Agreement acknowledges that he, she, or it understands the consequences of entering into this Agreement. This Agreement is a product of joint negotiations and was drafted jointly by or on behalf of the Parties to this Agreement and shall not be interpreted against any party on the basis that the party or the party's attorney drafted any of its provisions.

13. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and, to the extent permitted hereby, their respective heirs, legal representatives, successors and assigns.

14. **Invalidity.** If any term or provision of this Agreement shall to any extent or for any reason be held invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but the remainder of this Agreement and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law, subject to invalidity.

15. **Waivers; Extensions.** No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for the performance of any obligation or act shall be deemed an extension of time for the performance of any other obligation or act.

16. **No Admission of Liability.** This Agreement is the compromise of disputed claims and fully and finally settles all claims between the parties. Neither the promises herein nor the performance of its terms

shall be construed as an admission of liability. Except for the obligations created by this document, the parties hereto expressly deny any and all liability associated with or related to the matters settled and released herein.

17. **Execution of Instruments and Cooperation.** The Parties hereto agree to execute, notarize and deliver any and all documents, make all endorsements, and do all acts which are necessary or convenient to carry out the terms of this Agreement. The Parties further agree to reasonably cooperate in all manners necessary and convenient to effectuate the terms of this Agreement

18. **Fees and Costs.** The Parties shall each pay their own attorney's fees and litigation costs associated with the legal actions and all matters relating thereto.

19. **Attorneys' Fees.** In the event any action or proceeding at law or in equity between Transferors and Transferee to enforce or interpret any provision of this Agreement or to protect or establish any right or remedy of either Transferors or Transferee hereunder, the unsuccessful party to such action or proceeding shall pay to the prevailing party all costs and expenses including, without limitation, reasonable attorneys' and paralegals' fees and expenses, statutory and non-statutory costs, incurred by such prevailing party, in such action

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or proceeding and in any appeal in connection therewith, whether or not such action, proceeding or appeal is prosecuted to judgment or other final determination, together with all costs of enforcement and/or collection of any judgment or other relief.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement on the dates set forth below to be effective on the Contract Date as defined above:

Ikigai Hot Springs, LLC

By:

Bertram Meyer, Manager Dated: February 18, 2026

Water Rejuvenation Inc.

By:

Bertram Meyer, Its CEO "Transferee" Dated: February 18, 2026

Ronald W. Gilbert and Mary E. Gilbert, as Trustees of the Ronald W. Gilbert and Mary E. Gilbert Family Trust Created August 5, 1998

By:

Ronald W. Gilbert, Trustee "Transferor" and "Seller Dated: February 18, 2026

By:

Mary E. Gilbert, Trustee "Transferor" and "Seller" Dated: February 18, 2026

Sanctuary of the Sacred Waters,  
a California Religious corporation

By:

Bertram Meyer, Its Secretary and Treasurer "Transferee" Dated: February 18, 2026

Ronald W. Gilbert "Transferor" Dated: February 18, 2026

Mary E. Gilbert "Transferor" Dated: February 18, 2026

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**CALIFORNIA HOT SPRINGS WATER AND SEWER COMPANY**

**ADVICE LETTER NO. 16-S AND 24-W SERVICE LIST**

Lisa Ponzio  
1760 Airline Highway  
Hollister, CA, 95762

Dianne Tanner  
1722 E. Pacific Ave.  
Tulare, CA, 93274

Richard Bien  
22145 Caminito Laureles  
Laguna Hills, CA 92653

Sean Stevens  
6630 Chari Lane  
Somis, CA 93066

Sueng Min Yoon  
2010 Ross Street  
Vernon, CA 90059

Kathryn Curtis  
428 Loma Prieta Dr.  
Aptos, CA, 95003

Doug Peyton  
1181 Sierra Ave.  
Clovis, CA, 93612

Jeff Duda  
2716 Alvarado Drive  
Bellingham, WA 98229

Chuck McFate  
8735 Owens Street  
Sunland, CA 91040

Jeannette Erassaret  
5513 Olive Dr.  
Bakersfield, CA, 93308

Dan Brown  
P.O. Box 66  
California Hot Springs, CA, 93206

Ernie Fellingner  
530 N. Howard St.  
Glendale, CA. 91206

Lloyd Suehiro  
1707 S. Corning Street  
Los Angeles, CA 90035

U.S. Post Office  
California Hot Springs, CA 93207

Sohyung Pak  
134 Seal Ct.  
Marina, CA, 93933

Darin Garrett  
1278 W. Henderson Ave.  
Porterville, CA, 93257

Gene Koo  
P.O. Box 1019  
Marina, CA 93933

Steve Hulsey  
P.O. Box 114  
California Hot Springs, CA 93207

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Steve Young  
1824 – 27th Ave.  
Lomita, CA 90717

L. Harper Curti  
2461 Dover Canyon Dr.  
Tulare, CA, 93274

Peter Kim  
13650 Del Monte Dr., #36C  
Seal Beach, CA 90740

Edwarda Stevens  
20357 Avenue 148  
Porterville, CA, 93257

Alex Shey  
3520 E. 1st St., #301  
Long Beach, CA, 90803

Capineros  
P.O. Box 35  
California Hot Springs, CA 93207