



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 Wednesday, April 22, 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 Gonzles – Collections 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 – GreenbergTraurig
Eric Streck – Archer Western Construction
Rob McCandless - Stantec
Trina Harrison – City of Apache Junction

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 and led the Pledge of Allegiance.

3. Request for authorization and approval for the District to consent to a Third 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, in substantially the form presented at this meeting.

Mr. Cassidy stated that agenda items #3 and #4 were not amended to assign indemnification. The reference to indemnification was carried over from the previous CFD amendments.

Ms. Waldron stated that Agenda Items 3 and 4 would be discussed concurrently; however, separate motions would be considered for each item.

Mr. Sakas provided an overview of the Community Facilities District agreements and discussed the proposed amendments. He explained the amendments included revisions relating to the tax rate threshold, assessment amounts per lot, and extension of reimbursement periods from ten to fifteen years for certain infrastructure improvements.

Mr. Cassidy clarified the District is not a direct party to the agreements but acts as a third party relative to the indemnification provisions.

There was additional discussion regarding assessed property values, legal descriptions, and the role of the County Assessor.

MOTION made by Mr. Reynolds to authorize and approve the District to consent to a Third 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, 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 and Chairperson Waldron.

No: (0): None

MOTION CARRIED

4. Request for authorization and approval for the District to consent to a First 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. 1 and D.R. Horton, Inc, in substantially the form presented at this meeting.

MOTION made by Mr. Reynolds to authorize and approve for the District to consent to a First 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. 1 and D.R. Horton, Inc., 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 and Chairperson Waldron.

No: (0): None

MOTION CARRIED

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

Ms. Latimer provided an overview of the 20-year flow analysis and current planning associated with the WRF Expansion. She also reviewed a scenario with higher than anticipated growth and its impact on flows.

Mr. McCandless discussed phasing assumptions developed from 2022 to present and reviewed projected treatment capacity through future expansion phases. He also discussed the option to maintain the current Biolac treatment plant in service as long as practical and economically feasible.

Mr. McCandless reviewed Phase 1 through Phase 4 improvements, which included additional membrane tanks, blower facilities, UV channels, solids thickening and dewatering improvements, and future headworks expansion.

There was additional discussion regarding current and future biosolids handling and disposal strategies, including potential impacts associated with future landfill availability and evolving operational requirements.

Mr. Anglin stated staff would further evaluate the impacts associated with future flows and phasing scenarios and provide financial information to the Board at a future meeting.

Mr. Tremonti requested the presentation materials be emailed to the Board of Directors.

6. Request for authorization and approval for the District to enter into an indemnification agreement with Archer Western Construction, LLC in substantially the form as presented.

Mr. Cassidy provided an overview of the indemnification agreement and stated both the District and Archer Western Construction, LLC had agreed to the proposed terms.

MOTION made by Mr. Reynolds to authorize and approve the District to enter into an indemnification agreement with Archer Western Construction, LLC in substantially the form as presented; seconded by Mr. Gage.

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

No: (0): None

MOTION CARRIED

7. Approval of the Minutes of the March 24, 2026 Regular Meeting.

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

8. Monthly Disclosure Report for March 2026.

[The Board recessed at 9:28 AM and reconvened at 9:35 AM].

Mr. Tremonti said that septage volumes appeared higher than levels observed during the previous two years. Mr. Drye stated the number of septage haulers that come to the District has increased. He also stated that septage is currently received from areas inside and outside the city including Mesa and Superior.

Mr. Anglin stated septage would no longer be accepted when the existing treatment facility is taken out of service.. Mr. Drye stated staff are currently operating at a 35,000-gallon per day limit and explained without that limitation, volumes could increase to 50,000 gallon per day due to the increase in septage haulers.

Mr. Starr asked about the potential impacts of increasing rates. Mr. Drye stated if rates are raised too high it could potentially result in increased illegal dumping into manholes. Mr. Starr inquired about penalties associated with illegal dumping. Mr. Anglin stated the District does not issue fines directly but instead reports violations to the Arizona Department of Environmental Quality (ADEQ), which may impose penalties.

The Board requested staff prepare public outreach information for the District's website and social media platforms regarding reporting illegal dumping activity.

Mr. Tremonti commented that the District is projecting approximately \$7 million in excess revenues over expenditures and noted the District's financial position remains strong.

9. Monthly Project Status Report for March 2026.

Mr. Anglin stated the dates reflected in red represented updated project schedule changes and noted the revisions primarily reflected changes in project sequencing rather than new delays.

Mr. Anglin stated the flocculation project priority had been adjusted with the contractor to accommodate other operational and project needs.

10. Discussion and update on the Solar Installation Project.

Mr. Anglin provided information regarding a bankruptcy notice received from Solon related to the solar installation project.

Mr. Cassidy discussed the Chapter 11 bankruptcy filing and explained potential outcomes associated with the contract. He stated the contractor may assume the contract and continue performance under the agreement. Mr. Cassidy also stated there are several factors still pending and noted a hearing was scheduled for the following week, which he planned to attend.

Mr. Cassidy stated that if necessary, the District should be able to proceed under the project performance bond. Mr. Anglin stated the contractor indicated work could begin in July pursuant to the contract schedule and stated the contractor continues proceeding with activities on their side of the project.

Mr. Reynolds asked whether the District had made any payments associated with the project. Mr. Anglin stated approximately \$316,000 had been paid.

11. District Manager's Report for March 2026.

Mr. Anglin stated Mayor Wilson participated in a public service announcement regarding biosolids filmed on plant site that was shared on the City's and District's social media

accounts. Ms. Waldron asked where the video could be viewed and requested the link be distributed to the Board Members.

Mr. Anglin discussed current opportunities for biosolids land application and noted that staff met with a speaker from the March Biosolids Symposium to discuss land applying the District's biosolids. He explained that the company would coordinate with participating farmers and manage delivery logistics. Mr. Anglin stated staff would like the Board's support to continue exploring the project.

Mr. Gage stated that during a prior attempt to pursue similar efforts, the District experienced issues associated with stockpiling biosolids due to insufficient disposal outlets. He also stated there are limits associated with storing waste onsite and requested staff review applicable Arizona Department of Environmental Quality (ADEQ) storage limitations and operational impacts. Mr. Anglin stated staff will review the limitations and report back to the Board.

Mr. Tremonti stated that, from an environmental standpoint, he was uncertain whether the risk would be advisable to undertake as there are too many unknowns with PFAS. Mr. Starr commented regarding PFAS impacts on agricultural operations and that studies are being performed to determine the impact on crops. Mr. Anglin stated that there are ongoing studies related to trees and crops; however, no substantial findings have been identified at this time.

Mr. Anglin provided an update regarding the ADEQ consent order and stated the matter has been closed.

Mr. Anglin recognized newly hired Collections staff members hired during March 2026. He also recognized Ms. Latimer for her 5 years of service with the District.

- 12. 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.

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

Board Member Starr requested staff research agrivoltaics opportunities.

The Board requested additional information regarding biosolids storage limitations, operational capacity associated with future biosolids management practices.

- 14. Adjournment.**

There being no further business, the meeting was adjourned at 10:15 AM.



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

Board of Directors
Regular Meeting & Work Session
Guest Sign-In

<u>Name</u>	<u>Representing</u>
1. <u>ZACH SAKAS</u>	<u>SPECIAL DISTRICT COUNSEL TO AJSD</u>
2. <u>ERIC Streh</u>	<u>ARCHER WESTERN</u>
3. <u>Rob Mcandrew</u>	<u>Stantec</u>
4. <u>TRINA HARRISON</u>	<u>COAJ</u>
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