



**SUPERSTITION MOUNTAINS COMMUNITY
FACILITIES DISTRICT NO. 1**

**Meeting Minutes
Board of Directors
Regular Meeting**

Meeting location:
5661 S Ironwood Drive
Apache Junction, AZ 85120

Phone: (480) 941-6767
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www.smcfd.org

Tuesday, February 28, 2023

8:00 AM

District Board Room

PRESIDING: Ms. Kathleen Waldron

PRESENT: Kathleen Waldron – Chairperson
Jim Reynolds – Vice Chairperson
Jesse Gage – Treasurer
Phil Tremonti – Secretary
Terry Dunn – Board Member

Staff Present: Darron Anglin – District Manager
Scott Brady – Engineering Technician
Traci Coronado – Executive Assistant
Andrea Dominguez – Utility Services Supervisor
James Drye – Operations Supervisor
John Fanelli – Inspector
Paul Gonzales – Collection System Supervisor
Barbara Hatten – Accounting Technician - I
Kathy Huckfeldt – Management Analyst
Anne Latimer – District Engineer
Steven Ratkovich – Maintenance Technician - I
Maria Zagar – Financial Services Supervisor

Others Present: John Lemaster – District Legal Counsel

1. Call to Order.

Ms. Waldron called the meeting to order at 8:00 AM.

2. Invocation and Pledge of Allegiance.

Mr. Reynolds gave the Invocation.

Mr. Tremonti led the Pledge of Allegiance.

3. Approval of the Minutes of the December 13, 2022 Regular Meeting and January 17, 2023 Work Session.

Ms. Waldron asked if there were any additions or corrections to the Meeting Minutes; the Minutes were accepted as presented.

[Agenda rearranged to accommodate recognition of staff]

6. District Managers Report for December 2022 and January 2023.

Mr. Anglin recognized District staff celebrating employment anniversaries. Ms. Waldron recognized Mr. Anglin for celebrating 15 years of employment with the District.

Ms. Waldron stated that the remainder of the District Manager's report would be presented and discussed in the order indicated on the Notice and Agenda.

4. Monthly Disclosure Reports on Operations for November 2022, December 2022 and January 2023.

The increase in septage received over the past several months was discussed. Mr. Anglin stated that the daily limit on septage was still being enforced.

Mr. Gage asked about budget variances for single family connection fees and application fees. Mr. Anglin stated that the negative variance in connection fees was due to the timing of permits being issued for the Superstition Vistas development. Ms. Latimer stated that the positive variance in application fees was primarily due to design review fees being invoiced for infrastructure projects nearing completion related to the master planned community.

There was discussion regarding the unearned revenue from the portion of connection fees that has been collected but will not be recognized until the permits are issued.

Mr. Gage asked if the use of horse manure in biosolids composting, to reduce moisture, had proven to be effective. The benefits of the horse manure on the sludge drying process and the amount of manure being received were discussed. Mr. Anglin stated that data regarding the moisture reduction using horse manure to compost versus only biosolids would be presented at the next regular meeting.

Mr. Lemaster from Clark Hill introduced himself and stated he would be filling in for Mr. Cassidy who was out on medical leave. He outlined his experience with special districts.

The negative variance to budget for disinfection chemicals was discussed. Mr. Drye explained that, in addition to high costs and supply issues, the District's last ADEQ permit modification resulted in a more stringent standard for fecal coliform which requires more disinfection to meet.

Mr. Tremonti stated that at the next regular meeting he would like to discuss the options for selling the District's accumulated long term storage credits. He asked that the number of credits and their current market value be provided. Mr. Reynolds stated that the Board should further discuss whether selling the credits at the current rate rather than waiting for the value of the credits to increase in the future would benefit the District.

The District's checking account and fund balances, and transfers for January 2023 were discussed.

5. Monthly Project Status Report for January 2023.

There was discussion regarding the timing of projects related to producing Class A+ water. Also discussed were lead times for certain pieces of equipment that are planned to be purchased. Ms. Huckfeldt stated that columns with expected completion dates and notes

for each project were added to the report to provide more thorough updates each month based on supply chain, lead times and current market information.

