


**NOTICE AND AGENDA OF REGULAR MEETING OF THE CHANDLER HEIGHTS CITRUS
IRRIGATION DISTRICT BOARD OF DIRECTORS**

Pursuant to A.R.S. 38-431.02, notice is hereby given to the members of the Chandler Heights Citrus Irrigation District (CHCID) and to the general public that the CHCID Board of Directors will hold a Special Meeting located at:


November 10, 2009 at 6:00 pm

The agenda for the meeting is as follows:

Call to Order

Pledge of Allegiance

Call to the Public

Election Results

- 1 KR Saline (Electric Power)
- 2 Irrigation (Special Services by Zanjeros)
3. Residential Meter (New service and associated costs)
4. Outsourcing Monthly Domestic Meter Readings
5. Mini-Storage Update
6. WIFA Grant Update
7. Response to Amy Quintana's Complaint
8. Wages (Specific to Job Classifications)
9. Special Meeting for Manager Reviews

Tentative Executive Session – Manager Reviews

AFFIDAVIT OF POSTING-BOARD MEETING OF November 6 , 2009

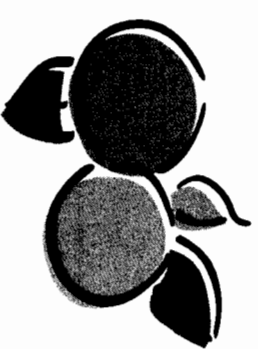
I hereby certify that this agenda was posted by 1:00pm the 6th day of November 2009 at the following location: 26651 S. Valencia. Posting to the official web site www.chcid.org will follow

Chandler Heights Citrus Irrigation District

**KRSA Services and
Current Power Supply**

K.R. Saline & Associates, PLC

November 10, 2009



Presentation Summary

- **About K.R. Saline & Associates, PLC**
 - **Services Provided to CHCID**
- **Current Power Supply Situation for CHCID**

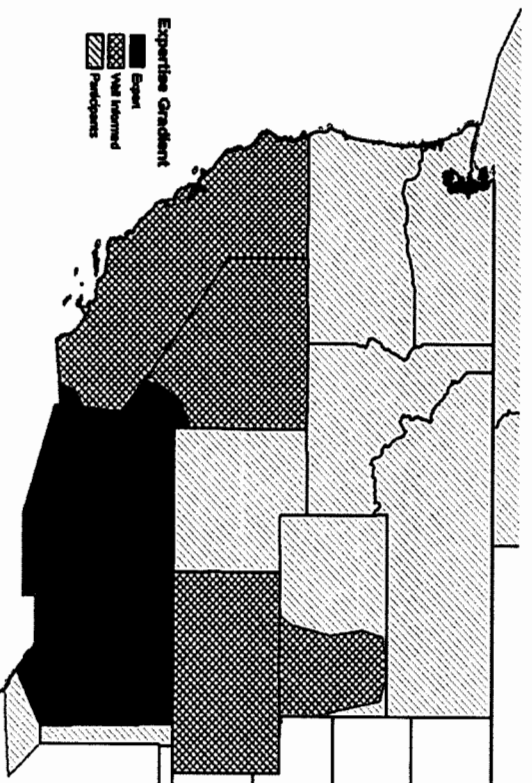
About K.R. Saline and Associates

- K.R. Saline and Associates is an engineering consulting firm located in Mesa, Arizona providing ongoing monthly consulting services to 30+ Municipal Clients in Arizona.
- KRSA that has provided consulting services throughout the Southwest since 1991.
- KRSA employs registered professional engineers, engineers, technicians, regulatory specialists, utility operations specialists, economists, financial and legal specialists and administrative personnel to meet a broad range of needs for our electric utility clients.
- KRSA's foundation is built upon *integrity, reliability and consistency* allowing us to provide world-class services for our clients.

- Interconnection Location Identification Studies
- Power Scheduling and Contract Administration
- Transmission System Analysis and Planning
- Interconnection and Feasibility Studies
- Distribution System Analysis and Planning
- Unbundled Transmission Arrangements
- Regional Transmission Operator Formation
- SCADA System Design and Support
- Automation of Metering Systems

- Electric Resource and Transmission Contracting
- Financial and Economic Studies
- Regional Transmission Operator Formation
- Economic Transmission/Generation Planning
- Marginal Pricing Analysis
- Electric Resource Planning and Procurement
- Electric Rate Studies
- Integrated Resource Plans

- Expert Witness Testimony
- Interconnection Transmission Routing Review
- Geographic Information System
- Certificate of Environmental Compliance Filing Review
- Regulatory Consulting



KRSA Services Provided to CHCID

- **ROUTINE MONTHLY SERVICE FEE (\$1,250/MO)**
- **REVIEW MONTHLY POWER BILLS**
 - Verify billing credit and accuracy of monthly billing of scheduled resources
 - Salt River Project, Arizona Power Authority, Western Area Power Administration
 - Monitor monthly requirements & energy balances
 - Notify Western of Monthly Loads
- **SCHEDULING HOOVER AND SLCA/IP RESOURCES**
 - Prepare/monitor annual/monthly/seasonal schedule of Hoover, SLCA/IP resources
 - Monitor banked energy and Hoover layoff requirements
 - Review annual Hoover Power refund
 - Attend Arizona Power Authority meetings
 - Attend other pertinent meetings relating to contracts

KRSA Services (cont.)

