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A PUBLIC AGENCY

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General Manager

HOLLY H. HUGHES  
Secretary-Treasurer

October 18, 2012

California Water Service  
2632 West 237th Street  
Torrance, CA 90505  
Attn: Jorge Cabradilla (PID#10391)

**Re: 20<sup>th</sup> Street West & Avenue N Turnout Capacity Fee and Bid Phase Deposit**

Jorge,

Enclosed please find an invoice for the following:

1. Per Resolution R-12-14, capacity fee in the amount of \$271,705.00.
2. Deposit to AECOM for bid phase services for the above mentioned turnout in the amount of \$ 3,000.00.

Please contact me at (661) 943-3201 or (661) 816-3449 with questions.

Sincerely,

Michael Flood  
Agency Engineer  
AVEK Water Agency

RESOLUTION NO. R-12-14

RESOLUTION OF THE BOARD OF DIRECTORS OF  
ANTELOPE VALLEY-EAST KERN WATER AGENCY  
ESTABLISHING WATER CAPACITY CHARGES TO BE  
PAID AT THE TIME OF CONNECTION TO AGENCY  
FACILITIES

WHEREAS, in 1990 the Board of Directors of Antelope Valley-East Kern Water Agency adopted Resolution No. R-90-1 pursuant to the Agency's governing act and applicable provisions of the Government Code establishing Agency capacity charges to be collected for new connections to the water systems of retail water purveyors having connections to the Agency's wholesale transmission and distribution system, because those connections create additional demand for capacity within the Agency's water production, treatment and delivery facilities; and

WHEREAS, Resolution R-90-1 was thereafter amended and replaced by subsequent resolutions which revised the amount of the Agency's capacity charges applicable to new connections to the water systems of retail water purveyors having connections to the Agency's wholesale transmission and distribution system, and the successor resolution currently in effect is Resolution No. R-07-19 adopted on 10/30/07; and

WHEREAS, consistent with the rationale for adopting Resolution No. R-90-1 and its successor resolutions, this Board has determined that it is likewise appropriate to impose and collect capacity charges for new connections directly to this Agency's wholesale water transmission and distribution system, which also create

additional demand for capacity within the Agency's water production, treatment and delivery facilities; and

WHEREAS, this Board has further determined that the methodology used to calculate and impose the capacity charges set forth in Resolution No. R-90-1 and its successor resolutions should apply to the capacity charges imposed pursuant to this resolution, and that for each such connection to the Agency's facilities the amount of the charge should be the same as the charge which would have been imposed within the service area that is located most immediately proximate to said connection; and

WHEREAS, the written reports prepared by the Agency's consulting engineers in support of Resolution No. R-90-1 and its successor resolutions also support the capacity charges set forth herein, and have been continuously available for review by the public for more than fourteen days prior to the adoption of this resolution; and

WHEREAS, this Agency has satisfied the notice requirements that apply to the adoption of this resolution;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Antelope Valley-East Kern Water Agency that for each new connection to the Agency's water transmission and distribution system, the amount of the capacity charge to be paid to the Agency shall be determined as follows:

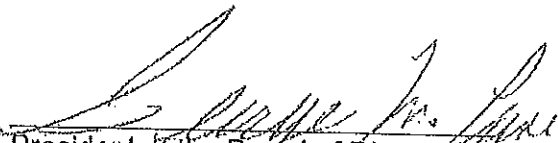
- (a) If the new connection will serve a wholesale purveyor that existed in 1990, a capacity charge shall be paid by the new wholesale customer, at the time of connection to the Agency's system, equal to the cumulative amount of the capacity charges that would have been paid to

the Agency within the most immediately proximate service area identified in Resolution No. R-90-1 if the purveyor had been connected to the Agency's system in 1990 when Resolution No. R-90-1 was in effect.

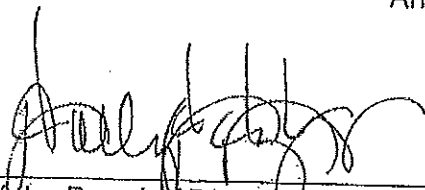
(b) If the new connection will serve a customer that is not a wholesale purveyor, or did not exist in 1990, a capacity charge shall be paid by the new customer, at the time of connection to the Agency's system, equal to the amount of the capacity charge would be paid if it were a new retail connection to a wholesale customer of the Agency located within the most immediately proximate service area identified in Resolution No. R-90-1.

BE IT FURTHER RESOLVED that in addition to the capacity charge to be paid pursuant to this resolution, the customer shall also be responsible for all costs incurred in making each new connection to the Agency's system, including the cost of designing and constructing the turnout, metering and pipeline facilities, inspection, and compliance with environmental and regulatory requirements.

