

# DRAFT

## MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE ESCUDILLA MOUNTAIN DOMESTIC WATER IMPROVEMENT DISTRICT OF APACHE, ARIZONA, MAY 10, 2025 AT 11:00 AM AT THE ALPINE FIRE STATION #2 IN NUTRIOSO, AZ

1. **CALL TO ORDER.** David Knobbe called the meeting to order at 11:00 am. Present were Pat Cruse and David Knobbe. Melissa Chivers, Mike Draper, and Mark LaCombe attended by phone. Four district members were in attendance.
2. **APPROVAL OF THE AGENDA.** Pat Cruse motioned to approve the agenda. Mark LaCombe seconded. Unanimously approved.
3. **APPROVAL OF THE MINUTES FROM APRIL 12, 2025 BOARD MEETING.** The minutes were previously distributed. Pat Cruse motioned to approve the minutes. Melissa Chivers seconded. Unanimously approved.
4. **CHAIR, BOARD MEMBERS AND CLERK REPORTS.**
  - Financial Report - Lorie Knobbe reported that the current balance is \$50,491.68. This includes the \$1,690 legal fees associated with the recent annexations and de-annexation. The funds are held at both the Apache County and at BMO.
  - David Knobbe reported that we were just notified that the Arizona Department of Environmental Quality (ADEQ) awarded the Design and Engineering contract to Ironside Engineering and Development, Inc. ADEQ will be paying for their services except for the permits and review fees. The EMDWID will be responsible for those fees. Greater Arizona Development Authority (GADA) also approved a one year interest free loan for \$40,000 to the EMDWID. David reported that we may only use a portion of the GADA funds if needed and that no documents have been signed for this loan as of yet.
  - SWCA Update - SWCA recently received news from Ryan Gordon at USFWS that they have incurred a 50% reduction in staff over the last two months and cannot give us a timeline on when the formal consultation on the mouse will be completed which is required by SWCA to complete the Biological Assessment. This formal consultation is being done on the New Mexico meadow jumping mouse.
5. **SELECT BOARD DUTIES FOR 2025-2026.** Pat Cruse motioned to keep David Knobbe as Board Chair. Melissa Chivers seconded. Mike Draper and Mark LaCombe approved. David Knobbe motioned to keep Pat Cruse as the Vice Chair. Mike Draper seconded. Melissa Chivers and Mark LaCombe approved. David mentioned that Melissa Chivers is our Project Manager, Mike Draper is the Financial Advisor and Mark LaCombe is our Certified Water Operator. Lorie Knobbe will remain District Clerk.

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- 6. DISCUSSION OF BUDGET AND RATES FOR 2025-2026 FISCAL YEAR.** The Hearing was set for May 31, 2025 at 11:00 at the Alpine Fire Station #2 in Nutrioso. This allows time to post the Budget and Rates in the White Mountain Independent and notify the Board of Supervisors.
- 7. DISCUSSION AND POSSIBLE ACTION TO BEGIN ASSESSMENT FOR THE FOLLOWING YEAR.** The two year Standpipe/ Access Fee ends August 2025. We need to produce an “income stream” for WIFA. The WIFA loan Resolution requires the repayment will be done through special assessment since we are a newly established DWID and we do not have a previous payment history. The board discussed the amount. After estimating the expenses for next year at approximately \$16,000 it was determined that a flat assessment of \$250.00 per property would cover the expenses and leave a little extra. For the \$250 each property owner will be able to use up to 36,000 gallons per year. This breaks down to a little over \$20.00 a month per property owner. Mike mentioned that the rate affects all of us including the board members. It also takes in account the full time residents as well as those who are seasonal. David opened the topic for district member comments. Richard McCleary asked if the assessment goes away once the loan is paid for. David said yes. Angie DeWitt questioned whether or not the amount will be modified each year. David mentioned that the rate will be reviewed each year and that once we receive the final” forgivable amount” from WIFA we will have a better idea as to the exact amount of the yearly mortgage and can adjust the assessment. Pat Cruse motioned to have an annual assessment on the Apache County tax bill in the amount \$250.00 per property owner and each owner will be able to use up to 36,000 gallons. Any amount over will be billed in May. Mike seconded. Unanimously approved.
- 8. DISCUSSION AND POSSIBLE ACTION TO SELECT A FILL STATION.** A fill station needs to be selected for the engineer. The board members were previously given a selection of fill stations from Elemech. The brand name is Portalogic. The FS20 seemed to fit the needs of the community without being too expensive and gives us the option to upgrade. This system will create an account and assign a PIN number to each property owner keeping track of the gallons used. Each property will be allocated 3000 gallons per month or 36,000 per year. If property owners exceed the 36,000 gallon annual limit they will be billed in May. By having a flat assessed fee Apache County pays the WIFA mortgage and it minimizes the need for a bookkeeper. The FS20 can be attached to a building of our choice and also has a solar power option. Mark LaCombe said that 75-90% systems now are using solar power. District members with this knowledge and licenses should be able to do this for about \$2000.00 and eliminate this item from construction bids. Pat Cruse motioned to use the Portalogic FS20 system. Mark LaCombe seconded. Unanimously approved.

- 9. CALL TO PUBLIC - ANNOUNCEMENTS** - David opened the meeting for comments and questions. None were received.
- 10. THE BUDGET AND RATE HEARING** is scheduled for May 31, 2025 with the regular meeting to follow.
- 11. EXECUTIVE SESSION** - Pat Cruse motioned to go into Executive Session and Mike Draper seconded. The Board went into an Executive Session at 11:51 am for the purpose of discussing Purchase, Sale or Lease of Real Property. This is allowed under A.R.S. § 38-431.03(A) (7). They returned at 12:27. No vote was taken, and the regular meeting was reconvened at 12:19..
- 12. ADJOURNMENT**- Pat Cruse motioned to adjourn the meeting. Mike Draper seconded it. All in favor. Meeting adjourned at 12:20 pm.