



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

Tuesday, June 21, 2022

6:00 PM

City Council Chambers

A. Call to Order

Chairperson Wilson called the meeting to order at 6:03 p.m.

B. Roll Call

Present 7 - Chairperson Wilson, Vice Chair Rizzi, Boardmember Evans, Boardmember Heck,
Boardmember Johnson, Boardmember Nesser, and Boardmember Schroeder

Staff in attendance

Bryant Powell, District Manager

Matt Busby, Assistant District Manager

Jennifer Pena, District Clerk

Joel Stern, District Legal Counsel

Mike Loggins, District Director

Charles Briggs, Water District Project Manager

Leslie DeReche, District Treasurer

Connie Chow, District Controller

C. Agenda Items

1. [22-355](#) Approval of minutes of the special meeting of May 3, 2022, and regular meeting of May 17, 2022.

Boardmember Nesser made a motion to approve the minutes of the special meeting of May 3, 2022 and the regular meeting of May 17, 2022. Boardmember Evans seconded the motion.

Yes: 7 - Chairperson Wilson, Vice Chair Rizzi, Boardmember Evans, Boardmember Heck,
Boardmember Johnson, Boardmember Nesser and Boardmember Schroeder

No: 0

D. Public Hearing

2. [22-357](#) Presentation, discussion, public hearing, and consideration of Resolution No. 2022-005, fully adopting estimates of expenditures by the Water Utilities Community Facilities District (City of Apache Junction), for Fiscal Year beginning July 1, 2022, and ending June 30, 2023; declaring establishment of the budget and rate schedule for the Water Utilities Community Facilities District (City of Apache Junction) for Fiscal Year 2022-2023.

Boardmember Evans made a motion that Resolution No. 2022-005, a resolution of the Board of Directors of the Water Utilities Community Facilities District (City of Apache Junction, Arizona) adopting estimates of expenditures by the Water Utilities Community Facilities District (City of Apache Junction, Arizona), for Fiscal Year beginning July 1, 2022 and ending on June 30, 2023; declaring that such action shall establish the budget for the Water Utilities Community Facilities District (City of Apache Junction, Arizona) for Fiscal Year 2022-2023, Ms. Evans asked if this had an emergency clause. District Clerk Pena said it did not. Ms. Evans requested it be approved. Boardmember Schroeder seconded the motion.

Yes: 7 - Chairperson Wilson, Vice Chair Rizzi, Boardmember Evans, Boardmember Heck, Boardmember Johnson, Boardmember Nesser and Boardmember Schroeder

No: 0

District Director Mike Loggins presented an overview of the final District budget for Fiscal Year (FY) 2022-2023 to include proposed rates, fees, and charges applicable during FY 2022-2023 and classification and compensation plan for District employees.

Mr. Loggins presented an overview of the current fiscal year's budget. The FY 2021-2022 budget was expected to be \$7.1 million. The Water District is projected to spend \$5.9 million and will be under budget for FY 2021-2022.

Mr. Loggins presented an overview of the FY 2022-2023 budget. The Water District is proposing a \$13.7 million budget. Operating revenue is going up a little bit and the District will be adding a few new positions because of the state land development. The District will be using some reserves for capital outlay in the state land area and projects that were not done in the FY 2021-2022 period will be extended into the FY 2022-2023 period.

Some of the larger projects proposed for FY 2022-2023 include the building of a raw water pipeline from the Superstition Area Water Plant to the Superstition Mountain Community Facilities District No. 1, drilling a new well at the Superstition Vistas Subdivision site, purchasing radios used for reading meters for existing service connections, and designing and constructing a new pump station at Booster Station No. 2.

Other expenditure increases include the purchasing of new utility billing software budgeted at \$150,000 which will be discussed later in the meeting.

Another part of the budget will show an increase from Central Arizona Project ("CAP") on the proposed rate structure and additional water that will be purchased from the Non-Indian Agricultural water.

The District is currently funding a portion of the Salt River Project Verde River Sedimentation

Mitigation study that has been ongoing. This project is currently in year two with an estimated cost of \$100,000 per year

The District is also purchasing from CAP the Non-Indian Agricultural water over the next five years at \$325,000 per year and are currently in year two. Water Resource Acquisition fees are being collected from new development to purchase new water supplies as they are needed.

