

**Opinion-Editorial
August 2015**

Town's 'Transparency Report' raises more questions

By Tony Penna, Vice President and General Manager, Apple Valley Ranchos

The Town of Apple Valley's "Transparency Report" on its efforts to take over Apple Valley Ranchos Water Company raises more questions than it answers. At best one might conclude the \$3.2 million budget is a very expensive attack on a private business and more than \$1.4 million has already been spent on the Town's campaign.

It is a campaign that is rife with misinformation and misleads voters on the costly consequences to customers and taxpayers of a hostile takeover of Ranchos.

Let's begin with: When did this "acquisition budget" get approved? Did the town manager and staff prepare this independently? Was this budget approved in closed session, away from public view? Is the amount budgeted just for the 2015-2016 fiscal year and hence the first multi-million dollar installment of a multi-year effort?

What will be the total cost for lawyers, expert consultants and the army of financial advisers to take this through to completion? Is this a government budgeting exercise like the one for the well at the golf course, originally approved after closed session as an added last-minute item, where the Town wound up spending 2.5 times the original budget? Are all costs included? Where are the expenses for all of the print, radio and now TV ads, not to mention billboards and mailers?

Did the Town just happen to have a \$3.2 million cushion in the budget? With all the money being spent on efforts to take over Ranchos, what priorities are not being funded?

In his op-ed piece of March 8th, the town manager claimed to have spent less than \$250,000 "studying" a takeover of Ranchos. Now we learn that through June, the amount is more than \$1.4 million. Does that mean the Town of Apple Valley spent \$1.1 million in three months (April, May and June)? Reconciling how much was claimed to have been spent in March and April as compared to the \$1.4 million through June warrants further scrutiny.

We have maintained from the onset that this attempt to seize the assets of Ranchos would be long, costly and divisive. The Town's "Transparency Report" confirms this. At this point no eminent domain action has even been taken and already at least \$1.4 million was spent.

No one knows the final cost for taking over Ranchos, so this \$3.2 million budget is again misleading. Voters should know the Town government will most likely be responsible for legal fees incurred by Ranchos in defending its ownership.

This report is a failed attempt at transparency and only reinforces the widely held view that a takeover by the Town government will result in higher rates, higher taxes and fees for all citizens.