

**MINUTES OF THE BOARD OF DIRECTORS OF THE ESCUDILLA MOUNTAIN  
DOMESTIC WATER IMPROVEMENT DISTRICT OF APACHE, ARIZONA,  
May 25, 2024 at 2:00pm at the Alpine Fire Station #2 in Nutrioso, AZ**

1. **CALL TO ORDER.** The meeting was called to order at 2:01 pm. Present were Melissa Chivers and David Knobbe. John Cochran and Mike Draper attended by phone. Pat Cruse was absent. Thirteen property owners were in attendance.
2. **APPROVAL OF THE AGENDA.** Melissa Chivers motioned to approve the 5-25-24 agenda, Mike Draper seconded. Unanimously approved.
3. **APPROVAL OF THE MINUTES FROM APRIL 13, 2024 MEETING.** The minutes were previously distributed. Melissa Chivers motioned to approve, seconded by John Cochran. Unanimously approved.
4. **CHAIR, BOARD MEMBERS AND CLERK REPORTS.**
  - Financial Report - Lorie Knobbe reported that \$38,854.48 is the current balance. The YTD Handout was reviewed and items explained. Also in the handout was the Budget for 2023-2024 and Proposed Budget for 2024-2025 prepared by Mike Draper and Lorie Knobbe.
  - Conditional Use Permit Meeting - 17 properties are within the 300 ft radius of Lot 57. They were all notified by email, USPS or both. Only 2 property owners were present and they were in support of the Standpipe location. Only request was clear signage to the Standpipe. The Neighborhood Participation Report was sent to Apache County.
  - WIFA - (1) The Resolution Letter for \$500,000 that was approved at the previous meeting was sent to WIFA. Because EMDWID does not have any financial history repaying a debt, WIFA requested the wording be changed on the payback method from “ payable from revenues of the drinking water system” to “funded through a special assessment”. (2) The digital WIFA application was transmitted on May 10th and the signed hard copy was delivered to Lindsay Mills and Anthony Ngeera at the Phoenix office on May 22. The Technical Assistance Grant for 50,000 was also requested. John and Pat Cochran, Mike Draper, David and Lorie Knobbe all completed portions of the application. (3) The Water Supply Development Revolving Fund through WIFA is now taking applications. This Fund is open to districts like ours that are located outside of the Phoenix, Pinal, and Tucson AMA's. There is up to \$2 million in grant funds and \$3 million in loans with interest rate discounts. The plan is to apply for this for the larger Infrastructure Project (pipes in the road) once the Standpipe is completed.
  - ADEQ - David Knobbe reported that ADEQ requested a 24 hour test in addition to the 8 hour test that was already completed. Mark LaCombe, Pat Cruse and David Knobbe did the test May 6th and 7th. The results were given to John Cochran to prepare the data for Creek Creek. Clear Creek will prepare the

Aqtesolv modeling that ADEQ is requiring. Once completed it will be given to ADEQ along with the Elementry Business Plan Report.

- TeamConverse, an engineering company, provided EMDWID with an Estimated cost of the project.
- The key card system that Mike Draper researched looks like it will be a good fit for our District. They are willing to modify the system to meet our requirements. More info and discussion on that item in the future.

**5. DISCUSSION AND POSSIBLE ACTION TO SELECT A STANDPIPE**

**LOCATION.** David Knobbe explained that Frank Cassidy, our DWID lawyer, recommended that another vote be taken with David abstaining due to a conflict of interest since Lot 57 is owned by the Knobbes. David opened this topic up to a Call to the Public. He read a letter from a district member that was received on the website that stated they “are against the stand pipe being on the Knobbe’s property it should be somewhere that they have to haul water just like the rest of us we did not pay into this for there rights to having water at there property.” David explained why this statement is false for several reasons. The Knobbes have two wells that make more than enough water and will not be accessing the standpipe if their wells continue to produce as they currently do. Also the lease agreement, location of the standpipe and topography will prevent them from accessing the water any differently than the rest of the district. David expressed his personal opinion that it’s ok to be misinformed or uninformed but not ok to make false statements or accusations, that only causes additional confusion. David explained that if you have questions or concerns about the process please reach out to one of the board members or place your concern on the agenda for an upcoming meeting. Lorraine Pence asked what the annexed property owners will need to pay if they join. David replied, for the first open enrollment period the same as every else, \$1000.00. The down payment will be what the monthly property owners have paid to date. Gary Pence asked where the center of the district is. Appx at the corner of CR2018 and 2223. Jay DeWitt asked if we will go after the WIFA Water Supply Development Funds. Yes. He thanked the Board for all the work they have done. The Call of the Public was closed. Melissa Chivers motioned to have the standpipe located on Lot 57. Mike Draper seconded. John Cochran approved. David Knobbe abstained. Three in favor.

**6. DISCUSSION AND POSSIBLE ACTION TO SELECT GREENBERG TRAUIG**

**AS THE BOND ATTORNEY.** The Board Members were given a copy of the engagement letter to review prior to the meeting. The cost is \$10,000 paid only if the WIFA loan closes and the fees can be paid out of the WIFA loan proceeds. Melissa motioned to approve Greenberg Traurig as the EMDWID bond attorney. John Cochran seconded. Unanimously approved.

**7. SELECT BOARD MEMBER DUTIES FOR 2024-2025 FISCAL YEAR.** David Knobbe volunteered as Chair. Melissa motioned, Mike seconded. John approved.

David abstained. David nominated Pat Cruse as Vice-Chair. Melissa motioned, John Cochran seconded. Unanimously approved. David Knobbe nominated Melissa Chivers as Project Manager. John Cochran motioned, Mike Draper seconded. David approved. Melissa abstained. David Knobbe asked Lorie Knobbe to stay on as District Clerk. Melissa Chivers motioned. John Cochran seconded. Unanimously approved.

- 8. DISCUSS BUDGET AND RATES FOR 2024-2025 FISCAL YEAR.** The Hearing for the Proposed Budget and Fee will be June 22, 2024 at the Alpine Fire Station #2 in Nutrioso beginning at 1:00pm. Melissa motioned to approve the Hearing date. John Cochran seconded. All in favor.
- 9. CALL TO PUBLIC** - No additional questions.
- 10. ANNOUNCEMENTS** - There will be an election for the purpose of filling two seats on the EMDWID Board of Directors. The election for the EMDWID is nonpartisan. Any adult person owning property within the EMDWID is eligible to run for election. You may contact Lorie Knobbe or Apache County Elections Dept for the packets.
- 11. EXECUTIVE SESSION** - None required
- 12. ADJOURNMENT**- Melissa Chivers motioned to adjourn the meeting. Mike Draper seconded. All in favor. Meeting adjourned at 2:58.

Minutes approved at 6-22-2024 Board Meeting  
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