

**MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE ESCUDILLA MOUNTAIN DOMESTIC WATER IMPROVEMENT DISTRICT OF APACHE COUNTY, AZ** held at the Alpine Fire Station #2 in Nutrioso, AZ on Friday, July 21, 2023 following the Public Hearing scheduled for 2:00pm.

**CALL TO ORDER:** The meeting was called to order at 2:06. Present were Melissa Chivers, John Cochran, Mike Draper and David Knobbe. Absent Pat Cruse. Thirteen district members and 3 people from the general public were in attendance.

**APPROVAL OF AGENDA:** Mike Draper motioned to approve the agenda, John Cochran seconded. Unanimously approved.

**APPROVAL OF MINUTES FROM JUNE 30TH MEETING:** The minutes were previously distributed. Mike Draper motioned to approve the minutes, John Cochran seconded. Unanimously approved.

**CHAIRMAN REPORT:** David Knobbe explained that we needed to have a physical address for the EMDWID in order to obtain the entity validation registration. For now the physical address will be the Knobbe cabin at 14 CR 2224. The entity validation is a requirement of applying for federal grants and loans. The second item is the EME unit 2 HOA paid the Knobbes \$5400. This amount was the pay for the 27 members of the association that are also in the district. The establishment cost was \$15,275. As stated in a previous meeting the payback of the establishment fees has been tabled for now. The Knobbes would rather see any money collected from the Infrastructure / Access Fee be spent on the Standpipe.

**FOLLOWING THE PUBLIC HEARING, APPROVAL OF A RESOLUTION ADOPTING A DISTRICT BUDGET AND FEE FOR FISCAL YEAR 2023-2024.** Mike Draper motioned to approve. John Cochran seconded. Unanimously approved.

**APPROVAL TO USE THE BANK OF THE WEST IN SPRINGVILLE, AZ UNTIL APACHE COUNTY SETS UP AN ACCOUNT FOR THE EMDWID.** After checking with their legal department the Bank of the West approved accepting the EMDWID account as long as the minutes of the Board Meeting stated approval. Mike Draper motioned to approve using the Bank of the West. John Cochran seconded. Unanimously approved.

**APPROVAL OF DAVID KNOBBE AND PAT CRUSE AS THE SIGNERS ON THE BANK OF THE WEST ACCOUNT.** This also includes debit cards in their names. Mike Draper motioned approval. John Cochran seconded. Unanimously approved.

**PAYMENT OPTIONS AND PROCEDURES** - Mike Draper gave a brief review of the payment options that the Rate Committee came up with. There is an Infrastructure / Access Fee of \$1000.00 per parcel. The following payment options are available: the full amount \$1000, \$500 per year, \$125 per quarter or \$42.00 per month. The property owners have the option on which payment plan works best for them. Those who can afford to pay the full fee or annual fee are encouraged to do so.

The invoices will be emailed for all those with email addresses on record. The other property owners will be mailed an invoice via USPS. The account number(s) will be parcel number(s) associated with each property. The first due date will be September 1, 2023. The invoices will be sent by the 15th of month prior to the due date.

The above 3 items were motioned for approval by Mike Draper and seconded by John Cochran.

Late fees are limited per State Statute ARS §48-910G and 44-1201 to 10%. Melissa Chivers wants to discuss a grace period. "Late fees" was tabled and will be put on next month's agenda along with grace periods.

Lorie Knobbe presented information from Paystar, a third party payment option that would work in conjunction with the website. The fee is \$35.00 a month plus a percentage for each debit or charge card payment that the customer would be responsible for. The Bank of the West will take Zelle payments and "bill pay" payments plus property owners can mail a check. Three women have volunteered to help with the bookkeeping. Melissa motioned to not use Paystar at this time and keep bookkeeping in house. David seconded. Vote unanimous.

**PURCHASE GENERAL LIABILITY POLICY AND OFFICERS AND DIRECTORS POLICY.** This item is tabled until the next meeting. The insurance agency was not able to get a final quote prepared.

**INITIATE ACTION:** Ask Frank Cassidy to start lease agreement negotiations with the Morgans. Schedule a GPM test with Richie Davis. Start water quality tests on the Morgan well. Mike Draper motioned approval for all actions. Melissa seconded. Vote unanimous.

**CALL TO THE PUBLIC:** Lorraine and Eugene Pence and Diana Irwin asked why they weren't included in the new district. Lorraine asked where the standpipe is going to be located, how many and how large are the storage tanks going to be, what will the cost of the water and user fees be, what was the result of the flow test on the Morgan well,

when will it be up and running? When will the pipes be in the ground to the individual properties? Some questions were answered but others are unknown at this time. What is the breakdown of the capital expenditures? All monies collected will be spent on capital expenditures except those line items listed in the budget. JD DeWitt mentioned that we have a good community and there are volunteers in various trades who will be willing to help. Depending on how fast the money comes in dictates how fast things get done. Melissa commented that infrastructure is a slow process. Fern Braddock and Keri Ruiz both gave their support for the standpipe project that this community is trying to install.

A brief discussion about annexation occurred. Once the results of the GPM test are known the District will know if additional parcels can be added to the District. In the first round of "open enrollment annexation" the new members will pay what the original property owners are paying. Any subsequent "open enrollment" will include sharing the cost to get a new map drawn, matching funds to the original members and a premium to be decided at the time of annexation.

**FUTURE AGENDA ITEMS:** Grace period for payments. Purchase insurance.

**NEXT BOARD MEETING** will be scheduled for Saturday, September 2, 2023 at 2:00pm at the Alpine Fire Station # 2 in Nutrioso if the room is available.

John Cochran moved to adjourn the meeting, Mike Draper seconded. Unanimous.  
Adjourned at 3:00pm