

Blue Ridge Domestic Water Improvement District (BRDWID)
Minutes of the Regular Board of Directors Open Public Meeting

October 15, 2022, at 1:00 P.M.

Starlight Pines Community Center, 2740 Arapaho Drive, Happy Jack, AZ 86024
Call-in number: 720-740-9623, PIN 5894439#

1. Call to Order

Chairman John Ritter called the Blue Ridge Domestic Water Improvement District meeting to order at 1:00 P.M. and announced that call-in numbers had been published in the October 15, 2022, meeting Notice.

Board Member Roll Call and Quorum: John Ritter, Sue Davis, Mike Bourne, and Paul Schmidt were present in person. Ron Krug was present by phone. John Ritter declared that five of five members present constituted a quorum to conduct business.

Others present:

Sign-in sheets are attached to the Minutes.

Those present on the phone: Jeanie and Keith Greiner, Jeri Mason, Randy Wood, Rhonda Williams, Patricia Greene, Matt Porter, and one anonymous.

2. Accept Agenda as Presented:

Motion: Accept Agenda as presented **Moved by:** John Ritter **Seconded by:** Sue Davis

Action: Accept Agenda as presented **The Motion passed unanimously.** **Ayes: 5 No's: 0**

3. Call to the Public for Items not on the Agenda to be scheduled for another Meeting.

Matt Porter asked that mainline extension agreements and voting be on a future agenda.

John Ritter responded that mainline extensions were not part of the contract and not relevant for the Board, so that's why we were not talking about them.

Paul Schmidt added that he still considered mainline extension agreements to be a future agenda item once we receive an official response from Starlight Water Co. as to whether or not they filed them with the Arizona Corporation Commission.

John Ritter said once we receive the information from Starlight Water, mainline extensions will be on a future agenda.

John reported that he had received his Coconino County early Ballot and the BRDWID Board election was on the Ballot.

Mike Bourne added that those who do not receive an early Ballot, own property in Blue Ridge, and are registered to vote in Arizona will receive a paper Ballot at the Blue Ridge polling place and will vote in person there.

4. Consent Agenda Items

Approve Draft minutes:

- A. August 20, 2022 Regular Meeting
- B. August 31, 2022 Special Coconino County Elections Department IGA Meeting
- C. September 13, 2022 Special Meeting to Set a Hearing
- D. September 17, 2022 Website Work Session Meeting
- E. October 1, 2022 Special Exit Hearing Meeting

Mike Bourne asked if the August 17, 2022, Meeting Minutes could be added to this agenda item for approval. John Ritter and Sue Davis concurred that Agenda items could be removed but not added after an agenda was posted 24 hours prior to a meeting. John, Sue, and Mike agreed that the August 17, 2022, Minutes would be on the next meeting Agenda for approval.

Ron Krug referenced a statement on page 2, line 2, in the September 17, 2022, Minutes. He did not recall a Motion made and passed to change the Mission Statement. Ron agreed that the Minutes be corrected to read: Change the homepage statement to "Clean affordable water Locally controlled."

Motion: Approve the August 20, August 31, September 13, September 17, and October 1, 2022, Minutes as listed on the Agenda including corrections to the September 17, 2022 Minutes **Moved by:** Sue Davis **Seconded by:** Mike Bourne **Action:** Approve Minutes as presented
The Motion passed unanimously with Paul Schmidt abstaining from voting for the October 1 Minutes and John Ritter abstaining from voting for the September 13 and September 17 Minutes. Ayes: 5 No's: 0

5. Regular Agenda Items. The Board may discuss, consider, and act on these matters separately.

A. Discuss status of offer to purchase Starlight Water Co. Assets

John Ritter reported that the District was still waiting for the Arizona Corporation Commission to approve the sale of Starlight Water Assets. A hearing had been set for November 7. The judge had re-opened the request for public comments. Telephone call-ins are scheduled for November 1st and 2nd, and the 7th before the hearing actually starts. The judge also said people could write in to the Arizona Corporation Commission and express their views. The Board encouraged everyone to do that. The Board had sent out supporting documents with today's Agenda: Item 5.A: (1) an issue background and fiscal impact statement and (2) Judge Stern's Procedural Order scheduling the November 7 Hearing and Public Comment.

