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Apple Valley Ranchos Water Company is pleased to provide you with a copy of this year's Annual Water Quality Report. We have put together a series of articles that we hope will keep you better informed on water quality issues both in general and specific to what comes from your own tap. Please feel free to contact us should you ever have any questions about service or quality

WILL COMMERCIAL GROWTH CATCH UP WITH THE RESIDENTIAL BOOM?

Those of us who have made the High Desert our home for many years will not be surprised to hear of the area's phenomenal growth. Apple Valley Ranchos Water Company has increased its number of customer services by six thousand over the last ten years. Almost half of the total growth, about 2,890 services, has occurred within the last three years.

Are you tired of driving to Victorville to shop or to go to the movies? That could be quickly changing with all of the new businesses under construction. Apple Valley Plaza, located at the intersection of Bear Valley and Central Roads, is proposing a fourteen screen theater, retail and office space. The Apple Valley Commons, North of Hwy 18 at Apple Valley Inn Road, is the site for the new Super Target store, a bank and various retail and restaurant spaces. Just north of the Super Target are plans for a new Lowe's home improvement center. East of the Lowe's center is the site for the proposed Super Wal-Mart store. The Jess Ranch Marketplace on Bear Valley Road at Apple Valley Road boasts Mervyn's, Applebee's, Panda Express, and Staples as their magnet stores. Apple Valley Ranchos supplied the fire flow requirements that allowed Home Depot to be built in its present location.

Along with shortening your commute, a major benefit of this commercial growth is that it is commonly developer-funded. Simply put, the cost of the improvements to the water system are borne by the developer and **not by you**, the existing customer. In addition to the cost for new facilities, the developers are required to pay for the added demand to produce more water to serve these new developments. This was made possible through the implementation of a supply facility fee. This fee was requested by **you**, the public, in our last general rate case with the Public Utilities Commission. In an effort to assign the financial cost of new growth where it belongs (with the new growth) and to help limit rate increases to pay for new wells, these supply facility fees are used solely for the purpose of acquiring new wells to insure an adequate amount of water is available in the future.

The costs to build two new one and a half million gallon reservoirs were funded by developers in 2005 and 2006. The Corwin Reservoir, atop Catholic Hill southeast of the Corwin summit, has been operational since January of 2006, improving pressures in parts of northern Apple Valley. The Mockingbird Reservoir, east of Deep Creek Road, overlooks the Jess Ranch Development, and will allow us to serve the southern portion of our system. It will be put into service this summer, along with a new 3,000 gallon per minute well. The development community is also required to fund the purchase of pre-stored water in the basin, which will ensure adequate water for the future.

Apple Valley Ranchos is committed to keeping its promise of supplying this community with reliable, high quality drinking water. We are making the necessary investments today to insure, that despite the rapid growth within our community, we will have an abundant supply of water for the future. **Your** commitment to conservation and efficient water use will help us to realize this goal.



Apple Valley Commons development



New Corwin Tank Reservoir

Celebrating 60 Years of Service to the Community

APPLE VALLEY RANCHOS WATER COMPANY ANNUAL WATER QUALITY REPORT 2006/2007



Este informe contiene informacion muy importante sobre su agua potable. Traduzcalo o hable con alguien que lo entienda bien.

