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## APPLE VALLEY RANCHOS CELEBRATES PASSAGE OF PROPOSITION 1

Private Water Utilities Eligible to Share in \$7.5 Billion of Bond Proceeds for Water Infrastructure

November 7, 2014 (Apple Valley, CA) – Apple Valley Ranchos Water today announced its support of the passage of Proposition 1, the \$7.5 billion statewide bond issue referred to as the "Water Quality, Supply and Infrastructure Improvement Act of 2014."

"We are celebrating this important accomplishment for our state and our Apple Valley community because for the first time ever in a statewide bond issuance, private water utilities will be eligible to receive funding just like government-owned utilities," said Tony Penna, vice president and general manager, Apple Valley Ranchos Water Company. "This is significant because it shows that state's leadership understands the public and private sector share equal responsibility in addressing water infrastructure challenges for this generation."

The funds from this bond are designed to offset customer costs for critical water infrastructure projects like recycled water, groundwater clean-up, water-use efficiency, and safe drinking water for smaller systems in economically disadvantaged communities.

"We want to express our gratitude to the <u>California Water Association</u> for their diligence and support of Proposition 1 on behalf of all the California Public Utilities Commission regulated utilities," Penna said.

Apple Valley Ranchos' capital expenditure plan for water infrastructure improvement has already budgeted more than \$13 million a year to continue to maintain, repair and replace pipes, pumps, tanks, and valves in the water system. The opportunity to apply for funds from this statewide bond means Apple Valley Ranchos could potentially offset some of the planned capital expense, which can impact rates for water service.

"Now Apple Valley Ranchos has the same opportunity to secure bond funding for eligible water infrastructure projects as government-owned utilities," Penna said.