

COB - BOSAIR FORM

10/24/2025 3:32 PM (MST)

Submitted by Toni.Johnson@pima.gov



BOARD OF SUPERVISORS AGENDA ITEM REPORT (BOSAIR)

All fields are required. Enter N/A if not applicable. For number fields, enter 0 if not applicable.

Award Type:	Agenda Item
Is a Board Meeting Date Requested?	Yes
Requested Board Meeting Date:	11/18/2025
Project Title / Description:	Petition of Members of the Ajo Domestic Water Improvement District to appoint Board of Directors

Agenda Item Report

Introduction / Background:

Ajo Domestic Water Improvement District (DWID) currently provides water service to approximately 150 connections in the vicinity of Ajo, Arizona. Ajo DWID purchases potable water from Ajo Improvement Company and delivers it to the members of Ajo DWID.

Ajo DWID was established in 1992 through Resolution No. 1992-183, which converted the Ajo Water Improvement District into the Ajo Domestic Water Improvement District. The Ajo Water Improvement District, which was created through Resolution 1975-131, had funded and constructed a water delivery system, which had been operated by the now-defunct Five Acre Water Company. However, in the late 1980's, it was determined that the Ajo Water Improvement District could not legally transfer its assets to Five Acres. As a result, it was decided to create Ajo DWID to own and operate the system. As part of Resolution No. 1992-183, an initial three-member board of directors was appointed for Ajo DWID. Since that time, it appears that the Ajo DWID has not conducted any board of director elections. All the initially appointed directors are deceased or no longer live in the Ajo DWID service area.

Discussion:

Currently, Ajo DWID is being operated by a voluntary group of Ajo DWID members. The water service being provided and the state of the water delivery system are both good. Recently, Ajo DWID was approached by Arizona Water Company about a potential acquisition of the Ajo DWID system. Arizona Water operates an ACC-regulated water utility in the Ajo area. After due diligence, Arizona Water determined that it would like to acquire the assets of Ajo DWID.

At this point, the Ajo DWID is seeking to put in place a formal board of directors for the Ajo DWID that has the legal authority to enter into an agreement to transfer the assets to Arizona Water.

Conclusion:

Petitioners believe that the requested actions will provide Ajo DWID with a board of directors that has the necessary legal authority to fully and properly manage and operate the domestic water distribution system, including entering into contracts and taking other legal actions necessary for management and operation. It will also provide Ajo DWID with the ability to potentially transfer the operations and/or assets

to a regulated water utility that would be better able to provide this important utility service to the customers of Ajo DWID, thus improving reliability of service, increase property values within the Ajo DWID service area and ensuring continuity of service well into the future.

Recommendation:

The Petitioners submit that the Pima County Board of Supervisors has authority to take the requested actions pursuant to A.R.S. §§ 48-1011 et seq. and ask that the Board of Supervisors appoint the following to the Ajo Domestic Water Improvement District board of directors:

Charles Stout
Frank Hinman
Allen "Bud" Turner

Fiscal Impact: N/A

Support of Prosperity Initiative: N/A

Provide information that explains how this activity supports the selected Prosperity Initiative N/A

Board of Supervisor District: • 3

Department: Finance & Risk Management

Name: Meredith Litton

Telephone: 520-724-8517

Department Director Signature: _____

Date: 10-27-2025

Deputy County Administrator Signature: _____

Date: 10/28/2025

County Administrator Signature: _____

Date: 10/28/2025



Michael W. Patten
Partner
O 602.382.6339 | F 602.382.6070
mpatten@swlaw.com

September 30, 2025

Ms. Jan Leshner
Pima County Administrator
County Administrator's Office
115 N Church Avenue
2nd Floor, Suite 231
Tucson, AZ 85701

**Petition to the Pima County Board of Supervisors to
Appoint Board Members for the Ajo Domestic Water Improvement District**

Dear Administrator Leshner:

Enclosed please find a Petition to the Pima County Board of Supervisors that is being submitted by five members of the Ajo Domestic Water Improvement District. These members seek assistance from Pima County to allow the Ajo Domestic Water Improvement District to operate fully and legally pursuant to applicable laws. As discussed in detail in the petition, the Ajo Domestic Water Improvement District currently does not have board of directors in place that was either appointed or elected, nor does it have policies, rules, regulations or bylaws in place to address this situation.

