



# 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 7, 2019

6:00 PM

City Council Chambers

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### Notice of Meeting

#### NOTICE OF PUBLIC MEETING AND AGENDA OF THE DISTRICT BOARD OF THE WATER UTILITIES COMMUNITY FACILITIES DISTRICT (CITY OF APACHE JUNCTION, ARIZONA)

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the District Board of the Water Utilities Community Facilities District, (City of Apache Junction, Arizona), and to the general public, that on Tuesday, May 7, 2019 at 6:00 p.m., the District Board of the Water Utilities Community Facilities District will hold a meeting open to the public at the Apache Junction City Council Chambers, 300 E. Superstition Blvd., Apache Junction, AZ.

#### A. Call to Order

Chairperson Serdy called the meeting to order at 6:00pm.

#### B. Roll Call

##### Staff in attendance

Bryant Powell, District Manager  
Matt Busby, Assistant District Manager  
Jennifer Pena, Deputy District Clerk  
Joel Stern, District Legal Counsel  
Frank Blanco, District Director  
Mike Loggins, District Superintendent  
Evie McKinney, Utility Billing Supervisor  
Rita Vineyard, Administrative Assistant  
Donna Meinerts, District Treasurer  
Connie Chow, District Controller  
Liz Riley, Human Resources Director  
Al Bravo, Public Information Officer

**Present**                    6 -      Chairperson Serdy, Vice Chair Wilson, Board Member Barker, Board Member Evans, Board Member Struble, and Board Member Schroeder

**Absent**                    1 -      Board Member Rizzi

#### C. Agenda Items

1. [19-196](#)                    Approval of minutes of meeting of April 16, 2019.

Board member Barker made a motion to approve the minutes of April 16, 2019. Vice Chairperson Wilson seconded.

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**Yes:** 6 - Chairperson Serdy, Vice Chair Wilson, Board Member Barker, Board Member Evans, Board Member Struble and Board Member Schroeder

**No:** 0

**Absent:** 1 - Board Member Rizzi

2. [19-204](#) Discussion and consideration of Resolution No. 2019-002 authorizing the District to enter into an Intergovernmental Agreement with the Salt River Valley Users' Association and the Salt River Project Agricultural Improvement and Power District for a well lease, long term storage credit recovery and water transportation.

District Director Frank Blanco presented an overview on the application submitted for Salt River Project (SRP) recovery wells permit for SRP/AJWD Intergovernmental Agreement (IGA). This would allow the Water District to use the wells to recover long term storage credits. He also explained the terms, costs and fees associated with the agreement as requested by Board Member Barker.

Chairperson Serdy asked what work is being done to the canal. District Director Frank Blanco explained the pipes are being drained to clean out the siphons that connect the Central Arizona Project (CAP) system to the SRP system, but there will still be water in the CAP canal until it is used up. The IGA allows for use of the wells if and when the canal water is no longer available. Work is scheduled to take 4-6 weeks and will occur between November and December 2019.

District Director Frank Blanco explained the Agreement has been finalized and reviewed by SRP Water Contracts Attorney and Water District Attorney for your consideration.

Chairperson Serdy closed the discussion with no further comments and called for a motion.

Board member Barker made a motion that Resolution No. 2019-002, a resolution of the Board of Directors of the Water Utilities Community Facilities District (City of Apache Junction, Arizona) authorizing the District to enter into an Intergovernmental Agreement with the Salt River Valley Users' Association and the Salt River Project Agricultural Improvement and Power District for a well lease, long term storage credit recovery and water transportation be approved. Vice Chairperson Wilson seconded.

**Yes:** 6 - Chairperson Serdy, Vice Chair Wilson, Board Member Barker, Board Member Evans, Board Member Struble and Board Member Schroeder

**No:** 0

**Absent:** 1 - Board Member Rizzi

3. [19-185](#) Discussion on proposed District budget for Fiscal Year (FY) 2019-2020 to include proposed rates, fees, and charges applicable during FY 2019-2020 and classification and compensation plan for district employees.

District Director Frank Blanco presented an overview on the proposed District budget to include proposed rates, fees, and charges applicable during for Fiscal Year 2019-2020 and classification and compensation plan for district employees.

District Superintendent Mike Loggins presented an overview on capital improvement projects planned for Fiscal Year 2019-2020.

District Director Frank Blanco presented an overview on future Central Arizona Project water charges and how they will impact the cost to the Water District to produce water. These costs are a contributing factor for the need to increase rates effective October 1, 2019.

Board Member Rizzi joined meeting at 6:12 p.m.

District Superintendent Mike Loggins presented an overview on rates, fees, and charges that will be increased effective October 1, 2019. The base rate for customers within the city limits will increase 5.0% and there will be no changes to the consumption rate or consumption tiers. The overall increase within city limits will be 2.0%. The base rate for customers in the county or county islands will increase 5.0% and there will be a 5.0% increase in the consumption rate and no change to the consumption tiers. The overall increase in the county or county islands will be 4.8%.

Board Member Rizzi asked if there would be a point and time when rates would level out. District Manager Bryant Powell explained that approximately 10 years ago the Water District had gone a few years with no rate increase. After a rate study was performed they found that the rates needed to be increased to cover some debt and a large increase was required. Because of this the previous board recommended steady incremental changes to avoid a large increase at one time.

District Superintendent Mike Loggins presented an overview on the classification and compensation plan for district employees.

#### **D. District Manager Report**

District Manager Bryant Powell read the retirement letter received from Water District Director Frank Blanco. Frank Blanco will be retiring August 3, 2019.

#### **E. District Director Report - Presentation and discussion of the following items:**

4. [19-186](#) Water Quality update

District Superintendent Mike Loggins briefed the board on the current TTHM levels. The levels are down and the locational running annual average is below the maximum allowable level of 80.

District Director Frank Blanco presented an overview on the drought contingency plan. Congress passed the plan and it was signed by the president. The Arizona and Colorado snowpack were above normal this year and the April 2019 24-Month Study Report "projections" show no shortage in 2019 and 2020 on the Colorado River system.

5. [19-187](#) Consumer Confidence Report (2019 Water Quality report)

District Director Frank Blanco briefed the board on the Consumer Confidence Report, also known as the 2019 Water Quality Report. He thanked Rita Vineyard, the Water District Administrative Assistant for completing the report in a timely manner. This year's report was due the end of April. The report provides information on where the Water District's water comes from, the water quality, what constituents are found in the water and provides a table showing what contaminants are tested for and their levels.

6. [19-188](#) Water Festival recap

District Director Frank Blanco provided a recap of the Apache Junction Water Festival held on April 25, 2019. The festival had over 60 volunteers for whom he expressed his gratitude for all their assistance in making the Water Festival a success. He thanked the many sponsors for their financial contributions and Village Inn for their food donation to feed all the volunteers.

**F. District Treasurer Report - Presentation and discussion**

No report.

**G. Adjournment**

Chairperson Serdy adjourned meeting at 6:45p.m.

ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2019, 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 \_\_\_\_\_, 2019.

\_\_\_\_\_  
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 \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.  
I further certify that the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
KATHLEEN CONNELLY  
District Clerk