

Blue Ridge Domestic Water Improvement District (BRDWID)
Regular Open Zoom Meeting Minutes
Starlight Pines Community Center, 2740 Arapaho Drive, Happy Jack, AZ
September 26, 2020
9:00 a.m. – Regular Session

1. Call to order and roll call

Present: Board Members John Ritter, Sue Davis, and Ronald Krug were present in person, and Jack Beale III was present by phone.

Absent: Jeremy Westhall was absent.

Also Present: Steve Wene, Esq., Bill Patterson, Conrad Davis, Kathy Ritter, Brian Birtwistle, and others unannounced were present via Zoom Meeting technology; Patricia Birtwistle, Zoom Meeting technician, was present in person.

John Ritter called the first Open Meeting of the Board of Directors to order at 9:02 a.m. and determined that four of five board members present constituted a quorum to do business and amended Regular Agenda Item 6 by adding G. Resignation and Appointment.

2. Call to the Public for Items not on the Agenda

No attendees requested to speak.

3. Manager's Report.

No report

4. Consent Agenda Items

None scheduled

5. Executive Session Items.

None scheduled

6. Regular Agenda Items.

A. Swear-in Board members

Steve Wene, Esq., administered the Oath of Office as follows:

I, John Ritter, Sue Davis, Ronald Krug, and Jack Beale III, do solemnly swear (or affirm) that I will support the Constitution of the United States and the Constitution and laws of the state of Arizona; that I will bear true faith and allegiance to the same, and defend them against all enemies, foreign and domestic, and that I will faithfully and impartially discharge the duties of the office of Board Member of the District according to the best of my ability, so help me God (or so I do affirm).

The four Board Members took the Oath of Office and pledged to sign and return the Oath to John Ritter who would send all four signed Oaths of Office to the Clerk of the Coconino County Board of Supervisors.

B. Board Terms and Officers

1. Board Terms

The Board reviewed ARS 48-1012, B that states: *Immediately after the selection and qualification of the first directors of the board, the directors shall meet and divide themselves by lot into two classes as nearly equal in number as possible. Directors of the first class shall serve for a term of four years, and directors of the second class shall serve for a term of two years.*

Sue Davis and Ronald Krug volunteered to serve two-year terms. John Ritter and Jack Beale III agreed to serve four-year terms.

Motion: Approve Board members John Ritter and Jack Beale III as four-year class one terms and Ronald Krug and Sue Davis as two-year class two terms, John Ritter will report the names of class one and class two directors to the Clerk of the Coconino County Board of Supervisors **Action:** approve, **Moved by:** Board Member Sue Davis, **Seconded by:** Board Member John Ritter. The motion passed unanimously.

2. Board Officers

a. Chairperson

John Ritter referenced ARS 48-1012, D that the board of directors shall annually elect a chairperson from among its members to conduct meetings, ensure compliance with state regulations, and make known the Chairperson's mailing address. Sue Davis nominated John Ritter for a one-year term as Chairperson. Ron Krug seconded the nomination.

Motion: Approve Board Member John Ritter as Board Chairperson for one year with mailing address of PO Box 19656, Happy Jack, AZ 86024-0656, John Ritter will send the Chairperson's name and address to the Clerk of the Coconino County Board of Supervisors. **Action:** approve, **Moved by:** Board Member Sue Davis, **Seconded by:** Board Member Ronald Krug. The motion passed unanimously.

b. Clerk

John Ritter referenced ARS 48-1011, 1: "*Clerk*" means the person appointed by the board of directors to act as the clerk for the district and to perform the duties of the clerk pursuant to this chapter. The board shall establish and make known an office and mailing address for the clerk. The Clerk creates and posts meeting minutes and communicates with the public. John Ritter commented that a Fire District board member was also the clerk of the Fire District Board. Sue Davis volunteered to be the clerk of for the water district. John Ritter nominated Sue Davis as Clerk of the Water District. Ronald Krug seconded the nomination.

Motion: Approve Board Member Sue Davis as Clerk for the Water District; approve the Clerk's office and mailing address as 3434 Starlight Drive, Happy Jack, AZ 86024-8028. John Ritter will send the Chairperson's name and address to the Clerk of the Coconino County Board of Supervisors. **Action:** approve, **Moved by:** Board Member John Ritter, **Seconded by:** Board Member Ronald Krug. The motion passed unanimously.

C. Discuss and possibly hire District manager, staff, and legal counsel.

1. District Manager and Staff

John Ritter distributed a draft BRDWID Org Chart that included a description of the board's duties to govern, provide direction to managers, make policy, approve a budget, make rate decisions, create 5-year strategic plans and 10-year timelines and hire Operation and Field Managers that answer to the board. The Operations Manager is responsible for billing, accounting, scheduling water tests, compliance with ADEQ requirements, and dealing with the public. Field managers are responsible for day to day operations, repairing leaks, servicing valves, ensuring well houses are locked and operational, keeping generator tanks full of fuel, taking water samples to be tested, turning water service on or off as needed, and reading the meters monthly. Starlight Water Co. currently has a service agreement with Southwestern Utility Management to act as the operator of Starlight Water. Southwestern Utility Management hires the Field Manager. Ronald Krug wanted to know what Southwest Utility Management currently did and what they get paid.

