

SURVEY OF APPLE VALLEY RESIDENTS
REGARDING WATER SYSTEM ACQUISITION

REPORT PREPARED FOR THE
TOWN OF APPLE VALLEY AND
BEST BEST & KRIEGER, LLP



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INTRODUCTION

Apple Valley Ranchos Water Company is a privately-owned utility that provides water services to residential and commercial customers in the Town of Apple Valley. As a for-profit utility owned by an investment firm (Carlyle Group), the utility has recently applied to the California Public Utilities Commission (CPUC) for substantial rate increases—cumulatively totaling approximately 35% by 2017. To protect the interests of its residents and local businesses, the Town of Apple Valley is considering acquiring the water company through a voluntary sale or through eminent domain, if needed.

MOTIVATION FOR RESEARCH The purpose of the survey described in this report was to measure community opinions as they relate to water issues, the Apple Valley Ranchos Water Company, and the Town’s proposed acquisition of the water company. Put simply, is there community support for the Town acquiring the water company? If yes, what information is needed and/or under what conditions do residents support the proposal?

It is important to note at the outset that community opinions about proposals are often somewhat fluid, especially when the amount of information they initially have about a proposal is limited. How an individual thinks and feels about a proposal today may not be the same way they think and feel once they have had a chance to hear more information about the proposal during subsequent months. Accordingly, to accurately assess community opinions regarding the Town acquiring the water system, it was important that in addition to measuring *current* opinions about the proposal (Question 6), the survey expose respondents to the types of information they are likely to encounter in the coming months—including arguments in favor (Question 8) and opposed (Question 10) to the proposal—and gauge how this information ultimately impacts their opinions about the proposal (Questions 9 & 11).

OVERVIEW OF METHODOLOGY For a full discussion of the research methods and techniques used in this study, turn to *Methodology* on page 24. In brief, the survey was administered by telephone to a random sample of 400 registered voters in the Town of Apple Valley who reside within the Apple Valley Ranchos water company’s service area. The survey was administered between July 28 and August 4, 2014, and the average interview lasted 16 minutes.

ORGANIZATION OF REPORT This report is designed to meet the needs of readers who prefer a summary of the findings as well as those who are interested in the details of the results. For those who seek an overview of the findings, the sections titled *Just the Facts* and *Conclusions* are for you. They provide a summary of the most important factual findings of the survey in bullet-point format and a discussion of their implications. For the interested reader, this section is followed by a more detailed question-by-question discussion of the results from the survey by topic area (see *Table of Contents*), as well as a description of the methodology employed for collecting and analyzing the data. And, for the truly ambitious reader, the questionnaire used for the interviews is contained at the back of this report (see *Questionnaire & Toplines* on page 27) and a complete set of crosstabulations for the survey results is contained in Appendix A.

ACKNOWLEDGMENTS True North thanks Best Best & Krieger LLP and the Town of Apple Valley for the opportunity to conduct the study, as well as for staff's contributions to the design of the survey. Their collective expertise, insight, and local knowledge improved the overall quality of the research presented here.

DISCLAIMER The statements and conclusions in this report are those of the authors (Dr. Timothy McLarney and Richard Sarles) at True North Research, Inc. and not necessarily those of Best Best & Krieger LLP or the Town of Apple Valley. Any errors and omissions are the responsibility of the authors.

ABOUT TRUE NORTH True North is a full-service survey research firm that is dedicated to providing public agencies with a clear understanding of the values, perceptions, priorities and concerns of their residents and voters. Through designing and implementing scientific surveys, focus groups and one-on-one interviews, as well as expert interpretation of the findings, True North helps its clients to move with confidence when making strategic decisions in a variety of areas—such as planning, policy evaluation, performance management, establishing fiscal priorities, passing revenue measures, and developing effective public information campaigns.

During their careers, Dr. McLarney and Mr. Sarles have designed and conducted over 800 survey research studies for public agencies, including more than 300 ballot measure feasibility studies. Of the measures that have gone to ballot based on Dr. McLarney's recommendation, more than 94% have been successful.



JUST THE FACTS

The following section is an outline of the main factual findings from the survey. For the reader's convenience, we have organized the findings according to the section titles used in the body of this report. Thus, if you would like to learn more about a particular finding, simply turn to the appropriate report section.

SATISFACTION WITH SERVICES

- When asked to rate their level of satisfaction with the overall quality of life in Apple Valley, as well as various services provided by the Town, local agencies, and the Apple Valley Ranchos Water Company, respectively, respondents were most satisfied with fire protection services in Apple Valley (96% very or somewhat satisfied), police services (90%), and the overall quality of life (90%).
- Given the purpose of this study, it is instructive to note that satisfaction with water services to respondent's homes was the lowest of the items tested, with just 64% of those who provided an opinion indicating they were satisfied.

AWARENESS & OPINIONS OF APPLE VALLEY RANCHOS WATER DISTRICT

- Approximately nine-in-ten respondents (89%) had heard of the Apple Valley Ranchos Water Company prior to taking the survey.
- When asked if they had a favorable or unfavorable opinion of Apple Valley Ranchos Water Company, 43% of respondents said they were unsure or held no opinion. Among those with an opinion, perceptions of Apple Valley Ranchos Water Company were mixed but leaned negative, with 35% of all respondents holding an unfavorable opinion compared with 22% favorable.
- Concerns about rate increases and cost of water service in general were the dominant reasons for having an unfavorable opinion of Apple Valley Ranchos Water Company, mentioned by 93% of those who held an unfavorable opinion. Other specific reasons included past or present problems with water service (17%) and the perception that the Apple Valley Ranchos Water Company doesn't care about its customers (7%).

INITIAL PROPOSAL TEST

- Using neutral language¹ to describe the proposal whereby the Town of Apple Valley would purchase the water system from Apple Valley Ranchos at a fair price so that it can be operated by the Town in the future as a publicly-owned utility, more than one-quarter (29%) of respondents were unsure of their opinion. Among those who held an opinion, supporters outnumbered opponents by more than 3 to 1, with 55% indicating they would support the proposal compared with 16% who said they would oppose.
- After hearing about Apple Valley Ranchos Water Company's plans to increase water rates over the next several years, approximately two-thirds (66%) of respondents said they would support the Town purchasing the water system, with almost half (49%) saying they would *definitely* support the proposal. The percentage of respondents who were unsure of their position dropped to 14% with the water rate increase information, and the percentage of those who opposed the proposal increased slightly to 20%.

1. Omitting any discussion of the potential benefits of the proposal with respect to rate increases or other factors.

POSITIVE ARGUMENTS

When presented with arguments in favor of the proposal, voters found the following arguments to be the most persuasive:

- *Apple Valley Ranchos is owned by an investment firm based in Washington, D.C., and many of its investors are foreign. Our water system shouldn't be controlled by foreign or outside interests. We should have a locally owned and locally controlled water district.*
- *If the Town were to purchase the water system, the future cost of water for residents will be lower than if it remains with Apple Valley Ranchos.*
- *Accountability is key. Residents have little say in how a private company like Apple Valley Ranchos operates the water system. If the Town were to purchase the water system, it will be directly accountable to residents and rate payers.*

INTERIM PROPOSAL TEST

- After informing respondents about the pending water rate increase and exposing them to the types of positive arguments they may encounter about the acquisition proposal, overall support for the proposal increased to 73%, with 56% of respondents indicating that they would *definitely* support it. Approximately 14% of respondents opposed the proposal at this point in the survey, and an additional 13% were unsure or unwilling to state their position.

NEGATIVE ARGUMENTS

When presented with arguments in opposition to the proposal, voters found the following arguments to be the most persuasive:

- *The Town can't afford to purchase the water system without raising taxes.*
- *The water system should be run by experts, not politicians and town staff who have no experience managing a water system.*
- *If the Town takes over the water system, the cost of water will still go up.*

FINAL PROPOSAL TEST

- After informing respondents about the pending water rate increase and exposing them to the types of positive *and* negative arguments they may encounter about the acquisition proposal, overall support was found among 68% of all voters surveyed, with 47% indicating that they would *definitely* support the proposal. Approximately 17% of respondents were opposed to the proposal at the Final Proposal Test, and 15% were unsure or unwilling to share their position.
- In the event that Apple Valley Ranchos Water Company refuses to sell the water system, 58% of respondents said they would support the Town forcing Apple Valley Ranchos to sell the water system at a fair price (through eminent domain), 27% would oppose the forced sale, while the remaining 15% were unsure or unwilling to share their opinion.



CONCLUSIONS

The bulk of this report is devoted to conveying the details of the study findings. In this section, however, we attempt to ‘see the forest through the trees’ and note how the collective results of the survey answer the key questions that motivated the research. The following conclusions are based on True North’s interpretations of the survey results and the firm’s collective experience conducting hundreds of similar studies for public agencies throughout the State.

To what extent are residents aware of Apple Valley Ranchos, and what are their opinions of the company?

Private utilities like Apple Valley Ranchos Water Company, as well as special districts, often operate in relative obscurity from the public’s perspective. Although virtually all residents can identify their local city or county government, utilities and special districts are often not on the average resident’s radar. Considering the above, it is noteworthy that nine-in-ten residents (89%) surveyed in the Apple Valley Ranchos Water Company’s service area were aware of the company prior to taking the survey.

Opinions of Apple Valley Ranchos Water Company (and the services it provides) are mixed—and certainly below the standard one would equate with having a good reputation/solid performance in the community. When compared to other benchmark services including fire protection, police, street maintenance, and electricity services, Apple Valley residents expressed the *lowest* levels of satisfaction with the water services they receive at their home. Whereas these other services received satisfaction scores that ranged from 78% to 96%, just 64% of respondents reported satisfaction with their water service.

Most residents also either have no opinion of Apple Valley Ranchos Water Company (43%) or hold an unfavorable opinion of the company (35%). Overall, less than one-quarter of respondents (22%) who receive water services from Apple Valley Ranchos offered a favorable opinion of the company. This pattern was quite consistent at the subgroup level as well, with unfavorable opinions of the company outnumbering favorable opinions in every identified subgroup of Apple Valley resident. The dominant reason offered for having an unfavorable opinion of Apple Valley Ranchos Water Company was the current cost of service and/or the proposed rate increases.

