

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

SPECIAL MEETING

MINUTES – March 9, 2017

CALL TO ORDER:

Mayor Pro Tem Bishop called to order the Special Meeting of the Apple Valley Town Council and the Successor Agency at 6:37 p.m.

Prior to Roll Call, Mayor Pro Tem Bishop announced that Mayor Nassif would be participating via telephone from the following location: Orlando World Center Marriott – North Tower, Grand Cayman Room, 8701 World Center Drive, Orlando, Florida 32821.

Roll call was taken with the following members present:

Roll Call

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

Absent: None.

<i>OPENING CEREMONIES</i>

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

<i>PUBLIC COMMENTS</i>

The following members of the public spoke in opposition to the Town Council's consideration of calling a special election requesting authorization for the Town to finance the acquisition of the Apple Valley Water System:

1. Pat Hanson
2. Kerry Henard
3. Christina Lopez-Burton
4. Al Rice
5. Lawrence McCarthy
6. Greg Raven
7. Bryen Wright
8. Diana Carloni
9. Leane Lee
10. Robert Porter

The following members of the public spoke in favor of the Town Council's consideration of calling a special election requesting authorization for the Town to finance the acquisition of the Apple Valley Water System:

1. Patrick Doran
2. Paul Kelley
3. Joe Sherman
4. Jonah Olson

BUSINESS OF THE COUNCIL

1. Calling of Special Election on June 6, 2017 Requesting Authorization for the Town to Finance the Acquisition of the Apple Valley Water System, Including Related Expenses, by Incurring Debt.

Council Member Cusack announced that he had a potential conflict of interest with this item. He stated that his business does work for Liberty Utilities.

COUNCIL MEMBER CUSACK WAS EXCUSED FROM THE DAIS AT 7:16 P.M.

Frank Robinson, Town Manager presented the staff report as filed with the Town Clerk's office.

Thomas Rice, Deputy Town Attorney, provided the Town Council with a brief history of Measure V and the voter majority needed before the Town can finance the acquisition of the Apple Valley Water system.

James Harrison, Jemcho, Johansen & Purcell, commented on the requirements that the Town of Apple Valley must take to comply with revenue bond law. He described the steps that must be taken with respect to compliance with a special election and its procedures to acquire the Apple Valley Water System along with the maximum debt and interest rate the Town can incur.

Mr. Harrison read into the record the measure being presented to the Town Council.

Mr. Harrison stated that a change was made to the proposed Resolution 2017-08, after the agenda was posted, to include the following section:

“(v) Any proceeds received from the sale of any debt shall be applied only to the purposes set forth herein; the proceeds of debt shall be deposited into special accounts to be created therefor as part of the issuance of debt; and to the extent required by law, the Town shall cause a report to be prepared annually under Section 53411 of the Government Code.”

Marc Puckett, Assistant Town Manager, explained how the calculation was made with respect to the \$150 million loan amount requested in the proposed measure. He also provided some history on the sale of Apple Valley Ranchos Water Company (Park Water System).

The Council Members asked questions about how water wells would be affected, whether or not the Town should acquire the Yermo Water System and whether or not the Town could verify the financial statements of Liberty Utilities.

Kasha Herrington, Apple Valley, expressed her desire for the Town to take control of the water and that she trusts the Town to maintain the water system.

Bob Basen, Apple Valley, commented on his support of the Town taking over Liberty Utilities. He stated that he has concerns over the increased water rates that affect the community.

Mark Stowe, Apple Valley, commented on water rates being set by a board located in Sacramento.

Tina Barosky, Apple Valley, felt that staff did not provide enough information as to why the Town needs to borrow \$150 million.

Al Rice, Apple Valley, expressed concern about the infrastructure of the water system and believes it is a complex undertaking.

Richard Cambridge, Apple Valley, had concerns over the lack of representation in his area with respect to the potential takeover of Liberty Utilities.

Leane Lee, Apple Valley, believed the Town wants to hold this special election expecting low voter turnout as it is an odd numbered year.

Council Member Emick stated, for the record, that Apple Valley resident Bill McDaniel supports the Town Council's proposed measure.

Mayor Pro Tem Bishop stated, for the record, that there were two (2) speaker cards presented to the Town Council supporting the Town's proposed measure.

The Council Members commented on how water rates have impacted property values, economic development and the Town parks.

MOTION

Motion by Council Member Stanton, seconded by Council Member Emick, to:

- A. Adopt Resolution No. 2017-08 - A Resolution of the Town Council of the Town of Apple Valley Ordering, Calling, Providing for and Giving Notice of a Special Election to be Held on June 6, 2017 for the Purpose of Submitting to the Qualified Voters of Said Town a Proposition to Authorize Said Town to Finance the Acquisition of the Apple Valley Water System, Currently Owned and Operated by Liberty Utilities, including Related Expenses, by Incurring Debt in the Maximum Amount of \$150 Million, provided that the Debt is Repaid from Revenues Generated by the Water System, and not from Taxes, and further that the Town Conducts an Annual Independent Audit (as Amended).

Vote: Motion carried 4-0-0-1

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

Abstain: None

Absent: Council Member Cusack

MOTION

Motion by Council Member Stanton, seconded by Council Member Emick, to:

- B. Adopt Resolution No. 2017-09 - A Resolution of the Town Council of the Town of Apple Valley, California, Setting Deadlines and Priorities for Filing Written Arguments Regarding a Town Measure and Directing the Town Attorney to Prepare an Impartial Analysis;

Vote: Motion carried 4-0-0-1

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

Abstain: None

Absent: Council Member Cusack

MOTION

Motion by Council Member Emick, seconded by Council Member Stanton, to:

- C. Adopt Resolution No. 2017-10 - A Resolution of the Town Council of the Town of Apple Valley, California, Providing for the Filing of Rebuttal Arguments for a Town Measure to be Placed on the June 6, 2017 Special Municipal Election Ballot.

Vote: Motion carried 4-0-0-1

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

Abstain: None


Absent: Council Member Cusack

CEQA Determination:


To the extent any CEQA review is required, such review was previously completed when the Town certified the EIR for the acquisition (SCH#2015061078) via Town Council Resolution No. 2015-42.

ADJOURNMENT

Motion by Council Member Emick, seconded by Council Member Stanton, and unanimously carried, to adjourn the meeting of the Apple Valley Town Council at 8:30 p.m.



Art Bishop, Mayor Pro Tem



Debra Thomas, Deputy Town Clerk