

Blue Ridge Domestic Water Improvement District (BRDWID)
Regular Open Meeting Minutes
June 5, 2021
9:00 a.m. – Regular Session
Starlight Pines Community Center
2740 Arapaho Drive, Happy Jack, AZ 86024

1. Call to order, Roll Call, and Quorum

Chairperson John Ritter called the Open Meeting of the Board of Directors to order at 9:02 a.m.

Board Members Present: John Ritter, Sue Davis, Ronald Krug, Paul Schmidt, and Mike Bourne

Board Members Absent: None.

Others Present on Attendance Sign-In Sheet:

David Wang, Pine Canyon Lot 80	Conrad Davis, Starlight Pines Lots 352 & 353
Allen Hatfield, Starlight Pines Lot 60	Darrell Williams, Starlight Pines Lot 99
Darryl Gibson, Starlight Pines Lot 107	Steve Leslie, Starlight Pines Lot 276
Jeannie & Keith Greiner, Starlight Pines Ranchettes Lot 70	William E. Harris, Starlight Pines Lot 297
Nick Scout, Blue Ridge Estates, Lot 149	Richard Holdsworth, Starlight Pines Lot 400
Joe Graham, Starlight Pines Lot 2	Don Wetter, Starlight Pines Lot 608
Patricia Birtwistle, Starlight Pines Lot 279	Maya Coffey, Starlight Pines Lot 93
Dan Goodwin, Starlight Pines Lot 408	John & Patty Motley, Starlight Pines Lot 427
Rik Richter, Starlight Pines Ranchettes Lot 47	Kevin & Lee Ann McCoy, Starlight Pines Lot 213
Ernie Johnson, Starlight Pines Lot 540	Bryan Graham, Starlight Pines Ranchettes Lot 101

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

2. Accept Agenda as Amended by adding Item F “Zoom Meetings” under Agenda Item 6

Motion: Accept Agenda as Amended. **Action:** Approve. **Moved by:** Board Member Sue Davis.

Seconded by: Board Member Mike Bourne.

The Motion passed unanimously.

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

John Ritter reported that the Board had received an email from District Member Matthew Porter, Owner of Starlight Pines Ranchettes Lot 10, requesting that his email be read into the record during the Call to the Public. John Ritter read the email into the record as follows:

Dear Board Members - As stated in the Coconino County Board of Supervisors Special Session and Public Hearing, June 29, 2020, many, if not most, residents of Starlight Pines Ranchettes are not permanent residents of the community. Many, if not most, are either investment properties or secondary homes. As such, I petition the board to provide means that non-permanent residents may attend remotely, via Zoom, Goto Meeting, Webex etc. This has been done in the past and worked fairly well. Why not for this meeting? As a property owner and member of the water district, I have a vested interest in the discussion during board meetings. By not providing means to attend remotely, as was done in the not so distant past, this may be viewed as exclusionary and making it more difficult for those that don't live in the area full time. Further and more extreme, this may be seen as discriminatory. Again, please consider allowing non-permanent residents to attend remotely using technology used in the past. This builds the sense of community and participation that a water district can promote, making more people want to be a part. Another, secondary, idea would be to record the audio of the session and publish the full recording to members of the district the same or following day. This ensures that all have access to ALL conversation instead of the abbreviated minutes. Thank you for your time.
Matthew Porter, Starlight Pines Ranchettes Lot 10

4. Consent Agenda Items

Motion: Approve Consent Agenda Items **Action:** Approve **Moved by:** Board Member Sue Davis
Seconded by: Board Member John Ritter.

The Motion passed unanimously.

A. Approve April 24, 2021, Draft Open Meeting Minutes

Motion: Approve April 24, 2021, Open Zoom Meeting Minutes. **Action:** Approve. **Moved by:** Board Member Sue Davis. **Seconded by:** Board Member Ronald Krug.

The Motion passed unanimously.

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

The Board did not move into Executive Session.

6. Regular Agenda Items.

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

Motion: To Discuss. **Action:** Approve. **Moved by:** Board Member Ronald Krug. **Seconded by:** Board Member Paul Schmidt.

The Motion passed unanimously.

The Starlight Water Co. has verbally accepted BRDWID's offer to purchase the Starlight Water Co. Starlight Water is working with their legal and financial teams to prepare accurate documents of the sale.

Bill Williams asked: Can you disclose the purchase price?

John Ritter replied: The BRDWID signed a binding nondisclosure agreement in August 2018 and cannot disclose specified proprietary information regarding the sale until the sale is final. For example Starlight Water has a number of subcontracts that will be turned over to the BRDWID such as pipelines that travel over forest service land. The details in those subcontracts must be accurate. The sale agreement will be finalized in one or two weeks but the actual transfer of operational ownership probably wouldn't be until October 2021 which would give the BRDWID Board necessary time to plan and organize.

B. Discuss status of WIFA of Arizona loan and general assistance available to the District

Motion: To Discuss. **Action:** Approve. **Moved by:** Board Member Sue Davis. **Seconded by:** Board Member John Ritter.

The Motion passed unanimously

John Ritter reported that the BRDWID loan with WIFA of Arizona had closed yesterday, June 5, 2021. The interest rate is just south of 2% for a 20-year loan of \$2.9 million. Because BRDWID is a rural water district, WIFA of Arizona is writing off \$400,00 of the principal. WIFA funds are a blend of federal and state money. The loan covers the purchase and installation of water meters that will be capable of remote reading no matter what the weather is. BRDWID plans to phase in the water meter upgrades over four years.

