

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

REGULAR MEETING

MINUTES – June 23, 2015

CALL TO ORDER:

Mayor Cusack called to order the regular session of the Apple Valley Town Council and the Successor Agency at 6:30 p.m.

Roll call was taken with the following members present:

Roll Call

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

Absent: None

OPENING CEREMONIES

INVOCATION: The Invocation was given by Reverend Michael Coffee, Community Church at Jess Ranch

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was led by Council Member Nassif.

PRESENTATIONS: Certificate of Appreciation – Community Development Citizens Advisory Committee

Special Town of Apple Valley Recognition to John Brown, Town Attorney
- 40 Years of Service

PUBLIC COMMENTS

Tamara Alaniz, Apple Valley, thanked the Mayor for his comments at the last meeting regarding the program options available for seniors with even pay. She also thanked the Council for their follow up with the Multi-Species Habitat Conservation Plan. She believed the plan serves as a critical resource to encourage development. She expressed concern regarding an article on the Apple Valley Ranchos takeover and how it's related to the promotion of the North Apple Valley Specific Plan in order to encourage development. She believed that development should pay for its own impacts, especially those having to do with water systems.

Leane Lee, Apple Valley, expressed concern regarding the financial information as presented in the warrants register regarding the legal costs estimates and questioned a series of warrants that she believed were missing from the report. She stated that she has made previous requests for information regarding the fund budget for the Apple Valley Ranchos Water acquisition. She also expressed concern regarding the comments made by the Council at the last meeting.

Chuck Hanson, Apple Valley, expressed concern regarding the acts of the Town Council and staff as it relates to the Town's acquisition of the Apple Valley Ranchos Water Company. He believed the Town Council should be transparent as it relates to this issue.

Toni Robinette, Apple Valley, expressed concern regarding the need to pay for trash service when her home is vacant. She explained that she spends six (6) months out of the year living outside of her home. She respectfully requested that the Town Council research and address this issue.

John Laraway, Apple Valley, believed that it would be in the best interest of the Town to use as much water as possible. He explained the reasons why he believed it would be beneficial for the Town.

Al Rice, Apple Valley, commented on various issues surrounding the warrants report. He also commented on the records requests he submitted regarding the January Warrants Schedule. He commented on the reserve funds that he believes include a 36% increase in the reserves and stated that the financial report contained errors and does not reveal the costs for water and legal services. He stated that the Apple Valley Water Company Evaluation on the Town's website also contains errors and is outdated.

Kaye Walraven, Apple Valley Ranchos Water Company, commented on the drought in California and the need to practice water conservation efforts in order to maintain the desert lifestyle. She also commented on the efforts made by Apple Valley Ranchos Water Company, to reach out to their large water consuming customers to comply with the assigned water reductions of 28% mandated by the state. She commended the Town of Apple Valley for taking action towards their water conservation goals and reported that for the month of May the water reduction rate was 20% lower.

Tom Piper, Apple Valley, spoke in support of Sheriff's Deputies wearing body cameras. He also spoke on the shooting in Apple Valley that occurred over nine months ago. Mr. Piper stated that he would like to see a report made available to the public regarding the incident.

Carl Coleman, Altec Engineering, commented on problems near his business that come from the use of gray water to landscape the homes in the area. He stated that he reached out to the Water Quality Control Board who recommended he contact the Town for guidance. He respectfully requested that the Council consider modifying the existing policy to allow an alternative method of getting rid of sewage from a home.

Bernadette McNulty, Apple Valley, commented on a meeting that she attended in which she provided a question card to Apple Valley Ranchos Water Company questioning their decision to purchase Yermo Water. She believed this decision will only negatively impact the residents of Apple Valley. She stated that her question was answered privately and she was told that water agencies provide assistance to one another and due to Yermo being abandoned, Ranchos Water stepped in and purchased the company.

COUNCILMEMBER COMMENTS AND COMMITTEE/COMMISSION PARTICIPATION
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Council Member Emick commented on committee meetings and events that he attended.

Council Member Nassif commented on committee meetings and events that he attended.

Council Member Bishop commented on committee meetings and events that he attended.

Mayor Pro Tem Stanton commented on committee meetings and events that she attended.

Mayor Cusack commented on committee meetings and events that he attended.