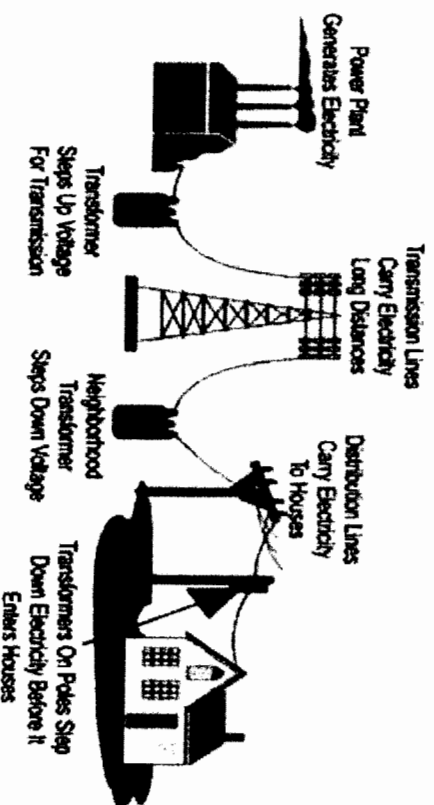
- **PROFESSIONAL SERVICES FOR MULTIPLE CLIENTS (varies \$300 +/-month)**
 - Integrated Resource Plans
 - Future Resource Acquisition (Southwest Public Power Resources group)
 - East Valley Power Pool
 - NERC Mandatory Reliability Issues
 - Etc...
- **CLIENT SPECIFIC (Hourly Rates)**
 - Rate/Budget Analysis/Board Presentations

Current Power Situation

- There are three major components which ultimately result in the delivery of power to CHCID's customers;

