

Blue Ridge Domestic Water Improvement District (BRDWID)
Regular Open Zoom Meeting Minutes
<https://us02web.zoom.us/j/9424464196>
February 20, 2021
9:00 AM – Regular Session

1. Call to order and roll call

Board Members Present: John Ritter, Sue Davis, Ronald Krug, and Paul Schmidt were present via Zoom Meeting.

Board Members Absent: Jack Beale, III, was absent.

Members at Large Present: William Harris, Matt Porter, William Patterson, Dan and Deb Pirtle

Others Present: Patricia Birtwistle, Zoom Meeting Technician

Chairperson John Ritter called the Open Zoom Meeting of the Board of Directors to order at 9:01 AM and determined that four of five Board Members present constituted a quorum to do business.

John Ritter amended the Agenda by inserting “Accept Agenda as Presented” as Item 2 and re-numbering subsequent items accordingly.

2. Accept Agenda as Presented

Motion: Accept Agenda as presented. **Action:** Approve. **Moved by:** Board Member Ronald Krug.

Seconded by: Board Member Paul Schmidt.

The Motion passed unanimously.

3. Call to the Public for Items not on the Agenda to be placed on the agenda at the next meeting

No District Members at Large attending via the Zoom Meeting requested to speak.

4. Consent Agenda Items

Motion: Discuss and vote on Consent Agenda Items separately. **Action:** Approve. **Moved by:** Board Member Paul Schmidt. **Seconded by:** Board Member Ronald Krug.

The Motion passed unanimously.

A. Approve Draft Open Meeting Minutes from the January 23, 2021, public meeting

Motion: Approve DRAFT January 23, 2021, Open Zoom Meeting Minutes. **Action:** Approve.

Moved by: Board Member Ronald Krug. **Seconded by:** Board Member Sue Davis.

The Motion passed unanimously.

B. Approve Resolution to Authorize John Ritter to negotiate to secure a loan with WIFA

John Ritter reported that WIFA required an updated Resolution authorizing him to negotiate to secure a loan on behalf of the **District** with WIFA.

Motion: Approve as follows:

GENERAL DEBT AUTHORIZATION RESOLUTION – GOVERNMENTAL ENTITIES

A RESOLUTION OF THE BLUE RIDGE DOMESTIC WATER IMPROVEMENT DISTRICT OF COCONINO COUNTY, ARIZONA TO AUTHORIZE THE APPLICATION FOR A Drinking Water State Revolving Fund LOAN FROM THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA.

WHEREAS, the BLUE RIDGE DOMESTIC WATER IMPROVEMENT DISTRICT of COCONINO County has identified a need for the purchase and the planned improvements of installing electric reading meters and upgrading pumping systems; and

WHEREAS, pursuant to Arizona Revised Statutes 48-1019 the BLUE RIDGE DOMESTIC WATER IMPROVEMENT DISTRICT may obligate the revenues generated by its drinking water system to repay a loan from the Water Infrastructure Finance Authority of Arizona; and

WHEREAS, it is in the best interest of the BLUE RIDGE DOMESTIC WATER IMPROVEMENT DISTRICT to pursue and apply for financial assistance from the Water Infrastructure Finance Authority of Arizona of an amount not to exceed TWO MILLION and NINE HUNDRED THOUSAND DOLLARS for THE PURCHASE OF THE STARLIGHT WATER COMPANY;

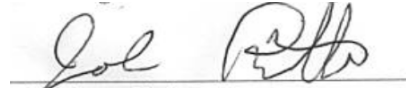
NOW, THEREFORE, BE IT RESOLVED BY BLUE RIDGE DOMESTIC WATER IMPROVEMENT DISTRICT OF COCONINO COUNTY, ARIZONA AS FOLLOWS:

Section 1. The Board Chair of the BLUE RIDGE DOMESTIC WATER IMPROVEMENT DISTRICT is hereby authorized to apply for Drinking Water State Revolving Fund financial assistance from the Water Infrastructure Finance Authority of Arizona.

Section 2. The Board Chair is authorized to take such actions as are necessary to apply for financial assistance in an amount not to exceed \$2,900,000 payable from revenues of the drinking water system.

Section 3. All actions of the officers and agents of the BLUE RIDGE DOMESTIC WATER IMPROVEMENT DISTRICT which conform to the purposes and intent of this resolution and which further the completion of the application as contemplated by this resolution, whether heretofore or hereafter taken, are hereby ratified, confirmed and approved. The proper officers and agents of the **District** are hereby authorized and directed to do all such acts and things and to execute and deliver all such application documents on behalf of the **BLUE RIDGE DOMESTIC WATER IMPROVEMENT DISTRICT** as may be necessary to carry out the terms and intent of this resolution.

PASSED AND ADOPTED this 20th day of February 2021.



John Ritter, Chairperson
Blue Ridge Domestic Water Improvement District

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

The Motion passed unanimously.

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

A. Motion: Move into Closed Executive Session to discuss counter-offer from the Starlight Water Company. **Action:** Approve. **Moved by:** Board Member Paul Schmidt **Seconded by:** Board Member John Ritter

The Motion passed unanimously.

9:16 AM The Board suspended Open Session and moved into Closed Executive Session.