Do Apple Valley residents support the Town acquiring the water system?

Yes, although support for the proposal strengthens considerably once individuals learn more about the proposal.

Near the outset of the interview, respondents were provided with a simple description of the proposal whereby the Town of Apple Valley would purchase the water system from Apple Valley Ranchos at a fair price so that it can be operated by the Town in the future as a publicly-owned utility. The language used to describe the proposal in the Initial Proposal Test was purposely neutral, omitting any discussion of the potential ben-

efits of the proposal with respect to rate increases or other factors. With this simple description of the proposal, more than one-quarter (29%) of respondents were unsure of their opinion. Among those who held an opinion, however, supporters outnumbered opponents by more than 3 to 1, with 55% indicating they would support the proposal compared with 16% who said they would oppose.

As respondents learned more about the impending water rate increases as well as arguments in favor of the proposal, support for the Town acquiring the water system strengthened. Indeed, by the Interim Proposal Test support for the proposal reached 73%, with just 14% opposed and 13% unsure. Support was also widespread, exceeding 60% in *every* identified subgroup. Even after being exposed to negative arguments in opposition to the proposal, more than two-thirds (67%) of respondents continued to favor the Town acquiring the water system.

Do residents support the Town using eminent domain to acquire the water system, if needed?

If Apple Valley Ranchos Water Company refuses to sell the water system to the Town of Apple Valley, the Town has the legal option of forcing its sale through eminent domain. Recognizing that some residents who support a consensual sale may not feel comfortable with the Town forcing a sale, the survey specifically asked respondents to indicate whether they would support the Town forcing Apple Valley Ranchos to sell the water system at a fair price, even if Apple Valley Ranchos is not inclined to sell the system. Overall, a clear majority (58%) said they would support the Town forcing Apple Valley Ranchos to sell the water system at a fair price, 27% opposed a forced sale, whereas the remaining 15% were unsure or unwilling to share their opinion.

How might a public information campaign affect support for the proposal?

It is clear from the survey results that voters' opinions about the proposal are somewhat sensitive to the nature—and amount—of information that they have about the proposal. Information about the water rate increases requested by Apple Valley Ranchos, as well as arguments in favor of the proposal, were found by many individuals to be compelling reasons to support the proposal. In combination, they effectively strengthened support for the proposal by 18% from the baseline levels recorded at the Initial Proposal Test. Moreover, this information played an important role in limiting the erosion of support for the proposal once respondents were exposed to the types of opposition arguments they will likely encounter in future months.

Accordingly, one of the keys to building and *sustaining* support for proposal will be the presence of an effective, well-organized public outreach effort that explains the need for the proposal as well as the many benefits that it will bring.

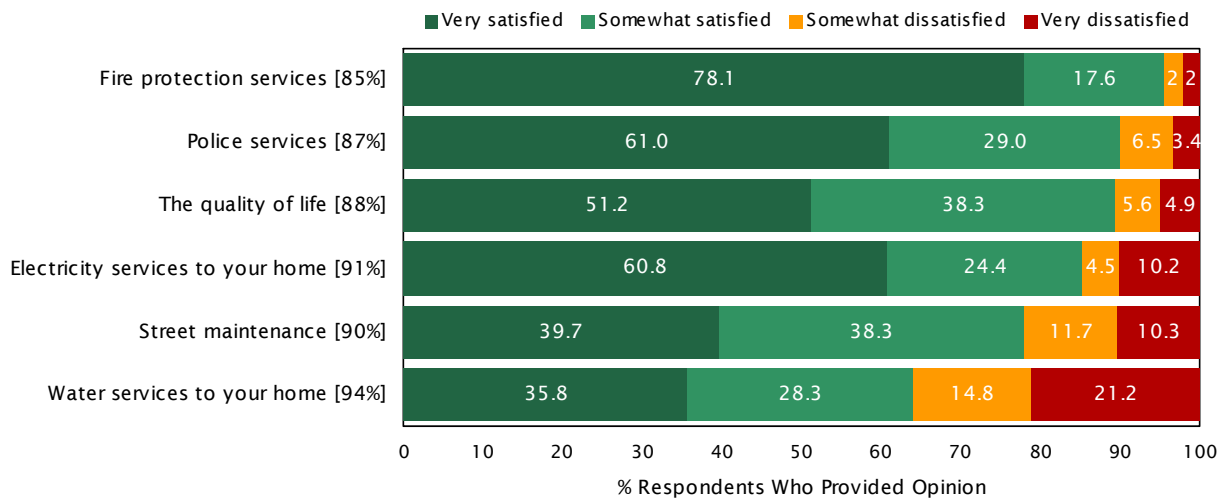
SATISFACTION WITH SERVICES

The first substantive question of the survey asked respondents to rate their level of satisfaction with the overall quality of life in Apple Valley, as well as various services provided by the Town, local agencies, and the Apple Valley Ranchos Water Company, respectively. In particular, Question 2 was designed to identify how well the water services provided by Apple Valley Ranchos stack up against other benchmark services in terms of customer satisfaction. The order of the items tested in Question 2 was randomized for each respondent to avoid a systematic position bias.²

At the top of the list, respondents were most satisfied with fire protection services in Apple Valley (96% very or somewhat satisfied), police services (90%), and the overall quality of life (90%). Given the purpose of this study, it is instructive to note that satisfaction with water services to respondent’s homes was the lowest of the items tested, with just 64% of those who provided an opinion indicating they were satisfied.

Question 2 Overall, are you satisfied or dissatisfied with _____ in Apple Valley?

FIGURE 1 SATISFACTION WITH ASPECTS OF APPLE VALLEY



2. To allow for an apples-to-apples comparison of the satisfaction ratings, only respondents who held an opinion (either satisfied or dissatisfied) are included in Figure 1. Those who did not have an opinion were removed from this analysis. The percentage who held an opinion for each service is shown to the right of the service label in brackets.

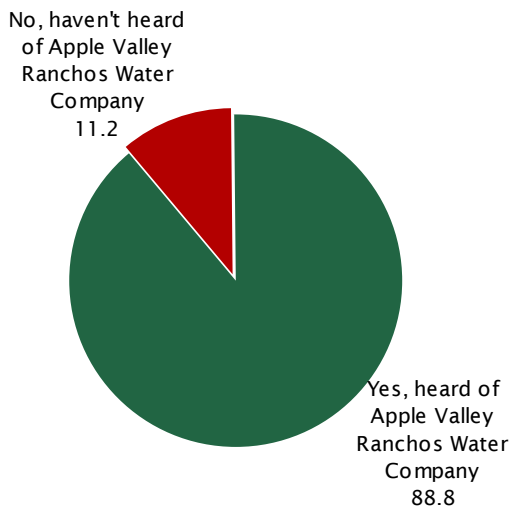
AWARENESS & OPINIONS OF APPLE VALLEY RANCHOS WATER DISTRICT

To understand *why* voters take the positions they do with respect to a proposal, it is often instructive to look beyond the specifics of the proposal itself. Opinions of the agencies or companies sponsoring and/or involved with a proposal, for example, can often color a respondent's opinion about a proposal. Accordingly, and prior to discussing the proposal, one of the goals of the study was to gauge awareness and opinions of the Apple Valley Ranchos Water Company.

AWARENESS Respondents were initially asked if, prior to taking the survey, they had heard of the Apple Valley Ranchos Water Company. As shown in Figure 2, about nine-in-ten respondents (89%) answered in the affirmative.

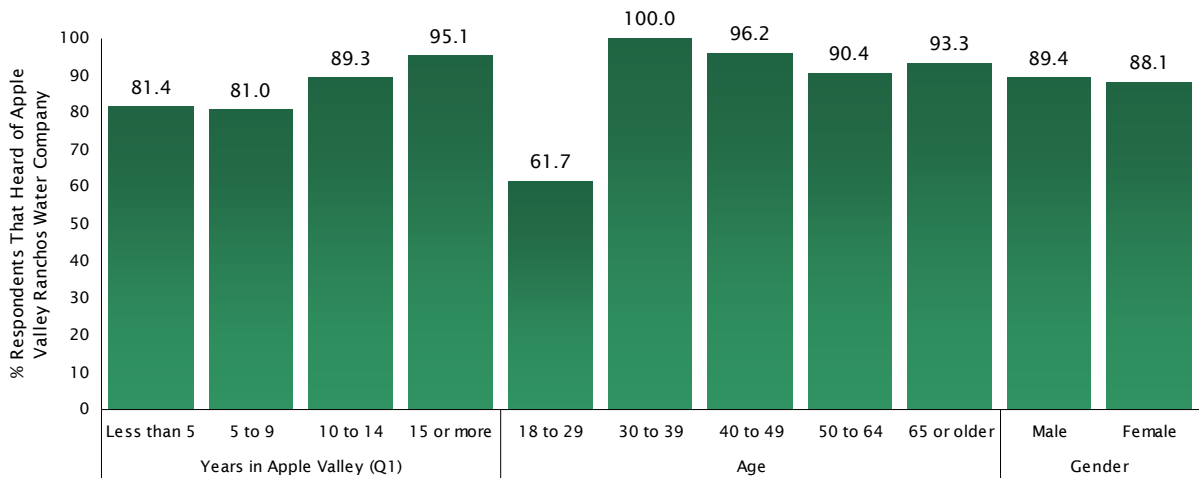
Question 3 *Prior to taking this survey, had you heard of the Apple Valley Ranchos Water Company?*

FIGURE 2 AWARENESS OF APPLE VALLEY RANCHOS WATER COMPANY



For the interested reader, Figure 3 displays the percentage of respondents that indicated they were aware of the Apple Valley Ranchos Water Company by length of residence, age, and gender. When compared to their respective counterparts, long time residents and those 30 years of age and older were the most likely to be aware of the Apple Valley Ranchos Water Company.

