

**MINUTES OF THE BOARD OF DIRECTORS OF THE ESCUDILLA MOUNTAIN
DOMESTIC WATER IMPROVEMENT DISTRICT OF APACHE, ARIZONA,
SEPT 20, 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. David and Pat Cruse (arrived at 11:21) were present. Melissa Chivers and Mark LaCombe attended by phone. Mike Draper was absent. There were 11 district members in attendance.
- 2. APPROVAL OF AGENDA** - Mark LaCombe motioned to approve the agenda. Melissa Chivers seconded. David Knobbe approved.
- 3. APPROVAL OF THE MINUTES FROM THE AUGUST 30, 2025 BOARD MEETING.** The minutes were previously distributed. Mark LaCombe motioned to approve the minutes and Melissa Chivers seconded. David Knobbe approved.
- 4. CHAIR, BOARD MEMBERS, AND CLERK REPORTS**
 - Financial report - Lorie Knobbe reported that the EMDWID has a total of \$45,124.03. This amount is held between the Apache County account and the BMO account. There is an additional \$40,000 in the Apache County account that the EMDWID received from GADA as a loan for Design and Engineering.
 - Conditional Use Permit. Part of obtaining a Conditional Use Permit is to have citizen participation to encourage the applicant (EMDWID) to be good neighbors and to allow for informed decision making. There will be a Citizen Participation Meeting held on Sunday, October 5, 2025 from 1:00 to 2:00 pm at the Alpine Fire Station #2 in Nutrioso. This is your opportunity to discuss the EMDWID's proposal with EMDWID representatives and express any concerns, issues, or problems you may have with the proposal in advance of the public hearing. Even though this meeting is held primarily for those property owners within 300 feet of Lot 53 anyone is welcome to attend.
 - WIFA - SHPO - Lindsay Mills reported that the State Historic Preservation Office (SHPO) reviewed the EMDIW application for Lot 53 and determined that "No historic properties found and no need for a further survey."
 - NEC - David reported that NEC does have access to the well site to provide power but that the EMDWID would still have to get an easement for the overhead power from the utility easement to the secondary power pole at the well. He also reported that the DWID is working through the necessary steps to acquire an easement to the well site.
 - Design and Engineering - The estimate for Lot 53 improvements came back at \$273,297 plus the estimate for the land at \$180,000 totaling \$453,297. In only being able to digest the figures for a little more than a day we have already found

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some items that can be reduced or eliminated. Estimate (rough order of Magnitude Cost Estimate) to bring water across the creek is \$177,00. The estimate for the buildout of the system is \$162,300. The total of the three projects is \$792,597.

5. DISCUSSION AND POSSIBLE ACTION TO APPROVE A RESOLUTION OF INTENTION. Background Info

At the June 14, 2025 board meeting it was decided to move the standpipe location from Lot 80 by Nutrioso Creek to Lot 53. This included purchasing the land. The creek well would be used as a backup water source. At the July 5, 2025 meeting the board decided to add the design for the system buildout into the WIFA loan. Those three requests were included in the modified Project Data Addendum. The estimates of all three projects were received on 9-18-25 and distributed to the board members. The estimates were much higher than expected. The estimates were also forwarded to our WIFA reps Lindsay Mills and Anthony Ngeera. In a phone conversation, Anthony advised us that based on the tax assessment of \$250.00 per year per property that will generate \$19,500 that we only qualify for a \$550,000 loan. Lindsay advised that EMDWID should apply for the full amount and if we don't use it we can return the balance. We can only apply the funds to items in the Project Data Addendum. We cannot take the remaining funds and apply it to a new project. Lindsay said we can however have multiple loans for different projects if we financially qualify for them. The current WIFA Resolution 2024-1 stipulates a \$500,000 loan. The Board of Directors of EMDWID needs to make some changes to the Project Data Addendum and issue of Resolution of Intention. Per State Statute 48-5911 Project Approval and Resolution of Project Intent certain items must be included in the Resolution. To summarize: a map of the location and district properties, an estimate of the cost to construct, acquire, estimated completion date, and a plan for financing. A hearing date is set for October 11, 2025 at 11:00 am. Discussion begins: Melissa Chivers said we should go after our primary goal and get the standpipe up and running. Mark LaCombe concurred. We can apply for another loan when this project is completed. Pat Cruse reviewed the time line and advised some things we could possibly do faster but there are many factors we have no control over. Pat Cruse motioned to apply only for improvements and land purchase for Lot 53 including raising the WIFA loan amount to \$550,000. Melissa seconded. Unanimously approved.

6. CALL TO THE PUBLIC - David opened the call to the public. Bob Glasgow asked about a pump that is specified in the design and whether or not this large

pump is being specified for the eventual demand of the system once it's built out. David replied that yes this the reason for such a large booster pump but would check with the design engineer for clarification. Keri Ruiz asked if the participants who attend the Citizen Participation Meeting can affect the project or process. David replied that the meeting is to provide residents in closest proximity to the project information and to hear any comments or concerns they may have, but they cannot affect the project. He also said that the attendees will be recorded along with their input and this information will be part of the Conditional Use Permit Application. Keri also asked about the easement and how do we acquire it if the property owner continues to deny access. David replied that there are three potential options, a Prescriptive Easement, an Easement of Necessity or file a lawsuit for Eminent Domain. Leonard Ruiz gave information about the process as he performed this type of litigation when he worked as an attorney for the state. Rick Brown asked for some clarification about where the two wells were located and which one was being used for the standpipe location. David replied that there will be only one standpipe. The well on Lot 53 will be used exclusively for the standpipe. The lower well on Lot 80 across Nutrioso Creek will be for eventual build out of the system. Melissa Chivers also remarked this well is vital to our DWID as a back up water source in case something happens to our primary well, she also stated that we are statutorily required to provide water to the district members.

7. **ANNOUNCEMENTS** - The Citizen Participation Meeting will be Sunday, October 5, 2025. The Hearing for the Resolution of Intention will be held Saturday October 11, 2025 with the Board Meeting immediately following. All the meetings will be held at the Alpine Fire Station #2 in Nutrioso. Supporting documents from this meeting will be on the website for your review.
8. **EXECUTIVE SESSION** - none was required.
9. **ADJOURNMENT** - Pat Cruse motioned to adjourn the meeting. Melissa Chivers seconded. Unanimous. The meeting was adjourned at 11:53.

Minutes approved at the 10-11-2025 Board Meeting. Ik