



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 17, 2022

6:00 PM

City Council Chambers

A. Call to Order

Chairperson Wilson called the meeting to order at 6:03 p.m. The meeting was recessed for seven minutes due to a power outage. The meeting was resumed at 6:10 p.m.

B. Roll Call

Present 5 - Chairperson Wilson, Vice Chair Rizzi, Boardmember Evans, Boardmember Nesser, and Boardmember 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

Evie McKinney, Utility Billing Supervisor

Leslie DeReche, District Treasurer

Connie Chow, District Controller

Rudy Esquivias, Development Services Director

Al Bravo, Public Information Officer

C. Agenda Items

1. [22-311](#) Approval of meeting minutes of April 19, 2022.

Vice Chairperson Rizzi made a motion to approve the minutes of the meeting of April 19, 2022.
Boardmember Schroeder seconded the motion.

2. [22-312](#) Presentation, discussion and consideration on proposed District budget for Fiscal Year (FY) 2022-2023 to include proposed rates, fees, and charges applicable during FY 2022-2023.

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 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 is going up a little bit and the District will be adding a few new positions because of 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 will be extended into the FY 2022-2023 period.

Some of the larger projects proposed for FY 2022-2023 include the building of 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. Currently in use is using the AS400 system which will be replaced with Munis utility billing. Staff is reviewing the contract and will be presenting it before the Board soon.

Another part of the budget will show an increase from Central Arizona Project ("CAP") on the proposed rate structure and additional water that will be purchased from the Non-Indian Agricultural water that the District has been working on for the last 10 years.

The District is currently funding a portion of the Salt River Project Verde River Sedimentation Mitigation study that has been ongoing since 2021. This project is currently in year two with an estimated cost of \$100,000 per year

The District is also purchasing from CAP the Non-Indian Agricultural water over the next five years at \$325,000 dollars per year and are currently in year two.

CAP water charges are increasing due to climate change and water becoming scarce causing lower levels of water in Lake Mead. Water is being saved in Lake Powell for electricity production. Water is being moved out of Colorado and Utah to Lake Powell to maintain the water levels this summer to utilize hydroelectricity production, causing capital costs to increase because of supply and demand.

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 the consumption tiers for a 4.8% overall increase or \$3.83 per month. He is also proposing an increase in residential system connection fees and water acquisition fees which will not affect current customers. The increases will go into effect October 1, 2022.

Mr. Loggins presented an overview of the system connection price increase. Questions were

raised at the last meeting regarding how the fees were determined and why single-family homes and manufactured homes were listed differently. After reviewing the rate study completed by Tischler Bise, Mr. Loggins confirmed that the manufactured home is considered a single-family home and is no longer listed alongside recreational vehicle regarding system connection fees.

Boardmember Evans asked about recreational vehicles since the state's definition is different than what the District considers as a recreational vehicle. District Legal Counsel Joel Stern stated the Chapter 7 building code for the city references A.R.S. Title 33 definitions or Title 41 and the definitions may be a little different and we should rely on the consultant's results for the definition, and the fees are based on their recommendations.

Boardmember Nesser asked for clarification on the difference between a single family and multi-family home. Mr. Loggins explained the definition for a single family and a multi-family home is based on the parcel the home sits on. Mr. Loggins asked Development Services Director Rudy Esquivias to explain the difference. He also explained the fees would be based on the parcel that the homes sit on and if the unit is individually owned. A large apartment complex would be assessed a multi-family fee because the units are not available for individual sale.

Mr. Loggins presented the system connection and water acquisition fees for the homes in the newly annexed state land area. The system connection fees are lower because the developer is paying for the infrastructure. The lower fees will cover vehicles, office space and equipment. The system connection fees do not affect the current customer base.

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 final budget will be presented on Tuesday, June 21, 2022, at 6:00 p.m. in the Apache Junction City Council Chambers.

Public Hearing

3. [22-313](#) Presentation, discussion, public hearing and consideration of Resolution No. 2022-003, declaring as public record and adopting certain documents filed with the District Clerk entitled "Apache Junction Water District Utilities Community Facilities District Classification Plan for Fiscal Year 2022-2023", "Apache Junction Water District Utilities Community Facilities District Compensation Plan for Fiscal Year 2022-2023, Apache Junction Water District Utilities Community Facilities District Flat and Hourly Schedule for Fiscal Year 2022-2023".

Boardmember Evans made a motion that Resolution No. 2022-003, declaring as a public record and adopting certain documents filed with the District Clerk entitled "Apache Junction Water District Utilities Community Facilities District classification plan, compensation plan, and the flat and hourly schedule for fiscal year 2022-2023"; be approved. Boardmember Rizzi seconded the motion.

Yes: 5 - Chairperson Wilson, Vice Chair Rizzi, Boardmember Evans, Boardmember Nesser and Boardmember Schroeder

No: 0

Chairperson Wilson called for a Public Hearing on declaring a public record and adopting documents filed with the District Clerk for the classification plan, compensation plan, and flat and hourly schedule for Fiscal Year 2022-2023. There being no one wishing to speak, he closed the public hearing, and called for a motion.

4. [22-314](#) Presentation, discussion, public hearing and consideration of Resolution No. 2022-004, pursuant to A.R.S. § 48-716, adopting a proposed budget for the fiscal year beginning July 1, 2022 and ending June 30, 2023; adopting proposed rates, fees, deposits, water resources acquisition fees and charges applicable for the fiscal year beginning July 1, 2022 and ending on June 30, 2023.

Boardmember Evans made a motion that Resolution No. 2022-004, 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, 2022 and ending on June 30, 2023; adopting proposed rates, fees, deposits, water resource acquisition fees and charges applicable for the fiscal year beginning July 1, 2022 and ending on June 30, 2023; 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 21, 2022, at 6:00 pm in the Apache Junction City Council Chambers, 300 East Superstition Boulevard, Apache Junction, Arizona. Boardmember Nesser seconded the motion.

Yes: 5 - Chairperson Wilson, Vice Chair Rizzi, Boardmember Evans, Boardmember Nesser and Boardmember Schroeder

No: 0

Chairperson Wilson called for a Public Hearing on the proposed budget and rate schedule for Fiscal Year 2022-2023. There being no one wishing to speak, he closed the public hearing, and called for a motion.

D. District Manager Report

No report.

E. District Director Report

District Director Loggins presented a recap of the Water Festival held at Prospector Park on May 5, 2022. Four schools participated, three from Apache Junction and one from Mesa. There were 13 classes with over 300 students participating. There were over 40 volunteers from Arizona Water Company, Carollo Engineers, Superstition Fire & Medical District, various city departments and community members. He thanked Project Wet, Abbott Fund and Arizona Water Company for their financial support. He again thanked Arizona Water Company for their food donation to feed the volunteers.

F. District Treasurer Report

No report.

G. Adjournment

Chairperson Wilson adjourned the meeting at 6:35 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