Rules and Rules of Procedure

Mountain Club Domestic Water Improvement District (District)

APPROVED January 13, 2026

RULE 1: DISTRICT OFFICE & WEBSITE

A. The District office is located at 910 W. Clubhouse Drive, Prescott, AZ 86303. All correspondence, applications, and inquiries should be addressed to the Mountain Club Domestic Water Improvement District, P.O. Box 3879, Prescott, AZ 86302.

B. The official District website is http://www.mountainclubwaterAZ.org, where information and resources are available to the public.

RULE 2: BOARD MEETING – LOCATION AND TIME

A. Public notice of the District Board meeting dates, locations, and times, as well as instructions for accessing meeting notices and agendas, will be submitted to the Yavapai County Board of Supervisors and posted on the District website. All Board meeting agendas will be posted at least twenty-four (24) hours prior to the meeting, in accordance with Arizona Open Meeting Law. Sundays and holidays are excluded from the twenty-four (24)-hour notice period. No action may be taken on items not listed on the agenda, except in emergency situations involving the health, safety, or general welfare of District residents and/or users of the District's facilities.

B. The Chairperson of the Governing Board will designate the time and location for regular and special meetings. Regular meetings will be scheduled at a consistent date and time whenever possible to permit the members of the public and Governing Board to anticipate and prepare for those meetings. Special meetings and executive sessions may be called at the discretion of the Chairperson or upon the request of two (2) Governing Board members.

C. All meetings will be conducted according to agreed-upon rules of order. Any attendee causing a disturbance may be asked to leave.

RULE 3: CONDUCT OF MEETINGS

A. The Chairperson shall preside over all meetings of the Governing Board and serve as the head of the Board for ceremonial purposes. In the Chairperson's absence, or as directed by the Chairperson or remaining Board members, the Secretary shall act as Chairperson. If both the Chairperson and Secretary are unavailable, a temporary Chairperson will be selected by the Board members.

B. The Chairperson, or their designee, the District Council, or the Administrator (or their designee), shall serve as Board parliamentarian, maintaining decorum and ruling on questions of order, subject to appeal by the Board.

C. Board Members must not delay or interrupt proceedings or refuse to comply with the Chairperson's orders or Board rules. Members wishing to speak must address the Chairperson, be recognized, and confine their remarks to the topic under discussion, avoiding offensive or inappropriate language. Once recognized, a Member may not be interrupted except for points of order or privileged motions. If called to order, the Member must cease speaking until the issue is resolved. If ruled in order, the Member may proceed; if not, the Member must remain silent or amend their remarks to comply with Board rules. With the Chairperson's permission, Members may address questions to the District Administrator, staff, or audience, but must limit questions to the issue at hand. If the Chairperson fails to act on a point of order, any Board Member may move to require enforcement of the rules, and a majority vote will compel the Chairperson to act.

D. All remarks must be addressed to the Chairperson and Board Members. Staff or audience members may not participate in discussion without first obtaining the floor by permission of the Chairperson.

E. Citizens of the District and other public attendees must observe the same standards of propriety and decorum as Board Members. Anyone wishing to address the Board must first be recognized by the Chair, state their name audibly for the record, and limit remarks to the matter under consideration. All remarks must be addressed to the Chair and Board Members.

F. Citizens of the District, Board Members, and other attendees shall be afforded the opportunity to attend Board meetings, either in person or via telephone conferencing. Requests for telephonic attendance must be submitted to the District at least twenty-four (24) hours before the meeting to allow time for accommodations.

Note: Any part of the public meeting may be recorded by attendees using audio or video devices, provided such recording does not interfere with the conduct of the meeting.

RULE 4: QUORUM

A majority of the Governing Board members shall constitute a quorum for conducting official business at any meeting. Any action taken by a majority of the quorum present shall be considered an official act of the Board.

RULE 5: OPEN MEETING RULES

A. Notice and Posting of Meetings

1. **Notice to Governing Board Members:**
   All meetings, including executive sessions, require at least twenty-four (24) hours' notice to Board members. Notice may be provided by posting on the District website, posting on the Mountain Club outdoor bulletin board kiosk at 910 W. Clubhouse Drive, Prescott, AZ, mailing, emailing, or hand-delivering a copy to each member.