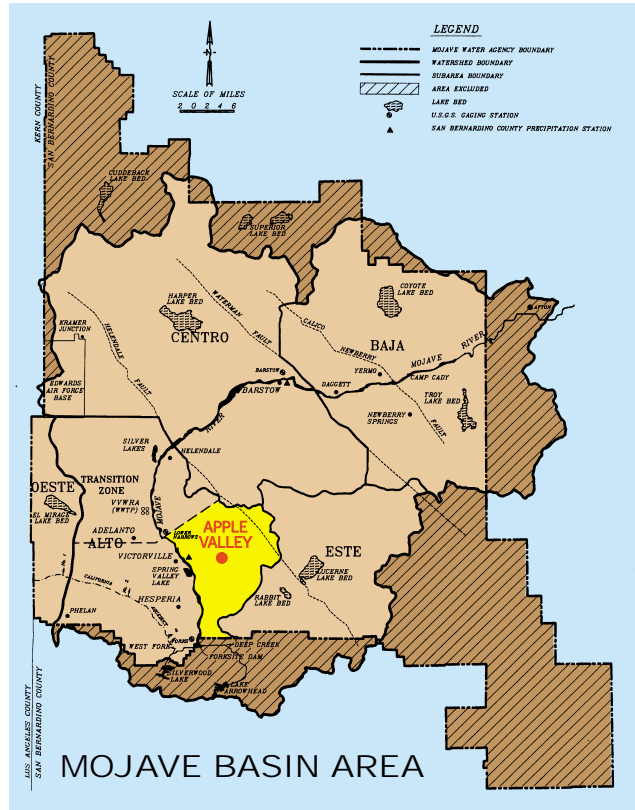


Apple Valley Ranchos Water Company Sources

Apple Valley Ranchos Water Company is pleased to provide you with our annual water quality report for 2006/07. This report is a summary of the quality of water provided in 2006. It reflects the many resources, both human and capital, required to bring you water that satisfies all of the requirements of the state and federal Safe Drinking Water Acts.

AVRWC pumps 100% of our source water from 24 deep wells located throughout the community. We will be adding a new well in 2007. These wells draw water from the deep Alto subunit of the Mojave ground water basin. This 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 (MWA) imports water from the California State Water project to spread in the Mojave River to help recharge the ground water. In 2003, MWA reached agreement with the Metropolitan Water District of Southern California to store an additional 75,000 acre feet of water in the Mojave basin in exchange for MWD to have the right to take an equal amount of water from the State Water Project in the future should there be a significant drought that would reduce imported water to the MWD. This exchange provides a significant benefit to the high desert community by providing a source of recharge water for the ground water basin.

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 very long time.



APPLE VALLEY RANCHOS WORKS TO IMPROVE FIRE INSURANCE RATING

With 2,495 fire hydrants in our system, chances are you have one nearby. Homeowners insurance is often priced according to the proximity of these life saving fixtures. The Insurance Service Office (ISO) rates fire departments and water companies nationwide from Class One to Class Ten. Apple Valley Ranchos is continuing its program to replace outdated single-headed standpipes with a larger diameter multi-headed fire hydrant. One hundred sixty have been replaced since mandated, with eighty hydrants a year being changed out. We expect for this program to be completed by the end of 2008. Apple Valley Ranchos Water Co. along with the Apple Valley Fire Protection District have earned an ISO rating of Protection Class Four.



Old stand pipe



New four-way fire hydrant

New Drinking Water Web Site for Consumers

The American Water Works Association has created a new website just for water consumers (that's everyone!). By logging onto www.drinktap.org, you can obtain many sources of information on drinking water, including educational pieces, water news, about the value of water, etc. Log on today and see what you can learn about drinking water.

NEWSWORTHY INFORMATION

AVR METER READING GOES WIRELESS

For 60 years AVR employees have read meters the same way; travel to the meter, lift the lid and read some numbers on the meter dial. Years ago we had paper cards to write the numbers on, and about 15 years ago we added small handheld computers to record the numbers. Today we have a new tool to help with the labor intensive process of reading meters; Automated Meter Reading or AMR.

AMR is a wireless system which, when installed with the meter, allows the meter reading staff to use a truck mounted receiver and a laptop computer to read the meter. The meter has a small battery powered transmitter that sends the information to the receiver, and this all happens while driving down the street. The battery life is expected to match the meter life of about 15 to 20 years.

This technology will help reduce the time needed to send a meter reader to every meter in the system every billing cycle. This change out process will not happen all at once, as we have about 20,000 service connections. We have installed 4,500 AMR meters so far, and plan on changing out about 2,000 per year over the next eight years. For more information on AMR, please contact Mike Reese at 760-247-6484.



AMR equipped meters look much the same as traditional meters.

Ranchos Water Celebrates 60 Years of Service

Apple Valley Ranchos Water Company is celebrating 60 years of "Safety & Service", as our "Little Newt" logo says. Newt Bass and Bud Westlund were selling land and residential lots in Apple Valley in 1945, and started the Apple Valley Mutual Water Company. In 1947 Apple Valley Building and Development started the Apple Valley Ranchos Water Company to serve the growing population of Apple Valley.

