# Town of Apple Valley

Ranchos Acquisition Efforts Transparency Report September 13, 2016





#### Council Request:

 To demonstrate transparency in the Town's acquisition efforts of Ranchos, a report was requested to be submitted to Council identifying costs incurred to date.



	Rancho	of Apple Valley Acquisition Eff of Expenditure De	orts		
	As of the Mor	ith Ended August	31, 2016		
	Budget	Current Month	Fiscal Year-to- date	Other related Ranchos Costs	Prior Fiscal Years (in total)
xpenditure Details	3,500,000				
Attorney Costs - Ranchos <sup>(b)</sup>					
Ranchos Acquisition	1.500.000		167,450		806.755
Rate Cases and Advice Letters	1,100,000		207,430	381,562	000,100
Recycled Water				63,566	
Public Records Requests <sup>(II)</sup>				165,995	
Yermo				32,653	
Carlyle Merger				154,277	
Liberty Merger				71,768	
JLAC Audit				15,771	
Remcho Johansen				47,235	
Appraisal Costs					
The Hayward Consulting Group	127,400				127,377
Other Consulting Services 10					
Rincon	80,000				68,321
Urban Futures	12,500				12,500
Bartel Wells	42,500		1040		42,154
Public Information					10000000
Fiona Hutton & Associates	13,601				13,601
True North Research	22,850				22,850
Katz & Associates	29,400				29,313
20/20 Network	180,000		23,132		132,094
Public Records Regusts 10				111,425	
Other - Miscellaneous m	180,000		25		149,765
Unallocated	1,311,749				
Other Related Ranchos Costs				1,044,252	
Prior Fiscal Years Sub-total				and the second design of the s	2,404,731
Total Expenditures (5)	3,500,000		190,582		1.595.313

Footnote:

- Attorney costs related to the possible Ranchos Acquisition are recorded in total in the related category. All other "highlighted" Attorney costs not directly related to the acquisition process are presented for illustrative purposes only and are not included in the expenditure totals.
- (2) Public Records Requests include cost estimates for staff time, duplication and attorney's review. From FV 2011 through FV 2017 year-to-date, eighty-three (33) public records requests were submitted regarding water or related matters. Over 247,610 documents were provided in reports to these requests which cost 5277,420 to search files, gather records, review records and reproduce.
- (3) Consulting Services includes any services contracted privately; not performed by Town personnel. These amounts primarily consist of payroll costs for consultant's personnel.
- (4) Other Miscellaneous also includes radio, print and media costs of \$122,496
- (5) Total Expenditures includes expenditures for FY 2011 thru FY 2017 year-to-date

- To be presented periodically
- Interim Financial Report prepared for Mgt. & Council in conformity with GASB and NCGAS
- Will include all categories of expense such as;
  - Attorney costs
  - Appraisal costs
  - Other consultants costs
  - Public Information costs
  - Public Records Request costs



#### Town of Apple Valley Ranchos Acquisition Efforts Schedule of Expenditure Details As of the Month Ended August 31, 2016

	Budget	Current Month	Fiscal Year-to-	Other related Ranchos Costs	Prior Fiscal Years (in total)
	needkar	Corrent Month	cate	Ranchos Costs	total)
ependiture Details	3,500,000				
Attorney Costs - Ranchos <sup>to</sup>					
Ranchos Acquisition	1,500,000		167,450		806.755
Rate Cases and Advice Letters				381,562	
Recycled Water				63,566	
Public Records Requests <sup>(i)</sup>				165,995	
Yermo				32,653	
Carlyle Merger				154,277	
Liberty Merger				71,768	
JLAC Audit				15,771	
Remcho Johansen				47,235	
Appraisal Costs					
The Hayward Consulting Group	127,400		1.17		127,377
Other Consulting Services 10					0.5855525
Rincon	80,000		1.		68,321
Urban Futures	12,500				12,500
Bartel Wells	42,500		1240		42,154
Public Information					
Fiona Hutton & Associates	13,601				13,601
True North Research	22,850				22,850
Katz & Associates	29,400				29,313
20/20 Network	180,000		23,132		132,094
Public Records Regusts 10				111,425	
Other - Miscellaneous in	180,000		25		149,765
Unallocated	1,311,749				
Other Related Ranchos Costs				1,044,252	
Prior Fiscal Years Sub-total					3,404,731
Total Expenditures (5)	3,500,000	(	190,582		1.595.313

