



**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, November 17, 2020**

**8:30 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*)

**ABSENT:** Terry Dunn – Secretary  
Phil Tremonti – Board Member

**Staff Present:** Darron Anglin – District Manager (*in person*)  
Andrea Dominguez – Business Services Supervisor (*via telephone*)  
James Drye – Operations Supervisor (*via telephone*)  
Paul Gonzales – Collection System Supervisor (*via telephone*)  
Kathy Huckfeldt – Executive Assistant (*via telephone*)  
Sue Sopko – Management Analyst (*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 8:36 AM.

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

Ms. Waldron gave the Invocation.

Mr. Gage led the Pledge of Allegiance.

**3. Authorization and approval of an Intergovernmental Agreement (IGA) between the Superstition Mountains Community Facilities District No. 1 (SMCFD) and the Apache Junction Water Utilities Community Facilities District (WUCFD) for the sale of long term storage credits.**

Mr. Anglin stated that the IGA presented to the Board is the renewal of an agreement that the District has had for many years. He further stated that it is proposed to include a rate adjustment in the renewal to a more simplified Central Arizona Ground Water Replenishment District (CAGR) rate structure than the one currently being used.

There was discussion regarding whether it is in the District's best interest to continue to sell the recharge credits at the current rates. The Board requested that a provision that prevents the resale of credits purchased from the District be added to the agreement.

MOTION made by Mr. Reynolds to authorize and approve the execution of the Intergovernmental Agreement between the Superstition Mountains Community Facilities District No. 1 (SMCFD) and the Apache Junction Water Utilities Community Facilities District (WUCFD) for the sale of long term storage credits, in substantially the form presented at this meeting, the Board Chairman's execution of the agreement evidencing the District's approval of any changes from the form of the agreement presented at this meeting; seconded by Mr. Gage.

Yes (3): Board Member Reynolds, Board Member Gage and Chairman Waldron

No (0): None

MOTION CARRIED

**4. Authorization and approval of an Agreement between the Superstition Mountains Community Facilities District No. 1 (SMCFD) and Roadhaven Resort of Apache Junction Homeowner's Association (Roadhaven) for the sale of long term storage credits.**

Ms. Waldron asked if there had been any changes to the contract. Mr. Anglin stated the only change was the new rate structure discussed during Agenda Item 3. He further stated that the provision that prevents the resale of credits purchased from the District be added to this agreement as well as the WUCFD agreement.

MOTION made by Mr. Gage to authorize and approve the execution of the Intergovernmental Agreement between the Superstition Mountains Community Facilities District No. 1 (SMCFD) and Roadhaven Resort of Apache Junction Homeowner's Association (Roadhaven) for the sale of long term storage credits, in substantially the form presented at this meeting, the Board Chairman's execution of the agreement evidencing the District's approval of any changes from the form of the agreement presented at this meeting; seconded by Mr. Reynolds.

Yes (3): Board Member Reynolds, Board Member Gage and Chairman Waldron

No (0): None

MOTION CARRIED

**5. Authorization and approval of the District's general liability, cyber liability, terrorism, automobile, and errors and omissions insurance renewals beginning December 21, 2020.**

Ms. Huckfeldt stated that the proposed coverages included two new exclusions from prior years which were communicable diseases and pandemic/epidemic coverages.

Mr. Reynolds asked if the minor premium increases were due to claims. Ms. Huckfeldt stated that there were no claims during the prior year that affected the District's premiums, and that both automobile and cyber liability coverage have experienced market increases over the past couple of years.

There was discussion regarding whether coverage amounts were affected by changes in revenue.

Mr. Gage asked if the results of the District's recent network penetration test had been shared with the cyber liability carrier. Mr. Anglin stated that the report would be forwarded to Mr. Wilder with Lovitt & Touché to share with the carrier.

MOTION made by Mr. Gage to authorize and approve the District's general liability, cyber liability, terrorism, automobile, and errors and omissions insurance renewals beginning December 21, 2020 on the terms presented at this meeting; seconded by Mr. Reynolds.

Yes (3): Board Member Reynolds, Board Member Gage and Chairman Waldron

No (0): None

MOTION CARRIED

**6. Approval of the Minutes of the October 27, 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.

**7. Request to ratify payment of the invoices and the transfers presented as (a) Requisition No. 91 to the Operations and Maintenance Checking Account and (b) Requisition No. 91 to the Capital and Replacement Fund.**

Mr. Reynolds asked what project the invoice from Arizona Metro Mix was associated with. Mr. Anglin stated that the invoice was for slurry backfill for a sewer main extension that was installed in a city street.

Mr. Reynolds also stated that it would be helpful for quantities to be included on invoices such as the Sunland Asphalt invoice. Mr. Anglin stated that the quantities are included on the estimates received by the Purchasing Department.

Mr. Gage asked if staff was evaluating whether purchasing additional shoring equipment would be more cost effective than renting equipment when needed. Mr. Anglin stated that it was being evaluated.