Mr. Loggins presented an overview of the proposed rate adjustments for FY 2022-2023. For customers within the city limits this would include a 5% increase in the base rate and no change to the consumption rate or tiers for a 2.2% overall increase or \$1.50 per month. For customers in the county area this would include a 5% increase in the base rate, 5% increase in the consumption rate, and no change to the consumption tiers for a 4.8% overall increase or \$3.83 per month. He is also proposing an increase in residential system connection fees and water acquisition fees which will not affect current customers. The increases will go into effect October 1, 2022.

Mr. Loggins presented the system connection and water acquisition fees for the homes in the city and in the newly annexed state land area. The system connection fees in the newly annexed state land area are lower because the developer is paying for the infrastructure.

Mr. Loggins presented the new non-potable water system requires new rates. This water will be used for parks and irrigation in the new developments located in the annexed state land. He explained these water charges are less than the potable water rates due to the way the water is treated.

Chairperson Wilson called for a Public Hearing on the final budget and rate schedules for Fiscal Year 2022-2023. There being no one wishing to speak, he closed the public hearing, and called for motions.

3. [22-358](#) Presentation, discussion, public hearing, and consideration of Resolution No. 2022-006, re-adopting all existing potable rates, user fees and charges for Fiscal Year 2022-2023, including new potable rates for monthly base services charges inside and outside city limits, water consumption rate per 1,000 gallons outside city limits, system connection fees, water acquisition fees; and establishing an effective date.

Boardmember Johnson made a motion that Resolution No. 2022-006, a resolution of the Board of Directors of the Water Utilities Community Facilities District (City of Apache Junction, Arizona) re-adopting all existing potable rates, user fees and charges for Fiscal Year 2022-2023, including new potable rates for monthly base service charges inside and outside city limits, water consumption rate per 1,000 gallons outside city limits, system connection fees, water acquisition fees, and establishing an effective date be approved. Boardmember Evans seconded the motion.

Yes: 7 - Chairperson Wilson, Vice Chair Rizzi, Boardmember Evans, Boardmember Heck, Boardmember Johnson, Boardmember Nesser and Boardmember Schroeder

No: 0

4. [22-359](#) Presentation, discussion, public hearing, and consideration of Resolution No. 2022-007, adopting new non-potable rates, user fees and charges for Fiscal Year 2022-2023, including new non-potable rates for monthly base services charges inside and outside city limits, water consumption rate per 1,000 gallons outside city limits, system connection fees, water acquisition fees; and establishing an effective date.

Boardmember Evans made a motion that Resolution No. 2022-007, a resolution of the Board of Directors of the Water Utilities Community Facilities District (City of Apache Junction, Arizona) adopting new non-potable rates, user fees and charges for Fiscal Year 2022-2023, including new non-potable rates for monthly base service charges inside and outside city limits, water consumption rate per 1,000 gallons outside city limits, system connection fees, water acquisition fees, and establishing an effective date be approved. Boardmember Rizzi seconded the motion.

Yes: 7 - Chairperson Wilson, Vice Chair Rizzi, Boardmember Evans, Boardmember Heck, Boardmember Johnson, Boardmember Nesser and Boardmember Schroeder

No: 0

E. District Manager Report

No report.

F. District Director Report

5. [22-375](#) Presentation and discussion of License Agreement with Tyler Technologies, Inc. for utility billing software.

District Director Loggins presented an overview of Munis Utility Billing software which was selected to replace the District's current billing system. The new software will integrate with our current financial system. Integration is expected to start in September 2022 and the board will be updated as it progresses.

Mr. Loggins presented an overview of the District's current water portfolio. The District currently has 7,831-acre feet per year of available water. The 2021 total water usage was 2,940-acre feet: 1,696-acre feet was for potable use, 1,000-acre feet was for water stored in the ground and 244-acre feet was used for construction. At this time there is approximately 6,000-acre feet available for future usage.

6. [22-385](#) Water System update with representatives from Arizona Water Company.

Mr. Bill Staples, General Manager of Arizona Water Company in Apache Junction joined the meeting. He introduced Mr. Fred Schneider, President of Arizona Water Company, Mr. James Wilson, Assistant General Manager and Ms. Terry Sue Rossi, Water Resources Manager. Ms. Rossi presented an overview of Arizona Water Company's service areas; water resources and plans for the Apache Junction area.

G. District Treasurer Report

No report.

H. Adjournment

Chairperson Wilson adjourned the meeting at 6:53 p.m.

ACCEPTED THIS _____ DAY OF _____, 2022, 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 _____, 2022.

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 _____, _____.
I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2022.

JENNIFER PENA
District Clerk