Mainline extension agreements are liabilities owned by Starlight Water and are excluded from the sales agreement. A decision regarding the mainline extension agreements would not occur before the November 7 hearing.

The Arizona Corporation Commission was responsible to ensure two things: Whether the District is a fit and proper entity to take control of Starlight's assets and Whether the transfer would have an adverse effect on service quality or operation of the utility.

B. Discuss /Approve new opt in/out process

The Board distributed a 5.B. a background and a fiscal impact statement with the Agenda. John Ritter explained that Board members Sue Davis and Mike Bourne were currently taking the brunt of the opt in/opt out statutory process as far as paper work, admin, and time on task. The Petition applicant pays any out of pocket costs. John proposed that the Board move the task of processing Petitions to the District's attorney, because the District doesn't have any staff to do it yet, and thus free up Sue and Mike to do board work. Mike and Sue spend about 18 hours each processing a Petition. The District has 40 days from the Petition postmark date to the Hearing where the Board approves or denies the Petition. The process includes the Petitioner's advertising the change in local newspapers and the mailing proposed boundary changes to adjacent property owners. If the Board outsources processing Petitions to the District's attorney, the Board would still be responsible for meeting the Title 48 timeline deadlines.

Motion: To outsource the boundary alteration process to attorney Riley Snow **Moved by:** Mike Bourne **Seconded by:** Ron Krug for purposes of discussion

Discussion: Matt Porter believed outsourcing to a legal professional was a little bit of overkill from the resource and rate perspective of the Petition applicant and volunteered to take this on at no charge. A recognized but unidentified attendee stated that outsourcing to a legal professional would be the preferred option. Mike Bourne supported Matt Porter's offer. Deb Pirtle believed that Matt Porter might be biased because of his own experience as an opt-out Petitioner and that the District should outsource processing Petitions to a Member of the District. A recognized but unidentified attendee commented that it was premature to vote on this Motion without knowing if Riley Snow would accept the outsourced work and what his fee would be. John Ritter reported that Riley Snow had brought up that this was not something that he should be doing directly but should outsource to a qualified professional. John Ritter and Sue Davis supported tabling the Motion until the next regular Board meeting. A recognized but unidentified attendee recommended that a study committee be appointed.

Motion: To table until the next regular board meeting the Motion to outsource the boundary alteration process to attorney Riley Snow **Moved by:** John Ritter **Seconded by:** Sue Davis

Action: Approve tabling the Motion until the next regular board meeting to outsource the boundary alteration process to attorney Riley Snow.

The Motion passed unanimously. Ayes: 5 No's: 0

John Ritter put the issue on hold until the Board has researched the issue more thoroughly. Mike Bourne will create a committee of volunteers. Sue Davis will search for qualified paralegals.

C. Discuss / Approve Allowing SPR Lot 31 to exit the District

John Ritter reported that the Board had held a meeting on October 1, 2022, to hear a Petition submitted by Garry and Patricia Greene, property owners of Starlight Pines Ranchettes Lot 31 to exit the District. The Greenes were not present at the meeting to answer questions from the Board. Only four members of the Board were present. The Motion to approve the Greenes leaving the District had failed due to a tie vote.

John Ritter and Sue Davis verified that Patricia Greene was in attendance at this meeting by phone. Sue reported that the Greene Petition to Exit the District was attached as 5.C. a supporting document to the Agenda.