2. **Notice to the Public:**

   Notice of all meetings, including executive sessions, must be given to the public, as follows:

   - **Disclosure Statement:** The Board shall post on its website or file with the Clerk of the County Board of Supervisors a Disclosure Statement specifying where public notices will be posted. Additional reasonable and practicable notice shall be provided for all meetings. For regularly scheduled meetings, a public notice may be posted at the start of the calendar period, but a separate agenda must still be posted for each meeting.

   - **Posting Notice:** Notices (or agendas) must be posted in the public place identified in the Disclosure Statement, with additional public notice as reasonable and practicable. If only a notice is posted, it must explain how the public can obtain the agenda.

   - **Timing:** Except as otherwise provided, meetings shall not be held without posting public notice at least twenty-four (24) hours in advance.

   - **Agendas:** Agendas must be available to the public at least twenty-four (24) hours before the meeting, except for emergency meetings or recess/resumption of prior meetings. Saturdays may be included if the public has access to the physical posting location; Sundays and legal holidays are excluded per ARS §1-301.

   - **Emergency Meetings:** If an emergency meeting is held without twenty-four (24) hours' notice, the District must provide as much notice as reasonably

possible, include the reason for the emergency meeting in the meeting minutes, and post a public notice within twenty-four (24) hours after the meeting explaining the emergency and setting forth a general description of the matters discussed. Emergency meetings are reserved for unforeseen circumstances requiring immediate Board action in order to avoid a serious consequence that would result from waiting until a proper notice could be provided.

- **Recess:** The Board may recess and resume a properly noticed meeting by announcing at the meeting the time, date, and agenda items to be covered upon resumption.
- **Executive Session:** If an executive session is planned, the agenda must cite the specific legal provision authorizing it. If legal advice may be needed, the agenda may state that an item on the agenda could be discussed in executive session under ARS §38-413.03(A)(3). Executive sessions may be attended by Board Members, individuals subject to personnel discussion, and others whose presence is reasonably necessary (with justification recorded).
- **Employment Matters:** If a personnel matter will be discussed in executive session, the affected employee or appointee must receive written notice at least twenty-four (24) hours before the meeting.

B. Agendas

1. An agenda, with supporting documentation, shall be prepared for each Board meeting.
2. **Regular Meetings:** Each meeting must have a written agenda, either incorporated in the Notice or as a separate document. The agenda must specify the place, date, and time of the meeting, and a specific list of all matters to be discussed, considered, or decided. The Board may only act on items listed on the agenda, which must be sufficiently descriptive to inform the public of the matters to be discussed or decided. If an item is to be discussed in executive session, the agenda must disclose this. The Chairperson is responsible for determining which agenda items are addressed.
3. **Executive Sessions:** Executive session items require a separate agenda entry, including a general description of the matters to be considered in executive session and the statutory citation authorizing the session. The agenda should not include information that would defeat the purpose of the executive session, compromise

the legitimate privacy interests of a public officer, appointee or employee, or compromise the attorney-client privilege.

4. **Distribution:** Agendas may be made available by including them in the public notice or by specifying in the notice how to obtain a copy. Distribution should follow prescribed procedures; incorporating the agenda into the public notice is preferred.
5. **Consent Agenda:** The Board may use a consent agenda for routine, non-controversial items. The consent agenda must fully describe each item and inform the public where more information is available. Any Board member may request removal of an item from the consent agenda. The Board may take one vote to approve or disapprove of the consent agenda as a whole.
6. **Signed Agenda:** Agendas should be signed by the clerk, another Board officer, or the responsible person.
7. **Courtesy Agenda:** If a quorum may be present at a social event or seminar, a courtesy agenda may be posted to announce the event and clarify that no business will be discussed or legal action taken.

