

Blue Ridge Domestic Water Improvement District (BRDWID)
Regular Open Public Meeting Minutes
July 17, 2021, at 9:00 a.m.
Starlight Pines Community Center, 2740 Arapaho Drive, Happy Jack, AZ 86024
Call-in number: 630-424-4734; Toll free 800-920-7487, Pin 76217278

1. Call to order, Roll Call, and Quorum

Chairperson John Ritter called the Open Board of Directors Meeting to order at 9:00 a.m.

Board Members Present: John Ritter, Ronald Krug, Sue Davis, and Paul Schmidt were present in person, and Mike Bourne was present by telephone.

Board Members Absent: None

Quorum: Chairperson John Ritter determined that five of five Board Members present constituted a quorum to conduct business.

Others Present in Person per Attendance Sign-In Sheets:

Ron Krug, BRE Lots 141, 142, 143, 144, 166	Vickie Taylor, SP Lot 505
Dave Wang, PC Lot 80	Berdie Nally, SP Lot 41
John Ritter, SPR Lot 88	Steve Yeary, SP Lot 351
Dave & Suzi Janecke, SP Lot 409	Jeanie & Keith Greiner, SPR Lot 70
ML Colbert, SP Lot 410	Bruce & Melinda Wetherby, SP Lot 143
Caroline & Ray Weimer, SP Lot 148	Amy & Jay Ganske, SPR Lot 705
Dave & Susie Lutz, SP Lot 341	Randy & Susan Wood, SPR Lot 34
Laird & Jeri Mason, SP Lot 342	Sue Davis, SP Lots 352, 353
Darrell Williams, SP Lot 99	Maria Caballero, BRE Lot 71
Dave Ihns, SP Lot 556	Kevin & Lee-Ann McCoy, SP Lot 213
Ron Schuster, SP Lot 564	Mr. & Mrs. Bryce Berryman, SP Lot 417

2. Accept Meeting Agenda as presented

Motion: Accept Agenda as presented at the meeting. **Action:** Approve. **Moved by** Ronald Krug **Seconded by** John Ritter. **The Motion passed unanimously.**

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

No Members present addressed the Board regarding Items not on the Agenda.

4. Consent Agenda Item

A. Motion: Approve Draft June 19, 2021, Open Meeting Minutes as presented. **Moved by** Sue Davis. **Seconded by** John Ritter. **The Motion passed unanimously.**

5. Executive Session Items as set forth in A.R.S. §38-431.03.A.

The Board had no items for Executive Session.

6. Regular Agenda Items.

A. Discuss status of BRDWID offer to purchase the Starlight Water Company, Inc.

Motion: To Discuss. **Action:** Approve Motion to Discuss. **Moved by** John Ritter. **Seconded by** Sue Davis. **Motion passed unanimously.**

John Ritter reported that he had received, from Starlight Water Co. (SWC), a draft Asset Purchase Agreement and Escrow Instructions between SWC, an Arizona Corporation, as Seller and Blue Ridge Domestic Water Improvement District, a political subdivision of the State of Arizona, as Buyer. John Ritter had sent a copy to Board members for review. SWC attorney Steve Wene had promised to send the other documents attached to the Agreement soon, but John Ritter had yet to receive them. The District must have all of the documents in order to perform a legal review of the Agreement and its attachments to make sure everything was in order. Ownership transition would probably occur in October. The Arizona Corporation Commission had to approve the sale of Starlight Water to

BRDWID. The Board accepted the incomplete “draft Agreement” by consensus while waiting for the attachments and Agreement details. BRDWID attorney Riley Snow would send a request for Agreement attachments and details to SWC.

B. Working Group Report on Job Descriptions

Motion: To Discuss. **Action:** Approve. **Moved by** Sue Davis. **Seconded by** Paul Schmidt.

The Motion passed unanimously.

Working Group members Paul Schmidt and Mike Bourne reported their findings to the Board. Paul presented job descriptions for a full-time General Operations Manager and a full-time Field Operations Technician based upon those of other Domestic Water Improvement Districts (DWIDs). Mike Bourne (on the phone) explained the scope of practice and other details of the jobs and emphasized that the Field Operations Technician must be a local employee or contractor to meet the required response time. While the General Operations Manager could be remote, a local resident would be preferred. Paul and Mike believed that the Manager and Operator positions were ready for posting.

Motion: To Approve. **Action:** Approve and post job descriptions on the website and in local newspapers **Moved by** Sue Davis. **Seconded by** Ronald Krug. **The Motion passed unanimously** John Ritter reported that the General Operations Manager and the Field Operations Technician Vacancy Announcements would be posted on the BRDWID website and in the *Payson Roundup* and *Arizona Daily Sun*.

C. Discuss how to expand the BRDWID customer/district member contact base

Motion: To discuss increasing customer/district contact base. **Action:** Approve. **Moved by** John Ritter. **Seconded by** Sue Davis. **The Motion passed unanimously**

John Ritter presented the following BRDWID statement to be added to the SWC water bill sent to current SWC customers and to be posted on the BRDWID website.