Footnote:

- Attorney costs related to the possible Ranchos Acquisition are recorded in total in the related category. All other "highlighted" Attorney costs not directly related to the acquisition process are presented for illustrative purposes only and are not include in the expenditure totals.
- (2) Public Records Requests include cost estimates for staff time, duplication and atomey's review. From IV 2011 through FV 2017 year-to-data, eighty-three (33) public records requests were submitted regarding water or related matters. Over 247,610 documents were provided in response to these requests which cost 5277,420 to search files, gather records, review records and reprodue.
- (3) Consulting Services includes any services contracted privately; not performed by Town personnel. These amounts primarily consist of payroll costs for consultant's personnel. (4) Other - Miscellaneous site includes readio, primt and media costs of \$122,496
- (4) Utilier Miscellaneous also includes radio, print and media costs of \$122,496 (5) Total Expenditures includes expenditures for FY 2011 thru FY 2017 year-to-date

- Includes summary of cost of all public records requests received associated with Ranchos surrogates
- Includes estimate of possible future costs
- Includes such other information as may be requested or deemed appropriate for inclusion



#### Town of Apple Valley Ranchos Acquisition Efforts Schedule of Expenditure Details As of the Month Ended August 31, 2016

	Budget	Current Month	Fiscal Vear-to- date	Other related Ranchos Costs	Prior Fiscal Years (in total)
penditure Details	3,500,000				
Attorney Costs - Ranchos <sup>to</sup>					
Ranchos Acquisition	1.500.000		167,450		\$06,755
Rate Cases and Advice Letters	Second States			381,562	
Recycled Water				63,566	
Public Records Requests <sup>(2)</sup>				165,995	
Yermo				32,653	
Carlyle Merger				154,277	
Liberty Merger				71,768	
JLAC Audit				15,771	
Remcho Johansen				47,235	
Appraisal Costs					
The Hayward Consulting Group	127,400				127,377
Other Consulting Services 19					
Rincon	80,000		1.47		68 321
Urban Futures	12,500				12,500
Bartel Wells	42,500				42,154
Public Information					10000000
Fiona Hutton & Associates	13,601		141		13.601
True North Research	22,850		1000		22,850
Katz & Associates	29,400				29.313
20/20 Network	180,000		23,132		132,094
Public Records Regusts 10				111,425	
Other - Miscellaneous m	180,000				149,766
Unallocated	1,311,749				
Other Related Ranchos Costs				1,044,252	
Prior Fiscal Years Sub-total				and the second s	2,404,731
Total Expenditures (5)	3,500,000	1.	190,582		1.595.313

Footnote:

- Attorney costs related to the possible Ranchos Acculsition are recorded in total in the related category. All other "highlighted" Attorney costs not directly related to the acquisition process ere presented for illustrative purposes only and are not include in the expenditure totals.
- (2) Public Records Requests include cost estimates for staff time, duplication and attorney's review. From FV 2011 through FV 2017 year-to-date, eighty-three (33) public records requests were submitted regarding water or related matters. Over 247,610 documents were provided in reports to these requests which cost 5277,420 to search files, gather records, review records and reproduce.
- (3) Consulting Services includes any services contracted privately; not performed by Town personnel. These amounts primarily consist of payroll costs for consultant's personnel.
- (4) Other Miscellaneous also includes radio, print and media costs of \$122,496 (5) Total Expenditores includes expenditores for FY 2011 thru FY 2017 year-to-date

This report covers the reporting period from January 1, 2011 thru August 31, 2016.
 As noted within the report, year-to-date expenditures are included for those invoices paid during the months of July and August, 2016.