Mike Bourne asked Patricia Greene to elaborate on the concerns expressed in her Petition about the experience of the District Board members and their ability to effectively run the District. Patricia Greene responded that she had been influenced by questions posted by a Blue Ridge property owner concerning Starlight Water Company's appraisal, equipment value, and maintenance costs that led her to realize that she did not have enough knowledge about the District. She also did not want to incur additional taxes. There did not seem to be more benefit for being in the District other than voting. The experience of the Board seemed to be completely unknown.

Sue Davis noted that Patricia Greene's verbal statements today were elaborations of her written statements in Petition Exhibits C and D.

Ron Krug asked what Patricia Greene's stated concerns were in Exhibit C about the "experience of the District [Board] members and their ability to run the district." Ron wanted to know where the Board members were lacking. Patricia responded that it was pretty much the same thing that she had said before. It might be her understanding of what it takes to run the District, but my concern for running it came from not really understanding the maintenance, the status of the equipment and its dysfunction as it is right now, and the appraisal and are we going to have a multi-million dollar bill on our hands. Without knowing that information she didn't know if anyone could run it.

Ron Krug responded that if he had heard her correctly the questions in her mind are not concerning the effectiveness of the Board but rather questions in her mind in general about anybody being able to run it.

Patricia responded that she had not been at every meeting but from one of the earlier meetings she was in it sounded like there wasn't anybody on the Board who had run a water company and had experience running a water company. But in the last two years there has been more knowledge gained around that point. She didn't know, but the last time she checked in there wasn't anyone on the Board who had done this before.

Mike Bourne stated that he had not run a water district but had run a water company. Sue Davis said she had run a water-related company.

Ron Krug summarized that the Board had two members who had run a water company or a water-related company.

Sue Davis commented that Board member resumés were not posted on the website.

John Ritter emphasized that Petitioners should attend their Hearing so they could answer questions from Board members.

Sue Davis said that Patricia Greene's statements today before the Board were in agreement with her written statements on Exhibits C and D.

Motion: To allow Garry and Patricia Greene, Owners of Starlight Pines Ranchettes Lot 31, to Exit the Blue Ridge Domestic Water Improvement District based on their Petition dated August 18, 2022 **Moved by:** John Ritter **Seconded by:** Sue Davis **Action:** Approve the Motion.

The Motion passed with John Ritter, Sue Davis, Mike Bourne, and Paul Schmidt voting Aye and Ron Krug Abstaining.

John Ritter reported that with four members voting Aye and one member abstaining, the Board has allowed the Petitioners to exit the District. The signed Resolution memorializing their exit will be attached to the Minutes.

An unidentified attendee asked that the answers to Patricia Greene's concerns be posted on the website including Board resumés.

6. Announcements

A. Future Meeting Date(s)

November 19, 2022 at 1:00 P.M. at the Starlight Pines Community Center, 2740 Arapaho Drive, Happy Jack, AZ.

B. Future Regular Board Meeting Agenda Items

1. Starlight Water Co. Mainline Extension Agreements and their future liabilities
2. Discuss /Approve new opt in / opt out process

7. Adjournment

Motion: Adjourn the meeting **Moved by:** John Ritter **Seconded by:** Mike Bourne

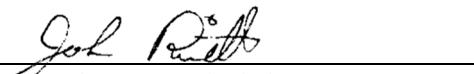
Action: Approve **The Motion passed unanimously.** Ayes: 5, No's: 0

Chairman John Ritter adjourned the Meeting at 2:15 P.M.



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

Prepared on: October 24, 2022



John Ritter, Board Chairperson
Blue Ridge Domestic Water Improvement District

Board Approved on: November 19, 2022

Attachments:

1. Sign-Inn Sheets and
2. RESOLUTION 2022-10-15 SP LOT 31 Greene



Open Hearing to Exit the District
Sign-In Sheet
October 15, 2022

Name	Community	Lot Number
Sharon Bourne	BRE	108-109
Charlie & Nancy Wagner	Starlight	#552
David & Sue Lutz	S.P.	341
David Wang	Pine Canyon	#80
Sue Davis	SP	352, 353
Caroline & Ray Heimer	SP	148
Paul Smith	Tan	280
Joe Graham	SP	142
Lita Jean	S.P	351
Barbara Nitz	BRE	106
Michael Nitz	BRE	106
Debra Motrych	BRE	94?
Walter Motrych	BRE	—
Theresa Frimel	Pine Canyon	
Kevin & Lee-Ann McClay	SP	213
Bud & Sue Peck	SP	441
Lisa Markay	SP	85
Cindy Sparks	SP	560
Doug Sparks	SP	560
Dan Goodwin	SP	408
Linda Goodwin	SP	408



**Open Hearing to Exit the District
Sign-In Sheet
October 15, 2022**

Name	Community	Lot Number
Casey & Mary Alice Samsill	Starlight	
Mary Beta	"	343
Tom Bradford	Starlight	72
John Morley	SP	427

**BLUE RIDGE DOMESTIC WATER IMPROVEMENT DISTRICT
RESOLUTION 2022-10-15 SPR LOT 31 Greene**

RESOLUTION AND ORDER FOR THE EXIT OF PROPERTY FROM THE DISTRICT

WHEREAS, Garry R. and Patricia Greene ("the Requesters"), owner of Starlight Pines Ranchettes Lot 31, APN 403-83-031, Situs Address: 900 Eagle View Drive, Happy Jack, AZ, 86024, ("the Property"), submitted a Notarized Petition Request on August 18, 2022, with the Clerk of the Blue Ridge Domestic Water Improvement District ("the District"), asking that their Property be excluded from the District, pursuant to Arizona Revised Statutes Title 48, Chapter 6; section 1014 C.,

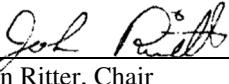
WHEREAS, the Board of Directors of the District has performed a records search with the Offices of the Coconino County Recorder and the Coconino County Assessor and confirmed that the Requesters are the legal Owners of the Property and that all Property Owners have signed the Request, and

WHEREAS, the Board of Directors of the District finds that the legal requirements for exiting from the District have been met and the exclusion of the Property from the District will not be a detriment to the public convenience, necessity, and welfare,

NOW, THEREFORE, THE DISTRICT BOARD OF DIRECTORS RESOLVES that the Property described on the attached legal description is hereby declared to be excluded from the District.

The Board of Directors hereby directs that a copy of this Resolution shall be recorded in the Office of the Coconino County Recorder and that the Clerk of the District shall mail a copy of the recording of this order to the Arizona Department of Revenue, the Clerk of the Coconino County Board of Supervisors, and the Coconino County Assessor.

PASSED AND ADOPTED ON October 15, 2022

By: 
John Ritter, Chair

ATTEST: 
Sue Ann Davis, Clerk and Secretary

Coconino County Parcel Number:
APN: 403-83-031

**Legal Description
Account R0004294**

Situs Address 900 EAGLE VIEW DR	Owner Name GREENE GARRY R & PATRICIA
City HAPPY JACK	Owner Address 4137 E TARO LN
Tax Area 0506 - SD#5 FD BLUE RIDGE/WID-BLUE RIDGE	PHOENIX, AZ 85024
DOMESTIC	
Parcel Number 403-83-031	
Legal Summary Subdivision: STARLIGHT PINES	
RANCHETTES UNIT 01 Lot: 31 Sixteenth: NW Quarter: NE	
Section: 07 Township: 14N Range: 12E Sixteenth: SW	
Quarter: NE Section: 07 Township: 14N Range: 12E	
Sixteenth: SE Quarter: NW Section: 07 Township: 14N	
Range: 12E Sixteenth: NE Quarter: NW Section: 07	
Township: 14N Range: 12E	
Neighborhood 05.03 - STARLIGHT PINES-BLUE RIDGE-MOGOLLON RANCH-TAMARRON PINES-PINE CANYON - TIMBER RIDGE RANCH	