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**NOTICE OF WATER SHORTAGE CONTINGENCY PLAN AND PUBLIC MEETING
LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.**

Liberty Utilities (Apple Valley Ranchos Water) Corp. (“Liberty”) filed an Advice Letter with the California Public Utilities Commission (CPUC) to activate Stage 2 in its Schedule No. 14.1 Water Shortage Contingency Plan with Staged Mandatory Reductions, Restrictions, and Drought Surcharges for its service areas, including Apple Valley and Yermo.

Schedule 14.1 provides information on reductions, restrictions, water allocations, enforcement measures, and surcharges that will help to achieve reductions due to water supply shortages or to achieve identified water usage goals established by an authorized government agency or official.

On March 28, 2022, Governor Newsom issued Executive Order (“EO”) N-7-22, calling on each urban water supplier to implement actions to reduce water usage by 20-30 percent, depending on local conditions. The EO also directs the State Water Resources Control Board (“Water Board”) to consider adopting emergency regulations prohibiting watering “non-functional turf”, or turf grass that serves only ornamental purposes, in the commercial, industrial, and institutional sectors during the ongoing drought emergency to conserve water supplies.

On May 24, 2022, the Water Board adopted Emergency Regulations that require urban water suppliers to implement Level 2 demand reduction actions by June 10, 2022 and that prohibit the irrigation of non-functional turf in commercial, industrial, and institutional as well as home-owner association sectors. The Water Board defines non-functional turf as grass that is solely ornamental and is not regularly used for recreational purposes or community events.

In response to the Governor's EO and the Water Board's adopted Emergency Regulations to implement Level 2 reductions of non-essential water use, Liberty will implement Stage 2 of its Schedule 14.1 Water Shortage Contingency Plan for its Apple Valley and Yermo service areas, requiring 20% reduction in customer usage.

All restrictions will require customers to reduce usage as compared to the amount they used in 2020.

All outdoor irrigation is limited to (2) two days per week and is prohibited between the hours of 8 a.m. and 7 p.m. and potentially to no outdoor watering later in the year should a local water agency or local city ordinance limit all non-essential outdoor watering.

These restrictions are designed to strongly encourage those customers with high per capita usage to achieve proportionally greater reduction than those with low use.

In order to achieve the water conservation goals from all customers, Liberty customers who use more than their allocation (compared to 2020) may be charged a drought surcharge, as listed below in accordance with Schedule 14.1.

PUBLIC MEETING

Liberty will host a virtual public meeting to help customers understand this filing, mandatory water use restrictions, associated enforcement mechanisms, and to provide information on conservation rebates, programs, and other tools Liberty offers to help customers reduce their water use. The meeting can be accessed with the information below.

Date:	June 28, 2022
Time:	6 p.m.
Link	https://register.gotowebinar.com/register/7050037094891879181

To register for the meeting, scan the QR code on your smart phone or tablet or visit the link above.



MANDATORY WATER USE REDUCTIONS, RESTRICTIONS, AND DROUGHT EMERGENCY SURCHARGES

The Water Board has established the following mandatory restrictions for all water users. No customers shall use utility-supplied water for non-essential or unauthorized uses as defined below:

- a. The application of potable water to outdoor landscapes in a manner that causes runoff such that water flow onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures.
- b. The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.
- c. The use of potable water for washing buildings, structures, sidewalks, walkways, patios, tennis courts, or other hard-surfaced, non-porous areas.
- d. The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system.
- e. The use of potable water for watering outside plants, lawn, landscape, and turf area during certain hours prohibited by applicable laws, during and up to 48 hours after measurable rainfall (0.1" or more).
- f. The utility will promptly notify customers when aware of leaks within the customer's control. The failure to promptly repair any leaks, breaks, or other malfunction resulting in water waste in a customer's domestic or outdoor water system after notification by the utility, unless other, specific arrangements are made with and agreed to by the utility.
- g. The serving of water, other than upon request, in eating and drinking establishments, including but not limited to restaurants, hotels, cafes, bars, or other public places where food or drink are served and/or purchased.
- h. Hotels/motels must provide guests with the option of choosing not to have towels and linens laundered daily and prominently display notice of this option in each guestroom.
- i. The use of potable water for irrigation of ornamental turf on public street medians.
- j. The use of potable water for irrigation outside of newly constructed homes and buildings that is not delivered by drip or micro spray systems.
- k. Commercial, industrial, and institutional properties, such as campuses, golf courses, and cemeteries, immediately implement water efficiency measures to reduce potable water use in an amount consistent with the mandated reduction.
- l. Further reduction in or the complete prohibition of any other use of water declared non-essential, unauthorized, prohibited, or unlawful by an authorized government or regulatory agency or official.
- m. Use of potable water for watering streets with trucks, or other vehicles, except for initial wash-down for construction purposes (if street sweeping is not feasible), or to protect the health and safety of the public.

