

## **DRAFT**

### **MINUTES OF THE BOARD OF DIRECTORS OF THE ESCUDILLA MOUNTAIN DOMESTIC WATER IMPROVEMENT DISTRICT OF APACHE, ARIZONA, JULY 5, 2025 AT 3:00 PM AT THE ALPINE FIRE STATION #2 IN NUTRIOSO, AZ**

- 1. CALL TO ORDER** - David Knobbe called the meeting to order at 3:05 pm. Melissa Chivers, Pat Cruse, Mike Draper and David Knobbe were present. Mark LaCombe attended by phone. There were 33 district members in attendance.
- 2. APPROVAL OF AGENDA** - Pat Cruse motioned to approve the agenda. Mike Draper seconded. Unanimously approved.
- 3. APPROVAL OF THE MINUTES FROM THE JUNE 14, 2025 BOARD MEETING.** The minutes were previously distributed. Pat Cruse motioned to approve the minutes and Mike Draper seconded. Unanimously approved.
- 4. CHAIR, BOARD MEMBERS, AND CLERK REPORTS**
  - Financial report - Lorie Knobbe reported that the EMDWID has a total of \$46,849.51. 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. This is an interest free one year loan. Of the 78 properties in the DWID all but 3 properties have made payments on the Infrastructure / Standpipe Access Fee.
  - Design and Engineering Kick-off Meeting - Melissa Chivers reported that the meeting with Zach Barlow from Ironside Engineering & Development and Elisabeth Muhn from ADEQ was held on June 20th. Both wells were visited. The design is in process and it should be completed by the end of September. David added that the design costs including construction administrative fees will be covered by the grant from ADEQ and if the design process extends beyond September ADEQ has additional grant funding. Approval to construct will be required for both well sites.
  - SWCA update - FONSI - David reported that an article from WIFA was posted in the White Mountain Independent on June 24th. There is a 30 day period where individuals can reach out to WIFA to make comments. "WIFA staff analysis concluded that the project neither individually nor cumulatively has a significant effect on the human environment. Therefore, the following project qualifies for a Finding of No Significant Impact (FONSI)." David also mentioned that the Biological Assessment and Final Environmental Information Document took seven months to complete. A FONSI is expected at the new standpipe site since the lot has already been disturbed with the construction of the well, the septic system, electrical line installation and a road.

5. **DISCUSSION AND POSSIBLE ACTION TO ALLOW FOR THE ALTERATION OF DISTRICT BOUNDARIES.** Organ de-annexation. Pat Cruse motioned to allow for the de-annexation. Mike Draper seconded. All in favor. Motion passes.
6. **DISCUSSION AND POSSIBLE ACTION TO SET THE ANNEXATION FEE FOR NEXT YEAR.** David researched some other DWIDs and their current rate structure. He presented info from six other DWIDs with the highest standpipe access fee for Rio Verde at \$24,000 and the lowest for Alpine at \$1500. None really mirror the EMDWID at its current stage. Mike started the conversation with the comment that the rate should be higher than the initial fee of \$1000.00. The current members took a risk investing in the water district. Melissa mentioned that an opportunity to be annexed at the \$1000.00 plus legal fees was already held earlier this year. Mark added that the ADEQ requirements to allow for more than 100 properties increases regulations including a full time operator that can be reached 24 hours a day. Also different testing is required. Both would add significant costs for our DWID. Lorie mentioned adding the annual assessment fee that is paid through the county taxes which is currently \$250.00. Pat motioned that the enrollment fee to be annexed would be \$1200.00 plus the current assessment fee, plus current legal fees and the enrollment period will begin in January of each year. Mike seconded. All in favor. Motion passes.
7. **DISCUSSION AND POSSIBLE ACTION TO INCLUDE THE COST OF DESIGN FOR THE SYSTEM BUILDOUT ON THE WIFA LOAN.** When Lindsay Mills at WIFA was asked if the EMDWID could add paying back the GADA loan for the cost to design the system buildout, she said it was possible. The scope of work will have 3 main components: completing the standpipe on Lot 53, crossing the creek and ending the water line at CR 2225, and designing the buildout to individual properties lines including connecting the two wells. David mentioned that crossing the creek and ending at CR 2225 would enable us to not lose the benefits of having completed the environmental study and keeping that well up to date with water testing. Pat motioned to include the cost for designing the buildout into the WIFA loan. Mike seconded. All in favor. Motion passes.
8. **CALL TO THE PUBLIC** - David opened the call to the public. The first comment was made by Laura Ryan. Are we having 1 or 2 standpipes? David mentioned it was agreed to pivot from the original well across the creek and standpipe location on Lot 57 to Lot 53 at the last meeting. She wanted to make sure we take the neighbors feelings into consideration when the Standpipe is designed, possibly a wall or gravel. Melissa mentioned that the hours could be limited by the filling station. This could limit noise and headlights shining at night. David Overson was concerned about the dust for those neighbors. Lorie mentioned that a good deal of the property owners that haul water from Alpine from EME1 and EME2 will take the same route so minimal

traffic will be added to that area. Mike mentioned the dust from trash trucks and UPS trucks cause more dust than someone hauling water. Pat said there is a means of adding a liquid to reduce dust but when the graders come by the dust control liquid is disturbed. He also mentioned that the current Board of Supervisors is heavily influenced by the northern part of Apache County and appropriates most of the funding for these types of projects to those districts. He added that the repairs from the Vernon Flood are taking up a considerable amount of resources to complete. Another question is why can't the County pave the road. David mentioned that we can look into including the cost of pavement for ingress and egress to the standpipe to the WIFA loan. Bryan Dolan asked how we came up with the 36,000 gallon per year amount and David explained that one of the factors was the estimated system demand required to complete the Elementary Business Plan for ADEQ. Not mentioned by the Board but other factors are the price for current Alpine fees and the \$250 yearly assessment. Bryan also asked about our plan to provide power at the lower well and David explained that we are going to provide power and have two options: NEC or solar. Carol Glasgow asked if we could record the meeting and post on the website. David said not at this time. She also asked if a district member could haul water in an emergency situation for a non-distinct member and the Board explained this is not allowable currently but could be considered at a future date. Jennifer Bryant asked if we have plans to get water to the individual properties. David said the Board just approved getting the design added to the WIFA loan and yes eventually the EMDWID would like to get connections to the individual lots. David Overson asked if the \$250 assessment is for every member of the DWID. Yes, it will be on the Apache County Tax Bill. The Board has the ability to adjust the amount up or down every year depending on the District financial obligations including the WIFA loan. Jay DeWitt asked if we are considering using the lower well for fire protection. David responded not at this time. Mark La Combe added that this water once it comes across the creek will be tested as required to maintain the certification as a public water supply.

9. **ANNOUNCEMENTS** - The next meeting will be held on Saturday, August 30, 2025 at 11:00 am at the Alpine Fire Station #2 in Nutrioso if needed.
10. **EXECUTIVE SESSION** - none was required.
11. **ADJOURNMENT** - Pat motioned to adjourn the meeting. Mike seconded. Unanimous. The meeting was adjourned at 3:45.