- **POWER SUPPLY**
- **TRANSMISSION**
- **DISTRIBUTION.**

Electric Industry Components



Source: U.S. Energy Information Administration

Power Supply Resources

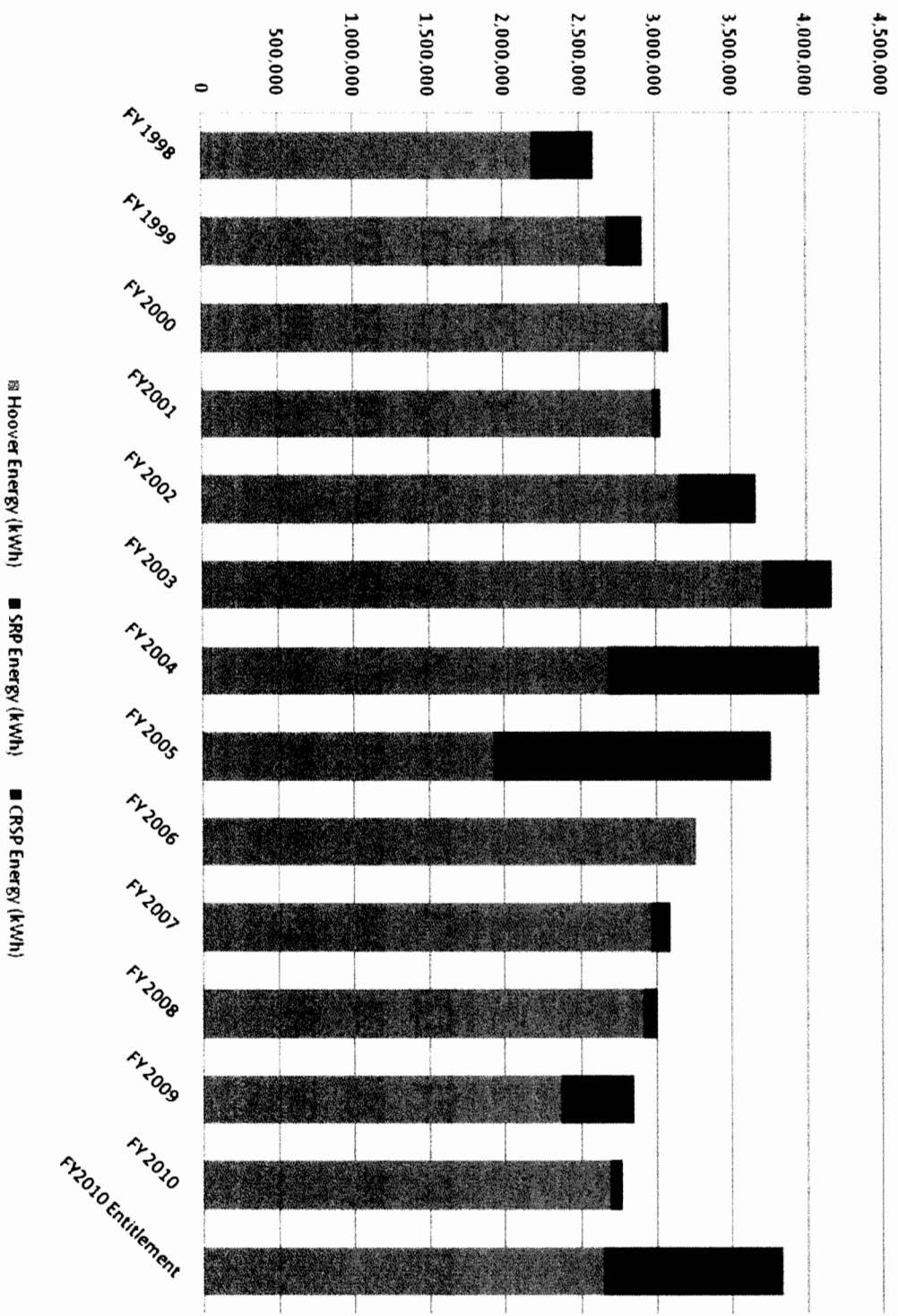
- HYDRO CONTRACTS WITH THE ARIZONA POWER AUTHORITY AND THE WESTERN AREA POWER ADMINISTRATION
 - **Hoover Power (APA)** – Take or Pay Contract expires 2017
 - Legislation for contract renewals currently being circulated in U.S. Congress
 - Prices increase annually at roughly the rate of inflation
 - **Salt Lake Area Integrated Projects(WAPA) (Primarily Glenn Canyon)** – Take or Pay Contract expires 2024
 - Hydro Component & Market Component
 - Hydro Component
 - Rate process take place periodically (about every 5 yrs)
 - Also increases at roughly the rate of inflation
 - Market Component – Prevailing market prices each month

Power Supply Resources (cont)

- **SUPPLEMENTAL POWER SUPPLY ABOVE HYDRO**
 - **SRP Supplemental** – Contract expires 2024
 - Prices for Power are adjusted each May 1 based on previous and forecasted Palo Verde Dow Jones market prices
 - Market Prices today are at a 10yr low – should translate into lower prices in 2010
- **SRP Transmission & Distribution**
 - Provides Transmission & Distribution & Metering
 - Transmission
 - Price is based on Open Access Transmission Rates – Regulated at the Federal level
 - Distribution and Metering
 - Price is adjusted based on retail rate adjustments
- Allows **CHCID** to serve any **NEW** loads

Power Supply Resources As Scheduled by KRSA

CHCID Energy By Resource



Transmission & Distribution

- Hoover (2017) – Parker Davis and Intertie transmission projects deliver power to SRP at Pinnacle Peak 230 kV substation, SRP then delivers to CHCID.
- SLCA/IP (2024) - Uses SLCA/IP transmission project to deliver power to SRP at Pinnacle Peak, SRP then delivers to CHCID.
- Supplemental supply - SRP (2024) delivered over SRP's transmission & distribution systems to CHCID

