



**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, February 24, 2026 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  
Corina Jimenez – Utility Services Supervisor  
Anne Latimer – District Engineer  
Maria Zagar – Financial Services Supervisor

**Others Present:** Jason Cassidy – District Counsel  
Evan Schneider – Ryan LLC

**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. Discussion of Transaction Privilege Taxes (TPT).**

Mr. Anglin introduced Mr. Schneider with Ryan, LLC.

Mr. Schneider introduced himself and provided an overview of Ryan LLC.

Mr. Schneider explained that under Arizona TPT regulations, sellers are responsible for paying the tax, while buyers are not liable. He also said the only organizations that are fully exempt from paying TPT in Arizona are non-profit hospitals.

Ms. Zagar noted that the District utilizes TPT exemptions for certain products the District purchases.

Mr. Schneider stated that certain products such as 4-inch or above pipes that carry water do qualify. He further noted that legislation enacted in late 2025 added the term wastewater to the Arizona Revised Statute. Mr. Schneider said the District can request a tax exemption for items from a vendor by completing and submitting a Form 5000 Exemption Certificate. Mr. Tremonti asked if the exemption certificate must be completed for each purchase. Mr. Schneider explained on Form 5000 you can choose either a single transaction or a specific period of time.

Mr. Schneider stated that his firm works to find TPT overpayments and missed exemptions and seeks refunds on behalf of their clients. He further stated that his firm does not charge fees for this effort but instead receives a portion of any money that is recovered. Mr. Tremonti asked how the District would receive the refund if the vendor is responsible. Mr. Schneider explained that any TPT refunds must be requested and processed through the vendor, as the District cannot obtain refunds directly.

Mr. Reynolds expressed appreciation to Board Member Starr for his contributions and research regarding TPT.

There was additional discussion on the District's position on legislative advocacy efforts regarding legislative matters related to TPT exemptions.

**4. Approval of the Minutes of the December 16, 2025 Regular Meeting and January 27, 2026 Work 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 December 2025 and January 2026.**

There was discussion of the favorable variance in permit fee revenues which was attributed to the Halogen development.

Mr. Gage pointed out that multi-family homes were not included in this year's budget. Mr. Anglin confirmed this and explained that staff did not include multi-family developments for FY26 due to no projects being far enough along in the planning process at that time. He also said that staff plan to budget for increased connection fee revenue in the FY27 budget since there are proposed projects that are further in the process.

Mr. Tremonti asked about the management of disconnected properties in aged receivables. Ms. Zagar stated that staff record these properties with the county, and unpaid fees remain until ownership transfers. Ms. Jimenez said that late fees accrue for one year. Ms. Zagar stated that a reserve has been allocated for the disconnect list.

There was discussion on legal fees for the District's work session and Beehive contract.

**6. Monthly Project Status Report for January 2026.**

Mr. Gage asked if the delay in the flocculation system would affect A+ reclaimed water production. Mr. Anglin said that A+ reclaimed water will still be produced. He also said that ADEQ requires the District to maintain a flocculation system for the class A+ effluent. Mr. Drye added that the system is a backup that will be used if staff cannot lower turbidity.

Mr. Gage asked about the permit limit for Total Suspended Solids (TSS). Mr. Drye said that the limit is 85% TSS and noted that the District is currently above this threshold.

There was discussion on the turbidity limits and testing and the Nephelometric Turbidity Unit (NTU) permit requirements for A+ reclaimed water and the operational parameters necessary for compliance.

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

Ms. Latimer said they have been testing the larger structures to check for leaks. They also connected the 24-inch force main and are installing the yard piping.

Ms. Latimer said that the new equipment should start arriving this summer or fall. Mr. Anglin explained stated that a vendor applied a 10% surcharge due to uncertainty in tariff rates. He added that some tariffs may rise, which is concerning as the District's equipment is scheduled to ship in the summer or fall, potentially increasing costs.

Ms. Latimer said that SRP conducted a study and verified the District will have enough power for the WRF Expansion.

Mr. Anglin reported that the Aquifer Protection Permit (APP) for the Water Reclamation Facility (WRF) Expansion is currently in the comment stage with the Arizona Department of Environmental Quality (ADEQ), which closes on March 6.

**8. District Manager's Report for December 2025 and January 2026.**

Mr. Anglin announced that the District now has a Facebook page intended to provide customers and the community with information about wastewater, including resources and practical tips.

The Board discussed having staff explore possible incentives for customers who sign up for electronic billing. Mr. Starr asked staff to report back at the next meeting with information about the costs of mailing paper statements. Mr. Anglin said staff will research more and update the Board at the March meeting.

Mr. Anglin reported that staff participated in the Apache Junction Holiday Parade with a did “*Let it Snow*” themed float and thanked everyone who volunteered their time.

Mr. Anglin provided an update on the Non Potable Water system. All valves are operating properly, and the Water District is currently testing the system. Staff anticipate that the District will begin gradually blending its water with lake water and start billing for the water provided.

Mr. Anglin provided an update on current and future development in the City.

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

Mr. Anglin stated that Phase I of the study has already been completed in Ironwood, Meridian, and Baseline, and the focus will be on Phase II.

Ms. Latimer stated that the study will focus on five additional locations around the city to ensure that the sewer collection system can accommodate projected growth. Mr. Reynolds asked about the duration of the monitoring period. Ms. Latimer explained that the study is conducted at two distinct times: once in March, when winter visitors are present, and again in July, when they are not.

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

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

Mr. Tremonti requests that staff prepare a capacity forecast for the next 10 to 15 years, including an assessment of overall capacity needs.

Mr. Tremonti requests that the engineering firm provide the Board with the total cost for Phase 2. He also asks whether the District can self-finance the administration building. In addition, to determine WIFA's financing outlook for the next 4 to 5 years and whether they can fund the loan for Phase 2.

Ms. Waldron requested that staff provide her with the labor burden for all District employees during the budget work session.

**12. Adjournment.**

There being no further business, the meeting was adjourned at 9:39 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.	<i>Evna Schreider</i>	<i>Ryan LLC</i>
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