

WATER UTILITIES COMMUNITY FACILITIES DISTRICT
CITY OF APACHE JUNCTION, ARIZONA
REGULAR MEETING
April 17, 2018

The regular meeting of the District Board of the Water Utilities Community Facilities District, City of Apache Junction, Arizona, was held on April 17, 2018 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
Mrs. Barker
Mrs. Evans
Mr. Struble
Mr. Waldron

(Mrs. Rizzi was absent.)

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

Others Present: Evie McKinney, Utility Billing
Supervisor
Rita Vineyard, Administrative Assistant
Al Bravo, Public Information Officer

APPROVAL OF MINUTES OF MEETING OF
FEBRUARY 20, 2018)

) Chairperson Serdy called
for a motion.

Mrs. Barker MOVED THAT THE
MINUTES OF FEBRUARY 20, 2018, BE APPROVED.

Mr. Waldron SECONDED THE
MOTION.

VOTE: Unanimous.

The motion carried.

DISCUSSION AND SELECTION OF
DATES, TIMES AND LOCATIONS FOR
BUDGET WORK SESSIONS,
TENTATIVE BUDGET ADOPTION AND
FINAL BUDGET ADOPTION FOR
FISCAL YEAR 2018-2019)

) District Director Frank
Blanco briefed the board on the item.

Chairperson Serdy asked if
everyone thought they could do the suggested schedule.

The consensus of the board
was they could.

Chairperson Serdy called for
a motion.

Mrs. Evans MOVED THAT THE
FOLLOWING DATES, TIMES AND LOCATIONS FOR FISCAL YEAR 2018-2019
BUDGET WORK SESSION, TENTATIVE BUDGET ADOPTION AND FINAL BUDGET
ADOPTION BE APPROVED WITH THE BUDGET WORK SESSION ON THE FIRST
AT 6:00 P.M. IN THE CITY COUNCIL CHAMBERS, TENTATIVE BUDGET
ADOPTION ON TUESDAY, MAY 15, 2018 AT 6:00 P.M. IN THE CITY
COUNCIL CHAMBERS; AND FINAL BUDGET ADOPTION ON TUESDAY, JUNE 19,
2018 AT 6:00 P.M. IN THE CITY COUNCIL CHAMBERS.

Vice Chairperson Wilson
SECONDED THE MOTION.

VOTE: Unanimous.

The motion carried.

DISTRICT MANAGER REPORT

None.

DISTRICT DIRECTOR REPORT

District Director Frank Blanco stated they would be commenting on the Central Arizona Project Canal water quality, a joint venture involving other cities and other water providers, an update on the water sense program, a water system update and a reminder of the upcoming water festival. He stated the Central Arizona Project Canal water quality has been of concern as it is treatable and deliverable to our customers. There is no guarantee of the quality. Various cities and other water providers that receive water from the canal are having stakeholder meetings regarding the water quality. In the future they may have to introduce water from Salt River Project or water recovered from the Arizona water bank and ground rules have to be established. There is a Salt River Project/Central Arizona Project interconnect facility that enables the introduction of Central Arizona Project water into the Salt River Project canal system. It is a one way delivery and the concept is to move it in both directions.

District Manager Bryant Powell asked if there is any description of the water quality.

District Director Frank Blanco stated there will be some contaminants that will not be allowed in the canals like cyanide and other dangerous chemicals. Arsenic would have to be controlled when it is introduced and blended out. There is concern about turbidity; water that has too much sediment in it. Our plant would find it difficult to treat. Currently there are 10 items but it will become highly detailed. They are working on consensus from all the cities.

Chairperson Serdy asked if he is following the news about the algae in Canyon Lake.

District Director Frank Blanco stated he believed there was a fish kill at some point.

Chairperson Serdy commented all the bass are dying as we speak. He wonders why it is only Canyon Lake and not the others.

District Director Frank Blanco stated he asked Salt River Project about that and was told there was an event where they started introducing water from the Verde River which has a different temperature and too much water at one time can cause a problem. It should eventually go away. He stated the district participated in a program called Water Sense by sending a letter of support to the Environmental Protection Agency requesting the program be continued as it saves consumers in water and energy bills.

Vice Chairperson Wilson asked if the letter was well received.

District Director Frank Blanco stated it was well received and the program has been extended.

District Superintendent Mike Loggins briefed the board on the water system. Both water tanks are back in service. From November to February they were delivering 90%-95% surface water. The algae came back in March and they are now at 50%. They are having to clean the strainers three times a day.

Mr. Struble asked if that is caused by excessive heat.

District Superintendent Mike Loggins stated it is the temperature and the ultraviolet light that comes into the canal. They did not think it was going to come until June.

Mr. Struble commented it has really not been that hot yet.

