

WATER UTILITIES COMMUNITY FACILITIES DISTRICT
CITY OF APACHE JUNCTION, ARIZONA
REGULAR MEETING
February 21, 2017

The regular meeting of the District Board of the Water Utilities Community Facilities District, City of Apache Junction, Arizona, was held on February 21, 2017 at the Apache Junction City Council Chambers pursuant to the notice required by law.

CALL TO ORDER

Chairperson Serdy called the meeting to order at 6:00 p.m.

ROLL CALL

Board Members Present: Chairperson Serdy
Mrs. Barker
Mrs. Evans
Mrs. Rizzi
Mr. Struble
Mr. Waldron

(Vice Chairperson Wilson was absent.)

Staff Present: Bryant Powell, District Manager
Kathleen Connelly, District Clerk
Joel Stern, District Legal Counsel
Giao Pham, Utility Director (arrived
6:10 p.m.)
Frank Blanco, District Director
Matt Busby, Assistant City Manager
Michael Loggins, District
Superintendent
Kent Brooksburly, District Controller

Others Present: Evie McKinney, Utility Billing
Supervisor
Al Bravo, Public Information Officer

APPROVAL OF MINUTES OF MEETING OF
JANUARY 17, 2017)

) Chairperson Serdy called
for a motion.

Mrs. Barker MOVED THAT THE
MINUTES OF JANUARY 17, 2017, BE APPROVED.

Mr. Waldron SECONDED THE
MOTION.

VOTE: Unanimous.

The motion carried.

PRESENTATION OF WATER
INFRASTRUCTURE FINANCE AUTHORITY
OF ARIZONA'S DRINKING WATER
PROJECT OF THE YEAR AWARD)

) District Director Frank
Blanco asked Susan Craig to present the award.

Ms. Susan Craig,
Communications Director of the Water Infrastructure Finance
Authority of Arizona, stated she attended the ribbon cutting for
the Superstition Area Water Plant and met the team that made it
a success. She was thrilled the district was nominated for the
award and happy when the advisory board selected the district as
the winner. They are a governmental organization that provides
funding to improve water infrastructure throughout Arizona for
safe drinking water and keep the rivers and lakes clean. Many
Arizona cities choose them because of their low interest rates.
The communities save money by funding their projects through
them which they then pass on to their customers. They have
partnered with the district on multiple water projects over the
last several years. The Project of the Year awards were created
to recognize the most exceptional Water Infrastructure Finance
Authority project demonstrated by their performance and
resolving water quality or public health issues, cooperative
funding efforts, sustainability and outstanding project
management. This project exhibits many of those attributes.
The \$9 million project was selected based on the district's
commitment to protecting public health through investment in a
state of the art water treatment facility. The city worked with
policy makers and stakeholders for over a decade to form the
district and the planning process that led up to the
construction of the plant. The district's employees and

consultants demonstrated exemplary teamwork and organization in the construction of the facility. Everyone involved in the design, the field engineers to the contractors and administrative support helped to make this a successful project. Managing a project of this scale takes considerable skill. The district was well organized from early on in the project, attended to detail and was always available to discuss the project. She specifically recognized Frank Blanco. He did a fantastic job of keeping staff well informed of project progress and facilitated compliance with all of their loan requirements. He had help from his team. Andria Samuels worked on administrative pay requests, American Iron and Steel certifications, prevailing wage interviews and various other tasks to keep the project moving forward. Mike Loggins was closely involved with the master planning, engineering, design and plant construction as well as insuring a successful plant start up. The district was able to reduce their reliance on groundwater supplies with this project by utilizing their allotment of Central Arizona Project water. When the district started providing water service to its customers over 90% of the supply had to come from groundwater. Today over 90% of the water comes from surface water. That is fantastic. It was a great job done by all of those involved. She presented the plaque to the district to acknowledge the achievement and hard work. She looks forward to working with the district on future drinking water projects. She stated the plaque says "The Apache Junction Water Utilities Community Facilities District for the Superstition Area Water Plant, In Recognition of Your Commitment To Protecting Public Health Through the Investment In the State of the Art Water Treatment Facility".

DISTRICT MANAGER REPORT

None.

DISTRICT DIRECTOR REPORT

District Director Frank Blanco stated the district's goals and objectives are focused on five items: water quality, water supply, infrastructure, human resources and customer relations. Water quality enhancements include chlorination and recirculation systems at Booster #1 for the storage reservoirs. They are continuing with real time monitoring of water quality of the reservoirs. They have another goal to minimize water

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age. They are a system that has more storage than can be used in one day. One of their challenges will be making sure the water stays fresh and that they are able to move it around and use it as quickly as we produce it. They are looking at a couple of new intergovernmental agreements for water supply risk mitigation. They will be renewing some old partnerships and adding some new ones. They will be looking at water wheeling agreements to mitigate the risk of a shortage on the Central Arizona Project Canal System as an example. They have submitted a drought planning and monitoring plan, a water system plan, to the Department of Water Resources. The plan has been accepted and he will go into detail on that at some point. They are also looking at local recharge options. Currently the groundwater is recharged in areas where we are not able to recover what we are recharging. They are looking at localized, regional recharge facilities that include other partners. They are in the process of implementing a computerized maintenance management system. It is something they will be able to use for the new water facility as well. They are in the process of getting a rates analysis which will allow them to keep track of their current infrastructure that needs to be replaced. It can do some financial analysis and looks at what the rates really should be based on the available resources and revenue. They will be reviewing the water system master plan which was originally based on population growth. They need to review it from time to time to see where they are at and if they are meeting any milestones. For human resources they will be including training for personal development. It would also include retention and succession planning. The final goal is customer relations and they want to improve customer service, focus on their mission of providing the finest water, community outreach for education and public involvement and to improve their image and public perception. They want to communicate their vision to be recognized as an invaluable resource providing a core service for the community while promoting growth and providing the city sustainability and control over its future. The new payment portal will be coming online April 1, 2017.