FIGURE 3 AWARENESS OF APPLE VALLEY RANCHOS WATER COMPANY BY YEARS IN APPLE VALLEY, AGE & GENDER



FAVORABILITY After clarifying that the Apple Valley Ranchos Water Company is the agency responsible for providing water services to their households, the survey next asked respondents whether they held a favorable or unfavorable opinion of Apple Valley Ranchos, or if they had no opinion either way.

As shown in Figure 4, 43% of respondents said they were unsure or held no opinion regarding the Apple Valley Ranchos Water Company. Among those with an opinion, perceptions of Apple Valley Ranchos were mixed, but leaned in the unfavorable direction. Overall, 35% indicated that they had a unfavorable opinion of Apple Valley Ranchos Water Company, whereas 22% offered a favorable opinion of the company.

Question 4 *The Apple Valley Ranchos Water Company is responsible for providing water services to your household. In general, do you have a favorable or unfavorable opinion of the Apple Valley Ranchos Water Company, or do you have no opinion either way?*

FIGURE 4 OPINION OF APPLE VALLEY RANCHOS WATER COMPANY

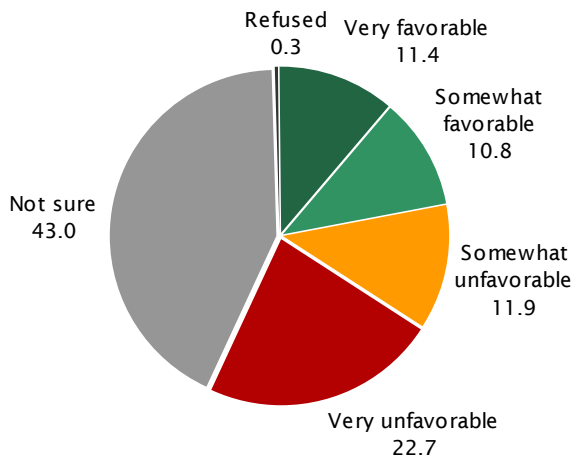
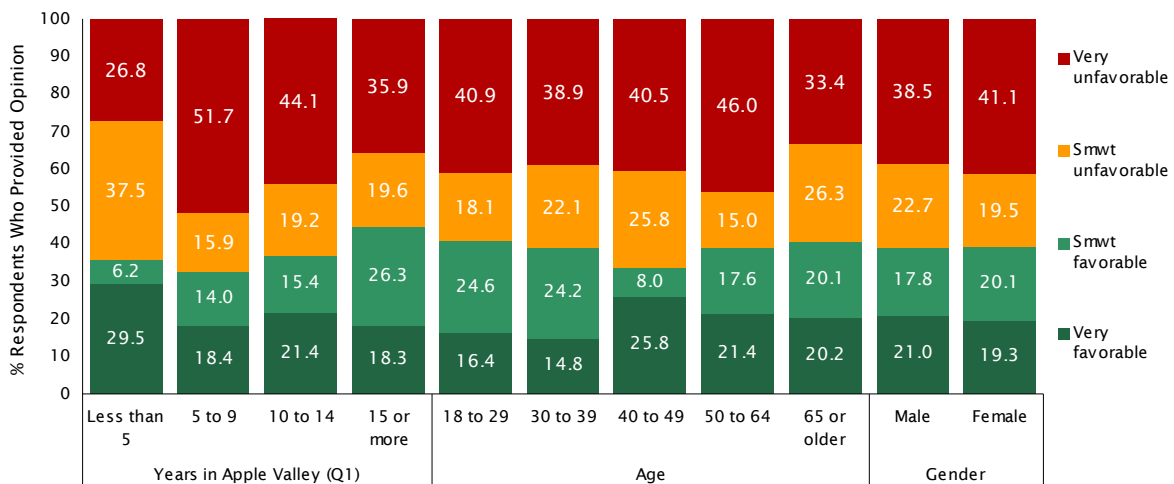


Figure 5 below displays the responses to Question 4 among those who provided an opinion by length of residence, age, and gender. Across every identified subgroup, the majority of those who provided an opinion of Apple Valley Ranchos shared an unfavorable opinion of the company.

FIGURE 5 OPINION OF APPLE VALLEY RANCHOS WATER COMPANY BY YEARS IN APPLE VALLEY, AGE & GENDER

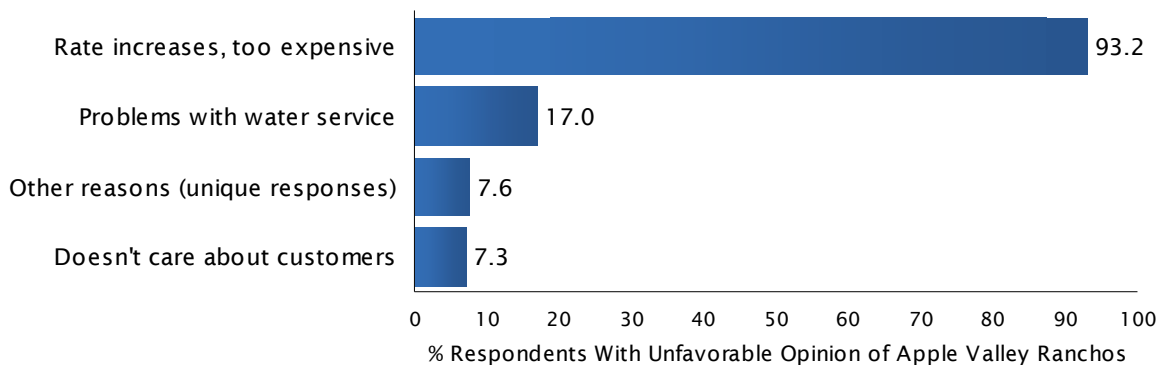


Respondents who indicated that they had an *unfavorable* opinion of the Apple Valley Ranchos Water Company were asked in a follow-up question if there was a particular reason for their opinion. Question 5 was asked in an open-ended manner, allowing respondents to explain their position in their own words without being prompted by a particular list of reasons. Interviewers utilized a pre-coded list to capture the most common responses and recorded other verbatim responses as necessary. True North later reviewed the structured and verbatim responses and grouped them into the categories shown in Figure 6 below.

Concerns about rate increases and/or the cost of water service in general were the dominant reasons offered by respondents for why they held an unfavorable opinion of the Apple Valley Ranchos Water Company, mentioned by 93% of those who received Question 5. Other specific reasons included past or present problems with water service (17%) and a perception that the Apple Valley Ranchos Water Company doesn't care about its customers (7%).

Question 5 *Is there a particular reason why you have an unfavorable opinion of the Apple Valley Ranchos Water Company?*

FIGURE 6 REASONS FOR UNFAVORABLE OPINION



INITIAL PROPOSAL TEST

The primary purpose of this study was to develop a statistically reliable understanding of community opinions regarding the Town's proposed acquisition of the Apple Valley Ranchos Water Company. To this end, Question 6 was designed to take an early assessment of respondents' support for the proposal.

The motivation for placing Question 6 near the front of the survey is twofold. First, community support for a proposal often depends on the amount of information individuals have heard about the proposal. At this point in the survey, the respondent had not been provided information beyond what was presented in the proposal question itself (see below). Question 6—also known as the Initial Proposal Test—is thus a good measure of support for the proposal *as it is today*, on the natural. The Initial Proposal Test also serves a second purpose in that it provides a baseline from which to judge the impact of various information items conveyed later in the survey on support for the proposal. Note that Question 6 uses neutral language to describe the proposal, omitting any discussion of the potential benefits of the proposal with respect to rate increases or other factors.

Question 6 *Apple Valley Ranchos Water Company is a private, for-profit corporation. Some have proposed that the Town of Apple Valley purchase the water system from Apple Valley Ranchos at a fair price so that it can be operated by the Town in the future as a publicly-owned utility. In general, do you support or oppose the Town of Apple Valley purchasing the water system and operating it as a publicly-owned utility?*

FIGURE 7 INITIAL PROPOSAL TEST

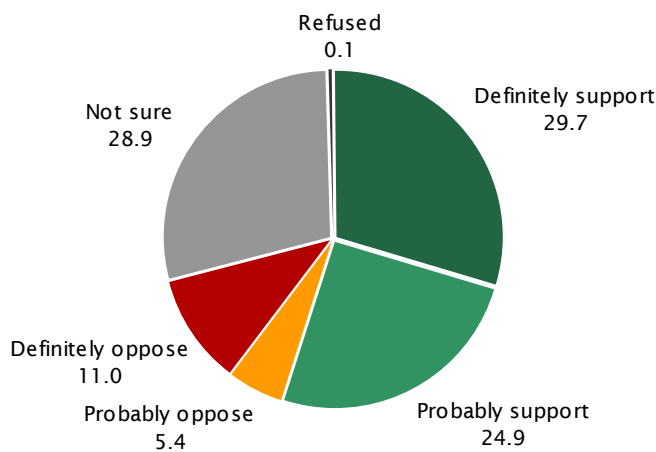


Figure 7 presents the community's initial opinions about the proposal. At this point in the survey, just over one-quarter (29%) of respondents were unsure of their opinion. Among those who held an opinion, however, supporters outnumbered opposition by more than 3 to 1, with 55% indicating they would support the proposal compared to 16% who stated they would oppose.

SUPPORT BY SUBGROUPS For the interested reader, Table 1 on the next page shows how initial opinions regarding the proposal varied by key demographic subgroups. The blue column (Approximate % of Voter Universe) indicates the percentage of the electorate that each subgroup category comprises, whereas the columns to the right show the percentage who supported or were undecided about the proposal.

The level of initial support for the proposal, as well as the percentage of those who were unsure of their opinion, varied considerably across demographic subgroups. When compared to their respective counterparts, initial support for the proposal was highest among new residents (5 or fewer years), those with an unfavorable opinion of Apple Valley Ranchos, Democrats, those between 18 to 29 or 40 to 49 years of age, and residents who perceive their current water bill to be much too high. It's also important to note that combining the percentage who supported the proposal with those that were unsure indicates that—across all subgroups—those who opposed the proposal never constituted more than one-third of respondents in a group.

