

WATER UTILITIES COMMUNITY FACILITIES DISTRICT
CITY OF APACHE JUNCTION, ARIZONA
REGULAR MEETING
May 15, 2018

The regular meeting of the District Board of the Water Utilities Community Facilities District, City of Apache Junction, Arizona, was held on May 15, 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
 Mrs. Rizzi
 Mr. Struble
 Mr. Waldron

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

Others Present: Evie McKinney, Utility Billing
 Supervisor
 Rita Vineyard, Administrative Assistant

APPROVAL OF MINUTES OF MEETING
OF APRIL 17, 2018)

) Chairperson Serdy called
for a motion.

Mrs. Barker MOVED THAT THE
MINUTES OF APRIL 17, 2018 BE APPROVED.

Mrs. Evans SECONDED THE
MOTION.

VOTE: Unanimous.

The motion carried.

DISCUSSION ON PROPOSED DISTRICT
BUDGET FOR FISCAL YEAR 2018-2019
TO INCLUDE PROPOSED RATES, FEES
AND CHARGES APPLICABLE DURING FY
2018-2019 AND CLASSIFICATION AND
COMPENSATION PLAN FOR DISTRICT
EMPLOYEES

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

District Superintendent Mike
Loggins briefed the board on the rate comparisons.

Mrs. Rizzi asked if he sees
the need over the next few years to continue these increases in
the base rates. Frank had said to balance the cost of the water
delivery.

District Superintendent Mike
Loggins stated they will keep balancing this over time. They
had a consultant do a study for the district about 5 to 8 years
ago. They recommended raising the rates 3-5% each year. We
compare the rates to other utilities in the area and it is based
on our costs and the repairs that we have to do and also to make
sure we can keep that rate as low as possible but also maintain
our services at the same time.

Mrs. Rizzi commented that is what she was getting at. Each year they can expect to see this incremental increase instead of making one big jump.

District Superintendent Mike Loggins stated that is correct.

District Manager Bryant Powell stated he strongly recommends continuing that. He remembered a year where this room was packed because the water board passed a 12% increase after not doing anything for four or five years. The base rate and consumption rate will be viewed each time separately as they are different costs for a better need to change. There will be some changes all the time because we are always having cost changes as well.

District Superintendent Mike Loggins stated they are trying to manage those with what is going up, such as the base rate, electricity or water prices. They see which ones they need to raise in order to keep our prices comparable to other cities yet still maintain the system.

Mrs. Rizzi commented just so our consumers know what to expect.

Mrs. Evans asked what number of customers they have in the county island areas. She asked if they have those numbers versus the city numbers.

District Superintendent Mike Loggins stated they do. They have those as a separate rate in the billing software. They have approximately 600 customers that are in the county which equals out to about 15% of our customer base.

Mrs. Evans asked if that is mainly, any across Meridian or just the county islands within our own city limits.

District Superintendent Mike Loggins stated they are county islands within our city limits that are in the water district. There are some trailer parks

and subdivisions in Pinal County that have not been incorporated yet. He continued with the briefing on the water rates.

Mr. Struble commented that is one of those things where if they were to annex into the city they would drop their rate down because they are part of the city.

District Superintendent Mike Loggins stated that is correct. He continued with his briefing on the water rates, adding a new position, and the classification and compensation plans.

RESOLUTION NO. 2018-004, DECLARING
AS A PUBLIC RECORD AND ADOPTING
CERTAIN DOCUMENTS FILED WITH THE
DISTRICT CLERK ENTITLED "APACHE
JUNCTION WATER UTILITIES COMMUNITY
FACILITIES DISTRICT CLASSIFICATION
PLAN FOR FISCAL YEAR 2018-2019",
"APACHE JUNCTION WATER UTILITIES
COMMUNITY FACILITIES DISTRICT
COMPENSATION PLAN FOR FISCAL YEAR
2018-2019" AND "APACHE JUNCTION
WATER UTILITIES COMMUNITY
FACILITIES DISTRICT FLAT AND HOURLY
SCHEDULE FOR FISCAL YEAR 2018-2019")

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

Chairperson Serdy called for any discussion. There being no discussion, he called for a motion.

