



Frequently Asked Questions

Why is the Starlight Water Company being sold?

The current owners no longer live in Arizona and wish to simplify their lives by reducing their business holdings. They have offered to sell to a Local Water District. The asking price is \$2.7M.

Where will we get the money to purchase the Starlight Water Company (SWC)?

A Water Infrastructure Financing Authority (WIFA) loan through the State of Arizona was approved in June 2021 to purchase SWC and provide some reserves for the “what if’s” or unplanned repairs.

What happens if we do not create a Water District?

The water company will be sold to another private water company such as EPCOR that fall under the control of the Arizona Corporation Commission (ACC),

What is a Water District?

A Water District is a subdivision of the County Government. Like a small, non-profit business, it owns assets but operates to make only enough money to pay for maintenance and improvements as needed. As a non-profit it also has access to Federal and State grants and loans to make system improvements at very low rates of interest.

Who controls the Water District?

A five (5) member Board has oversight of the District. Board members serve on 4-year staggered terms. This Board is elected by the property owners who are members of the Water District and who are qualified electors. The BRDWID Board is under the direct oversight of the Coconino County Board of Supervisors. The BRDWID as a subdivision of the County, falls under the Arizona Open Meeting Law so anyone can attend the meetings and provide feedback to the Board.

Why are some HOAs advising against the creation of a Water District?

Based on the documentation we have seen, we believe some HOA leaders are more comfortable giving the Arizona Corporation Commission oversight of a private company than giving the Coconino County Board of Supervisors oversight of a local Water District Board.

Did a CPA audit the books of Starlight Water Company?

The steering committee group reviewed the books and ledgers of Starlight Water Company (SWC). One of those reviewers was an accountant and did not notice any red flags. SWC has been very open with us and has answered all questions we asked.

Will the water quality be affected?

No. The Arizona State Department of Water Quality will continue to oversee the quality of our water. The water is tested at least monthly for basic chemicals, and a full water analysis is done once a year. The testing requirements are the same for Private Water Companies and Water Districts.

Who will perform the normal maintenance of the system?

The current operator has agreed to stay on and train a new operator to be hired by the Water District Board. This employee of the water district would perform the routine maintenance and repairs. Any other maintenance and repair of generators, well pumps, and electrical systems, etc., would continue to be performed by specialty companies.

Will my rates be affected?

Yes, as a new Water District, we need to borrow money to purchase the assets of Starlight Water Company (SWC). As a result of repaying the loan and establishing a reserve fund, our base rates would have to increase between \$15 and \$20 per month. If another private water company should buy SWC, that company would also have to increase rates to cover their acquisition costs and whatever upgrades they deemed necessary plus profit margin.

How often will rates increase under the newly formed Water District?

With Board approval, the rates will initially be increased with the purchase and transfer of SWC to BRDWID. Future rate increases would be predicated on expenses. In the first year, BRDWID will be working on longer term strategies and plans for the water system while taking advantage of any efficiencies or cost reductions that do not compromise water quality or availability.

Will my water rates change if I am not in the Water District?

Yes, the water rates and fee structure will be the same whether you are in the Water District or not. Everyone in the service area will be affected by any initial or subsequent rate increases.

Do water users have a say in the rate-setting process?

Yes. Rate proposals are reviewed during a hearing called for a review of a rate adjustment. Water users can voice their concerns or opinions during this hearing. The BRDWID Board discusses and considers any rate adjustments. If the Board approves any rate changes, it must share the changes with the County BoS who have oversight of the District and Board.

Can the Water District levy taxes?

Yes, but as a Water District, we are selling a commodity on a non-profit basis. There is no reason to create a property tax to boost income. If the District needs money for increased expenses or a major improvement, the District will adjust the water rates accordingly. All Board members have expressed their full agreement with this approach. None of the Board members support imposing a property tax on district members.

Does having a house vs. just property affect my vote for the water district?

No, all property owners will be treated equally, whether the property within the service area has a water meter or not.

Do all properties have to belong to the water district to continue getting water?

No. The service area is set by the existing infrastructure of SWC. All customers within the service area get the same water and pay the same rates. The Water District boundaries and the water service area can be different, however.

Can I join or leave the district at a later date?

Yes, however most Water Districts limit their expansion to once a year to control the administrative costs of expanding or contracting a district. The property owners wanting to enter or leave the district will be required to cover all the costs involved with the changes to the district.

Will joining or not joining affect my property values?

Joining a water district should not affect your property values, as either way you still would have access to a reliable supply of quality water. Being in a locally controlled water district may actually improve property values.

Can a Water District or a Private Water company sell or take our mountain water?

There have been instances where a Private Water Company has sold Arizona's mountain aquifers to other, less productive water service areas. A Water District can sell the water in our aquifers but as a non-profit it has very little motivation to do so, because the Water District is committed first to its local customers and only services the water service area.

What happens if something catastrophic happens to the system, i.e., well failures, broken mains, etc.?

Like the current owner (Starlight Water Company), the Water District would have to respond to and fix issues in a timely manner. A reserve fund will be created with the purchase of SWC. The new rate structure and budget for BRDWID will include funding the reserve to a reasonable level to pay for unplanned repairs in the future.

We have heard the underground main waterlines in Starlight Pines are made up of PVC that is prone to leaks. If these lines are replaced, will the water users in Starlight Pines pay for this?

Yes. Any costs for repairs or replacements to the system will be the responsibility of the Water District after the transfer in October 2021. The new rate structure and planned budgeted reserves will pay for repairs and replacements.

Is the water system monitored electronically to provide system trouble information quickly?

No. The water system relies on feedback from customers to identify issues or concerns and responds accordingly. The water system operator sees every meter every month and recognizes and addresses any issues found during the meter-reading tours.