



City of Apache Junction, Arizona

Special 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, May 2, 2023

6:00 PM

City Council Chambers

A. Call to Order

Chairperson Wilson called the special meeting to order at 6:01 p.m.

B. Roll Call

Present 6 - Chairperson Wilson, Boardmember Cross, Boardmember Heck, Boardmember Johnson, Boardmember Nesser, and Boardmember Soller

Excused 1 - Vice Chair 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

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. [23-233](#) 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 the 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. A loan from 2008 was paid off and an additional loan for the construction of the water treatment plant has approximately 5 years of payments remaining. The contingency is used for unexpected emergencies that may come up during the year.

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 that Central Arizona Project has had the Non-Indian Agricultural water.

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 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 3.75% increase on average to health

insurance premiums. This premium cost is shared between the District and the employee.

Mr. Loggins presented the upcoming budget meeting schedule. The tentative budget will be presented on Tuesday, May 16, 2023, and the final budget will be presented on Tuesday, June 20, 2023, at 6:00 p.m. in the Apache Junction City Council Chambers.

D. District Manager Report

No report.

E. District Director Report

No report.

F. District Treasurer Report

No report.

G. Adjournment

Chairperson Wilson adjourned the meeting at 6:36 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.

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
special 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