

Blue Ridge Domestic Water Improvement District (BRDWID)
Minutes of the Regular Open Public Meeting
December 18, 2021, at 9:00 a.m.
Starlight Pines Community Center, 2740 Arapaho Drive, Happy Jack, AZ 86024
Call-in number: 630424-4734; Toll free: 800-920-7487, PIN 76217278

1. Call to Order, Roll Call, and Quorum

Chairman John Ritter called the meeting to order at 9:01 a.m. and announced that the meeting would be held by telephone call-in only due to a recent outbreak of COVID-19 in Blue Ridge and the call-in numbers had been announced on the December 18, 2021, Meeting Notice.

Roll Call: John Ritter, Sue Davis, Mike Bourne, and Paul Schmidt were present by telephone. Ronald Krug was absent.

Quorum: John Ritter determined that four of five members present constituted a quorum to conduct business.

Others present by telephone were: Rhonda Williams, Bruce Gutierrez, Darrel Smith, Katherine Rogers, Frank Pettit, Brian Willia, Mike Payne, and David Wang.

2. Accept Agenda as Presented

Motion: Approve Agenda as presented. **Action:** Approve. **Moved by** John Ritter. **Seconded by** Sue Davis. **The Motion Passed unanimously.** Ayes: 4 No's: 0 Absent: 1

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

Katherine Rogers suggested that the BRDWID Meet and Greet event proposed at the December 1, 2021, Board meeting be held in conjunction with a Starlighters Breakfast in February or March 2021. John Ritter responded that this suggestion could be part of the Meet and Greet discussion later on today's agenda.

4. Consent Agenda Items.

A. **Motion:** Consider Approving the DRAFT Minutes of the October 19, 2021, Special Meeting; Approve the DRAFT Minutes of the November 20, 2021, Regular Meeting; and Approve the DRAFT Minutes of the December 1, 2021, Special Meeting as one Motion. **Action:** Approve. **Moved by** Sue Davis. **Seconded by** John Ritter.

The Motion Passed unanimously. Ayes: 4 No's: 0 Absent: 1

Motion: Approve all three of the Minutes as one Motion: The DRAFT Minutes of the October 19, 2021, Special Meeting; the DRAFT Minutes of the November 20, 2021, Regular Meeting; and the DRAFT Minutes of the December 1, 2021, Special Meeting. **Action:** Approve. **Moved by** Sue Davis. **Seconded by** Mike Bourne.

Mike Bourne explained his Aye vote by commenting that taking minutes is a highly challenging task and that these minutes truly reflect the date, time, and are an accurate description of all legal actions taken. John Ritter concurred.

The Motion Passed unanimously. Ayes: 4 No's: 0 Absent: 1

5. Executive Session Items

John Ritter reported there were no executive session items for this meeting,

6. Regular Agenda Items

Motion: Approve discussing the regular Agenda Items all at one time rather than separately. **Action:** Approve. **Moved by** John Ritter. **Seconded by** Sue Davis.

The Motion Passed unanimously. Ayes: 4 No's: 0 Absent: 1

6.A. Discuss status of purchase of Starlight Water Co assets

John Ritter reported that he had been on the phone and email with both attorneys, Riley Snow and Steve Wene. Further action would be from the Arizona Corporation Commission (ACC). The BRDWID was waiting for the ACC to place the BRDWID purchase of Starlight Water Co. assets on an ACC Agenda and to approve the purchase.

6.B. Discuss / Consider / Approve allowing new parcels into the district

John Ritter reported that two property owners had requested in writing to come into the BRDWID. Inclusion of property into the district is covered by A.R.S. § 48-1014 Section C and allows a property to be added to the district without a formal petition if the governing body determines that inclusion will benefit the district. Adding new members to the District is in the best interest of the District because a broader voter base and more board candidates are allowed. If approved a resolution by the board will be used to update the district membership list and will be sent to the Coconino County Assessor and the County Recorders office.

Assessor Parcel Number 403-15-045

John Ritter reported that the BRDWID had received a December 8, 2021, letter from Patricia Ross, owner of APN 403-15-045, Tamarron Pines Lot 45, requesting to bring APN 403-15-045 into the BRDWID. The letter contained all of the information required by A.R.S. § 48-1014, including proof of property ownership.

Sue Davis added that Patricia and Joseph Ross had purchased two adjacent parcels in Tamarron Pines, wanted to combine them, and build a dwelling. The Coconino County Assessor would not combine the lots because they had different Arizona Department of Revenue tax codes. Patricia Ross had visited the brdwid.org website and under FAQ’s found out how to join the District. Lots in BRDWID are in tax code 0506. By joining the District, APN 403-15-045, will have the same tax code as their other lot. The Assessor will combine their lots. They can build their dwelling.

Motion: Approve allowing parcel APN 403-15-045 to be included in the district. **Action:** Approve. **Moved by** Sue Davis. **Seconded by** John Ritter. **The Motion Passed unanimously.** Ayes: 4 No’s: 0 Absent: 1

Assessor Parcel Number 403-88-044

John Ritter reported that the BRDWID had received a December 9, 2021, letter from Michael Bourne, owner of APN 403-88-044, Blue Ridge Estates Lot 108, requesting to bring APN 403-88-044 into the BRDWID. The letter contained all of the information required by A.R.S. § 48-1014, including proof of property ownership.

Motion: Approve allowing parcel APN 403-88-044 to be included in the district. **Action:** Approve. **Moved by** John Ritter. **Seconded by** Sue Davis. **The Motion Passed.** Mike Bourne abstained. Ayes: 3 Abstention: 1 No’s: 0 Absent: 1

John Ritter read aloud the following Resolution adding property to the District into the Record.

