

To: Kathie Martin[KMartin@applevalley.org]; Frank Robinson[FRobinson@applevalley.org]; Dennis Cron[DCron@applevalley.org]
Cc: Steve Lambert[steve@the2020network.com]; Tim Gallagher[tim@the2020network.com]; 'Thomas Rice'[Thomas.Rice@bbklaw.com]
From: Marc Puckett
Sent: Thur 7/9/2015 12:24:56 PM
Importance: Normal
Subject: RE: Letter to editor
MAIL_RECEIVED: Thur 7/9/2015 12:24:57 PM

Redacted

From: Kathie Martin
Sent: Thursday, July 09, 2015 1:01 PM
To: Frank Robinson; Dennis Cron; Marc Puckett
Cc: Steve Lambert; Tim Gallagher; 'Thomas Rice'
Subject: RE: Letter to editor

Redacted

From: Steve Lambert [mailto:stevelambert2020@gmail.com]
Sent: Tuesday, July 7, 2015 4:34 PM

To: Frank Robinson
Cc: Steve Lambert; Kathie Martin; Tim Gallagher
Subject: Re: Letter to editor

Redacted

Sent from my iPhone

On Jul 7, 2015, at 10:57 AM, Frank Robinson <FRobinson@applevalley.org> wrote:

Redacted

Frank W. Robinson, ICMA-CM

Town Manager

Town of Apple Valley

14955 Dale Evans Parkway

Apple Valley, CA 92307

Office - (760) 240-7000 Ext. 7051

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From: Kathie Martin
Sent: Tuesday, July 07, 2015 9:03 AM
To: Frank Robinson
Subject: Fwd: Letter to editor

Hi Frank, here is Sunday's letter by Greg Raven. We also have the direct link dabbled to our files.

Kathie Martin

----- Original message -----

From: Karen Kelley <KKelley@applevalley.org>
Date: 07/07/2015 8:58 AM (GMT-08:00)
To: Kathie Martin <KMartin@applevalley.org>
Subject: RE: Letter to editor

Daily Press: Sunday, July 5, 2015

YOUR VIEW

Legal buffoonery

The Town of Apple Valley likes to pretend it is judiciously investigating purchasing Apple Valley Ranchos Water Company. This pretense is contradicted by virtually every utterance and action by representatives of the town: The plan is and always has been to seize it in a hostile takeover.

Take the town's recently announced offer of \$50 million for Ranchos ('Town submits offer to buy Apple Valley Ranchos Water Co.,' June 26). The town refers to this offer as 'just compensation,' as if that makes it wholesome. In fact 'just compensation' is a legal term referring to the amount that must be offered under the Fifth Amendment requirement of payment when private property is taken for public use. Thus, this is no good-faith offer, but rather another in a long line of hostile actions by the town toward Ranchos.

Also, the claim that the town's interest began in early 2014 is a lie, as anyone familiar with the Blue Ribbon Water Committee from 2011 can determine for himself.

Frank Robinson is quoted as saying that water (presumably in Apple Valley) should not be subject to corporate greed. What Robinson really means by this shockingly anti-American statement is that it's horrible when profits are going to a local concern that has been serving our area for 65 years, instead of to a bank somewhere abroad to pay off the debt service the taxpayers of the town will be forced to assume as a result of this acquisition.

The town has already said it won't be lowering rates, which can only mean that it doesn't care how much the taxpayers have to pay on the loan or bond, as long as the town gets the cash flow. It's no coincidence that item 8 of the town's Vision 2020 states, 'Identify potential revenue streams in both public and private sectors.'

(It would be funny if it weren't so sad, but 15 years ago the town was in the water business. It, under the now-defunct Apple Valley Water District, had nine connections (seven of which were active). The system was poorly designed (by the town's 'water expert,' Dennis Cron) and lacked capacity for growth. After a while, the town could not afford the electric bills to pump the water out of the ground.

The town needed a white knight to save it, and found that savior in Apple Valley Ranchos Water Company.

Ranchos not only paid off a \$2 million bond to relieve the tax burden that had been placed on the property owners in the service area, but also gave the town a small wastewater system in the Jess Ranch area. That, in a nutshell, is the difference between public control and private ownership.) And what about the offer itself?

Ranchos owns 13,610 acre-feet of water rights. Recent sales of water rights have set the average price at \$5,000 per acre-foot, making Ranchos' holdings in water rights alone worth in excess of \$68 million.

Whether or not the price per acre-foot has gone up under our current drought conditions, the town's offer is woefully insufficient. According to the town's own presentation on April 28, Ranchos also has 465 miles of water mains, 24 wells, emergency generators, storage tanks, booster stations and pressure zones. Add to that an office, maintenance and installation equipment (including trucks and heavy machinery), inventory, and other assets. Even if these additional assets were worth only the same amount as the water rights, that still puts the valuation of Ranchos close to \$150 million, \$100 million more than the town says is the fair market value for Ranchos.

But again, it doesn't matter what the price is, because as long as the town can obtain financing, the taxpayers are the ones on the hook, while the armchair experts in Town Hall are the ones who get to control the cash flow.

And of course, we can expect Dennis Cron to be in charge. Again. After all, he did such a bang-up job managing the water rights for the golf course, huh? (No, not really.)

Greg Raven

Apple Valley

From: Kathie Martin
Sent: Monday, July 06, 2015 2:48 PM
To: Karen Kelley
Subject: Letter to editor

Could you grab the letter to the editor in Monday's paper and send that to me first? Also be sure to save that one. It's by Greg Raven.

Sent from my Verizon Wireless 4G LTE smartphone

<image001.jpg>