

DRAFT

MINUTES OF MEETING OF THE BOARD OF DIRECTORS OF THE ESCUDILLA MOUNTAIN DOMESTIC WATER IMPROVEMENT DISTRICT OF APACHE, ARIZONA, MAY 23, 2026

1. **CALL TO ORDER** - David Knobbe called the meeting to order at 1:03 pm. Melissa Chivers was present. Pat Cruse and Mike Draper attended by phone. Mark LaCombe was absent. There were 8 district members and 1 non district person in attendance.
2. **APPROVAL OF AGENDA** - Melissa Chivers motioned to approve the agenda. Pat Cruse seconded. Mike Draper and David Knobbe approved.
3. **APPROVAL OF THE MINUTES** from the April 11, 2026 Board Meeting. The draft minutes were previously distributed. Melissa Chivers motioned to approve, Pat Cruse seconded. unanimously approved.
4. **CHAIR, BOARD MEMBERS, AND CLERK REPORTS**
 - Lot 53 Closing - David Knobbe reported that the purchase Lot 53 closed on May 20, 2026. The EMDWID now owns property and 2 wells.
 - Financial report - Lorie Knobbe reported that the EMDWID has a total of \$54,248.71. This amount is held between the Apache County account and the BMO account. The closing costs of \$1,474.00 and final interest payments to the Chivers and Knobbes are not reflected in the above total. Of the \$337,500 WIFA forgivable principal portion \$201,000 has been spent.
 - Election - The Call for Election is for the purpose of filling 3 seats on the District Board: David Knobbe, Pat Cruse and Melissa Chivers. All will be running for reelection. The flyer was mailed to all the property owners within the EMDWID boundaries on May 21st. It explains the election process and has important dates. If you didn't receive the flyer please let Lorie know. If you would like to run for a seat on the EMDWID Board of Directors please contact Lorie or Apache County Elections Dept for the Election Packet.
 - ADEQ Technical Assistance - David reported that we received confirmation from Elisabeth Muhn, the Technical Assistance Coordinator for ADEQ, that the PO has been issued to Ironside Engineering & Development. Zach Barlow from Ironside is in the process of preparing the contract document and bid solicitation packet.
 - Congressionally Directed Spending (CDS) - David reported that we received notice from Senator Mark Kelly's office that after review of hundreds of applications by the Senate Appropriations Committee staff it has determined the

EMDWID application for \$750,000 to cross the creek and connect the two wells has moved on to the next phase. We are now one of 30 projects up for review under the Interior, Environmental and Related Agency category for Arizona. The timeline shows the Committee Funding Decisions should be made in August of this year. It does not guarantee that the projects will be funded at this stage and the committee also has the option to fund only one of the two phases. Mike Draper added that the CDS money can not be used to reimburse completed work.

5. FOLLOWING THE PUBLIC HEARING, DISCUSSION TO CONSIDER APPROVAL OF THE RESOLUTION ADOPTING A FINAL DISTRICT BUDGET AND ASSESSMENT FEE FOR FISCAL YEAR ENDING JUNE 30, 2027.

Melissa Chivers motioned to approve the Budget and Fee Schedule as presented. Pat Cruse seconded. Unanimously approved. Resolution passes.

6. SELECT BOARD MEMBER DUTIES FOR 2026-2027. The DWID was established on May 2, 2023. Per A.R.S. 48-1012 the board of directors shall annually elect board positions from among its members. Positions voted on were board chair and vice chair. David volunteered to be board chair. Mike Draper motioned to select David and Melissa Chivers seconded. Unanimous. Pat Cruse volunteered to be Vice Chair. Melissa motioned to approve Pat. Mike Draper seconded. Unanimous.

7. DISCUSSION AND POSSIBLE ACTION TO ESTABLISH BYLAWS - Bylaws are typically established after an organization is established. The EMDWID has been using Arizona State Statute - Title 48 for Special Districts to guide us. In our search to obtain a general liability policy for Lot 53, one of the requirements is to have bylaws in place. Bylaws are a set of internal rules and regulations adopted by the organization to govern its management and operations. They may be repealed, modified and amended. Pat Cruse has been working on this project this past month and he gathered up information from other Arizona DWIDs. At this point our primary concern is the standpipe phase. As our project grows to eventual infrastructure to each property the bylaws will become more relevant and may need to be updated. Some of the items discussed on the draft were modified or removed during the discussion. Melissa Chivers motioned to approved with the changes made at today's meeting. Pat Cruse seconded. Unanimously approved. The final Rules and Regulations will be emailed and posted on the website.

- 8. CALL TO THE PUBLIC** - Rick Brown asked about the wood chipper on Lot 53. David said that about 100 dead trees were removed. Of the appx 100 trees, 27 trees were removed under the Forest Service Bark Beetle Cost Share Program. Rick also asked about the HOA fee on the Budget. Lot 53 is in the Escudilla Mountain Estates Unit 2 HOA. The estimated HOA fee is \$75.00 for 2026. Steve Anderson asked how many district members are there. David replied 78 properties, 75 members. He also asked about the tank size. David said the plans call for a 5000 gallon tank. Did we get approval from AZ Game and Fish? David explained that the AZ Game and Fish is under the EPA and that a biological study was completed by SWCA on our area and the EMDWID was given a FONSI - Finding of No Significant Impact. The timeline was brought up. Pat Cruse said we are looking at least 60 days between the time the bid is posted and the bid proposals are opened at a public meeting.
- 9. ANNOUNCEMENTS** - The next meeting is scheduled for the July 4th weekend. Once we check with the Alpine Fire Department on the availability of the fire station we will post the time and date on the website.
- 10. EXECUTIVE SESSION** - None required.
- 11. ADJOURNMENT** - Melissa Chivers motioned to adjourn the meeting. Mike Draper seconded. All in favor. The meeting was adjourned at 1:50 pm.