



**SUPERSTITION MOUNTAINS COMMUNITY  
FACILITIES DISTRICT NO. 1**

**Meeting Minutes  
Board of Directors  
Regular Meeting**

**Meeting location:**  
5661 S Ironwood Drive  
Apache Junction, AZ 85120

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**Tuesday, September 29, 2020**

**8:00 AM**

**District Board Room**

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**PRESIDING:** Ms. Kathleen Waldron

**PRESENT:** Kathleen Waldron – Chairman (*in person*)  
Jim Reynolds – Vice Chairman (*via telephone*)  
Jesse Gage – Treasurer (*in person*)  
Terry Dunn – Secretary (*in person*)  
Phil Tremonti – Board Member (*in person*)

**Staff Present:** Darron Anglin – District Manager (*in person*)  
Andrea Dominguez – Business Services Supervisor (*in person*)  
James Drye – Operations Supervisor (*via telephone*)  
Paul Gonzales – Collection System Supervisor (*via telephone*)  
Kathy Huckfeldt – Executive Assistant (*in person*)  
Sue Sopko – Management Analyst (*in person*)  
Tonia Weinmann – Purchasing Officer (*via telephone*)  
Maria Zagar – Financial Services Supervisor (*in person*)

**Others Present:** Jason L. Cassidy – District Legal Counsel (*via telephone*)

**1. Call to Order.**

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

**2. Invocation and Pledge of Allegiance.**

Mr. Dunn gave the Invocation.

Mr. Gage led the Pledge of Allegiance.

**3. Approval of the Minutes of the August 25, 2020, 2020 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.

**4. Request to ratify payment of the invoices and the transfers presented as (a) Requisition No. 89 to the Operations and Maintenance Checking Account and (b) Requisition No. 89 to the Capital and Replacement Fund.**

There was discussion regarding the Ryley, Carlock and Applewhite invoice and charges related to review of the AzWARN Agreement.

Invoices received for various capital project expenses and status updates for those projects were discussed.

MOTION made by Mr. Tremonti to ratify payment of invoices and transfers as submitted to the Board consisting of Requisition No. 89 in the amount of \$7,494.00 to the Operations and Maintenance Checking Account; and Requisition No. 89 in the amount of \$18,243.65 to the Capital and Replacement Fund; seconded by Mr. Gage.

Yes (5): Board Member Reynolds, Board Member Gage, Board Member Dunn, Board Member Tremonti and Chairman Waldron

No (0): None

MOTION CARRIED

#### **5. Monthly Disclosure Report on Operations for August 2020.**

Effluent recharge revenue was discussed. Mr. Anglin stated that maintenance was done on one of the existing recharge basins which resulted in an increase to recharge for the month of August.

There was discussion regarding the impact of implementing a cap on daily septage flows to revenue. Mr. Anglin stated that since the limit was imposed septage flows had returned to normal and revenue had decreased accordingly.

Mr. Gage asked if aged receivables had increased due to disconnects not being done during the pandemic. Mr. Anglin stated that there had not been a significant impact considering that the District had not been doing disconnects since March.

Mr. Anglin stated that because revenue from connection fees was higher than budgeted, he would like to begin proposing some of the capital projects that had been put on hold at the beginning of the fiscal year.

The utilization of funds budgeted for repair and maintenance was discussed.

Mr. Tremonti stated that there was a large expenditure for training and asked what conferences were attended. Mr. Anglin stated that some staff had attended the Arizona Water Conference and plant operations staff had attended training for process improvement for the treatment plant.

#### **6. Monthly Capital Status Report for August 2020.**

Mr. Anglin stated that the final Underground Storage Facility and Water Storage permits had been received from the Arizona Department of Water Resources (ADWR) and that final inspection was pending. He further stated that once the inspection was complete the new recharge basins could be put into service.

Mr. Dunn stated that he would like to see some of the prior year projects completed, such as the material storage bays, that would improve the organization and appearance of the plant site.

Mr. Gage suggested that the budget process be revised in the future to budget capital expenditures after planning and design rather than estimating costs before a design is complete. There was discussion regarding when professional and design fees can be capitalized.

Status updates were provided for other capital projects including the District's 208 Plan update, aeration blower upgrades and the installation of the tertiary filter.

**7. District Manager's Report for August 2020.**

Mr. Anglin stated that, as discussed during Agenda Item 6, the District had received the final permits needed to complete the recharge expansion project from ADWR.

Mr. Anglin stated that Customer Service and Business Services had been merged and that Ms. Dominguez would supervise both areas. Additional staffing changes, including filling a vacant engineering position, were discussed.

