

Starlight Pines Ranchettes Board Meeting
5/16/21
Meeting Minutes

1. Call to order, Roll Call, and Quorum

Chairperson John Ritter called the Open Zoom Meeting of the Board of Directors to order at 9:02 a.m.

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

Board Members Absent: None.

Members at Large Present: (12 people in waiting room)

Bill Patterson, Mike Bradley, Tom Osterday, and other unnamed Members at Large

Others Present: Patricia Birtwistle, Zoom Meeting Technician

Quorum: Chairperson John Ritter determined that four of four Board Members present constituted a quorum to do business.

2. Accept Agenda as Presented

Motion: Accept Agenda as presented. **Action:** Approve. **Moved by:** Board Member John Ritter. **Seconded by:** Board Member Sue Davis.

The Motion passed unanimously.

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

No Members of the public addressed the Board regarding items not on the Agenda.

4. Consent Agenda Item

A. Approve March 27, 2021, Draft Open Meeting Minutes

Motion: Approve March 27, 2021, Open Zoom Meeting Minutes. **Action:** Approve. **Moved by:** Board Member Sue Davis. **Seconded by:** Board Member Ronald Krug.

The Motion passed unanimously.

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

Motion: Move into Closed Executive Session to discuss applicants for a vacant Board position. **Action:** Approve. **Moved by:** Board Member Sue Davis **Seconded by:** Board Member Paul Schmidt.

The Motion passed unanimously.

9:06 a.m. The Board suspended Open Session and moved into Closed Executive Session. BRDWID Meeting Technician Trisha Birtwistle moved Members at Large into the Zoom Meeting Waiting Room.

9:32 a.m. The Board moved back into Open Session. Meeting Technician Trisha Birtwistle moved Members at Large from the Zoom Meeting Waiting Room into the Open Zoom Meeting.

6. Regular Agenda Items.

A. Discuss status of BRDWID offer to purchase the Starlight Water Company, Inc.

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

The Motion passed unanimously.

John Ritter reported that BRDWID Attorney Riley Snow had sent BRDWID's counter offer to Starlight Water a month ago but had not yet received a reply. John expressed disappointment that he had not heard back, as BRDWID had met all of its negotiated obligations. Board Member Ronald Krug asked if

the BRDWID attorney was prompt. John replied that sometimes there were a few days delay. John said he would contact Attorney Snow about the lack of Starlight Water's response.

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

Motion: To Discuss. **Action:** Approve. **Moved by:** Board Member Sue Davis. **Seconded by:** Board Member John Ritter.

The Motion passed unanimously

John Ritter reported that he had attended the Water Infrastructure Financing Authority (WIFA) of Arizona Advisory Board meeting on Thursday, April 22, 2021, by phone. The WIFA Advisory Board recommended that WIFA fund the \$2.9 million BRDWID Application. The Application would now go to the Governor-appointed Arizona Financing Authority on Tuesday, April 27, for final approval and then to WIFA staff to draw up the loan documents. Starlight Water's past satisfactory water quality reports were helpful for approval. WIFA staff have been helpful throughout the application process, willing to come up and advise the operations, and tentatively suggesting a \$400,000 loan principal write-off might be possible. WIFA won't set the loan interest rate until the loan is finally approved. The rate should be between 1.5% and 2% over a 20-year term that later might be extended.

C. Discuss Officer positions of the BRDWID Board of Directors

Motion: To Discuss. **Action:** Approve. **Moved by:** Board Member Ronald Krug. **Seconded by:** Board Member Paul Schmidt.

The Motion passed unanimously.

Motion: To create official BRDWID Board positions of Chairperson, Vice Chairperson, Secretary, Treasurer, and Clerk. **Action:** Approve. **Moved by:** Board Member Sue Davis. **Seconded by:** John Ritter

The Motion passed unanimously.

John Ritter stated that he was acting as Chair and Sue Davis was acting as Secretary and Clerk. **Motion:** To create official Board positions of Chairperson, Vice Chairperson, Secretary, Treasurer, and Clerk. **Action:** Approve. **Moved by:** Board Member Sue Davis. **Seconded by:** Board Member John Ritter. **The Motion passed unanimously.**

John Ritter agreed to continue as Chairperson. Sue Davis agreed to continue as Secretary and Clerk.

