



# SKY HI DOMESTIC WATER IMPROVEMENT DISTRICT

## BOARD BY-LAWS

### ARTICLE I NAME

This organization shall be known as "Sky Hi Domestic Water Improvement District" (Sky Hi DWID), an Arizona Domestic Water Improvement District, hereafter referred to as the "District".

The District shall be governed by a Board of Directors, hereby referred as the "Board".

Sky Hi DWID physical address is 112 N. Aztec Circle, Pinetop, AZ 85935. Mailing address is P.O. Box 974, Lakeside, AZ 85929

### ARTICLE II PURPOSE and MISSION

This District Board is organized for the purpose of furnishing policy facilitating the mission, policy, and guidance for the operation of the Sky Hi Water District, hereafter referred to as "The District."

The mission statement for the District is as follows:

- To provide Sky Hi Retreat Community with safe, potable drinking water.
- To serve Sky Hi Retreat Community's best interest within the guidelines of managing a public water utility.
- To sustain responsible, professional, businesslike, educated, and ethical practices in representation of the Sky Hi Retreat Community's water needs.
- To provide for fiduciary responsibility and oversight of the water utility.
- To support and facilitate Board teamwork through dedication, cooperation, communication, Participation and preparation.

### ARTICLE III ESTABLISHMENT

The Sky Hi DWID was established on April 3, 1989 by the Navajo County Board of Supervisors Resolution No. 27-89 under A.R.S. Title 48, Chapter 6 Article 1 and 4 and hereby appointed a five-member Board of Directors, pursuant to A.R.S. Section 48-1012.

### ARTICLE IV GOVERNING BODY

**SECTION 1.** The District Board shall consist of a five-member Board who are electors, qualified and who are elected by the electorate of the District, or who are appointed by the District Board, pursuant to A.R.S. 48-1012. Each Director shall serve for a term of four (4) years. Members shall be a resident of the District and be registered to vote in the county of said District and be qualified to serve the position.



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**SECTION 2.** Board members shall serve as volunteers without pay.

**SECTION 3.** A Board Member may terminate membership at any time by written notice to the District Board (or to the Navajo County Board of Supervisors) and shall be accepted at the first meeting following the date of the written termination. However, pursuant to A.R.S. 38-295, a Board Member shall continue to discharge the duties of office until a successor has been appointed.

**SECTION 4.** In case of vacancy(s) pursuant to A.R.S. 38-291, the Board shall appoint a replacement Board Member to fill the vacancy. A posting of the vacancy shall be made on the district's website with specific instructions for submitting applications. This posting shall remain on the website for a minimum of 30 days from the date of written notice from the terminated board member. The board shall consider all qualified applicants at the first available meeting where all remaining board members are present. The vacancy(s) shall remain in place until a qualified applicant has been appointed. Once appointed the new Board Member shall serve out the remainder of the term of the Board Member whose position they are filling, according to A.R.S. 38-295 (C) and 48-1012(C).

In the event of a tie among the remaining board members the Chairman shall have the authority to cast the tie breaking vote.

**SECTION 5.** Attendance is vital to the District's operation. A board Member ceasing to conduct the duties of office for a period of three (consecutive normally scheduled meetings shall be deemed to have vacated their office, pursuant to A.R.S. 38-291 (7).

**SECTION 6.** Any Board Member vacating their office shall return all files, documents and other District material back to the District.

**SECTION 7.** Not more than one member of a family may be a Board member of the District during concurrent terms.

### **ARTICLE V.** OFFICERS

**SECTION 1.** The officers of the District Board shall consist of a Chairperson, Vice-Chairperson, Treasurer, Clerk/Secretary of the Board, and additional position as directed by the Chairman, as elected by the District Board, from time to time.

The duties and responsibilities of the Board of Directors is as follows:

- **Chairperson** shall convene over all scheduled board meetings; provide or arrange for other members to preside in their absence at each meeting in the following order: Vice-Chairperson, Clerk/Secretary, Treasurer; prepare or approve agendas; be the board's spokesperson; and role model.
- **Vice-Chairperson** shall chair committees on special subjects as designated by the Board or Chairperson.



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- **Treasurer** shall make a report at each board meeting. The Treasurer shall chair the finance committees, assist in the preparation of the budget, and make financial information available to the board members and the public.
- **Clerk/Secretary** shall be responsible for keeping records of the board's actions, including overseeing the taking of the minutes at all board meetings, sending out meeting announcements, distributing copies of minutes and the agenda to each board member, and assuring information is available to board members and the public, pursuant A.R.S. 38-431.01 (B-E). In addition, all permanent and living documentation by the District is kept or accounted for by the Clerk/Secretary.
- **Member at Large/Assigned position** shall fill the responsibility as assigned by the Chairman. Be present at the scheduled meetings and prepare for all meetings by reading documentation provided for the meeting and being prepared to discuss and vote on action items, ask questions for clarification and complete research necessary to be prepared.

**SECTION 2.** All officers of the District Board following election/appointment shall be required to take an oath of office pursuant to A.R.S. 38-231. Commencement of office shall occur after execution of oath of office, pursuant to A.R.S. 38-232 and A.R.S. 38-233.

**SECTION 3.** The election of the officers of the District Board shall take place annually at the first regularly scheduled meeting of the year.

### **ARTICLE VI.**      **MEETINGS**

**SECTION 1.** Meetings of the District Board and established subcommittees shall be open to the public and comply with Arizona's Open Meeting Laws, pursuant to A.R.S. 38-431 and A.R.S. 38-431.01.

