Town of Apple Valley NEWS RELEASE

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Judge tentatively rules against Town in water trial

Apple Valley, CA— May 10, 2021: In one of the most important matters facing Apple Valley, Judge Donald Alvarez of the San Bernardino County Superior Court issued a tentative decision Friday against the Town's efforts to acquire the Liberty Utilities' Apple Valley Ranchos Water System by eminent domain. Liberty Utilities challenged Town's right to acquire the system in a trial. The tentative decision, dated May 7, was disseminated to the parties today.

The tentative decision finds that the Town's proposed acquisition of the water system is not in the public interest. The Town and Liberty Utilities have 15 days to comment on the decision before it becomes final.

If the decision against the Town's proposed acquisition is made final, the Town Council will consider its options, including appeal.

"We are extremely disappointed in the court's tentative decision," said Mayor Curt Emick. "We hope the judge considers the Town's arguments and issues his final ruling to support the Town's effort to acquire the system."

The trial was the culmination of years of research, public discussion, community meetings and ballot measures. In November 2015, the Town Council unanimously voted to proceed with eminent domain in court. In June 2017, a majority of voters approved Measure F, authorizing up to \$150 million in financing for the Town to acquire the water system. In 2018, Liberty's separate CEQA lawsuit to stop the acquisition was dismissed after the court ruled there was no CEQA violation.

The court trial on Liberty Utilities' challenge of the Town's right to acquire the water system started in October 2019. It was suspended in March 2020 in response to COVID-19. The trial resumed in June and testimony was completed in July 2020. The trial included over 30 witnesses, including expert testimony from both sides, hundreds of exhibits and over 8,000 pages of trial transcripts. Extensive post-trial briefs were filed by each side and there were two days of closing arguments, which were livestreamed on the Town's website and public access TV channels, in February 2021.

The tentative decision is available on the Town's website at <u>www.av.town/water</u>. For more information contact the Town's Communications Office at (760) 240-7000 or by email at info@applevalley.org

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