

MINUTES OF THE BOARD OF DIRECTORS OF THE ESCUDILLA MOUNTAIN DOMESTIC WATER IMPROVEMENT DISTRICT OF APACHE, ARIZONA, March 9, 2024 at 2:00pm at the Alpine Fire Station #2 in Nutrioso, AZ

1. **CALL TO ORDER.** The meeting was called to order at 2:02 pm. Present were Melissa Chivers by phone, John Cochran, Pat Cruse, Mike Draper and David Knobbe. Eleven district members were in attendance.
2. **APPROVAL OF THE AGENDA.** John Cochran motioned to approve the agenda, seconded by Pat Cruse. Unanimously approved.
3. **APPROVAL OF THE MINUTES FROM DECEMBER 9, 2023 MEETING.** The minutes were previously distributed. Pat Cruse motioned to approve, seconded by Mike Draper. Unanimously approved.
4. **CHAIR, BOARD MEMBERS AND CLERK REPORTS.**
 - Financial Report - Lorie Knobbe reported that \$51,860 has been collected, less expenses of \$9,974.55, leaving a current balance of \$41,885.45. 91% of the property owners are current on their chosen payment plans. After meeting with Candice Davis at the Apache County Treasurer's Office \$30,000 was deposited into the EMDWID account held by Apache County. The balance remains in the BMO account.
 - Elections - Two members of the EMDWID Board of Directors are up for re-election in November. Mike Draper will be running for re-election and there is one open seat. If anyone would like to run as a Board Member, please contact Lorie Knobbe. Rita Vaughn in the Elections Department will give more specific instruction in June as to how the election needs to be run since most of the property owners are not registered in Apache County.
 - USDA - Michael Dean, the Community Program Director with the USDA determined the Median Household Income(MHI) for our area is \$64,205. We do not qualify for any grants but they can offer us loans up to 40 years with a reduced interest rate.
 - WIFA- Based on the info provided from USDA we do qualify for grants and loans with WIFA with up to 85% forgiveness based on the MHI of \$64,205. Once the Project Priority List is completed they will be able to determine the exact amount. See the attached slide created by WIFA. We are considered "Disadvantaged" because of the MHI. We do not have any water deficiencies. The forgiveness percentage is reduced the more you borrow. We also qualify for the Technical Assistance Program that offers up to \$50,000 for eligible expenses.
 - ADEQ - Mark LaCombe reported on the meeting with two of the ADEQ hydrologists. Mark LaCombe and David Knobbe were both present. A new test needs to be conducted on the well. This test needs to monitor the GPM and static levels of the well for 8 hours plus the recovery time. This info then will be given to Clear Creek Assoc. to be entered in the Aqtesolv software. The testing

will be done this weekend. Thank you to the team of volunteers who will give up their day to complete the test under the guidance of Mark LaCombe our District Water Operator. The results of the test will be sent to ADEQ as one of the steps towards completing the Capacity Development and Drinking Water Source Adequacy Requirements.

- Alpine Water Tanks - David Knobbe reported that the Alpine DWID put the tanks and misc pumps and supplies up for bid. The EMDWID was outbid.
- Department of Interior - A list of 10 possible endangered species was sent to David. There is only one in the near vicinity about 5 miles away and that is the New Mexico Jumping Mouse.
- Civiltec, an engineering firm that specializes in water engineering, is working on a project proposal of probable costs for our Standpipe Project. We do not have the dollar amount yet. This info is necessary for submitting the Project Priority List to WIFA.
- USACE (Army Corp of Engineers) One of ways to reduce the notification requirements with the USACE is to do a directional drill under Nutrioso Creek. We received a quote for \$42,000 plus or minus 30%, depending on depth and distance required.
- Conditional Use Permit with Apache County - David and Lorie attended the pre application meeting with Mike Fish and Shanna Peace of the Apache County Planning and Zoning. A permit will be required for the Standpipe Location. The process includes notifying all the property owners within 300 of the standpipe location and having a meeting once the location is approved by the EMDWID Board. Once the application is completed it goes to the Planning and Zoning Commission and then goes to the county Board of Supervisors for approval.

5. DISCUSSION AND POSSIBLE ACTION TO CONTACT NEC TO BRING POWER TO THE WELL SITE.

Pat Cruse reported that when he talked to NEC and their estimate to bring a 2 phase line to the well site would be appx \$5000. This will only be done once we receive ADEQ's approval to move forward. Mike Draper motioned to approve and John Cochran second. The vote was unanimous.

6. CALL TO PUBLIC - Veronica Alfaro asked where the Standpipe is going. David replied that today's Executive Session was going to discuss this topic.

7. FUTURE AGENDA ITEMS - address annexation and de-annexation, standpipe location and possibly the debt resolution approval for WIFA.

8. ANNOUNCEMENTS - The next meeting is scheduled for Saturday, April 13, 2024.

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 purposes of discussing the terms and strategies for negotiating a lease or purchase of up to a 1/4 acre of land within the District boundaries for the Standpipe. This is allowed under A.R.S. § 38-431.03 (A) (7). "*Discussion or consultations with designated representatives*

of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property.” Mike Draper motioned to go into an Executive Session, and Pat Cruse seconded.

10. ADJOURNMENT- David Knobbe adjourned the Executive Session at 3:20. No vote was taken. Mike Draper motioned to adjourn the regular meeting and Pat Cruse seconded. Meeting was adjourned at 3:21.

Forgivable Principal

Drinking water

Recent changes:

All drinking water systems are now eligible to receive forgivable principal if available (no longer limited to disadvantaged communities)

Establishes 3 tiers which considers the loan amount and gives priority to disadvantaged communities and projects which address a public health threat

1. Disadvantaged Community AND project which addresses a public health threat
2. Disadvantaged Community OR project which addresses a public health threat
3. All Infrastructure Projects

**** Forgivable principal is subject to availability**

1:55 PM Thu Sep 8

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88%

✕ Forgivable Principal.pdf



Drinking Water – Forgivable Principal

Disadvantaged **or** addresses a public health threat

Forgivable Principal <u>up to</u>	On the Loan Amount Over	But Not Over	Cumulative Forgivable Principal <u>up to</u>
85%	\$ -	\$250,000	85% of the loan amount
50%	\$250,000	\$500,000	\$212,500 + 50% of the loan amount over \$250,000
35%	\$500,000	\$1,000,000	\$337,500 + 35% of the loan amount over \$500,000
13%	\$1,000,000	\$5,000,000	\$512,500 + 13% of the loan amount over \$1,000,000
10%	\$5,000,000	\$10,000,000	\$1,032,500 + 10% of the loan amount over \$5,000,000 but not over \$10,000,000 ³

³ Loan amounts greater than \$10M may receive up to \$1,532,500 of forgivable principal.