TOWN COUNCIL ANNOUNCEMENTS

Suggested items for future agenda:

Time, Date & Place for Next Town Council Regular or Special Meeting:

A. Regular Meeting – Tuesday, July 14, 2015 – Council Chambers at 6:30 p.m.

TOWN COUNCIL CONSENT AGENDA

Mayor Cusack announced that Agenda Item Number 2 was inadvertently added to this agenda. He stated that this item was previously approved by the Town Council at the meeting of May 26, 2015; therefore no action will be taken on this item.

Mayor Cusack, with the consensus of the Town Council, requested that Agenda Items numbered 3, 4 and 6 be pulled for discussion.

Motion by Council Member Bishop, seconded by Mayor Pro Tem Stanton, to approve the Consent Calendar items numbered 1, 5, 7, 8 and 9 respectfully, that Agenda Items Numbered 3, 4 and 6 be pulled for discussion, and that no action be taken on Agenda Item Number 2.

Vote: Motion carried 5-0-0-0

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

Absent: None.

1. Approval of Minutes of the Town Council

A. Regular Meeting – June 9, 2015

Recommendation:

That the Town Council approve the subject minutes as part of the consent agenda.

2. Treasurer's Report – Month of March 2015 and Schedules of Revenues, Expenditures and Changes in Fund Balance for the Parks and Recreation Fund and the Apple Valley Golf Course Fund

Recommendation:

That the Town Council receive and file the March 2015 Treasurer's Report.

5. Adopt Resolution No. 2015-22, A Resolution of the Town Council of the Town of Apple Valley, California, Amending the Employer VantageCare Retirement Health Savings Plan

Recommendation:

That the Town Council adopt the attached Resolution No. 2015-22, a Resolution of the Town Council of the Town of Apple Valley, California amending the current Employer VantageCare Retirement Health Savings Plan for the Town of Apple Valley.

7. Authorize Assistant Town Manager of Finance to Dispose of Surplus Property Located at 22411 Highway 18 (Apns 3087-382-15, 3087-382-16, 3087-382-17) in Conformance with the Previously Approved Commercial Lease and Option to Purchase Agreement with Kelley's Underground Construction

Recommendation:

That the Town Council:

1. Authorize the Assistant Town Manager of Finance to dispose of surplus property located at 22411 Highway 18 (APNs 3087-382-15, 3087-382-16, 3087-382-17) in conformance with the previously approved Commercial Lease and Option to Purchase Agreement with Kelley's Underground Construction and take any further actions necessary to carry out the sale.
2. That the Town Council authorize Lee and Associates to complete the sale and close of escrow for the property located at 22411 Highway 18.

8. Request for Proposals – Professional Janitorial Services at Various Town Facilities

Recommendation:

That the Town Council authorize staff to issue the Request for Proposals (RFP) – Professional Janitorial Services at various Town Facilities.

9. Adopt Resolution No. 2015-23, A Resolution of the Town Council of the Town of Apple Valley, California, Amending the Personnel Policy and Procedure Manual

Recommendation:

That the Town Council adopt the attached Resolution No. 2015-23, a Resolution of the Town Council of The Town of Apple Valley, California, amending the Personnel Policy and Procedure Manual for the Town of Apple Valley.

PULLED FOR DISCUSSION

3. Adopt Resolution No. 2015-20, A Resolution of the Town Council of the Town of Apple Valley, California, Supporting the Choco Road Interchange and Apple Valley Road Extension for the Design of the High Desert Corridor

Al Rice, Apple Valley, asked a series of questions regarding the design of the corridor.

Lori Lamson, Assistant Town Manager, provided the staff report as filed with the Town Clerk. She commented that this item was a result of a request from Caltrans and that there was no cost associated with this item.

MOTION

Motion by Council Member Bishop, seconded by Council Member Emick, to adopt Resolution No. 2015-20, A Resolution of the Town Council of the Town of Apple Valley, California, Supporting the Choco Road Interchange and Apple Valley Road Extension for the Design of the High Desert Corridor.

Vote: Motion carried 5-0-0-0

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

Absent: None.

PULLED FOR DISCUSSION

4. Adopt Resolution No. 2015-21, A Resolution of the Town Council of the Town of Apple Valley, California, Amending the Salary Schedule and Classification Plan for the Town of Apple Valley

David Mueller, Apple Valley, stated that during the economic downturn, the Town of Apple Valley reduced its staffing. He commented on the increase in salaries listed within this resolution that he believed would increase staffing to a level higher than the level prior to the downturn.

Nikki Salas, Director of Human Resources, presented the staff report as filed with the Town Clerk.