TABLE 1 DEMOGRAPHIC BREAKDOWN OF SUPPORT AT INITIAL PROPOSAL TEST

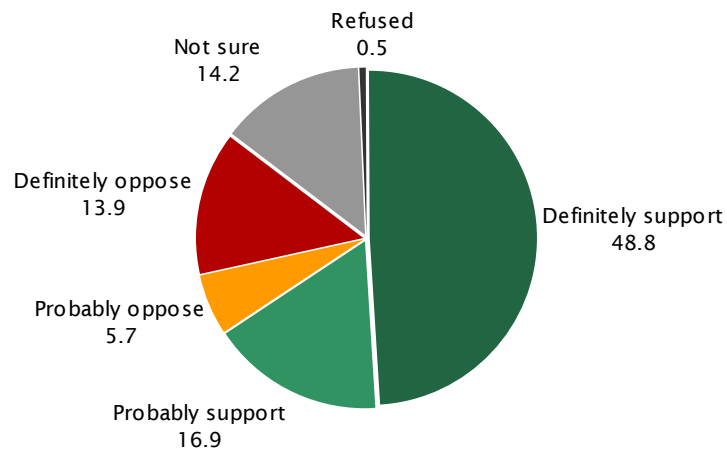
		Approximate % of Voter Universe	% Probably or Definitely Support	% Not sure
Overall		100	54.6	28.9
Years in Apple Valley (Q1)	Less than 5	14	64.0	20.0
	5 to 9	25	58.8	32.2
	10 to 14	16	54.2	23.6
	15 or more	45	49.7	31.6
Homeowner on Voter File	Yes	67	52.9	31.2
	No	33	58.1	24.4
Likely to Vote by Mail	Yes	35	54.8	31.3
	No	65	54.5	27.6
Heard of Apple Valley Ranchos Water (Q3)	Yes	89	55.3	29.0
	No	11	49.3	28.1
Opinion About Apple Valley Ranchos Water (Q4)	Favorable	22	51.6	32.8
	Unfavorable	35	65.2	19.2
	Not sure	43	47.6	34.9
Likely November 2016 Voter	Yes	70	51.6	32.3
	No	30	61.5	21.1
Likely November 2014 Voter	Yes	59	50.5	33.4
	No	41	60.6	22.4
Party	Democrat	25	66.1	23.8
	Republican	51	53.0	30.5
	Other / DTS	24	46.2	31.0
Household Party Type	Single dem	13	70.8	22.3
	Dual dem	6	60.8	26.6
	Single rep	26	54.3	34.7
	Dual rep	18	50.9	26.7
	Other	17	49.8	26.4
	Mixed	20	49.7	30.4
Age	18 to 29	16	68.4	12.1
	30 to 39	13	48.7	40.7
	40 to 49	13	66.2	18.7
	50 to 64	28	50.7	34.0
	65 or older	30	48.3	32.5
Registration Year	2014 to 2009	46	59.6	25.8
	2008 to 2005	21	62.1	28.2
	2004 to 2001	10	38.0	32.4
	2000 or before	23	45.0	34.2
Opinion of Current Hsld Water Bill (Q13)	Much too high	44	67.6	19.3
	Smwt too high	27	53.3	32.4
	Reasonable, too low	29	48.2	29.1
Gender	Male	48	54.1	26.7
	Female	52	55.1	31.0

OPINIONS OF PROPOSAL WITH RATE INCREASE INFORMATION Apple Valley Ranchos Water Company recently submitted an application with the California Public Utilities Commission to raise water rates and, if approved, would result in rate increases beginning in 2015 that would continue through 2017. By 2017, the average household will see a 35% increase in water rates. However, if the Town purchases the water system it will better able to control water rates.

The purpose of Question 7 was to inform respondents of the aforementioned details and measure how said information impacts their opinion about the proposal. As shown in Figure 8, the additional information regarding Apple Valley Ranchos' request for water rate increases had a clear and sizeable impact on respondents' opinions of the proposed acquisition. Approximately two-thirds (66%) of respondents stated they would support the Town purchasing the water system at this point in the survey, with almost half (49%) saying they would *definitely* support the proposal. The percentage of respondents who were unsure of their position dropped from 29% at the Initial Proposal Test to 14% with the water rate increase information, while the percentage of those who opposed the proposal increased slightly from 16% to 20% (see Figure 7 on page 11 for comparison).

Question 7 *Apple Valley Ranchos Water Company recently submitted an application to raise the water rates your household pays. If approved by the State, the rate increases will begin next year and continue increasing through 2017. By 2017, your household will pay 35% more for water than you do now. If the Town purchases the water system it will better control water rates. Knowing this, do you support or oppose the Town purchasing the water system and operating it as a publicly-owned utility?*

FIGURE 8 INITIAL PROPOSAL TEST WITH WATER RATE INCREASE INFO



POSITIVE ARGUMENTS

Naturally, residents’ opinions regarding the proposal will likely depend on the amount of information they have about the proposal. Recognizing that many residents would not even have heard of the proposal prior to participating in the survey—much less have been exposed to discussion surrounding it—the objective of Question 8 was to present respondents with arguments in favor of the proposal and identify whether they felt the arguments were convincing reasons to support it. Arguments in opposition to the proposal were also presented and will be discussed later in this report (see *Negative Arguments* on page 18). Within each series, specific arguments were administered in random order to avoid a systematic position bias.

Question 8 *What I'd like to do now is tell you what some people are saying about the Town of Apple Valley purchasing the water system from Apple Valley Ranchos. Supporters of the proposal say: _____. Do you think this is a very convincing, somewhat convincing, or not at all convincing reason to SUPPORT the Town purchasing the water system?*

FIGURE 9 POSITIVE ARGUMENTS

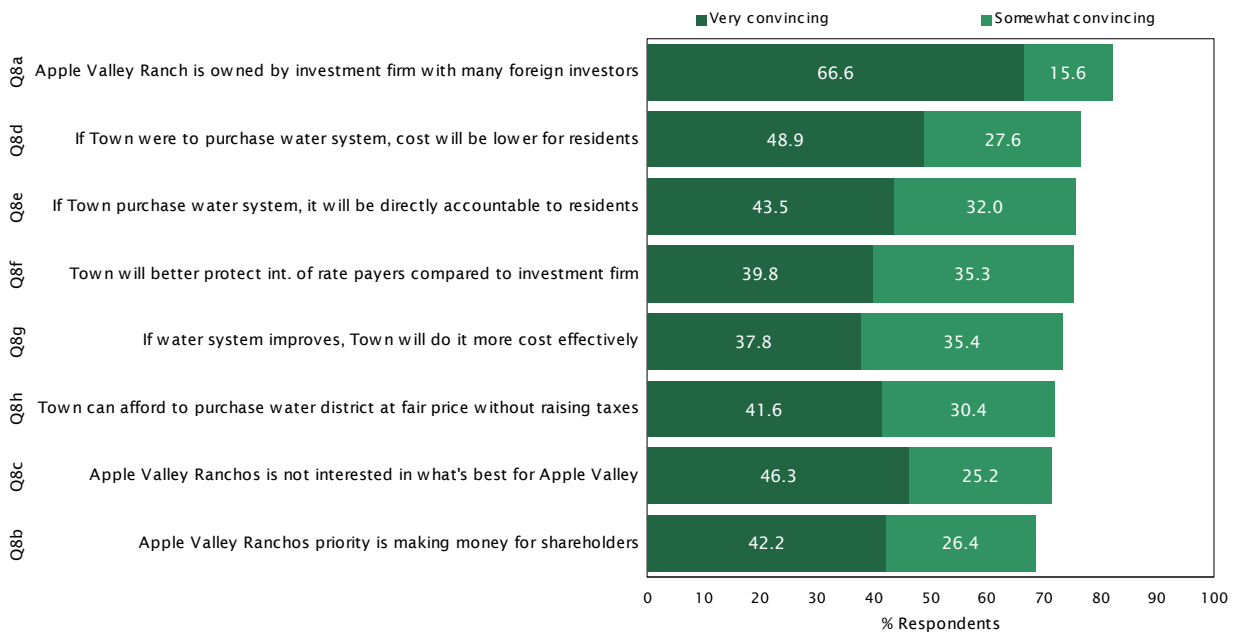


Figure 9 presents the truncated positive arguments tested, as well as respondents’ reactions to the arguments. The arguments are ranked from most convincing to least convincing based on the percentage of respondents who indicated that the argument was either a ‘very convincing’ or ‘somewhat convincing’ reason to *support* the proposal. Using this methodology, the most compelling positive argument was: *Apple Valley Ranchos is owned by an investment firm based in Washington, D.C., and many of its investors are foreign. Our water system shouldn't be controlled by foreign or outside interests. We should have a locally owned and locally controlled water district* (82%), followed by *If the Town were to purchase the water system, the future cost of water for residents will be lower than if it remains with Apple Valley Ranchos* (77%) and *Accountability is key. Residents have little say in how a private company like Apple Valley Ranchos operates the water system. If the Town were to purchase the water system, it will be directly accountable to residents and rate payers* (76%).

POSITIVE ARGUMENTS BY INITIAL SUPPORT Table 2 lists the top five most convincing positive arguments (showing the percentage of respondents who cited it as *very convincing*) according to respondents' vote choice at the Initial Proposal Test. The most striking pattern in the table is that the positive arguments resonated with a higher percentage of voters who were initially inclined to support the proposal when compared with voters who initially opposed the proposal or were unsure. Nevertheless, two arguments were ranked among the top five most compelling by all three groups.

