APPLE VALLEY RANCHOS
WATER COMPANY

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APPLE VALLEY RANCHOS WATER COMPANY 1999 WATER QUALITY REPORT

Apple Valley Ranchos Water Co.

Consumer Confidence Report

1999/2000 Annual Water Quality Report

Important Information About Your Drinking Water

This Consumer Confidence Report is just that—a report to assure you about the quality of the water delivered to your home. Recently, there have been several television and newspaper reports about the state of drinking water. For example, some reports allege radon in our water is threatening our health, arsenic is found at unacceptable levels, and MTBE may have contaminated one-third of the nation's groundwater supplies. A closer look at bottled water reveals it may not be as pure as we once thought. What should we do, stop drinking water? Certainly that is not the answer. What is important is becoming knowledgeable about the quality of the water you drink so you can know whether the news reports affect you or are issues occurring elsewhere.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. For example, fluoride occurs naturally in your water although at small levels. Fluoride is present in practically all water supplies, soils, plants, and animals, and therefore is a normal constituent in our diet. In fact fluoride in water can promote public health through the prevention of tooth decay. But too much fluoride can be harmful. That is why the United States Environmental Protection Agency (EPA) and the California Department of Health Services (DHS) regulate the water delivered to your home so that the chemicals in the water you drink, such as fluoride, are at safe levels.

This Consumer Confidence Report tells about where your water comes from and what kinds of contaminants are found in your drinking water. The Report compares the levels of contaminants in your tap water to the health regulations so you can understand the quality of the water you drink.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. USEPA/Center for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline 1-800-426-4791.

Apple Valley Ranchos Water Company (www.avrwater.com) strives to act responsibly as stewards of the water we supply to our customers. Read on to learn more about your tap water.

ESTE INFORME CONTIENE INFORMACION MUY IMPORTANTE SOBRE SU AGUA BEBER. TRADUZCALO O HABLE CON ALGUIEN QUE LO ENTIENDA BIEN.

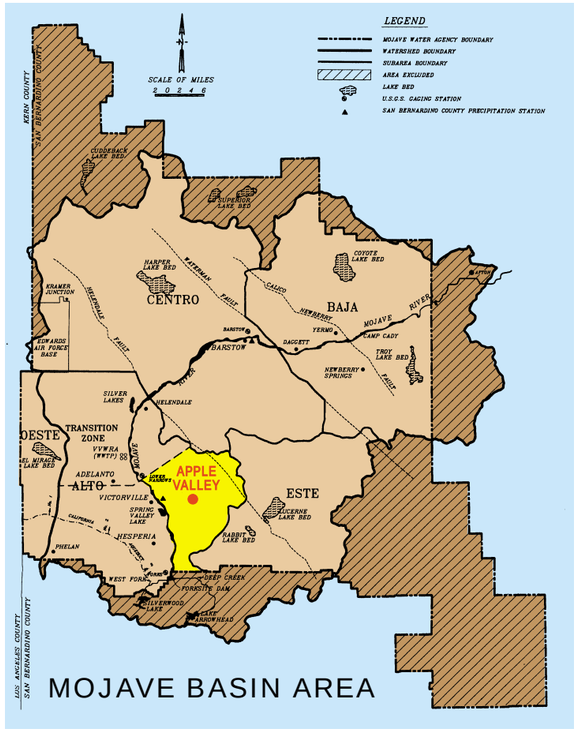
RECYCLED PAPER

Where Does Your Water Come From?

Apple Valley Ranchos Water Company pumps 100% of our source water from 21 deep wells located throughout the community. These wells draw water from the deep Mojave aquifer. This plentiful and high quality aquifer is recharged from snowmelt from the San Bernardino Mountains to the south and the Mojave River to the west. Also, the Mojave Water Agency imports water from the California State Water Project to spread in the Mojave River to help recharge the ground water.

The ground water in the Mojave Basin has been adjudicated. In other words, this is a "managed" water basin with all the pumping rights appropriated to historical users to protect against depletion of this resource. Additionally, over the next two and one half years, Apple Valley Ranchos Water Company will be performing a "source water assessment" to identify potential contaminating sources. This effort will help all of us better protect the aquifer from contaminating activities into the future.

Some of the water we pump has been age-dated close to 10,000 years old by the United States Geologic Survey. That means it has been protected and naturally filtered for a long time. Because the water travels through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can potentially pick up substances resulting from the presence of animals or human activity. Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the United States Environmental Protection Agency's (EPA) Safe Drinking Water Hotline at (800) 426-4791.