The following stages will be implemented as needed to achieve the annual mandated reduction.

Stage 1

- Outdoor irrigation is restricted to no more than three days per week:

Addresses Ending In:	Watering Days
Even Numbers (0, 2, 4, 6, 8)	Monday, Wednesday, and Saturday
Odd Numbers (1, 3, 5, 7, 9)	Tuesday, Thursday, and Sunday

- Failure to comply with these restrictions may result in the installation of a flow restrictor device along with associated fees for installation and removal.
- Failure to comply with these restrictions may result in the installation of a real-time measurement device on the customer’s service line. The cost of the device, including installation, shall be billed to the customer.
- If conditions warrant, Liberty will change the number of watering days, the specific day of watering, and the length of watering after first notifying its customers, in accordance with Rule 14.1.
- Each subsequent stage will be implemented if the preceding stage allocations and drought emergency surcharges are deemed insufficient to achieve reductions due to water supply shortages or to achieve identified water usage goals established by an authorized government agency or official.

Stages 2 - 6

In addition to the restrictions identified in Stage 1, the following allocations and drought emergency surcharges are in effect for Stages 2 – 6.

- All residential customers will have their baseline established using the average residential customer usage in 2020.
- Residential customers’ allocations will be based on the average 2020 baseline less the percentage applicable to each stage.

Stage 2	Average 2020 less 20%
Stage 3	Average 2020 less 30%
Stage 4	Average 2020 less 40%
Stage 5	Average 2020 less 50%
Stage 6	Average 2020 less 55%

- Residential customers’ monthly allocations will be set as follows.

Stages 2 - 6	8 Ccf/Month	November, December, January, February, March, April, and May
Stage 2	12 Ccf/Month	June, July, August, September, and October
Stage 3	11 Ccf/Month	June, July, August, September, and October
Stage 4	9 Ccf/Month	June, July, August, September, and October
Stages 5 - 6	8 Ccf/Month	June, July, August, September, and October

- All usage in excess of the residential customers allocations may be charged at the regular rate plus a drought emergency surcharge as follows.

Stage 2	Tier 1 rate
Stage 3	1-1/2 times Tier 1 rate
Stage 4	2 times the Tier 1 rate
Stage 5	2-1/2 times the Tier 1 rate
Stage 6	3 times the Tier 1 rate

- Non-residential customers may be charged at the regular rate plus a drought emergency surcharge on all water use as follows.

Stage 2	15% of the Quantity rate
Stage 3	30% of the Quantity rate
Stage 4	45% of the Quantity rate
Stage 5	60% of the Quantity rate
Stage 6	75% of the Quantity rate

FLOW RESTRICTOR CHARGES

The charge for installation and removal of a flow-restricting device shall be \$30 during normal business hours, and \$150 outside normal business hours. The flow restrictor will remain installed for a minimum of 7 days.

EXEMPTION AND APPEALS PROCESS

- Any customer who seeks a variance from any of the provisions of this voluntary water conservation and mandatory plan shall notify the utility in writing, explaining in detail the reason for such a variation. The utility shall respond to each request in writing.
- The appeals form is available online at the utility's website, www.libertyutilities.com, the Liberty office located at 21760 Ottawa Road, Apple Valley, CA 92308 or by calling 1-760-247-6484.
- If the customer disagrees with such disposition, the customer shall have the right to file a complaint with the California Public Utilities Commission.
- Except as set forth in this section, no person shall have any right or claim in law or in equity against the utility, or any of its employees, or the Commission because of, or as a result of, any matter or thing done or threatened to be done pursuant to the provisions of the voluntary water conservation and mandatory rationing plan.

SPECIAL CONDITIONS

1. The active stage of Schedule 14.1 is to remain in effect until a Tier 2 advice letter is filed with the Commission to activate a different stage or when Schedule 14.1 is deactivated.
2. Drought Emergency Surcharges must be separately identified on each bill.
3. All bills are subject to reimbursement fee set forth on Schedule No. UF.
4. All monies collected by the utility through Drought Emergency Surcharges shall not be accounted for as income, but shall be accumulated in the 2022 Drought Revenue Memorandum Account (2022 DRMA) and used to offset the lost revenues associated with implementation of voluntary and mandatory conservation efforts in accordance with Rule 14.1 and Schedule 14.1.
5. All expenses incurred by the utility to implement Rule 14.1, and Schedule 14.1, and requirements of the Water Board that have not been considered in a General Rate Case or other proceeding shall be accumulated by the utility in a separate memorandum account, authorized in Resolution No. W-4976, for disposition as directed or authorized from time to time by the Commission.

If you need additional information, or a copy of the advice letter, you may visit our website at www.LibertyUtilities.com or contact Liberty's Customer Service at 760-247-6484.