Mountain Club Domestic Water Improvement District **Prescott, AZ**

Open Meeting Minutes

Date: September 24, 2026 **Time**: 5:30 p.m. **Location**: Mountain Club Clubhouse, 910 W. Clubhouse Dr. Prescott, AZ

Attendance

Board Members Present:

Chris Witham Doug Shepherd

Kent Erwin

Board Members Absent: Susan Rupe, Gary Volkenant

Volunteer Staff: Karyn Osterman, Gloria McConnell

1. **Call to Order** by C. Witham, Chair, at 5:30 p.m.
2. **Pledge of Allegiance**
3. **Board Roll Call**: See above.
4. **Attendee Introductions**:
   Volunteer staff: Karyn Osterman and Gloria McConnell
   Public: One member of the public, Ron Cleary, was in attendance at the beginning of the meeting.
5. **Call to the Public (1 of 2)**: Mr. Cleary asked several basic questions about the DWID—water rates, status, and operation. He was directed to the DWID's website for information.
6. **Consent Agenda**:
   A. **Approval of September 10, 2026, minutes**: K. Osterman recommended a change to item 11.A, "Proposed Agenda Items," to clarify that a formal billing policy should be adopted and include such information as owner/renter policy and late payments.

   Motion: C. Witham moved to approve the 09/10/2026 minutes as amended; K. Erwin seconded the motion. Motion carried unanimously.

   Action: G. McConnell to post corrected minutes to the District website.
7. **Reports and Correspondence**
   A. None. (These items are presented only at first of month.)

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8. **Old Business**
   A. **District Insurance Policy Status**: D. Shepherd explained that Grundy has accepted the DWID's procedure for two-party authorization for payments. The DWID's current financial controls policy says one person cannot both authorize and process payments. The Board and K. Osterman discussed the need to update the policy to address the ability of the accountant to make routine payments as well as when two-person authorization is required. The updated policy can then be referenced in the insurance application. Other questions were raised in this discussion, including adequacy of the amount of "employee theft" coverage ($25K); agent was not aware of any district with higher coverage), and whether volunteers are covered by the

policy. It was also noted that G. McConnell discovered another insurance company that offers Special District insurance.

Actions: D. Shepherd will follow up with Grundy on outstanding questions and will check into the additional insurance company *[World Insurance].*

B. **District Member Vehicle Insurance Policy**: D. Shepherd reported that Grundy recommends $250,000 or $350,000 for board members or volunteers traveling on official District business. It was noted that an insurance card alone does not prove coverage limits, and K. Osterman recommended that when proof of insurance is provided, the Declarations page be included.

Action: The policy needs to be updated to reflect this new information.

C. **Permanent Water Services Agreement**: C. Witham reported that he consolidated all board and staff comments on the agreement and provided them to BPCWS attorneys. The board/staff will meet, in executive session, with attorneys next week to review the draft agreement.

Action: Board members and staff should be prepared for the meeting next week.

D. **Water Application Process for DWID Water Users**: C. Witham and board discussed a proposed process for current City water users within the DWID to complete a new DWID water service application. They discussed the example application (Rim Trail DWID) provided by AUBS, and agreed some changes are needed. Other items discussed were whether or not water can be withheld if the application is not returned, and whether the application could be provided online to make it easier for property owners to return it.

The Board also reviewed the Highland Pines "water responsibility" statement and seemed to agree that property owners should be responsible for water payments, with duplicate billing available for tenants. It was noted that the letter to residents (discussed in previous meetings) will be presented by G. Volkenant when he is present at a future meeting.

Actions: C. Witham to check with AUBS on fees for duplicate bills (for tenants) and whether an online application is possible; he will also ask BPCWS about turning off water service if application not returned. G. Volkenant is asked to have a proposed letter for residents at the next open meeting.

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9. New Business

A. **Customer Rules Document**: C. Witham noted the need for a "Customer Water Service Rules and Regulations" document and included a draft of said document for discussion. It was suggested a board member work with staff to review/revise the proposed document. K. Osterman and K. Erwin volunteered for these tasks. G. McConnell offered to edit the document.

Action: K. Erwin, K. Osterman, and G. McConnell to work on a revised document to provide to the Board at a future open board meeting for discussion/approval.

10. Call to the Public (2 of 2): G. McConnell stated that lead-line verification is now being done in the neighborhood and explained the procedure workers are using to verify line materials.

11. **Future Agenda Items**:

A. **Proposed Agenda Items for the Next Open Meeting**: 1) An operational checklist is needed to identify the steps that need to be completed in order to begin operation. Outstanding items from this meeting also should be addressed at the next open meeting (insurance, vehicle policy, city agreement, water service application, resident letter, customer rules and regulations). The status of ADEQ's PWS number application is also needed.

B. **Next Regular Board Meeting Date and Time**: The next meeting will be **September 30 at 1 p.m. at the BPCWS law offices**. This will be a public meeting that immediately goes into executive session.

   The subsequent open meeting will be **October 8 at 5:30 p.m.**at the clubhouse.

12. Adjournment: With no further business, the meeting adjourned at 6:57 p.m.

Respectfully submitted,

Gloria McConnell
Volunteer
Mountain Club Domestic Water Improvement District

Posted:

/s/Gloria McConnell Draft: Date: 9/27/2026 Time: 5:49 p.m.

/s/Gloria McConnell Approved: Date: 10/08/2026 Time 12:00 p.m.