District Superintendent Mike Loggins stated that is correct. They believe some of it was flushed from the canal when they started ramping it up. They went from Lake Havasu water to Lake Pleasant water and it changed the water qualities. Treated surface water changes daily so they have to keep on top of it. They are looking at doing a regional recharge project with other

water entities in Apache Junction. They will continue to meet over the next few months to determine a location out here.

Chairperson Serdy asked when those studies were done as we are right now pumping almost nothing.

District Superintendent Mike Loggins stated the studies were done about 10 years ago. It still keeps going.

Chairperson Serdy commented 10 years ago we were pumping a lot of groundwater. Now we are not but Arizona Water still pumps a lot.

District Superintendent Mike Loggins stated that is correct. They are the major producer. They have no surface water. They do have surface water that they are currently not treating so they are pumping the groundwater that is recovered water from where they are recharging somewhere else. It is not here in this area. They can recharge somewhere else but they are not going to replenish the water in this area. They are trying to get a project up here.

Chairperson Serdy commented when they run out of water we can then take over their assets.

District Superintendent Mike Loggins stated it is the whole thing of how you move water from one area to another area. You can recharge anywhere and you get credit for it. They still have credits and they can still keep pumping it as it is not considered groundwater at that time. Hopefully it does not get there and the district can mitigate some of the issues and create a different area out here for recharging and recovering here in Apache Junction rather than somewhere else.

District Manager Bryant Powell asked where the best place on the map might be for something like that.

District Superintendent Mike Loggins stated they do not know. Arizona Water Company was in their last rate case and was going to do a study. The district is trying to partner with them on the study to determine the best area. Arizona Water is in the sewer district and recharges at that facility. It may be a good

area down there still. As one gets further south and away from the mountains, there is Queen Creek down there which is currently where a lot of the recharge facilities are. That is not in our area.

District Manager Bryant Powell stated the next question is maybe they should start dialogue with Arizona Water about the opposite of what we used to do. That was the wheeling agreement for when we were having issues with our groundwater system. They are heading that way in 2030, 2040 or 2050. They may want to set up a system where they could use some of our treated surface water. We have 1,000 acre feet that the district could treat and they could utilize it by wheeling it through.

District Superintendent Mike Loggins stated that is an option they can look into if they want them to.

Chairperson Serdy asked how often they communicate with them. He asked if they have access to all this information.

District Superintendent Mike Loggins stated that is correct.

Chairperson Serdy commented he wondered how they were going to respond.

District Superintendent Mike Loggins stated they have been talking to them for quite a few years. State Land did a study trying to figure out where some of the groundwater would come from for Superstition Vistas. They gave them some material on what our wells are producing and how deep groundwater is in our area. We are working with them for a possible recharge facility out here. They are trying to get them more involved in using renewable resources rather than just groundwater all the time. They are in constant communication with them and working with them, too. He briefed the board on the upcoming water festival on Thursday, April 26. They would enjoy having them volunteer for the presentations and they will have a training session.

Chairperson Serdy commented they have the Citizens Leadership Institute here at the city. When he talked to Mayor Lane he discovered they have a water college that their citizens can go to. He wondered what content is in that and suggested Mike and

Frank could call them and ask what they do at their college and see if there is anything they would like to put into the water festival.

District Superintendent Mike Loggins stated they would look into it. They got donations from various businesses to feed the volunteers in the afternoon. He stated the water treatment plant has been nominated for the 2018 ACE Water Conference, a national conference with people coming from all over the world. He, Frank and the lead operator will be in Vegas in June to present the treatment plant to the world.

District Manager Bryant Powell asked if they are proportionately currently about one-third of the total water consumption in terms of thinking Arizona Water as surface water two-thirds customer-wise or water usage or is it near 50-50 for groundwater utilization in our area right now.

District Superintendent Mike Loggins stated Arizona Water is 100% groundwater right now.

District Manager Bryant Powell stated they are 100% groundwater and their customers are two-thirds of the Apache Junction area. He wanted to put into perspective that we may be 10,000 households and they are 20,000 households.

District Superintendent Mike Loggins stated that is correct.

Chairperson Serdy asked if that includes Gold Canyon and all the foothills.

District Manager Bryant Powell stated that is correct. Gold Canyon, the foothills, the Superstition Mountain area, our northern part and our eastern part are all Arizona Water.

District Superintendent Mike Loggins stated they currently have 25,000 service connections in the Superstition service area. We are about 4,500 connections.

DISTRICT TREASURER REPORT

District Superintendent Mike Loggins gave a quick update on the latest financial report.

ADJOURNMENT _____)

) Chairperson Serdy called
for a motion to adjourn.

Mrs. Barker SO MOVED.

Mr. Waldron SECONDED THE
MOTION.

Chairperson Serdy adjourned
the meeting at 6:28 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 17th day of April, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 1st day of May, 2018.

Kathleen Connelly
District Clerk