	Rancho	of Apple Valley Acquisition Eff of Expenditure De	orts		
	As of the Mor	ith Ended August	31, 2016		
	Budget	Current Month	Fiscal Vear-to- date	Other related Ranchos Costs	Prior Fiscal Years (in total)
xpenditure Details	3,500,000				
Attorney Costs - Ranchos <sup>(b)</sup>					
Ranchos Acquisition	1.500.000		167,450		000 300
Rate Cases and Advice Letters	1,000,000		307,450	381,562	\$06,755
Recycled Water				63,566	
Public Records Requests in				165,995	
Yermo				32,653	
Carlyle Merger				154,277	
Liberty Merger				71,768	
JLAC Audit				15,771	
Remcho Johansen				47,235	
Appraisal Costs				41,233	
The Hayward Consulting Group	127,400				127,377
Other Consulting Services 10	A671400		0.55		121,311
Bincon	80,000		1525		68 321
Urban Futures	12,500		123		12,500
Bartel Wells	42,500				42,154
Public Information	102200				46,834
Fiona Hutton & Associates	13.601		121		13.601
True North Research	22.850				22,850
Katz & Associates	29,400				29.313
20/20 Network	180.000		23,132		132,094
Public Records Regusts 10			a di a di	111.425	131,034
Other - Miscellaneous in	180,000				149,765
Unallocated	1,311,749				(1997) (1997)
Other Related Ranchos Costs				1,044,252	
Prior Fiscal Years Sub-total					2,404,731
Total Expenditures (5)	3,500,000	( i i i i i i i i i i i i i i i i i i i	190,582		1.595.313

Footnote:

- Attorney costs related to the possible Ranchos Acquisition are recorded in total in the related category. All other "highlighted" Attorney costs not directly related to the acquisition process are presented for illustrative purposes only and are not included in the expenditure totals.
- (2) Public Records Records and the set of the set of
- (4) Constanting services includes any services constantial privately, not performed by rown personnel. These amounts primarily consist of payroll costs for consultant's personnel.
   (4) Other - Miscellaneous also includes radio, print and media costs of \$122,496

(a) bittle - Miscelamoos and includes radio, print and media costs of \$122,496
 (5) Total Expenditures includes expenditures for FY 2011 thru FY 2017 year-to-date

#### Attorney's costs

- Acquisition costs
  - Direct costs <u>\$974,205</u>
- Other related
  - Rate Cases and Advice Letters
  - Recycled Water
  - Public Records Requests
  - Yermo
  - Carlyle Merger
  - Liberty Merger
  - JLAC Audit



	Ranchos Schedule o	of Apple Valley Acquisition Eff of Expenditure De	or <b>ts</b> tails		
	As of the Mor	ith Ended August	31, 2016		
	Budget	Current Month	Fiscal Vear-to- date	Other related Ranchos Costs	Prior Fiscal Years (in total)
ependiture Details	3,500,000				
Attorney Costs - Ranchos <sup>to</sup>					
Ranchos Acquisition	1,500,000		167,450		\$06,755
Rate Cases and Advice Letters	14.0.4.000		Concerner of	381,562	44447.34
Recycled Water				63,566	
Public Records Requests <sup>(II)</sup>				165,995	
Yermo				32,653	
Carlyle Merger				154,277	
Liberty Merger				71,768	
JLAC Audit				15,771	
Remcho Johansen				47,235	
Appreisel Costs					
The Hayward Consulting Group	127,400				127,377
Other Consulting Services 10					
Rincon	80,000		1.4		68 321
Urban Futures	12,500				12,500
Bartel Wells	42,500		10401		42,154
Public Information					
Fiona Hutton & Associates	13,601				13,601
True North Research	22,850		1.00		22,850
Katz & Associates	29,400				29,313
20/20 Network	180,000		23,132		132,094
Public Records Regusts 10				111,425	
Other - Miscellaneous in	180,000		25		149,765
Unallocated	1,311,749				
Other Related Ranchos Costs Prior Fiscal Years Sub-total				1,044,252	
Total Expenditures <sup>(S)</sup>	3 600 000				2,404,731
rotal experiorures	3,500,000	-	190,582		1,595,313

Footnote:

