

TOWN OF APPLE VALLEY
TOWN ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE "V"

Under current State law, the Town of Apple Valley is able to issue some forms of public debt for the acquisition, construction, improving, or financing of an enterprise without calling an election and without incurring the costs and delays associated with such an election. The Town is now in the process of acquiring the water system currently owned and operated by Liberty Utilities (Apple Valley Ranchos Water) Corp. ("Apple Valley Water System").

Measure "V" is the result of an initiative petition. On June 28, 2016, the Town Council determined that Measure "V" obtained sufficient petition signatures to qualify under State law and, on July 26, 2016, the Town Council placed it on the November 8, 2016 ballot.

Measure "V" would require the Town to seek voter approval before it may issue over \$10 million in public debt to provide funds for the acquisition, construction, improving, or financing of an enterprise, such as water, storm water, sewer, electricity, or waste disposal. For example, Measure "V" would require the Town to obtain voter approval before it could finance the acquisition of the Apple Valley Water System.

If Measure "V" is approved, the Town has identified the following potential impacts:

- The Town's proposed acquisition of the Apple Valley Water System could be delayed and will likely cost more; and
- Future projects involving enterprises (e.g., water systems, sewer systems, and storm water systems) could be delayed and will likely cost more.

The Town has also identified unresolved legal questions with Measure "V." For example, it imposes the election rules of the Revenue Bond Law of 1941 on all elections required by it regardless of whether they involve bonds or not. Neither Measure "V" nor the Revenue Bond Law of 1941 provide any guidance on how to adapt these rules for other forms of public debt.

For a more detailed discussion of potential impacts, we refer you via the hyperlink below to Staff's impartial impact report presented to the Town Council on July 26, 2016.

<http://www.applevalley.org/services/water-system-acquisition-information/ballot-measures>

Measure "V" requires simple majority approval to pass.

A "Yes" vote will approve Measure "V".

A "No" vote will not approve Measure "V".

The above statement is an impartial analysis of Measure "V." If you desire a copy of the Measure, please call the elections official's office at (760) 240-7000 x7800 and a copy will be mailed at no cost to you.

FILED

AUG 25 2016

/s/

JOHN E. BROWN
Town Attorney

BY  DEPUTY
REGISTRAR OF VOTERS