

Resolution W-4655
Apple Valley/AL 140-W/FLC/JPT/EYC/AJT/jlj

August 23, 2007

APPENDIX A

APPLE VALLEY RANCHOS WATER COMPANY
 21760 OTTAWA ROAD
 P. O. BOX 7005
 APPLE VALLEY, CALIFORNIA 92307-7005

ORIGI L Cal. P.U.C. Sheet No. 563-W

Canceled Cal. P.U.C. Sheet No.

RULE NO. 15
 (continued)

MAIN EXTENSIONS

- c 1. f. A Supplemental Water Acquisition Fee will be charged to all applicants for a main extension to serve a new subdivision, tract, housing project, industrial development, commercial building, or shopping center as a refundable advance in order to address issues of long-term availability and cost of water supply. The purpose of the Supplemental Water Acquisition Fee will be to fund AVR's pre-purchase of Replacement Water from the Mojave Water Agency (MWA), or for AVR to acquire water rights should they become readily available. Pre-purchased Replacement Water purchased from MWA will be capitalized by AVR and amortized to expense over a 40-year period consistent with the life of the advance contract. The Supplemental Water Acquisition Fee will be calculated as follows:*
- Residential developments \$3,000 per lot (N)
- Commercial, Industrial, or other developments \$3,000 per equivalent average residential water use based on the water use of a similar business or facility. (N)
- Applicants will have the option to either: 1) pay the entire fee at the time of completion of the main extension at the current rate; or 2) pay the fee for each lot, or equivalent, at the time the meter is set, subject to whatever changes to the rate or nature of the fee are in effect at that time. (N)
- *Development for which use of water rights is provided for under the Water Supply Agreement between AVR and Jess Ranch Water Company are exempt from this fee. (N)

(continued)

(To be inserted by utility)	Issued By	(To be inserted by Cal. P.U.C.)
Advice No. <u>140-W</u>	<u>LEIGH K. JORDAN</u> Name	Date Filed _____
Dec. No. _____	<u>EXECUTIVE VICE PRESIDENT</u> Title	Effective _____
		Resolution No. _____

APPLE VALLEY RANCH WATER COMPANY
 21760 OTTAWA ROAD
 P. O. BOX 7005
 APPLE VALLEY, CALIFORNIA 92307-7005

RE. JED Cal P.U.C. Sheet No. 564-W
 Canceled REVISED Cal P.U.C. Sheet No. 531-W

RULE NO. 15
 (continued)

MAIN EXTENSIONS

- C. 2. Refunds
- a. The amount advanced under Section C.1.a, C.1.b, C.1.c, C.1.d, and C.1.f shall be subject to refund by the utility, in cash, without interest, to the party or parties entitled thereto as set forth in the following two paragraphs. The total amount so refunded shall not exceed the total of the amount advanced and for a period not to exceed 40 years after the date of the contract. (C)
 - b. Payment of refunds shall be made not later than June 30 of each year, beginning the year following execution of contract, or not later than 6 months after the contract anniversary date if on an anniversary date basis.
 - c. Whenever costs of main extensions and/or special facilities have been advanced pursuant to Section C.1.a, C.1.b, or C.1.c, the utility shall annually refund to the contract holders an amount equal to 2 ½ percent of the advances until the principal amounts of the contracts have been fully repaid.

Whenever costs of special facilities have been advanced pursuant to sections C.1.b, or C.1.c, the amount so advanced shall be divided by the number of lots (or living units, whichever is greater) which the special facilities are designed to serve, to obtain an average advance per lot (or living unit) for special facilities. When another builder applies for a main extension to serve any lots for which the special facilities are to be used, the new applicant shall, in addition to the costs of his proposed main extension, also advance an amount for special facilities. This amount shall be the average advance per lot for special facilities for each lot to be used less 2 ½ percent of the average advance for each year in which refund have been due and payable on the original contract, prorated to June 30, or the contract anniversary date on a monthly basis.

The amount advanced to the utility by the new applicant shall be immediately refunded to the holder of the original contract, which included the cost of the special facilities, and the original contract advance will be reduced accordingly. The utility will thenceforth refund 2 ½ percent annually on each of the contract amounts, as determined above, to the holders of the contract.