TABLE 2 TOP POSITIVE ARGUMENTS AT INITIAL PROPOSAL TEST

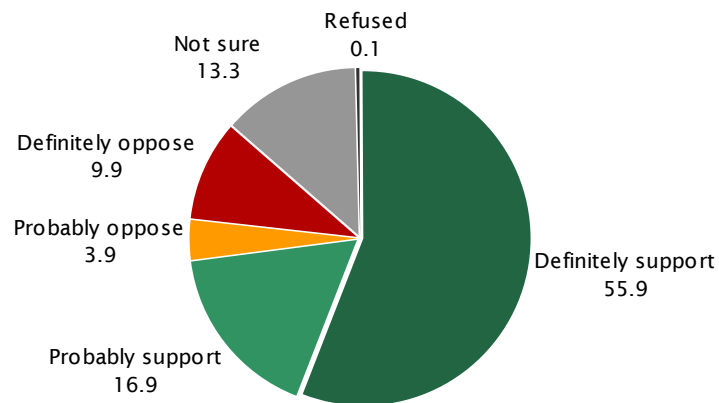
Position at Initial Proposal Test (Q6)	Item	Positive Argument Summary	% Very Convincing
Probably or Definitely Yes (n = 218)	Q8a	Apple Valley Ranch is owned by investment firm with many foreign investors	76
	Q8d	If Town were to purchase water system, cost will be lower for residents	67
	Q8e	If Town were to purchase water system, it will be directly accountable to residents	58
	Q8c	Apple Valley Ranchos is not interested in what's best for Apple Valley	58
	Q8f	Town will better protect interests of rate payers compared to investment firm	55
Probably or Definitely No (n = 65)	Q8a	Apple Valley Ranch is owned by investment firm with many foreign investors	45
	Q8c	Apple Valley Ranchos is not interested in what's best for Apple Valley	33
	Q8e	If Town were to purchase water system, it will be directly accountable to residents	22
	Q8h	Town can afford to purchase water district at a fair price without raising taxes	21
Not Sure (n = 116)	Q8b	Apple Valley Ranchos priority is making money for shareholders	20
	Q8a	Apple Valley Ranch is owned by investment firm with many foreign investors	62
	Q8b	Apple Valley Ranchos priority is making money for shareholders	38
	Q8d	If Town were to purchase water system, cost will be lower for residents	33
	Q8c	Apple Valley Ranchos is not interested in what's best for Apple Valley	32
Q8g	If water system needs to be improved, Town will do it more cost effectively	30	

INTERIM PROPOSAL TEST

After exposing respondents to the types of positive arguments they may encounter about the proposal, the survey again presented respondents with the proposal language used previously to gauge how their support may have changed. As shown in Figure 10, overall support for the proposal increased to 73%, with 56% of respondents indicating that they would *definitely* support the proposal. Approximately 14% of respondents opposed the proposal at this point in the survey, whereas an additional 13% were unsure or unwilling to state their position.

Question 9 *Sometimes people change their mind about a proposal once they have more information about it. Now that you have heard a bit more, do you support or oppose the Town of Apple Valley purchasing the water system from Apple Valley Ranchos and operating it as a publicly-owned utility?*

FIGURE 10 INTERIM PROPOSAL TEST



SUPPORT BY SUBGROUPS Table 3 on the next page shows how support for the proposal at this point in the survey varied by key subgroups, as well as the percentage change in subgroup support when compared with the Initial Proposal Test. As shown in the table, respondents had very positive reactions to the information they encountered after the Initial Proposal Test, with all but a couple of subgroups exhibiting double-digit increases in support. The largest net increases in support for the proposal were found among those aged 30 to 39 or over 50, other/decline to state partisans and single Republican households, and those who indicated that their current water bill is somewhat too high. Although some subgroups exhibited higher levels of support than others at the Interim Proposal Test, the widespread nature of support for the proposal is arguably the most striking pattern found in Table 3. Support for the Town acquiring the water system exceeded 60% in every identified subgroup.

TABLE 3 DEMOGRAPHIC BREAKDOWN OF SUPPORT AT INTERIM PROPOSAL TEST

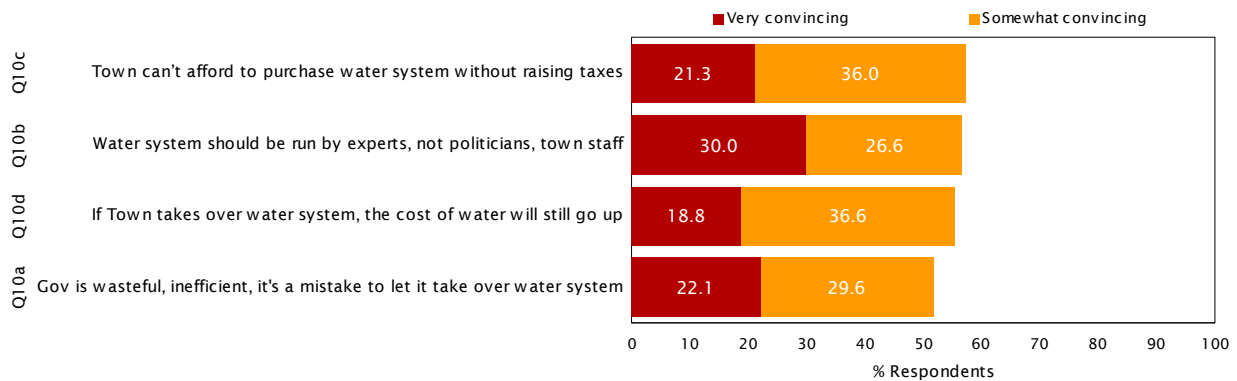
		Approximate % of Voter Universe	% Probably or Definitely Support	Change From Initial Proposal Test (Q6)
Overall		100	72.8	+18.2
Years in Apple Valley (Q1)	Less than 5	14	85.9	+21.9
	5 to 9	25	76.5	+17.8
	10 to 14	16	64.8	+10.6
	15 or more	45	69.8	+20.1
Homeowner on Voter File	Yes	67	71.3	+18.4
	No	33	75.7	+17.7
Likely to Vote by Mail	Yes	35	72.2	+17.4
	No	65	73.1	+18.6
Heard of Apple Valley Ranchos Water (Q3)	Yes	89	74.1	+18.9
	No	11	62.1	+12.8
Opinion About Apple Valley Ranchos Water (Q4)	Favorable	22	70.4	+18.8
	Unfavorable	35	83.9	+18.7
	Not sure	43	65.2	+17.5
Likely November 2016 Voter	Yes	70	71.3	+19.7
	No	30	76.2	+14.7
Likely November 2014 Voter	Yes	59	69.0	+18.5
	No	41	78.3	+17.7
Party	Democrat	25	77.4	+11.3
	Republican	51	71.2	+18.2
	Other / DTS	24	71.3	+25.0
Household Party Type	Single dem	13	76.1	+5.3
	Dual dem	6	79.7	+19.0
	Single rep	26	77.7	+23.4
	Dual rep	18	64.0	+13.1
	Other	17	73.5	+23.7
	Mixed	20	69.2	+19.5
Age	18 to 29	16	72.1	+3.8
	30 to 39	13	84.9	+36.2
	40 to 49	13	66.5	+0.3
	50 to 64	28	72.4	+21.8
	65 or older	30	70.8	+22.5
Registration Year	2014 to 2009	46	75.2	+15.5
	2008 to 2005	21	72.2	+10.0
	2004 to 2001	10	61.7	+23.7
	2000 or before	23	73.6	+28.5
Opinion of Current Hsld Water Bill (Q13)	Much too high	44	82.6	+15.0
	Smwt too high	27	76.3	+23.0
	Reasonable, too low	29	68.0	+19.8
Gender	Male	48	75.2	+21.1
	Female	52	70.5	+15.4

NEGATIVE ARGUMENTS

Whereas Question 8 presented respondents with arguments in favor of the proposal, Question 10 presented respondents with arguments designed to elicit opposition. In the case of Question 10, however, respondents were asked whether they felt that the argument was a very convincing, somewhat convincing, or not at all convincing reason to *oppose* the proposal. The arguments tested, as well as voters’ opinions about the arguments, are presented in Figure 11.

Question 10 *Next, let me tell you what opponents of the proposal are saying. Opponents of the proposal say: _____. Do you think this is a very convincing, somewhat convincing, or not at all convincing reason to OPPOSE the Town purchasing the water district?*

FIGURE 11 NEGATIVE ARGUMENTS



Among the negative arguments tested, the most compelling were: *The Town can't afford to purchase the water system without raising taxes* (57%), *The water system should be run by experts - not politicians and town staff who have no experience managing a water system* (57%), and *If the Town takes over the water system, the cost of water will still go up* (55%).

NEGATIVE ARGUMENTS BY INITIAL SUPPORT Table 4 presents the negative arguments (showing the percentage of respondents who cited each as very convincing) according to respondents’ position at the Initial Proposal Test.

