

Re: May 29th, Daily Press "Then was then and now is now"

"Turning our water into some high stakes poker game is not what we had in mind." That is exactly what the Apple Valley Town Council is about to do and they are holding a losing hand. They are betting the ratepayers' money (a whole lot of money) that the Town can purchase Apple Valley Ranchos Water Co. for a fair price and in the process lower water rates.

AVRWCO is not for sale, so a fair price will be determined by a jury after a condemnation trial, which the Town, by all indications, will pursue and probably lose. To see how this poker game is played, buy an e-subscription to the Missoulian, a local newspaper in Missoula, Montana to see what the city of Missoula is spending (betting) on their hand to take possession of Mountain Water Co. through a condemnation trial. Carlyle is a player there also, so just substitute AVRWCO for MWC to see what the results are and what they are going to be.

This is the second high stakes poker game that Missoula has been in. The first was in 1984 when the city tried to acquire MWC by condemnation. The city lost hands, twice in the circuit court and twice in the Montana Supreme Court. This poker game lasted five years and who knows what the amount of the bets were. Now that is high stakes poker.

The recent new trial is over and briefs filed and is awaiting judgment by the district court. You can bet that another poker game will begin as soon as one side or the other appeals the decision.

What's bet on this recent game? Forty-seven witnesses, 11 days in court, water pipes dug up (each dig cost \$27,000), all the pumps and valves in the system turned on and off, observed and inspected, all water tanks and buildings inspected and the list goes on and on, all for determining the value of these physical assets. So to date, as well as can be determined, \$6 million has been spent on the combined legal fees of both parties and the city of Missoula could be on the hook for the whole cost. That's the way condemnation works in California and Montana and maybe all states. Win or lose in this poker game, the public agency pays the legal costs of all players. And of course the "house" (attorneys) never loses.

If the Town by chance (slim) should win the final hand in this poker game what will they win? The right to buy AVRWCO for how much? The price will be determined by a jury, not by the Town and not by AVRWCO.

Betting on the come is really high stakes poker and whose money are we betting?

And now for the now. Now, is when someone asked Carl Coleman, a member of the blue ribbon committee, and who probably knows more about water than anyone involved, and he replied "I don't know."

Barklays letter to Missoula: Revenue bonds for purchase of Mountain Water Co. A grade: \$85,235,000, interest: \$81,081,300, total debt service: \$166,316,300. Yearly payments: \$5,543,876 approximately. BBB grade: \$102,275,000, interest: \$97,293,950, total debt service: \$199,568,950. Yearly payments: \$6,652,298 approximately.

These payments will have to be paid by the revenue generated from the ratepayers. The nature of revenue bonds.

Water rates will go down?

— Ron Kabalin, Apple Valley

Letter to the Editor published in the June 12, 2015 issue of *The Daily Press*