



**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
Fax: (480) 671-3180
www.smcfd.org

Tuesday, March 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
Traci Coronado – Executive Assistant
James Drye – Operations Supervisor
Paul Gonzales – Collection System Supervisor
Kathy Huckfeldt – Management Analyst
Anne Latimer – District Engineer
Maria Zagar – Financial Services Supervisor

Others Present: John Lemaster – District Legal Counsel
Maria Brady – Stantec Consulting Services, Inc.
Heather Tugaoen – Stantec Consulting Services, Inc.
Paul Hendricks – EUSI
Teresa Valentine – Valentine Environmental Engineers

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. Gage led the Pledge of Allegiance.

3. Request for authorization and approval to enter into a professional services agreement with Stantec Consulting Services, Inc. for engineering, design and construction services related to the WRF Expansion at a cost not to exceed \$11.1 million.

Mr. Anglin stated that in December the District along with EUSI published a solicitation for the WRF Expansion Design, which two firms applied and together the selection committee reviewed the qualifications and entered into negotiations with Stantec Consulting Services, Inc. Mr. Anglin introduced members from Stantec Consulting Services and Valentine Environmental Engineers who are partnering with Stantec to work on this project. Mr. Anglin stated as a reminder the loan from WIFA for the design is \$7.2 million dollars. Staff have requested \$11.1 dollars for the design and construction administration.

The additional funds needed will be included with construction loan from WIFA when that loan closes possibly this year.

Ms. Brady introduced the leadership and project team for Stantec Consulting Services Inc. and members from Valentine Environmental Engineers who will be working together along with the District on the WRF Expansion Design.

Ms. Brady presented the Engineering and Design and Construction Services plan for the WRF Expansion Design with primary topics of discussion on project approach, project management, preliminary designs, permit and safety consideration, design development, coordination with the Construction Manager at Risk (CMAR) and construction services.

Ms. Brady discussed the cost model that will help stay within budget while ensuring all elements for the WRF are included. She also said because of some of the scheduling concerns and manufacturing lead times, they will be working with the contractor on early procurement so that materials are available during the construction without delays. Mr. Reynolds asked at what point does the CMAR get involved. Ms. Brady stated the plan is to send out a Statement of Qualifications (SOQ) for the CMAR and will make the selection in June-July.

There was discussion regarding Phase 1 design approach that will meet current and future needs of the WRF Expansion including improved effluent water quality, process redundancy to facilitate maintenance and an imminent need for liquid stream treatment capacity and improving laboratory and maintenance facilities for efficient operations.

Mr. Reynolds asked if solar energy will be a part of the plant expansion. Ms. Brady stated there are grant opportunities with solar to make it cost effective, as of right now it is not part of the current plan but something to be looking at for the future.

Mr. Gage asked if Salt River Project (SRP) is working with the District to determine if we have enough power for the expansion. Ms. Brady stated that is part of the data collection phase and there will be coordination with Apache Junction Fire Department and SRP which will help produce the plans and specs around their needs to help obtain the proper approvals needed.

There was discussion about the District Manager's ability to approve change orders without having to bring to the Board every time approval is needed. Ms. Brady stated this is essential as construction is a constant ongoing process and there are times where you cannot wait for an answer otherwise this will cause delays.

MOTION made by Mr. Reynolds for authorization and approval to enter into a professional services agreement with Stantec Consulting Services, Inc. for engineering, design and construction services related to the WRF Expansion at a cost not to exceed \$11.1 million; seconded by Mr. Tremonti.

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

No (0): None

MOTION CARRIED

The regular meeting was recessed at 9:17 AM.

The regular meeting was reconvened at 9:24 AM.

4. Approval of the Minutes of the February 28, 2023 Regular Meeting.

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

5. Monthly Disclosure Report on Operations for February 2023.

Mr. Anglin stated that the District has started receiving connection fees from D.R. Horton for Superstition Vistas which are reflected in this report.

There was discussion regarding the effluent recharge flows increasing and Mr. Drye stated that the District will see a decrease in April due to the winter visitors leaving.

Mr. Dunn asked if the service lines unfavorable expense will be continuing monthly. Mr. Anglin stated that it shows as an expense but once staff have connected customers to the sewer it shows as revenue. Ms. Zagar stated that it recognized as onsite revenue in the month the connection is complete.

