

**MINUTES OF THE BOARD OF DIRECTORS OF THE ESCUDILLA MOUNTAIN  
DOMESTIC WATER IMPROVEMENT DISTRICT OF APACHE, ARIZONA,  
October 14, 2023 at 2:00pm at the Alpine Fire Station #2 in Nutrioso, AZ**

1. **CALL TO ORDER.** The meeting was called to order at 2:00 pm. Present were John Cochran, Pat Cruse, Mike Draper and David Knobbe. Melissa Chivers was absent. Twelve district members were in attendance.
2. **APPROVAL OF THE AGENDA.** Motion to approve agenda by John Cochran, seconded by Pat Cruse. Unanimously approved.
3. **APPROVAL OF THE MINUTES FROM SEPTEMBER 2, 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.**
  - Lorie Knobbe reported 55 of the 72 property owners have made payments which amounts to \$41,118.00 in deposits.
  - David Knobbe reported that the EMDWID now owns a small parcel of land (appx 2500 sq feet) with a well that was gifted by the Escudilla Management Corporation, formerly known as Escudilla Cattle Company. The two principals of the corporation were Harris Crosby and James Tanner. There were a few people instrumental in getting this accomplished. (1) Brian and Dorothy Dolan had a copy of their deed from 1997 as part of the EME1 HOA signed by Harris Crosby stating that 6 parcels “shall be common areas owned by the Association....to provide a system of water delivery to the lots.” Further in the description it said “Neither Declarant nor the Association represents nor guarantees that a functional water delivery system will always exist or be maintained.” By the time EME2 was established in 2007 James Tanner listed only one of the six parcels in the legal description of the EME2 HOA Association. Russ Crosby told David and Lorie that the other wells were absorbed into the surrounding property owners parcels. (2) Russ Crosby (son of Harris Crosby) reached out to Steve Christensen, formerly Manager of the Alpine DWID, after he heard about the attempt to form a Domestic Water Improvement District and asked that David Knobbe call him if a DWID was established. Scott Crosby (son of Harris Crosby) was a coworker of David Knobbe for almost 30 years and introduced the Knobbes to Nutrioso over a decade ago. The Escudilla Cattle Company is trying to sell all their remaining properties. When David and Lorie met with Russ Crosby he said with the approval of James Tanner that they would like to gift the land and the well to the EMDWID. The EMDWID would be responsible for the closing costs which amounted to \$772.00 plus \$10.00 cashier check. The closing papers were signed 9-28-23. The exchange was recorded by Apache County and the well transfer is still in process. This is great news for the EMDWID. Both Steve Christensen and some members of the ADEQ warned it is best for a DWID to own its own wells vs. using private wells.

5. **DISCUSSION AND POSSIBLE ACTION APPROVING TESTING OF THE EMDWID WELL.** John Cochran explained there is a one time large test of 99 chemicals then smaller monthly tests will be conducted. Mark LaCombe who is a property owner in the district and is certified will be overseeing the testing. Pat Cruse motioned to approve the GPM and water quality testing and John Cochran seconded. Unanimously approved.
6. **DISCUSSION AND POSSIBLE ACTION ADDING LORIE KNOBBE, THE DISTRICT CLERK, AS A SIGNER ON THE BMO ACCOUNT.** The Bank of the West allowed Lorie to have full access to account information. BMO will not allow access to account information unless the person making the inquiries is a signer on the account. In order to get information on deposits and bank statements Lorie needs to be a signer. Pat Cruse motioned to approve adding Lorie Knobbe (official name Dolores M Knobbe) as a signer on the BMO account, Mike Draper seconded. Unanimously approved.
7. **DISCUSSION AND POSSIBLE ACTION REGARDING PAYING THE KNOBBES FOR THE BILLS THEY PAID FROM THE 5-2-2023 ESTABLISHMENT TO CURRENT.** Now that we have a functioning bank account all bills will be paid through the BMO account or the Apache County Account. The meeting handout is attached. Mike Draper motioned to approve paying the Knobbes \$1,081.50 for the expense they paid. Pat Cruse seconded. John Cochran approved. David Knobbe abstained.
8. **DISCUSSION AND POSSIBLE ACTION ASKING EMDWID LAWYER, FRANK CASSIDY, TO SEND LETTERS TO THOSE WHO HAVE NOT MADE A PAYMENT.** Mike Draper motioned to approve having Frank Cassidy send out letters to those who have not paid explaining their obligation to pay since they are within the boundaries established by the Apache County Board of Supervisors. Pat Cruse seconded. Unanimously approved.
9. **CALL TO THE PUBLIC.** Bob Glasgow asked what if the test doesn't come back positive. David explained we have options such as continuing negotiations with the Morgans and looking for other water sources. Depending on how much a well produces will determine how much storage we will need to have. John Cochran mentioned that any well that we want to use must get tested. Keri Ruiz mentioned that the new well is in EME2's area and the EME2's HOA has covenants that allow for easements. How is that going to affect the homeowners in EME1? John Cochran advised that the well is a district well for everyone in the EMDWID regardless of which association they live in. The first order of business is a Standpipe and the location of that will depend on traffic, engineering and costs. Pipes in the road is a future project. Carol Glasgow cautioned the group that we need to be aware of open meeting laws and to reach out to the AZ Ombudsman for information. Be cautious in answering questions that are not listed on the agenda. J DeWitt mentioned that grants and loans are easier to get with a good water source.

## **10. ANNOUNCEMENTS.**

- Next meeting date: December 9, 2023 at 2:00.
- Future Agenda Items: Pursuit of loans and grants

11. **EXECUTIVE SESSION.** None required

12. **ADJOURNMENT.** David Knobbe moved to adjourn the meeting at 2:47 pm.  
John Cochran seconded. Unanimously approved.

Minutes approved at 12-9-2023 meeting

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	May	June	July	August	September	October
<b>Operating Expenses</b>						
Salaries and wages						
Employee benefits						
Administration						
Office supplies	\$31.70			\$91.10		
United State Postal Service						
Post Office Box & keys			\$83.00			
Professional services						
Legal - Frank Cassidy			\$0.00	\$292.50	\$253.50	\$58.50
Utilities and communications						
Google-domain name	\$12.00					
Website - Rural Water Impact	\$391.00		\$42.00	\$42.00	\$42.00	
Publications - White Mtn			\$96.20			
Insurance					\$1,196.00	
Bank Fees					\$22.00	
Land Purchases - Pioneer Title					\$772.00	
Total Operating Expense	434.70*		\$221.20	\$425.60	\$2,285.50	\$58.50
*From 2022-2023 Annual Report						
Bank of the West opened 7/27/2023						
Deposits started 8/3/2023						
Knobbes advanced funds				\$1,081.50		
Paid from EMDWID funds				\$2,344.00		
Total Expenses				\$3,425.50		