



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 24, 2025 at 8:00 AM.

PRESIDING: Ms. Kathleen Waldron

PRESENT: Kathleen Waldron – Chairperson
Phil Tremonti – Treasurer
Jesse Gage – Secretary
Roy Starr – Board Member

ABSENT: Jim Reynolds – Vice 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 – Utility Services Supervisor
Anne Latimer – District Engineer
Maria Zagar – Financial Services Supervisor

Others Present: Jason Cassidy – District Counsel
Richard Dyer – Independent Newsmedia
Brian Wilder – Marsh & McLennan Agency LLC

1. Call to Order.

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

2. Invocation and Pledge of Allegiance.

Mr. Tremonti 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 become effective July 1, 2025, and (b) the District’s proposed budget for the fiscal year beginning July 1, 2025.

Ms. Waldron opened the public hearing and invited members of the public to comment on the District’s proposed rates, fees and charges and proposed budget. No members of the public appeared in person, and no written comments were received.

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

4. Request for adoption of Resolution No. 25-02 establishing (a) the District's rates, fees and charges to become effective beginning July 1, 2025, and (b) the District's budget for the fiscal year beginning July 1, 2025.

MOTION made by Mr. Gage to adopt Resolution No. 25-02 establishing the District's rates, fees and charges to be effective beginning July 1, 2025 and the District's budget for fiscal year beginning July 1, 2025; seconded by Mr. Tremonti

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

No (0): None

MOTION CARRIED

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

Ms. Huckfeldt stated the renewal was higher than the District has had in the past.

Mr. Wilder provided an overview of the District's workers' compensation renewal. He stated that the primary reason for the unfavorable renewal was due to the number of District employees and payment of a large claim by the carrier of during the prior year. He explained that these two factors resulted in significant increases to the District's experience modification factor and premiums.

MOTION made by Mr. Tremonti to authorize and approve the renewal of the District's workers' compensation insurance with CopperPoint Mutual Insurance; seconded by Mr. Gage.

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

No (0): None

MOTION CARRIED

6. Approval of the Minutes of the May 20, 2025 Regular Meeting and Executive Session.

Ms. Waldron asked if there were any additions or corrections to the Meeting Minutes.

Mr. Anglin requested that the executive session minutes be tabled until the August Board meeting so that staff can review revisions requested by Mr. Cassidy. Ms. Waldron stated that the executive session minutes will be tabled and brought to the August meeting for approval.

The regular meeting minutes were accepted as presented.

7. Monthly Disclosure Report for May 2025.

Mr. Tremonti noted that power costs continued to be over budget. He stated that the House of Representatives had passed the "Big Beautiful Bill", which if passed into law would result in the loss of energy credits for the installation of solar power.

Mr. Tremonti inquired whether the unfavorable variance in security was due to increased security at the WRF. Mr. Anglin said some of the existing security cameras and control panels throughout the plant had been replaced.

8. Monthly Project Status Report for May 2025.

Mr. Gage asked if the District is prepared to supply reclaimed water to the Apache Junction Water Utilities Community Facilities District (WUCFD) for use by the Superstition Vistas Community. Mr. Anglin said that WUCFD was waiting for Salt River Project to obtain an easement from the City of Apache Junction to provide power to the Non-potable Water (NPW) station. He also said that they are filling the park lake with Central Arizona Project (CAP) water.

Mr. Tremonti inquired about the lead time for the airlift pumps and whether staff should procure the additional pumps now. Mr. Anglin said the pumps are expected to arrive in October. He also stated that Board approval will be requested for the second phase of the project, at a future meeting.

Mr. Anglin stated that staff had issued the Request for Bids for the Operations and Maintenance Building. He noted that a mandatory pre-bid meeting was held, and approximately 30 contractors and subcontractors were in attendance. Mr. Anglin also stated that the bids were due on July 30th.

Mr. Tremonti asked if a request for bids would be required for solar panel installation. Mr. Anglin stated that a request for proposals (RFP) would be issued and that the project was approved as part of the fiscal year 2026 capital budget. Mr. Tremonti requested that staff proceed with the RFP for solar energy as soon as possible to ensure eligibility for tax credits and savings.

Ms. Waldron requested that staff present pros and cons from customers who have installed solar at the August board meeting.

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

Ms. Latimer provided an update on the ongoing construction at the plant, which includes the concrete foundation being poured for the main treatment process.

Ms. Waldron asked if there were cameras to document the construction. Ms. Latimer said that there are a few time-lapse cameras onsite capturing footage of all construction areas.

Mr. Gage asked if the construction progress aligns with AWC's schedule. Ms. Latimer confirmed that everything is going well and remains on track.

Mr. Gage requested that staff verify with ADEQ that the District's current AZPDES permit includes future flows, and that the District will be able to commission the new plant with no issues.

