

Blue Ridge Domestic Water Improvement District (BRDWID)
Minutes of the Regular Board of Directors Open Public Meeting
December 10, 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 December 10, 2022, meeting Notice.

Board Member Roll Call: John Ritter, Sue Davis, Mike Bourne, and Paul Schmidt were present in person. Ron Krug was present by phone.

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

Non-Board Members present:

In person who signed the Sign-In Sheet: Dave Wang, Pine Canyon Lot 80; Steve Yeary, Starlight Pines Lot 351; and Mike Payne, Starlight Pines Lot 304.

On the phone: Jeanie and Keith Greiner; Dan Pirtle, Starlight Pines; and Catherine Rogers, Blue Ridge Estates

2. Accept Agenda as Presented:

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

Action: Accept Motion **Voting For:** John Ritter, Ron Krug, Sue Davis, Mike Bourne, and Paul Schmidt. **Voting Against:** None **The Motion passed unanimously. Yes: 5 No: 0**

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

Catherine Rogers thanked the two Board members who were leaving at the end of this year, Sue Davis and Ron Krug. She greatly appreciated the hundreds if not thousands of hours that they and John Ritter had put in since the beginning of this long, lengthy process. She also expressed appreciation to the two newer Board members, Mike Bourne and Paul Schmidt, who had contributed to the Board over the past one to two years. On behalf of many others in the Blue Ridge Community served by Starlight Water she thanked the Board Members for their selfless, volunteer efforts. John Ritter, Ron Krug, and Sue Davis thanked Catherine for her remarks. Sue added that she appreciated being appreciated.

4. Consent Agenda Items

Motion: To Consider Consent Agenda Items separately **Moved by:** Sue Davis **Seconded by:** Ron Krug **Action:** Accept Motion **Voting For:** John Ritter, Ron Krug, Sue Davis, Mike Bourne, and Paul Schmidt. **Voting Against:** None **The Motion passed unanimously. Yes: 5 No: 0**

A. Approve November 19, 2022 DRAFT Open Meeting Minutes

Motion: Approve November 19, 2022 DRAFT Open Meeting Minutes as presented **Moved by:** Sue Davis **Seconded by:** Mike Bourne **Action:** Accept Motion **Voting For:** John Ritter, Ron Krug, Sue Davis, and Mike Bourne **Abstention:** Paul Schmidt was absent on November 19 **Voting Against:** None **The Motion passed unanimously. Ayes: 4 Absent: 1 No's: 0**

B. Approve Snow Law Invoice for \$25,410.00

Motion: Approve payment of Snow Law Statement No. 1184 for \$25,410.00 **Moved by:** John Ritter **Seconded by:** Sue Davis **Action:** Accept Motion **Voting For:** John Ritter, Ron Krug, Sue Davis, Mike Bourne, and Paul Schmidt **Voting Against:** None **The Motion passed unanimously. Ayes: 5 No's: 0**

C. Approve reimbursement expenses for Boundary Alteration cases since September 2022 in the amount of \$417.38.

Motion: Approve reimbursement expenses for Boundary Alteration cases since September 2022 in the amount of \$417.38 **Moved by:** Sue Davis **Seconded by:** Ron Krug **Action:** Accept Motion **Voting For:** John Ritter, Ron Krug, Sue Davis, and Paul Schmidt **Abstention:** Mike Bourne as he was being reimbursed **Voting Against:** None **The Motion passed unanimously.**
Ayes: 4 Abstention: 1 No's: 0

D. Approve SeeSaw Marketing invoice BR2202-04 in the amount of \$600.00.

Motion: Approve payment of SeeSaw Marketing invoice BR2202-04 in the amount of \$600.00
Moved by: Sue Davis **Seconded by:** Ron Krug

Mike Bourne commented that this SeeSaw Marketing invoice was higher than usual because Amy Snodgrass had spent more hours on extra postings and itemized the extra hours on the invoice.

Action: Accept Motion **Voting For:** John Ritter, Ron Krug, Sue Davis, Mike Bourne, and Paul Schmidt **Voting Against:** None **The Motion passed unanimously.** **Ayes: 5 No's: 0**

5. **Regular Agenda Items.** The Board may discuss, consider, and act on these matters separately. Support documents for these items were posted on the website and emailed to subscribers with the meeting Notice.

A. Discuss status of offer to purchase Starlight Water Co

John Ritter reported that the last step in the purchase of the Starlight Water Company Assets was approval of the sale by the Arizona Corporation Commission.

The Arizona Corporation Commission is responsible to ensure two things:

1. Whether the District is a fit and proper entity to take control of Starlight's assets.
2. Whether the transfer will have an adverse effect on service quality or operation of the Utility.

As of today the AZCC Judge has not made a ruling.

FISCAL IMPACT: Continuing delays will add legal costs to the district, which were not budgeted for and may result in a rate increase to all the customers of the water district.

