

DRAFT

MINUTES OF MEETING OF THE BOARD OF DIRECTORS OF THE ESCUDILLA MOUNTAIN DOMESTIC WATER IMPROVEMENT DISTRICT OF APACHE, ARIZONA, APRIL 11, 2026

1. **CALL TO ORDER** - David Knobbe called the meeting to order at 11:00. Pat Cruse was present. Melissa Chivers and Mark LaCombe attended by phone. Mike Draper attended by phone at 11:06 and left at 11:12. There were 13 district members in attendance.
2. **APPROVAL OF AGENDA** - Pat Cruse motioned to approve the agenda. Mark LaCombe seconded. David and Melissa approved.
3. **APPROVAL OF THE MINUTES** from the January 17, 2026 Board Meeting. The draft minutes were previously distributed. Pat Cruse motioned to approve, Mark LaCombe seconded. Melissa and David approved.

6. DISCUSSION AND POSSIBLE ACTION TO PURCHASE LOT 53 FROM THE CHIVERS AND KNOBBES. This item was moved out of order to allow Mike Draper, who could only be at the meeting for a short time, to vote on this item. A worksheet showing the expenses incurred by the Chivers and Knobbes was distributed. The current expenses total \$189,967.00. The estimated closing costs were estimated by Pioneer Title to be \$1800.00. Pat Cruse motioned to purchase Lot 53 for \$191,000 plus closing costs. Mike Draper seconded. Mark, Mike and Pat voted to approve and the motion carried. David and Melissa abstained.

4. CHAIR, BOARD MEMBERS, AND CLERK REPORTS

- Financial report - Lorie Knobbe reported that the EMDWID has a total of \$52,610.55. This amount is held between the Apache County account and the BMO account. In the WIFA account \$10,000 was spent on the bond attorney. Balance funds available is \$540,000.
- Planning a Zoning Meetings - Conditional Use Permit (CUP). The Planning and Zoning Committee recommended approval of the EMDWID CUP application with conditions. The CUP was approved by the Board of Supervisors on April 7, 2026.
- ADEQ - Technical Assistance - David reported that ADEQ advised they are still waiting for the Arizona Department of Administration (ADOA) to finalize the new list of engineers. When they approve the list and if Zach Barlow from Ironside is on it we can proceed with the bid process. We were advised by ADEQ it could be a couple more weeks.

- Congressionally Directed Spending (CDS). David gave a brief explanation on how CDS monies are allocated. The EMDWID completed the application for two projects totalling roughly \$750,000. The review committee can choose one or both projects. The two projects the EMDWID is requesting financial support are (1) improve the existing well site by Nutrioso Creek and construct a water line across Nutrioso Creek to CR 2225 and (2) a water line from CR 2225 to the well on Lot 53. Committee Funding Decisions will be made in August of 2026. If the EMDWID is chosen to be a recipient of CDS funds there is a cost share of 20%.
- Easement to Nutrioso Creek well - The Lowery's still have not responded to requests for a list of their demands to allow the EMDWID access to the well. Another email was sent to them for the requested information on April 6th with a deadline of 30 days for them to respond.

5. DISCUSSION AND POSSIBLE ACTION TO ISSUE CALL FOR ELECTION.

The election will be held for the purpose of filling three seats on the EMWID Board of Directors. David Knobbe, Pat Cruse and Melissa Chivers terms end at the end of the year. They all will be running again. Apache County advised the EMDWID that they would not run the election for us since they were unable to verify the signatures. We reached out to Frank Cassidy, the EMDWID lawyer, and he advised that "Special districts are permitted by A.R.S. 16-558 to hold a mail ballot election if the EMDWID obtains the AC Board of Supervisors approval. The EMDWID Board of Directors needs to decide (1) if they want to hold a Mail Ballot Only or In-Person Election. Pat Cruse motioned to approve Mail Ballot Only and Mark LaCombe seconded. David Knobbe and Melissa Chivers also voted for Mail Ballot Only. The second item up for discussion is whether the EMDWID wants a Published or Mailed Call for Election. Since most of the electors do not live full-time in the White Mountains most will not see the publication in the White Mountain Independent. Pat Cruse motioned to use the "Mailed" Call for Election. Mark LaCombe seconded. David Knobbe and Melissa Chivers approved.

6. DISCUSSION AND POSSIBLE ACTION TO PURCHASE LOT 53. See above.

- 7. DISCUSSION SET A BUDGET FOR FISCAL YEAR 2026-2027.** Individual budget topics were discussed. Estimates we modified and categories were added. Full time residents were asked about their electricity usage so that estimated NEC costs could be determined. When the board discussed internet service, Mark LaCombe as a Water Operator for ADEQ said that due to cyber security issues it would be better not to have internet. The Portalogic FS22 standpipe has the software in it to produce the reports. The reports would have to be downloaded at the site. Members agreed to not get the internet at this time.

The insurance section with a Builders Risk Policy was discussed by Pat Cruse, Melissa Chivers and Brian Dolan. Contractors provide their own Builders Risk Coverage. The \$2200 quote was removed from the totals. The Hearing Date was set for May 23, 2026.

8. **CALL TO THE PUBLIC** - Eric Sayer asked if the timeline was still accurate. Pat Cruse said “no” because of ADOA delay in finalizing the approved engineer list. Pat also mentioned that working with Zach Barlow if he is on the list would be better than starting with a different engineer. Eric also asked if there is a drop dead date for the Lowerys. David said if they do not respond according to the latest timeline then we will have our lawyer send another letter explaining the timeline of an Eminent Domain lawsuit.
9. **ANNOUNCEMENTS** - The Budget Hearing will be scheduled for May 23rd with a Board Meeting to follow once confirmation is received from Travis Noth at Alpine Fire.
10. **EXECUTIVE SESSION** - None required.
11. **ADJOURNMENT** - Pat Cruse motioned to adjourn the meeting, Melissa seconded. The meeting adjourned at 12:08 pm.