That little Apple Valley Mutual Water Company of 1945 has grown into the Apple Valley Ranchos Water Company of today. We have close to 20,000 service connections, over 450 miles of main, 24 wells, 14 emergency generators, 11 tanks, 4 booster pump stations and 14 pressure zones serving an area of about 50 square miles. And our growth isn't showing any signs of stopping, with new commercial and industrial services being set throughout town.

All of us at Apple Valley Ranchos Water Company say **Thank You** to our customers for 60 wonderful years and look forward to serving you for years to come.

California's Water; a Public Television Series

All Californians (including Apple Valley Ranchos Water Company's customers) have a chance to learn about California's water resources and the complex system of natural and man-made features that has allowed growing communities, businesses, productive farms and ecosystems to coexist in a state that receives little or no rain for months at a time. **California's Water** is a multi-part series for public television produced by Huell Howser. The series introduces viewers to California's water system and highlights key aspects of water management today, from water storage and water recycling to the Sacramento-San Joaquin Delta and Colorado River. In this 24 episode series, Huell Howser visits important features of California's water system and gets a first-hand look at various water management tools and challenges facing our water future. Watch for **California's Water** on KCET (channel 28) or KVCR (San Bernardino) for this entertaining and educational program on water.

EMERGING CONTAMINANTS & ISSUES

RADON

Radon is currently not regulated in drinking water. Radon is a colorless, odorless gas that is present virtually everywhere on Earth. Radon is a naturally occurring element formed by the natural decay of uranium in the ground. You cannot see, taste or smell it. As a gas, radon can seep into the home through cracks and holes in the foundation, becoming the largest source of indoor radon. Radon gas can also be released from drinking water while showering, washing clothes and during other household activities. 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 AVRWC wells range from 220 to 1,920 pCi/L (picoCuries per liter of water) with an average of 317 pCi/L. The NAS estimates that this level equates to approximately 0.0317 picoCuries/L 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 1-800-745-7236 or EPA's Radon Hotline at 1-800-SOS-RADON. Information is also available through the DHS radon website at www.dhs.ca.gov/radon.

WEST NILE VIRUS

You can help prevent West Nile virus outbreaks this summer:

- Eliminate standing water outdoors
 - Mosquitos breed in standing water. Empty water from cans, buckets, flowerpots, pet bowls, old tires and rain gutters.
- Guard against mosquito bites.
 - Minimize time spent outdoors at dawn and dusk when mosquitos are most active.
 - Wear long pants and long sleeve shirts when outdoors.
 - Apply mosquito repellent containing DEET, according to label instructions.
- For more information or to report a dead bird(s), call **1-877-WNV-BIRD** or visit www.westnile.ca.gov

TRIENNIAL PUBLIC HEALTH GOAL REPORT AND PUBLIC HEARING

Every three years, large water utilities must compare their source water quality to existing Public Health Goals (PHG's). This will occur again this year. AVR will be preparing a report on arsenic, fluoride, gross alpha radiation, radium and uranium. The report will describe any available treatment technology to remove or reduce these contaminants, the cost to treat for removal and the annual cost per customer to meet all PHG's. A public hearing to receive and respond to comments from the public will be held at the AVR office on Thursday, August 23, 2007 at 10:00 a.m. All interested members of the public are invited to attend.

WHAT EPA SAYS ABOUT THE KINDS OF CONTAMINANTS THAT MIGHT BE FOUND IN DRINKING WATER

As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. In order to ensure that tap water is safe to drink, USEPA and the California Department of Health Services (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 production and mining activities.

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. The tables in this report indicate which minerals and substances have been detected in the water provided by AVR. More information about contaminants and potential health effects can be obtained by calling the USEPA Safe Drinking Water Hotline at 1-800-426-4791. You can also go to the following websites for more information:

USEPA - www.epa.gov/safewater

Calif. Dept. of Health - www.dhs.ca.gov/ps/ddwem/

What are drinking water standards?