TABLE 4 NEGATIVE ARGUMENTS

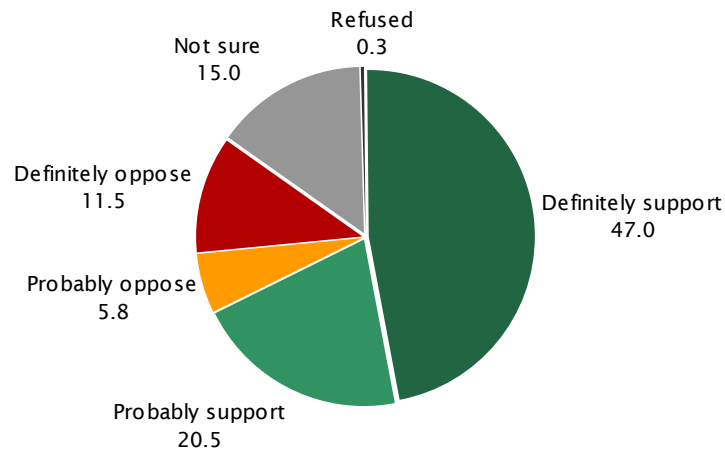
Position at Initial Proposal Test (Q6)	Item	Negative Argument Summary	% Very Convincing
Probably or Definitely Yes (n = 219)	Q10b	Water system should be run by experts, not politicians, town staff	22
	Q10a	Gov is wasteful, inefficient, it's a mistake to let it take over the water system	16
	Q10c	Town can't afford to purchase water system without raising taxes	14
	Q10d	If Town takes over water system, the cost of water will still go up	9
Probably or Definitely No (n = 65)	Q10b	Water system should be run by experts, not politicians, town staff	57
	Q10d	If Town takes over water system, the cost of water will still go up	54
	Q10c	Town can't afford to purchase water system without raising taxes	48
	Q10a	Gov is wasteful, inefficient, it's a mistake to let it take over the water system	36
Not Sure (n = 116)	Q10b	Water system should be run by experts, not politicians, town staff	31
	Q10a	Gov is wasteful, inefficient, it's a mistake to let it take over the water system	27
	Q10c	Town can't afford to purchase water system without raising taxes	19
	Q10d	If Town takes over water system, the cost of water will still go up	18

FINAL PROPOSAL TESTS

Peoples' opinions about proposals are often not rigid, especially when the amount of information presented to the public has been limited. An important goal of the survey was thus to gauge how voters' opinions about the proposed acquisition of the water system by the Town may be affected by the information they could encounter in forthcoming months. After providing respondents with a neutral description of the proposal, information about the impending water rate increases, as well as arguments in favor and against the proposal, respondents were again asked whether they would support or oppose Town acquiring the water system from the Apple Valley Ranchos Water Company and operating it as a publicly-owned utility.

Question 11 *Now that you have heard a bit more, let me ask you one more time: Do you support or oppose the Town of Apple Valley purchasing the water system from Apple Valley Ranchos and operating it as a publicly-owned utility?*

FIGURE 12 FINAL PROPOSAL TEST

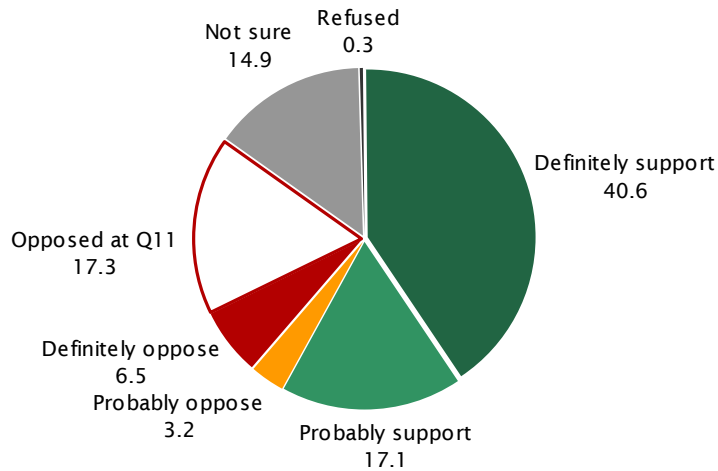


At this point in the survey, support for the proposal was found among 68% of all voters surveyed, with 47% indicating that they would *definitely* support the proposal. Approximately 17% of respondents were opposed to the proposal at the Final Proposal Test, whereas 15% were unsure or unwilling to share their position.

FINAL PROPOSAL TEST WITH FORCED SALE INFO If Apple Valley Ranchos refuses to sell the water system to the Town of Apple Valley, the Town has the legal option of forcing its sale through eminent domain. Recognizing that some residents who support a consensual sale may not feel comfortable with the Town forcing a sale, Question 12 specifically asked respondents to indicate whether they would support the Town forcing Apple Valley Ranchos to sell the water system at a fair price, even if Apple Valley Ranchos is not inclined to sell the system. Respondents who already opposed the proposal at the Final Proposal Test (Question 11) did not receive this question, although Figure 13 on the next page combines the findings of both questions to summarize the opinions of all respondents regarding a forced sale of the water system.

Question 12 *If Apple Valley Ranchos refuses to sell the water system to the Town, the Town has the legal option of forcing a sale. Would you support or oppose the Town forcing Apple Valley Ranchos to sell the water system at a fair price?*

FIGURE 13 SUPPORT FOR TOWN FORCING APPLE VALLEY RANCHOS TO SELL WATER SYSTEM



Even in the scenario where the Apple Valley Ranchos Water Company is not willing to sell the water system, Apple Valley residents support the Town forcing a sale. As shown in Figure 13, 58% of respondents said they would support the Town forcing Apple Valley Ranchos to sell the water system at a fair price, 27% would oppose the forced sale, whereas the remaining 15% were unsure or unwilling to share their opinion.



CHANGE IN SUPPORT

Table 5 provides a closer look at how support for the proposal changed over the course of the interview by calculating the difference in support between the Initial, Interim, and Final Proposal Tests within various subgroups of voters. The percentage of support for the proposal at the Final Proposal Test is shown in the column with the heading *% Probably or Definitely Support*. The columns to the right show the difference between the Final and the Initial, and the Final and Interim Proposal Tests. Positive differences appear in green, whereas negative differences appear in red.

TABLE 5 DEMOGRAPHIC BREAKDOWN OF SUPPORT AT FINAL PROPOSAL TEST

		Approximate % of Voter Universe	% Probably or Definitely Support	Change From Initial Proposal Test (Q6)	Change From Interim Proposal Test (Q9)
Overall		100	67.4	+12.8	-5.3
Years in Apple Valley (Q1)	Less than 5	14	79.0	+15.0	-6.9
	5 to 9	25	72.4	+13.6	-4.2
	10 to 14	16	61.6	+7.4	-3.3
	15 or more	45	63.5	+13.8	-6.3
Homeowner on Voter File	Yes	67	65.8	+12.9	-5.5
	No	33	70.7	+12.6	-5.1
Likely to Vote by Mail	Yes	35	68.6	+13.8	-3.6
	No	65	66.8	+12.3	-6.3
Heard of Apple Valley Ranchos Water (Q3)	Yes	89	67.8	+12.6	-6.3
	No	11	64.2	+14.8	+2.1
Opinion About Apple Valley Ranchos Water (Q4)	Favorable	22	70.8	+19.2	+0.4
	Unfavorable	35	78.0	+12.8	-5.9
	Not sure	43	57.3	+9.7	-7.8
Likely November 2016 Voter	Yes	70	65.9	+14.2	-5.4
	No	30	71.1	+9.6	-5.1
Likely November 2014 Voter	Yes	59	64.1	+13.6	-4.9
	No	41	72.3	+11.7	-5.9
Party	Democrat	25	75.4	+9.3	-2.0
	Republican	51	66.6	+13.6	-4.6
	Other / DTS	24	61.0	+14.8	-10.3
Household Party Type	Single dem	13	77.7	+6.9	+1.6
	Dual dem	6	69.6	+8.8	-10.2
	Single rep	26	69.4	+15.1	-8.3
	Dual rep	18	63.2	+12.3	-0.8
	Other	17	66.2	+16.4	-7.3
	Mixed	20	62.1	+12.4	-7.1
Age	18 to 29	16	68.4	No change	-3.8
	30 to 39	13	66.3	+17.6	-18.6
	40 to 49	13	66.5	+0.3	No change
	50 to 64	28	72.4	+21.8	No change
	65 or older	30	63.2	+14.8	-7.7
Registration Year	2014 to 2009	46	71.2	+11.5	-4.0
	2008 to 2005	21	68.5	+6.4	-3.7
	2004 to 2001	10	55.9	+17.9	-5.8
	2000 or before	23	64.2	+19.2	-9.4
Opinion of Current Hsld Water Bill (Q13)	Much too high	44	78.8	+11.1	-3.8
	Smwt too high	27	65.0	+11.6	-11.3
	Reasonable, too low	29	64.7	+16.5	-3.3
Gender	Male	48	66.5	+12.5	-8.7
	Female	52	68.3	+13.2	-2.2

As expected, voters generally responded to the negative arguments with a reduction in their support for the proposal when compared with the levels recorded at the Interim Proposal Test. The general trend over the course of the entire survey (Initial to Final Proposal Test), however, was one of increasing support, with most subgroups exhibiting double-digit increases, and averaging +13% across all subgroup categories.

Whereas Table 5 displays change in support for the proposal over the course of the interview at the group level, Table 6 displays the individual-level changes that occurred between the Initial and Final Proposal Tests. On the left side of the table is shown each of the response options to the Initial Proposal Test and the percentage of respondents in each group. The cells in the body of the table depict movement within each response group (row) based on the information provided throughout the course of the survey as recorded by the Final Proposal Test. For example, in the first row we see that of the 29.7% of respondents who indicated that they would definitely support the proposal at the Initial Proposal Test, 24.5% also indicated that they would definitely support it at the Final Proposal Test. Approximately 3.8% moved to the probably support group, 0.0% moved to the probably oppose group, 1.1% moved to the definitely oppose group, and 0.3% percent stated they were now unsure of their position.

To ease interpretation of the table, the cells are color coded. Red shaded cells indicate declining support, green shaded cells indicate increasing support, whereas white cells indicate no movement. Moreover, within the cells, a white font indicates a fundamental change in the position: from support to oppose, oppose to support, or not sure to either support or oppose.

TABLE 6 MOVEMENT BETWEEN INITIAL AND FINAL PROPOSAL TEST

Initial Proposal Test (Q6)		Final Proposal Test (Q11)				
		Definitely support	Probably support	Probably oppose	Definitely oppose	Not sure
Definitely support	29.7% →	24.5%	3.8%	0.0%	1.1%	0.3%
Probably support	24.9% →	12.3%	8.0%	0.9%	2.1%	1.5%
Probably oppose	5.4% →	1.0%	0.9%	1.3%	1.2%	0.9%
Definitely oppose	11.0% →	1.5%	0.5%	0.9%	6.3%	1.7%
Not sure	29.1% →	7.6%	7.2%	2.7%	0.8%	10.8%

As one might expect, the information conveyed in the survey had the greatest impact on individuals who either weren't sure about their position at the Initial Proposal Test or were tentative in their position (probably support or probably oppose). Moreover, Table 6 makes clear that although the information impacted some voters, it did not do so in a consistent way for all respondents. Many respondents found the information conveyed during the course of the interview to be a reason to become more supportive of the proposal, whereas some found the same information a reason to be less supportive. Although 31% of respondents made a fundamental³ shift in their opinion about the proposal over the course of the interview, the net impact is that support for the proposal at the Final proposal Test was approximately 13% higher than support at the Initial Proposal Test.

