



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, October 28, 2025 at 8:00 AM.

PRESIDING: Ms. Kathleen Waldron

PRESENT: Kathleen Waldron – Chairperson
Jim Reynolds – Vice Chairperson
Phil Tremonti – Treasurer
Jesse Gage – Secretary
Roy Starr – 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
Corina Jimenez – Utility Services Supervisor
Anne Latimer – District Engineer
Maria Zagar – Financial Services Supervisor

Others Present: Jason Cassidy – District Counsel
Zach Sakas – Greenberg Traurig, LLP (*via Teams*)
Trina Harrison – City of Apache Junction
Richard Dyer – Independent Newsmedia

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 for the District to consent to a Second Amendment to the amended and restated District Development, Financing Participation, Waiver, and Intergovernmental Agreement, by and between the City of Apache Junction, the Superstition Vistas Community Facilities District No. 2, Brookfield Communities US Holdings LLC, North America Sekisui House, LLC, and Brookfield ASLD 8500 LLC, which is amended to assign the indemnification obligations under that Agreement, in substantially the form presented at this meeting.

Mr. Cassidy explained that the developers of the Superstition Vistas Master Planned Community had formed two community facilities districts to fund the construction of infrastructure required by the development. He stated that the City of Apache Junction and each developer had entered into intergovernmental agreements with the respective Superstition Vistas Community Facilities Districts (SVCFD) and that Apache Junction Sewer District (AJSD) had consented to both agreements, because of the transfer of portions of that infrastructure from the SVCFDs to AJSD. He also said that AJSD had already consented to the first amendment of SVCFD 2, for the Brookfield portion of the community, which revised the boundaries of a portion of the development's acreage.

Mr. Cassidy stated that the proposed second amendment is due to the corporate restructuring of the holding company that was party to the original agreement. Mr. Sakas added that the primary change in the proposed revision was to name the appropriate indemnitor parties as a result of the restructuring. Mr. Sakas and Mr. Cassidy discussed the financial strength of the new parties to the agreement and stated that they did not have any concerns with AJSD consenting to the amendment.

Mr. Reynolds stated that it appeared that AJSD's exposure was limited since the majority of the sewer infrastructure had already been built.

MOTION made by Mr. Reynolds to authorize and approve for the District to consent to a Second Amendment to the amended and restated District Development, Financing Participation, Waiver, and Intergovernmental Agreement, by and between the City of Apache Junction, the Superstition Vistas Community Facilities District No. 2, Brookfield Communities US Holdings LLC, North America Sekisui House, LLC, and Brookfield ASLD 8500 LLC, which is amended to assign the indemnification obligations under that Agreement, in substantially the form presented at this meeting; seconded by Mr. Tremonti.

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

No (0): None

MOTION CARRIED

4. Approval of the Minutes of the September 23, 2025 Regular Meeting and Executive Session.

Ms. Waldron asked if there were any additions or corrections to the meeting minutes; there were none and the minutes were accepted as presented.

5. Monthly Disclosure Report for September 2025.

Mr. Gage noted that the septage levels had remained the same for the past three months and asked if that was due to the District limiting the amount that can be received. Mr. Anglin responded that staff had not imposed any restrictions on septage receiving and that the similar flows were a coincidence.

Mr. Tremonti asked about the favorable variance in application fees. Mr. Anglin stated there were a few projects moving forward that had not been budgeted. Ms. Latimer added that the majority of the applications were for Superstition Vistas.

Mr. Tremonti stated that the District would need to transfer additional funds to the Capital and Replacement Fund to ensure sufficient money is available to complete the approved and planned projects.

Ms. Zagar provided a reconciliation summary which included FY 2026 budgeted capital projects, carryforward projects from prior fiscal years, adjustments to project budgets, and Capital and Replacement Fund and uncommitted Expansion Reserve Fund balances. This also included a 1.25% contingency due to potential cost increases. She reviewed projected Capital and Replacement Fund contributions for the rest of the fiscal year, required funding for the remaining capital expenditures, and the balance of uncommitted funds that can be used to offset any shortfall.

