

## **Opinion-Editorial**

**Tony Penna, Vice President and General Manager  
Apple Valley Ranchos Water Company**

---

### **The Hostile Government Takeover of Apple Valley Ranchos Is a Bad Idea**

A good deal of misinformed talk has been going around about Apple Valley Ranchos Water Company, a privately-owned water utility targeted in an attempted takeover by the Apple Valley Town Council. Some of our councilmembers are making empty promises and baseless claims when it comes to Apple Valley Ranchos.

What concerns me and my co-workers is these empty promises and baseless claims are being made as part of a taxpayer-funded misinformation campaign to rationalize an attempted takeover of the company where I work. They claim a government takeover means everything will be better and rates will go down. Have you looked at your ever-increasing sewer bill lately?

These same councilmembers are misinforming our customers by providing no context when they do public surveys and make statements about rates, the condemnation process, and the fair market value of Apple Valley Ranchos. Admittedly, the rate design is complicated but it is regulated by a state agency. Fact is, a half of Apple Valley Ranchos' residential customers use less than 150 CCF per year (112,200 gallons) and have water bills averaging less than \$60 per month (less than \$2 per day) and water service is less than a penny a gallon.

Today our councilmembers continue to spend your tax dollars to lobby the public to support a hostile government takeover of the oldest private business in Apple Valley. That's right—lobby. They are using government resources on a campaign theme, a survey, a new web site, another feasibility study and hiring an appraiser—not to mention the thousands of tax dollars already spent on lawyers and consultants.

In 2011 and 2012 our local government spent \$500,000 to study a takeover and a government-appointed Blue Ribbon Committee said it was not in the Town's best interest to takeover Apple Valley Ranchos. Just this month another feasibility study was done by the Town Council based on flawed assumptions, analysis and conclusions. Could this be the new definition of insanity?

Condemnations in California and elsewhere suggest a takeover of a private water utility rarely has the government's desired outcome. In Big Bear Lake the government estimated the water system would cost \$10.3 million—final price was \$28 million and the City ultimately issued a bond at \$35 million to finance the acquisition. Recently an attempted government takeover in Mooresville, Indiana was abandoned when the Town Council learned the water system would be more than three times what they thought—final price was \$20.3 million.

And what about the disenfranchised Apple Valley citizens who are footing the bill for this government takeover? They aren't even customers of Apple Valley Ranchos.



Now our councilmembers are making claims about the government's ability to run a water utility and they don't even know how much it will cost to run it, invest in it, or much less the final cost to buy it assuming the court even grants a condemnation.

This is a slippery slope for our entire community. Apple Valley Ranchos is not for sale. If this takeover attempt makes it through the court system, it means a judge and jury will decide the final cost to Apple Valley citizens—certainly not the councilmembers, their lawyers, their feasibility studies or their appraiser.

It's time to stop the insanity because a hostile government takeover of a 65-year old private business like Apple Valley Ranchos is a bad idea.

