

**TOWN OF  
APPLE VALLEY, CALIFORNIA**

**AGENDA MATTER**

**Subject Item:**

**ALLOCATION OF PREVIOUSLY APPROVED SETTLEMENT PAYMENT FOR GOLF COURSE WATER RIGHTS AND REVERSIONARY RIGHTS**

**SUMMARY STATEMENT:**

As a result of the stipulated agreement reached at the mandatory settlement conference between the Town, Apple Valley Country Club and the High Desert Community Foundation, upon payment the Town will receive the adjudicated water rights of the Apple Valley Country Club and the reversionary right, which restricted use of the underlying land. Payment of the settlement offer was previously authorized by the Town Council and the Town must now forward payment in the amount of \$750,000 to the High Desert Community Foundation.

Staff proposes allocating Wastewater Department Reserve Funds to pay the amount due. Staff believes that this is an appropriate expenditure of these restricted funds, as the wastewater department is actively involved in the final design stage for construction of a sub-regional wastewater treatment facility which will, upon completion, provide recycled water to irrigate the golf course and other public facilities. In the near term, the golf course will continue to be irrigated utilizing the existing water rights. Once recycled water is available at the golf course, staff will evaluate whether the rights should be retained by the wastewater fund, sold at fair market value to recover the cost, or leased on an annual basis as a permanent revenue stream. The future revenue to be generated will repay the wastewater fund for its participation in the settlement.

As funds were not previously allocated in the wastewater fund for this purpose, staff recommends that a budget amendment be made to allocate the previously approved settlement payment to the waste water fund account. This is consistent with Generally Accepted Accounting Principals and budgetary requirements established by the Town Council. Sufficient funds are available to fund this expenditure.

**Recommended Action:**

Approve staff recommendation to allocate the previously approved settlement payment of \$750,000 for acquisition of water and reversionary rights to the Wastewater Fund, and instruct the Finance Department to forward payment to the High Desert Community Foundation.

**Proposed by:** Kevin N. Smith, Interim Finance Director                      **Item Number** \_\_\_\_\_

**T.M. Approval:** \_\_\_\_\_ **Budgeted Item:** Budgeted Item  Yes  No  N/A