Ms. Zagar stated the Capital and Replacement fund will need to be supplemented by excess revenues or uncommitted reserves to complete the remaining projects. She added that due to an overpayment to WIFA for the January debt service, the District would be able to fund the next debt service payment from that remaining credit and revenues, which would free up reserves for capital funding. Ms. Zagar stated that she would provide more detailed information to the Board in a preview of the Long Range Forecast prior to the planning retreat in January.

Mr. Anglin stated that even though the Expansion Reserve Fund is not restricted it is reserved for debt payment and should not be considered as excess to fund capital projects. There was additional discussion regarding the District's reserve funds.

Mr. Tremonti inquired about the expense reported for Septage Facilities. Ms. Zagar explained that preventative maintenance had been performed on the septage receiving station.

6. Monthly Project Status Report for September 2025.

There was no discussion on the Project Status Report.

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

Ms. Latimer reported that construction on the headworks and process basin walls was progressing, and the project remained on schedule. Ms. Waldron asked staff what percentage of the expansion was complete. Ms. Latimer said it was less than 20%. There was discussion regarding odor control for the new headworks.

Mr. Gage requested a schedule with critical path to be included at the next meeting.

8. District Manager's Report for September 2025

Mr. Anglin stated that staff, along with Mr. Cassidy, researched whether there would be any tax benefit for the District to pursue a non-profit status. He added that it had been determined that in the state of Arizona 501(c) organizations are still required to pay sales tax, which means there would be no benefit for the District to pursue a change in status. He also stated that the District's auditor agreed with this conclusion.

Mr. Anglin and Ms. Latimer provided an overview of the process for development projects that request sewer capacity. They explained that the District is required to commit a portion of its capacity when design reports are submitted for new development. Mr. Anglin stated that although the District is currently receiving approximately 1.91 million gallons per day (MGD), its committed capacity has reached 3.0 MGD. Timing of proposed development and whether capacity is committed to the existing plant or the expansion were discussed.

Mr. Anglin stated that staff worked with the developers to ensure that the District has sufficient capacity for their proposed new developments based on the timing of their discharge.

There was additional discussion regarding actual usage, flow monitoring and the existing and expanded plant capacity.

Mr. Anglin stated that SRP has installed electrical service at the NPW station, and the District should begin providing reclaimed water soon. He also mentioned that AJWD will begin pumping to Superstition Vistas to fill the lake and for irrigation.

Ms. Latimer provided updates on the current and future development in the city.

Mr. Anglin recognized Mr. Drye for his 15 years of service with the District.

9. Authorization and approval to install flocculation systems at the east and west secondary clarifiers at a cost not to exceed \$400,000 to be paid from the Capital and Replacement Fund.

Mr. Anglin provided an overview of the project and process of the flocculation system.

MOTION made by Mr. Reynolds to authorize and approve of the install of flocculation systems at the east and west secondary clarifiers at a cost not to exceed \$400, 000 to be paid from the Capital and Replacement Fund; seconded by Mr. Tremonti.

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

No (0): None

MOTION CARRIED

- 10. 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.I.**

No one from the public appeared at this meeting to comment.

- 11. Request for authorization and approval to enter into an Indemnification Agreement with Archer Western Construction, LLC in substantially the form presented at this meeting. The Board may first consider this matter in executive session that will not be open to the public pursuant to Arizona Revised Statutes § 38-431.03(4).**

Mr. Anglin stated that Mr. Cassidy had forwarded the draft along with comments to Archer Western's legal counsel and that Mr. Cassidy had not yet received any feedback. Mr. Cassidy said that the draft was sent approximately three weeks ago and suggested that the board table the matter and revisit it at the next meeting.

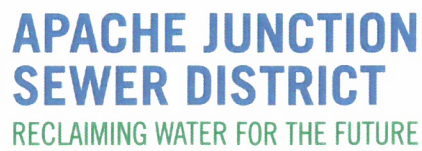
Ms. Waldron stated that this agenda item was tabled and would be addressed at next month's meeting.

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

Mr. Tremonti asked to have a plan for the shortage in the capital account.

- 13. Adjournment.**

There being no further business, the meeting was adjourned at 9:26 AM.



**Board of Directors
Regular Meeting
Guest Sign-In**

Regular Meeting
October 28, 2025
Guest List