

Blue Ridge Domestic Water Improvement District (BRDWID)
Minutes of the Telephonic Public Hearing
March 28, 2022, at 4:00 p.m.
Starlight Pines Community Center, 2740 Arapaho Drive, Happy Jack, AZ 86024
The meeting was held by telephone only.
Call-in number: 630-424-4734; Toll free 800-920-7487, Pin 76217278

1. Call to order, Roll Call, and Quorum

Board Member and Treasurer Mike Bourne called the Public Hearing to order at 4:02 p.m.

Board Members Present: Mike Bourne and Sue Davis were present in the Community Center meeting hall. Ronald Krug and Paul Schmidt were present on the phone.

Board Members Absent: John Ritter was absent.

Quorum: Treasurer and Meeting Chair Mike Bourne determined that four of five Board Members present constituted a quorum to conduct business.

Others Present by calling in were:

David Wang	Mary Gazda	Anne Whitmore	Jeannie Griener
Theresa Bayer	Jeri Mason	John Motley	Keith Griener
Rhonda Williams	Randy Wood	Becky Pettit	
Caroline Weimer	Daryl Smith	Frank Pettit	

2. Accept Agenda as Presented

Chair Mike Bourne reported that the purpose of today's meeting was to hear petitions from two Blue Ridge Domestic Water Improvement District property owners who wished to leave the District. After hearing the petitioners, the Board will decide whether or not to grant the petitioners requests.

Motion: Accept Agenda as presented **Action:** Accept **Moved by** Ronald Krug. **Seconded by** Sue Davis **The Motion passed unanimously.** Ayes: 4 No's: 0 Absent: 1

Mike brought attendees up to speed about the District process and guidelines for altering the boundaries of the District by opting out or opting in. First a property owner creates a petition to either opt in or opt out and submits that Petition to the District. The District then sets a 40-day clock by setting a Hearing date 40 days from the date the District received the Petition. More than twenty days before the Hearing date, the District is obligated to send public notice letters to property owners in the areas of the properties in question, which we did for both properties. The District is also required to publish public notices twice, one week apart, in local newspapers. The District used *The Arizona Daily Sun*, which has the widest publication in Coconino County and is used by the Coconino County Board of Supervisors. During this 40-day period, the District gives the public an opportunity to file comments with the District clerk before the Hearing. The District did receive a few comments.

Sue Davis noted that two documents were linked in this meeting Notice for download: The Affidavit of Publication in *The Arizona Daily Sun* and a Customer Ad Proof detailing the ad.

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

Mike Bourne reported that the District had received one Statement from Matt Porter, Owner of Starlight Pines Ranchettes Lot 10, to be read into the record. Mike read the Statement.

Statement to be read during the Blue Ridge Domestic Water Improvement District (BRDWID) Public Hearing on March 28, 2022, at 4:00 p.m. to consider altering the District Boundaries by allowing two properties to exit the District

Thank you for the opportunity to send in my public statement. I was not able to attend in person, but hope to join my neighbors for these meetings in the future. My name is Matt Porter and I own lot 10 in Starlight Pines Ranchettes. Integrity and being true to one's word is paramount to maintain trust and build relationships both with our family and our neighborhood community. Pursuant to the guarantee given by the representative Steve Wene at Coconino County Board of Supervisors Special Session and Public Hearing June 29th, 2020, I petition the board to have the proposed properties to be withdrawn/excluded from the Blue Ridge Water Improvement

District immediately.

Per representative Wene beginning at 3 hr 38 min 49 sec at Coconino County Board of Supervisors Special Session and Public Hearing June 29th, 2020, there isn't a reason for the board to keep these or any other properties in the district if they petition to be out. I quote, "It's a simple opt out." Also, at 4 hr 0 min 0 sec, I quote, "If they don't want to be part of the district, then they don't have to be part of the district. They can opt out at anytime, they just have to petition the board to do it."

Finally, beginning at 6 hr 14 min 23 sec Chairperson Archuletta, quote, "If we do not exclude them this evening, what is the process for them to be excluded after this evening?" Mr. Wene, "If for some reason we missed somebody or if they decide later they want to be outside the district, they would essentially petition to the board, draft a letter that says, I want to be outside of the district, submit that to the board, and have that voted upon by the district board. It's relatively simple, there's no reason to keep them included. I mean it's not like anyone is taxing or there is going to be any change to the district. If they want out, they can go out. It's just a petition process. I see no reason why they would be held in if they didn't want to be."

During this meeting, members of this board, including, but not limited to, Mr. John Ritter was in attendance and did not refute the statements made by the representative Wene.

Neighbors that wish to exit the district deserve to do this with dignity by the district board and members of the community. Neighbors should not be called childish names, like naysayers or anything of the sort. This tears our community apart. Building, not bashing is what our Blue Ridge community is about. The second great commandment is to "Love thy neighbor as thyself". Let us practice what we preach.

Will the board keep their word? If not now, then when will they start? This decision will set a precedent for your board moving forward. Your trust and integrity is on the line here. Do the right thing; keep your word starting today. More may be willing to join the district if the board can be trusted to do what they say they would do.