Advances and refunds based on additional builder participation will be determined in a similar manner.

In no case shall the refund on any contract exceed the amount advanced.

(continued)

(To be inserted by utility)	Issued By	(To be inserted by Cal. P.U.C.)
Advice No. 140-W	LEIGH K. JORDAN	Date Filed
	Name	Effective
Doc. No.	EXECUTIVE VICE PRESIDENT	Resolution No.
	Title	

APPLE VALLEY RANCHOS WATER CO. REVISED Cal. P.U.C. Sheet No. 565-W
 21768 OTTAWA ROAD
 P. O. BOX 7005
 APPLE VALLEY, CA 92307-7005 Canceling REVISED Cal. P.U.C. Sheet No. 207-W, 208-W, 209-W,
 210-W, 211-W, 212-W

FORM NO. 5 - Page 1 of 4

MAIN EXTENSION CONTRACT

**SUBDIVISIONS, TRACTS, HOUSING PROJECTS, INDUSTRIAL DEVELOPMENTS,
 COMMERCIAL BUILDINGS, OR SHOPPING CENTERS**

JOB #: 410XXXXX

UTILITY: Name: Apple Valley Ranchos Water Co.
 Address: P.O. Box 7005, Apple Valley, CA 92307

APPLICANT: Name: _____
 Address: _____

 City, State Zip

PRELIMINARY STATEMENT: This contract is entered into pursuant to the requirements of and in accordance with the various applicable provisions of the Utility's Main Extension Rule (hereinafter referred to as the "Rule") in effect and on file with the California Public Utilities Commission ("CPUC"), a copy of which is available upon request. This contract does not require specific authorization of CPUC to carry out the contract terms and conditions.

PURPOSE OF CONTRACT: Applicant hereby applies for a water main extension. The facilities or work described in attached Exhibit B shall be installed or performed by Utility and those described in Exhibit C installed by Applicant and conveyed to the Utility. Such facilities will be used for the purpose of furnishing public utility water service to that certain property whose location is described below and/or delineated on the map attached as Exhibit A and known as:

Main Extension for	Located at
[Job Name]	[Description of location - between x and y streets]

Utility agrees that it will, as soon as necessary materials and labor are available, and necessary permits, franchises, licenses or other governmental authorizations have been obtained, commence and prosecute to completion with all reasonable diligence the work of installing the facilities or performing work described in attached Exhibit B, and when the facilities or work described in Exhibit B has been completed, and the facilities described in Exhibit C are complete and accepted by Utility, and, if Applicant elects Option 2 with respect to Section C.I.I.F., the requirements of the Main Extension Contract For Supplemental Water Acquisition Fee Paid Under Option 2 have been met, will provide utility service in accordance with Utility's tariffs.

(continued)

(To be inserted by utility)	(To be inserted by Cal. P.U.C.)
Advice No. 140-W	Date Filed
LEIGH K. JORDAN Name	Effective
Dec. No. EXECUTIVE VICE PRESIDENT	Resolution No.
TRF	

APPLE VALLEY RANCHOS W. R. CO. REVISED Cal. P. Sheet No. 566-W
 21760 OTTAWA ROAD 207-W, 208-W, 209-W,
 P. O. BOX 7005
 APPLE VALLEY, CA 92307-7005 Canceled REVISED Cal. P.U.C. Sheet No. 210-W, 211-W, 212-W

FORM NO. 5 Page 2 of 4
MAIN EXTENSION CONTRACT

FACILITIES TO BE INSTALLED

1. Subject to Refund (Section C.2)

a) Distribution System (Applicable - Non Applicable)

Applicant shall advance the amount of \$ _____ to cover the cost of distribution facilities or work performed described in Exhibit B pursuant to Section C.1.a. of Rule No. 15 which amount includes \$ _____ which has already been deposited pursuant to Section A.5.b. of Rule No. 15, before construction of the main extension is commenced, subject to revision of the amount advanced pursuant to Section A.6.e. of Rule. Applicant agrees to pay the cost of installed facilities described in Exhibit C, pursuant to Section C.1.c. of Rule. The portion of such cost to be treated as an Advance Subject To Refund shall not exceed \$ _____.