The Ajo Domestic Water Improvement District is being run by a group of member volunteers who are keeping water service to members continuing. However, this is an untenable long-term situation that requires some assistance from Pima County.

As you can imagine, time is of the essence in remediating the situation at the Ajo Domestic Water Improvement District. Please let us know if you need additional information at this point and what are the next steps in this process.

Thank you for your timely attention to this request.

Respectfully submitted,

Michael W. Patten

Michael Patten
Counsel for Ajo Domestic Water Improvement District

Attachment

cc: Bobby Yu, Pima County Attorney's Office

**Petition to the Pima County Board of Supervisors to
Appoint Board Members for the Ajo Domestic Water Improvement District**

Petition

Russell Hudson, Charles Stout, Frank Hinman, Allen “Bud” Turner and Brenda Stout (together “Petitioners”) owners of property located within the Ajo Domestic Water Improvement District (“Ajo DWID”), through undersigned counsel, here by request that the Pima County Board of Supervisors to appoint Board Members for the Ajo Domestic Water Improvement District.

Ajo DWID currently does not have a board of directors who were either appointed by the Board of Supervisors or who were elected by the property owners located within Ajo DWID. Further, Ajo DWID’s initially appointed board of directors, all of whom are now deceased, never adopted rules, regulations, policies bylaws for the Ajo DWID and Ajo DWID does not currently have any such documents that are in effect that would provide guidance on how to address this situation.

Specifically, Petitioners requests that the Board of Supervisors appoint the following three individuals as the Board of Directors for Ajo DWID:

Charles Stout, 3450 N. Ajo Gila Bend Hwy., Ajo, AZ 85321

Frank Hinman, 2909 N. Rosser Road, Ajo, AZ 85321

Allen “Bud” Turner, 3001 N. Rosser Road, Ajo, AZ 85321

As set forth below, Ajo DWID is currently being managed and operated by a group of volunteers who live within the Ajo DWID. Ajo DWID has an opportunity to sell its assets to a regulated water service utility and needs a legally authorized board of directors to take any necessary actions, as appropriate, in connection with the operation, management and potential sale of the Ajo DWID assets. It also needs bylaws to govern the conduct of the new appointed board of directors.

Background

Ajo DWID currently is providing water service to approximately 150 connections in the vicinity of Ajo, Arizona. Ajo DWID purchases potable water from Ajo Improvement Company and delivers it to the members of Ajo DWID.

Ajo DWID was formed by Pima County through Resolution No. 1992-183, which converted the Ajo Water Improvement District into the Ajo Domestic Water Improvement District. The Ajo Water Improvement District, which was created through Resolution No. 1975-131 had funded and constructed a water delivery system, which had been operated by the now-defunct Five Acre Water Company. However, in the late 1980’s, it appears that it was determined that the Ajo Water Improvement District could not legally transfer its assets to Five Acres. As a result, Pima County decided to create Ajo DWID to own and operate the system.

As part of Resolution No. 1992-183, the County appointed an initial three-member board of directors for Ajo DWID. Since that time, it appears that Ajo DWID has not conducted any board of director elections. Certainly, there have been no elections regarding the board of directors in the past 15 years. All of the initially-appointed directors are deceased or no longer live in the Ajo DWID service area. Further, it does not appear that the initial board adopted any bylaws.

Currently, Ajo DWID is being operated by a voluntary group of Ajo DWID members. The water service being provided and the state of the water delivery system are both good. Recently, Ajo DWID was approached by Arizona Water Company about a potential acquisition of the Ajo DWID system. Arizona Water operates an ACC-regulated water utility in the Ajo area. After due diligence, Arizona Water determined that it would like to acquire the assets of Ajo DWID.

At this point, we are seeking to put in place a formal board of directors for Ajo DWID that has the legal authority to enter into an agreement to transfer the assets to Arizona Water.

The genesis of this Petition began in 2024. In early 2024, Ajo DWID was facing significant operational challenges. Two acting board members (these members were not appointed or elected) passed away. These two members were mostly responsible for overseeing operations along with Lee Ivey, who had been acting as president of Ajo DWID since 2012.