*Thank you,
Matt Porter*

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

Sue Davis, the District Clerk, reported that she had received two Petitions to be placed on today's Agenda from property owners who wished to leave the District: Timothy and Rhonda Williams, Owners of Starlight Pines Unit 2, Phase 1, Lot 74 and Owners of Starlight Pines Ranchettes Unit Two Lot 77.

Mike Bourne reported that six owners of properties had mailed the District written questions expressing concern.

1. *Would the alteration of the BRDWID boundaries to remove Lot 74 from the District affect us homeowners who live within the 600-foot radius of Lot 74 in any way?*

Board response: Removing Starlight Pines Lot 74 from the District would not affect these homeowners in any way and there was no impact to those homeowners in the 600-foot radius as far as the Board knew.

2. *Why would a homeowner make such a request?*

Mike Bourne's personal response: The Owners of Starlight Pines 74 have gathered all of the data and have the absolute right to make a personal choice.

3. *Can we oppose the alteration of the boundaries?*

Board response: Yes, by coming to this Hearing and raising any issues you have.

4. *What other agenda might the homeowner requesting such an alteration have for requesting the alteration?*

Board response: We really don't know and we're not going to speculate or comment on what agenda this homeowner might have. We are following the Arizona Revised Statutes.

Sue Davis, Clerk of the District and Secretary of the Board, added that she had answered the letter in writing.

Mike Bourne read into the Record **BRDWID V. Exhibit C**, the Starlight Pines Lot 74 and Starlight Pines Ranchettes Lot 77 petitioner's description of the necessity for this addition or alteration.

We are requesting to opt out of the district given the various concerns that we have regarding multiple factors. We are not comfortable that the district was properly formed in the first place given that Steve Wene represented to the Coconino County Board of Supervisors on the recorded Zoom call that the majority of property owners in the district were in favor of forming a district. Approx. 300 lots were acknowledged by Wene to have been taken in without a valid signed owner petition. If those lots had not been included we do not feel that the county would have approved the petition, as they would not have had greater than 50% of owners in favor of forming the district. Further, we are concerned that no appraisal or valuation of the assets have been performed; begging the question, is the district overpaying for the assets. The district board members have stated that they have no intention of assessing taxes to those in the district; however, this may not hold to be true once they purchase the assets and if they find out that there are capital improvements to be made to the aging system. They may have no choice but to assess taxes on the district in order to meet these needs, We also feel that there is a conflict of interest with Steve Wene being the one to speak on behalf of the district formation committee; given that there is a provision in the purchase contract that requires the district to retain the services of the payment processing company, Southwestern Utility Management Company (SUMC) for a period of 3 years after close of sale. It has since come to light that Steve Wene's family members are on the board of SUMC, thus his family members are personally benefitting from the sale so how can we be comfortable that he has the best interest of our community in mind. We respectfully request to be allowed to remove our property(s) from the district; which was represented at the county meeting by Steve Wene as something that would be allowed.

Mike Bourne then read into the Record **BRDWID VI. Exhibit D**, the Starlight Pines Lot 74 and Starlight Pines Ranchettes Lot 77 petitioner's description of how the public convenience, necessity or welfare would be promoted by the addition or alteration of the district and how the property to be included in the district would be benefited.

We are concerned about the requirement that it is somehow our duty to describe how our private personal property rights are impacting the public convenience, necessity or welfare. Clearly our desire to not be in the district is mainly focused on the issue of future taxation. While we can appreciate the appearance that a locally controlled water company would best serve the interests of the community; this should not impact our desire to manage our property(s) as we see fit. Further, it was acknowledged multiple times on the recorded Zoom call that should a property owner wish to opt out; they would be allowed to do so. Some examples, beginning at 3 hr 38 min 49 sec, Wene stated that there isn't a reason for the board to keep my property in the district if we petition to be out – "it's a simple opt out". At 4 hr 0 min 0 sec "if they don't want to be part of the district, then they don't have to be part of the district. They can opt out at anytime [sic]. They just have to petition the board to do it". Also at 5 hr 14 min 23 sec, Chairperson Archuletta states, "If we do not exclude them this evening, what is the process for them to be excluded after this evening?" To which Wene replies "If for some reason we missed somebody or if they decide later they want to be outside of the district they would essentially petition to the board, draft a letter that says, I want to be outside of the district, submit that to the board and have that voted upon by the district board. It's relatively simple, there's no reason to keep them included. I mean it's not like anyone is taxing or there is going to be any change to the district. If they want out, they can go out. It's just a petition process. I see no reason why they would be held in if they didn't want to be". As evidenced by these statements, the process was represented to be a simple opt out with only a petition being needed; however, as evidenced by the multiple exhibits that we are being required to submit, it appears that the simple opt was misrepresented.

Comments from the Public

Board, members Mike Bourne and Sue Davis encouraged members of the public to have their voices heard by stating comments regarding the two petitions to opt out of the district. No members of the Public made comments.