b) Special Facilities (Applicable - Non Applicable)

Applicant shall advance the estimated cost of special facilities (other than fire protection) described in Exhibit B pursuant to Section C.1.b. of Rule 15, which is \$ _____, or pay the cost of special facilities, described in Exhibit C, installed pursuant to Section C.1.c. of Rule 15, the amount of such cost to be treated as an advance subject to refund not to exceed \$ _____, and transfer good title to said facilities to utility. Either amount is to be refunded pursuant to Section C.2.c. of Rule 15. The number of lots or living units to be served by these special facilities shall be considered to be _____.

c) Supply Facilities Fee (Applicable - Non Applicable)

Applicant shall advance the amount of \$ _____ the cost of supply facilities for described in Exhibit B pursuant to Section C.1.a. of Rule. This amount is for _____ 5/8" Meter Equivalents, which is spread over _____ parcels.

d) Supplemental Water Acquisition Fee (Applicable - Non Applicable) (Option 1 - Option 2)

Applicant shall advance the amount of \$ _____, the cost of supplemental water acquisition fee described in Exhibit B pursuant to Section C.1.f. of Rule, paid prior to completion of the project according to Option 1. This amount is for _____ residential lots and commercial, industrial, or other meters with _____ average residential water use equivalents based on the water use of a similar business or facility. If Applicant elects to pay the fee under Option 2, a separate Main Extension Contract For Supplemental Water Acquisition Fee Paid Under Option 2 must be executed.

3) Not Subject to Refund

a) Fire Protection (Applicable - Non Applicable)

If the distribution system is designed to meet fire flow requirements in excess of the minimum fire flow contained in Section VIII 1(a) in CPUC General Order No. 103, as ordered by Decision No. 82-04-089 dated April 21, 1982, Applicant shall pay, as a contribution in aid of construction pursuant to Section D.2 of Rule, the increase in cost of the distribution mains necessary to meet such higher fire flow requirements. The amount of such cost, included in either Exhibit B or Exhibit C, is \$ _____.

(continued)

(To be inserted by utility)

(To be inserted by Cal. P.U.C.)

Advice No. 140-W LEIGH K. JORDAN Date Filed _____
 Name _____
 Dec. No. _____ EXECUTIVE VICE PRESIDENT Effective _____
 Title _____ Resolution No. _____

APPLE VALLEY RANCHOS WA CO. REVISED Cal. P. Sheet No. 567-W
 21760 OTTAWA ROAD
 P. O. BOX 7005 207-W, 208-W, 209-W,
 APPLE VALLEY, CA 92307-7005 Canceling REVISED Cal. P.U.C. Sheet No. 210-W, 211-W, 212-W

FORM NO. 5 Page 3 of 4 (N)
MAIN EXTENSION CONTRACT (N)
 (continued)

If private fire protection services or other facilities are included in the distribution system for which the customer is responsible for the cost and which Utility will own pursuant to Rule 16 - Service Connections, Meters and Customer's Facilities, Applicant shall pay, as a contribution in aid of construction, the cost of these facilities. The amount of such cost, included in either Exhibit B or Exhibit C, is \$ _____ (N)

b) Special Facilities (Applicable - Non-Applicable)

If facilities other than mains or hydrants are required to provide supply, pressure, or storage primarily for fire protection service, or portion of such facilities allocated in proportion to the capacity designed for fire protection purposes, Applicant shall pay, as a contribution in aid of construction pursuant to Section D.3 of Rule 15, the estimated or allocated cost of special facilities primarily required to provide fire protection service, which is \$ _____

c) Plant Facilities (Applicable - Non-Applicable)

Pursuant to Section C.1.d. of Rule, if, in the opinion of the utility it appears that a proposed main extension will not, within a reasonable period, develop sufficient revenue to make the extension self-supporting, or if for some other reason it appears to the utility that a main extension contract would place an excessive burden on customers, the utility may require nonrefundable contributions of plant facilities from developers in lieu of an advance subject to refund. Applicant agrees to contribute the amount of \$ _____ to cover the cost of facilities described in said Exhibit B before construction of the main extension is commenced, subject to revision of the amount advanced pursuant to Section A.6.a. of Rule. Applicant agrees to pay the cost of installed facilities described in Exhibit C, pursuant to Section C.1.c. of Rule, such cost to be treated as a contribution.