C. Minutes

1. Minutes must be taken for all public meetings and executive sessions, including subcommittee and advisory committee meetings. Minutes may be written or recorded by a tape recorder or video recorder.
2. Minutes (or draft minutes or audio recordings) of public meetings must be available for public inspection within three (3) working days after a meeting. If minutes are distributed before official approval, they should be marked “draft” or “unapproved.”
3. **Executive Session Minutes:** These are confidential and may only be disclosed to authorized persons. Executive session minutes should be stored separately from regular session minutes. Materials distributed in executive session are also confidential and should be collected at the end of the executive session and attached to the minutes as exhibits.
4. **Contents of Regular Meeting Minutes:**
    - Date, time, and place of the meeting; attendance record of the members of the Board
    - General description of matters discussed, even where no formal action or vote was taken with respect to the matter

- Accurate record of legal actions, motions, and votes
- Names of individuals making statements or presentations and a specific reference to the legal action to which the statement or presentation relates
- Sufficient detail for public understanding of actions taken
- Full description of emergency matters discussed
- Written description of any ratified prior acts
- Proper approval, signature, and date

5. **Contents of Executive Session Minutes:**
    - Date, time, and place; attendance record of the members of the Board
    - Purpose and statutory authority for the executive session
    - Identification and justification for attendees
    - General description of matters considered
    - Instructions given to attorneys or representatives pursuant to A.R.S. §38-431.03(A)(4), (5) and (7)
    - Description of emergency matters
    - Proper approval, signature, and date
6. **Confidentiality:** Executive session minutes and discussions are confidential and may not be disclosed to anyone, except for:
    - Board members
    - Officers, appointees, or employees who were the subject of discussion (limited to those portions of the minutes directly pertaining to them)
    - Staff preparing or maintaining minutes
    - Board attorney
    - Auditor General in connection with the lawful performance of its duty to audit the finances or performance of the Board
    - Attorney General or County Attorney when investigating alleged violations of the Open Meeting Law
    - The Court (for confidential records inspection)

D. Executive Session

The Board may hold executive sessions only for specific purposes, including:

- Employment matters including but not limited to assignment, appointment, promotion, demotion, dismissal, salaries, disciplining, or resignation of a public officer, appointee or employee
- Records exempt from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law
- Legal advice
- Labor negotiations, contract negotiations, pending litigation, settlement matters
- International and interstate negotiations
- Negotiations for the sale, lease or purchase of real estate property
- School safety operations or plans
- Security plans, procedures, assessments, or systems relating to, or having an impact on, the security or safety of buildings, facilities, operations, critical infrastructure information and information technology

All attendees must be instructed on confidentiality requirements. Executive session information may not be disclosed except as permitted by law. No final vote or decision may be taken in executive session, except for instructions to counsel or representatives. Only matters identified in the notice may be discussed, and the agenda must list the statutory citation for the session.

E. Ratification

The Board may ratify legal actions within thirty (30) days of discovering a violation of Open Meeting laws, or after such discovery of the violation should have been made through the exercise of reasonable diligence. Notice must include a description of the action to be ratified, a clear statement of the intent to ratify a prior action, and information on how to obtain a detailed written description. The Board must make a detailed written description of the action to be ratified and all deliberations, consultations and decisions by Members of the Board that preceded and related to such action available to the public at least seventy-two (72) hours before the meeting at which ratification is to occur, and include such description in the meeting minutes.

F. Emergency Meetings

If an emergency meeting is held without twenty-four (24) hours' notice, the District must provide as much notice as reasonably possible, record the reason in the meeting minutes, and post a public notice within twenty-four (24) hours after the meeting declaring that an emergency session has been held, giving the reason for the emergency meeting and setting forth a general description of the matters discussed. Emergency meetings are reserved for unforeseen circumstances requiring immediate Board action in order to avoid a serious consequence that would result from waiting until a proper notice could be provided.

G. Communication with the Public

Board Members may express opinions and discuss issues with the public outside of official meetings, including through media or public broadcasts, provided such communication does not circumvent the Open Meeting Law.

RULE 6: ORDER OF BUSINESS

A. Standard Order of Business

The Governing Board shall conduct its business in the following order, unless the Chairperson determines that reordering items will expedite proceedings:

- Call to Order
- Roll Call
- Recognition of Guests
- Consent Agenda
- Approval of Minutes
- Call to the Public
- Reports and Correspondence
- Business (Old and New)
- Future Meeting Dates and Agenda Items (if known)
- Adjournment

The Chairperson may invite input from the public and Board Members as each agenda item is considered. The Chairperson will determine the amount of time allocated for public comment on each item. Members of the public may be asked to complete a comment form indicating their name and the topic they wish to address, but the Chairperson may also recognize speakers who have not completed a form.