Drinking water standards are regulations that the United States Environmental Protection Agency (EPA) sets to control the level of contaminants in the nation's drinking water. EPA, the State Department of Health Services (DHS) and the California Public Utilities Commission (CPUC) are the agencies responsible for establishing drinking water quality standards in California. These standards are part of the Safe Drinking Water Act's "multiple barrier" approach to drinking water protection, which includes assessing and protecting drinking water sources; protecting wells and surface water; making sure water is treated by qualified operators; ensuring the integrity of distribution systems; and making information available to the public on the quality of their drinking water. With the involvement of EPA, DHS, the CPUC, drinking water utilities, communities and citizens, these multiple

barriers ensure that tap water is safe to drink. The water delivered to your home meets standards required by EPA, DHS and CPUC. To recover the growing cost of meeting and maintaining EPA, DHS and CPUC standards, AVR submits a General Rate Case to the CPUC every three years. The CPUC is responsible for establishing water rates for AVR.

If you would like more information about water quality, or to find out about upcoming opportunities to participate in public meetings, please call Jeff Kinnard at 760-247-9332, extension 323.

This report describes those contaminants that have been detected in the analysis of almost 200 different potential contaminants, nearly 100 of which are regulated by EPA and the California Department of Health Services. AVR is proud to tell you that there have been no contaminants detected that exceed any federal or state drinking water standards. Hundreds of samples every month and thousands taken every year by AVR contract certified laboratories assure that all primary (health related) and secondary (aesthetic) drinking water standards are being met. See the tables on the following page to see how your water quality rates.

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 AVR web page at www.avrwater.com.

SENSITIVE POPULATIONS MAY BE MORE VULNERABLE

Some people may be more vulnerable to contaminants in drinking water than the general population. Persons with compromised immune systems such as those 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 provider. The USEPA and the national Centers for Disease Control (CDC) have guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants. These are available by calling the Safe Drinking Water Hotline at 1-800-426-4791.

Water Results

Apple Valley Ranchos Water Co. -- 2006 / 2007 Annual Water Quality Report
Water Quality Parameters Detected in Apple Valley Ranchos Company Wells

PRIMARY STANDARDS --Mandatory (health-related)	State MCL	PHG or (MCLG)	Units of Measurement	AVR Range (including highest value)	Average for AVR Wells (a)	(b) AVR Date of Last Measurement	Potential Sources of Contamination
INORGANIC CHEMICALS							
Arsenic	10.0	0.004	ppb	< 2 - 4.6	1.6	2004/05/06	Erosion of natural deposits; runoff from orchards; glass and electronics production wastes
Fluoride	2.0	1.0	ppm	< 0.1 - 1.2	0.46	2004/05/06	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	2.5 - 17	6.4	2006	Erosion of natural deposits; runoff and leaching from fertilizer use; leaching from septic tanks and sewers
Nitrite/Nitrate (as N)	10	10	ppm	< 0.4 - 3.9	1.4	2006	Erosion of natural deposits; runoff and leaching from fertilizer use; leaching from septic tanks and sewers

RADIONUCLIDES	State MCL	PHG or (MCLG)	Units of Measurement	AVR Range (including highest value)	Average for AVR Wells (a)	(b) AVR Date of Last Measurement	Potential Sources of Contamination
Gross Alpha	15	(0)	pCi/L	< 3 - 7.8	ND	2001- 2006	Erosion of natural deposits
Radium 226	5	0.05	pCi/L	NA* or 0	ND	2001- 2006	Erosion of natural deposits
Radium 228	5	0.019	pCi/L	NA* or 0 - 1.58	ND	2001- 2006	Erosion of natural deposits
Uranium	20	0.43	pCi/L	NA** or < 2 - 5.6	ND	2001- 2006	Erosion of natural deposits

2004	Action Level	PHG or (MCLG)	Units of Measurement	Number of Samples Collected	No. of Sites Exceeding Action Level	90th Percentile Level Detected	Potential Sources of Contamination
LEAD AND COPPER MONITORING							
Copper	1.3	0.17	ppm	30	0	0.054	Internal corrosion of household water plumbing systems
Lead	15	2	ppb	30	0	ND	Internal corrosion of household water plumbing systems