- Attorney costs related to the possible Ranchos Acquisition are recorded in total in the related category. All other "highlighted" Attorney costs not directly related to the acquisition process are presented for illustrative purposes only and are not included in the expenditure totals.
- (2) Public Records Reduests include cost estimates for staff time, duplication and attorney's review. From IV 2011 through PV 2017 year to dure, eighty-three (33) public records requests were submitted regarding water or instead matters. Over 247,610 documents were provided in response to these requests which cost 5277,420 to search files, gather erods, review records and reproduce.
- (3) Consulting Services includes any services contracted privately; not performed by Town personnel. These amounts primarily consist of payroll costs for consultant's personnel. (4) Other - Miscellaneous calo includes radio, print and media costs of \$122,496

(5) Total Expenditures includes expenditures for FY 2011 thru FY 2017 year-to-date

#### Attorney's costs

#### - Other related **\$932,827**

- Rate Cases and Advice Letters
- Recycled Water
- Public Records Requests
- Yermo
- Carlyle Merger
- Liberty Merger
- JLAC Audit



	Ranchos Schedule d	of Apple Valley Acquisition Eff of Expenditure De of Expenditure De	or <b>ts</b> tails		
	Budget	Current Month	Fiscal Year-to- date	Other related Ranchos Costs	Prior Fiscal Years (in total)
Expenditure Details	3,500,000				
Attorney Costs - Banchos <sup>to</sup>					
Ranchos Acquisition	1,500,000		167,450		\$06,755
Rate Cases and Advice Letters				381,562	000,130
Recycled Water				63,566	
Public Records Requests <sup>(i)</sup>				165,995	
Yermo				32,653	
Carlyle Merger				154,277	
Liberty Merger				71,768	
JLAC Audit				15,771	
Remcho Johansen				47,235	
Appraisal Costs					
The Hayward Consulting Group Other Consulting Services <sup>10</sup>	127,400		0.55		127,377
Rincon	80,000		1.47		68 321
Urban Futures	12,500				12,500
Bartel Wells	42,500		1040		42,154
Public Information					
Fiona Hutton & Associates	13,601				13,601
True North Research	22,850				22,850
Katz & Associates	29,400				29,313
20/20 Network	180,000		23,132		132,094
Public Records Regusts 10				111,425	
Other - Miscellaneous m	180,000				149,766
Unallocated	1,311,749				
Other Related Ranchos Costs				1,044,252	
Prior Fiscal Years Sub-total					2,404,731
Total Expenditures (5)	3,500,000		190,582		1,595,313

- (1) Attorney costs related to the possible Ranchos Acquisition are recorded in total in the related category. All other "highlighted" Attorney costs not directly related to the acquisition process are prevented for illustrative purposes only and are not included in the expenditure totals.
- (2) Public Records Requests include cost estimates for staff time, duplication and attorney's review From FY 2011 through FY 2017 year-to-date, eighty-three (83) public records requests were submitted regarding water or related matters. Over 247,610 documents were provided in response to these requests which cost \$277,420 to search files, gather records, review records and reproduce.
- (3) Consulting Services includes any services contracted privately; not performed by Town personnel. These amounts primarily consist of payroll costs for consultant's personnel.
- (4) Other Miscellaneous also includes radio, print and media costs of \$122,496
- (5) Total Expenditures includes expenditures for FY 2011 thru FY 2017 year-to-date

#### Attorney's costs

- Other related **\$932,827: Rate Cases and Advice** Letters
- The Town has spent \$381,562 since 2011 fighting AVR rate increases and numerous advice letters, and hiring consultants to analyze the accuracy of AVR's claims and water rate modeling
- AVR has not released any information about its legal bills.



