

**TOWN OF YUCCA VALLEY
SPECIAL JOINT TOWN COUNCIL/
HI DESERT WATER DISTRICT MEETING MINUTES
NOVEMBER 8, 2011**

The special joint meeting of the Town of Yucca Valley Council and Hi Desert Water District Board of Directors was called to order at 6:00 pm by Mayor Huntington.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Led by President Graham

2. ROLL CALL

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

3. APPROVAL OF AGENDA

Council Member Hagerman moved to approve the agenda. Council Member Lombardo seconded. Motion carried on a voice vote.

4. PRESENTATION OF THE INDEPENDENT FISCAL CONSULTANT REPORT ON THE TOWN/DISTRICT SALES TAX PROPOSAL

Town Manager Nuaimi introduced Daniel Wiles of Fieldman, Rolapp & Associates to present the consultant's report on a recent Town/District sales tax proposal study. Wiles began with the conclusions of the report. The benefits of the proposal are financed by local sales by all people regardless if they are residents or non-residents and assists with meeting the needs of the District and the Town. The District needs to minimize costs to rate payers. The Town has deferred maintenance and capital improvement needs.

Wiles continued by explaining the proposed structure. It was noted that 49.7% of sales tax in the town of Yucca Valley is received from non-resident activity per economist, John Husing. The proposed plan reduces the assessed lien by over 35%

Town Manager Nuaimi continued the presentation, thanking Dan and staff for their work. He reported on ad hoc committee activity, including an alternative scenario.

Mayor Huntington opened Public Comments on the item.

Margo Sturges, Yucca Valley, questioned if specifics were included in the study and was happy to see the ad hoc committee's alternative solution. She questioned who was on the ad-hoc committee.

Bill Horn, Yucca Valley, spoke in favor of splitting the tax.

Dave Mahaffey, Yucca Valley, expressed the interest in seeing proposal alternatives.

Ramon Mendoza, Yucca Valley, agreed that the proposal is complicated and the model has assumptions. He doesn't see any wiggle room if businesses shut down and sales tax doesn't come in. He questioned if there were variables in place, and noted he is still cautious because actual dollar figures have not been seen.

Bonnie Brady, Yucca Valley, expressed concern with the initial proposal and was glad to see the ad hoc committee's alternative approach.

Richard Harlan, Yucca Valley, expressed favor with the ad hoc committee's alternative proposal.

Mayor Huntington closed Public Comment on the item.

Town Manager Nuaimi clarified concerns brought forth in the presentation and public comment.

Frank Luckino, Hi Desert Water District CFO, addressed expressed concerns about the proposed sales tax levels and confirmed that the possible fluctuation in sales tax levels has been considered throughout the proposal. Town Manager Nuaimi stated that by the time the repayment period begins, there would be 4-5 years of sales tax history to take into consideration.

Mayor Huntington questioned who was on the ad hoc committee. President Graham replied Council Member Rowe, Council Member Hagerman, Director Munsey, and herself, along with staff liaisons. President Graham continued to explain the ad hoc committee process and reiterated that the council and board are here for the citizens, to respond and to benefit the needs of the community.

Director Munsey commented in favor of the ad hoc committee alternative.

President Graham thanked Town and HDWD staff who worked on the issues and details. She also thanked Town Manager Nuaimi for joining the district representatives at the recent California State Water Board meeting. The state now has a better understanding on the unique role we have, being a rural community with a sales tax base. She reminded everyone that the sales tax rate used to be 8.75% and recently was reduced.

Mayor Huntington commented he supports the ad hoc recommendation. Economic growth will benefit with sewers in place.

Council Member Rowe commented in favor of the ad hoc alternative and believes the proposal is a win-win for everyone.

Director Mayes expressed he has no concerns and thanked staff for the hard work.

There being no objections the report was received and filed.

5. PUBLIC COMMENTS

Ramon Mendoza, Yucca Valley, spoke on sewer issues in other communities and offered alternatives to address septic systems instead of installing sewers.

Bill Horn, Yucca Valley, questioned the community build-out numbers used in the water reports based on the number of wells and resident usage.

6. BOARD/COUNCIL COMMENTS

None

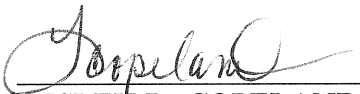
7. FUTURE AGENDA ITEMS REQUESTED BY THE BOARD/COUNCIL

None

8. ADJOURNMENT

There being no further business, Mayor Huntington adjourned the meeting at 6:55 pm.

Respectfully Submitted



LESLEY R. COPELAND
Deputy Town Clerk