Further, due to a series of issues with bookkeepers for Ajo DWID during 2023 and early 2024, Ajo DWID stopped sending bills to customers in February 2024. Ajo DWID also was making late and/or partial payments to Ajo Improvement Company for wholesale potable water and was in jeopardy of losing its water supply for its 150 members.

As a result, Lee Ivey approached both Frank Hinman and Chuck Stout to serve as voluntary board members and to assist with Ajo DWID's operations. Bud Turner was added to voluntary board in 2025.

Starting in approximately March of 2024, with the assistance of several volunteers, Ajo DWID asked its members to pay what they estimated they owed since billing had been interrupted in order to keep water flowing from Ajo Improvement Company. The community volunteer team (6 people) met every month (keeping minutes) trying to understand and take over the running of Ajo DWID and to keep the water flowing to district members.

The volunteer team accessed the Ajo DWID computer, reviewed available records, hired a meter reader and was finally able to send water bills in August 2024. The first bills covered the period from March 2024 through August 2024. Since August 2024, the volunteer team has maintained the system, engaged in consistent meter reading, issued monthly water bills and paid Ajo DWID bills to keep the water flowing.

The volunteer team also established a phone line along with a proper website to provide CCR to customers online. A year into this endeavor the voluntary team has established consistent meter reading and billing, and has worked on getting all customers caught up on payments within 60 days.

The volunteer board members (and others) have been involved in digging ditches for repairs, maintenance, securing parts, reading meters, issuing bills, assisting customers in locating leaks on their property, meeting federal lead and copper identification requirements, research, etc.

Ajo DWID currently retains the services of a meter reader (\$600 per month) and a bookkeeper (\$800 per month). Although the Ajo DWID president, Lee Ivey, does not receive a salary, he is now paid for making repairs at \$50 per hour.

None of the volunteers, including the voluntary board members, have received any payment except for reimbursement for out-of-pocket expenses. Ajo DWID is now solvent and has worked hard to achieve and maintain this status since the end of 2024.

The current voluntary board members are: Frank Hinman, Charles Stout and Allen “Bud” Turner. All are members of Ajo DWID.

The voluntary board’s current mission is to keep the water flowing to Ajo DWID members and to pass the district along to a company that has the means to support the aging water system. The voluntary board meets on a regular basis, maintains meeting minutes, informs the district members of key issues and oversees the continuing operations of Ajo DWID.

Until recently, the board assumed that it was operating pursuant to the bylaws of the now-defunct Five Acres Water Company. However, there is no documentation confirming that the initially appointed board adopted these bylaws.

The key volunteer members assisting in the operation of Ajo DWID (other than the board and Lee Ivey) are Brenda Stout and Russell Hudson.

Authority for Requested Action

Petitioners submit that the Pima County Board of Supervisors has authority to take the requested actions pursuant to A.R.S. §§ 48-1011 *et seq.*

Benefits of Requested Actions

Petitioners believe that the requested actions will provide Ajo DWID with a board of directors that has the necessary legal authority to fully and properly manage and operate the domestic water distribution system, including entering in contracts and taking other legal actions necessary for management and operation. It will also provide Ajo DWID with the ability to potentially transfer the operations and/or assets to a regulated water utility that would be better able to provide this important utility service to the customers of Ajo DWID, thus improving reliability of service, increase property values within the Ajo DWID service area and ensuring continuity of service well into the future.

Finally, we have provided a form of resolution for your consideration. We will also provide notice of the petition and proposed resolution as directed by Pima County.

s/ Russell Hudson

Russell Hudson

3153 N. Rosser Road, Ajo, AZ 85321

s/ Charles Stout

Charles Stout

3450 N. Ajo Gila Bend Hwy. Ajo, AZ 85321

s/ Frank Hinman

Frank Hinman

2909 N. Rosser Road, Ajo, AZ 85321

s/ Allen "Bud" Turner

Allen "Bud" Turner

3001 N. Rosser Road, Ajo, AZ 85321

s/ Brenda Stout

Brenda Stout

3450 N. Ajo Gila Bend Hwy. Ajo, AZ 85321

Attachments:

Proposed Form of Resolution

RESOLUTION NO. 2025-_____

RELATING TO THE PETITION OF MEMBERS OF THE AJO
DOMESTIC WATER IMPROVEMENT DISTRICT TO
APPOINT BOARD OF DIRECTORS

WHEREAS, the Ajo Domestic Water Improvement District was formed by the Pima County Board of Supervisors on October 6th, 1992 by Board of Supervisors Resolution Number 1992-183 through the conversion of the Ajo Improvement District to the Ajo Domestic Water Improvement District; and

WHEREAS, the initial board of directors for the Ajo Domestic Water Improvement District that were appointed in Resolution Number 1992-183 are deceased or no longer live within the District; and

WHEREAS, the Ajo Domestic Water Improvement District has not conducted any elections for a board of directors since 1992 and currently has no appointed or elected board of directors; and

WHEREAS, the initially-appointed board of directors for Ajo Domestic Water Improvement District never adopted policies, rules, regulations or bylaws for Ajo Domestic Water Improvement District that might address the current circumstances; and

WHEREAS, Ajo Domestic Water Improvement District is currently being operated by volunteer members of the Ajo Domestic Water Improvement District; and

WHEREAS, members of the Ajo Domestic Water Improvement District have petitioned the Pima County Board of Supervisors to appoint a new board of directors for the Ajo Domestic Water Improvement District and the Board of Supervisors desires to allow for full and proper management and operation of the District by a local board of directors; and

WHEREAS, the "Notice of Public Hearing on the Appointment of a Board of Directors for the Ajo Domestic Water Improvement District", attached hereto and made a part hereof as Exhibit has been sent to the owners of real property within the District Area and more than twenty days has passed since said Notice was mailed;

NOW, THEREFORE, be it resolved by the Board of Supervisors of Pima County as follows:

1. The Ajo Domestic Water Improvement District shall be governed by a board of directors consisting of three (3) members who shall be qualified electors residing within the District Area.
2. The members of the board of directors of the Ajo Domestic Water Improvement District who have agreed to serve are hereby appointed by the Pima County Board of Supervisors and include:

Charles Stout, 3450 N. Ajo Gila Bend Hwy., Ajo, AZ 85321

Frank Hinman, 2909 N. Rosser Road, Ajo, AZ 85321

Allen "Bud" Turner, 3001 N. Rosser Road, Ajo, AZ 85321

3. This board of directors shall serve as provided for by Arizona Revised Statutes Section 48-1012.
4. The effective date of the appointment of the new board of directors for the Ajo Domestic Water Improvement District shall be the same date as the effective date of this Resolution.

PASSED, ADOPTED AND APPROVED this _____ day of _____, 2025 by the Pima County Board of Supervisors.

Rex Scott, Chair, Board of Supervisors
Pima County, Arizona

ATTEST

Melissa Manriquez, Clerk, Board of Supervisors

APPROVED AS TO FORM



Cindy Nguyen, Deputy County Attorney

Ajo Copper News

Hollister David, Publisher
Gabrielle David, Editor

P. O. Box 39 • Ajo, Arizona 85321
Phone (520) 387-7688

Kristin King, Office Manager
KristinKing@cunews.info

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

Hollister David deposes and says that he is
the publisher of the *Ajo Copper News*, a
weekly newspaper of general circulation and
established character, published weekly at
Ajo, Pima County, Arizona, and that

**NOTICE OF THE PUBLIC
HEARING ON THE
APPOINTMENT OF A BOARD
OF DIRECTORS FOR THE
AJO DOMESTIC WATER
IMPROVEMENT DISTRICT
NOVEMBER 18, 2025**

a correct copy of which is attached to this affidavit, is being published in the said *Ajo Copper News* in the newspaper proper and not in a supplement on

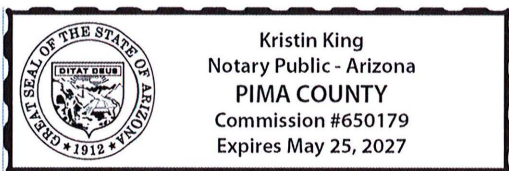
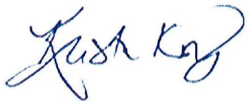
**PUBL., OCT 22, 29, NOV 5,
2025**



Hollister David, Publisher,
Ajo Copper News

Sworn to and digitally subscribed before me,
a Notary Public in and for the County of
Pima, Arizona, this **24th day of October
2025.**

