



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

Tuesday, May 3, 2022

6:00 PM

City Council Chambers

A. Call to Order

Chairperson Wilson called the meeting to order at 6:04 p.m.

B. Roll Call

Present 4 - Chairperson Wilson, Boardmember Evans, Boardmember Nesser, and Boardmember Schroeder

Excused 1 - Vice Chair Rizzi

Staff in attendance

Bryant Powell, District Manager

Jennifer Pena, District Clerk

Joel Stern, District Legal Counsel

Mike Loggins, District Director

Charles Briggs, Water District Project Manager

Evie McKinney, Utility Billing Supervisor

Leslie DeReche, District Treasurer

Connie Chow, District Controller

C. Agenda Items

1. [22-291](#) Discussion on proposed District budget for Fiscal Year (FY 2022-2023) to include proposed rates, fees, and charges applicable during FY 2022-2023 and classification and compensation plan for District employees.

District Director Mike Loggins presented an overview of the proposed District budget for Fiscal Year (FY) 2022-2023 to include proposed rates, fees, and charges applicable during FY 2022-2023 and classification and compensation plan for District employees.

Mr. Loggins presented an overview of the current fiscal year's budget. The FY 2021-2022 budget was expected to be \$7.1 million dollars. The District did not do some of the planned capital improvement projects because of the work being done in the annexed state land area. The Water District is projected to spend \$5.9 million dollar and will be under budget for FY 2021-22.

Mr. Loggins presented an overview of the FY 2022-2023 budget. The Water District is proposing a \$13.7 million dollar budget. Operating revenue will increase slightly and will include a few new positions due to the state land development. The District will be using some reserves for capital outlay in the state land area and projects that were not done in the FY 2021-2022 period and will

be extended into FY 2022-2023.

Some of the larger projects proposed for FY 2022-2023 include building a raw water pipeline from the Superstition Area Water Plant to the Superstition Mountain Community Facilities District No. 1, drilling a new well at the Superstition Vistas Subdivision site, purchasing radios used for reading meters for existing service connections; and designing and constructing a new pump station at Booster Station No. 2.

Other expenditure increases include the purchasing of new utility billing software. The District is currently using AS400 which was developed in the 1980s. The new software is part of the city's Munis package and will tie directly into the financial system. This will reduce the additional work required between the two different software programs currently in use.

Central Arizona Project proposes an increase in operations and maintenance fees and capital fees which will be roughly \$40,000 dollars.

Work continues with Salt River Project on the Verde River Sedimentation Mitigation study for a cost of \$100,000 dollars per year over the next three years, the District is currently in year two of the study. This allows the District to participate in the decision process as to making who will receive the water in the future.

The District continues to purchase Non-Indian Agricultural water. This will occur over the next five years at a cost of \$325,000 dollars per year and the District is in year two of paying for back capital charges incurred over the last 25 years that Central Arizona Project has had the Non-Indian Agricultural water.

Boardmember Nesser asked about the pipeline and well to be built and why the District was paying for the construction and not the developer. Mr. Loggins explained the District is covering the costs of these projects because this benefits the entire District and not just the development in the state land area. These projects will enable the District to save water for future use to all our customers. District Manager Powell confirmed that the credits would benefit the entire system.

Boardmember Schroeder asked if drilling a new well would mean a new water source for Superstition Vistas. Mr. Loggins stated that the well would be for all customers and the well would initially be used for additional water storage, not for tapping into a new water source. The well will be used to put water back into the ground and will create a storage facility for future use if needed.

Mr. Loggins presented an overview of the proposed rate adjustments for FY 2022-2023. For customers within the city limits this increase would include a 5% increase in the base rate and no change to the consumption rate or tiers for a 2.2% overall increase or \$1.50 per month. For customers in the county area this increase would include a 5% increase in the base rate, 5% increase in the consumption rate and, no change to any consumption tiers for a 4.8% overall

increase or \$3.83 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, 2022.

Boardmember Evans asked why a manufactured home and single-family home were not categorized the same. She also had questions regarding how single family and multi-family homes were determined. Mr. Loggins stated he would get clarification on these questions and would report at the next meeting.

Mr. Loggins presented an overview of the proposed classification and compensation plan for District Employees This will include a 7.7% average increase in the compensation plan and a 3.75% increase on average to health insurance premiums. The 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 17, 2022, and the final budget will be presented on Tuesday, June 21, 2022, 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. Adjournment

Chairperson Wilson adjourned the meeting at 6:38 p.m.

ACCEPTED THIS _____ DAY OF _____, 2022, 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 _____, 2022.

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 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 _____, 2022.

JENNIFER PENA
District Clerk