

**TOWN OF YUCCA VALLEY  
SPECIAL JOINT TOWN COUNCIL/  
HI DESERT WATER DISTRICT MEETING MINUTES  
APRIL 11, 2011**

The special joint meeting of the Town of Yucca Valley Council Hi Desert Water District Board of Directors was called to order at 4:30 p.m. by Mayor Huntington.

**1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**

Led by Mayor Huntington

**2. ROLL CALL**

Council Members Hagerman, Rowe, Mayor Huntington, Directors Munsey, Hough, Mayes and Graham were present.

**3. APPROVAL OF AGENDA**

Water District President Graham moved to approve the agenda. Director Munsey seconded. No objections stated.

**4. PUBLIC COMMENTS**

None

**5. WASTEWATER TREATMENT AND WATER RECLAMATION PROJECT FUNDING**

Town Manager Nuaimi gave a PowerPoint Presentation updating the Members regarding the proposed financing scenarios and the outcome of the various presentations to the individual boards and community groups.

President Graham questioned the Town would consider giving a portion of any surplus TOT funds to the Chamber of Commerce or Welcome Center to help with advertising etc. to promote tourism. Town Manager Nuaimi advised the surplus dollars don't come back to the Town they go into the sewer system to assist the hotels with their connection fees, and any additional put into a pot for low income assistance.

Town Manager Nuaimi advised that both the Town and District will look at bringing in a Financial Consultant to scrutinize the data.

Mayor Huntington opened the floor to public comment

**Richard Harden**, Yucca Valley, suggested the Town give the money rather than loan it making up to \$5,000,000 in interest. The Town should also do all it can to make the project cheaper for residents.

**Curt Duffy**, Yucca Valley, commented that his concern is the development policies that led up to the requirement for a sewer system.

**Lori Herbel**, Yucca Valley, recommended there should be another expenditure plan for the full 1% sales tax to go to the Water District in the name of the people to build the sewer because of the fiscal crisis.

**Ramon Mendoza**, Yucca Valley, commented that he agrees the funds should be a gift to the District.

**Margo Sturges**, Yucca Valley, commented regarding the fact that the District is going to have to pay back the state revolving fund in addition to the loan from the Town, and commented regarding the TOT loan. Questioned where the financing is for Phases 2 and 3.

Town Manager Nuaimi answered questions raised during the public comments.

Director Munsey requested time to speak as a public citizen after Director comments.

## 6. BOARD/COUNCIL COMMENTS

Director Hough commented regarding statements that the “Town is going to get all this money from interest etc.” noting it is the community that is going to get this money back. In the 30 years he has lived here he has seen the roads deteriorate and there is a need to make a connection in the discussion regarding the needs of the Town also. Town Manager Nuaimi pointed out that the Town can only request this 1% sales tax increase, it can not go out for any other revenues.

Director Munsey commented that the plan makes a lot of dollars and sense. It spreads out the costs among the users on a pay as you go approach. He expressed concern that there is no help for Phases 2 and 3.

Director Mayes commented this is “win win” situation for the Town, District and community. He is pleased with the approach and thinks the creativity is excellent.

President Graham commented that she and Director Munsey have been working on this issue almost around the clock with General Manager Muzik, who has been working with Town Manager Nuaimi. She noted the money the Town is granting to the District is the

Town's contribution to the District. She does not have a problem saying that \$35,000,000 has to be paid back at .5% interest over 50 years. It will be the community that benefit. Regarding hiring a financial consultant, the District has already given authority to do that.

Council Member Hagerman applauded Town Manager Nuaimi and General Manager Muzik for working together on this issue. They have put a lot of hours into this. He questioned how long it takes for nitrates to reach the ground water.

Council Member Rowe commented she is excited not only that the District General Manager and Town Manager are working together but also that the Board and Council have a good working relationship. Stated regarding Town Manager Nuaimi's point that the Town doesn't have a means to go out for any future sales tax to secure revenue for our town that we can always forgive more of the funds given to the District but we can't ask for more from the taxpayers, and asked everyone to keep that in mind as we move forward with this issue.

Mayor Huntington concurred noting this is a viable and important solution and that he hopes it moves forward rapidly.

Speaking as a private citizen, Dan Munsey stated he will support this as a Director with the Water District, but questioned what the fiscal emergency is. He commented that during campaign debates some Council Candidates stated they were against taxes, and a citizen he has a problem with the 30 year sales tax that is being proposed to our community. That is a long time and he has an issue with charging the District .5% interest and thinks the suggestion that the entire amount be given to the District is a good idea.

Council Member Rowe commented she would like to see where she went on record speaking against taxes, and stated she doesn't personally want to advocate for them but does see that there is a need for the community to get the sewer system and have it financed. This is a means to an end and she believes this is the right thing for our community to do.

Town Manager Nuaimi noted that they looked at a 1% sales tax over 10 and 15 years but it doesn't fund the system. He noted the 30 year tax was at the request of the District. He also expressed concern about comments that the .5% loan is being assessed to rate payers, noting that the loan portion is only being attributed to those who don't live in the community. The sales tax generated locally is the Town's contribution and there is no interest on those dollars. As far as ballot measure and need for a fiscal emergency he noted that is needed for timing of the election, and explained that election law requires that a general tax to be used for any reason requires a 50% plus 1 vote, but if you have a

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Special Tax for a specific use there is a 2/3 vote requirement. The type of tax affects the timing of when the election can be held.

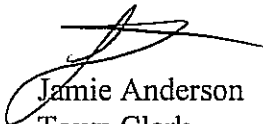
**7. FUTURE AGENDA ITEMS REQUESTED BY THE BOARD/COUNCIL**

None

**8. ADJOURNMENT**

There being no further business the meeting was adjourned at 5:46 p.m.

Respectfully submitted

  
Jamie Anderson  
Town Clerk