	Ranchos Schedule o	of Apple Valley Acquisition Effo f Expenditure De	orts tails		
	As of the Month	h Ended Decembe	s 31, 2015		
	Budget	Current Month	fiscal Year-to- date	Other related Ranchos Coste	Prior Flocal Years (in total)
spenditure Details	3,500,000				
Attorney Costs - Ranchos <sup>(0)</sup>					
Ranchos Acquisition	1,200,000		256.652		370.357
Rate Cases and Advice Letters				365,566	
Recycled Water				62,388	
Public Records Requests <sup>m</sup>				131,922	
Vermo				32,653	
Carlyle Merger				154,277	
Liberty Merger				65,558	1
ILAC Audit			100	15.688	
Appraisal Costs					
The Hayward Consulting Group	127,400				127,377
Other Consulting Services <sup>FI</sup>					
Rincon	80,000		49,561		-
Urban Futures	12,500				12,500
Bartel Wells	42,500				42,154
Public Information					
Fiona Hutton & Associates	13,600				13,601
True North Research	22,850				22,850
Ratz & Associates	29,500				29,313
20/20 Network	150,000		52,524		47,981
Public Records Regusts (7)				99,425	
Other - Miscellaneous +			\$6,131		56,022
Unallocated	1.821,650				
Other Related Ranchos Costs				927,477	
Total Expenditures <sup>III</sup>	3,500,000		424,868		722,155
		C			

Footnote:

- Attorney costs related to the possible Ranchos Acquisition are recorded in total in the related category. All other "highlighted" Attorney costs not directly related to the acquisition process are
- presented for illustrative purposes only and are not included in the expenditure totals.
- (2) Consulting Services includes any services contracted privately; not performed by Tewn personnel. These amounts primarily consist of payroll costs for consultant's personnel.
- Declamanta integrammenta promine consist on approximations on constructions operations are service. In Public Records Requests include cost estimates do statistic miles, guidaciano and estimente y review. Prom PP 2011 Honough PP 2005 year-to-date, seventy-three (73) public records: requests were submitted regarding water or related matters. Diver 237 (202 documents were provided in response to these requests which cost 323,347 search files guidance records: review records and reproduce.
- (4) Other Miscellaneous also includes radio, print and media costs
- (5) Prior Fiscal Years (in total) includes expenditures for FY 2011 thru FY 2016 year-to-date

- Attorney's costs
  - Other related <u>\$932,827:</u>
    Recycled Water
  - The Town has spent \$63,566 fighting for the right to use recycled water paid for by Town residents once it becomes available
  - AVR has threatened to sue the Town if the Town attempts to use recycled water without giving the water to Ranchos and allowing them to sell it back to the Town and its residents.



	Ranchos Schedule o	of Apple Valley Acquisition Effo of Expenditure De h Ended Decembe	orts tails		
	Budget	Current Month	fiscal Year-to- date	Other related Ranchos Coste	Prior Fiscal Years (in total)
spenditure Details	3,500,000				
Attorney Costs - Ranchos <sup>10</sup>					
Ranchos Acquisition	3,200,000		256,652		370 357
Rate Cases and Advice Letters				365,566	
Recycled Water				62,388	
Public Records Requests (1)				131.922	
Vermo				32,653	
Carlvie Merger				154,277	
Liberty Merger				65.558	6
ILAC Audit			1	15.688	
Appraisal Costs					
The Hayward Consulting Group	\$27,400				127,377
Other Consulting Services <sup>FI</sup>					
Rincon	80,000		49,561		-
Urban Futures	12,500				12,500
Bartel Wells	42,500				42,154
Public Information					
Fiona Hutton & Associates	13,600				13,601
True North Research	22,850				22,850
Ratz & Associates	29,500				29,313
20/20 Network	150,000		52,524		47,981
Public Records Requists (7)				99,425	
Other - Miscellaneous +			66,131		56,022
Unallocated	1,821,650				
Other Related Ranchos Costs				927,477	
Total Expenditures <sup>III</sup>	3.500.000	-	424,868		722,155

Footnote:

(1) Attorney costs related to the possible Ranchos Acquisition are recorded in total in the related category. All other "highlighted" Attorney costs not directly related to the acquisition process are

presented for illustrative purposes only and are not included in the expenditure totals.

