

Blue Ridge Domestic Water Improvement District (BRDWID)

Minutes of the Public Hearing to Exit the District

October 1, 2022, at 1:00 P.M.

At the Starlight Pines Community Center, 2740 Arapaho Drive, Happy Jack

Call-in number: 720-740-9623, Pin 5894439#

1. Call to Order

Board Chair John Ritter called the Public Hearing to order at 1:01 P.M.

Roll Call of Board Members Present

John Ritter, Ron Krug, Sue Davis, and Mike Bourne.

Paul Schmidt was not present.

Quorum

Chair John Ritter determined that four of five Board Members present constituted a quorum to conduct business.

Those present in person: Bill Cross, Barbara Nitz, Sharon Bourne, and John and Janet Pendell

Those present on the phone: Frank Perno, Rhonda Williams, Evgeni and Rhonda Genchev, Mike Talkar, Rodney Watson, Randy Wood, and Frank Perno

2. Accept Agenda as Presented

Motion: Accept Agenda as presented **Moved by** John Ritter. **Seconded by** Mike Bourne

Action: Accept the Motion **The Motion passed unanimously.** Ayes: 4 No's: 0 Absent: 1.

John Ritter reported that the Board had accepted the Agenda as presented.

3. Call to the Public regarding petitions to allow properties to be removed from the District.

Evgeni and Rhonda Genchev, owners of Starlight Pines Ranchettes Lot 119, said they had received a letter about this meeting but had never voted to be in the District. Mike Bourne reported back that the Genchev's Lot 119 was not in the District. Arizona Revised Statutes Title 48 Special Districts requires that adjacent property owners be notified when a property is going to be removed from the District.

4. Discuss the Petitions to Remove Property from the District.

John Ritter reminded the Board that they may discuss, consider, and act on petitions presented separately.

Mike Bourne wanted to clarify that the District had completed the public notifications in the newspaper for two consecutive weeks. Once this hearing is done we'll get an affidavit reflecting that. We also mailed out the Notice of this meeting and the lot descriptions of the petitions to area property owners in a 600-foot radius of each of the petitions.

4.1 Petition to Exit the District from Gary and Patricia Greene, Owners of Starlight Pines Ranchettes Lot 31, APN 403-83-031

The Petitioners were not present at the Hearing in person or by telephone. The law does not require a petitioner to be present.

Mike Bourne reported that the Petitioner and the District had completed all Arizona Revised Statutes Title 48 eligibility requirements to leave the District. Mike read the Greene's Petition Exhibit C aloud to those present in person or by phone.

Exhibit C:

Please consider our request to opt out of the Blue Ridge Domestic Water Improvement District for the following reasons: The petitioner doesn't feel the initial information was forthcoming upon initial entry into the district. The petitioner has concerns about the ability of the

experience of the district members and their ability to effectively run the district. The petitioner is concerned about the valuation of the district. The petitioner is concerned about personal tax liability with being a member of the district. Sincerely, Garry Greene and Patricia Greene

Mike Bourne said we couldn't ask them questions about their petition because they are not present. Mike Talkar said the Greenes probably wanted their questions answered about the District. Mike Bourne responded that this Board has done a really good job of governing what we know and what we have, creating rules and regulations, a rate structure that supports the purchase of the water company and worked as efficiently as we can given the strenuous environment that we're living in. Based on Starlight Water Company reports the valuation is there. There was not an official appraisal. Appraisals are expensive. In 2018 an appraisal would have cost \$20,000 plus and be worthless today and would have to be re-done just before the sale. In today's dollars putting in the system that's there would be well north of \$12M. What is the value of local control versus having a private company run the water system without any say. Personal tax liability is a significant concern. The District has 990 plus member properties. It wouldn't make any sense to tax those 990 properties to support the activities of 1,603 properties in the service area. Evgeni Genchev asked who do we call when the water freezes on the water company's side of the line? John Ritter replied that if water pipes are frozen on the company side of the line, the customer should call Starlight Water Company at the phone number on the Starlight Water Company bill. Mike Talkar added that the District should make it harder for property owners to come back in. Mike Bourne explained that the petitioners pay the cost of leaving the District. The District's intent is that costs will be paid by water rates not property taxes. Ron Krug commented that two District board positions are up for election in November. Voters in the District should ask the candidates their position on water district taxing.

