



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, June 25, 2024 at 8:00 AM.

PRESIDING: Mr. Jim Reynolds

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

ABSENT: Kathleen Waldron – Chairperson

Staff Present: Darron Anglin – District Manager
Traci Coronado – Executive Assistant
James Drye – Operations Supervisor
Paul Gonzales – Collection System Supervisor
Kathy Huckfeldt – Management Analyst
Corina Jimenez – Interim Utility Services Supervisor
Anne Latimer – District Engineer
Maria Zagar – Financial Services Supervisor

Others Present: Jason Cassidy – District Counsel
Michael Cocanower - itSynergy

1. Call to Order.

Mr. Reynolds 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. PUBLIC HEARING pursuant to Arizona Revised Statutes §§ 48-715, 48-716 and 48-720 to invite comment on (a) the District’s proposed rates, fees and charges to be effective July 1, 2024, and (b) the District’s proposed budget for fiscal year beginning July 1, 2024.

Mr. Reynolds opened the public hearing and invited members of the public to comment on the District’s proposed rates, fees and charges along with the proposed budget. No members of the public were present and no written comments from the public were received.

There was no further discussion, and the public hearing was concluded.

4. Request for adoption of Resolution No. 24-03 establishing (a) the District's rates, fees and charges to be effective beginning July 1, 2024, and (b) the District's budget for fiscal year beginning July 1, 2024.

MOTION made by Mr. Gage to adopt Resolution No. 24-03 establishing the District's rates, fees and charges to be effective beginning July 1, 2024 and the District's budget for fiscal year beginning July 1, 2024; seconded by Mr. Tremonti.

Yes (3): Board Member Tremonti, Board Member Gage, Vice Chairperson Reynolds

No (0): None

MOTION CARRIED

5. Request for authorization and approval of an addenda C-1 and B-1 to the existing agreement between the District and itSynergy for information technology support services, in substantially the form presented at this meeting.

Mr. Tremonti stated, in the event that the District had to terminate the existing contract with itSynergy, would the District be obligated to pay the full cost of the contract. Mr. Cocanower clarified that staff had asked for a contract modification, and if the District decided to cancel, a six-month penalty would be incurred based on the staff's request.

MOTION made by Mr. Tremonti for authorization and approval of addenda C-1 and B-1 to the existing agreement between the District and itSynergy for information technology support services, in substantially the form presented at this meeting; seconded by Mr. Gage.

Yes (3): Board Member Tremonti, Board Member Gage, Vice Chairperson Reynolds

No (0): None

MOTION CARRIED

6. Approval of the Minutes of the May 21, 2024 Regular Meeting and Executive Session.

Mr. Reynolds asked if there were any additions or corrections to the Meeting Minutes; there were none and the Minutes were accepted as presented.

7. Monthly Disclosure Report for May 2024.

There was discussion on the favorable variance for septage disposal fees. The increase was due to the new blowers working well, and staff are able to accept and treat additional septage.

Mr. Tremonti stated the legal invoice stated no charges for return travel, but the District was charged. Mr. Cassidy said that it was an error, and as he is no longer with Clark Hill, Mr. Anglin would need to get in contact with Clark Hill so they could refund those fees.

8. Monthly Project Status Report for May 2024.

Mr. Anglin said that the second tertiary filter has been operational since last week and is running smoothly. Staff is currently working on the SCADA integration. He also stated that staff are waiting on the as-builts to submit to the Arizona Department of Environmental Quality (ADEQ) to update the permit. Mr. Gage asked if that would allow the District to treat 3 MGD. Mr. Anglin confirmed it would enable the District to treat 3 MGD and produce reclaimed A+ water.

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

Ms. Latimer stated that staff is currently in the process of making decisions about various parts of the plant, such as headworks, treatment, and disinfection, and assessing the costs associated with each item. Staff will be provided with a detailed cost model to understand budget allocation. Stantec plans to deliver the 60% plans by July 22nd.

10. District Manager's Report for May 2024.

Mr. Anglin stated that staff are consistently testing for nitrates and submitting to ADEQ and currently staff are updating the consent order with ADEQ. Mr. Gage inquired about the current nitrate levels. Mr. Drye stated they are under the 10 mg/L permit limit.

Mr. Anglin stated that the District has received a \$250,000 grant from WIFA to help with the cost of the installation of the new recharge basin 12. He also stated that the District is required to contribute 25% of the project cost which includes staff time and labor and must be fully expensed by June 2026.

Mr. Anglin recognized the new staff hired and their positions with the District.

11. Request for authorization and approval of the renewal of the District's workers' compensation insurance with CopperPoint Mutual Insurance.

Ms. Huckfeldt stated that this is a favorable renewal with decreased rates for each class code. She further stated that the proposed 8% increase to the proposed premiums were primarily due to estimated payroll increases and added positions. She also stated that the District had a large claim during fiscal year 24 that was not yet reflected in the experience modification for this renewal and that may affect next year's renewal.

MOTION made by Mr. Tremonti for authorization and approval of the renewal of the District's workers' compensation insurance with CopperPoint Mutual Insurance; seconded by Mr. Gage.