Kristin King, Notary Public



**NOTICE OF THE PUBLIC HEARING
ON THE APPOINTMENT OF A BOARD OF DIREC-
TORS
FOR THE AJO DOMESTIC WATER IMPROVEMENT
DISTRICT**

To: The Members of the Ajo Domestic Water Improvement District of Pima County, Arizona.
The Pima County Board of Supervisors has set a Public Hearing on the appointment of a board of directors for the Ajo Domestic Water Improvement District.
The Public Hearing has been set for November 18, 2025 at 9:00am in the Pima County Board of Supervisors Hearing Room, 130 West Congress, Tucson, Arizona 85701.
Any Member supporting or opposing the appointment of the board of directors may appear in person at the Public Hearing or may contact the Pima County Board of Supervisors in writing by directing the writing to the Clerk of the Board, Pima County Board of Supervisors, 130 West Congress, Tucson, Arizona 85701.
The purpose of the proposed appointment of the board of directors is to ensure that Ajo Domestic Water Improvement District is governed by a local board of directors with necessary legal authority to conduct the activities of the Ajo Domestic Water Improvement District.
The text of the proposed resolution that will be considered at the Public Hearing follows:

**RESOLUTION NO. 2025-
RELATING TO THE PETITION OF MEMBERS OF
THE AJO DOMESTIC WATER IMPROVEMENT DIS-
TRICT TO APPOINT BOARD OF DIRECTORS**

WHEREAS, the Ajo Domestic Water Improvement District was formed by the Pima County Board of Supervisors on October 6th, 1992 by Board of Supervisors Resolution Number 1992-183 through the conversion of the Ajo Improvement District to the Ajo Domestic Water Improvement District; and

WHEREAS, the initial board of directors for the Ajo Domestic Water Improvement District that were appointed in Resolution Number 1992-183 are deceased or no longer live within the District; and

WHEREAS, the Ajo Domestic Water Improvement District has not conducted any elections for a board of directors since 1992 and currently has no appointed or elected board of directors; and

WHEREAS, the initially-appointed board of directors for Ajo Domestic Water Improvement District never adopted policies, rules, regulations or bylaws for Ajo Domestic Water Improvement District that might address the current circumstances; and

WHEREAS, Ajo Domestic Water Improvement District is currently being operated by volunteer members of the Ajo Domestic Water Improvement District; and

WHEREAS, members of the Ajo Domestic Water Improvement District have petitioned the Pima County Board of Supervisors to appoint a new board of directors for the Ajo Domestic Water Improvement District and the Board of Supervisors desires to allow for full and proper management and operation of the District by a local board of directors; and

WHEREAS, the "Notice of Public Hearing on the Ap-
point of Board of Directors for the Ajo Domestic Water Improvement District", attached hereto and made a part hereof as Exhibit has been sent to the owners of real property within the District Area and more than twenty days has passed since said Notice was mailed;

NOW, THEREFORE, be it resolved by the Board of Supervisors of Pima County as follows:

1. The Ajo Domestic Water Improvement District shall be governed by a board of directors consisting of three (3) members who shall be qualified electors residing within the District Area.

2. The members of the board of directors of the Ajo Domestic Water Improvement District who have agreed to serve are hereby appointed by the Pima County Board of Supervisors and include:

Charles Stout, 3450 N. Ajo Gila Bend Hwy., Ajo, AZ 85321

Frank Hinman, 2909 N. Rosser Road, Ajo, AZ 85321

Allen "Bud" Turner, 3001 N. Rosser Road, Ajo, AZ 85321

3. This board of directors shall serve as provided for by Arizona Revised Statutes Section 48-1012.

4. The effective date of the appointment of the new board of directors for the Ajo Domestic Water Improvement District shall be the same date as the effective date of this Resolution.

PASSED, ADOPTED AND APPROVED this ____ day of _____, 2025 by the Pima County Board of Supervisors.

/s/Rex Scott

Rex Scott, Chair, Board of Supervisors
Pima County, Arizona

ATTEST

/s/Melissa Manriquez

Melissa Manriquez, Clerk, Board of Supervisors
Pima County, Arizona

(Publ., Oct 22, 29, Nov 5, 2025)

ADWID NOH Bd of Directors 251022 ____K