Marc Puckett, Assistant Town Manager, explained the market increases that are comparable to neighboring communities. He also spoke on the need to remain competitive in the market and retaining quality employees in the Town.

MOTION

Motion by Council Member Emick, seconded by Council Member Nassif, to adopt the attached Resolution No. 2015-21, A Resolution of the Town Council of The Town of Apple Valley, California amending the Salary Schedule and Classification Plan for the Town of Apple Valley.

Vote: Motion carried 5-0-0-0

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

Absent: None.

PULLED FOR DISCUSSION

6. Authorize the Assistant Town Manager of Municipal Operations to Purchase a Rough Mower for the Apple Valley Golf Course

Lawrence McCarthy, Apple Valley, commented on the cost for the new mower as listed in the staff report. He recommended a lease for the new mower instead of purchasing a new mower.

David Mueller, Apple Valley, disputed statements made in the staff report regarding the amount of turf needed to be mowed.

Dennis Cron, Assistant Town Manager, presented the staff report as filed with the Town Clerk. He explained, for the benefit of the Council, how the Town would benefit from purchasing the unit instead of leasing it.

Mayor Pro Tem Stanton questioned the use for the current mower once the new mower is replaced.

Mr. Cron commented on the cost to repair the current mower. He explained that currently two mowers operate at the golf course; however one is owned by Sierra Golf. He stated that the Town's mower is also not CARB compliant. He believed that the life expectancy for the mower would be approximately 10 years.

Mayor Pro Tem Stanton questioned the need to purchase a new mower considering the conservation mandate placed on the high desert region due to the drought.

MOTION

Motion by Council Member Bishop, seconded by Council Member Nassif, to accept the CMAS price quote/bid of \$65,439.99 from Turfstar for a new John Deere (JD) 4500D, CARB Tier 4, Rough Mower and Authorize the Assistant Town Manager of Municipal Operations to place the order to purchase the mower for use at the Apple Valley Golf Course (AVGC).

Vote: Motion carried 5-0-0-0

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

Absent: None.

PUBLIC HEARINGS

None.

REPORTS, REQUESTS AND COMMUNICATIONS

BUSINESS OF THE COUNCIL

10. Water Usage/Conservation Plan for the Town of Apple Valley

Dennis Cron, Assistant Town Manager, presented the staff report as filed with the Town Clerk.

John Brown, Apple Valley, read portions of a letter from representatives of Apple Valley Ranchos Water Company which states that Apple Valley Ranchos has the right to be the retailer of reclaimed water for the golf course, and any use of reclaimed water outside of Apple Valley Ranchos violates the agreement of 1991.

Mr. Cron also informed the Council of future plans to use gray water for maintaining the landscaping at the Civic Center. He explained that unfortunately, no credit is given for the use of reclaimed water.

David Mueller, Apple Valley, commented on the report given by Mr. Cron. He believed it did not clarify how much water is used by the Town. He stated this information will be needed in order for the Town to determine, at a future date, whether or not it has met the mandates of the state and that they are not in violation.

Lawrence McCarthy, Apple Valley, commented on the reduction of 25% per city. He stated that he was not aware of reductions by individual property owners. He also commented on the tiered rates.

Marlyn Lesley, Golden State Water, stated that they would like to do an assessment of the equipment they have with the intent of eventually purchasing new equipment to make management of watering the lawns easier. He also stated that Golden State Water is focused on outside landscaping with two day watering and they are meeting the goal.

Al Rice, Apple Valley, asked a series of questions regarding this issue. He believed that per the information in the staff report, the Town was not doing enough to meet the reduction goals per the state.

Mr. Cron commented on the use of mulch within the Town of Apple Valley where it is feasible.

This was a receive and file item only. There was no action taken.

11. Introduce Ordinance No. 469 Of The Town Council Of The Town Of Apple Valley, Amending Chapter 2.28 Of Title 2 (Administration And Personnel) Of The Town Of Apple Valley Municipal Code Relating To The Equestrian Advisory Committee Functions, Powers, And Duties And Meetings

Lori Lamson, Assistant Town Manager, presented the staff report as filed with the Town Clerk.

Ray Sims, Vice-Chairman, Equestrian Advisory Committee, expressed concern regarding the request to remove land use issues from the ordinance.

Mayor Cusack explained that the ordinance as presented allows the committee to meet as many times as needed. He stated that it will not prevent the committee from having a meeting. In addition, he also noted that the Town Council reserves the right to forward an issue to the Equestrian Committee for review.