Water Quality Parameters Measured in the Distribution System

DISTRIBUTION SYSTEM	State MCL	PHG or (MCLG)	Units of Measurement	AVR Range (including highest value)	Average for AVR Wells (a)	(b) AVR Date of Last Measurement	Potential Sources of Contamination
Chlorine residual	MRDL = 4	MRDLG = 4	ppm	0.01 - 1.09	0.42	weekly	Added for disinfection purposes
Heterotrophic Plate Count Bacteria	NS	none	CFU/ml	< 1 - 399	10	weekly	Naturally present in the environment
Color	15#	none	units	< 1 - 4	1	monthly	Naturally occurring organic materials
Turbidity	5#	none	NTU	< 0.1 - 0.54	0.15	monthly	Soil run-off
Total Trihalomethanes (TTHMs)	80	none	ppb	7.3 - 16	10.3	quarterly	By-product of drinking water disinfection
Haloacetic Acid (HAA-5)	60	none	ppb	< 1.0 - 1.8	ND	quarterly	By-product of drinking water disinfection

SECONDARY STANDARDS --Aesthetic standards (non health-related)	State MCL	PHG or (MCLG)	Units of Measurement	AVR Range (including highest value)	Average for AVR Wells (a)	(b) AVR Date of Last Measurement	Potential Sources of Contamination
CHEMICAL PARAMETERS							
Chloride	500	none	ppm	4 - 310	29	2004/05/06	Runoff/leaching from natural deposits; seawater influence
Corrosivity (Langlier Index) (c)	non-corrosive	none	pos/neg	(-0.6) - (+ 0.6)	0.09	2004/05/06	Natural or industrially-influenced balance of hydrogen, carbon & oxygen in the water; affected by temperature and other factors
Iron	300	none	ppb	< 100 - 300	ND	2004/05/06	Leaching from natural deposits; industrial wastes
Specific Conductance	1,600	none	micromho/cm	169 - 1410	381	2004/05/06	Substances that form ions when in water; seawater influence
Sulfate	500	none	ppm	6 - 240	61	2004/05/06	Runoff/leaching from natural deposits; industrial wastes
Total Dissolved Solids (TDS)	1,000	none	ppm	120 - 960	248	2004/05/06	Runoff/leaching from natural deposits

SECONDARY STANDARDS --Aesthetic standards (non health-related)	State MCL	PHG or (MCLG)	Units of Measurement	AVR Range (including highest value)	Average for AVR Wells (a)	(b) AVR Date of Last Measurement	Potential Sources of Contamination
PHYSICAL PARAMETERS							
Color	15	none	units	< 3 - 3	ND	2004/05/06	Naturally occurring organic materials
Odor Threshold	3	none	units	1	1	2004/05/06	Naturally occurring organic materials
Turbidity/clarity	5.0	none	NTU	< 0.1 - 1.2	0.3	2004/05/06	Soil runoff

Unregulated Chemicals Requiring Monitoring	State MCL	PHG or (MCLG)	Units of Measurement	AVR Range (including highest value)	Average for AVR Wells (a)	(b) AVR Date of Last Measurement
Boron	NL = 1,000	none	ppb	< 100 - 890	193	2002
Hexavalent Chromium	NS	none	ppb	< 1 - 7	2	2002
Vanadium	NL = 50	none	ppb	4 - 43	14	2002

Detected Unregulated Chemicals That May be of Interest to Consumers##

ADDITIONAL PARAMETERS --unregulated	State MCL	PHG or (MCLG)	Units of Measurement	AVR Range (including highest value)	Average for AVR Wells (a)	(b) AVR Date of Last Measurement
Aggressiveness Index (d)	NS	none	units	11.3 - 12.5	11.9	2004/05/06
Alkalinity (as Ca CO3)	NS	none	ppm	42 - 93	75	2004/05/06
Calcium	NS	none	ppm	11 - 120	30	2004/05/06
Hardness (Ca CO3)	NS	none	ppm	32 - 423	98	2004/05/06
Hardness (grains)	NS	none	grains	1.9 - 24.7	5.7	2004/05/06
Magnesium	NS	none	ppm	1 - 32	5.7	2004/05/06
pH	NS	none	units	7.5 - 8.7	8.1	2004/05/06
Potassium	NS	none	ppm	< 1 - 5.2	1.8	2004/05/06
Radon	NS	none	pCi/L	220 - 1920	317	1997/98
Sodium	NS	none	ppm	13 - 160	43	2004/05/06