10. District Manager's Report for May 2025.

Mr. Anglin said that Zayo is connected and was working well, and the District now has reliable fiber internet service. He stated that the existing wireless internet would serve as an automatic backup in the event of a failure. He also said that Mr. Cassidy had sent the termination letter to Lumen Technologies. Mr. Tremonti asked whether staff had received any response. Mr. Cassidy said there has not been a response yet.

Mr. Anglin reported that office furniture was being replaced in Utility Services, and in Mr. Drye's and Mr. Gonzales' offices.

Mr. Anglin stated that required staff participated in annual training on confined space and trench safety, presented by Core Safety Group. Mr. Gage asked how many hours the training was, and Mr. Anglin said that it was 8 hours per group.

There was discussion about the current developments and future projects taking place in and around the City.

11. Recognition of the efforts of Financial Services staff which resulted in the issuance of the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the fiscal year ended June 30, 2024.

Mr. Anglin expressed gratitude to Ms. Zagar and her team for their commitment and success in receiving the Certificate of Achievement for Excellence in Financial Reporting award for the fifteenth consecutive year. The Board also congratulated Ms. Zagar and the Financial Services department.

12. 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, 2025, as provided in the Fester & Chapman P.C. engagement letter dated June 18, 2025.

Mr. Gage asked staff to confirm, because of the number of years the same firm has been engaged, if the auditors focus on different processes and internal controls each year. Ms. Zagar stated that have requested different items each year, some of which included Board meeting minutes and reports to ensure the accuracy of information provided to the Board of Directors, review of contracts, any ADEQ violations, annual payroll changes, separation of duties and procurement processes.

Mr. Anglin stated that the price increase was due to the single audit required due to the District receiving federal funds from the Water Infrastructure Finance Authority of Arizona for the WRF expansion loan and grant for a portion of the cost to install Recharge Basin 12.

There was discussion regarding how often Fester & Chapman P.C. rotates their audit partners.

MOTION made by Mr. Tremonti 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, 2025, as provided in the Fester & Chapman P.C. engagement letter dated June 18, 2025; seconded by Mr. Starr.

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

No (0): None

MOTION CARRIED

13. Request for authorization and approval to enter into an Intergovernmental Agreement between the District and the Apache Junction Water Utilities Community Facilities District (WUCFD) for the sale of reclaimed water and the lease of fiber optic cables, in substantially the form presented at this meeting.

Mr. Anglin stated that staff had negotiated an Intergovernmental Agreement (IGA) with WUCFD for the sale of reclaimed water, the lease of the land where the NPW station is located, and the lease of the fiber optic cables that the District will utilize for internet services.

Mr. Anglin said that the rate for the non-potable water is governed by the Sewer Services Agreement with the developer of the Superstition Vistas Master Planned Community until the end of 2026, after which the rate will be included in the District's approved rates, fees, and charges and will be assessed based on meter readings monitored by District staff.

There was discussion regarding the quantity of reclaimed water the District is obligated to provide to WUCFD, which is included in the Sewer Services Agreement with the developer.

Mr. Tremonti asked for clarification on the term "unilateral termination" as stated in the agreement. Mr. Cassidy explained that this means neither party can terminate the agreement separately, without the agreement of both parties. Additional terms of the agreement were discussed, including the length of the agreement term and insurance requirements for both parties.

MOTION made by Mr. Gage to authorize and approve the execution of the Intergovernmental Agreement between the District and the Apache Junction Water Utilities Community Facilities District (WUCFD) for the sale of reclaimed water and the lease of fiber optic cable in substantially the form presented at this meeting; seconded by Mr. Tremonti.

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

No (0): None

MOTION CARRIED

14. **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.

15. **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.1

MOTION made by Mr. Gage to recess the regular meeting and reconvene in executive session to evaluate the performance of the District Manager pursuant to Arizona Revised Statutes §38 431.03.A.1; seconded by Mr. Starr.

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

No (0): None

MOTION CARRIED

The regular meeting was adjourned at 9:23 AM.

The regular meeting was reconvened at 10:04 AM.

MOTION made by Mr. Gage to approve a 4% salary increase, effective July 1, 2025, based on the fiscal year 2025 Performance Evaluation of the District manager; seconded by Mr. Tremonti.

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

No (0): None

MOTION CARRIED

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

Mr. Anglin stated that he would present his fiscal year 2026 goals to the Board for approval.

Mr. Starr requested that alternative energy sources he had provided to staff be discussed.

Mr. Tremonti confirmed that staff would issue a Request for Proposal (RFP) for solar energy.

17. **Adjournment.**

There being no further business, the meeting was adjourned at 10:19 AM.



**APACHE JUNCTION
SEWER DISTRICT**
RECLAIMING WATER FOR THE FUTURE

Board of Directors
Regular Meeting
Guest Sign-In

	<u>Name</u>	<u>Representing</u>
1.	<u>RICHARD DYER</u>	<u>Independent Newsmedia</u>
2.	<u>BRIAN WILDER</u>	<u>MAHSH McLENNAN Agency</u>
3.	<u></u>	<u></u>
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