To: Frank Robinson[FRobinson@applevalley.org]; Dennis Cron[DCron@applevalley.org]

Cc: Tony Penna[tpenna@AVRWATER.com]

From: Eric Larsen

**Sent:** Thur 6/4/2015 10:10:58 AM

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**Subject:** Thank You for Meeting With Us **MAIL\_RECEIVED:** Thur 6/4/2015 10:11:05 AM

2013-2015 Town of Apple Valley.xlsx

Frank & Dennis:

Thank you for taking the time to meet with us regarding the current drought situation. We feel that it was a productive meeting and were glad that the Town and Ranchos Water can find the common ground to work together in dealing with this important issue.

Per your requested I've attached an extended version of the analysis we presented that covers the entire period from Jan 2013 through May 2015. I've provided it in an Excel Workbook so you will have the underlying data as well. Please note that due to a billing cancellation from 2012 in early 2013 I don't have consumption data for early 2013 for the golf course. The balance of the data, however, would appear to be useful. If you should have any questions regarding the attached workbook please feel free to contact me directly and I'd be happy to walk you through the data.

I'd also like to take this opportunity to recap our meeting. As a summary of our discussion, we commented on the severity of the drought and the history of the Governor's executive orders up to and including the April 1, 2015 order mandating water consumption reductions of 25% statewide. As part of the State's process, the California Water Resources Control Board (CWRCB) gathered data by water purveyor and assigned specific reduction rates to purveyors based on a number of factors in order to obtain an overall reduction of 25% statewide. These rates can be as high as 36% and AVR was assigned a 28% reduction rate. Subsequently, the CPUC adopted the CWRCB recommendations and AVR is now mandated to comply.

In response to the mandates, AVR developed and submitted a plan to the CPUC in the form of an Advice Letter outlining 4 stages and the restrictions that come into play at each level. AVR is requesting to move to Stage 2 immediately which includes a set of restrictions in place since last summer and a landscape watering restriction of 3 days per week for 10 minutes a day. Stage 2 also includes drought surcharges for residential customers for consumption over 16 CCF per month in summer months (Jun-Nov) and 9 CCF per month in winter months (Dec-May). Drought surcharges are also imposed on non-residential customers of 15% on all consumption. We are hosting a public hearing at Granite Hills High School on Friday June 5th to review and explain the new restrictions and how AVR plans to assist and educate customers to comply with the new restrictions. We also discussed the process, which is still under development, for customers to request exemption from all or a portion of the surcharges due to extenuating circumstances. As we indicated, we intend to be accommodating for most issues except a desire to maintain water thirsty landscaping.

AVR expressed a desire to place drought messaging signage on the various Town entry corridors and we will be in contact with the appropriate Town staff and CalTrans related to signage on Hwy 18. We also inquired about yard signs for residents which we have come to understand are not restricted by the Town's sign ordinance.

We then presented a set of graphs tracking the Town's water consumption for the state defined summer months of Jun-Nov for 2013 and 2014. The graphs indicated that overall the Town's consumption was higher in 2014 than 2013 by about 7% and that the Town had used about 11 million more gallons of water between the two years. Further, the golf course was responsible for 9 of the 11 million gallon overrun. We then discussed the various causes that might explain these increases and attempted to offer suggestions on how to start addressing the increased consumption at Town facilities. As requested, we have extended this analysis from Jan 2013 through May 2015 in the attached workbook.

A topic that did not get discussed that we are receiving questions about relates to green belts in and around HOA's and commercial customers. Customers are asking what the Town's stand will be regarding ordinances requiring these green belts in light of the new restrictions. If any decisions have been made in this area we would appreciate hearing about them such that we can inform our customers.

Once again Tony and I would like to thank you for taking the time and we look forward to working with you to promote conservation in Apple Valley.

Best Regards,

## Eric E. Larsen, CPA

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