KEY TO ABBREVIATIONS AND FOOTNOTES

MCL = Maximum Contaminant Level, a drinking water standard
 AL = Action Level
 ND = Not Detected
 NL = Notification Level, the level at which notification of the public water system governing body is required (formerly known as Action Level)
 NS = No Standard
 NA = Not Applicable at this time or not required to analyze for
 NTU = Nephelometric Turbidity Units. This is a measure of the suspended material in water.
 CFU/ml = colony forming units per millimeter
 ppm = parts per million or milligrams per liter
 ppb = parts per billion or micrograms per liter

pCi/L = picoCuries per liter
 # = a secondary (aesthetic) drinking water standard.
 ## = Unregulated contaminant monitoring helps EPA and the DHS to determine where certain contaminants occur and whether the contaminants need to be regulated. Boron, Hexavalent chromium and vanadium were monitored as part of the federal and state Unregulated Contaminant Monitoring Regulations.
 < = less than (essentially equivalent to ND)
 * = phased monitoring began in 2005 and will be completed in 2007 for a new EPA regulation effective 12/2004. Not all wells have been monitored at this time.
 ** = Ca DHS has waived AVR from further Uranium monitoring. Not all wells required monitoring.

(a) = The average is weighted according to the individual contribution in pumping by each well to the total (active wells only).
 (b) = The state allows us to monitor for some contaminants less than once per year because the concentrations of these contaminants in groundwater sources do not change frequently. Some of our data, though representative, are more than one year old.
 (c) = A positive number Langlier Index indicates that the water is noncorrosive.
 (d) = An aggressiveness index of 12 or greater indicates that the water is not aggressive (noncorrosive).

Definitions

PUBLIC HEALTH GOAL (PHG):
 The level of a contaminant in drinking water below which there is no known or expected risk to health. PHG's are set by the California Environmental Protection Agency.

MAXIMUM CONTAMINANT LEVEL (MCL):
 The highest level of a contaminant that is allowed in drinking water. Primary MCL's are set as close to the PHG's (or MCLG's) as is economically and technologically feasible. Secondary MCL's are set to protect the odor, taste, and appearance of drinking water.

MAXIMUM CONTAMINANT LEVEL GOAL (MCLG):
 The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLG's are set by the U.S. Environmental Protection Agency.

MAXIMUM RESIDUAL DISINFECTANT LEVEL (MRDL):
 The level of a disinfectant added for water treatment that may not be exceeded at the consumer's tap.

MAXIMUM RESIDUAL DISINFECTANT LEVEL GOAL (MRDLG):
 The level of a disinfectant added for water treatment below which there is no known or expected risk to health. MRDL's are set by the U.S. Environmental Protection Agency.

REGULATORY ACTION LEVEL (AL):
 The concentration of a contaminant that, if exceeded, triggers treatment or other requirements that a water system must follow.

PRIMARY DRINKING WATER STANDARD:
 MCL's and MDRL's for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

SECONDARY DRINKING WATER STANDARD:
 Requirements that ensure the appearance, taste and smell of drinking water are acceptable.

NOTIFICATION LEVEL (NL):
 The concentration of a contaminant that, if exceeded, triggers notification to local political jurisdictions and customers.

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.

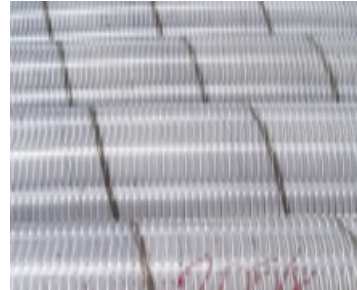
Apple Valley Ranchos Water Company has a history of reinvesting back into the company. Over the last five years, AVR and others have invested approximately \$35.5 million in the water system. Included is nearly 53 miles of new water mains installed. The table below summarizes these improvements.



Well drillers install the well casing at new well #36.



A newly commissioned water well.



This perforated pipe is "well screen", the part of the well casing that allows water from the aquifer to filter into the well so it can be pumped to our customers.

