

Private Irrigation Line Policy Proposal
July 14, 2009

Many irrigation customers or potential irrigation customers would like to position irrigation valves on their property in locations that require additional pipe to be attached to the existing District owned irrigation pipes.

Chandler Heights Citrus Irrigation District understands and supports the concept of adding these additional private pipes to the existing District pipes and is willing to modify the existing policy. These are the requirements of the new policy.

CHCID shall require that new irrigation main lines be constructed in accordance with the district's exhibit 6.

1. Material quality should follow the guidelines already in existence as CHCID Rules and Regulations Exhibit 6.
2. There shall be a pre-approved valve of proper size and manufacture that will completely isolate the private line from the CHCID District line.
3. Private line tie ins shall require a thrust block, per MAG 340, to protect the District line from any new forces caused by the tie in. The newly installed valve shall be wrapped in polyurethane and supported by a concrete support in accordance with MAG 340.
4. CHCID will inspect the materials and workmanship of the tie in. CHCID must approve the tie in before it can be covered or placed in service. Inspection fees will be a minimum of \$175 for tying into a District PVC line and \$300 for tying into a 12" or larger concrete line.

CHCID also wants assurance on the following issues and will want a notarized document, suitable for recording, signed by all of the property owners where the private pipe will run.

1. The private line owner(s) warrant the point where their private line ties into the District pipe for one year. The owner(s) recognize that if any leak occurs in the District pipe near the tie in during the warranty period then the District will analyze the cause of the leak and it is likely that some or all of the liability for the leak repair will be assigned to the private line owner(s).
2. The private line owner(s) recognize that it is their responsibility to open and close the isolation valve that separates their line from the District line. It will not be the CHCID zanjero's responsibility to operate this valve.
3. The private line owner(s) acknowledge that if the private line breaks on one owner's property and is not repaired in a timely manner and prevents normal delivery of irrigation water to another customer then CHCID will perform the repair and bill the owner of the property where the repair was performed.
4. The private line owners will specify who is responsible to pay for repairs to the private line that occurs on different owner's property. CHCID will not get involved in disputes on who pays for repairs.

inHance Replacement

Pat O'Malley

July 13, 2009

The evaluation process has worked down to two vendors; Continental Utility Solutions and Black Mountain Software. I recommend that CHCID go with Black Mountain Software.

General

Black Mountain was the unanimous first choice of the office staff, and they reached that decision immediately. They consider the Black Mountain interface more intuitive and flexible. All of the operations they asked to see during demonstrations were easily doable and obvious. There were no artificial constraints that force CHCID staff to think about things the way the computer programmer thought about them. The learning curve should be low.

The CBSW product from Continental Utilities was much better than inHance, but not as easy to use and forces some operations to take place in ways that are more obvious to CUSI than they are to our office staff. There will be more areas that have to be setup or customized before we can use the product effectively.

Both products eliminate all of the accounting issues we've had with inHance in terms of reports and flexibility to add corrections after a closing or billing date.

Costs

CUSI has an attractive initial cost, but the ongoing annual costs are higher and they have a marketing philosophy of building in barriers that will require CHCID to pay to upgrade the product over time. Examples are the 1,000 customer capacity blocks and per seat based end user licenses. These are totally artificial barriers. The software we run will not change as we cross these barriers. All that will happen is the software will check to see if we have purchased the key that allows us to cross the barrier.

Black Mountain does not have this type of barrier, but they do break their software into more focused modules. So we end up having to buy Utility Billing and Service Order modules.

Support

Both companies provide good support according to the existing customers I talked with. We can expect to be able to quickly contact somebody knowledgeable with either product.

Internet Bill Pay

The system demonstrated by CUSI is a proprietary system and very expensive. By proprietary I mean that the format of the data exchanged between the third party web company and the CUSI software is custom and not available from other third parties. CHCID would be locked in to working with companies CUSI has a relationship with.

The CUSI solution is also way too expensive for us. I was clear during the demo and in follow up emails that CHCID was looking for a low cost solution to try electronic billing. We aren't going to pay more for the electronic billing option than for the accounting program.

Black Mountain offers several choices of electronic bill capability including a simple work trying, and we will have choices of who to deal with as the third party.