- (2) Consulting Services includes any services contracted privately; not performed by Tewn personnel. These amounts primarily consist of payroll costs for consultant's personnel.
- personner. In there announs unmany costs, or layout costs or consumers a personner. 19 Public Records Requests include cost estimates for staff time, duplication and attomary nerven. From PY 2011 through PY 2016 year-to-data, exently-throu (73) public records requests were submitted regarding water or related matter. Over 212/2010 documents were provided in response to there requests.
- regarding water or related matters. Over 337,020 documents were provided in response to these reques which cost \$231,347 to search files, gather records, review records and reproduce. (4) Other - Miscellaneous also includes radia, print and media costs
- (5) Prior Fiscal Years (in total) includes expenditures for FY 2011 thru FY 2016 year-to-date

#### Attorney's costs

- Other related <u>\$932,827:</u>
  Public Records Requests
- The Town has spent \$165,995 (\$277,420 including staff time) in reviewing the 83 public records requests related to Ranchos and provided over 247,610 documents
- Ranchos has not released any records to the Town



	Rancho Schedule	of Apple Valley Acquisition Effo of Expenditure De	orts tails		
	As of the Mont	h Ended Decembe	e 31, 2015		
	Budget	Current Month	Fiscal Year-bo- date	Other related Ranchos Coste	Prior Fiscal Years (in total)
Expenditure Details	3,500,000				
Attomey Costs - Ranchos III					
Banchos Acquisition	3,200,000		256,652		370.357
Rate Cases and Advice Letters	3,200,000		*961034	365 566	
Recycled Water				62,388	
Public Records Requests <sup>m</sup>				131.922	
Vermo				32,653	
Carlvie Merger				154,277	
Liberty Merger				65.558	1
ILAC Audit			1	15,688	
Appraisal Costs					
The Hayward Consulting Group	\$27,400				127,377
Other Consulting Services <sup>FI</sup>					
Rincon	80,000		49,561		+
Urban Futures	12,500				12,500
Bartel Wells	42,500				42,154
Public Information					
Fiona Hutton & Associates	13,600				13,601
True North Research	22,850				22,850
Ratz & Associates	29,500				29,313
20/20 Network	150,000		52,524		47,981
Public Records Regusts (7)				99,425	
Other - Miscellaneous +			\$6,131		56,022
Unallocated	1.821,650				
Other Related Ranchos Costs				927,477	
Total Expenditures <sup>itt</sup>	3.500.000	-	424,868		722,155

Fastnote:

(1) Attorney costs related to the possible Ranchos Acquisition are recorded in total in the related category. All other "highlighted" Attorney costs not directly related to the acquisition process are

presented for illustrative purposes only and are not included in the expenditure totals. (2) Consulting Services includes any services contracted privately; not performed by Town

- personnel. These amounts primarily consist of payroll costs for consultant's personnel.
- (a) Public Record Requests include cost estimates los staff time; duplicación and atomnés y review. From PY 2011 through PY 2016 year-to-data, seventy-three (73) public records requests were submitted regarding water o related matters. Over 237,020 documents were provided in response to these requests which toost 2323;3/97 to sevent files, gather records; review records and reproduce.
- (4) Other Miscellaneous also includes radio, print and media costs
- (5) Prior Fiscal Years (in total) includes expenditures for PY 2011 thru PY 2016 year-to-date

- Attorney's costs
  - Other related **\$932,827:**

#### Yermo

- The Town has spent \$32,653 fighting AVR's purchase of Yermo
- Initial repairs and upgrades now in progress will cost \$7.7million, which works out to almost \$28,000 for each of Yermo's 278 active connections.
- The Town believes these costs will be rate-based and Apple Valley residents will be stuck paying for the repairs to Yermo's water system.



	Ranchos Schedule o	a of Apple Valley Acquisition Effort of Expanditure De h Ended Decembr	orts tails		
	Budget	Current Month	Fiscal Year-bo- date	Other related Ranchos Coste	Prior Flacal Years (in total)
spenditure Details	3,500,000				
Attorney Costs - Ranchos <sup>(1)</sup>					
Ranchos Acquisition	3,200,000		256,652		370.357
Rate Cases and Advice Letters			and the second	365,566	
Recycled Water				62,388	
Public Records Requests <sup>(1)</sup>				131.922	
Vermo				32,653	
Carbole Merger				154,277	
Liberty Merger				65.558	1
ILAC Audit			1	15.688	
Appraisal Costs					
The Hayward Consulting Group	\$27,400				127,377
Other Consulting Services <sup>FI</sup>					
Rincon	80,000		49,561		-
Urban Futures	12,500				12,500
Bartel Wells	42,500				42,154
Public Information					
Fiona Hutton & Associates	13,600				13,601
True North Research	22,850				22,850
Ratz & Associates	29,500				29,313
20/20 Network	150,000		52,524		47,981
Public Records Requists (7)				99,425	
Other - Miscellaneous +			66,131		56,022
Unallocated	1.821,650				
Other Related Ranchos Costs				927,477	
Total Expenditures III	3.500.000		424,868		722,155