APPLE VALLEY RANCHOS WATER COMPANY • Capital Improvements from 2002 - 2006*

Length of Water Main Installed (feet)	Number of Fire Hydrants Installed (each)	Number of Services Installed (each)	Amount of Water Main, Fire Hydrant and Services Installed (\$)	Amount of Source of Supply Improvements (\$)
278,807	415	4,233	\$24,561,389	\$10,962,554

Apple Valley Ranchos Water Company's 2007 Capital Budget totals \$3,092,500. This amount includes \$429,500 in General Plant Improvements.

* These numbers include company funded, advanced and contributed jobs

Source Water Assessment Completed and Available

Some of the water we pump has been age-dated close to 10,000 years old by the United States Geologic Survey. This means it has been protected for a long time.

The 1996 Safe Drinking Water Act amendments required states to perform an assessment of potentially contaminating activities near drinking water sources of all water utilities. In California, the DHS required the utilities to perform the assessments themselves. AVRWC completed the Source Water Assessment in December of 2002. The assessment was updated for one new well in 2006. The table below summarizes the findings of the Source Water Assessment.

A copy of the complete assessment is available at Apple Valley Ranchos Water Company and at the DHS San Bernardino office. You may request a summary of the assessment be sent to you by contacting Scott Weldy of AVRWC at 760-247-6484 or by calling the DHS office at 909-383-4328.

Well #	MOST VULNERABLE ACTIVITIES							POTENTIALLY VULNERABLE ACTIVITIES									
	High Density Housing	High/Low Density Septic Systems	Parks	Irrigated Crops	Golf Courses	Sewer Collection Systems	Gas Stations	Roads, Streets, Railroads	Storm Water Injection Wells	Storm Drain Discharge Points	Storm Water Detention Facilities	Agric./Irrigation/ Water Wells	Historic Grazing	Historic Waste Dumps / Landfills	Machine Shops	Leaking Underground Storage Tanks	
4	X	X	X							X							
7								X				X					
9		X						X									
11R	X	X					X										
12	X	X							X	X							
16	X	X								X							
17R	X	X		X							X						
18	X	X				X		X				X					
19	X	X				X			X								
20	X	X		X								X					
21		X				X								X			
22		X				X			X								
23		X															
24	X	X													X		
25		X		X		X						X					
26	X					X						X					
27	X	X													X		
28		X				X											
29						X	X										
30	X	X			X	X										X	
31		X			X	X	X									X	
32						X											
33		X				X	X		X		X						
34		X				X		X	X	X	X	X					

Apple Valley Ranchos Water Company is Now Offering "Automatic Bill Payment"

* **Much More Convenient**

* **No More Checks**

- **Optional, free method to pay your water bill on time**
- **Choose to sign up and future bills will be paid by automatic deduction from your checking account**
- **Even when you are out of town, your bill will be paid**
- **You will still receive a statement, but it will say "Do not pay"**
- **To sign up, stop by, or call our Customer Service representatives at (760) 247-6484 for the authorization form**

When the Water Company Comes to Your Door, Make Sure They Are Who They Say They Are!

Apple Valley Ranchos Water Company service people will . . .

- NEVER invite themselves inside your home
- Always announce themselves when entering your yard
- Will attempt to contact you by phone if we need prolonged access to your property

You should . . .

- Always ask for identification
- Always call Apple Valley Ranchos Water Company if someone from "the water department" invites themselves inside your home

Do we have your correct contact information?

We want to be able to contact you in the event of an emergency, provide timely messages about your water service, or inform you of events that are important to you. A new service has been implemented at Apple Valley Ranchos Water Company to enable us to do just that. When it is important for us to reach you, a friendly phone call will automatically be made to the notification number you provided. AVR will not sell or trade your personal information to any third party. In fact, because we are a regulated utility, the California Public Utilities Commission forbids us to do so. We only collect your personal data in order to provide you with better service. If you haven't already, please call our Customer Service Department at 760-247-6484 to update your records today. *Thank you!*

Apple Valley Ranchos Water Company announces a new program! AVR's Military Family Relief Program provides extended payment terms to those families experiencing reduced income due to a call to active duty military service. Call our Customer Service Department at 760-247-6484 today for details!