MOTION made by Mr. Reynolds to ratify payment of invoices and transfers as submitted to the Board consisting of Requisition No. 91 in the amount of \$14,276.00 to the Operations and Maintenance Checking Account; and Requisition No. 91 in the amount of \$19,106.34 to the Capital and Replacement Fund; seconded by Mr. Gage.

Yes (3): Board Member Reynolds, Board Member Gage and Chairman Waldron

No (0): None

MOTION CARRIED

**8. Monthly Disclosure Report on Operations for October 2020.**

Mr. Anglin stated that the new recharge basins were in service and were performing well. He further stated that, had they been in service for the full month, 100% recharge would have been achieved. He added that only two of the four new basins were in use at a time and successfully recharging all of the District's effluent.

Mr. Gage asked if any septage haulers had been turned away since limiting the amount of septage the District would accept daily. Mr. Drye stated that while capacity had been reached, haulers have been good about calling ahead to check capacity, so no one had shown up and been denied.

Mr. Anglin stated that 85 RV Park permits had been issued during the month of October which increased revenue for the month.

**9. Monthly Capital Status Report for October 2020.**

Mr. Anglin stated that no detail had been provided because an updated format for the report was in process and would be presented at the next meeting. He stated that the contractor selected for the installation of the tertiary filter was onsite and the project was underway.

Mr. Anglin stated that the Pinal County Housing Department had requested to connect a multi-family housing project to be located near the intersection of Tomahawk Road and Broadway Avenue. He stated that currently the connection would require a pump station to cross the wash in that area. He explained that an alternative solution to the pump station would be to increase the length of sewer main extension that was planned near Tomahawk Road and Old West Highway to allow the project to connect without installing a pump station. He stated that this alternative would benefit both the housing department and the District.

**10. District Manager's Report for October 2020.**

Mr. Anglin stated that the Arizona State Land Department held an auction on November 4<sup>th</sup> for the sale of 2,783 acres of land. He stated that there were four qualified bidders and that the winning bid was submitted by DR Horton for \$245,500,000. He said that he had attended an introductory meeting with the developer and that regular meetings were scheduled to begin planning for the new development.

There was discussion regarding the formation of a community facilities district that would be the funding mechanism for some of the infrastructure costs associated with a development of that size. Mr. Anglin stated that the developer and the City of Apache Junction would enter into a development agreement and that the District would enter into a separate agreement with the City rather than with the developer directly.

There was discussion related to the timing of the District's 208 Plan amendment which would expand the service area to include the purchased State Land.

Mr. Anglin stated that drafts of the Wastewater Treatment Facility and Wastewater Collection System Master Plan revisions had been received from Stantec and were under review. He further stated that the initial presentation by Stantec would be scheduled for the December regular meeting.

Mr. Anglin welcomed new staff members Alex Pacheco and Robert Gallup to the District as Collection System Technicians.

Current and proposed development projects in the city were discussed. The District's specifications and requirements for pump stations designed and installed by a developer were also discussed.

**11. Discussion and review of the performance of the District's investments in the Local Government Investment Pool (LGIP), and action as determined.**

Ms. Zagar summarized the performance of the pool the District's funds were invested in and stated that it was the safest investment option for the District.

There was discussion regarding whether investment in any of the other available investment pools would yield greater earnings for the District. Ms. Zagar stated that because the current pool does not risk any of the principal investment it is the best option for the District. The Board agreed with Ms. Zagar's recommendation.

**12. Discussion and review of the District's rates, fees and charges, and action as determined.**

Mr. Anglin stated that the District's current design review fees are suitable for a small single family subdivision but are not sufficient for a master planned community. He stated that in the coming months a mid-year change to the District's rates, fees and charges would be proposed to more appropriately address the design review fees for a large scale development.

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

Mr. Anglin stated that the District is still awaiting pricing for the disposal of the District's biosolids stockpile from the landfill.

**14. Discussion and scheduling of 2021 regular meetings and work sessions of the Board of Directors, and action as determined.**

There was discussion regarding the January 2021 work session to be held for strategic and long range planning and whether a regular meeting was necessary. Mr. Anglin stated that any regular business could be held for discussion at the February 2021 regular meeting.

MOTION made by Mr. Gage to approve the 2021 Board of Directors meeting schedule and the Notice of Regular Meetings in substantially the form presented at this meeting; seconded by Mr. Reynolds.

Yes (3): Board Member Reynolds, Board Member Gage and Chairman Waldron

No (0): None

MOTION CARRIED

**15. 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 be put on a future agenda. Members of the Board may respond to matters raised as permitted by Arizona Revised Statutes § 38-431.01.H.**

No one from the public appeared.

[Mr. Reynolds' call was dropped at approximately 9:41 AM. No business was conducted in the absence of a quorum of the Board of Directors.]

[Mr. Reynolds returned to the meeting at 9:44 AM.]

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

There were no items added to the next agenda by the Board of Directors.

**16. Adjournment.**

There being no further business the meeting was adjourned at 9:44 AM.