MOJAVE BASIN AREA

Capital Improvements

One of the most important aspects of operating a public water system is reinvestment in infrastructure. Pipeline and facility replacement is an often overlooked necessity to assuring continued superior service. Maintaining a strong infrastructure benefits everyone in the community. In addition, many neighboring water utilities rely on Apple Valley Ranchos Water Company as an emergency source of water supply.

Apple Valley Ranchos Water Company System Improvements • 1992-1999 •

Water Main and Hydrant Improvement	Length of Water Main Installed (feet)*	Number of New Fire Hydrants	Water Supply Improvements	Total Dollars Reinvested
$8,807,143	246,177	137	$1,394,810	$10,201,953

**does not include distribution main acquired from Town of Apple Valley*

Since AVR has become part of Park Water Company, it has a history of reinvesting back into the company. Over the last eight years, AVR has invested approximately $11.7 million in the water system. This figure includes AVRs purchase of the Town of Apple Valley's water system in 1998 that added 2-one million gallon storage tanks and a 900 gallon per minute well to our system. The table above summarizes these improvements.

INVESTING IN YOUR WATER SYSTEM, REHABILITATION OF WELL #9 IS NEARLY COMPLETE.

AVRWC Now on The World Wide Web

This report along with other useful consumer and resource information can now be obtained from the Internet. Find us at www.avrwater.com. And as usual, your comments are welcomed.

Automated Information Service Now Available at AVRWC

Misplaced your bill and need to know the amount and due date? Want to check if your payment has been received, or what your account balance is? Don't have time to wait on hold to talk to the next available representative? Access your account 24-hours a day, 7 days a week using the new automated information service now available at AVR. Simply have your 10 digit account number handy and dial 247-3162, or 800-481-9190, and choose from the available options to find the answers to these and other questions. And don't worry if you get lost. You can press zero during regular business hours to talk to one of our friendly customer service representatives. Use it today!

Emerging Water Quality Issues

RADON

By the end of the year 2000, EPA will have finalized a new regulation for radon in drinking water. Radon is a colorless, odorless gas that is present virtually everywhere on Earth. It appears that this long awaited regulation will be unique to any other drinking water regulation in that it will require a strong indoor air program to be run by the State of California. This makes sense since the National Academy of Sciences (NAS) has determined that 98% of the health threat from radon occurs in air while no more than 2% comes from water.

Radon levels in AVR wells range from 220 to 1,920 pCi/L (picoCuries per liter of water) with an average of 465 pCi/L. The NAS estimates that this level equates to approximately 0.0465 picoCuries in indoor air, which is about 1/100th of the recommended indoor air standard and is about 1/10th of the average outdoor level in the United States.

Radon is the second leading cause of lung cancer next to smoking. Because of this, EPA recommends that all homeowners test their homes for radon and take mitigation measures if indoor air exceeds 4 pCi. To obtain information on radon and how it may affect your home or business, call the State of California Department of Health Services Radon Information line at (800) 745-7236.

ARSENIC

Arsenic is a naturally occurring metal in the earth's crust. Weathering of rocks and erosion deposit arsenic in water bodies, which is consumed by animals and plants. Consumption of food and water are the major sources of arsenic exposure for the majority of U.S. citizens. The Safe Drinking Water Act, as amended in 1996, requires EPA to revise the existing drinking water standard for arsenic this year. The process for revising the standard is complex, and EPA must consider a range of scientific and economic factors. **Arsenic levels in your drinking water are below the new lower levels being considered by the EPA.**

MTBE

MTBE, methyl tertiary butyl ether, is a fuel oxygenate that makes gasoline burn more cleanly. Despite its air pollution reduction benefits, MTBE in underground fuel tanks has seeped into drinking water wells in a number of communities around the country. It has also been found in some surface water sources because of recreational boating. On March 20, 2000, President Clinton announced that MTBE would be banned as a fuel additive. In May 2000, the California Department of Health Services established a health-based regulation for MTBE in water. **MTBE has not been detected in your tap water.**

BOTTLED WATER

The Natural Resources Defense Council concluded from a four-year review of the bottled water industry that there is no assurance that bottled water is any cleaner or safer than water from the tap. In fact, an estimated 25% or more of bottled water is really just tap water in a bottle -- sometimes further treated, sometimes not. The FDA is responsible for bottled water safety at the federal level. The FDA is studying different methods to provide information to consumers on the contents of bottled water similar to the Consumer Confidence Report.

What Kinds of Contaminants Might be Found in Drinking Water

In order to ensure that tap water is safe to drink, EPA and the DHS prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. The federal Food and Drug Administration (FDA) and DHS regulations also establish limits for contaminants in bottled water, which must provide the same protection for public health.