Mr. Tremonti suggested that solar panels be considered for the clarifier covers to provide renewable energy in addition to reducing weed and algae growth.

6. District Manager's Report for December 2022 and January 2023.

Mr. Anglin provided an update on the nitrate study and soil sampling results. He stated that the nitrate levels in the monitoring well samples have been decreasing and are at or near permit levels. The ADEQ consent order related to nitrates was discussed.

Mr. Anglin updated the Board regarding the Request for Qualifications for a design engineer for the Water Reclamation Facility (WRF) expansion and progress on the Williams Field Lift Station. He also provided an update regarding the agreement for a proposed temporary sewer connection to the City of Mesa system.

Mr. Anglin thanked staff for their hard work on a new theme for the District's holiday float. He stated that the event had been cancelled due to inclement weather and that the parade entry would be used next year.

Ms. Latimer provided updates regarding development within the City.

7. Recognition of the efforts of Financial Services staff which resulted in the issuance of the Certificate of Achievement of Excellence in Financial Reporting from the Government Finance Officers Association for the fiscal year ended June 30, 2021.

Mr. Anglin congratulated Ms. Zagar and the Financial Services staff for receiving the Certificate of Achievement for the twelfth year in a row and thanked them for their hard work.

8. Request for authorization and approval for the purchase and installation of a secondary chlorine tank at a cost not to exceed \$200,000 to be paid from the Capital and Replacement Fund.

MOTION made by Mr. Gage to authorize and approve the purchase and installation of a secondary chlorine tank at a cost not to exceed \$200,000 to be paid from the Capital and Replacement Fund; seconded by Mr. Reynolds.

Yes (5): Board Member Dunn, Board Member Tremonti, Board Member Reynolds, Board Member Gage, and Chairperson Waldron

No (0): None

MOTION CARRIED

9. Discussion and approval of rebranding to include registration of a trade name and new logo and tagline, in substantially the form presented at this meeting.

There was discussion regarding the proposed name and two styles of logos. Ms. Huckfeldt stated that the trade name and logos would be registered with the Arizona Secretary of State's office and that once approval is received the replacement of the existing logo on various applications would begin.

MOTION made by Mr. Tremonti to approve adoption and registration of the Trade Name, Apache Junction Sewer District, and Trademark Registration of a new logo and tagline in substantially the form presented at this meeting; seconded by Mr. Dunn.

Yes (5): Board Member Dunn, Board Member Tremonti, Board Member Reynolds, Board Member Gage, and Chairperson Waldron

No (0): None

MOTION CARRIED

10. Discussion and update of the District's internet services with CenturyLink Communications, LLC., dba Lumen Technologies Group and action as determined.

Ms. Dominguez provided an update regarding the progress of the installation of high speed internet service at the District's WRF. She stated that Lumen had postponed their target completion date to November 2023 and that a second option was being considered. She further stated that the other option would be to utilize a portion of the fiber that is to be installed by the Apache Junction Water District as part of the onsite Non Potable Water project. This fiber line would then connect to Zayo at the water treatment plant.

A temporary point-to-point connection that would improve the District's internet speed until fiber is installed was also discussed. Ms. Dominguez stated that if successful, the point-to-point connection would become the backup once fiber is installed.

11. Discussion and review of the District's safety action plan and action as determined.

Ms. Latimer presented a summary of the District's safety action plan and her approach to the safety role and implementation of the plan. There was discussion regarding incentivizing safety and incorporating the importance of safety into the District's culture.

12. Call to the public. The Board will neither discuss nor take legal action on a matter raised during the call to the public but may refer the matter to the District staff for review or direct the matter to be put on a future agenda. Members of the Board may respond to matters raised as permitted by Arizona Revised Statutes § 38-431.01.H

No one from the public was present.

13. Direction from the Board of Directors to staff regarding items to place on the next Regular Board Meeting agenda.

The following items were requested to be added to the next regular meeting agenda: analysis of the benefits of using horse manure in the biosolids composting process; and the market value of accumulated long term storage credits.

14. Adjournment.

There being no further business the meeting was adjourned at 9:47 AM.