ADOPTED this 28th day of August, 2012.

  
\_\_\_\_\_  
President of the Board of Directors of  
Antelope Valley-East Kern Water Agency

ATTEST:

  
\_\_\_\_\_  
Secretary of the Board of Directors  
of Antelope Valley-East Kern Water Agency

CERTIFICATION

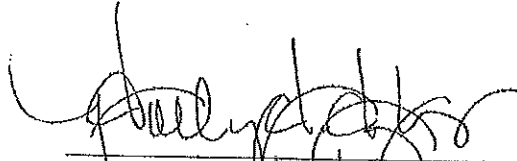
I, Holly Hughes, Secretary of the Board of Directors of Antelope Valley-East Kern Agency, hereby certify that the foregoing is a full, true and correct copy of Resolution No. R-12-14 adopted by the Board of Directors of said Agency at a regular meeting of said Board conducted on the 28th day of August, 2012, by the following vote:

AYES: *O'Houghlin, Syas, Sondro, Lane, Rutledge, Barnes, Rizzo*

NOES: *0*

ABSENT: *0*

ABSTAIN: *0*

  
\_\_\_\_\_  
Holly Hughes, Secretary

(seal)

RECOMMENDED BOARD ORDER

To the Board of Directors

FOR BOARD ACTION

RESOLUTION NO. R-12-14,  
ADJUSTING WATER SUPPLY  
CAPACITY CHARGE

The Board of Directors adopted the following board order on  
August 28, 2012:

To Adopt Resolution No. R-12-14, Providing for an Adjustment of  
the Antelope Valley-East Kern Water Agency Capacity Charges.

Motion by

Syas

Second by

Donato

Carried

F. J. Ayer

BOARD ORDER 11 (a)

08-28-12

Cal Water - Lancaster System  
Capacity Fee Calcs.  
(assuming fee equivalent to WFF)

Year	New Connections	AVEK Fee	Total
1990		\$ 1,420.00	\$ -
1991	3	\$ 1,420.00	\$ 4,260.00
1992	1	\$ 1,420.00	\$ 1,420.00
1993	2	\$ 1,420.00	\$ 2,840.00
1994		\$ 1,420.00	\$ -
1995		\$ 1,420.00	\$ -
1996	2	\$ 1,420.00	\$ 2,840.00
1997	2	\$ 1,420.00	\$ 2,840.00
1998	3	\$ 1,420.00	\$ 4,260.00
1999	1	\$ 1,420.00	\$ 1,420.00
2000	1	\$ 1,575.00	\$ 1,575.00
2001	5	\$ 1,730.00	\$ 8,650.00
2002	2	\$ 1,890.00	\$ 3,780.00
2003	7	\$ 1,990.00	\$ 13,930.00
2004	74	\$ 2,055.00	\$ 152,070.00
2005	8	\$ 4,448.00	\$ 35,584.00
2006	4	\$ 4,988.00	\$ 19,952.00
2007	2	\$ 5,428.00	\$ 10,856.00
2008		\$ 5,428.00	\$ -
2009	1	\$ 5,428.00	\$ 5,428.00
2010		\$ 5,428.00	\$ -
2011		\$ 5,428.00	\$ -
<b>Totals</b>	<b>118</b>		<b>\$ 271,705.00</b>

# INVOICE



**ANTELOPE VALLEY  
EAST KERN WATER AGENCY**  
6500 WEST AVENUE N  
PALMDALE, CA 93551-2855  
PH:(661) 943-3201 FAX:(661) 943-3204

INVOICE NUMBER: 18442  
INVOICE DATE: 10/17/12  
PAGE: 1

Voice: 661 - 943-3201  
Fax: 661 - 943-3204

**SOLD TO:**

Jorge Cabradilla

California Water Service  
2632 W. 237th St.  
Torrance, CA 90505

CUSTOMER ID: CUSTOMER PROJ: PAYMENT TERMS:

cal water Net Due  
SABRES RECEIVED SHIPPING METHOD: SHIP DATE: DUE DATE:

QUANTITY: ITEM NUMBER: Courier DESCRIPTION: UNIT PRICE: EXTENSION: 10/17/12

Capacity Fee - 20th Street	271,705.00
Bid Phase Deposit - 20th Street	3,000.00

Subtotal	274,705.00
Sales Tax	
Total Invoice Amount	\$274,705.00
Payment Received	0.00
<b>TOTAL DUE</b>	<b>\$274,705.00</b>

cc: California Water Service  
2632 W. 237th St.  
Torrance, CA 90505