

Chandler Heights Irrigation District Looking Forward

March 4, 2009

This is a report to the Community concerning the deliberations of your CHCID Board concerning the water needs for the next ten to fifteen years or sooner. Recent growth in the commercial area has made this of immediate concern. **Adequate fire protection water for all residential and commercial customers may be the governing factors in determining the Districts capacity.** The San Tan Body Shop, and applications for larger meters to serve the proposed LDS church within our community, the construction of three office building on San Tan and the proposed construction of four more office buildings on Power Road have brought these needs into focus. The Board is also aware of other potential developments however neither the exact format of these projects or the time line is available.

The district's boundaries are clearly defined and there is little reason to expect the inclusion of additional landmass. The community is primarily a low-density (one acre lots) community transitioning from orchard agricultural to a suburb bedroom community. The District needs to address the growing fire protection needs as well as the domestic water service needs to the residential and commercial community. While the district is strongly in favor of water conservation if we must increase infrastructure size to meet fire protection needs we need to ramp up domestic water sales to maintain this larger infrastructure.

Current zoning and traffic patterns suggest that a number of areas may evolve into neighborhood commercial and as such the District must address fire protection and domestic water need in these areas.

These areas are:

1. Power Road between Riggs and San Tan Blvd.
2. The south side of Riggs Road from Recker to Sossaman. The District is communicating with neighboring communities to cooperate with their Planning and Zoning. The Greatest likelihood of commercial enterprise is on the corners of Recker, Power and Sossaman.
3. San Tan Blvd between Recker and Sossaman.

Please look at the suggested commercial area map (attached)

In anticipation of these needs the Board believes that it is in the best interests of the water district to plan for providing a commercial corridors in the above-mentioned areas. Fire protection flow rates will necessitate an upgrade of certain primary delivery pipelines to service the entire community. The district therefore believes we need to review and modify our 3/4" x 5/8" meter policy for all customers, residential and commercial. Any increase in meter size should have a proportionate increase in cost to that meter applicant.

In the Boards deliberations as to what the CHCID would be like at the time of "build out" the cost of such an undertaking has been at the center of our discussion. It would involve creating of a:

1. "Distribution backbone" possibly down Valencia and east and west on San Tan Blvd.
2. Installing new lines where currently none exist.
3. Installing a considerable number of fire hydrants.
4. Increasing our pumping capacity at the tank yard.
5. An additional storage tank (approx. 800,000 gal.).
6. Incorporating well # 4 as our primary drinking water Source. It should be noted that well # 4 has the best water quality and is the highest producer in the district.
7. Upgrading our Office Facility
8. Upgrade our Electrical Grid at the Pumping Station.

Please look at the suggested build out area map (attached)

While hard numbers are not yet known at this time it is estimated that the total costs to "build out" could amount to \$ 3,500,000.00 dollars. It is also estimated that there are about 400 one-acre lots left for building within the District. If all future development costs within the district was borne by these lots it amounts to an individual 3/4" x 5/8" meter charge of \$8750.00 up from the current \$ 5000.00 price.

With this in mind the board is considering the following changes be made in residential meter sizes:

Residential meter sizes would need to change to include the following sizes:

	Current	Proposed
a. 3/4" x 5/8" residential meters	\$ 5000.00	\$ 8750.00

b. 1" residential meter	\$ 7000.00	\$ 21,875.00
c. 1 1/2" residential meters	not available	\$ 43,750.00
d. 2" residential meters	not available	\$ 70,000.00

As you can see each of these meters has its own installation fee similar to what might be considered an impact fee. These amounts were arrived at by using AWWA Tables showing the difference between a 3/4" x 5/8" meter and the flow usage of the other sizes.

2. With this in mind the board is considering the adoption of a
Schedule of Commercial Meter sizes:

a. 3/4" x 5/8" commercial meters.	not available	\$ 14,000.00
b. 1" commercial meters	not available	\$ 35,000.00
c. 1 1/2" commercial meters	not available	\$ 70,000.00
d. 2" commercial meters.	not available	\$ 112,000.00

Each of these meters would have its own installation fee similar to what might be considered an impact fee. The District is not yet clear as to, should a separate category should exist for irrigation meters and/or should a single per gallon meter rates for all water prevail. Some communities have established separate commercial water rates.

e. Fire Protection Services

- a. 3/4" x 5/8" Fire Service
- b. 1" Fire Service
- c. 1 1/2" Fire Service
- d. 2" Fire Service
- e. 3" Fire Service
- f. 4" Fire Service

Each of these services would have its own installation fee similar to what might be considered an impact fee and a monthly service charge.

There are two areas of immediate need to the community as we move forward. They are:

- 1. The Districts storage and pumping capacity.
- 2. The Backbone of Distribution system.

The Board plans to meet in the coming weeks to determine if there are other parameters which we need to address and how does the District funds these concerns before considering the involvement of an engineering firm.

One area that will involve a cost to be borne by the whole District is that of installing of a new Storage Tank. It is a major item with a cost of close to \$800,000.00. It is a necessary expense to meet the needs of the entire District's fire protection requirements. It has been suggested that a meter surcharge be implemented large enough to provide debt service on another WIFA loan. This would be a charge for up to 20 years however it is the intent that with impact fees coming in this might be able to be dropped in ten years

It is the sincere hope of the Board that the community will involve themselves with these concerns and get the facts. It is only as we resolve these issues in openness and with a vision for our future that the correct and fair solution will be found.

George Surbeck