WORKERS COMPENSATION EXPERIENCE RATING



Risk Name: CHANDLER HEIGHTS IRRIGATIONS DIST

Risk ID: 020712899

Rating Effective Date: 07/01/2009

Production Date: 02/19/2009

State: ARIZONA

State	Wt	SRP	Exp Excess Losses	Expected Losses	Exp Prim Losses	Act Exc Losses	Ballast	Act Inc Losses	Act Prim Losses
AZ	.06	0	5,396	7,017	1,621	0	12,125	126	126
(A) Wt	(B)	(C) Exp Excess Losses (D - E)	(D) Expected Losses	(E) Exp Prim Losses	(F) Act Exc Losses (H - I)	(G) Ballast	(H) Act Inc Losses	(I) Act Prim Losses	
.06		5,396	7,017	1,621	0	12,125	126	126	
Primary Losses			Stabilizing Value			Ratable Excess		Totals	
Actual	(I)	126	C * (1 - A) + G		(A) * (F)		(J)	17,323	
Expected	(E)	1,621	C * (1 - A) + G		(A) * (C)		(K)	19,142	
ARAP		FLARAP		SARAP		MAARAP		Exp Mod	
Factors								(J) / (K)	.90

RATING REFLECTS A DECREASE OF 70% MEDICAL ONLY PRIMARY AND EXCESS LOSS DOLLARS WHERE ERA IS APPLIED.

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WORKERS COMPENSATION EXPERIENCE RATING



Risk Name: CHANDLER HEIGHTS IRRIGATIONS DIST

Risk ID: 020712899

Rating Effective Date: 07/01/2009

Production Date: 02/19/2009

State: ARIZONA

02-ARIZONA

Firm ID: Firm Name: CHANDLER HEIGHTS IRRIGATIONS DIST

Carrier: 19909 Policy No. 0C0155 Eff Date: 07/01/2005 Exp Date: 07/01/2006

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0251	1.32	.23	138,361	1,826	420					
8810	.06	.29	44,083	26	8					
9807	ADDITIONAL PREMIUM			0	0					
Policy Total:			182,444	Subject Premium:	8,375	Total Act Inc Losses:			0	

02-ARIZONA

Firm ID: Firm Name: CHANDLER HEIGHTS IRRIGATIONS DIST

Carrier: 19909 Policy No. 0C0155 Eff Date: 07/01/2006 Exp Date: 07/01/2007

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0251	1.32	.23	170,475	2,250	518	0631513	6	F	419	419
8810	.06	.29	65,039	39	11					
9807	ADDITIONAL PREMIUM			0	0					
Policy Total:			235,514	Subject Premium:	12,206	Total Act Inc Losses:			419	

02-ARIZONA

Firm ID: Firm Name: CHANDLER HEIGHTS IRRIGATIONS DIST

Carrier: 19909 Policy No. 0C0155 Eff Date: 07/01/2007 Exp Date: 07/01/2008

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0251	1.32	.23	105,442	1,392	320					
0251	1.32	.23	109,409	1,444	332					
8810	.06	.29	33,258	20	6					
8810	.06	.29	33,898	20	6					
9807	ADDITIONAL PREMIUM			0	0					
9807	ADDITIONAL PREMIUM			0	0					
Policy Total:			282,007	Subject Premium:	11,704	Total Act Inc Losses:			0	

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* Total by Policy Year of all cases \$2000 or less.
C Catastrophic Loss

D Disease Loss
E Employers Liability Loss

X Ex-Medical Coverage
Limited Loss

U USL&HW

June Month End Update

<u>Financials</u>	
Deposits to General Checking	\$162,000
Vendor Bills	\$38,000
Payroll	\$19,100
Payroll Taxes (includes quarterlies)	\$9,600
Transfer to Capital Improvement Acct	\$1,500
Transfer to Contingency Acct	\$1,500
Total Debits	<u>\$69,700</u>
Remaining General Acct Balance	\$92,300
Chase Checking Acct Balance - verification in process	\$37,000 8K
Merrill Lynch (Capital Reserves) - check in process	\$49,763 LFO
	22.5 POE
<u>Office & Administrative</u>	
Aged Receivables - Debt Write Off	\$3,200
Outstanding (potentially collectable)	\$3,600
<u>Domestic</u>	
Total Established Accounts (16 new home purchases)	28
Finalized Accounts	18
<u>Irrigation</u>	
Total Established Accounts (10 new home purchases)	20
Finalized Accounts	1