Mr. Anglin stated that the District was invited to participate in a community service event helping the Superstition Community Food Bank distribute food to area residents, which will take place in October.

Mr. Anglin recognized Anna DePriest for achieving 1 year of employment with the District and stated that a service award had been presented to her in appreciation for her service.

Current and proposed development projects in the city were discussed.

**8. Authorization and approval of the District's proposed health insurance renewal with Blue Cross Blue Shield of Arizona for Plan Year beginning December 1, 2020.**

Ms. Huckfeldt stated that the proposed PPO plan structure did not include any changes and that the HSA plans included minor increases to the deductibles and out-of-pocket limits. She further stated that the overall premium increase for the proposed plans was modest at 4% therefore it was not proposed to consider other carriers for this renewal.

MOTION made by Mr. Dunn to authorize and approve the District's health insurance renewal with Blue Cross Blue Shield of Arizona for Plan Year beginning December 1, 2020 on the terms presented at this meeting; seconded by Mr. Reynolds.

Yes (5): Board Member Reynolds, Board Member Gage, Board Member Dunn, Board Member Tremonti and Chairman Waldron

No (0): None

MOTION CARRIED

**9. Request for authorization and approval to enter into a professional services agreement with Stantec Consulting Services, Inc. for treatment process optimization at a cost not to exceed \$65,000 to be paid from the Operations and Maintenance Checking Account.**

There was discussion regarding the advantages of having an outside consultant review the District's current processes and help determine areas for improvement that could result in more efficient and effective treatment. Mr. Anglin stated that the implementation of the recommended improvements could result in fewer plant upsets and faster recovery when those do occur.

Mr. Tremonti asked if this study would assist with five-year capital planning. Mr. Anglin stated that he believes it will help determine whether existing components are effective and should continue to be maintained and used or whether some components would need to be replaced with different technologies in the future.

MOTION made by Mr. Tremonti to authorize the District to enter into a professional services agreement with Stantec Consulting Services, Inc. for treatment process optimization at a cost not to exceed \$65,000 to be paid from the Operations and Maintenance Checking account; seconded by Mr. Gage.

Yes (5): Board Member Reynolds, Board Member Gage, Board Member Dunn, Board Member Tremonti and Chairman Waldron

No (0): None

MOTION CARRIED

**10. Discussion and approval of the District Manager's goals for Fiscal Year 2021.**

Mr. Anglin proposed to carry over some of his prior year goals that were still in process. He stated that some of these included updates to the District's 208 Plan and Master Plans and the five-year capital plan. He further stated that a proposal for the disposal of biosolids and evaluation of the future of the program, and review of the District's long-term storage credit agreements were also included in his goals.

[Mr. Reynolds left the meeting at 9:12 AM.]

Mr. Anglin stated that one of his strategic goals was to engage a financial consultant to review the District's long-range plan, revise the plan as necessary and ensure that valid assumptions have been made in planning for the future.

Completion of future improvements to increase the District's plant capacity was also discussed and included in Mr. Anglin's goals.

Mr. Anglin stated that his goals included the development of core values for the District and evaluation of staffing needs as the District grows.

Mr. Gage requested that a summary of the projects required to increase the plant capacity to 3.0 MGD be provided to the Board.

**11. Discussion and review of the results of network penetration testing and action as determined. The Board will first consider this matter in executive session that will not be open to the public, pursuant to Ariz. Rev. Stat. Ann. § 38-431.03.A.9.**

MOTION made by Mr. Gage to recess the regular meeting and reconvene in executive session to discuss results of network penetration testing, pursuant to Ariz. Rev. Stat. Ann. §38-431.03.A.9. and to discuss the District's biosolids composting program pursuant to Ariz. Rev. Stat. Ann. § 38 431.03.A.3; seconded by Mr. Dunn.

Yes (4): Board Member Gage, Board Member Dunn, Board Member Tremonti and Chairman Waldron

No (0): None

MOTION CARRIED

The regular meeting was recessed at 9:22 AM.

- 12. Discussion and update regarding the District's biosolids composting program. The Board will first consider this matter in executive session that will not be open to the public, pursuant to Ariz. Rev. Stat. Ann. § 38-431.03.A.3.**

The regular meeting was reconvened at 10:29 AM.

Ms. Waldron stated that Mr. Anglin would provide a plan for the disposal of the District's existing stockpile of biosolids compost, including timing and cost estimates at the next meeting.

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

The Board directed staff to include a status on the material storage bays on the next agenda.

- 14. Adjournment.**

There being no further business the meeting was adjourned at 10:31 AM.