**BLUE RIDGE DOMESTIC WATER IMPROVEMENT DISTRICT
RESOLUTION 2021-12-18**

RESOLUTION AND ORDER FOR THE ADDITION OF PROPERTY TO THE DISTRICT

WHEREAS, letters were filed with the Clerk of the Board of Directors of the Blue Ridge Domestic Water Improvement District (“District”), requesting that the properties described in the letters be added to the District, pursuant to Arizona Revised Statutes Title 48, Chapter 6; section 1014 C.,

WHEREAS, the Board of Directors finds that the letters have been signed by the property owners and that a records search was performed to confirm this finding; and

WHEREAS, the Board of Directors finds that the public convenience, necessity, and welfare will be promoted by the inclusion of the Properties within the District and the legal requirements have been met;

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF DIRECTORS that the properties described on the attached legal description are hereby declared to be included in 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 this order to the Arizona Department of Revenue and to the Coconino County Assessor.

PASSED AND ADOPTED ON December 18, 2021.

By: _____
Chair

ATTEST: _____
Clerk and Secretary

Coconino County Parcel Numbers:

APN: 403-15-045
APN: 403-88-044

Motion: Approve Blue Ridge Domestic Water Improvement District Resolution 2021-12-18.
Action: Approve. **Moved by** John Ritter. **Seconded by** Sue Davis. **The Motion Passed Unanimously.** Ayes: 3 No’s: 0 Absent: 1

Mike Bourne added that the cost of being added to the District or leaving the District should be borne equitably by the requesting property owner not the District. The cost of leaving the District would be greater because of the cost of advertising required by the Statute.

6.C. Discuss / Approve setting a hearing date for petitioners who want to leave the district
Discussion

John Ritter reported that A.R.S. § 48-1014, Section B, allowed property exclusions from the district pending a formal petition if the governing body determined that exclusion would

benefit the District. The board would review all complete petitions received prior to a hearing within 40 days.

Discussion. Allowing members to leave the District is in the best interest of the District because it allows property owners the right to choose whether to be in or out of the district, removes land parcels from the District, and requires petitioners to pay the cost of leaving the District. The current board has no vision of raising taxes within the district, choosing instead to allow the water use fees to support the district. The petition process is straightforward with minimal cost to the District and could be set to once a year.

Motion: Approve a February 19, 2022, deadline for Petitioners wanting to leave the Blue Ridge Domestic Water Improvement District to file their petitions and a March 19, 2022, 9:00 a.m. hearing date and time to allow petitioners, if there are any, to present their petitions to the Board. **Action:** Approve. **Moved by** John Ritter. **Seconded by** Mike Bourne. **The Motion Passed Unanimously.** Ayes: 3 No's: 0 Absent: 1

The Board will advertise the petition process to leave the District in a prominent place on the website and advertise the hearing twice, one week apart, in a local newspaper. Yet to be determined, what radius of District members does BRDWID need to notify when a petitioner wishes to leave the District.

6.D. Discuss having a meet and greet with the new operators and general manager.

Mike Bourne reported that BRDWID now had outsourced agreements with Southwestern Utility Management for utility management services, A Quality Water Company for water system operation, and HDJ Consulting to serve as the General Manager with oversight of the water system. Hosting a Meet and Greet a few weeks before the transfer of assets from Starlight Water Company to BRDWID, would be an opportunity for the Board and BRDWID customers to meet the partners who would be operating and maintaining the water system and performing the billing and accounting for water consumption. Having the Meet and Greet at a well site and also in conjunction with a Starlighters Breakfast sounded like possibilities. The best time for the Meet and Greet would be a week or two before the transfer of assets. Cost would be minimal, depending on the time of year. The contractors wanted to get to know the customers and the Board a bit more.

John Ritter tabled discussion to a future date.

6.E. Discuss WIFA loan repayment, the current schedule has a loan payment due July 1, 2022

John Ritter reported that the first payment due on the WIFA Loan principal was on July 1, 2022. Mike Bourne, BRDWID Treasurer, added that a January 2022 interest payment of \$3.60 on a BRDWID draw of \$17,000 plus a \$3,000 loan setup fee were due in January 2022. The WIFA Loan document language stated that WIFA payments could only be made from District revenue. Since Starlight Water assets have not been transferred, BRDWID has no revenue yet to make payments. Mike believed BRDWID needed to have a discussion with WIFA to see if the loan amortization schedule could be revised to reflect when the actual assets transfer.

John Ritter will write a letter to WIFA about how the delay in transfer of Starlight Water assets is affecting BRDWID's WIFA loan amortization schedule and will request a written response to his letter from WIFA for the record.

Mike Bourne reported that Starlight Water Co. attorney Steve Wene had filed additional financial information about Starlight Water in response to an open request from an Arizona Corporation Commission (ACC) staff member.

7. Announcements

A. Future Meeting Dates

1. Regular Open Meeting, January 15, 2022,
2. Regular Open Meeting, February 19, 2022
3. Open Petitioner Hearing or Regular Open Meeting, March 19, 2022

B. Future Board Agenda Items

- A. Discuss the status of the purchase of Starlight Water Co assets
- B. Discuss WIFA loan repayment schedule

8. Adjournment

Motion: To adjourn **Action:** Approve. **Moved by** John Ritter. **Seconded by** Mike Bourne.
The Motion Passed Unanimously. Ayes: 3 No's: 0 Absent: 1

Chairman John Ritter adjourned the Open Meeting at 10:05 a.m.



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

Prepared on: December 31, 2021

John Ritter, Board Chairperson
Blue Ridge Domestic Water Improvement District

Board Approved on: _____