



City of Apache Junction, Arizona

Special Meeting Minutes Water Utilities Community Facilities District

City Council Chambers
300 E Superstition
Boulevard
Apache Junction, AZ
85119

www.ajwaterdistrict.org
P: (480) 982-6030

Tuesday, May 7, 2024

6:00 PM

City Council Chambers

A. Call to Order

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

B. Roll Call

Present 7 - Chairperson Wilson, Vice Chair Schroeder, Boardmember Cross, Boardmember Heck, Boardmember Johnson, Boardmember Nesser, and Boardmember Soller

C. Agenda Items

1. [24-331](#) Presentation and discussion on proposed District budget for Fiscal Year (FY) 2024-2025 to include proposed rates, fees, and charges applicable during FY 2024-2025 and classification and compensation plan for District employees.

District Director Mike Loggins presented an overview of the proposed District budget for Fiscal Year (FY) 2024-2025 to include proposed rates, fees, and charges applicable during FY 2024-2025 and classification and compensation plan for District employees.

Mr. Loggins presented an overview of the current fiscal year budget. The FY 2023-2024 budget was expected to be \$7.9 million. The District is using some of its reserves this year. Revenue is up approximately 10% due to the new construction in the southern portion of Apache Junction. A grant was received for the installation of radios attached to meters for existing customers which will be done in FY 2024-2025. The District is projected to spend around \$9 million.

Mr. Loggins presented an overview of the FY 2024-2025 budget. The District is proposing a budget of \$13.8 million. System connection fees and water resource acquisition fees make up a large portion of the revenue. The system connection fees are used for upgrading the water system. The water resource acquisition fees are used for purchasing additional water in the future. The water resource acquisition funds are being put into a saving account to be used to fund the Bartlett Dam Project with Salt River Project. The District has estimated needing approximately \$22 to \$23 million in 2027 to fund the project.

Some of the larger projects proposed for FY 2024-2025 include replacing the coating on the backwash tank and installing a security system at the Superstition Area Water Plant. Design, replace and improve Booster Station 2, install radios on all meters to be paid for by a grant from Water Infrastructure Finance Authority of Arizona (WIFA), install new aquifer, storage and recovery well, possibly funded by a grant from WIFA, and construction of an Advanced Water Purification Demonstration Trailer.

Work continues with Salt River Project on the Verde River Sedimentation Mitigation study for a cost of \$100,000 per year over a four-year period. The District is currently in year three of the study.

The District continues to purchase Non-Indian Agricultural water. This will occur over a five-year period at a cost of \$325,000 per year. The District is in year four of five, paying for back capital charges incurred over the last 20 years that Central Arizona Project (CAP) has had the Non-Indian Agricultural water.

Mr. Loggins presented an overview of the cost of CAP water. These charges are increasing annually, and operation and maintenance fees are around \$1.3 million.

Mr. Loggins presented an overview of the proposed rate adjustments for FY 2024-2025. For customers within the city limits this increase would include 5% in the base rate and no change to the consumption rate or tiers, for a 2.3% overall increase, or \$1.66 per month. For customers in the county area this increase would include 5% in the base rate and no change to the consumption rate or tiers, for a 1.9% overall increase, or \$1.66 per month. He proposed an increase in the residential connection fees and water acquisition fees which will not affect current customers.

Mr. Loggins is proposing an increase in system connection fees. The increase is based on the current consumer price index for construction. This is a one-time fee and is only for new development. These fees (funds) assist with system maintenance as well as future upgrades. Water Resource Acquisition fees are also increasing. These fees help to pay for the purchase of water used in the District.

Mr. Loggins presented an overview of the proposed classification and compensation plan for District employees. This will include a 2.5% step increase for all employees, and a 4% increase on average to health insurance premiums. The premium cost is shared between the District and the employee.

Mr. Loggins presented the upcoming budget meeting schedule. The tentative budget will be presented on Tuesday, May 21, 2024, and the final budget will be presented on Tuesday, June 18, 2024, at 6:00 p.m. in the Apache Junction City Council Chambers.

D. District Manager Report

District Manager Powell thanked the District for another successful Water Festival and for all the work the District does to teach children about water conservation.

E. District Director Report

2. [24-333](#) Presentation and update on Central Arizona Project and Salt River Project water levels.

District Director Loggins presented an update on the water levels in the lakes and reservoirs. Currently, Lake Powell is 32% full and Lake Mead is 35% full. The Salt River reservoirs are at 93% capacity.

3. [24-334](#) Presentation and update on District wide water system.

Mr. Loggins presented a drone video of the Blossom Rock subdivision.

F. District Treasurer Report

No report.

G. Adjournment

Chairperson Wilson adjourned the meeting at 6:42 p.m.

ACCEPTED THIS _____ DAY OF _____, 2024, BY THE CHAIR PERSON AND DISTRICT BOARD OF THE WATER UTILITIES COMMUNITY FACILITIES DISTRICT, (CITY OF APACHE JUNCTION, ARIZONA).

SIGNED AND ATTESTED TO THIS _____ DAY OF _____, 2024.

WALTER "CHIP" WILSON
Chairperson

ATTEST:

JENNIFER PENA
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 _____ day of _____, 2024. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2024.

JENNIFER PENA
District Clerk