

DRAFT

MINUTES OF MEETING OF THE BOARD OF DIRECTORS OF THE ESCUDILLA MOUNTAIN DOMESTIC WATER IMPROVEMENT DISTRICT OF APACHE, ARIZONA, OCTOBER 11, 2025

- 1. CALL TO ORDER** - David Knobbe called the meeting to order at 11:06. Pat Cruse and David Knobbe were present. Mike Draper attended by phone. Mark LaCombe joined by phone at 11:09 and Melissa Chivers joined by phone at 11:25. There were 7 district members and 2 non-members in attendance.
- 2. APPROVAL OF AGENDA** - Pat Cruse motioned to approve the agenda. Mike Draper seconded. David Knobbe approved.
- 3. APPROVAL OF THE MINUTES** from the September 20, 2025 Board Meeting. The minutes were previously distributed. Pat Cruse motioned to approve, Mike Draper seconded. David Knobbe approved.
- 4. CHAIR, BOARD MEMBERS, AND CLERK REPORTS**
 - Financial report - Lorie Knobbe reported that the EMDWID has a total of \$40,305.95. This amount is held between the Apache County account and the BMO account. There were two large expenses this month. The first expense included postage for the required mailing for the Citizen Participation Meeting to those property owners within 300 ft of Lot 53, the mailing for the Resolution of Intention (ROI) Improvement Plan to the district members, and the posting of the ROI in the White Mountain Independent. The second expense of \$4210.00 for the ADEQ permits. There is an additional \$40,000 in the Apache County account that the EMDWID received from GADA as a loan for Design and Engineering.
 - Citizen Participation Meeting - Pat Cruse reported that the meeting was held on October 5, 2025. There were 2 district members and 2 non-district members in attendance. The main concerns were dust, light pollution and fencing.
 - Design and Engineering, ATC. - David Knobbe explained that the ADEQ grant paid for the engineering and design plus appx \$25,000 in associated costs but the EMDWID was responsible to pay for the permits for the Approval to Construct (ATC). The ATC application was sent in on 10-3-25 and we should receive approval by the end of the month.
 - WIFA - October 7, 2025 David and Lorie met with Lindsay Mills & Anthony Ngeera at the WIFA offices in Phoenix. Lindsay and Anthony guided us on how to enter the dollar amounts necessary to complete the Project Data Addendum. With that completed, the EMDWID should be on the agenda for the Committee meeting on December 9, 2025 and the Board meeting the following week.

Anthony said he will have the percentage of Forgivable Principal available to us the week prior to the Committee meeting.

5. **DISCUSSION AND POSSIBLE ACTION TO REJECT, AMEND, OR APPROVE RESOLUTION OF INTENTION.** Since there were no objections to the Resolution of Intention to Make Improvements Pat Cruse motioned to approve the ROI and Mike Draper seconded. Unanimously approved. The Resolution Ordering Work (ROW) will be addressed at the January meeting depending on the WIFA loan application outcome.
6. **DISCUSSION AND POSSIBLE ACTION TO APPROVE RETURNING THE GREATER ARIZONA DEVELOPMENT AUTHORITY (GADA) FUNDS.** The loan through GADA was to be used for engineering and design and it was a one year interest free loan. Since we don't have enough borrowing power to pay for the creek crossing or build-out design at this time Pat Cruse motioned to pay back the loan, Mike Draper seconded. Unanimously approved.
7. **CALL TO THE PUBLIC** - Carl Craig asked if the Federal Government Shutdown will affect WIFA. An email was received from WIFA on 10-1-2025 titled "No Impacts to WIFA Operations from the Federal Shutdown." Eric Sayer agreed with the comments and concerns that were addressed at the Citizen Participation Meeting. David commented that the DWID will keep those concerns in mind and will address as many as possible to reduce the impact to neighboring properties. John Skeeles asked how many gallons will each property owner be entitled to and how that would work. Property owners will see a \$250 flat tax on the Apache County Tax Bill. The \$250 is for the year. The property owners will be allowed to use up to 36,000 gallons per year. Tony Capuano asked what happens if the usage is over. David said that Pat Cruse is working on the bylaws and there will be a tiered system that will charge for gallonage over the 36,000. Tony also asked if the EMDWID would be sharing the water with those outside the district. David stated that at this point no. We want to be cautious with the system even though the pump test shows there will be plenty of water for the 78 property owners. Mark LaCombe explained that the EMDWID can go up to 100 property owners but once we get to that number the ADEQ structure changes including: testing, operator requirements and operator availability. We are not ready to go down that road. Sheri Tetzloff said she was concerned with the dust. David replied that in Arizona State Statute there is a way to start a Road District under Title 48: Special Taxing Districts similar to starting a Domestic Water Improvement District. The community does have concerns since our roads are

very dusty and no rock has been added to the roads in over 20 years. Mike Draper mentioned that those hauling water will be driving at a slower speed than some of the businesses that drive on our roads including UPS, Blue Hills Trash Service, and some of the independent contractors. Melissa Chivers also added that the standpipe will be temporary until we get infrastructure in the ground to all the district members. We don't want to pave the roads before the water lines are installed. Even though the road issue in our area is a community issue the EMDWID will encourage its members to be considerate of the neighbors located near Lot 53.

8. **ANNOUNCEMENTS** - the next meeting is scheduled for Saturday January 10, 2026.
9. **EXECUTIVE SESSION** - Pursuant to A.R.S. § 38-431.03, the Board of Directors may vote to go into executive session, which will not be open to the public. The Board intends to meet in executive session for the purpose of discussing Purchase, Sale or Lease of Real Property. This is allowed under A.R.S. § 38-431.03(A) (7). No vote will be taken in the executive session. The board went into executive session at 11:45 and returned to regular session at 12:00.
10. **ADJOURNMENT** - Pat Cruse motioned to adjourn the meeting and Mike Draper seconded. All in favor. The meeting adjourned at 12:01.