Mr. Dunn stated in Phase 1 of the WRF Expansion chlorine will be decreased and asked why staff are installing the second chlorine tank. Mr. Drye stated that chlorine is for the current process and will continue to be used with the expansion until the current plant is discontinued. He also stated that the benefit of using UV would eliminate the use of chlorine.

6. Monthly Project Status Report for February 2023.

Mr. Anglin stated that staff created a breakdown of realistic timeframes for the WRF Rerating at the Board's request.

There was discussion regarding the current and future projects in process.

7. District Manager's Report for February 2023.

Mr. Anglin stated that staff submitted the Aquifer Quality Limit Action plan to Arizona Department of Environmental Quality (ADEQ) with the proposed nitrate limit for the Districts amended permit and ADEQ has not responded as of today. Ms. Waldron asked how the nitrate levels were. Mr. Drye stated levels are above permit level 11-14 mg/l.

Mr. Anglin stated that he was at the State of the City which was held February 1st and that it was well attended.

Mr. Anglin stated the City of Mesa has formally informed the District that they will not provide temporary sewer service as requested. He also stated that the District staff are working with the developer and contractor to install 6" line from the Williams Field Lift Station to the WRF headworks by the end of May or beginning of June. Mr. Dunn asked with the construction on the headworks will that bring in the small force main in first. Mr. Anglin stated the contractor has put the order in the for the 6" pipe so it can be installed as soon as possible. Mr. Tremonti asked if this is the developers' cost or the Districts.

Mr. Anglin stated it is the developers' cost but the majority of it will be passed on to the homeowners.

Mr. Anglin provided an update on the lift station wet well for Superstition Vistas as it is near completion.

Mr. Anglin stated the non-potable water (NPW) is beginning installation to the south of the District which will be owned and operated by Apache Junction Water District.

Ms. Latimer provided updates on current and future development within the City.

8. Request for authorization and approval for the purchase and installation of three aeration blowers at a cost not to exceed \$1.65 million to be paid from the Capital and Replacement Fund.

Mr. Anglin stated that initially this project included two large blowers that had the capacity to operate the re-rated WRF with one running and one as standby; during the design with Valentine Engineering, it was revised to have three smaller blowers, two being active at all times and one being redundant as required by ADEQ. He also stated that this project was budgeted several years ago, and with construction costs increasing, staff are asking for an increase in budget. Mr. Anglin indicated that construction would start next fiscal year, and staff would like to order blowers now as lead times are six months out. Mr. Anglin discussed that this project would utilize a Job Order Contract (JOC) that was publicly solicited by City of El Mirage and Garney Construction will be the contractor the District is proposing to use.

MOTION made by Mr. Gage for authorization and approval for the purchase and installation of three aeration blowers at a cost not to exceed \$1.65 million 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. Request for authorization and approval for the purchase and installation of additional aeration piping, chains and diffusers at a cost not to exceed \$800,000 to be paid from the Capital and Replacement Fund.

Mr. Drye stated by adding the larger diffusers the District will be able to reach the 3.0 mgd in the basins. Ms. Latimer stated the project is over budget due to all of the modifications that need to be made to get the increased air volume into basins from the larger blowers. She also said staff worked with Valentine Environmental Engineers on the design and are proposing to work with ASR Construction to complete the installation under a JOC from the City of Chandler.

MOTION made by Mr. Reynolds for authorization and approval for the purchase and installation of additional aeration piping, chains and diffusers at a cost not to exceed \$800,000 to be paid from the Capital and Replacement Fund; seconded by Mr. Gage.

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

No (0): None

MOTION CARRIED

10. Request for authorization and approval to connect the Williams Field Lift Station force main to the existing headworks at a cost not to exceed \$350,000 to be paid from the Capital and Replacement Fund.

Mr. Anglin stated that part of the Sewer Service Agreement with D.R. Horton the District is required to provide the final connection from the supplied force main to the WRF headworks. Mr. Gage asked if the design was provided by Valentine Environmental Engineers. Mr. Anglin stated the design was provided by Stantec Consulting Services, Inc. Mr. Reynolds asked if this is for the final force main or the temporary. Mr. Anglin stated it accommodates both the 24" inch force main and the 6" inch.

MOTION made by Mr. Reynolds for authorization and approval to connect the Williams Field Lift Station force main to the existing headworks at a cost not to exceed \$350,000 to be paid from the Capital and Replacement Fund; seconded by Mr. Tremonti.

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

No (0): None

MOTION CARRIED

11. Request for authorization and approval for the purchase of a second filter not to exceed \$325,000 to be paid from the Capital and Replacement Fund.