3. This is, they changed from a position of support, opposition or undecided at the Initial Proposal Test to a different position at the Final Proposal Test.



BACKGROUND & DEMOGRAPHICS

TABLE 7 DEMOGRAPHICS OF SAMPLE

Total Respondents	400
Years in Apple Valley (Q1)	
Less than 5	13.7
5 to 9	25.0
10 to 14	16.4
15 or more	44.7
Refused	0.1
Homeowner on Voter File	
Yes	66.6
No	33.4
Likely to Vote by Mail	
Yes	35.4
No	64.6
Likely November 2016 Voter	
Yes	70.0
No	30.0
Likely November 2014 Voter	
Yes	59.2
No	40.8
Party	
Democrat	24.9
Republican	50.6
Other / DTS	24.4
Household Party Type	
Single dem	13.4
Dual dem	5.6
Single rep	26.5
Dual rep	17.8
Other	16.7
Mixed	20.1
Age	
18 to 29	15.9
30 to 39	13.3
40 to 49	13.3
50 to 64	27.9
65 or older	29.6
Registration Year	
2014 to 2009	45.6
2008 to 2005	21.3
2004 to 2001	10.4
2000 or before	22.7
Gender	
Male	48.0
Female	52.0
Opinion of Current Hsld Water Bil (Q13)	
Much too high	40.3
Somewhat too high	24.4
Reasonable	26.0
Too low	0.8
Doesn't pay bill directly, landlord pays	2.4
No opinion	5.8
Refused	0.3

In addition to questions directly related to the acquisition proposal, the study collected basic demographic and background information about respondents and their households. Some of this information was gathered during the interview, although much of it was collected from the voter file. The profile of the voter sample used for this study is shown in Table 7.



M E T H O D O L O G Y

The following sections outline the methodology used in the study, as well as the motivation for using certain techniques.

QUESTIONNAIRE DEVELOPMENT Dr. McLarney of True North Research worked closely with Best Best & Krieger LLP and the Town of Apple Valley to develop a questionnaire that covered the topics of interest and avoided possible sources of systematic measurement error, including position-order effects, wording effects, response-category effects, scaling effects and priming. Several questions included multiple individual items. Because asking the items in a set order can lead to a systematic position bias in responses, the items were asked in a random order for each respondent.

Some questions in the survey were presented only to a subset of respondents. For example, only respondents who indicated they have an unfavorable opinion of the Apple Valley Ranchos Water Company (Question 4) were asked the reason for that unfavorable opinion (Question 5). The questionnaire included with this report (see *Methodology* on page 24) identifies the skip patterns used during the interview to ensure that each respondent received the appropriate questions.

PROGRAMMING & PRE-TEST Prior to fielding the survey, the questionnaire was CATI (Computer Assisted Telephone Interviewing) programmed to assist the live interviewers when conducting the telephone interviews. The CATI program automatically navigates the skip patterns, randomizes the appropriate question items, and alerts the interviewer to certain types of keypunching mistakes should they happen during the interview. The integrity of the questionnaire was pre-tested internally by True North and by dialing into random homes in the Apple Valley Ranchos water company's service area prior to formally beginning the survey.

SAMPLE The survey was conducted using a stratified sample of 400 registered voters in the Town of Apple Valley who reside within the Apple Valley Ranchos water company's service area. Consistent with the profile of this universe, the sample was stratified, and a total of 400 clusters were defined, each representing a particular combination of age, gender, partisanship, and household party type. Individuals were then randomly selected based on their profile into an appropriate cluster. This method ensures that if a person of a particular profile refuses to participate in the study, they are replaced by an individual who shares their same profile.

MARGIN OF ERROR DUE TO SAMPLING By using a stratified and clustered sample and monitoring the sample characteristics as data collection proceeded, True North ensured that the sample was representative of registered voters in the area of interest. The results of the sample can thus be used to estimate the opinions of *all* registered voters in the area of interest. Because not every voter participated in the survey, however, the results have what is known as a statistical margin of error due to sampling. The margin of error refers to the difference between what was found in the survey of 400 voters for a particular question and what would have been found if all of the estimated 22,706 voters in the area of interest had been interviewed.

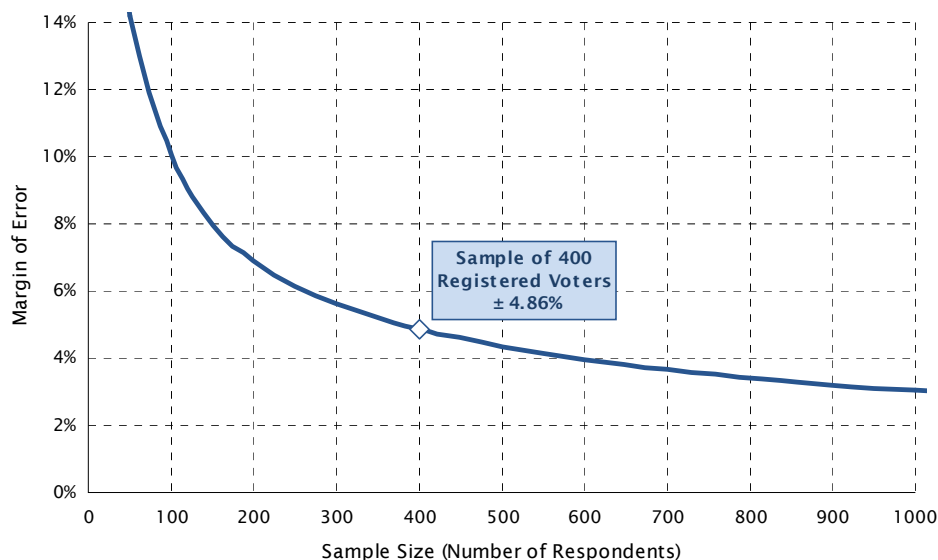
For example, in estimating the percentage of voters who have heard of the Apple Valley Ranchos Water Company (Question 3), the margin of error can be calculated if one knows the size of the population, the size of the sample, a desired confidence level, and the distribution of responses to the question. The appropriate equation for estimating the margin of error, in this case, is shown below:

$$\hat{p} \pm t \sqrt{\left(\frac{N-n}{N}\right) \frac{\hat{p}(1-\hat{p})}{n-1}}$$

where \hat{p} is the proportion of survey respondents who had heard of the Apple Valley Ranchos Water Company (0.89 for 89% in this example), N is the population size of all voters (22,706), n is the sample size that received the question (400), and t is the upper $\alpha/2$ point for the t-distribution with $n - 1$ degrees of freedom (1.96 for a 95% confidence interval). Solving the equation using these values reveals a margin of error of $\pm 3.04\%$. This means that with 89% of survey respondents indicating they had heard of the Apple Valley Ranchos Water Company, we can be 95% confident that the actual percentage of all voters who heard of the Apple Valley Ranchos Water Company is between 86% and 92%.

Figure 14 provides a plot of the *maximum* margin of error in this study. The maximum margin of error for a dichotomous percentage result occurs when the answers are evenly split such that 50% provide one response and 50% provide the alternative response (i.e., $\hat{p} = 0.5$). For this survey, the maximum margin of error is $\pm 4.86\%$ for questions answered by all 400 respondents.

FIGURE 14 MAXIMUM MARGIN OF ERROR



Within this report, figures and tables show how responses to certain questions varied by subgroups such as age, gender, and partisanship. Figure 14 is thus useful for understanding how the maximum margin of error for a percentage estimate will grow as the number of individuals asked a question (or in a particular subgroup) shrinks. Because the margin of error grows exponentially as the sample size decreases, the reader should use caution when generalizing and interpreting the results for small subgroups.

DATA COLLECTION The method of data collection was telephone interviewing. Interviews were conducted during weekday evenings (5:30PM to 9PM) and on weekends (10AM to 5PM) between July 28 and August 4, 2014. It is standard practice not to call during the day on weekdays because most working adults are unavailable and thus calling during those hours would bias the sample. The average interview lasted 16 minutes.

DATA PROCESSING Data processing consisted of checking the data for errors or inconsistencies, coding and recoding responses, categorizing verbatim responses, and preparing frequency analyses and crosstabulations.

ROUNDING Numbers that end in 0.5 or higher are rounded up to the nearest whole number, whereas numbers that end in 0.4 or lower are rounded down to the nearest whole number. These same rounding rules are also applied, when needed, to arrive at numbers that include a decimal place in constructing figures and charts. Occasionally, these rounding rules lead to small discrepancies in the first decimal place when comparing tables and pie charts for a given question.

QUESTIONNAIRE & TOPLINES



Town of Apple Valley – Water District Perception Survey
 Baseline Survey
 Final Toplines
 August 2014

Section 1: Introduction to Study

Hi, may I please speak to _____. My name is _____, and I'm calling on behalf of TNR, an independent public opinion research firm. We're conducting a survey about important issues in Apple Valley and I'd like to get your opinions.

If needed: This is a survey about important issues in your community. I'm NOT trying to sell anything and I won't ask for a donation.

If needed: The survey should take about 10 minutes to complete.

If needed: If now is not a convenient time, can you let me know a better time so I can call back?

If the person asks why you need to speak to the listed person or if they ask to participate instead, explain: For statistical purposes, at this time the survey must only be completed by this particular individual.

If the person says they are an elected official or is somehow associated with the survey, politely explain that this survey is designed to measure the opinions of those not closely associated with the study, thank them for their time, and terminate the interview.

Section 2: Satisfaction with Services

Q1 To begin, how many years have you lived in Apple Valley?