Contaminants that may be present in source water include:

- Microbial contaminants, such as viruses and bacteria that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- Inorganic contaminants, such as salts and metals, that can be naturally occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- Organic chemical contaminants, including synthetic and volatile organic chemicals that are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, and septic systems.
- Radioactive contaminants, that can be naturally occurring or be the result of oil and gas productions and mining activities.

This report describes those contaminants that have been detected in the analysis of 145 different potential contaminants, 100 of which are regulated by EPA and the California Department of Health Services. **AVR is pleased to tell you that there have been no contaminants detected that exceed any federal or state drinking water standards.** All primary (health related) and secondary (aesthetic) drinking water standards are being met.

This report is intended to provide information for all water users. If received by an absentee landlord, a business, or a school, please share the information with tenants, employees or students. We will be happy to make additional copies of this report available. Complete records of water quality analyses are open for inspection by the public upon request.

You may also access this report on the Apple Valley Ranchos web page at www.avrwater.com.

If you would like more information about water quality, please call:
Marc Mullen at (760) 247-6484.

Definitions

Public Health Goal (PHG):
The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

Maximum Contaminant Level Goal (MCLG):
The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency.

Maximum Contaminant Level (MCL):
The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.

Primary Drinking Water Standard:
MCLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

Regulatory Action Level:
The concentration of a contaminant that, if exceeded, triggers treatment or other requirements that a water system must follow.

Water Results

Apple Valley Ranchos Water Co. -- 1999 / 2000 Annual Water Quality Report

Water Quality Parameters Detected in Apple Valley Ranchos Sources (Wells)

PRIMARY STANDARDS --Mandatory (health-related) INORGANIC CHEMICALS	MCL	PHG or (MCLG)	Units of Measurement	Range (including highest value)	Results for Apple Valley Wells (a)	(b) Date of Last Measurement	Potential Sources of Contamination
Aluminum	1	none	ppm	<0.01 - 0.01	ND	97/98/99	Erosion of natural deposits
Arsenic	50	none	ppb	<2 - 7	2.1	97/98/99	Erosion of natural deposits; runoff from orchards, glass and electronics production wastes
Barium	1	2	ppm	0.01 - 0.046	0.015	97/98/99	Erosion of natural deposits; discharges of oil drilling wastes and from metal refineries
Chromium (total)	50	2.5	ppb	<1 - 5	2	97/98/99	Erosion of natural deposits; discharge from steel and pulp mills and chrome plating
Copper	AL = 1.3 #	0.17	ppm	<0.05 - 0.24	0.087	1998	Erosion of natural deposits; internal corrosion of household plumbing; leaching from wood preservatives
Fluoride	2	1	ppm	0.2 - 1.4	0.7	97/98/99	Erosion of natural deposits; discharge from fertilizer and aluminum factories; water additive that promotes strong teeth (not added by AVR)
Nitrate (as NO3)	45	45	ppm	<2.0 - 17	5.4	1999	Erosion of natural deposits; runoff and leaching from fertilizer use; leaching from septic tanks and sewage
RADIONUCLIDES							
Gross Alpha	15	(0)	pCi/L	0 - 14.3	3.2	96/97/98/99	Erosion of natural deposits
Radium 226/Radium 228	5	(0)	pCi/L	NA* or 0 - 1.8	NA*	96/97/98/99	Erosion of natural deposits
Uranium	20	(0)	pCi/L	NA** or 0 - 8	NA**	96/97/98/99	Erosion of natural deposits
ORGANIC CHEMICALS							
Total Trihalomethanes (TTHMs)(c)	100	none	ppb	3.8 - 11	7.3	quarterly	By-product of drinking water chlorination

SECONDARY STANDARDS --Aesthetic standards (non health-related) CHEMICAL PARAMETERS	MCL	PHG or (MCLG)	Units of Measurement	Range (including highest value)	Results for Apple Valley Wells (a)	(b) Date of Last Measurement	Potential Sources of Contamination
Aluminum	0.2	none	ppm	<0.010 - 0.01	ND	97/98/99	Erosion of natural deposits
Chloride	500	none	ppm	3 - 331	40	97/98/99	Runoff/leaching from natural deposits
Corrosivity (Langlier Index) (d)	non-corrosive	none	non-corrosive	(-0.5) - (+0.5)	+ 0.04 non-corrosive	97/98/99	Natural or industrially-influenced balance of hydrogen, carbon and oxygen in the water; affected by temperature and other factors
Foaming Agents (MBAS)	500	none	ppb	<50 - 130	ND	97/98/99	Municipal and industrial waste discharges
Iron	300	none	ppb	<50 - 100	ND	97/98/99	Leaching from natural deposits; industrial wastes
Specific Conductance	1,600	none	michromos	150 - 1580	487	97/98/99	Substances that form ions when in water
Sulfate	500	none	ppm	6 - 258	96	97/98/99	Runoff/leaching from natural deposits; industrial wastes
Total Dissolved Solids (TDS)	1,000	none	ppm	90 - 970	314	97/98/99	Runoff/leaching from natural deposits
PHYSICAL PARAMETERS							
Color	15	none	units	<3 - 8	4	97/98/99	Naturally occurring organic materials
Odor Threshold	3	none	units	< 1 - 1	0.51	97/98/99	Naturally occurring organic materials
Turbidity/clarity	5.0	none	NTU	< 0.2 - 0.5	0.16	97/98/99	Soil runoff

