

## **MISTY MOUNTAIN DOMESTIC WATER IMPROVEMENT DISTRICT BYLAWS**

Adopted February 26, 2021; Amended and Adopted March 23, 2022

### **ARTICLE I                    NAME**

This District will be known as “Misty Mountain Domestic Water Improvement District” (MMDWID), a Domestic Water Improvement District under the laws of the State of Arizona. It may be referred as “District” or “MMDWID.”

The District will be governed by a Board of Directors, referred as the “Board.”

MMDWID’s physical and mailing address is 9224 Misty Mountain Lane, Lakeside, AZ 85929.

### **ARTICLE II                    PURPOSE AND MISSION**

The Board is organized for the purpose of creating and facilitating the mission, policies and guidance for the operation of MMDWID.

The mission statement for the district is as follows:

- To provide the Misty Mountain community with safe, potable drinking water.
- To serve the Misty Mountain community’s best interest within the guidelines of managing a Domestic Water Improvement District and subject to the laws of the State of Arizona.
- To sustain responsible, professional, businesslike, educated, and ethical practices in representation of the Misty Mountain community’s water needs.
- To provide for fiduciary responsibility and oversight of the water district.
- To support and facilitate Board teamwork through dedication, cooperation, communication, preparation and participation.

### **ARTICLE III                    ESTABLISHMENT**

MMDWID was established on August 3, 1984, by the Navajo County Board of Supervisors, Resolution No. 191-84, under A.R.S. Title 48, Chapter 6, Articles 1 and 4. A five-member Board of Directors was appointed, pursuant to A.R.S. Section 48-1012.

### **ARTICLE IV                    GOVERNING BODY**

**SECTION 1.** The Board of Directors will consist of five Directors who are qualified electors of Navajo County and who are elected by the property owners of the District or who are appointed by the Board, pursuant to A.R.S. 48- 1012. A Director will be a legal property owner in the District (name is on deed) and will be qualified to perform duties assigned. Each Director will serve for a term of four (4) years. After the initial Directors are installed, two for two-year terms and three for 4-year terms, elections will be conducted so that three (3) Directors are elected in an even-numbered year and two (2) Directors are elected two (2) years later. Terms begin on the date of the general election in November and end on the day before the general election in November four years later. Elections will be conducted under the auspices of the Navajo County Elections Department and fees will be paid for the service.

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

**SECTION 3.** A Director may terminate membership at any time by written notice to the Board. Pursuant to A.R.S. 38-295, a Director will continue to discharge the duties of office, if possible, until a successor has been appointed. A new Director will be recruited upon receipt of the termination notice and the termination will be accepted at the first meeting following the date of receipt of the written notice of termination.

**SECTION 4.** In case of a vacancy on the Board, pursuant to A.R.S. 38-29 1, the Board will appoint a replacement Director to fill the vacancy. A posting of the vacancy will be made on the District's website and kiosk with specific instructions for submitting applications. This posting will remain on the website and kiosk for a minimum of 30 days from the date of written notice from the departing Director. The Board will consider all qualified applicants at the first meeting after the posting period where all remaining Directors are present, and a vote will be held to select a replacement Director. In the event of a tie vote among remaining Directors, the President's vote will be the tie-breaking vote. In the event that the departing Director is the President, the Vice President's vote will break the tie. Once appointed, the new Director will serve out the remainder of the term of the Director whose position they are filling, according to A.R.S. 38-295 (C) and 48-1012 (C) Notice of the proposed appointment will be sent to Navajo County Elections Department for certification.

**SECTION 5.** Attendance is vital to the District's operation. A Director ceasing to conduct the duties of office for a period of three (3) consecutive, regularly scheduled meetings, unless they are excused by the President (or Vice President if the absentee is the President), will be deemed to have vacated their office, pursuant to A.R.S. 38-291 (7).

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

**SECTION 7.** No more than two members of a family or household may be Directors of the District during concurrent terms.

## **ARTICLE V OFFICERS**

**SECTION 1.** The officers of the Board will consist of President, Vice President, Secretary/Treasurer, and two Directors at Large. Directors may be assigned duties as assigned by the President with approval by the Board.