District Superintendent Mike Loggins stated every year from January 1 to March 31 they have to provide a report to the Arizona Department of Water Resources. They are gathering information on how much water they produced last year from wells versus the water treatment plant versus what was received from Mesa. They will be providing the report to them in the next

month or two. It looks like the demands are the same as last year so it should be very similar to what was seen last year. He will give them another update next month. He talked to them about water production last meeting. In December 2015 they produced 21% of the water at Well No. 5, 3% of the water at Well No. 6 and 76% of the water was from the Mesa interconnect. They were still taking about one million gallons a day from the City of Mesa with an average daily demand of 1.3 million gallons per day. In December 2016, now that the plant is on line, they are at 13% on Well No. 5, 7% on Well No. 6, 1% from the City of Mesa and 70% from the water treatment plant. The district now has 99% of the water coming from the district and not some other community. It was a great project and provides different options for the future.

Chairperson Serdy asked if we are stronger and building up reserves by not using Well No. 5 so much.

District Superintendent Mike Loggins stated it does help us because they are not having to draw water down. They are not removing water from the aquafir at this time. It saves it for the future when it is truly needed. They can produce 100% of the water from the treatment plant. The only reason they are running the wells is in case they have a problem with the plant. They can shut if off since Wells No. 5 and No. 6 are still running and operable. They run the Mesa interconnect once a month just in case they have the ultimate storm where the plant and all the wells go down and they would have to receive water from the City of Mesa. They verify each month that everything is still good to run.

Chairperson Serdy commented we can take water from Mesa. He asked what would happen if they had a terrible disaster and needed water. He asked if the district would be able to reverse it that way.

District Superintendent Mike Loggins stated currently they cannot but it would not take much for them to do that. If they called and needed the district to do that they could turn around a check valve and send water back their way.

Mr. Struble asked if they could draw everything from our wells if the plant has to go down for some reason.

District Superintendent Mike Loggins stated that is correct. They will talk about that more in the future. They have been having meetings with Central Arizona Project. In 2019 the Central Arizona Project canal will shut down for six weeks. They cannot receive water at that point in time. They will have to rely on the wells at that point and some of the other agreements they are working on with some other cities to receive water from them if the district needs to. Currently they can get the water from Wells No. 5 and No. 6 to provide for all of our customers without taking water from somebody else. They have recently been putting on more tours at the plant. The AZ Water Association came out. They are operators from all over the state and some from Show Low and Phoenix came out. They gave them the tour and showed them how the water process worked. There was about 30 people there. Last week they had Crowell Engineers bring their staff out for a tour and go over some of the things learned as the plant was built and what can be done better with future designs. Tomorrow he has a seminar with AZ Water Association to do a presentation on the start up for the treatment plant for all the plant operators that are involved with that association.

Mr. Struble asked if that is something they are planning on doing with the school kids.

District Superintendent Mike Loggins stated they are working on that in the near future. They have the water festival coming which involves fourth grade students. They give explanations on their water works and the cycle of water. That same week is Water Week and they will have the plant open for the public to come in and visit for one day. Eventually he believes it would be good to bring some of the students out there to show them the plant. They could get more people interested in it. They are aware of aging infrastructure, but as their operators get older a lot of them have maintained over thirty to forty years and no one is really stepping up to learn the water treatment process. They will be in need of treatment plant operators and distribution people to take over after these guys. They need to get some interest in that going. They are also trying to get more interns in and train more people to be available. The water festival is April 27 and he hopes all of them volunteer. A lot of them have in the past and it is a great thing they do around the city, bringing all the city's fourth graders in plus

one school from Mesa. They really enjoy it and appreciate all the volunteers they get.

DISTRICT TREASURER REPORT

District Controller Kent Brooksbury advised the treasurer was sick and did not forward a report.

District Manager Bryant Powell introduced Kent Brooksbury who has been with them for a few months.

Assistant City Manager Matt Busby stated Kent is actually the new controller. He was an accountant but was promoted to controller.

Chairperson Serdy commented he thinks it is great because he has been asking for years if they could cross train people just for that situation for when someone does go out we have more than one person that can step in and do that. It is a very good idea.

ADJOURNMENT)
) Chairperson Serdy adjourned
the meeting at 6:20 p.m.

ACCEPTED THIS _____ DAY OF _____, 2017,
BY THE CHAIRPERSON AND DISTRICT BOARD OF THE WATER UTILITIES
COMMUNITY FACILITIES DISTRICT, (CITY OF APACHE JUNCTION,
ARIZONA).

SIGNED AND ATTESTED TO THIS _____ DAY OF _____,
2017.

Jeff Serdy
Chairperson

ATTEST:

Kathleen Connelly
District Clerk

WATER UTILITIES COMMUNITY FACILITIES DISTRICT MINUTES
CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the Water Utilities Community Facilities District of the City of Apache Junction, Arizona, held on the 21st day of February, 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 6th day of March, 2017.

Kathleen Connelly
District Clerk