



Minutes

Special Meeting of the Board of Directors for Chandler Heights Citrus Irrigation District
26651 S. Valencia Dr., Queen Creek, AZ
April 21, 2009

The meeting was called to order at 6:00 PM with Directors Pat O'Malley, Gene Rose and Derek Arnson in attendance. Jim King, Bill Standage, and Cheryl Standage were present representing the LDS church project. Kerry Black was present representing the Black Bros. project. Gary Jones was present from the public. Connie Illingsworth joined the meeting in progress.

Nobody spoke up during the Call to the Public.

LDS Church Project (San Tan and Lemon) – (MP3 file 0:00:50 – 0:19:45)

Gene Rose presented a letter written to the District by the LDS church's engineering firm, Standage and Associates, dated April 20, 2009. This letter represents the results of negotiations between Gene and Bill Standage. It defines how the CHCID system will be upgraded from the treatment plant to San Tan and Lemon, and defines who will be responsible for the different portions of the work. The LDS church will be responsible for the vast majority of the work, but will be under CHCID supervision throughout the project.

Gene Rose made a motion to go ahead with the LDS project. Pat O'Malley seconded it. The vote was unanimous in favor of the solution.

Bill Standage asked how soon he could get a Will Serve letter, and was told that it could be completed in a day or two.

Black Bros. Project (San Tan 3 – San Tan and Lime) – (MP3 file 0:19:45 – 0:44:30)

Kerry Black apologized for being unable to make it to the April 14th meeting and was concerned that there had been talk that the Black Bros. had gotten a bargain on the water meters for their project.

He explained that they had already done upgrades to the irrigation line in front of their project for the District, even though they had no intention of using irrigation, and that they would pay to upgrade the domestic line to 12" C900 pipe and pay for a master plan for the District by an engineering associate of theirs.

Kerry also listed the charge for similar size water meters in different nearby communities including Coolidge, Gilbert, Casa Grande, and Queen Creek. He does not believe the meters that they received from CHCID were bargains.

Kerry also presented an email from their engineering associate, Bruce Hallsted, on what information would be needed from the District to go ahead with the engineering master plan. Most of the information is readily available in some format and Bruce will have to determine if it is in a format he can use. The exception is the system pressures by hydrant flow test.

Exhibit 7 (Commercial Meter Policy and Pricing) – (MP3 file 0:44:30 – 0:45:40)

Gene Rose presented and updated version of the commercial meter policy first presented in the April 14th meeting.

Gene made a motion to adopt the policy. Derek seconded. The vote was unanimous in favor of adopting Exhibit 7.

Legal Costs – (MP3 file 0:45:40 – 0:58:50)

Derek Arnson analyzed the District's legal costs over about the last 3 years and stated that the District had spent hundreds of thousands of dollars and had gotten very little of value for our money. He estimated the cost of the Nossaman suit at \$180,000, and that the District had spent about \$10,000 in 3 months on septic tank issues.

He asked Pat O'Malley why the District had changed firms from Fennemore Craig to Mariscal Weeks during the Nossaman suit. Pat responded that the District was looking for a firm that could be more aggressive regarding easements.

Derek also pointed out many letters written by the attorneys at a typical cost of \$500 that were probably templates

National Bank of Arizona – (MP3 file 0:58:50 – 1:04:30)

The office staff has recommended that we change from doing our banking with JP Morgan Chase to the National Bank of Arizona. There will be benefits in costs and features, and NBA has a high level of local support for new features.

Office Polo Shirts – (MP3 file 1:06:10 – 1:09:20)

The office staff has recommended the District make money available to purchase shirts for the office staff so the office staff appears more professional.

A motion was made to provide \$100 for two embroidered shirts per office employee by Derek Arnson. It was seconded by Gene Rose and approved unanimously. There is an understand that if the office employees want to add in some of their personal money to buy more expensive shirts it is OK with the Board.

Private Irrigation Lines – (MP3 file 1:09:20 – 1:16:10)

There are some old concrete irrigation lines in the District that are not part of our main distribution system, and where it is not entirely clear whether the lines are private lines or District lines.

Gene Rose made a motion that any lines that aren't shown on our irrigation map be defined as private lines. Derek Arnson seconded and the motion passed unanimously.

At 7:17 Gene Rose made a motion to adjourn the meeting and Derek Arnson seconded. The meeting was adjourned.

Pat O'Malley

Gene Rose

Derek Arnson

Jollieen Williams – Recording Secretary