

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

The regular meeting of the District Board of the Water Utilities Community Facilities District, City of Apache Junction, Arizona, was held on November 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
Vice Chairperson Wilson (arrived 6:17 p.m.)
Mrs. Evans
Mr. Struble
Mr. Waldron

(Mrs. Barker and Mrs. Rizzi were absent.)

Staff Present: Bryant Powell, District Manager
Joel Stern, District Legal Counsel
Frank Blanco, District Director
Matt Busby, Assistant City Manager
Michael Loggins, District Superintendent

Others Present: Rita Vineyard, Administrative Assistant
Jan Mason, Deputy City Clerk

APPROVAL OF MINUTES OF OCTOBER 17,
2017 _____)

_____) Chairperson Serdy called
for a motion.

Mr. Waldron MOVED THAT THE
MINUTES OF OCTOBER 17, 2017 BE APPROVED.

Mrs. Evans SECONDED THE
MOTION.

VOTE: Unanimous.

The motion carried.

DISTRICT MANAGER REPORT

None.

DISTRICT DIRECTOR REPORT

District Director Frank Blanco briefed the board on the City of Mesa Intergovernmental Agreement regarding treated water from the district's Central Arizona Project allotment and the groundwater savings facilities and underground storage.

Mr. Waldron asked what is used to determine where the groundwater locations are. With the Superstition Mountain Recharge Project and New Magma, one is small and the other large. He asked what determines the boundaries for them.

District Director Frank Blanco stated to have a recharge project such as Superstition Mountain Recharge Project it must be an underground storage facility. The Central Arizona Water Conservation District owns the facility. In order for them to get credits to recharge at that facility they have to apply to Arizona Department of Water Resources. They had to prove that the facility would be able to recharge an annual quantity of water. It was initially permitted for 30,000 and has now been increased to 60,000. The GFFs, which are New Magma, Salt River Project and Roosevelt Water Conservation District all had to apply to Arizona Department of Water Resources and prove that area would be able to recharge the water they are permitted for. Roosevelt Water Conservation District is a much larger area and Salt River Project is the largest of all.

Mr. Waldron asked what determines the boundaries.

District Director Frank Blanco stated they are determined by their service area boundaries. Superstition Mountain is an area that is defined as the project where they would actually be recharging that water. They cannot go beyond the permitted area.

Chairperson Serdy asked if Arizona Water does any recharging.

District Director Frank Blanco stated Arizona Water is in the process of developing a recharge project. In the last couple of years they got an agreement with Roosevelt Water Conservation District to recharge there as well.

Assistant City Manager Matt Busby asked if they pump water out of the ground and pump it back into the ground. He asked if they were all groundwater.

District Director Frank Blanco stated they are, but they do have rights to Central Arizona Project water. In lieu of the Central Arizona Project water they deliver that water to Roosevelt Water Conservation District. That is not groundwater. He continued with his briefing.

District Counsel Joel Stern asked how remote is it for the likelihood of Mesa to not be able to deliver water compared to what we are taking out of their system.

District Director Frank Blanco stated historically no emergency has ever been declared. It has never happened. The district would be taking between 1 and 2 million gallons a day and it is currently between 1 and 2 million gallons a month. In an emergency situation it could be more than that but it would be a significantly small number compared to the capacity of the Mesa system.

District Counsel Joel Stern asked how many million gallons they have available.

District Director Frank Blanco stated he believes their Brown/Rural plant might be something around 40 million a day.

District Counsel Joel Stern stated we are talking 1 or 2 million a day here at most.

District Director Frank Blanco stated that is correct. It is a small amount of water that has never been declared. The proposed intergovernmental agreement also reduces the risk of a Mesa service priority being declared. It provides for an additional water source by using recovered water through the Salt River Project system and the Val Vista plant. He continued with his briefing.

Mrs. Evans commented the previous agreement has the two-year extension. The new one has two four-year extensions. She asked why that was changed.

District Director Frank Blanco stated the district was asking for a twenty-year agreement but they were only willing to give us an agreement that basically comes down to fourteen years. That is their legal department not wanting to have agreements out there that are extending too long and slipping through the cracks like this one did, where they did not ask to cancel the agreement.

Mr. Struble commented it used to be ten years and then two years. Now it is six years then four and four. He asked if there was a reason for that.

District Director Frank Blanco stated it is just the way it was written.

District Counsel Joel Stern stated they had a long discussion about that in Mesa. They would not budge on that issue. That is their style and what they wanted to do. They have other agreements with other agencies. We are glad they are partnering but twenty years would have been nice. But it would not fly.

Assistant City Manager Matt Busby stated he recalled a bill during the latest legislative session that he is not sure passed. It was about intergovernmental agreements that extended for long terms and required reporting periods to the state. Basically there is a little more scrutiny and Mesa may have gotten a little hypersensitive to that.

Water Superintendent Mike Loggins briefed the board on water quality, the water system and the payment portal.

Mr. Waldron commented the new portal has been quite a project.

Water Superintendent Mike Loggins stated it was all part of the new web page.

DISTRICT TREASURER REPORT

Assistant City Manager Matt Busby stated District Treasurer Donna Meinerts is out ill today. If they have any questions on the report he will pass those along to her unless someone else from the district can answer it. They were not prepared to cover for her in her absence.

Chairperson Serdy asked if they are still in the black.

District Superintendent Mike Loggins stated they are still in the black. They were in the red the two previous years because they were building the treatment plant and were waiting to get our money back from Water Infrastructure Finance Authority. That is why they see the difference in the past. It is not the normal way they operate. They should continue to operate in the black in the future.

ADJOURNMENT _____)
_____) Chairperson Serdy adjourned
the meeting at 6:25 p.m.

ACCEPTED THIS _____ DAY OF _____, 2018,
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 _____,
2018.

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 November, 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 4th day of December, 2017.

Kathleen Connelly
District Clerk