

**MINUTES OF THE BOARD OF DIRECTORS OF THE ESCUDILLA MOUNTAIN
DOMESTIC WATER IMPROVEMENT DISTRICT OF APACHE COUNTY, ARIZONA
Friday, June 30, 2023 at 2:00pm at the Alpine Fire Station #2 in Nutrioso, AZ**

CALL TO ORDER: The meeting was called to order at 2:01pm. Present were Melissa Chivers, Pat Cruse and David Knobbe thus constituting a quorum. John Cochran and Mike Draper were absent. Fifteen district members were in attendance.

APPROVAL OF AGENDA: Motion to approve agenda by Pat Cruse, seconded by Melissa Chivers. Unanimously approved.

APPROVAL OF MINUTES FROM MAY 27TH MEETING: The minutes were previously distributed. Pat Cruse motioned to approve, seconded by Melissa Chivers. Unanimously approved.

CHAIRMAN'S REPORT: David Knobbe reported that the Oath of Office for each of the board members has been received and recorded by Apache County. The website emdwid.com is up and running. The Meeting Disclosure Statement has been sent to Beth Bond stating that the notices of meetings will be posted at the Nutrioso Post Office and on the EMDWID website. Still working with the County Treasurer's Office to set up an account to accept payments. David also gave a brief update on WIFA grants and loans. We need to get some working capital. The current Conservation Grant requires 25% matching funds.

REPORTS BY OFFICERS: David Knobbe summarized the report from John Cochran who was unable to attend the meeting. He researched the water testing process and compliance requirements of the ADEQ. He also looked into the costs for a "new source analysis". He estimated \$5200 for the annual budget. Mark LaCombe said as of June 27th he received his certification to collect the water samples. This will save the district hundreds of dollars over the next fiscal year.

David Knobbe read the minutes from the special Rate and Fee Committee Meeting that Mike Draper chaired. Mike Draper was not able to attend the meeting. The minutes of that meeting are on the website.

LEGAL REPRESENTATION OF THE EMDWID. David Knobbe explained that Frank Cassidy represented David and Lorie Knobbe during the establishment phase. David and Lorie have waived their right to use him as their personal lawyer. He will now represent the EMDWID. David mentioned the pros and cons of Frank Cassidy representing the district including he is a one person office and he does not live in our county but he is very knowledgeable about DWIDs and State Statute, he has visited our

district and his prices are very reasonable. Pat Cruse motioned to hire Frank Cassidy as the EMDWID legal representative. Motion seconded by Melissa Chivers. Passed unanimously.

SETTING A MEETING SCHEDULE. David Knobbe mentioned that because most of the property owners of the district are primarily in Nutrioso April through October that we should have meetings during those months. The DWID is required to have a meeting a minimum of once a quarter. Pat Cruse motioned that we do not set a regular monthly meeting schedule but set meetings as needed between April and October with a minimum of one meeting per quarter. Melissa Chivers seconded. Passed Unanimously.

SET ANNUAL HEARING DATE FOR THE PROPOSED 2023-2024 BUDGET. The District must establish a preliminary budget. The estimates were gathered for as many categories as possible. The balance of the proposed income will be put in Capital Expenditures. The earliest possible date to set the hearing, allowing for the required newspaper postings and notifying the Apache County Board of Supervisors is July 21, 2023. The public notice will be published in the White Mountain Independent. Melissa Chivers motioned to set the hearing date for the proposed budget as July 21, 2023. Pat Cruse seconded. Passed unanimously.

ESTABLISH FEES AND SET A PUBLIC HEARING DATE. David Knobbe passed the meeting over to Pat Cruse so that he could make a motion to amend the wording from “Standpipe Access Fee” to “Standpipe Infrastructure / Access Fee”. Melissa Chivers seconded. Passed unanimously to amending the wording to “Standpipe Infrastructure / Access Fee. Pat Cruse opened the meeting for public comment. Melissa seconded. Melissa Chivers indicated the fee is not a usage fee but only those who pay the Standpipe Infrastructure/ Access Fee have the ability to access the standpipe.

The Standpipe Infrastructure / Access Fee is \$1000.00 per parcel to be paid over the next two years. Those who can afford to pay a lump sum are encouraged to do so in order to get things going. District property owners may make monthly, quarterly or annual payments. Lorie Knobbe advised that everyone within the district is required to pay the fee. All property owners within the proposed district boundaries were sent a letter from the Apache County Board of Supervisors. If any property owner wanted to be removed from the district they either had to attend the May 2, 2023 Board of Supervisors Hearing or send a letter to the Board of Supervisors prior to that meeting requesting to be removed from the district. Three property owners were removed as requested.

Melissa questioned whether or not property owners who are not contiguous to the existing district be allowed in by annexation. David Knobbe explained that yes noncontiguous properties can be annexed. He also explained that future annexed

properties will be paying for access to the standpipe only. All future infrastructure and those associated costs will be determined by the district as additional waterworks are installed. Those who want to be annexed will only be allowed during the open enrollment periods.

Rhonda Hughes said that we need start-up money so we can get things going. David said the priorities will be to enter into a lease agreement with the Morgans, a GPM test and water quality test.

Fern Braddock asked where do we send the money? That still needs to be set up with the county.

Dorothy Dolan thanked the Board for all the time and effort put into the DWID.

Melissa Chivers motioned that the Rate and Fee Hearing be scheduled for July 21, 2023 at 2:00. Pat Cruse seconded. Passed unanimously.

ANNOUNCEMENTS: The regular Board Meeting will follow immediately after the Budget and Fee Hearing on July 21, 2023 at 2:00pm at the Alpine Fire Station #2 in Nutrioso.

David Knobbe moved to adjourn the meeting at 2:50, seconded by Melissa Chivers. Vote unanimous.

Approved 7/21/23