1	Less than 1 year	0%
2	1 to 2 years	6%
3	3 to 4 years	8%
4	5 to 9 years	25%
5	10 to 14 years	16%
6	15 years or longer	45%
99	Refused	0%

Q2 Overall, are you satisfied or dissatisfied with _____ in Apple Valley? *Get answer, then ask:* Would that be very (satisfied/dissatisfied) or somewhat (satisfied/dissatisfied)?

		Very satisfied	Somewhat satisfied	Somewhat dissatisfied	Very dissatisfied	Not sure	Refused
<i>Read item A first, then randomize.</i>							
A	The quality of life	45%	34%	5%	4%	11%	2%
B	Police services	53%	25%	6%	3%	12%	1%
C	Fire protection services	66%	15%	2%	2%	14%	1%
D	Street maintenance	36%	34%	10%	9%	9%	1%
E	Water services to your home	34%	27%	14%	20%	6%	0%
F	Electricity services to your home	55%	22%	4%	9%	9%	0%

Section 3: Awareness/Opinions of Apple Valley Ranchos Water District			
Q3	Prior to taking this survey, had you heard of the Apple Valley Ranchos Water Company?		
	1	Yes	89%
	2	No	11%
	99	Refused	0%
Q4	The Apple Valley Ranchos Water Company is responsible for providing water services to your household. In general, do you have a favorable or unfavorable opinion of the Apple Valley Ranchos Water Company - or do you have no opinion either way? <i>Get answer, if favorable or unfavorable ask: Would that be very (favorable/unfavorable) or somewhat (favorable/unfavorable)?</i>		
	1	Very favorable	11% Skip to Q6
	2	Somewhat favorable	11% Skip to Q6
	3	Somewhat unfavorable	12% Ask Q5
	4	Very unfavorable	23% Ask Q5
	97	Says a different company provides water to their household	0% Terminate
	98	Not sure	43% Skip to Q6
	99	Refused	0% Skip to Q6
Q5	Is there a particular reason why you have an unfavorable opinion of the Apple Valley Ranchos Water Company? <i>Don't read answers, check all that apply.</i>		
	1	Rate Increases/Too Expensive	93%
	2	Problems with water service	17%
	3	Doesn't care about customers	7%
	4	Other	8%
	98	No particular reason/Don't Know	0%
	99	Refused	0%

Section 4: Initial Proposal Test

Q6	Apple Valley Ranchos Water Company is a private, for-profit corporation. Some have proposed that the Town of Apple Valley purchase the water system from Apple Valley Ranchos at a fair price so that it can be operated by the Town in the future as a publicly-owned utility.	
	In general, do you support or oppose the Town of Apple Valley purchasing the water system and operating it as a publicly-owned utility? <i>Get answer, if support or oppose ask: Would that be definitely (support/oppose) or probably (support/oppose)?</i>	
	1	Definitely support 30%
	2	Probably support 25%
	3	Probably oppose 5%
	4	Definitely oppose 11%
	98	Not sure 29%
99	Refused 0%	
Q7	Apple Valley Ranchos Water Company recently submitted an application to raise the water rates your household pays. If approved by the State, the rate increases will begin next year and continue increasing through 2017. By 2017, your household will pay 35% more for water than you do now.	
	If the Town purchases the water system it will better control water rates.	
	Knowing this, do you support or oppose the Town purchasing the water system and operating it as a publicly-owned utility? <i>Get answer, if support or oppose ask: Would that be definitely (support/oppose) or probably (support/oppose)?</i>	
	1	Definitely support 49%
	2	Probably support 17%
	3	Probably oppose 6%
	4	Definitely oppose 14%
98	Not sure 14%	
99	Refused 0%	

Section 5: Positive Arguments

What I'd like to do now is tell you what some people are saying about the Town of Apple Valley purchasing the water system from Apple Valley Ranchos.

Q8	Supporters of the proposal say: ----- Do you think this is a very convincing, somewhat convincing, or not at all convincing reason to SUPPORT the Town purchasing the water system?	Very Convincing	Somewhat Convincing	Not At All Convincing	Don't Believe	Don't Know/No Opinion	Refused
	<i>Randomize</i>						
A	Apple Valley Ranchos is owned by an investment firm based in Washington, D.C., and many of its investors are foreign. Our water system shouldn't be controlled by foreign or outside interests. We should have a locally owned and locally controlled water district.	67%	16%	10%	0%	8%	0%
B	The top priority for Apple Valley Ranchos is making money for shareholders -- that is why it keeps increasing water rates.	42%	26%	18%	0%	12%	0%
C	Apple Valley Ranchos is <u>not</u> interested in what's best for Apple Valley. In fact, when the Town announced plans to use recycled water for irrigating landscapes - a move that would be better for taxpayers and the environment - Apple Valley Ranchos threatened to sue the Town.	46%	25%	14%	1%	13%	0%
D	If the Town were to purchase the water system, the future cost of water for residents will be <u>lower</u> than if it remains with Apple Valley Ranchos.	49%	28%	15%	1%	8%	0%
E	Accountability is key. Residents have little say in how a private company like Apple Valley Ranchos operates the water system. If the Town were to purchase the water system, it will be directly accountable to residents and rate payers.	44%	32%	14%	0%	10%	0%
F	The Town will do a better job protecting the interests of rate payers when compared to a private investment firm.	40%	35%	15%	0%	9%	0%
G	If the water system needs to be improved or expanded in the future, the Town will be able to do it more cost-effectively than Apple Valley Ranchos.	38%	35%	18%	0%	8%	0%
H	The Town can afford to purchase the water district at a fair price <u>without</u> raising taxes.	42%	30%	18%	1%	9%	0%

Section 6: Interim Proposal Test

	Sometimes people change their mind about a proposal once they have more information about it.	
Q9	Now that you have heard a bit more, do you support or oppose the Town of Apple Valley purchasing the water system from Apple Valley Ranchos and operating it as a publicly-owned utility? <i>Get answer, if support or oppose ask: Would that be definitely (support/oppose) or probably (support/oppose)?</i>	
	1	Definitely support 56%
	2	Probably support 17%
	3	Probably oppose 4%
	4	Definitely oppose 10%
	98	Not sure 13%
	99	Refused 0%

Section 7: Negative Arguments

Next, let me tell you what opponents of the proposal are saying.

Q10	Opponents of the proposal say: _____. Do you think this is a very convincing, somewhat convincing, or not at all convincing reason to OPPOSE the Town purchasing the water district?						
	<i>Randomize</i>	Very Convincing	Somewhat Convincing	Not At All Convincing	Don't Believe	Don't Know/No Opinion	Refused
A	Government is wasteful and inefficient. It's a mistake to let government take over the water system.	22%	30%	39%	0%	9%	0%
B	The water system should be run by experts – not politicians and town staff who have no experience managing a water system.	30%	27%	34%	0%	9%	0%
C	The Town can't afford to purchase the water system without raising taxes.	21%	36%	30%	1%	11%	1%
D	If the Town takes over the water system, the cost of water will still go up.	19%	37%	34%	0%	9%	1%

Section 8: Final Proposal Test			
Q11	Now that you have heard a bit more, let me ask you one more time: Do you support or oppose the Town of Apple Valley purchasing the water system from Apple Valley Ranchos and operating it as a publicly-owned utility? <i>Get answer, if support or oppose ask: Would that be definitely (support/oppose) or probably (support/oppose)?</i>		
	1	Definitely support	47% Ask Q12
	2	Probably support	20% Ask Q12
	3	Probably oppose	6% Skip to Q13
	4	Definitely oppose	11% Skip to Q13
	98	Not sure	15% Ask Q12
	99	Refused	0% Ask Q12
Q12	If Apple Valley Ranchos refuses to sell the water system to the Town, the Town has the legal option of forcing a sale. Would you support or oppose the Town forcing Apple Valley Ranchos to sell the water system at a <u>fair</u> price? <i>Get answer, if support or oppose ask: Would that be definitely (support/oppose) or probably (support/oppose)? Percentages shown below are among all respondents.</i>		
	1	Definitely support	41%
	2	Probably support	17%
	3	Probably oppose	3%
	4	Definitely oppose	7%
	Opposed at Q11 (Did not receive Q12)		17%
	98	Not sure	15%
	99	Refused	0%
Q13	Thinking of your water bill, would you say the amount of money your household <u>currently</u> pays for water is reasonable, too high, or too low? <i>If says too high, ask: Would that be much too high or somewhat too high?</i>		
	1	Much too high	40%
	2	Somewhat too high	24%
	3	Reasonable	26%
	4	Too low	1%
	97	Doesn't pay bill directly/landlord pays/etc.	2%
	98	Not sure	6%
	99	Refused	0%
Those are all of the questions that I have for you! Thanks very much for participating.			

Post-Interview & Sample Items		
S1	Gender	
	1	Male 48%
	2	Female 52%
S2	Party	
	1	Democrat 25%
	2	Republican 51%
	3	Other 8%
	4	DTS 16%
S3	Age on Voter File	
	1	18 to 29 16%
	2	30 to 39 13%
	3	40 to 49 13%
	4	50 to 64 28%
	5	65 or older 30%
	99	Not Coded 0%
S4	Registration Date	
	1	2014 to 2009 46%
	2	2008 to 2005 21%
	3	2004 to 2001 10%
	4	2000 to 1997 7%
	5	Before 1997 15%

Town of Apple Valley

August 2014

S5 Household Party Type		
1	Single Dem	13%
2	Dual Dem	6%
3	Single Rep	26%
4	Dual Rep	18%
5	Single Other	13%
6	Dual Other	4%
7	Dem & Rep	3%
8	Dem & Other	6%
9	Rep & Other	8%
0	Mixed (Dem + Rep + Other)	2%
S6 Homeowner on Voter File		
1	Yes	67%
2	No	33%
S7 Likely to Vote by Mail		
1	Yes	35%
2	No	65%
S8 Likely November 2014 Voter		
1	Yes	59%
2	No	41%
S9 Likely November 2016 Voter		
1	Yes	70%
2	No	30%

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