



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

**Meeting Minutes
Board of Directors
Regular Meeting**

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

Phone: (480) 941-6767
Fax: (480) 671-3180
www.smcfcd.org

Tuesday, October 27, 2020

8:00 AM

District Board Room

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 (*via telephone*)
James Drye – Operations Supervisor (*in person*)
Paul Gonzales – Collection System Supervisor (*via telephone*)
Kathy Huckfeldt – Executive Assistant (*in person*)
Sue Sopko – Management Analyst (*in person*)
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 8:04 AM.

2. Invocation and Pledge of Allegiance.

Mr. Reynolds gave the Invocation.

Mr. Gage led the Pledge of Allegiance.

3. Discussion and update regarding reappointments to the Board of Directors.

Mr. Anglin stated that Ms. Waldron and Mr. Dunn were reappointed to the Board of Directors by the Apache Junction City Council.

4. Approval of the Minutes of the September 29, 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.

Mr. Gage requested that a finalized copy of the District Manager goals for Fiscal Year 2021, that were discussed at the September 29, 2020 meeting, be provided to the Board.

5. Request to ratify payment of the invoices and the transfers presented as (a) Requisition No. 90 to the Operations and Maintenance Checking Account and (b) Requisition No. 90 to the Capital and Replacement Fund.

There was discussion regarding the final costs for Phase 1 of the recently completed landscaping project and the budget for Phase 2. Mr. Anglin stated that some of the plants used were provided to the District by the City, from the required thinning of plant material located in the Focal Point.

The Board requested that staff evaluate whether purchasing additional shoring equipment would be more cost effective than renting equipment when needed.

MOTION made by Mr. Dunn to ratify payment of invoices and transfers as submitted to the Board consisting of Requisition No. 90 in the amount of \$5,627.08 to the Operations and Maintenance Checking Account; and Requisition No. 90 in the amount of \$8,976.82 to the Capital and Replacement Fund; seconded by Mr. Tremonti.

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

No (0): None

MOTION CARRIED

6. Monthly Disclosure Report on Operations for September 2020.

Effluent recharge revenue was discussed. Mr. Dunn asked about the difference between influent and effluent flows. Mr. Drye stated that the difference is approximately 100,000 gallons per day, due to evaporation and solids removal.

Several budget variances were discussed. Ms. Zagar explained that some categories of budgeted expenses are allocated equally throughout the year and the actual expenses are not always realized in the month they were budgeted.

7. Monthly Capital Status Report for September 2020.

Mr. Anglin provided updates on several capital improvement projects. Mr. Gage asked for an update regarding the difference between Phase 1 and Phase 2 of reclaimed water system improvements.

8. District Manager's Report for September 2020.

Mr. Anglin stated that the final permits required to authorize operation of the District's new recharge basins were issued, and in the first two weeks 100% of the District's effluent was recharged.

Mr. Anglin provided a summary of the AzWARN functional exercise and what it entailed. He stated that the exercise revealed some areas that should be reviewed, and updates needed to the District's Emergency Response Plan.

Mr. Anglin recognized James Drye for achieving 10 years of employment with the District and presented a service award to him in appreciation for his service.

Current and proposed development projects in the city were discussed.

9. **Recognition of the efforts of Financial Services staff which resulted in the issuance of the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for the fiscal year ended June 30, 2019.**

Mr. Anglin stated that the District had received the Certificate of Achievement for Excellence in Financial Reporting for the 10th consecutive year. He congratulated Ms. Zagar and her team and thanked them for their hard work.

10. **Authorization and approval of the District's proposed dental, short term disability, life and accidental death and dismemberment insurance renewal with Principal Financial Group for Plan Year beginning January 1, 2021.**

Ms. Huckfeldt stated that proposed premiums for the Principal renewal did not increase from the prior year.

MOTION made by Mr. Tremonti to authorize and approve the District's dental, short term disability, life and accidental death and dismemberment insurance renewal with Principal Financial Group for Plan Year beginning January 1, 2021 on the terms presented at this meeting; 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

11. **Authorization and approval of the District's proposed vision insurance renewal with VSP Vision for Plan Year beginning January 1, 2021.**

Ms. Huckfeldt stated that to provide fiscal certainty and stability during uncertain times VSP had extended their existing contracts for an additional two years with no rate increases.

MOTION made by Mr. Dunn to authorize and approve the District's vision insurance renewal with VSP Vision for Plan Year beginning January 1, 2021 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

12. **Discussion and update regarding the District's biosolids composting program, and action as determined.**

Mr. Anglin stated that the District proposed to dispose of the biosolids stockpile over the next 2 years. He further stated that he planned to provide a memo outlining the costs for disposal to the Board but that the District was still awaiting pricing from the landfill. He proposed to provide cost information, including transportation costs, at the next regular meeting.

13. Discussion and update regarding planning for State Land Development, and action as determined.

Mr. Anglin stated that the Arizona State Land Department had received 4 sealed bids for the parcel located to the south of the District's treatment facility. He further stated that a paddle auction would be scheduled for qualified bidders to participate in during the first part of November.

There was discussion regarding the potential use of community facilities districts by developers as a funding mechanism for the infrastructure required for a development of that size.

14. Discussion of agreements pertaining to the sale of long-term storage credits. 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.4.

MOTION made by Mr. Gage to recess the regular meeting and reconvene in executive session for the discussion of agreements pertaining to the sale of long-term storage credits pursuant to Ariz. Rev. Stat. Ann. § 38 431.03.A.4; seconded by Mr. Tremonti.

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

No (0): None

MOTION CARRIED

The regular meeting was recessed at 9:11 AM.

The regular meeting was reconvened at 9:45 AM.

Mr. Anglin stated that an attorney from Ryley, Carlock and Applewhite specializing in water law would attend an executive session on November 17, 2020 to discuss the market value of recharge credits. He further stated that the renewal of the District's existing agreements for the sale of long term storage credits would be proposed at the next meeting.

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

Mr. Tremonti requested a status of the updates to the District's master plans be included on the next meeting agenda.

Ms. Waldron requested that discussion of the performance of the District's investments in the Local Government Investment Pool also be added to the next agenda.

16. Adjournment.

There being no further business the meeting was adjourned at 9:48 AM.