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

- **President** will preside over all scheduled board meetings; provide or arrange for another member to preside in their absence at each meeting in the order of Vice President, Secretary/Treasurer; prepare or approve agendas; and be the Board's spokesperson.
- **Vice President** will assume the duties of the President in the absence of the President and will perform duties as designated by the President or the Board.
- **Secretary/Treasurer** will make a report at each Board meeting.
  - **Secretary** will 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 agendas to each Director, and assuring information is available to Directors and the public, pursuant to A.R.S. 38-431.01 (B-E). In addition, all permanent and living documentation of the District will be kept or accounted for by the Secretary.
  - **Treasurer** will consult with the bookkeeper, coordinate the preparation of the budget, and make financial information available to the Directors and the public.
- **Directors at Large** will fill responsibilities as assigned by the President with the approval of the Board. They will be present at 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. Any Director may be assigned the job of Maintenance Coordinator or Repairs and Construction Coordinator or any other job as directed by the President with the approval of the Board.

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

**SECTION 3.** The election of officers of the Board (President, Vice President, Secretary/ Treasurer) will take place in even-numbered years as soon as possible after the oaths of office are taken. Directors only participate in this election.

#### **ARTICLE VI            MEETINGS**

**SECTION 1.** Meetings of the Board and any established subcommittees will 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.** Regularly scheduled meetings of the Board will be held quarterly at a minimum. Specific day and time will be determined by the Board, pursuant to A.R.S. 38-431.02 (F).

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

**SECTION 4.** Executive sessions may be held by the Board during any meeting, pursuant to A.R.S. 38-431.03.

**SECTION 5.** The agenda for each meeting will be posted according to the laws of the State of Arizona, pursuant to A.R.S. 38-431.02 (H) The agenda will be posted on the website and on the District's kiosk at least 24 hours prior to the meeting. After they are approved by the Board, minutes of each meeting will be posted on the website.

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

**SECTION 7.** A majority of the Board of Directors will constitute a quorum for the transaction of business at any meetings of the Board. If fewer than a majority of the Directors are present at a meeting, the Directors must adjourn the meeting and conduct no business.

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

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

#### **ARTICLE VIII            INCOME**

**SECTION 1.** The Board of Directors of the District will have the authority to set fees for the District.

**SECTION 2.** The Board of Directors of the District will review the rates, fees and fines structure annually for the possible following actions: increases, decreases, addition 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 each year.

**SECTION 3.** The District will adopt an operating budget for each fiscal year, pursuant to A.R.S. 45-2282. The budget for the next year will be completed and adopted on or before December 31 each year.

**SECTION 4.** No part of the income of the District will inure to the benefit of or be distributed to the Directors. Pursuant to A.R.S. 48-1013 (B), a Director will receive reimbursement for necessary expenses while engaging 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 Director or agent to enter any contract or execute and deliver any instrument in the name of and on behalf of the District, and such authority may be general or confined to specific instances. Unless otherwise designated, said officer or agent's authority will not exceed \$10,000.00 for any one transaction.

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

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

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

**ARTICLE X            INDEMNIFICATION**

The private property of the Directors will be exempt from liability for the District's debts and obligations. Any person serving as a Director or designated agent of the District will be indemnified for any out-of-pocket expenses incurred and will be 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 were caused by willful and wanton action or grossly negligent conduct of such person, pursuant to A.R.S. 38-717.

**ARTICLE XI            SUCCESSION AND AMENDMENTS**

**SECTION 1.** These bylaws succeed any prior resolutions passed by the Board as they relate to all articles and amendments set forth.

**SECTION 2.** These bylaws may be amended or replaced by the MMDWID at any official meeting of the Board by a majority affirmative vote of the Directors.

**SECTION 3.** The text of a proposed amendment to the bylaws will be published with the agenda for the meeting at which the amendment is to be considered.

**SECTION 4.** These bylaws 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 be paid by the District.

**ARTICLE XII ACCEPTANCE CERTIFICATE**

We the undersigned do hereby certify that the foregoing bylaws, under the caption MISTY MOUNTAIN DOMESTIC WATER IMPROVEMENT DISTRICT BYLAWS, are the current bylaws of the Board of Directors, approved and adopted at the Board meeting as dated below.

**MISTY MOUNTAIN DWID BOARD APPROVAL**

  
President

3/23/2022  
Date

Douglas E Holcomb  
Vice President

3/23/2022  
Date

  
Secretary/Treasurer

3-23-22  
Date

Thomas L Hartage  
Director at Large

3-23-2022  
Date

Randy W Shell  
Director at Large

3-23-22  
Date