*One employee announced resignation effective 8/7/09 - posting for new position will appear in AZ republic and interviews expected to begin July 1.
 *Fiscal year end went as expected. Accounts being reconciled & revenue for the month will determine how much will be transferred to Contingency and Capital Improvement Accounts. Need clarification on whether %'s will be based on actual revenue or net income.
 *Workers Compensation Provider and CPA firms currently being shopped. Details to follow ...

Chandler Heights Citrus Irrigation District
Profit & Loss by Class
 June 2009

11:46 AM
 07/14/09
 Accrual Basis

	Admin/ Office	Domestic	Irrigation	Irrigation/Domestic
Ordinary Income/Expense				
Income				
Acreege Property Tax Assessment	0.00	0.00	0.00	29,512.39
Connection Fees	0.00	250.00	0.00	0.00
Domestic Water Fees	0.00	4,270.52	0.00	0.00
Late Sign-Up Fee	0.00	0.00	120.00	0.00
Total Fees	0.00	0.00	120.00	0.00
Income From Riser/Irr Repair	0.00	0.00	450.00	0.00
Irrigation Water Sales	0.00	0.00	26,167.26	0.00
Total Income	0.00	4,520.52	26,737.26	29,512.39
Gross Profit	0.00	4,520.52	26,737.26	29,512.39
Expense				
General and Administrative Exp				
Bank, NSF, Financing Fees	128.13	0.00	0.00	0.00
Board Meeting Expense				
Directors Fees	2,025.00	0.00	0.00	0.00
Election Expense	125.00	0.00	0.00	0.00
Board Meeting Expense - Other	100.00	0.00	0.00	0.00
Total Board Meeting Expense	2,250.00	0.00	0.00	0.00
Computer Expense				
ISP(Internet Service Provider)	55.99	0.00	0.00	0.00
Total Computer Expense	55.99	0.00	0.00	0.00
Dues & Subscriptions	515.00	0.00	0.00	0.00
Insurance Expense				
Liability Insurance	-99.00	0.00	0.00	0.00
Workman's Compensation Insuranc	2,928.00	0.00	0.00	0.00
Insurance Expense - Other	135.00	0.00	0.00	0.00
Total Insurance Expense	2,964.00	0.00	0.00	0.00
Interest Expense				
Office Expense	46.84	882.94	85.40	0.00
Total Office Expense	46.84	882.94	85.40	0.00
Equipment Lease	200.70	0.00	0.00	0.00
Office Supplies	367.26	0.00	0.00	0.00
Pest Control	36.00	0.00	0.00	0.00
Postage	110.00	0.00	0.00	0.00
Total Office Expense	713.96	0.00	0.00	0.00
Payroll Taxes	416.55	291.49	313.09	0.00
Telephone				
Cell Phone	0.00	237.06	258.13	0.00
Office Phone	258.65	0.00	0.00	0.00
Total Telephone	258.65	237.06	258.13	0.00