Mrs. Rizzi MOVED THAT
RESOLUTION NO. 2018-004, A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE WATER UTILITIES COMMUNITY FACILITIES DISTRICT (CITY OF
APACHE JUNCTION, ARIZONA) DECLARING AS A PUBLIC RECORD AND
ADOPTING CERTAIN DOCUMENTS FILED WITH THE DISTRICT CLERK
ENTITLED "APACHE JUNCTION WATER UTILITIES COMMUNITY FACILITIES
DISTRICT CLASSIFICATION PLAN FOR FISCAL YEAR 2018-2019"; "APACHE
JUNCTION WATER UTILITIES COMMUNITY FACILITIES DISTRICT

COMPENSATION PLAN FOR FISCAL YEAR 2018-2019" AND "APACHE JUNCTION WATER UTILITIES COMMUNITY FACILITIES DISTRICT FLAT AND HOURLY SCHEDULE FOR FISCAL YEAR 2018-2019" BE APPROVED.

Vice Chairperson Wilson

SECONDED THE MOTION.

VOTE: Unanimous.

The motion carried.

PUBLIC HEARING ON PROPOSED BUDGET
AND RATE SCHEDULES FOR FISCAL YEAR
2018-2019)

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

Chairperson Serdy opened the public hearing on the item. There being no one wishing to speak, he closed the public hearing and reopened the item to board discussion. There being no further discussion, he closed the item as it was a public hearing only with no action needed and moved on to the next item.

RESOLUTION NO. 2018-005, ADOPTING
THE PROPOSED BUDGET FOR THE FISCAL
YEAR BEGINNING JULY 1, 2018 AND
ENDING JUNE 30, 2019; ADOPTING
PROPOSED RATES, FEES, DEPOSITS,
WATER RESOURCE ACQUISITION FEES
AND CHARGES APPLICABLE FOR THE
FISCAL YEAR BEGINNING JULY 1,
2018 AND ENDING ON JUNE 30, 2019;
ESTABLISHING A PUBLIC HEARING ON
THE PROPOSED BUDGET AND DIRECTING
STAFF TO SOLICIT COMMENTS)

) Chairperson Serdy called
for a motion.

Mrs. Barker MOVED THAT
RESOLUTION NO. 2018-005, 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, 2018 AND ENDING ON JUNE 30, 2019; ADOPTING PROPOSED RATES, FEES, DEPOSITS, WATER RESOURCE ACQUISITION FEES AND CHARGES APPLICABLE FOR THE FISCAL YEAR BEGINNING JULY 1, 2018 AND ENDING ON JUNE 30, 2019; 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

I FURTHER MOVE THE PUBLIC HEARING FOR FINAL BUDGET ADOPTION BE HELD ON JUNE 19, 2018 AT 6:00 PM IN THE APACHE JUNCTION CITY COUNCIL CHAMBERS, 300 EAST SUPERSTITION BOULEVARD, APACHE JUNCTION, ARIZONA.

Mrs. Rizzi SECONDED THE
MOTION.

VOTE: Unanimous.

The motion carried.

DISTRICT MANAGER REPORT

None.

DISTRICT DIRECTOR REPORT

Water Superintendent Mike Loggins gave an update on the plant computer control system.

Mrs. Rizzi commented the agency it is being reported to will not work with us. She asked if they will look at the facts and say okay and go easy or is it just straight out that they missed reports.

Water Superintendent Mike Loggins stated they have been in contact with them since this happened. They have sent in 10 reports but, unfortunately, they have rules they have to follow since we did not turn it in by the 10th. They cannot do much other than say it was a missed monitoring violation. As soon as they can repair the system or get the information to them that

will go away. At this time we have a missed monitoring violation. The water quality is fine, they just have a problem with the reporting status.

Mrs. Barker asked if they have a backup for that system.

Water Superintendent Mike Loggins stated currently there is not. They believed there was and that is another thing they are working on. They met with four different programmers today to figure out why there was no backup system in place, why they cannot recover that and what they can do if they can or cannot recover it. They are looking into how they do a backup system so they do not have this happen again. It could be another server or external hard drive or have a consultant come in and check it each month to see if it is still there. It depends on the recommendation.

District Director Frank Blanco stated the reporting is not the monitoring. They have real time monitoring in place. They continuously monitor the information to make sure the process is working right and we have safe drinking water. The reporting piece is not what we are able to do at this time.

Water Superintendent Mike Loggins continued with his briefing.

DISTRICT TREASURER REPORT

District Treasurer Donna Meinerts gave the board an update on the monthly expenditure report.

ADJOURNMENT)
) Chairperson Serdy adjourned
the meeting at 6:27 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

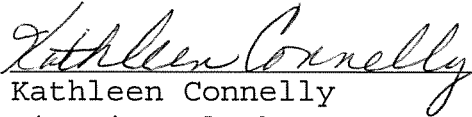
ATTEST:

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 15th day of May, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 5th day of June, 2018.



Kathleen Connelly
District Clerk