

**TOWN OF APPLE VALLEY
TOWN COUNCIL/ SUCCESSOR AGENCY**

**SPECIAL MEETING
MINUTES – April 28, 2015**

CALL TO ORDER:

Mayor Cusack called to order the Special Meeting of the Apple Valley Town Council at 6:31 p.m.

Roll call was taken with the following members present:

Roll Call

Present: Council Members Bishop; Emick; Nassif; Mayor Pro Tem Stanton.

Absent: None.

Abstain: Mayor Cusack.

Mayor Cusack recused himself from the meeting of the Apple Valley Town Council due to a potential conflict of interest.

Mayor Pro Tem Stanton resumed control of the meeting.

OPENING CEREMONIES

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was led by Mayor Pro Tem Stanton

BUSINESS OF THE COUNCIL

3. Discussion Regarding Town of Apple Valley Water System (Apple Valley Ranchos Water Company) Acquisition

Mayor Pro Tem Stanton introduced the discussion of this item and provided some opening remarks.

Frank Robinson, Town Manager, stated that presentations on this issue would be given from our legal staff and administration on the possible acquisition of the Apple Valley Ranchos Water Company (AVRWC).

John Brown, Town Attorney, began the presentation commenting on the history of this item and the Public Utility Commission's (PUC) involvement in this process. He briefly reviewed the topics to be covered during the meeting. He also reviewed the status of the Missoula, Montana condemnation case.

Jason Ackerman, Town Attorney, presented the history of rate increases from AVRWC. He also spoke of proposed rate increases, as well as the 2015 mandatory water reductions. He continued with his discussions addressing the Yermo acquisition and the Algonquin takeover.

Ken Macvey, Town Attorney, continued the presentation speaking on acquisition benefits and the process for having a Town owned water agency. He explained the benefits of local control as well as the uncertainties of acquisition.

Alisha Winterswyk, Town Attorney, spoke on the CEQA review process and the timeline for completion.

Dennis Cron, Assistant Town Manager, presented an operational review of municipal ownership. He disputed statements that have been made that the Town would not retain employees of AVRWC if the Town proceeded with the acquisition. He stated that the Town does support AVRWC employees and would offer these employees the opportunity to retain their positions if so desired.

Marc Puckett, Assistant Town Manager, presented a thorough financial review of this process and discussed the system financing requirements. He noted that the Town's draft appraisal concludes that the value of Apple Valley Ranchos Water System is currently valued at \$45.54 million. He discussed possible financing options of the acquisition through debt service payments.

Mr. Robinson presented the staff recommendations for the Town Council. He stated that the Town has a number of options including:

1. Direct Town staff and Town Attorney to proceed with the preparation and completion of financial and other legal documents necessary for the Town council to consider pursuing at its next Town Council meeting the acquisition of the water system owned and operated by the Apple Valley Ranchos Water Company; and
2. Ask for additional information; or
3. Direct Town staff to take no further action.

Mayor Pro Tem Stanton declared a recess of the Apple Valley Town Council at 8:00 p.m.

Mayor Pro Tem Stanton reconvened the meeting of the Apple Valley Town Council at 8:15 p.m.

PUBLIC COMMENTS

Mayor Pro Tem Stanton invited the following individuals to speak to this item:

The following individuals provided comments on this item:

Bill Jahn, Big Bear Lake
Arnold Jimenez, Apple Valley
Paul Gurro, Apple Valley
Richard Rorex, Apple Valley

The following individuals spoke in opposition:

Tamara Alaniz, Apple Valley
Tom Piper, Apple Valley
Greg Raven, Apple Valley
Leane Lee, Apple Valley
Kaye Walraven, Apple Valley
Emily Saltmeris, Apple Valley
Jerry Vincent, Apple Valley
David Mueller, Apple Valley
Al Rice, Apple Valley
Jeff Kinard, Apple Valley
Kevin Phillips, Apple Valley

The following individuals spoke in support:

Bill McDaniel, Apple Valley
Bernadette McNulty, Apple Valley
Gracie Atwood, Apple Valley
Bob Giovannucci, Apple Valley
Francis Scott, Apple Valley
Carl Tate, Apple Valley
Danna Davis, Apple Valley
Laura Quigley, Apple Valley
Michael Davis, Apple Valley
William "Bill" Sorenson, Apple Valley

Mayor Pro Tem Stanton declared a recess of the Apple Valley Town Council at 9:20 p.m.

Mayor Pro Tem Stanton reconvened the meeting of the Apple Valley Town Council at 9:34 p.m

John Brown, Town Attorney, answered questions and concerns that were addressed by the public.

Marc Puckett, Assistant Town Manager, answered questions and concerns addressed by the public.

Jason Ackerman, Town Attorney, answered questions and concerns addressed by the public.

Council Member Nassif thanked staff for the excellent presentation. He asked a series of questions regarding water rates. He questioned how public water companies are affected by tiered rates.

Mr. Brown responded to the questions asked by Council Member Nassif.

Council Member Bishop addressed some of the concerns expressed by Council Member Nassif. He asked a few questions regarding the thirty-six (36%) mandatory water reductions required by Apple Valley. He also questioned the increase of debt since 2011 for the purchase of AVRWC by the Carlisle Company.

Mayor Pro Tem Stanton asked questions regarding the CEQA guidelines and contingencies should the Town pursue this issue.

Discussion ensued regarding the various issues surrounding the Town of Apple Valley Water System acquisition.


It was the consensus of the Town Council to direct Town staff and the Town Attorney to proceed with the preparation and completion of financial and other legal documents necessary for the Town Council to consider pursuing, at its next Town Council meeting, the acquisition of the water system owned and operated by the Apple Valley Ranchos Water Company.

ADJOURNMENT

Mayor Pro Tem Stanton adjourned the meeting of the Apple Valley Town Council in honor and memory of William E. Emick, father of Council Member Emick at 10:32 p.m.



La Vonda M-Pearson, Town Clerk


Barb Stanton, Mayor Pro Tem