Motion: Ask Starlight Water Company for its current contract with Southwestern Utility Management for discussion at the next meeting, **Action:** approve, **Moved by:** Board Member Ronald Krug, **Seconded by:** Board Member John Ritter. The motion passed unanimously.

2. Legal Counsel

John Ritter stated that the Blue Ridge Domestic Water Improvement District board would need legal counsel when negotiating the purchase of Starlight Water Co. John Ritter, Ronald Krug, Sue Davis, and Jack Beale concurred to discuss this issue at the next meeting.

D. Discuss proposed transfer of assets from Starlight Water Company to the District and authorize a representative to negotiate agreement.

John Ritter initiated a discussion with the Board about Starlight Water's Asset Management Reports for Starlight Pines, Tamarron Pines, Pine Canyon, and Starlight Pines Ranchettes, and Starlight Water's Inventory List. The Board discussed their need to authorize one or a team of representatives to negotiate the proposed transfer of assets from the Starlight Water Co. to the Blue Ridge Domestic Water Improvement District.

Motion: Authorize Chairperson John Ritter as the representative to negotiate an agreement to the proposed transfer of assets from the Starlight Water Co. to the Water District, **Action:** approve, **Moved by:** Board Member Sue Davis, **Seconded by:** Board Member Ronald Krug. The motion passed unanimously.

E. Discuss and possibly authorize a Board member or staff to contact federal and state government re identification numbers and related financial matters and voting law compliance

Sue Davis reported that she would contact the IRS to see if the Blue Ridge Domestic Water Improvement District can use the Blue Ridge Water District tax ID number (TIN). If not, she will cancel the old TIN and apply for a new TIN for the Blue Ridge Domestic Water Improvement District. John Ritter will contact Coconino County to see how to coordinate Water District Board elections with the Coconino County election cycle and the Water Infrastructure Finance Authority of Arizona (WIFA).

Motion: Sue Davis will obtain a new TIN if needed and John Ritter will contact Coconino County to see how to coordinate Water District Board elections with the Coconino County election cycle and WIFA of Arizona, **Action:** approve, **Moved by:** Board Member Ronald Krug, **Seconded by:** Board Member Jack Beal III. The motion passed unanimously.

F. Discuss and possibly authorize establishing a District bank account for operations

John Ritter will contact the Blue Ridge Water District bank to see how to roll existing funds into a new Water District account.

Motion: John Ritter will open a new bank account and transfer funds as needed, **Action:** approve, **Moved by:** Board Member Ronald Krug, **Seconded by:** Board Member Jack Beal III. The motion passed unanimously.

G. Resignation and Appointment

Resignation

1. Board Member Resignation

John Ritter read an email from Board Member Jeremy Westhall stating that he was resigning. John referenced ARS 48-1012, C, that states: ... *If there is a vacancy in the district board due to resignation, the district board shall accept the resignation....*

Motion: Accept Jeremy Westhall's resignation and send board's acceptance of resignation to the Clerk of the Coconino County Board of Supervisors, **Action:** approve, **Moved by:** Board Member Sue Davis, **Seconded by:** Board Member Ronald Krug. The motion passed unanimously.

2. Board Member Appointment

John Ritter referenced ARS 48-1012, C, that states: ... [the district board shall] *appoint a qualified elector to fill the remaining portion of that term.*

John Ritter and Sue Davis recalled that the intent of the Petition was to create a District board composed of district property owners who were qualified electors in Arizona and represented the six Blue Ridge communities in the District. Attorney Steve Wene suggested that the board advertise the vacant position, accept applications from qualified property owners, interview applicants and appoint a replacement at the next or future board meeting,

Motion: Board will advertise the vacant position, receive applications from property owners in the District who are qualified voters in Arizona, interview applicants at the next board meeting and appoint a replacement at the next or future board meeting, **Action:** approve, **Moved by:** Board Member John Ritter, **Seconded by:** Ronald Krug. The Motion passed unanimously.

7. Announcements.

A. Future meeting dates.

Next meeting will be on October 24, 2020, at 9:00 a.m. at the Starlight Pines Community Center.

B. Future Board agenda items.

Starlight Water Co. current Southwestern Utility Management, Inc., Agreement
Legal Counsel

Appointment of replacement board member
Tax ID Number
Bank Account(s)
Water Infrastructure Finance Authority (WIFA) of Arizona

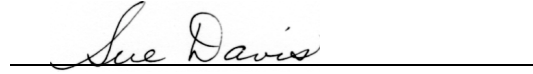
8. Adjournment.

There being no further business, Chairperson John Ritter adjourned the meeting at 10:13 a.m.

Blue Ridge Domestic Water Improvement District



John Ritter, Chairperson
Blue Ridge Domestic Water Improvement District



Sue Davis, Clerk
Blue Ridge Domestic Water Improvement District

Dated: October 24, 2020