

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

CALL TO ORDER: The meeting was called to order at 2:03pm. Present were Melissa Chivers, John Cochran, Mike Draper and David Knobbe. Pat Cruse was absent. Eighteen district members were in attendance.

APPROVAL OF THE AGENDA: Motion to approve agenda by Mike Draper, seconded by John Cochran. Unanimously approved.

APPROVAL OF THE MINUTES FROM JULY 21TH PUBLIC HEARING AND REGULAR MEETING: The minutes were previously distributed. Mike Draper motioned to approve, seconded by Melissa Chivers. Unanimously approved.

CHAIR, BOARD MEMBERS AND CLERK REPORTS:

- Lorie Knobbe - Clarification of Website terminology. Alerts are urgent messages such as "Well Maintenance next Monday", "Construction on CR 2224 please avoid next week". News update examples: next meeting....., agenda attached, minutes attached..."
- Lorie Knobbe - Deposits at the Bank of the West/BMO need to be transferred to the County at least once a month keeping enough money on hand to pay for automatic monthly withdrawals such as the website payment and expenses that need to be paid immediately such as newspaper articles.
- David Knobbe - the EMDWID boundaries were established on 5-2-23 at the Apache County Board of Supervisor Meeting. There is no opting out at this time.
- David Knobbe - introduced Mark LaCombe who has achieved his Level 1 - Operator Certification with the ADEQ. Mark explained he is in the process of setting an account up with the ADEQ. We need to have a business plan explaining how we plan to maintain, sustain and operate our District. The first step is to get our design and operation plan approved. The initial well water quality certification tests for 99 items. Then there are monthly tests.

DISCUSSION AND POSSIBLE ACTION SELECTING THE WARRANT (CHECK) SIGNERS FOR THE APACHE COUNTY ACCOUNT. Mike Draper motioned to have David W. Knobbe and William Pat Cruse IV as signers. Melissa Chivers seconded. Unanimously approved.

DISCUSSION AND POSSIBLE ACTION REGARDING WHICH GENERAL LIABILITY POLICY AND DIRECTORS & OFFICERS POLICY TO PURCHASE: The General Liability Policy with 1,000,000 coverage for a Civic - non profit entity is \$271.00. The

Officers and Directors Policy 1,000,000 Policy is \$925.00, for a total of \$1196. This is \$804.00 less than the budgeted amount of \$2000.00 Mike Draper motioned to purchase the CNA policy through Professional Insurance Brokers Agency. Melissa Chivers seconded. Unanimously approved.

DISCUSSION AND POSSIBLE ACTION FOR IMPLEMENTING A GRACE PERIOD FOR PAST DUE PAYMENTS: A Call to the Public was made by David Knobbe. JD DeWitt suggested 30 days since that is standard practice. The 10% late fee allowed by State Statute would begin after 30 days. Melissa Chivers suggested that notice should be sent 2 weeks prior to the late fee commencing and a note be placed on all invoices explaining the grace period and late fee. Mike Draper motioned to have a 30 day grace period with a 2 week follow up bill being sent after the due date is past. Melissa Chivers seconded. Unanimously approved.

CALL TO THE PUBLIC for any concerns or questions. No comments.

FUTURE AGENDA ITEM: to reimburse the Knobbes for expenses paid since the establishment of the DWID on May 5, 2023. All future expenses will be paid by the EMDWID now that it has an income source.

NEXT MEETING is scheduled for Saturday, October 14, 2023 at 2:00pm at the Alpine Fire Station #2 in Nutrioso, AZ. Mike Draper motioned and John Cochran seconded. Unanimously approved.

EXECUTIVE SESSION: Pursuant to A.R.S. § 38-431.03, the Board of Directors may vote to go into executive session, which will not be open to the public. The Board intends to meet in executive session for the purposes of discussing the terms and strategies for negotiating a lease with the Morgans. This is allowed under A.R.S. § 38-431.03(A)(7) Discussions or consultations with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property. An attorney is not necessary but Frank Cassidy will be available to answer any questions via phone. Mike Draper motioned to go into Executive Session at 2:30. Melissa Chivers seconded. Unanimously approved.

David Knobbe adjourned the Executive Session at 3:25 and reconvened the regular session. No vote was taken, and the regular meeting was adjourned at 3:26pm.

Approved October 14, 2023