**SECTION 2.** Regular scheduled meetings of the District Board shall be held quarterly at a minimum. Specific time and day as determined by the District Board and pursuant to A.R.S. 38-431.02 (F).

**SECTION 3.** Special meetings shall be held by the District Board as deemed necessary by the Chairman of the District Board, pursuant to A.R.S. 38-431-02 (D).

**SECTION 4.** Executive sessions shall be held by the District Board during any meeting according to A.R.S. 38-431.03.

**SECTION 5.** The meeting agenda for each meeting shall be posted according to the Laws of the State of Arizona, pursuant to A.R.S. 38-431.02 (A.3 and G)

**SECTION 6.** The business to be transacted at any Board Meeting shall be limited to that set forth in the Agenda, pursuant to A.R.S. 38-431.02 (H).





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**SECTION 7.** A majority of the Board of Directors shall constitute a Quorum for the transaction of business at any meetings of the Board. If less than a majority of the Directors are present at said meeting, the Directors must adjourn the meeting.

### **ARTICLE VII. FISCAL YEAR**

The fiscal year of the District shall be from January 1 through December 31.

### **ARTICLE VIII. INCOME**

**SECTION 1.** The District shall have the authority to set fees for the District following a public hearing, pursuant to A.R.S. 48-910.

**SECTION 2.** The Board of Directors of the District will review the water charges, rates, and fees structure annually for the possible following actions: increases, decreases, additions of various fees, discontinuance of various fees, and/or any needed alteration in charges and fees. The review is to be done at a regular board meeting in time for budget consideration of each year.

**SECTION 3.** The District shall adopt an operating budget for the fiscal year, pursuant to A.R.S. 45-2282.

**SECTION 4.** No part of the income of the District shall inure to the benefit of or be distributable to the Members of the Board. Pursuant to A.R.S. 48-1013 (B) each director shall receive reimbursement for necessary expenses while engaged in official business of the district as authorized by the board.

### **ARTICLE IX. PROCUREMENT, FINANCIAL RECORDS**

**SECTION 1.** The Board of Directors may authorize any officer of the Board or agent to enter into any contract or execute and deliver any instrument in the name of and on the behalf of the District, and such authority may be general or confined to specific instances. Unless otherwise designated, said officer or agent authority shall not exceed \$10,000.00 for any one transaction.

**SECTION 2.** Expenses that exceed the \$10,000.00 per transaction as put forth in Section 1 above shall require written quotations from no less than three (3) vendors. Quotations will be presented at a Board Meeting, pursuant to ARTICLE VI of these By-Laws. The board may choose the quotation which is the most advantageous to the District concerning price, conformance to request, quality of materials or service and other factors. The Board may elect to reject all bids if rejection is in the Districts best interest.

**SECTION 3.** Emergency Purchasing: Notwithstanding any other purchasing policy, the Board may, by a majority vote determine that an emergency exists and may make or authorize others to make emergency purchasing if there exists a threat to public health or welfare. A written determination of the basis for the emergency will be included in the Board minutes.



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**SECTION 4.** The District may authorize any officer of the Board or agent to maintain complete financial records of all transactions related to Districts operations. Said officer or agent will be responsible for completing financial activities related to income and expenses of District operations. All funds of the District shall be deposited to the credit of the District in such banks, trust company or other depository, and shall be insured accounts, as the Board may select.

### **ARTICLE X. INDEMNIFICATION**

The private property of the Members of the Board shall be exempt from liability for the District's debts and obligations. Any person serving as Member, or designated agent of the District, shall be indemnified for any out-of-pocket expenses incurred, and held harmless by the District, in case legal action is filed against them for any act or omission resulting in damage or injury, if such person were acting in good faith and within the scope of their official capacity, unless such damage or injury was caused by willful and wanton action or grossly negligent conduct of such person, pursuant to A.R.S. 38-717.

### **ARTICLE XI. DISSOLUTION**

Upon dissolution of this District, all of the properties, funds, equipment, and duties of the District shall inure to the Navajo County Board of Supervisors, according to the laws of the State of Arizona and pursuant to A.R.S. 48-264.

### **ARTICLE XII. SUCCESSION AND AMENDMENTS**

**SECTION 1.** These By-Laws succeed any prior Resolutions passed by the Board as they directly relate to all the Articles and Amendments set forth.

**SECTION 2.** These By-Laws may be amended or replaced by the Sky Hi Domestic Water Improvement District at any properly called meeting of the District Board, by a majority affirmative vote of the Members.

**SECTION 3.** The text of the proposed amendments to the By-Laws shall be published with the agenda for the subject meeting, at which the amendment is to be considered.

**SECTION 4.** These By-Laws and any amendments adopted as put forth in **SECTION 2** above will be recorded with the Navajo County Recorder's office and all recording fees paid for by the District.



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### ARTICLE XIII. ACCEPTANCE CERTIFICATE

We, the undersigned do hereby certify that the foregoing By-Laws, under the caption of SKY HI DOMSTIC WATER IMPROVEMENT DISTRICT BOARD BY-LAWS are the original By-Laws of the Board, approved and adopted at the Board Meeting as dated below.

### SKY HI DWID BOARD APPROVED

Bill Lucas  
Chairman

1/11/19  
Date

SNJ  
Vice-Chairman

1-11-19  
Date

RJ Zuman  
Secretary

1-11-19  
Date

Maureen Williams  
Treasurer

1-11-19  
Date

Bill Bro Via SKYPE  
Water Works Chief

1-11-19  
Date