John Ritter and Mike Bourne reported that the Judge had 60 days from the last day of the Hearing by January 5 or 6 to issue a decision and then 60 more days for the Corporation Commission Members to make a decision. In the meantime the District was spending money without receiving any earned income.

B. Discuss Board Election results, Accept/Reject the results as provided by the Coconino County Elections Department, swear in new board members with Oath of Office

Clerk Sue Davis reported that she had not received an Election Report from the Coconino County Elections Department but hearing on the news that there was lots of Canvassing going on in other Arizona counties. John Ritter reported that according to Clerk Lindsay Daley, the Coconino County Board of Supervisors had already accepted the results of the election. Tom Osterday and Dan Pirtle were elected to four-year terms on the District Board of Directors. The swearing in, Notarized Oath of Office, and Statement of Compliance with the Open Meeting Laws were moved to the first meeting in January 2023.

C. Discuss potential quorums at community gatherings presenting conflicts of interest

Mike Bourne reported that BRDWID Board Members regularly participate in community-related events and activities such as HOA meetings, Firewise presentations, Sheriff's Office

presentations, Church and related activities, Blue Ridge Fire District meetings and Auxiliary-sponsored events, garage/moving sales, community work groups, board training events and activities, and ATV/UTV/Jeep rides and tours of the forest and surrounding areas. These events could be perceived as creating a BRDWID Board Quorum of three or more District Board Members present and inadvertently creating a quorum. County Attorney Mark Byrnes is working on a recommended final version of a Notice of Potential Quorum.

Motion: Post Notice of Possible Quorum in our typical locations using the generalities defined in this posting Notice **Moved by:** Mike Bourne **Seconded by:** Sue Davis

NOTICE OF POSSIBLE QUORUM

*PURSUANT to Arizona Revised Statutes, Section 38-431.01 the following **Notice of Possible Quorum** is given because there may be three (3) or more members of the Blue Ridge Domestic Water Improvement District (BRDWID) Board of Directors present for various community activities that Board members may be involved with. No formal discussion/action will be taken by members in their role as the BRDWID Board members.*

BRDWID Board members regularly participate in Community Gatherings and related events such as HOA meetings, Firewise presentations, or Sheriff's office presentations, Church and related activities, Blue Ridge Fire District meetings, BRFD Auxiliary sponsored events, Garage/Moving Sales, Community Work Groups, Board training events and activities, and ATV/UTV/Jeep rides and tours of the forest and surrounding areas.

Posted on _____, 2022

By: _____

Title: _____

Action: Accept Motion **Voting For:** John Ritter, Ron Krug, Sue Davis, Mike Bourne, and Paul Schmidt **Voting Against:** None **The Motion passed unanimously.** Ayes: **5** No's: **0**

Chairman John Ritter signed and dated the Notice of Possible Quorum.

D. Discuss and possibly approve WIFA Loan Draw #4 for legal expenses

The Board discussed the WIFA Loan provision that allowed the District to draw funds to support legal expenses needed to close on the sale of assets from Starlight Water Company. Mike Bourne presented a chart of District draws from the WIFA Loan and led a discussion of the effects on loan re-payment. These growing legal costs would ultimately be paid by water system customers—District members or not.

Date	Draw #	Amount	Loan Balance
6/21/2021			\$ 2,900,000
8/4/2021	1	\$ 17,970	\$ 2,882,030
3/28/2022	2	\$ 19,680	\$ 2,862,350
9/7/2022	3	\$ 20,760	\$ 2,841,590
	4	\$ 25,410	\$ 2,816,180
	Total	\$ 83,820	

Motion: To approve WIFA Loan Draw #4 in the amount of \$25,410 to pay attorney Riley Snow's invoice #1184 for Legal expenses **Moved by:** Mike Bourne **Seconded by:** John Ritter **Action:** Accept Motion **Voting For:** John Ritter, Ron Krug, Sue Davis, Mike Bourne, and Paul Schmidt **Voting Against:** None **The Motion passed unanimously.** Ayes: **5** No's: **0**

6. Announcements

A. Future Meeting Dates

January 21, 2022, Regular Open Meeting at Community Center, 1:00 P.M.

B. Future Meeting Agenda Items

1. Install New Board Members
2. Explain the Canvass procedure and where we are at the time
3. Identify the posting locations of Notices
4. Post a Meeting Schedule for 2023
5. Decide new Officer Positions
6. Update Status of BRDWID purchase of Starlight Water Co. Assets

7. Adjournment

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

Action: Approve **Voting For:** John Ritter, Ron Krug, Sue Davis, Mike Bourne, and Paul Schmidt

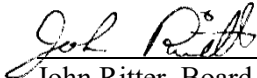
Voting Against: None **The Motion passed unanimously.** Ayes: **5** No's: **0**

Chairman John Ritter adjourned the Meeting at 1:30 P.M.



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

Prepared on: December 13, 2022



John Ritter, Board Chairperson
Blue Ridge Domestic Water Improvement District

Board Approved on: January 21, 2023