



Valencia Water Company
24631 Avenue Rockefeller
Valencia, CA 91355
(661) 294-0828

September 8, 2015

Dear Valencia Water Company Customer,

We are writing to provide you with information regarding an application by Newhall Land and Farming Company (Newhall) to Valencia Water Company to expand its service area to include the land where Newhall plans to build the "Mission Village" project. Los Angeles County certified an Environmental Impact Report for the Mission Village project on October 25, 2011. According to that EIR, the Mission Village project is comprised of the following elements: (a) 4,055 residential units, (b) 1,555,100 square feet of mixed-use/commercial space, (c) 692.7 acres of open space, including public parks and private recreation facilities, (d) an elementary school, (e) a library, (f) a fire station, (g) a bus transfer station, and (h) utilities and roads.

We understand that in this time of drought there may be concerns about Valencia Water Company providing water to new customers. Valencia Water Company constantly reviews and analyzes our water supplies and demands. For example, Valencia Water Company, in conjunction with Castaic Lake Water Agency, is currently preparing the 5-year update to our Urban Water Management Plan. This comprehensive planning document analyzes in detail our present water demands and supplies, as well as future supplies and demands for the next 40 years.

Valencia Water Company is also required by state law (known as SB 610 and SB 221) to analyze whether sufficient water resources exist to serve new development projects during normal and dry water years. We conducted SB 610 and SB 221 analyses for the Mission Village project and concluded that Valencia Water Company has sufficient water supplies to provide water service to the Mission Village project. To review those SB 610 and SB 221 water supply reports, please visit our website at www.valenciawater.com.

It is a fact of life in California that droughts will happen. But with careful planning and foresight, Valencia Water Company has been able to meet our current customers' needs and still meet the water needs of the projected population and jobs growth in the Santa Clarita Valley.

As described in our SB 610 and SB 221 water supply reports for the Mission Village projects, the drinking water for the Mission Village project will not come from Valencia Water Company's current water supplies, but from Newhall's existing groundwater supplies. Further, most of the irrigation water for the project will ultimately be recycled water from the Newhall Ranch Water Reclamation Plant. Recycled water will also be used for grading and construction of the project. It is expected that recycled water will meet a majority of the project's landscape water demand. Notably, it is anticipated that Valencia Water Company will not use imported water from Castaic Lake Water Agency to serve the

Mission Village project. Also, the project will not be built all at once but over the course of ten years, so any increases in water use will be phased in over time.

As is the case with most new housing developments, the Mission Village project is also engineered for efficient water use. On average, new developments are typically 30% more water efficient than existing homes. The Mission Village project is expected to meet that standard, implementing a sustainability program that requires water efficient homes and drought tolerant landscaping.

Finally, the cost of infrastructure for the Mission Village project will be paid by the project developer and not by Valencia Water Company.

Your feedback is very important to us. So before the Valencia Water Company's Board of Directors acts on this proposal to expand our service area, we want to be sure our existing customers have the opportunity to provide their input so we can take that information into consideration in making our decision.

If you want to provide us with your comments, please do so no later than **October 1, 2015**. Please send written correspondence to Valencia Water Company, Attention: General Manager, 24631 Avenue Rockefeller, Valencia, CA 91355. Please send emails to customerservice@valenciawater.com. Please make sure to put "Mission Village Project" in the subject line.

We thank you for being a Valencia Water Company customer. We also look forward to receiving your input, and to continue providing you with high quality water service at the lowest rates in the Valley.

Sincerely,



Keith Abercrombie
General Manager
Valencia Water Company