MOTION

Motion by Council Member Emick, seconded by Mayor Pro Tem Stanton, to waive the reading of Ordinance No. 469 in its entirety and read by title only.

Vote: Motion carried 5-0-0-0

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

Absent: None.

La Vonda M-Pearson, Town Clerk, read the title to Ordinance No. 469.

Vote: Motion carried 5-0-0-0

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

Absent: None.

MOTION

Motion by Council Member Nassif, seconded by Council Member Bishop, to introduce Ordinance No. 469, an Ordinance of the Town Council of the Town of Apple Valley, California, Amending Chapter 2.28 of the Town of Apple Valley Municipal Code Relating to the Equestrian Advisory Committee Functions, Powers and Duties, and Meetings.

Vote: Motion carried 5-0-0-0

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

Absent: None.

TOWN MANAGER'S COMMENTS & LEGISLATIVE UPDATE

Brad Miller, Town Engineer, provided an update on the Yucca Loma Bridge and stated that the bridge is currently under budget.

Marc Puckett, Assistant Town Manager, commented on the use of reserve funding for multi-year projects such as the Yucca Loma Bridge project. He stated that this year, the reserve funding was primarily used for this project.

Frank Robinson, Town Manager, commented on being appointed to the Employee Relations Committee for the League of California Cities and commented on the information that he obtained at the last meeting. He also briefed the Town Council on AB 67 which allows for double pay for holidays.

DEPARTMENTAL REPORTS AND BUSINESS:

STAFF REPORTS

CORRESPONDENCE

CLOSED SESSION

16. Closed Session.

Mayor Cusack announced that he would be abstaining from one or more of the closed session items as it pertained to Apple Valley Ranchos Water Company, due to a potential conflict of interest. He stated that his company does business with the above company.

Mayor Cusack adjourned the meeting of the Apple Valley Town Council to Closed Session at 9:07 p.m. to discuss the following:

- A. Conference with Legal Counsel – Anticipated Litigation – Significant exposure to litigation pursuant to Paragraph (2) of subdivision (d) of Section 54956.9: one or more potential cases.
- B. Conference with Legal Counsel – Anticipated Litigation – Initiation of litigation pursuant to Paragraph (4) of subdivision (d) of Section 54956.9: one potential case.
- C. Conference with Legal Counsel – Existing Litigation – Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9, Case Name: Application No. 14-01-002, In the Matter of the Application of Park Water Company-Apple Valley Ranchos Water Company Water System (U346W) for Authority to Increase Rate Charges for Water Service by \$3,127,463.00 or 14.88% in 2015, \$2,056,455.00 or 8.48% in 2016, and \$2,160,731.00 or 8.19% in 2017.
- D. Conference with Legal Counsel – Existing Litigation – Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9, Case Name: Application No. 14-11-013 Joint Application of Liberty Utilities Co., Liberty WWH, Inc., Western Water Holdings, LLC, Park Water Company (U314W), and Apple Valley Ranchos Water Company (U346W) for Authority for Liberty Utilities Co. to Acquire and Control Park Water Company and Apple Valley Ranchos Water Company.

- E. Conference with Real Property Negotiators – Pursuant to Government Code Section 54956.8. Property: Apple Valley Ranchos Water Company; Authority Negotiator: Town Manager; Negotiating Parties: Park Water Company, The Carlyle Group, Carlyle Infrastructure Partners, Western Water Holdings LLC; Under Negotiation: Price and terms of Payment.

MAYOR CUSACK WAS EXCUSED FROM THE MEETING OF THE APPLE VALLEY TOWN COUNCIL AT 9:14 P.M.

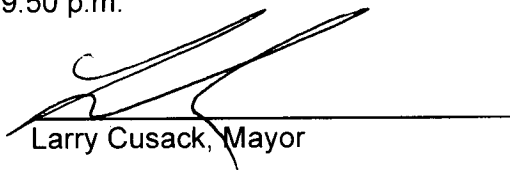
Upon returning from Closed Session at 9:50 p.m., Mayor Pro Tem Stanton reported that there was no reportable action taken.

ADJOURNMENT

Motion by Council Member Emick, seconded by Council Member Nassif, and unanimously carried to adjourn the meeting of the Apple Valley Town Council at 9:50 p.m.



La Vonda M. Pearson, Town Clerk



Larry Cusack, Mayor