

Opinion-Editorial
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Using eminent domain to take over water company is fiscally irresponsible

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

Regardless of what the Town of Apple Valley government's recent feasibility study says, the estimated cost to attempt to take over Apple Valley Ranchos Water Company is unknown.

No matter what the study says, it simply has no bearing on what a court-appointed jury will decide is a fair price to take over Ranchos. If the town continues down this path, our community will face several years of litigation and consultant expenses before anyone can truly say what each Apple Valley taxpayer will have to pay in higher property taxes and higher water rates to fund this attempted takeover by the town government of a well-run, regulated water utility.

If we look at what other communities have experienced using eminent domain to take over a privately-owned, regulated water utility, I believe we will have a clearer picture of the true costs.

In Felton, Calif., the government purchased its local water utility for \$13.4 million, or 2.5 times more than what that town's feasibility study projected at \$5.3 million. We can also look to Mooresville, Indiana, where the town estimated its water system would only cost \$6.5 million but decided to abandon its effort once elected leaders learned it would actually cost three times more, or \$20.3 million, to acquire the water company.

The facts clearly show eminent domain is a very long and costly process — one that often takes several years to complete. No one truly knows what the future holds if Apple Valley takes us down the slippery slope of using eminent domain to take over Ranchos Water.

This is why the town government should remain fiscally responsible in how it decides to spend taxpayer funds. Despite what supporters of a takeover say, there is the real possibility that the final cost to take over Ranchos Water will be far more than our town can afford to pay.

This is not fiscally responsible. Any guesses on who gets to pay the bill for all of the lawyers and consultants?