Comments from Board Members

Mike Bourne stated that this process was a little bit daunting. There were two key points he wanted to make. First of all this district is governed by Arizona Revised Statutes and not by what somebody may have said at a meeting. Having somebody say it's simple is a bit overstated. Petitioner Rhonda Williams helped a lot on building this process to make it make sense and make it as easy as possible. The cost of opting out is just under \$200 to make this happen. The district is a sub-government of the State of Arizona and report up through the Coconino County Board of Supervisors, the final oversight of this district.

Sue Davis added that members of the public could read Title 48, the Statute under which Boards of Supervisors throughout the State or other governmental entities created Special Districts like ours. Title 48 is rather difficult and long to read, but it is available online at the Arizona Legislature's website.

No other Board Members commented.

Motion 1: To Accept Resolution 2022-3-28-1 as presented to allow Starlight Pines Lot 74, APN 403-78-020 to exit from the Blue Ridge Domestic Water Improvement District.
Sue Davis read Resolution 2022-3-28-1 into the Record.

**BLUE RIDGE DOMESTIC WATER IMPROVEMENT DISTRICT
RESOLUTION 2022-3-28-1**

RESOLUTION AND ORDER FOR THE EXIT OF PROPERTY FROM THE DISTRICT

WHEREAS, Timothy R. Williams and Rhonda R. Williams, as co-Trustees of the Williams Family Trust ("the Requesters"), owners of Starlight Pines Unit 2, Phase 1, Lot 74, APN 403-78-020, 4555 Hackamore Way, Happy Jack, AZ, ("the Property"), submitted a Request 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

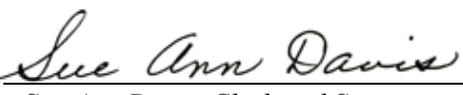
WHEREAS, the Board of Directors of the District finds that the legal requirements for exiting from the District have been met and that the exclusion of the Property from the District will not be a detriment to the public convenience, necessity, and welfare,

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 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 March 28, 2022

By: 
John Ritter, Chair

ATTEST: 
Sue Ann Davis, Clerk and Secretary

Coconino County Parcel Number(s): APN: 403-78-020

Action: To Accept **Moved by** Sue Davis. **Seconded by** Ronald Krug
Roll Call Vote: Ayes: 4 No's: 0 Absent: 1 **The Motion passed unanimously.**

Motion 2: To Accept Resolution 2022-3-28-2 as presented to allow Starlight Pines Ranchettes Lot 77, APN 403-84-034 to exit from the Blue Ridge Domestic Water Improvement District. Sue Davis read Resolution 2022-3-28-2 into the Record.

**BLUE RIDGE DOMESTIC WATER IMPROVEMENT DISTRICT
RESOLUTION 2022-3-28-2**

RESOLUTION AND ORDER FOR THE EXIT OF PROPERTY FROM THE DISTRICT

WHEREAS, Timothy R. Williams and Rhonda R. Williams, as Trustees or Successor Trustees of the Williams Family Trust (“the Requesters”), owners of Starlight Pines Ranchettes, Unit Two, Lot 77, APN 403-84-034, 1604 Moqui Drive, Happy Jack, AZ, (“the Property”), submitted a Request 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.,

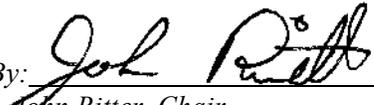
WHEREAS, the Board of Directors of the District has performed a records search with the Offices of the Coconino County Recorder and the Coconino County Assessor and confirmed that the Requesters are the legal Owners of the Property and that all Property Owners have signed the Request, and

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 be recorded in the Office of the Coconino County Recorder and that the Clerk of the District 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 March 28, 2022

By: 
John Ritter, Chair

ATTEST: 
Sue Ann Davis, Clerk and Secretary

Coconino County Parcel Number: APN: 403-84-034

Action: To Accept **Moved by** Sue Davis. **Seconded by** Ronald Krug
Roll Call Vote: Ayes: 4 No’s: 0 Absent: 1
The Motion passed unanimously.

Mike Bourne stated that both Motions had passed. The District Clerk would send both Resolutions to the Coconino County Recorder for recording and then send each recorded Resolution to the Clerk of the Coconino County Board of Supervisors, the Coconino County Assessor, and the Arizona Department of Revenue.

5. Adjournment.

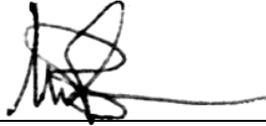
Motion: To Adjourn Action: To Accept **Moved by** Ron Krug. **Seconded by** Sue Davis
Roll Call Vote: Ayes: 4 No’s: 0 Absent: 1 **The Motion passed unanimously.**

Chair Mike Bourne thanked all for attending and adjourned the Hearing at 4:37 p.m.



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

Prepared on April 3, 2022



Mike Bourne, Board Treasurer, Meeting Chair
Blue Ridge Domestic Water Improvement District

Board Accepted on: April 16, 2022