Paul Schmidt added that the Pine Strawberry DWID is very pleased with the performance of the electric water meters they have installed.

C. Discuss/Assign Officer positions of the BRDWID Board of Directors

Motion: To Discuss. **Action:** Approve. **Moved by:** Board Member Mike Bourne. **Seconded by:** Board Member Ronald Krug.

The Motion passed unanimously.

Motion: To create official BRDWID Board positions of Chairperson, Vice Chairperson, Secretary, and Treasurer. **Action:** Approve. **Moved by:** Board Member Sue Davis. **Seconded by:** John Ritter

The Motion passed unanimously.

John Ritter recalled that in previous meetings Ronald Krug had identified the four major officer positions on a Board of Directors as Chair, Vice Chair, Secretary, and Treasurer. He added that the tasks of Officers of a DWID Board of Directors are described in the WIFA of Arizona loan documents.

John Ritter volunteered to continue as Chair. Ronald Krug volunteered to serve as Vice Chair. Sue Davis volunteered to continue to serve as Secretary. Mike Bourne volunteered to serve as Treasurer.

Motion: To create official Board positions of Chair, Vice Chair, Secretary, and Treasurer. **Action:** Approve. **Moved by:** Board Member Sue Davis. **Seconded by:** Board Member Paul Schmidt.

The Motion passed unanimously.

D. Discuss the revised contract proposal from Southwestern Utility Management, Inc.

Motion: To Discuss. **Action:** Approve. **Moved by:** Board Member Sue Davis. **Seconded by:** Board Member John Ritter.

The Motion passed unanimously.

John Ritter reported that the Scope of Service offered by Southwestern Utility Management in their revised Service Agreement lacked necessary administrative components such as supervision of field staff. Whereas the Owners of the Starlight Water Co. as owners had the right to perform hands on tasks like directly supervising field staff and writing checks, the BRDWID Board intends be a Board that oversees management. Southwestern Utility will provide an undated Scope of Service Agreement soon.

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

Motion: To Discuss. **Action:** Approve. **Moved by:** Board Member Ronald Krug. **Seconded by:** Board Member Sue Davis.

The Motion passed unanimously.

Board Member Paul Schmidt reported on his conversations about opting out or in with three other DWIDs in Coconino County: Forest Lakes DWID, Kachina Village DWID, and Majestic View DWID. All three had 100% of their property owners as members in their Districts and believed that a DWID had authority to decide on an opting in or out policy and that property owners should bear the cost of opting in or out. Coconino County Attorney Rose Winkler said the County creates the DWID, but it is up to the DWID Board and the DWID's legal advisors to establish opt in and opt out policies. John Ritter reported that the BRDWID map maker would be willing to update the BRDWID maps for a few hours of work at an undetermined cost. All three DWIDs recommended seeking legal advice to develop an opt in/opt out policy. Paul Schmidt volunteered to craft a "draft" opt out or opt in policy and procedure. John Ritter will seek advice from BRDWID attorney Riley Snow on creating BRDWID policies and procedures for Members to opt out and opt in of the BRDWID.

F. Discuss Zoom Meetings.

Motion: To Discuss having Zoom Meetings. **Action:** Approve. **Moved by:** Board Member Sue Davis. **Seconded by:** Board Member Mike Bourne.

The Motion passed unanimously.

Board Member Sue Davis reported that she had opened a one-year Zoom Meeting account on behalf of the BRDWID as a way of holding Open Meetings for a large group of attendees and to accommodate COVID-19 restrictions. However, the Community Center meeting hall has an echo that negatively affects the quality of the Zoom Meeting audio. Attendee Steve Leslie suggested that each speaker having a microphone to turn off and on and a sixth microphone to circulate through the audience might improve the audio problem. Patricia Birtwistle said telephone conference calling might be another option. The Zoom system requires customers to purchase additional audio equipment to improve audio. Board members agreed to do further research and to table the Zoom Meeting audio issue for now. John Ritter concluded that the next meeting would be in person and also by telephone conference calling.

7. Announcements.

A. Future meeting dates.

Motion: To Discuss future meeting dates and future Board agenda items. **Action:** Approve.

Moved by: Board Member Mike Bourne. **Seconded by:** Board Member Sue Davis.

The Motion passed unanimously.

Motion: To set the standing meeting date as the third Saturday of the month with the first meeting being on June 19, 2021, as a working in person and by telephone conference call meeting announced 48 hours in advance. **Action:** Approve. **Moved by:** Board Member Mike Bourne.

Seconded by: Board Member Sue Davis.

The Motion passed unanimously.

B. Future Board agenda items.

1. Discuss status of BRDWID offer to purchase the Starlight Water Company, Inc.
2. Discuss status of WIFA loan and general assistance available to the District
3. Discuss contract Agreement from Southwestern Utility Management
4. Discuss a process for accepting new District Members and allowing Members to leave the District
5. Discuss BRDWID procedural and operational Rules and regulations

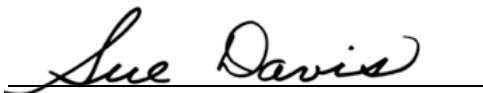
8. Adjournment.

Motion: Adjourn the Meeting **Action:** To Approve **Moved by:** Board Member Ronald Krug.

Seconded by: Board Member Sue Davis.

The Motion passed unanimously.

Chairperson John Ritter adjourned the meeting at 10:20 a.m.



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

Prepared on: June 13, 2021

Board Approved on: _____

John Ritter, Board Chairperson
Blue Ridge Domestic Water Improvement District