Motion 4.1: To allow Starlight Pines Ranchettes Lot 31, APN 403-83-031, to exit the Blue Ridge Domestic Water Improvement District. **Moved by** Sue Davis **Seconded by** John Ritter. **Action:** Approve the Motion. **Roll Call Vote:** Sue Davis and John Ritter voted Yes. Ron Krug and Mike Bourne voted No. The vote was tied. **The Motion failed.** Ayes: 2 No's: 2 Absent: 1

John Ritter commented that the Greenes would have to start the process over if they wanted to exit the District.

4.2 Petition to Exit the District from Rodney D. Watson and Cydna R. Watson, Owners of Starlight Pines Ranchettes Lot 4, APN 403-84-004

Mike Bourne reported that the Petitioner and the District had completed all Arizona Revised Statutes Title 48 eligibility requirements to leave the District. Mike read the Watson's Petition Exhibit C aloud to those present in person or by phone.

Exhibit C:

After reviewing the purchase documents and visiting with neighbors that were more abreast as to what was and was not represented to the community members during the purchase of BRDWID, we respectfully request to be removed from the district at this time.

Exhibit D:

Had we been informed of the ongoing concerns and issues with the purchase of BRDWID we would have based our offer on different terms. Since we did not have the opportunity to accept or decline being in the district and from what we understand the lack of appraisal and inspection before the purchase of BRDWID we respectfully request to be removed from the district.

Mike Bourne reported that the Watson petition was a complete package. Rodney Watson was present at the meeting by phone.

Sue Davis asked Mr. Watson if he had read the very long document of BRDWID's purchase of Starlight Water's Assets that was posted on website?

He said he had read about a third of the documents. A lot of information came from neighbors as well. He purchased his property in March. He had no idea this was going on until he closed and started to move in. He is a part-timer. His real estate agent and his title company did not tell him about the purchase of Starlight Water Company assets by BRDWID and that there would be a fine if a property wanted back in the District after leaving. Rod said he would have made a lower offering price on his property had he known about the controversy.

Mike Bourne interjected that it is not a fine but a cost of processing the required documents.

Rod Watson said he was concerned about the management company. He didn't know if his water quality was at risk and he felt he would still be able to purchase water while not a member of the District.

The Board appreciated Rodney Watson's candor speaking to the Board in person about his concerns.

Motion 4.2: To allow Starlight Pines Ranchettes Lot 4, APN 403-84-004, to exit the Blue Ridge Domestic Water Improvement District. **Moved by** Mike Bourne **Seconded by** John Ritter. **Action:** Approve the Motion. **Roll Call Vote:** John Ritter, Ron Krug, Sue Davis and Mike Bourne voted Yes. **The Motion passed unanimously.** Ayes: 4 No's: 0 Absent: 1

John Ritter and Mike Bourne thanked Rodney Watson for attending the meeting and making his opinions known asking questions.

Rodney Watson responded that down the road if issues are resolved we are more than happy to pay our fair share and get back in.

Randy Wood said he had not been present at his exit hearing but had still been allowed out.

Mike Bourne replied that Randy Wood's petition was complete and Mike had no other questions.

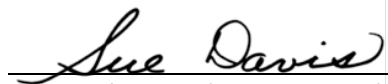
The Resolution allowing Starlight Pines Ranchettes Lot 4, APN 403-84-004, to exit the Blue Ridge Domestic Water Improvement District will be attached to these Minutes.

5. Adjournment.

Motion: To Adjourn the Hearing **Moved by** John Ritter. **Seconded by** Mike Bourne.


Action: To Accept the Motion **The Motion passed unanimously:** Ayes: 4 No's: 0 Absent: 1

Chair John Ritter thanked all for attending and adjourned the Hearing at 1:44 P.M.



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

Prepared on October 10, 2022



John Ritter, Board Chair
Blue Ridge Domestic Water Improvement District

Board Approved on: October 15, 2022