Footnote:

(1) Attorney costs related to the possible Ranchos Acquisition are recorded in total in the related category. All other "highlighted" Attorney costs not directly related to the acquisition process are

presented for illustrative purposes only and are not included in the expenditure totals.

- (2) Consulting Services includes any services contracted privately; not performed by Tewn personnel. These amounts primarily consist of payroll costs for consultant's personnel.
- Decomposition: Interpretation of animal work of the standing of the standin
- (4) Other Miscellaneous also includes radio, print and media costs
- (5) Prior Fiscal Years (in total) includes expenditures for FY 2011 thru FY 2016 year-to-date

- Attorney's costs
  - Other related <u>\$932,827:</u>
    Carlyle Merger/Liberty Merger
  - The Town has spent \$154,277 fighting the sale of AVR' to the Carlyle Group, a Washington D.C. based hedge fund.
  - The Town has spent \$71,768 so far fighting the sale of AVR to Liberty utilities, a Canadian firm.
  - Liberty Utilities has stated to investors that the California market is attractive because of its "favorable regulatory environment" and opportunities to "deploy capital" – at a guaranteed rate of return of 9.7%

fees protecting you, the resident (If the acquisition is successful, these expenditures cease) Liberty Merger - 8.2% JLAC Audit - 2.1% **Carlyle Merger -**Rate Cases & Advice 21.2% Ltrs. - 47.2% Yermo - 4.1% Public Records Requests -9.4% Recycled Water - 7.8% Total \$932,827

What the Town has spent in Attorney



	Ranchos Schedule o	of Apple Valley Acquisition Effort f Expanditure De	orts tails		
	As of the Month	Ended Decembe	\$ 31, 2015		
	Budget	Current Month	Fiscal Year-to- date	Other related Ranchos Coste	Prior Fiscal Years (in total)
spenditure Details	3,500,000				
Attorney Costs - Ranchos <sup>(0)</sup>					
Ranchos Acquisition	1,200,000		256,652		370,357
Rate Cases and Advice Letters				365,566	
Recycled Water				62,388	
Public Records Requests (1)				131.922	
Vermo				32,653	
Carlyle Merger				154,277	10
Liberty Merger				65,558	0
ILAC Audit			1	15.688	
Appraisal Costs					
The Hayward Consulting Group	127,400				127,377
Other Consulting Services FI					
Rincon	80,000		49,561		+
Urban Futures	12,500				12,500
Bartel Wells	42,500				42,154
Public Information					
Fiona Hutton & Associates	13,600				13,601
True North Research	22,850				22,850
Ratz & Associates	29,500				29,313
20/20 Network	150,000		52,524		47,981
Public Records Regusts (7)				99,425	
Other - Miscellaneous +			\$6,131		56,022
Unallocated	1.821,650				
Other Related Ranchos Costs				927,477	
Total Expenditures <sup>III</sup>	3,500,000		424,868		722,155

- (1) Attorney costs related to the possible Ranchos Acquisition are recorded in total in the related category. All other "highlighted" Attorney costs not directly related to the acquisition process are
- presented for illustrative purposes only and are not included in the expenditure totals. (2) Consulting Services includes any services contracted privately; not performed by Town
- personnel. These amounts primarily consist of payroll costs for consultant's personnel.
- (3) Public Records Requests include cost estimates for staff time, duplication and attorney's review. From FY 2011 through FY 2016 year-to-date, seventy-three (73) public records requests were submitted regarding water or related matters. Over 237,020 documents were provided in response to these requests which cost \$231,347 to search files, gather records, review records and reproduce.
- (4) Other Miscellaneous also includes radio, print and media costs
- (5) Prior Fiscal Years (in total) includes expenditures for FY 2011 thru FY 2016 year-to-date