Chandler Heights Citrus Irrigation District
Profit & Loss by Class
 June 2009

11:46 AM
 07/14/09
 Accrual Basis

	Admin/ Office	Domestic	Irrigation	Irrigation/Domestic
Utilities				
Electric	132.98	0.00	0.00	0.00
Total Utilities	132.98	0.00	0.00	0.00
Wages - Office Staff	2,822.09	0.00	0.00	0.00
Total General and Administrative Exp	10,304.19	1,411.49	656.62	0.00
Miscellaneous	0.00	0.00	0.00	0.00
Operating Expense				
CAP Water Purchases	0.00	0.00	2,769.00	0.00
Domestic Emergency Water	0.00	630.06	0.00	0.00
Operating Supplies	0.00	3,643.39	1,522.00	0.00
Power Costs	0.00	3,445.31	11,429.28	0.00
Repairs and Maintenance	0.00	60.02	0.00	0.00
Tool Purchases	0.00	15.72	32.72	0.00
Truck Main. and Gasoline	0.00	519.57	946.50	0.00
Wages Domestic	0.00	3,810.40	89.84	0.00
Wages Irrigation	0.00	0.00	4,003.11	0.00
Water Testing Expenses	0.00	825.00	0.00	0.00
Total Operating Expense	0.00	12,949.47	20,792.45	0.00
Total Expense	10,304.19	14,360.96	21,449.07	0.00
Net Ordinary Income	-10,304.19	-9,840.44	5,288.19	29,512.39
Other Income/Expense				
Nonoperating Revenue	0.00	0.00	90.00	0.00
Misc. Fees & Fines				
Total Nonoperating Revenue	0.00	0.00	90.00	0.00
Total Other Income	0.00	0.00	90.00	0.00
Net Other Income	0.00	0.00	90.00	0.00
Net Income	-10,304.19	-9,840.44	5,378.19	29,512.39

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 Accrual Basis

Chandler Heights Citrus Irrigation District

Profit & Loss by Class

June 2009

	TOTAL
Ordinary Income/Expense	
Income	
Acreege Property Tax Assessment	29,512.39
Connection Fees	250.00
Domestic Water Fees	4,270.52
Late Sign-Up Fee	120.00
Total Fees	120.00
Income From Riser/Irr Repair	450.00
Irrigation Water Sales	26,167.26
Total Income	60,770.17
Gross Profit	60,770.17
Expense	
General and Administrative Exp	
Bank, NSF, Financing Fees	128.13
Board Meeting Expense	
Directors Fees	2,025.00
Election Expense	125.00
Board Meeting Expense - Other	100.00
Total Board Meeting Expense	2,250.00
Computer Expense	
ISP(Internet Service Provider)	55.99
Total Computer Expense	55.99
Dues & Subscriptions	515.00
Insurance Expense	
Liability Insurance	-99.00
Workman's Compensation Insuranc	2,928.00
Insurance Expense - Other	135.00
Total Insurance Expense	2,964.00
Interest Expense	
Office Expense	1,015.18
Equipment Lease	200.70
Office Supplies	367.26
Pest Control	36.00
Postage	110.00
Total Office Expense	713.96
Payroll Taxes	1,021.13
Telephone	
Cell Phone	495.19
Office Phone	258.65
Total Telephone	753.84

Chandler Heights Citrus Irrigation District
Profit & Loss by Class
 June 2009

11:46 AM
 07/14/09
 Accrual Basis

	TOTAL
Utilities	
Electric	132.98
Total Utilities	132.98
Wages - Office Staff	2,822.09
Total General and Administrative Exp	12,372.30
Miscellaneous	0.00
Operating Expense	
CAP Water Purchases	2,769.00
Domestic Emergency Water	630.06
Operating Supplies	5,165.39
Power Costs	14,874.59
Repairs and Maintenance	60.02
Tool Purchases	48.44
Truck Main. and Gasoline	1,466.07
Wages Domestic	3,900.24
Wages Irrigation	4,003.11
Water Testing Expenses	825.00
Total Operating Expense	33,741.92
Total Expense	46,114.22
Net Ordinary Income	14,655.95
Other Income/Expense	
Other Income	
Nonoperating Revenue	
Misc. Fees & Fines	90.00
Total Nonoperating Revenue	90.00
Total Other Income	90.00
Net Other Income	90.00
Net Income	<u>14,745.95</u>

General Update
Pat O'Malley
July 14, 2009

Computers

No real problems. Backup is working well. Failure of a swamp cooler (Alfonso knows about it) has affected some backup equipment, but there are work arounds in place.

Maps

All of the Maricopa County GIS data has been used successfully. Parcel maps have been distributed to the office. Aerial photo and elevation data is mostly for the master plan, but it has been used in a couple of maps to make sure there are no surprises.

I'm waiting for the Black Bros. to execute the master plan agreement before passing the County data to Bruce Hallsted.

Water Quality

No problems. Water quality remains consistently good. All required tests and reports are on schedule.