REFUNDS: The amount Advanced Subject to Refund shall be refunded pursuant to Section C.2. of Rule until Applicant shall notify Utility in writing to the contrary, all refunds hereunder shall be paid by Utility to Applicant.

ADJUSTMENT TO COST AND UTILITY'S RIGHT TO OFFSET: Amounts advanced or contributed are subject to adjustment pursuant to Section A.6.c. of Rule and Utility shall have the right to offset against any refunds payable hereunder, the amount of any indebtedness then due or owing by Applicant to Utility. (N)

(continued)

(To be inserted by utility) Advice No. <u>140-W</u> Name <u>LEIGH K. JORDAN</u> Title <u>EXECUTIVE VICE PRESIDENT</u>	(To be inserted by Cal. P.U.C.) Date Filed _____ Effective _____ Resolution No. _____
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APPLE VALLEY RANCHOS WATER CO.
 21760 OTTAWA ROAD
 P. O. BOX 7005
 APPLE VALLEY, CA 92307-7005

ORIGINAL Cal. P.U.C. Sheet No. 569-W

Canceled Cal. P.U.C. Sheet No.

FORM NO. 6 - Page 1 of 3 (N)

MAIN EXTENSION CONTRACT (N)

FOR SUPPLEMENTAL WATER ACQUISITION FEES PAID UNDER OPTION 2 (N)

JOB #: 416XXXXX (N)

UTILITY: Name: Apple Valley Ranchos Water Co. (N)
 Address: P.O. Box 7005, Apple Valley, CA 92307 (N)

APPLICANT: Name: _____
 Address: _____

 City State Zip

PRELIMINARY STATEMENT: This contract is entered into pursuant to the requirements of and in accordance with the various applicable provisions of the Utility's Main Extension Rule (hereinafter referred to as the "Rule") in effect and on file with the California Public Utilities Commission ("CPUC"), a copy of which is available upon request. This contract does not require specific authorization of CPUC to carry out the contract terms and conditions.

PURPOSE OF CONTRACT: Applicant has applied for a water main extension by executing a Preliminary Main Extension Contract with Utility for the main extension described below. The facilities or work to be installed or performed by Utility and those installed by Applicant and conveyed to the Utility, with the exception of Supplemental Water Acquisition Fees, are described in Exhibit B and in Exhibit C attached to that contract. Such facilities will be used for the purpose of furnishing public utility water service to that certain property located as described below and/or delineated on the map attached to that contract as Exhibit A and known as:

Main Extension for _____ Located at _____

[Job Name] [description of location - between x and y streets]

Utility agrees that it will, as soon as necessary materials and labor are available, and necessary permits, franchises, licenses or other governmental authorizations have been obtained, commence and prosecute to completion with all reasonable diligence the work of installing the facilities or performing work described in attached Exhibit B, and when the facilities or work described in Exhibit B has been completed, and the facilities described in Exhibit C are complete and accepted by Utility, and, if Applicant elects Option 2 with respect to Section C.1.E, the requirements of the Main Extension Contract For Supplemental Water Acquisition Fee Paid Under Option 2 have been met, will provide utility service in accordance with Utility's tariffs.

This contract covers Supplemental Water Acquisition Fees which Applicant has elected to pay under Option 2, at the time that meters are set. The Supplemental Water Acquisition Fees to be paid by Applicant in connection with the above main extension are described in Exhibit A attached to this contract. (N)

(continued)

(To be inserted by utility)	Issued By	(To be inserted by Cal. P.U.C.)
Advice No. 140-W	LEIGH K. JORDAN	Date Filed _____
	Name	Effective _____
Doc. No. _____	EXECUTIVE VICE PRESIDENT	Resolution No. _____
	Title	

APPLE VALLEY RANCHES & BR CO. ORIGINAL Cal. P.U.C. Sheet No. 570-W
 21760 OTTAWA ROAD
 P. O. BOX 7005
 APPLE VALLEY, CA 92307-7005

Canceled Cal. P.U.C. Sheet No.