Paul Schmidt recommended that the Board wait to fill the Board Officer positions until the next meeting when new Board Member Mike Bourne would be present.

Motion: To Table filling Board positions of Chairperson, Vice Chairperson, Secretary, Treasurer, and Clerk until next meeting. **Action:** Approve. **Moved by:** Board Member Sue Davis. **Seconded by:** Board Member Ronald Krug.

The Motion passed unanimously.

BRDWID Member Tom Osterday in attendance by Zoom asked for the amount of the WIFA loan. John Ritter responded that BRDWID had applied for a 20-year \$2.9 million loan from WIFA of AZ at an interest rate of 1.5% to 2%.

D. Discuss/Approve new Board Member

Motion: To Discuss/Approve. **Action:** Approve. **Moved by:** Board Member Ronald Krug. **Seconded by:** Board Member Paul Schmidt.

The Motion passed unanimously.

John Ritter recalled that BRDWID Board of Directors Member John “Jack” Beale, a property owner in Pine Canyon, had resigned from the BRDWID Board on March 22, 2021, due to a lack of time. The Board had posted the vacant position on the BRDWID website and on local public bulletin boards. The Board had received and reviewed the three applications. In closed executive session, the Board had arrived at consensus to select an applicant with the most technical water system operations experience to oversee the utility management company that BRDWID chooses.

Motion: To Approve. **Action:** Approve appointment of Mike Bourne, a property owner in Blue Ridge Estates and a registered Arizona voter to complete John “Jack” Beale’s four-year term on the BRDWID Board of Directors. **Moved by:** Board Member John Ritter. **Seconded by:** Board Member Sue Davis. **The Motion passed unanimously.**

John Ritter will communicate the appointment in writing to Mike Bourne and Coconino County. Sue Davis will send John Ritter the BRDWID logo for use in the letterhead.

E. Discuss process for accepting new District members and allowing Members to leave the District.

Motion: To Discuss. **Action:** Approve. **Moved by:** Board Member Ronald Krug. **Seconded by:** Board Member Paul Schmidt.

The Motion passed unanimously.

Board Member and Clerk Sue Davis reported that she had received emails from three (3) BRDWID members who want to opt out of the District. An attorney stated during discussion at the June 29, 2020, Supervisors meeting that opting out was something a Member could do but opting out was not included in the Supervisors Motion. Coconino County says it is not their job to help Members opt out. BRDWID needs legal advice to resolve opting out and opting in. Opting out or in can be expensive, requiring maps to be re-created. Paul Schmidt volunteered to reach out to the Forest Lakes DWID to see if they have a process for Members to opt out or opt in. After researching the opt out/in issue, John Ritter will seek advice from BRDWID attorney Riley Snow.

7. Announcements.

A. Future meeting dates.

With the consensus of other Board Members, Chairperson John Ritter set the next Water District Board meeting for Saturday, June 5, 2021, at 9:00 a.m. at the Starlight Pines Community Center and/or by Zoom Meeting. A WIFA of AZ decision on April 27 may trigger a special meeting. Meetings must be announced 48 hours in advance. A special meeting could be held via Zoom meeting.

B. Future Board agenda items.

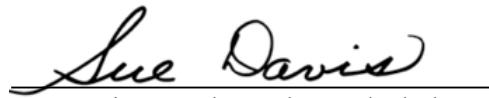
1. Discuss status of BRDWID offer to purchase the Starlight Water Company, Inc.
2. Discuss status of WIFA loan and general assistance available to the District
3. Discuss Officer positions of the BRDWID Board of Directors
4. Discuss a process for accepting new District Members and allowing Members to leave the District

8. Adjournment.

Motion: Adjourn Meeting **Action:** Approve **Moved by:** Board Member Ronald Krug who first thanked John Ritter for his hard work leading the Board to create the BRDWID. **Seconded by:** Board Member John Ritter. **The Motion passed unanimously.**

Chairperson John Ritter adjourned the meeting at 10:10 a.m.

John Ritter, Board Chairperson
Blue Ridge Domestic Water Improvement District



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

Prepared on: May 12, 2021

Approved on: _____