- Categories of expense: Direct Acquisition Costs - \$1,595,313
  - Attorney's costs
    - \$974,205
  - Appraisal costs
    - **\$127,377**
  - Other consultants costs
    - \$122,975
  - Public Information costs
    - \$197,858
  - Other Misc
    - \$149,766
  - Public Records Requests (not included in total)
    - \$277,420



What the Town has spent protecting you, the resident (Direct costs of Acquisition) from exorbitant rate increases

Public Information costs - 17.1%

Other Consulting services 8.2% Attorney Costs -55.6%

Appraisal Costs - 19.1%

Total \$1,595,313



Date Rec'd	Request Number	Requestor	Department	Staff Cost to Prepare Response (Does not include attorne) review costs)
4/20/2015	106	K. Brogan	Elinines/PIC/Form Manager & Municipal Dipertations. 1. All invoices from Best Det & Krieger LLP for work performed relating to Apple Valley Ranchos from May 30, 2010 through and including January 1, 2011; 2. The the extent not atlendary produced, all invoices from Dest Best & Krieger LLP for work performed relating to Apple Valley Ranchos from January 1, 2011 to present; 3. To the oxtent not already produced, all invoices from consultants's or experts relating to work performed relating to Apple Valley Ranchos from January 1, 2011 to present; 4. All complete appriatal reports by Hayward Consulting Group of Apple Valley Ranchos; S. All periorial reports of any appraisers of any and all assets of Apple Valley Ranchos; 6. All correspondence and emails mentioning or relating to Apple Valley Ranchos form January 1, 2010 to prevent; 7. The request for proposal, all contract(s) for public relations services relating to Apple Valley Ranchos, all all valley's acquisition of Apple Valley Ranchos, form january 1, 2010 to prevent; 7. The request for proposal, all contract(s) for public relations services relating to development and content of the webbits http://wh2ours.com/, and all invoices ralited thereto; and 8. Id correspondence and emails between employees or genests of the Town of Apple Valley Ranchos, 6. All correspondence and emails between employees or genests of the Town of Apple Valley for out initied to the development and content of the Valley Ranchos, including between employees or genests of the Town of Apple Valley Ranchos, including Valley, acquisition of Apple Valley Ranchos, including between employees or genests of the Town of Apple Valley Ranchos is envices supporting the Town of Apple Valley R	12,400

#### **REQUEST FOR RECORDS LOG 2017**

#### Public Records Request Costs - <u>\$277,420</u>

- Attorney's costs
  - **\$165,995**
- Staff costs
  - **\$111,425**
- Over 247,610 records provided in response to 83 public records requests related to water or related matters

### ESTIMATE OF POSSIBLE FUTURE COSTS

Total Expenditure Estimate	\$ 3,500,000
Expended as of August 31, 2016	1,595,313
Amount Unexpended	\$ 1,904,687
Percent Unexpended	54.42 %



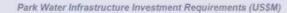
### TOTAL COST OF WATER TO THE TOWN FOR MUNICIPAL USES

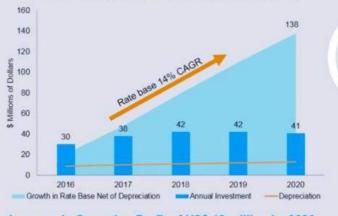
<b>Total Number of Accounts</b>	85
Expended for FY 2016	\$ 702,668.21*
Cost per Billing Cycle	\$ 117,111.37
Annual Cost per Account	\$ 8,266.68
Average Bill	\$ 1,377.78
Average # of Surcharges/Bill	6

\*Reduction in annual water costs - \$125,541.05 due to water conservation and use of the AVGC well.

#### PARK WATER - STRATEGIC INVESTMENT IN THE WEST

- Strategic investment in drought-challenged states
- · Infrastructure re-investment needed
- · Heightened awareness of value of water





Increase in Operating Profit of US\$ 18 million by 2020



A

# Town of Apple Valley

Ranchos Acquisition Efforts Transparency Report September 13, 2016