B. Placing Matters on the Agenda

Any Board Member, staff member, or member of the public may request that the Chairperson place an item on the agenda for consideration, discussion, or possible action.

- If the Chairperson determines a topic is appropriate, it will be scheduled at the earliest reasonable opportunity.
- If a request is declined, the Chairperson must notify the other Board Members in writing.
- Any topic requested by a Board Member and supported by at least one additional Board Member must be placed on the agenda at the earliest reasonable opportunity.

C. Recurring Agenda Items

1. **Every Meeting:** Bookkeeper/Financials and Monthly Operations Report (MOR)
2. **January:** Selection of Officers (Chairperson, Secretary, Treasurer, etc.); discussion and possible action on Insurance Policy Renewal
3. **January or February:** Submit the District's Annual Report (A.R.S. § 48-251) to the Clerk of the County Board of Supervisors. Submit the District's Annual Audit (A.R.S. § 48-253) to the County Board of Supervisors and the County Treasurer.
4. **April or May:** In election years, approve the Call of Election for November and notification to the County Board of Supervisors and the County Elections Officer regarding the same. Pursuant to A.R.S. §§ 16-225(C), and 16-226(A), this must be done no later than 180 days before the November election date. Publish the Call of Election in the newspaper at least two times not less than one-week apart (*See* A.R.S. § 16-227).
5. **May or June:** Pursuant to A.R.S. §§ 48-954, 42-17101 to 42-17106, prepare, review, and adopt the estimates of revenues and expenses (i.e., the tentative budget). To align with the budget, the adoption of rates and fees should be considered at this time as well. After tentative adoption, approve publication of: (i) the estimates of revenues and expenses and (ii) a notice of public hearing to hear taxpayers and make tax levies for the upcoming fiscal year. Publication shall be made once a week for at least two consecutive weeks (*See* A.R.S. § 42-17103).
6. **June or July:** On or before July 10th of each year, hold public hearing on tentative budget, rates, and fees; and finalize adoption of the budget (the adopted estimates

constitute the budget for the District for the current fiscal year).[1] The final adopted budget shall be posted in a prominent location on the website within 7 days after final adoption. Submit the most recently adopted annual budget to the County Board of Supervisors and the County Treasurer no later than July 10th of each year.

7. **September or October:** Publish the Notice of Election in the newspaper at least two times not less than one week apart (A.R.S. § 16-228).
8. **October:** Review and submit to the County Board of Supervisor and Affidavit of Compliance with the election laws not later than 5 days before the election (A.R.S. § 16-229).
9. **November:** Hold a meeting to canvass the election not less than 6 days nor more than 20 days after the election (A.R.S. § 16-642).
10. **November or December:** Present the canvass of election at the next regularly scheduled County Board of Supervisors meeting.
11. **As Needed:** Discussion and possible action on Administrative, Operator, Engineering, Legal contracts, or appointment of new Members to vacancies.

D. Recesses

A meeting may be recessed and resumed with less than twenty-four (24)-hour notice only if the initial session was properly noticed under Arizona law.

- The Chairperson must announce on the record the date, time, and place for resumption, which must occur within twenty-four (24) hours, or a new twenty-four (24)-hour notice must be posted for a later date.

E. Voting Procedures

1. In the event of a tie, the proposal is considered defeated.
2. Every Board Member present (in person or electronically) must vote unless abstaining, declaring a conflict of interest, or otherwise prohibited by law. Failure to vote "aye" or "nay" is treated as an abstention and not counted.

[1] As a result of the passage of HB 2161 (effective September 14, 2024), the timing for preparing and adopting the budget is somewhat inconsistent with the timing to submit the annual budget to the County Board of Supervisors (BOS). 2024 Ariz. Sess. Laws, ch. 118 (H.B. 2161). The budget is required to be prepared on or before the "third Monday in July." A.R.S. 42-17101. In contrast, the new law requires DWIDs to submit their annual budget to the BOS not later than July 10 of each year. A.R.S. § 48-252. Therefore, we have opted for the earlier of the two dates to ensure compliance and to provide the BOS with the most current version of the District's budget each year.

3. Passage of any motion or resolution requires an affirmative vote by at least a majority of the Board members that are present at any given meeting, unless otherwise required by law.