Yes (3): Board Member Tremonti, Board Member Gage, Vice Chairperson Reynolds

No (0): None

MOTION CARRIED

12. Request for authorization and approval of the purchase of pollution liability insurance from UCPM, LLC.

Staff stated that this coverage was solicited in response to the growth the District is seeing and the Boards request. Ms. Huckfeldt stated staff are proposing this 3-year plan that covers the entire sewer system, and the nitrates are excluded in this plan. Mr. Gage stated that the Williams Field pump station was not added in this plan. Ms. Huckfeldt stated that is because the District does not own that pump station yet, this includes all pipe that is currently owned by the District.

MOTION made by Mr. Gage for authorization and approval of the purchase of pollution liability insurance from UCPM, LLC on the terms presented at this meeting and amended for a 3-year term effective July 1, 2024; seconded by Mr. Tremonti.

Yes (3): Board Member Tremonti, Board Member Gage, Vice Chairperson Reynolds

No (0): None

MOTION CARRIED

13. Request for authorization and approval of the engagement of Fester & Chapman P.C. to audit and report on the financial statements of the District for the fiscal year ending June 30, 2024, as provided in the engagement letter dated June 6, 2024.

Ms. Zagar said with the District's WIFA loan, it is a requirement to have an audit performed every year. The District has engaged Fester & Chapman P.C. who has worked with the District for over 20 years.

There was discussion regarding having a new partner oversee the fiscal year 2024 audit, switching out every four years.

MOTION made by Mr. Gage for authorization and approval of the engagement of Fester & Chapman P.C. to audit and report on the financial statements of the District for the fiscal year ending June 30, 2024, as provided in the engagement letter dated June 6, 2024; seconded by Mr. Tremonti.

Yes (3): Board Member Tremonti, Board Member Gage, Vice Chairperson Reynolds

No (0): None

MOTION CARRIED

14. Request for authorization and approval of the District to enter into a Professional Services Agreement with Wilson Engineers to complete a Flow Monitoring Study at a cost not to exceed \$150,000 to be paid from the Operations and Maintenance Checking Account.

Mr. Anglin stated this proposal is for the area north of Baseline and the flow monitoring will be done in the summer and in the winter. He further stated that this study will verify capacity of all the major trunk lines such as Meridian, Ironwood and Baseline.

MOTION made by Mr. Tremonti for authorization and approval for the District to enter into a Professional Services Agreement with Wilson Engineers to complete a Flow Monitoring Study at a cost not to exceed \$150,000 to be paid from the Operations and Maintenance Checking Account; seconded by Mr. Gage.

Yes (3): Board Member Tremonti, Board Member Gage, Vice Chairperson Reynolds

No (0): None

MOTION CARRIED

- 15. Request for authorization and approval to relocate and replace the sewer infrastructure located on the southeast corner of Idaho Road and Old West Highway at a cost not to exceed \$375,000 to be paid from the Capital and Replacement Fund.**

Mr. Anglin said that the District held a public bid for this project that was budgeted for \$250,000. The bid results were higher than the budgeted amount due to existing utilities in this area. Ms. Latimer stated the timing is critical due to current construction of the college expansion the desire to get this completed before the asphalt is installed.

MOTION made by Mr. Tremonti for authorization and approval to relocate and replace the sewer infrastructure located on the southeast corner of Idaho Road and Old West Highway at a cost not to exceed \$375,000 to be paid from the Capital and Replacement Fund; seconded by Mr. Gage.

Yes (3): Board Member Tremonti, Board Member Gage, Vice Chairperson Reynolds

No (0): None

MOTION CARRIED

- 16. 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.**

No one from the public appeared.

- 17. Discussion regarding invocations performed at District Board Meetings and action as determined. The Board will first consider this matter as an executive session that will not be open to the public, pursuant to Arizona Revised Statutes § 38-431.03.A.3**

MOTION made by Mr. Gage to recess the regular meeting and reconvene in executive session for discussion regarding invocations performed at District Board meetings and action as determined pursuant to Arizona Revised Statutes § 38-431.03.A.3 and to evaluate the performance of the District Manager pursuant to Ariz. Rev. Stat. Ann. § 38-431.03.A.1; seconded by Mr. Tremonti.

Yes (3): Board Member Tremonti, Board Member Gage, Vice Chairperson Reynolds

No (0): None

MOTION CARRIED

[The regular meeting was recessed at 8:57 AM]

- 18. Performance Evaluation of the District Manager and action as determined. The Board will first consider this matter in executive session that will not be open to the public, unless a request is received that the matter be discussed or considered at a public meeting pursuant to Arizona Revised Statutes § 38-431.03.A.**

[The regular meeting was reconvened at 9:43 AM]

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

Mr. Reynolds would like an update on the fiber internet connection.

- 20. Adjournment.**

There being no further business the meeting was adjourned at 9:57 AM.



Guest Sign-In

	<u>Name</u>	<u>Representing</u>
1.	Michael Cocanower	itSynergy
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