Mr. Anglin stated that the manufacturer's representative came to the District to discuss existing issues with the tertiary filter, he recommended that staff use a rust remover to clear hard water off the filter. He also stated that based on recommendations, staff used the rust remover and the filter was able to run for five weeks until it had to be cleaned again. Mr. Anglin said this remedy had given staff confidence to utilize the same manufacturer for the new filter. Valentine Environmental Engineers provided a memo to the District for what changes would be required if staff choose an alternative manufacturer. Required changes included lowering the concrete pad to accommodate the new filter, modifying the piping and making electrical changes. Mr. Anglin stated that staff are satisfied with the filter and recommends utilizing the same manufacturer for the second filter.

Mr. Dunn asked if the filter would be shipped from out of the country like the first filter. Mr. Anglin stated that the filter would be coming from Italy and current lead-time is about 20 weeks out.

Mr. Reynolds asked what the primary difference between A+ and B+ water was. Mr. Anglin stated that the turbidity has to be below 2 NTU for 24 hours, and it has to be cleaner, clearer water. Mr. Dunn asked what the volume of freshwater that goes through the filter

is daily. Mr. Drye stated that all the water the District uses goes through the filter, it is 1.6 - 1.7 mgd. Mr. Anglin said the tertiary filter recycles its clean water to backwash the filter.

Mr. Gage asked if staff still feel they will meet the completion date with the long lead-times. Mr. Anglin stated yes if the lead times do not go beyond the 20 weeks, and staff will update the Board with any delays.

MOTION made by Mr. Gage for authorization and approval for the purchase of a second filter not to exceed \$325,000 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

12. Discussion and review of current value of accrued recharge credits and action as determined.

Mr. Anglin stated per the Boards direction, staff researched and compiled information for the existing recharge credits. He also stated that ADWR will not be depositing the 2022 credits until September - October of this year. Mr. Anglin stated that staff have reached out to Central Arizona Groundwater Replenishment District (CAGR) which has purchased credits from the District in the past and that they are still interested in purchasing if the District decides to sell credits.

Ms. Waldron asked how the District figures out the number of credits. Mr. Drye stated staff use the effluent flow meter to keep track of water recharged minus the surface discharge meter for any water that goes to the wash. Currently water is not being discharged to the wash so 100% of the treated water is going back into recharge. Mr. Anglin stated that one credit is an acre foot of water, an acre foot is 325,000 gallons. He also stated that staff will be submitting the annual report to ADWR in a few days and after review by ADWR the District will be notified of the credits that are deposited in the account.

Ms. Waldron asked if the District recharges at Superstition Vistas would count towards the Districts' credits. Mr. Anglin stated it would count but the District would have to set up another underground storage facility and have a new permit and meter.

Mr. Gage stated is there a risk that state legislation will redo this process and the banked credits will be taken away. Mr. Lemaster stated that they cannot take the credit away as it is a property right. Mr. Anglin stated that in the District's Strategic Plan it was proposed to sell the stored credits and he wanted to bring it to the Board to decide whether to sell or continue to hold them. Mr. Tremonti asked if the credits are going up in value. Mr. Anglin stated the value is increasing and if the Board decides to hold onto credits for a few more years, it will grow substantially.

There was further discussion about the recharge credits and the Board agreed to keep the recharge credits at this time and finds no need to reach out to interested companies wanting to purchase.

13. Discussion regarding biosolids composting and disposal and action as determined.

Mr. Dunn stated he appreciated staff providing the information to the Board and he can fully see the numbers provided. Mr. Tremonti asked where the composting is being done on-site. Mr. Drye stated it is located on the composting pad.

Mr. Gage asked if the local landfill is charging per load or the weight. Mr. Drye stated the charge is based on composting versus non-composting weight, so the more water drained, the less expensive the loads are for the District. Mr. Drye stated the District could decide to stop accepting horse manure from customers at any time.

14. Discussion and update regarding SMCFD rebranding and action as determined.

Ms. Huckfeldt stated that District received approval from the Secretary of State for the tradename and logos. She also noted that the District purchased a new web domain name, ajsewer.org, and staff are working with a graphic designer to design the new website making it applicable to what the District does.

15. 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.

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

Mr. Tremonti would like an update and status of new internet. Mr. Gage asked for information to be shared with the Board on the WRF Expansion.

17. Adjournment.

There being no further business the meeting was adjourned at 11:00 AM.