F. Permission to Address the Board
Individuals other than Board Members and management may address the Board only upon recognition by the Chairperson or the Chair of the relevant committee.

G. Reconsideration of Board Actions
Any previous Board action (except those already reconsidered, or motions to adjourn, suspend the rules, or table/take from the table) may be reconsidered by a motion from a member who voted with the prevailing side.

H. Public Attendance and Participation
Meetings are open to all, except when conduct is disruptive or as otherwise provided by law (e.g., executive sessions).

- The public may record or videotape meetings, provided it does not interfere with proceedings.
- The Board is encouraged, but not required, to allow public input.
- Attendees are not required to identify themselves or sign in unless making a presentation.

I. Call to the Public
The Board may invite public comment on any issue within its jurisdiction.

- Board Members may not discuss or act on matters raised during this time unless the item is on the agenda.
- Members may respond to criticism, ask staff to review a matter, or request that an issue be placed on a future agenda.
- Such responses should occur after the call to the public.

J. Public Hearing Procedures
When a public hearing is required (e.g., annexations, budget adoptions), the following procedures apply:

1. The Chairperson introduces the item, opens the hearing, and may announce rules such as:
    - Speakers must state their name and place of residence for the record.

- All individuals, regardless of position, may speak.
- Disruptive individuals may be removed.
- The rules are intended to ensure an orderly and fair hearing.

2. The Chairperson calls on those wishing to speak (sign-in not required, but identification is requested).
3. Board Members may ask questions of speakers or staff.
4. The Chairperson closes the public hearing.
5. For action items, the Chairperson asks for a motion; after a motion and second, discussion occurs.
6. The Chairperson invites further Board discussion and final comments from administration.
7. The Chairperson confirms readiness for a vote, which may be verbal or by roll call.
8. Administration is directed to prepare findings consistent with the Board's action.

Failure to follow these procedures does not invalidate Board actions.

RULE 7: RULES OF ORDER

Unless otherwise directed by the Board Chairperson, the Governing Board may, when practical, conduct meetings in accordance with Robert's Rules of Order. The Board Chairperson, their designee, the District Council, or the Administrator shall serve as parliamentarian and advise on procedural matters. Failure to follow Robert's Rules of Order or these Rules does not invalidate any action lawfully taken by the Board.

RULE 8: SUSPENSION OF RULES

Any rule set forth herein may be suspended, except for those mandated by law. Unless otherwise directed by the Board or Chairperson, a suspended rule is automatically reinstated after the vote or conclusion of the relevant item of business.

RULE 9: MOTIONS

All ordinances, resolutions, contracts, and items of business requiring Board approval prior to the expenditure of funds must be presented as an affirmative motion or resolution.

RULE 10: EMAILS

To ensure compliance with the Open Meeting Law, emails to Board members may include the following statement:

“To ensure compliance with the Open Meeting Law, recipients of this message should not forward it to other Board members. Board members may reply to a staff member regarding this message, but should not send a copy of the reply to other district Board members.”

Board members or advisory board members responding to staff may include:

“To ensure compliance with the Open Meeting Law, this email is sent to a staff member only, and recipients of this message should not forward it to other Board Members. In addition, Board Members should not reply to this message.”

RULE 11: CITIZEN CONCERNS AND SUGGESTIONS

When citizen concerns or suggestions are brought before the Board, other than for items already on the agenda, the Chairperson shall determine whether the issue should be placed on a future agenda for Board consideration or referred to the District Administrator or staff for review.

RULE 12: BOARD MEMBER CONDUCT

All Board members shall uphold the highest standards of integrity, professionalism, and ethical behavior in the performance of their duties. Members are expected to act in the best interest of the District and the public it serves, avoiding any personal or financial conflicts of interest. Board members shall treat each other, staff, and the public with respect and civility, fostering a collaborative and transparent environment. Conduct that disrupts meetings, undermines board decisions, or brings disrepute to the District is strictly prohibited. Violations of this policy may result in censure or other disciplinary actions as authorized by law.

Board members must exercise discretion and professionalism when posting online content that involves or references the District. Any public statements, including those made on social media or other digital platforms, must not disclose confidential or privileged information, misrepresent District policies, or imply official positions unless expressly authorized to do so. Personal opinions should be clearly identified as such and must not appear to represent the views of the Board or the District.