Water Quality Parameters Measured in the Distribution System

DISTRIBUTION SYSTEM	MCL	PHG or (MCLG)	Units of Measurement	Range (including highest value)	AVR Results	Frequency of Measurement
Asbestos (e) (f)	7,000,000	7,000,000	fibers/liter	11	11	1998 -- once every 9 yrs.
Chlorine residual	NS	none	ppm	0.01 - 0.63	0.25	weekly
Microbiological (f) (g)	5% positive	(0)	present/absent	0.00%	0.00%	weekly
E. coli/Fecal coliform (f) (g)	0	(0)	present/absent	0	0	weekly
Color	15	none	units	<3	<3	monthly
Odor-Threshold	3	none	units	1	1	monthly
Turbidity	5	none	NTU	<0.1 - 0.2	0.1	monthly

Detected Unregulated Chemicals That May be of Interest to Consumers

ADDITIONAL PARAMETERS --unregulated	MCL	PHG or (MCLG)	Units of Measurement	Range (including highest value)	Results for Apple Valley Wells (a)	(b) Date of Last Measurement
Aggressiveness Index (h)	NS	none	units	11.3 - 12.4	11.9	97/98/99
Alkalinity (as Ca CO3)	NS	none	ppm	53 - 100	84	97/98/99
Bicarbonate	NS	none	ppm	65 - 122	99	97/98/99
Boron	NS	none	ppm	<0.1 - 1.1	0.37	97/98/99
Calcium	NS	none	ppm	10 - 116	33	97/98/99
Hardness (Ca CO3)	NS	none	ppm	29 - 409	110	97/98/99
Hardness (grains)	NS	none	grains	1.7 - 23.9	6.4	97/98/99
Magnesium	NS	none	ppm	1 - 29	7	97/98/99
Molybdenum	NS	none	ppm	0.001 - 1.1	0.045	97/98/99
pH	NS	none	units	7.6 - 8.7	8.1	97/98/99
Phosphate	NS	none	ppm	<0.3 - 9.1	0.51	97/98/99
Potassium	NS	none	ppm	<1 - 4.6	1.6	97/98/99
Radon	NS	none	pCi/L	220 - 1920	465	97/98
Sodium	NS	none	ppm	12 - 157	59	97/98/99

KEY TO ABBREVIATIONS AND FOOTNOTES

MCL = California Maximum Contaminant Level
NS = No Standard
ND = Not Detected
NA = Not Applicable at this time or not required to analyze.
NTU = Nephelometric Turbidity Units.
This is a measure of the suspended material in water.
ppm = parts per million or milligrams per liter
ppb = parts per billion or micrograms per liter

= Action level measured at the consumer's tap, a primary standard. Compliance determined at 90th percentile value. The value shown as "result" for lead and copper is the 90th percentile value for all samples.
< = less than, essentially equivalent to "not detected".
* = required only if Uranium exceeds 5 pCi/L.
** = required only if Alpha readings exceed 5 pCi/L.
pCi/L = picoCuries per liter.

(a) = The "results" are weighted according to the individual contribution in pumping by each well to the total.
(b) = The state allows us to monitor for some contaminants less than once per year because the concentrations of these contaminants do not change frequently. Some of our data, though representative, are more than one year old.
(c) = TTHM's are a by-product of chlorination of drinking water. Measured in the distribution system.
(d) = A positive Langlier Index indicates that the water is noncorrosive.
(e) = One sample taken in 1998 at the end of the longest run of asbestos-cement pipe in the distribution system. DHS has approved reduced monitoring to once every 9 years for asbestos.
(f) = Primary drinking water standard. The other standards for distribution system are secondary standards.
(g) = Total Coliform MCL's: No more than 5.0% of monthly samples may be total coliform-positive. Fecal Coliform/E. coli MCL: The occurrence of two consecutive total coliform-positive samples, one of which contains fecal coliform/E. coli constitutes an acute MCL violation (none occurred in 1999).
(h) = An aggressiveness index greater than 11 indicates that the water is not aggressive (noncorrosive).