TOWN OF APPLE VALLEY
TOWN ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE “W”

On July 26, 2016, the Town Council voted unanimously to place Measure “W” on the November 8, 2016 ballot. Measure “W” is the Council’s response to citizen requests for an alternative to Measure “V” and is designed to require voter approval for public debt unless certain safeguards are met. If adopted, Measure “W” will allow the Town to finance the acquisition of the water system currently owned and operated by Liberty Utilities (Apple Valley Ranchos Water) Corp. without the delays and costs of an election if the Town meets certain standards. If the Town cannot meet these standards, the Town must submit the matter to a vote of the people.

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.

Measure “W” would generally require voter approval of any Town debt of more than $5,000,000 where the debt is for the purpose of acquiring, constructing, improving, or financing an enterprise (e.g., water systems, sewer systems, and storm water systems) and the debt is secured against the future revenues of that enterprise with one important exception – it will not apply where the following conditions are satisfied:

1. The Council conducts a public hearing prior to issuing the debt;
2. The Council certifies (based on financial analysis) that the projected revenues from the enterprise exceed the debt payments proposed;
3. The Council certifies that debt will not be paid by the taxing power of the Town; and
4. The Council requires an annual independent audit to ensure that the proceeds of the debt are utilized in connection with the enterprise only.

This exception will not apply to revenue bonds or other forms of debt where voter approval is already required under state law.

The measure provides that in the event this measure and another measure relating to the issuance of public debt both pass, then the measure that receives the most votes will prevail over the other measure.

Measure “W” requires simple majority approval to pass.

A “Yes” vote will approve Measure “W.”

A “No” vote will not approve Measure “W.”

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

FILED
AUG 25 2016
/s/ JOHN E. BROWN
Town Attorney