



Town of Apple Valley NEWS RELEASE

Town of Apple Valley **FOR IMMEDIATE RELEASE**

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State Auditor to audit water rates in Apple Valley and surrounding areas

Sacramento, August 14, 2014: Today, the Joint Legislative Audit Committee agreed to conduct a rate comparison audit of public and private water purveyors in Apple Valley and surrounding areas. The request was submitted by Senator Steve Knight on behalf of the Town of Apple Valley.

Customers of Apple Valley Ranchos Water Company (AVRWC) are facing a requested 34% rate increase over the next three years, capping a ten year period where rates have nearly doubled, despite a significant reduction in water usage.

“Residents of Apple Valley are subject to disproportionately higher water rates in comparison to residents of the surrounding communities,” said Town Manager Frank Robinson. “An objective review of how rates are established is overdue.”

Private water companies that offer investors a guaranteed rate of return as high as 10% have what many would call a protected monopoly, according to Town Attorney John Brown.

“Ratepayers of AVRWC must pay whatever rates and charges are approved by the CPUC,” said Brown. “They have no alternatives.”

In a letter to Assemblyman Adam Gray, chair of the JLAC, Mayor Art Bishop explained that rising water rates were having a negative impact on residents and businesses in Apple Valley. Nearly 400 people attended public participation hearings to oppose the rate increases requested by AVRWC.

According to the JLAC website, on average it takes approximately six months for the state auditor to complete the work.

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