



City of Apache Junction, Arizona

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

Doors are open to the public at least 15 minutes prior to the posted meeting start time.

Tuesday, May 21, 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

Staff in attendance:

Bryant Powell, District Manager
Matt Busby, Assistant District Manager
Yvette McKinney, Deputy District Clerk
Joel Stern, District Legal Counsel
Mike Loggins, District Director
Charles Briggs, Water District Project Manager
Stacy Ramirez, Utility Billing Supervisor
Rita Vineyard, Senior Administrative Assistant
Angelie Hawley, District Treasurer
Connie Chow, District Controller
Eli Richardson, Management Analyst

C. Agenda Items

1. [24-426](#) Approval of meeting minutes of April 16, 2024.

Boardmember Heck made a motion to approve the meeting minutes of the April 16, 2024, meeting. Boardmember Cross seconded the motion.

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

No: 0

2. [24-427](#) Presentation, discussion, and consideration of approval of an agreement for material and delivery with Dana Kepner Company, Inc. for the purchase of 4,500 radios for utility meters, 2 towers, and associated parts for the Automated Meter Infrastructure to serve the District using the pricing terms of the City of San Luis Request for Proposal - BAN-2024-03 in the amount of \$1,123,456.77.

Boardmember Heck made a motion that the agreement for material and delivery between Water Utilities Community Facilities District and Dana Kepner Company Inc. for Automated Meter Infrastructure using the pricing terms of the City of San Luis Request for Proposal - BAN-2024-03 for a total not to exceed \$1,123,456.77 be approved. Boardmember Johnson seconded the motion.

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

No: 0

District Direct Mike Loggins presented an agreement with Dana Kepner for the purchase of radios for Automated Meter Infrastructure (AMI) using funds from an approximate \$1.1 million grant from Water Infrastructure Finance Authority of Arizona (WIFA). By utilizing the City of San Luis cooperative agreement for the Request for Proposal, the District chose Dana Kepner as the provider. The District will cover an additional \$800,000 for in-kind services. The in-kind services will include the work and labor used for installing the radios, implementing the new system, and managing the project. Total cost for the project is approximately \$1.9 million.

The AMR project will allow the District to add radios to 4,500 existing meters in the District's northern service area. Along with the radios, two additional towers will be installed in the city which will receive the reads from the radios within an hour of the meters being read instead of the current 30-day cycle. The District, as well as the customer will be notified sooner, if any leaks are present. This notification will benefit both the customer and the District.

3. [24-428](#) Presentation and discussion on proposed District budget for Fiscal Year (FY) 2024-2025 to include classification and compensation plan for District employees and proposed rates, fees, and charges applicable during FY 2024-2025.

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. The District will collect approximately \$1 million of system connection fees and \$11 million on water resource acquisition fees if the current projects continue like they have been. The water resource acquisition fees are used for purchasing additional water in the

future. These collected fees 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, installing a security system at the Superstition Area Water Plant, and design, replace, and improve Booster Station 2. The District will be designing and looking for property for a new office in the future. Other projects include installing 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 Bureau of Reclamation and Salt River Project will be making an announcement about funding soon. A tour of the area was cancelled due to fires in the Bartlett Lake area.

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 during 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 final budget meeting schedule. The final budget will be presented on Tuesday, June 18, 2024, at 6:00 p.m. in the Apache Junction City Council Chambers.

4. [24-429](#) Consideration of Resolution No. 2024-006, declaring as a public record and adopting certain documents filed with the District Clerk entitled "Apache Junction Water District Utilities Community Facilities District Classification and Compensation Plan for Fiscal Year 2024-2025".

Boardmember Schroeder made a motion that Resolution No. 2024-006, declaring as a public record and adopting certain documents filed with the district clerk entitled "Apache Junction Water Utilities Community Facilities District classification plan, compensation plan, and the flat and hourly schedule for fiscal year 2024-2025"; be approved. Boardmember Nesser seconded the motion.

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

No: 0

D. Public Hearing

5. [24-430](#) Presentation, discussion, public hearing and consideration of Resolution No. 2024-007, pursuant to A.R.S. § 48-716, adopting a proposed budget for the fiscal year beginning July 1, 2024 and ending June 30, 2025; adopting proposed rates, fees, deposits, water resources acquisition fees and charges applicable for the Fiscal Year beginning July 1, 2024 and ending on June 30, 2025; establishing a public hearing on the proposed budget; and directing district staff to solicit comments from the City of Apache Junction on the proposed annual budget.

Boardmember Heck made a motion that Resolution No. 2024-007, a resolution of the Board of Directors of the Water Utilities Community Facilities District (City of Apache Junction, Arizona), pursuant to A.R.S. § 48-716, adopting a proposed budget for the Fiscal Year beginning July 1, 2024 and ending on June 30, 2025; adopting proposed rates, fees, deposits, water resource acquisition fees and charges applicable for the fiscal year beginning July 1, 2024 and ending on June 30, 2025; establishing a public hearing on the proposed budget; and directing district staff to solicit comments from the City of Apache Junction on the proposed annual budget be approved and further move the public hearing for final budget adoption be held on June 18, 2024 at 6:00 pm in the Apache Junction City Council Chambers, 300 East Superstition Boulevard, Apache Junction, Arizona. Boardmember Soller seconded the motion.

Chairperson Wilson called for a Public Hearing on the proposed budget and rate schedule for Fiscal Year 2024-2025.

Donna Carr, Apache Junction, expressed her concerns regarding water quality.

Chairperson Wilson commented this was not part of the budget discussion, he closed the public hearing, and called for a motion.

E. District Manager Report

District Manager Bryant Powell reported that Hazel Randall, a former employee of the District had passed away.

F. District Director Report

6. [24-438](#) Presentation, discussion, and update on District wide water system.
No report.

G. District Treasurer Report

No report.

H. Adjournment

Chairperson Wilson adjourned the meeting at 6:33 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