



Town of Apple Valley NEWS RELEASE

Town of Apple Valley **FOR IMMEDIATE RELEASE**

Contact: Kathie Martin, Public Information Officer

Phone: (760)240-7000 x 7070 Fax: (760)961-6242 E-mail:kmartin@applevalley.org

Apple Valley Ranchos customers could shoulder costs of troubled Yermo Water Company at next rate cycle

Apple Valley, CA – December 2, 2014: An executive with Park Water Company, owner of Apple Valley Ranchos Water Company (AVR), has refused to deny that current ratepayers would be subjected to rising costs caused by the purchase of troubled Yermo Water Company. Although the costs of purchasing and repairing Yermo Water Company will not be included in the three-year rate structure now awaiting final California Public Utilities Commission (CPUC) approval, Apple Valley Ranchos has refused to guarantee that Apple Valley Ranchos ratepayers will not be forced to pay these costs in the future.

AVR is in the process of purchasing the Yermo Water Company, which serves that area's approximately 250 customers. Chris Schilling, CEO of Park Water Company, indicated at the November 18 Town Council meeting that while AVR ratepayers would not incur additional costs from YWC's purchase over the next three-year rate cycle, he said that would likely change in 2018.

"I understand the concern," Schilling said. "When we file in 2018, we'll determine what's the best thing to do. There is a push for uniform rates statewide."

AVR has received CPUC approval for the purchase in a transaction that was largely orchestrated out of the public eye and without the environmental review mandated under the California Environmental Quality Act. The Town has filed an application with the CPUC asking for a re-hearing and protesting the purchase without first completing required environmental reviews meant to protect public health.

The application states, "Beyond the environmental impacts... the [purchase] will have significant economic impacts on all AVR ratepayers. For example, the Commission acknowledges and approves \$732,000 in initial repairs with an expected \$7 million in additional short-term upgrades."

"This will result in dramatic rate increases... for former Yermo customers or, much more likely, steep increases for all AVR customers," the application concludes.

Town Council Member Barb Stanton, replied to Schilling's statement with "We don't want to be Yermo's life support."