



MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE APACHE JUNCTION SEWER DISTRICT (the “District”) held in the District’s Board Room, 5661 S. Ironwood Drive, Apache Junction, Arizona 85120 on Tuesday, April 23, 2024 at 8:00 AM.

PRESIDING: Ms. Kathleen Waldron

PRESENT: Kathleen Waldron – Chairperson
Jim Reynolds – Vice Chairperson
Jesse Gage – Treasurer
Phil Tremonti – Secretary

Staff Present: Darron Anglin – District Manager
Traci Coronado – Executive Assistant
Andrea Dominguez – Utility Services Supervisor
James Drye – Operations Supervisor
Paul Gonzales – Collection System Supervisor
Anne Latimer – District Engineer
Tonia Weinmann – Purchasing Officer
Maria Zagar – Financial Services Supervisor

Others Present: Jason Cassidy – District Counsel

1. Call to Order.

Ms. Waldron called the meeting to order at 8:01 AM.

2. Invocation and Pledge of Allegiance.

Mr. Reynolds gave the Invocation.

Mr. Gage led the Pledge of Allegiance.

3. Approval of the Minutes of the March 26, 2024 Regular Meeting.

Mr. Anglin stated that under Agenda Item 13 of the minutes his statement should be modified to state that the increases have been split, in relation to the rates for Clark Hill.

The March 26, 2024 Regular Meeting Minutes were accepted as corrected.

4. Monthly Disclosure Report on Operations for March 2024.

Mr. Gage asked about the flows from the Superstition Vistas Community. Mr. Anglin stated that the District is currently receiving between 50,000-60,000 gallons per day from the south. He also mentioned that the overall flow rate in the north will start to decrease towards the end of April or the beginning of May, as the winter visitors leave.

Mr. Gage asked about the legal fee mentioned in the invoice for research on invocations. Mr. Cassidy explained that Mr. Anglin asked him to explore the matter related to complaints to the city about the invocations at city council meetings. Mr. Cassidy added that he is currently reviewing the regulations and restrictions on invocations to determine what is permissible and what is not. He also said he would provide further information at the upcoming meeting in May.

There was discussion of revenues, including cash inflow and outflow. Mr. Tremonti requested more information on the District's cash flow, specifically regarding plans to construct an administrative building in the future.

Mr. Gage inquired about the legal fee associated with the power line easement with Salt Rive Project (SRP). Mr. Cassidy stated that there were some concerns about the easement document provided by SRP. Mr. Anglin added that the issue was related to the Williams Field Lift Station, and SRP will not provide power until they receive an easement. Mr. Cassidy further explained that the District granted a sub-easement to SRP, as the right-of-way belonged to the District, but the underlying land was still retained by the Arizona State Land Department. He also stated that all parties had agreed, and the easement has been approved and signed.

Mr. Tremonti inquired about the additional income of \$100,000 that was transferred over to assets. Ms. Zagar explained that the payment was made by the developer for the extension of the sewer main extension on Tomahawk and Broadway.

5. Monthly Project Status Report for March 2024.

Mr. Gage inquired about the progress of the 3.0 MGD rating including the filter project. Mr. Anglin informed him that the valves have been delivered for the filter, and the contractor is in the process of acquiring all the necessary components to start installing the second chlorine tank. He also mentioned that the blowers are operational and once staff receives the certificate of completion from the engineer, they can initiate the process with the Arizona Department of Environmental Quality (ADEQ) to increase the plant capacity.

There was discussion on the risks associated with the chlorine tank and hazardous materials, as well as the safety procedures in place for staff working near the tanks.

6. Discussion and update of the Water Reclamation Facility (WRF) Expansion and action as determined.

Mr. Tremonti asked about the financial summary and whether the current construction design amount was to-date or if the District was under budget. Mr. Anglin replied that it was to date, and he mentioned that the most recent update to the report was that the contractor's 30% cost model was received and reviewed by staff, and they found it to be over budget. Staff are evaluating value engineering and scope revisions to ensure the cost stays within the budget. Mr. Anglin said the total project's cost is at \$110 million, including

a small contingency amount and that staff are trying to lower costs which will allow for higher contingency on the project.

There was discussion on the draft construction schedule, which included general conditions, pre-construction and construction services, and estimated target start and finish dates.

7. District Manager's Report for March 2024.

Mr. Anglin said the contractor had drilled and installed the new monitoring well and staff will take samples and submit them to ADEQ for review.

Ms. Dominguez said that Lumen has confirmed that they have acquired the permit from the city to proceed with the installation of the fiber conduit along Ironwood Drive. She also stated that the anticipated completion date of construction is May 15th, and the District should have fiber internet by summer.

Mr. Anglin said the Environmental Protection Agency (EPA) has set a limit of four parts per trillion for PFAS in drinking water. He added that the EPA had determined that no level of PFAS in drinking water is safe. Currently, this limit is only applicable to drinking water, but wastewater is expected to be regulated in the near future.

There was discussion on the topic of Safety Data Sheets (SDS) for the hazardous materials that the District receives. There was concern that all District staff members knew where these sheets were kept. Ms. Dominguez clarified that upon receiving a delivery, staff immediately upload the SDS for all team members. They also ensure that the sheets are constantly updated to include the most current information.

Mr. Anglin recognized new staff member Patricia Nelson, who just joined the Utility Services Department.

Ms. Latimer gave updates and reported on the status of ongoing developments across the city.

Ms. Waldron stated there would be additional discussion on Agenda Item 6 at Mr. Anglin's request.

6. Discussion and update of the Water Reclamation Facility (WRF) Expansion and action as determined.

Mr. Anglin reported that the WIFA construction loan closed at an interest rate of 3.08%, which resulted in an annual savings of just over \$300,000 when compared to the prior assumed interest rate. Mr. Tremonti inquired about the due date of the first payment. Ms. Zagar replied that the first payment, which is interest only, is due in January 2025. Mr. Anglin thanked staff for the dedication in getting this loan approved and closed.

Ms. Waldron stated the remainder of meeting would be presented and discussed in the order indicated on the Notice and Agenda.

7. District Manager’s Report for March 2024.

There was discussion regarding Superstition Mountain Resort abandoning its current on-site treatment system and connecting to the sewer system. There was additional discussion about how to notify others about this decision and encourage other RV parks to follow suit.

8. Request for authorization and approval to enter into a Sales Agreement with Procurify Technologies, Inc. for procurement software services, in substantially the form presented at this meeting.

Mr. Cassidy said after reviewing the contract, he discussed proposed changes with Procurify Technologies, Inc. legal counsel and was satisfied that all requested changes were implemented.

There was discussion regarding staff’s choice of Procurify's purchasing software. Ms. Weinmann mentioned that this new software will improve procurement efficiency by replacing the old manual purchasing process. She also discussed the implementation timeline and the training required to get everyone up to speed with the new software.

MOTION made by Mr. Tremonti to authorize the District to enter into a Sales Agreement with Procurify Technologies, Inc. for procurement software services, in substantially the form presented at this meeting; to approve subscription costs, for a two-year period, not to exceed \$26,000, which includes a \$2000 one-time implementation fee to be paid from the Operations and Maintenance Checking Account; second by Mr. Reynolds.

Yes (4): Board Member Tremonti, Board Member Reynolds, Board Member Gage, and Chairperson Waldron

No (0): None

MOTION CARRIED

9. Call to 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 Ariz. Rev. Stat. Ann. §38-431.01.I.

No one from the public appeared.

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

There were no items added to the next agenda by the Board of Directors.

11. Adjournment.

There being no further business the meeting was adjourned at 9:22 AM.