FORM NO. 6 Page 2 of 3		(N)
MAIN EXTENSION CONTRACT		(N)
FACILITIES TO BE INSTALLED:		(N)
<p>1. <u>Subject to Refund (Section C.2)</u></p> <p>a) <u>Supplemental Water Acquisition Fee</u> Applicant shall advance the amount of \$ _____, the cost of supplemental water acquisition fee described in Exhibit A pursuant to Section C.1.f. of Rule No. 15, paid at the time that the meters are set according to Option 2. This amount is for _____ residential lots and commercial, industrial, or other meters with _____ average residential water use equivalents based on the water use of a similar business or facility. The above amount is subject to adjustment for changes in the rate or nature of the Fee approved by the CPUC applicable to any meters set after such change is approved.</p> <p><u>REFUNDS:</u> The amount advanced Subject to Refund shall be refunded pursuant to Section C.2. of Rule No. 15. Until Applicant shall notify Utility in writing to the contrary, all refunds hereunder shall be paid by Utility to Applicant.</p> <p><u>ADJUSTMENT TO COST AND UTILITY'S RIGHT TO OFFSET:</u> Amounts advanced or contributed are subject to adjustment pursuant to Section A.6.a. of Rule and Utility shall have the right to offset against any refunds payable hereunder, the amount of any indebtedness then due or owing by Applicant to Utility.</p> <p><u>CONDITIONS:</u> The Utility will close this contract at the end of the calendar year in which the main extension is completed covering whatever Supplemental Water Acquisition Fees have been paid up to that point. Applicant and utility agree to enter into a new contract for each subsequent calendar year, until all meters have been set, which will cover the Supplemental Water Acquisition Fees due on whatever meters have not yet been set at that time.</p> <p>Supplemental Water Acquisition Fees paid under Option 2 are subject to whatever changes in rate or nature of the Fee which may have been approved by the CPUC at the time that the meter is set.</p> <p><u>SUCCESSORS AND ASSIGNS:</u> The obligations of the Applicant shall be joint and several. This agreement shall bind and inure to the benefit of the heirs, representatives, executors, administrators, successors and/or assigns of the respective Parties hereto.</p> <p><u>JURISDICTION OF PUBLIC UTILITIES COMMISSION:</u> This Contract shall at all times be Subject to such changes or modifications by the Public Utilities Commission of the State of California or as said Commission may, from time to time, direct in the exercise of its jurisdiction.</p> <p>The effective date of this Contract shall be _____ (Date)</p>		
(continued)		(N)

(To be inserted by utility)	Issued By	(To be inserted by Cal. P.U.C.)
Advice No. <u>140-W</u>	<u>LEIGH K. JORDAN</u> Name	Date Filed _____
Doc. No. _____	<u>EXECUTIVE VICE PRESIDENT</u> Title	Effective _____
		Resolution No. _____

APPLE VALLEY RANCHOS WATER CO.
21760 OTTAWA ROAD
P. O. BOX 7005
APPLE VALLEY, CA 92307-7005

ORIGINAL of P.U.C. Sheet No. 571-W

Canceled _____ Cal. P.U.C. Sheet No. _____

FORM NO. 6 Page 3 of 3		(N)
MAIN EXTENSION CONTRACT		(N)
(continued)		
SIGNATURE PAGE:		(N)
Dated: _____, 20__	By: _____ Authorized Representative of Apple Valley Ranchos Water Company	(N)
	Title: _____	(N)
Dated: _____, 20__	By: _____ Authorized Representative of Applicant	(N)
	Title: _____	(N)

(To be inserted by utility)

Issued By

(To be inserted by Cal. P.U.C.)

Advice No. 140-W

LEIGH K. JORDAN
Name

Date Filed _____

Dec. No. _____

EXECUTIVE VICE PRESIDENT
Title

Effective _____

Resolution No. _____