



# 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

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Tuesday, May 16, 2023

6:00 PM

City Council Chambers

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### A. Call to Order

Vice Chair Schroeder called the 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  
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  
Leslie DeReche, District Treasurer  
Connie Chow, District Controller  
Evie McKinney, Deputy District Clerk  
Al Bravo, Public Information Officer  
Eli Richardson, Management Analyst  
Rob Wisler, Management Analyst

### C. Agenda Items

1. [23-286](#) Presentation, discussion, and consideration of Resolution No. 2023-005, declaring a portion of the public utility easement located at 1828 North Bowman Road, Apache Junction, Arizona, is no longer necessary for public use as a public utility easement and is hereby extinguished.

**Boardmemeber Cross made a motion that Resolution No. 2023-005, a resolution of the Board of Directors of the Water Utilities Community Facilities District (City of Apache Junction, Arizona) declaring portions of the public utility easements located at 1828 North Bowman Road, Apache Junction, Arizona are no longer necessary for public use and are hereby extinguished be approved. Boardmember Nesser seconded.**

District Director Mike Loggins presented an overview of Resolution No. 2023-005, a request to extinguish the water utility easement and declaring a portion of the public utility easement located at 1828 North Bowman Road, Apache Junction, Arizona is no longer necessary for public use as public utility easement. Mr. Loggins advised that this location is in Arizona Water's service area and the District has no plans on utilizing this easement.

2. [23-281](#) Discussion on proposed District budget for Fiscal Year (FY) 2023-2024 to include proposed rates, fees, and charges applicable during FY 2023-2024 and classification and compensation plan for District employees.

District Director Mike Loggins presented an overview of the proposed District budget for Fiscal Year (FY) 2023-2024 to include proposed rates, fees, and charges applicable during FY 2023-2024 and classification and compensation plan for District employees.

Mr. Loggins presented an overview of the current fiscal year's budget. The FY 2022-2023 budget is expected to be \$13.7 million. The District is using reserves to fund some additional projects including wells and booster pumps, and the pipeline that was approved in April 2023. With these additional projects, the District is projected to spend around \$15 million.

Mr. Loggins presented an overview of the FY 2023-2024 budget. The Water District is proposing a budget of \$11 million. System connection fees and water resource acquisition fees make up a large portion of the revenue. The system connection fees will be used for upgrading our water system. The water resource acquisition fees will be used for purchasing additional water in the future. These funds are put into a saving account and are used for major projects.

Expenses are made up of daily operations, debt services, capital outlay and contingency dollars for a total of \$11 million.

Some of the larger projects proposed for FY 2023-2024 include installation of the bi-directional pipeline from the Superstition Area Water Plant to the Apache Junction Sewer District, roll out of the new utility billing software, and a pilot study for advanced water treatment.

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

The District continues to purchase Non-Indian Agricultural water. This will occur over the next five years at a cost of \$325,000 per year and the District is in year three of paying for back capital charges incurred over the last 25 years.

Mr. Loggins presented an overview of the proposed rate adjustments for FY 2023-2024. For customers within the city limits this adjustment would include a 5% increase in the base rate and no change to the consumption rate or tiers for a total of 2.2% overall increase or \$1.58 per month. For customers in the county area this adjustment would include a 5% increase in the base rate, 5% increase in the consumption rate and, no change to any consumption tiers for a total of 4.7% overall increase or \$4.00 per month. He proposed an increase in the residential connection fees and water acquisition fees which will not affect current customers. The increases will go into effect October 1, 2023.

Mr. Loggins is proposing an 8.5% 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

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development. These fees help to maintain the current system as well as cover costs for 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 3.5% increase in the compensation plan and a one-step increase for all employees. There is an anticipated 3% increase on average to health insurance premiums. This premium cost is shared between the District and the employee.

Mr. Loggins presented the final budget schedule which will be on Tuesday, June 20, 2023, at 6:00 p.m. in the Apache Junction City Council Chambers.

3. [23-282](#) Consideration of Resolution No. 2023-001, declaring as 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 2023-2024."

**Boardmember Nesser made a motion that Resolution No. 2023-001, 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 2023-2024"; be approved. Boardmember Soller seconded the motion.**

#### D. Public Hearing

4. [23-283](#) Presentation, discussion, public hearing and consideration of Resolution No. 2023-002, pursuant to A.R.S. § 48-716, adopting a proposed budget for the fiscal year beginning July 1, 2023 and ending June 30, 2024; adopting proposed rates, fees, deposits, water resources acquisition fees and charges applicable for the Fiscal Year beginning July 1, 2023 and ending on June 30, 2024; establishing a public hearing on the proposed budget; and directing district staff to solicit comments for the City of Apache Junction on the proposed annual budget

**Boardmember Heck made a motion that Resolution No. 2023-002, 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, 2023 and ending on June 30, 2024; adopting proposed rates, fees, deposits, water resource acquisition fees and charges applicable for the fiscal year beginning July 1, 2023 and ending on June 30, 2024; 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 moved the public hearing for final budget adoption be held on June 16, 2023 at 6:00 pm in the Apache Junction City Council Chambers, 300 East Superstition Boulevard, Apache Junction, Arizona. A scrivener's error was noted on the date of the final budget adoption and correction was made to June 20, 2023. Boardmember Nesser seconded the motion.**

Vice Chair Schroeder called for a Public Hearing on the proposed budget and rate schedule for Fiscal Year 2023-2024. There being no one wishing to speak, he closed the public hearing, and called for a motion.

**E. District Manager Report**

5. [23-285](#) Presentation, and discussion on Water Conservation.

District Manager Bryant Powell explained that questions have been asked about water harvesting and water conservation, and that Mr. Loggins will give a presentation on both subjects. The District is working with Arizona Water Company on the One Water program. The District is applying for grants for radio reads and an Advanced Metering Infrastructure (AMI) system that will allow leaks to be detected and customers can be notified sooner.

The question of water harvesting was also asked. Mr. Loggins explained there are no restrictions in Apache Junction and the city at this time has no ordinances on this subject. He will work with Development Services to see if there are concerns regarding this. He explained water harvesting and how that water is used is an individual choice. This method of water conservation is appreciated by the District. Boardmember Cross asked if there are anywhere citizens can go for information on these subjects. Mr. Loggins explained the District has information on its website and has a stand in the lobby with water conservation literature. There is also information and an option to ask questions on the One Water website.

**F. District Director Report**

6. [23-284](#) Presentation, discussion, and update on District wide water system.

No report.

**G. District Treasurer Report**

No report.

**H. Adjournment**

Vice Chair Schroeder adjourned the meeting at 6:38 p.m.

ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2023, 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 \_\_\_\_\_, 2023.

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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 \_\_\_\_\_, 2023.

\_\_\_\_\_  
JENNIFER PENA  
District Clerk