The Blue Ridge Domestic Water Improvement District (BRDWID) is in the process of purchasing the assets of the Starlight Water Company, Inc., in the Blue Ridge area of Arizona. For information about the BRDWID and how this purchase will affect you, please visit the website at <brdwid.org> and sign up as a “subscriber” to receive updates.

Motion: To Approve. **Action:** To increase the customer/member contact base, ask SWUM to add a statement to the current customer water bills and also post the statement on the BRDWID website **Moved by** Sue Davis. **Seconded by:** Ronald Krug. **The Motion passed unanimously**

John Ritter reported that Southwestern Utility Management, Inc. (SWUM), had agreed to add this statement to their customer billing invoices once the new BRDWID<-->SWUM Agreement was approved and signed.

Board members began discussing eligibility to (1) hold a BRDWID Board of Directors Office and (2) vote for the members of the BRDWID Board of Directors. John Ritter noted that this issue was not on the Meeting Agenda and that the Board lacked expertise to interpret correctly the *Arizona Revised Statutes*. John Ritter would refer the issue to BRDWID attorney Riley Snow, the Coconino County Elections Office, and the Arizona Secretary of State for their opinions.

Mike Bourne reminded the Board that he had shared by email his BRDWID Overview presentation with the Board and at a meeting of members of the Pine Canyon HOA.

Motion: To Approve. **Action:** To add Mike Bourne’s PowerPoint BRDWID Overview Presentation to the BRDWID website **Moved by** Mike Bourne. **Seconded by** Paul Schmidt. **The Motion passed unanimously**

D. Discuss Budget/Rate Adjustment

Motion: To Discuss. **Action:** Approve. **Moved by** Sue Davis. **Seconded by:** Paul Schmidt. **The Motion passed unanimously.**

Rate Adjustment

John Ritter explained that the Board had discussed proposed water rate increases in previous meetings so that members and customers would understand the direction the Board was taking: to pay for maintenance and repair through water rate adjustments and not through property taxes. The last Starlight Water Co. water rate increase was in 2003, eighteen years ago. Next year the state of Arizona would be mandating progressive water rates to encourage people to conserve water. Based on the District's rate adjustment proposal, eighty-six percent (86%) of customers will see a \$13.00 to \$16.00 monthly increase. Customers who use over 5,000 gallons of water per month will see about a seventy-eight percent (78%) increase in cost per month. All residential water users will pay the same rate for water. Water Districts were required to discuss water rate adjustments in a public hearing so that the public could voice their opinions to the Board about proposed rate adjustments. An August 7, 2021 rate hearing date would be beneficial for the Board.

Budget Discussion

Mike Bourne and Paul Schmidt reported that they had distributed a DRAFT BRDWID Budget to the Board based on information provided by the Starlight Water Co. and the BRDWID proposed water rate adjustments. The Board discussed the DRAFT Budget and asked questions. Mike Bourne and Paul Schmidt reported that the Budget was still being worked on but did include from the start a \$110,000 reserve fund to cover unexpected repairs and other costs.

E. Discuss process for accepting new District members and allowing Members to leave the District.

Motion: To Discuss. **Action:** Approve. **Moved by** John Ritter. **Seconded by** Sue Davis. **The Motion passed unanimously.**

The Board agreed by consensus that a formal process to accept new members into the District and allow Members to leave the District was needed and would be implemented, probably at 12-month intervals. Final costs to members leaving or joining the District would be posted on the website along with a formal petition to submit to do so.

7. Announcements.

A. Future Hearing and meeting dates.

1. **Motion:** To set the BRDWID Water Rate Adjustment Hearing for Saturday, August 7, 2021, at 9:00 a.m. at the Starlight Pines Community Center, 2740 Arapaho Drive, Happy Jack, AZ. **Action:** Approve. **Moved by** John Ritter. **Seconded by** Sue Davis. **The Motion passed unanimously.**
2. **Motion:** To set the next meeting date for Saturday, August 21, 2021, at 9:00 a.m. at the Starlight Pines Community Center, 2740 Arapaho Drive, Happy Jack, AZ. **Action:** Approve. **Moved by** John Ritter. **Seconded by** Sue Davis. **The Motion passed unanimously.**

B. Future Board agenda items.

- 6A Discuss status of BRDWID offer to purchase the Starlight Water Company, Inc.
- 6B Elector issues: who can run and who can vote for BRDWID board members
- 6C Budget/Rate approval
- 6D Process for accepting new members or allowing others to leave
- 6E Southwestern Utility Management contract proposal

8. Adjournment.

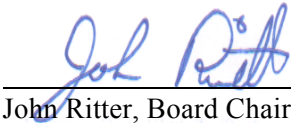
Motion: To Adjourn the Meeting **Action:** To Approve: **Moved by** John Ritter **Seconded by** Ronald Krug **The Motion passed unanimously.**

Chairperson John Ritter adjourned the meeting at 10:16 a.m.



Sue Davis, Board Secretary and Clerk
Blue Ridge Domestic Water Improvement District

Prepared on: July 26, 2021



John Ritter, Board Chairperson
Blue Ridge Domestic Water Improvement District

Board Approved on: August 21, 2021