

DRAFT

MINUTES OF THE BOARD OF DIRECTORS OF THE ESCUDILLA MOUNTAIN DOMESTIC WATER IMPROVEMENT DISTRICT OF APACHE, ARIZONA, JUNE 14, 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 11:03 am. David Knobbe was present. Pat Cruse arrived at 11:10. Melissa Chivers, Mike Draper and Mark LaCombe attended by phone. Eight district members were in attendance.

2. APPROVAL OF THE AGENDA. Mike Draper motioned to approve the agenda. Mark LaCombe seconded. Unanimously approved.

3. APPROVAL OF THE MINUTES FROM MAY 31, 2025 PUBLIC BUDGET & FEE HEARING. The minutes were previously distributed. Mark LaCombe approved the Hearing Minutes and Mike Draper seconded. Unanimously approved.

4. APPROVAL OF THE MINUTES FROM THE MAY 31, 2025 BOARD MEETING. The minutes were previously distributed. Mark LaCombe approved the Minutes for the Meeting and Mike seconded. Unanimously approved.

5. CHAIR, BOARD MEMBERS AND CLERK REPORTS.

- Financial Report - Lorie Knobbe reported that the EMDWID has a total of \$46,683.51. This amount is held between the Apache County account and the BMO account. There is also \$40,000 from the GADA loan in the Apache County account accruing interest.
- Lorie reported that the annexations for the three property owners (4 properties) have been successfully added to the DWID. The owners paid the full Standpipe Infrastructure / Access Fee and legal costs in full. The deannexation is still in process and the Hearing will be before the regular board meeting on July 5, 2025 at 3:00pm.
- David reported that SWCA completed the Biological Assessment. The full 111 page Final Environmental Information Document is on the website for review. This gives us the go ahead to cross the creek with guidelines. This was another huge step completed. WIFA paid approximately \$50,000 for this report under the technical assistance portion of our loan.

- Melissa Chivers has set up a meeting with Zach Barlow from Ironside Engineering and Development for next Friday. Melissa and Pat Cruse will both attend this on-site kickoff meeting. David and Mark LaCombe may also attend this meeting, creating a possible quorum.

6. DISCUSSION AND POSSIBLE ACTION TO PURCHASE PROPERTY WITH WELL. David gave a brief history behind the Morgan well. This well was the water source presented to the community to get the DWID established but the negotiations for securing this well were unsuccessful. Then the District was gifted a well from the Escudilla Cattle Company so the District started completing all the requirements necessary to become a Public Water System using that well. The Morgans reached out to David at the end of January 2025 and advised that they were going to sell the property. The Board met in a series of executive sessions to discuss the offer and requested that a pump test and water quality test be completed before a decision was made. The tests came back with good results. In order not to lose the opportunity to add a second good well to the district the Chivers and Knobbes purchased it with the intention of holding it for the DWID until the WIFA loan comes through. The owners will not make a profit and will add all expenses into the total amount when selling it to the DWID. Pat Cruse motioned to buy Lot 53 from the Chivers and the Knobbes. Mike seconded. Mark approved. Melissa and David abstained. A big thank you to Pat and Mark for completing the 24 hour pump test and water quality test on short notice.

7. DISCUSSION AND POSSIBLE ACTION TO MOVE THE STANDPIPE LOCATION. David explained all the benefits of having the standpipe located on Lot 53, including the proximity of the well to the district, water on top of the mesa, the potential reduction in project costs, reduction of traffic in some locations, reduction in infrastructure costs due to having head pressure for all the lower properties. Melissa added that having a two well system that will eventually be connected adds to the reliability of the system. He then opened the discussion up to the public members attending. Questions were asked about the disposition of the lower well. The Board answered that we will most likely use it for increasing fire protection by installing a fire hydrant. This feature will allow us to keep the certification for water quality for that well. Mark added that the monthly well tests can be done at the same time. Eric Sayer asked if another Biological Assessment would be needed. David answered that the new standpipe location would be exempt from any additional studies because of the Categorical Exclusion clause WIFA has on

this type of property. Eric also asked how we will handle concerns with placing the standpipe at its new location. Lorie answered that there will be a neighborhood meeting after the design is near completion. This is where property owners within 300 feet of the standpipe property may address their concerns. The meeting is a requirement for obtaining a Conditional Use Permit. Rick Brown asked about the price we paid for the property and where it is located. David answered that it was purchased for 170k and it is Lot 53 of EME 2.

8. DISCUSSION AND POSSIBLE ACTION TO MODIFY THE SCOPE OF WORK.

David explained that a new scope of work needs to be written for our project as required by WIFA application. Pat motioned to update the scope. Mike seconded. Unanimous.

9. DISCUSSION AND POSSIBLE ACTION TO PAY LEGEND FOR THE WATER

ANALYSIS. The cost of the water analysis was \$3422.00. Mike Draper mentioned that the Chivers and Knobbes had no interest in the property except to improve the District. Pat Cruse motioned to pay Legend out of the DWID funds, Mike seconded, and Mark approved. Melissa and David abstained.

10. DISCUSSION AND POSSIBLE ACTION TO WAIVE THE STANDPIPE FEE FOR THE NEW STANDPIPE PROPERTY. The Morgans did not pay the Standpipe / Access Fee because they had plans to request de-annexation because they had a good producing well. Now with the purchase, the EMDWID will eventually own the property. Pat Cruse motioned to waive the fee for the Chivers and Knobbes since the DWID will own it in the near future. Mike Draper seconded, and Mark LaCombe approved. Melissa and David abstained.

8. CALL TO PUBLIC - David opened the meeting to questions. Eric Sayer asked if the board thought the water would be flowing by the end of the year. Melissa Chivers said there are a variety of factors that play into that. The design has to be completed by the end of September for ADEQ to pay for the design. Then you have to prepare bid docs, advertising is usually 30-60 days and then it depends on when winter arrives. Lorie added that once the design gets completed we have to get on the WIFA calendar for committee approval and then board approval. Most likely spring of 2026. Rick Brown asked if more property owners could request annexation. The annexations would be limited to the four subdivisions on the mesa. Mark LaCombe added that the DWID

needs to stay under 100 properties to avoid the additional expense of hiring a full time project manager along with higher standard required by ADEQ.. The group also discussed setting a new Standpipe / Access Fee to enroll and the associated legal costs for those wanting to join. The new enrollment fees will be discussed at the next meeting. Lorie mentioned that a once a year open enrollment period should happen at the beginning of the year so everything can be completed prior Apache County completing its budget in June - i.e. tax bill assessment amount. The assessment will fluctuate once the total amount of the loan is known and the number of property owners sharing the costs is set. Pat Cruse wanted to share information about the well performance. David reported that the well was pumped at 12 gpm for 24 hours with an initial static level of 53 feet. The well static level dropped to approximately 135 feet before leveling off, which was still 165 ft above the pump depth of 300 ft. Total well depth is 320ft.

9. ANNOUNCEMENTS - The next meeting will be held on Saturday, July 5, 2025 at 3:00 pm at the Alpine Fire Station #2 in Nutrioso. This is a new time. The Alpine Fire Department has additional commitments for the holiday weekend and the EME2 HOA has scheduled a meeting at 1:00pm. The De-annexation Hearing will begin at 3:00 and will be followed by the Board Meeting. One of the agenda items will be to discuss the new enrollment fee.

10. EXECUTIVE SESSION- None required

11. ADJOURNMENT- Pat Cruse motioned to adjourn, Mike Draper seconded. All in favor. Meeting adjourned at 12:01 pm.