



## **PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**

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### **Victorville Receives \$54 Million Settlement Payment**

Victorville, CA—On February 20, 2013 the City of Victorville received the final payment of \$54 million resulting from a lawsuit with Carter & Burgess. This is the final chapter in a longstanding dispute over the failed power plant. The funds will be used to repay internal and external debt associated with Victorville Municipal Utility Services (VMUS).

Thirty million of the funds have been wired to the Trustee to reduce the bonds issued for the construction of the Foxborough Plant. The remaining \$24 million will be used to repay \$22 million in interfund borrowing between the Victorville Municipal Utility Services (VMUS) fund and the Victorville Water District. The Victorville Water District will in turn use those funds to repay a loan from the Southern California Logistics Airport Authority (SCLAA). The remaining \$2 million will be deposited into the City's general fund reserves.

"This is further evidence of the progress that has been made in recent years to improve the financial condition of the city," said Mayor Jim Cox. "The rest of the Council and I are committed to working together to make the City of Victorville prosperous again."

The current budget does not include this funding as the matter was not settled at the time of budget adoption. Staff is preparing agenda items for a future agenda to appropriate these funds and eliminate over \$45 million in internal borrowing that has been criticized in recent years.

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