Members at Large were moved into the Zoom Meeting Waiting Room.

9:50 AM The Board moved back into Open Session. Members at Large were moved from the Zoom Meeting Waiting Room into the Open Zoom Meeting.

6. Regular Agenda Items.

A. Discuss status of offer to purchase Starlight Water Co

John Ritter reported that BRDWID had received a February 12, 2021, counteroffer from the Starlight Water Company. The Board had discussed the counteroffer today in Closed Executive Session and voted to send a counter-counteroffer to the Starlight Water Company.

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

John Ritter reported that he had been working on the WIFA loan application for quite a while. All required documents had been completed and shared with the BRDWID Board by email prior to this meeting. The application package for a \$2,900,000.00 loan from WIFA would be dated February 20, 2021, and submitted by the February 26, 2021, deadline for consideration at the April 22, 2021, WIFA decision-making meeting. WIFA also offers general and technical assistance regarding future projects.

C. Discuss and approve proposed Rules and Regulations for BRDWID

John Ritter proposed going forward with Gila County's Pine-Strawberry Water Improvement District (PSWID) Rules and Regulations previously sent to BRDWID Board members for review with permission of the PSWID. John had modified the PSWID Rules and Regulations to be compatible with BRDWID. Rules and Regulations could always be revised as needed. Sue Davis asked if WIFA had a preference for rules and regulations over bylaws. John Ritter responded that WIFA required Bylaws for private companies and corporations and Rules and Regulations and Rate Structures for governmental entities such as Special Districts and Municipal Corporations. The BRDWID Rules and Regulations and Rate Structure would be dated February 20, 2021.

D. Discuss and approve proposed Rate Structure for BRDWID

John Ritter proposed adopting Gila County's Pine-Strawberry Water Improvement District (PSWID) Rate Structure previously sent to BRDWID Board members for review with permission of the PSWID. The PSWID Rate Structure incentivizes customers to conserve water. John had modified the verbiage to be compatible with BRDWID. WIFA requires rates that have incentives for customers to conserve water. The District cannot approve a rate schedule until it owns a water company and then must inform Coconino County 10 days before rates are increased. Paul Schmidt asked for the 2020 year end numbers from Starlight Water that they would need to present to the Corporation Commission at an April rate increase request.

E. Discuss and approve proposed 2021 and 2022 BRDWID Budgets

John Ritter proposed 2021 and 2022 BRDWID Budgets, a required WIFA loan application document. The proposed 2021 and 2022 Budgets were projections based on Starlight Water Company's 2020 operations as provided by Southwestern Utility Management. John will re-confirm the 2020 year end numbers with Paul Juhl.

Motion: Regular Agenda Items 6. C, D, and E. **Action:** Approve. **Moved by:** Board Member John Ritter **Seconded by:** Board Member Sue Davis

The Motion passed with four of four Board Members voting "YES".

F. Discuss and approve WIFA Loan Application Package

John Ritter reported that all components of the BRDWID WIFA Loan Application had been discussed thoroughly in Agenda Items 6. C, D, and E. **Motion:** Submission of BRDWID Loan Application Package dated February 20, 2021, to WIFA. **Action:** Approve. **Moved by:** Board Member John Ritter **Seconded by:** Board Member Sue Davis

The Motion passed with three of four Board Members voting "YES" and Board Member Ronald Krug "Abstaining" and stating he had a conflict of interest.

G. Discuss response from Southwestern Utility Management

The Board discussed and arrived at consensus that BRDWID was going to need the services of Southwestern Utility Management, Inc., after purchasing Starlight Water and would need a new Service Agreement. **Action:** John Ritter would request that Paul Juhl, Office Manager at Southwestern Utility Management, Inc., prepare a new Service Agreement with BRDWID, including Scope of Services and Compensation Terms.

7. Announcements.

A. Future meeting dates.

Arriving at consensus after discussion with Board Members, Chairperson John Ritter set the next meeting for Saturday, March 27, 2021, at 9:00 AM by Zoom Meeting.

B. Future Board agenda items.

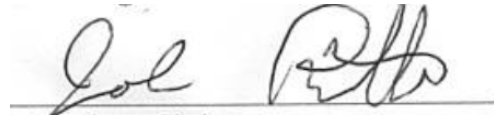
- i. Approve draft Minutes of the previous BRDWD Board meeting
- ii. Discuss status of BRDWID counter-counteroffer to purchase the Starlight Water Co.
- iii. Discuss Southwestern Utility Management, Inc., Service Agreement with BRDWID
- iv. Discuss Officer positions of the BRDWID Board of Directors

8. Adjournment.

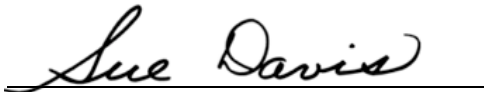
Motion: Adjourn Meeting **Action:** Approve **Moved by:** Board Member John Ritter **Seconded by:** Board Member Sue Davis

The Motion passed unanimously.

There being no further business, Chairperson John Ritter adjourned the meeting at 10:12 AM.



John Ritter, Chairperson
Blue Ridge Domestic Water Improvement District



Sue Davis, Clerk
Blue Ridge Domestic Water Improvement District

Prepared on: February 28, 2021

Approved: March 27, 2021