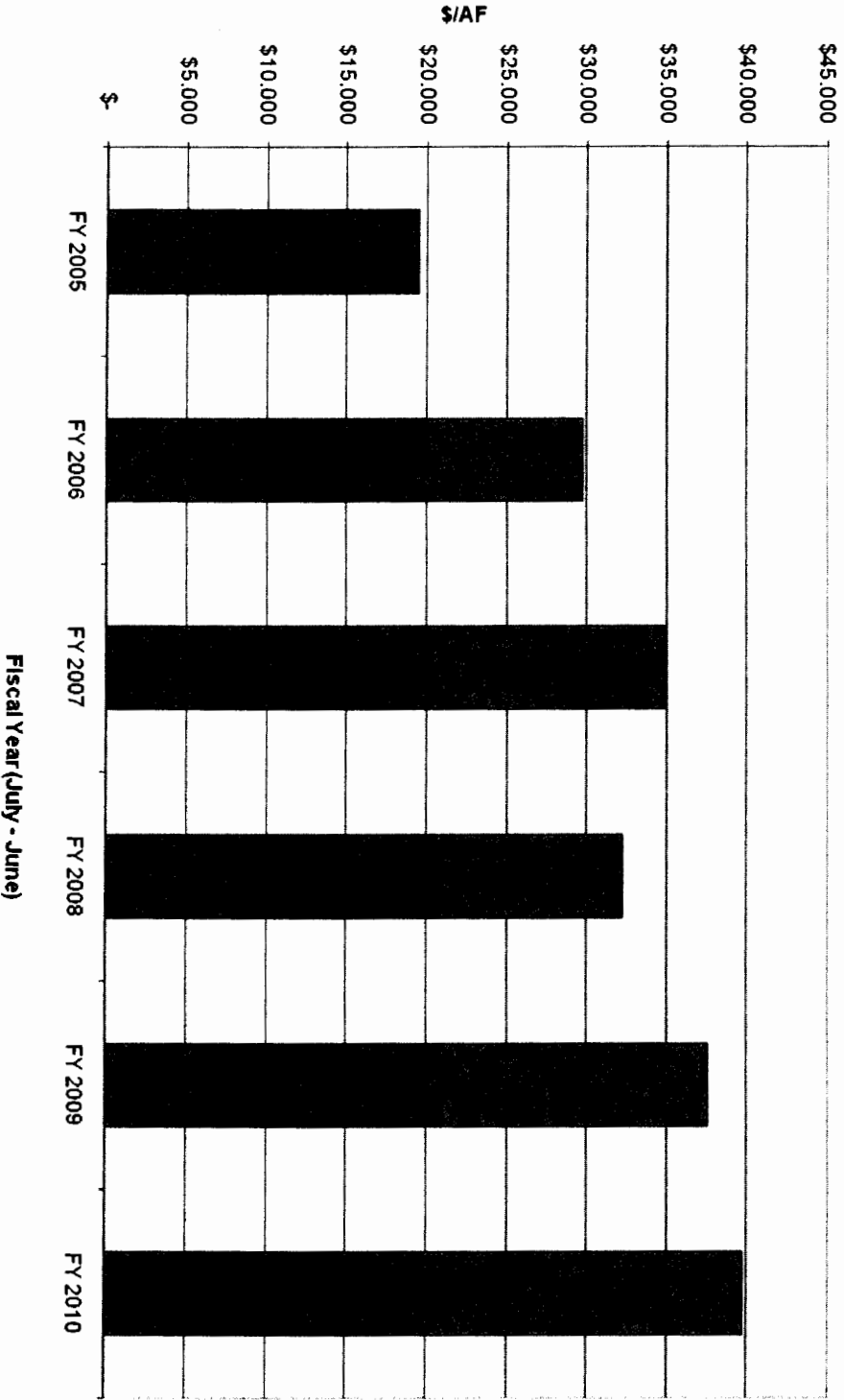
Power Supply and T&D Costs

Chandler Heights Citrus Irrigation District Power Cost Summary and Forecast

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
	7/04 - 6/05	7/05 - 6/06	7/06 - 6/07	7/07 - 6/08	7/08 - 6/09	7/09 - 6/10
Hoover Costs	(1)					(2)
Hoover Energy (kWh)	29,553	66,844	62,222	70,390	63,207	73,930
Average Energy Cost (\$/kWh)	1,932,000	3,263,000	2,964,000	2,916,000	2,371,000	2,692,000
SRP Costs						
SRP Energy (kWh)	618	62,768	81,494	58,378	71,904	72,925
Average Energy Cost (\$/kWh)	5,882	0	125,859	79,501	111,322	77,167
CRSP Costs						
CRSP Energy (kWh)	67,730	-	-	-	7,860	-
Average Energy Cost (\$/kWh)	1,821,600	0	0	0	368,400	0
Total Power Supply Cost	\$ 97,901	\$ 129,612	\$ 143,716	\$ 128,768	\$ 142,970	\$ 146,854
Total Energy (kWh)	3,759,482	3,263,000	3,089,859	2,995,501	2,850,722	2,769,167
Average Energy Cost (\$/kWh)	\$ 0.0260	\$ 0.0397	\$ 0.0465	\$ 0.0430	\$ 0.0502	\$ 0.0530
Average \$/AF Cost	\$ 19.531	\$ 29.791	\$ 34.884	\$ 32.240	\$ 37.614	\$ 39.774

Power Supply and T&D Costs (cont.)

Chandler Heights Citrus Irrigation District Average
Historical Water Cost (\$/AF)



Questions?

Exhibit 7
CHCID REQUIREMENTS FOR
NEW COMMERCIAL DOMESTIC & IRRIGATION WATER LINE
INSTALLATIONS
PER MARICOPA ASSOCIATION of GOVERNMENTS (MAG)
UNIFORM STANDARD SPECIFICATIONS for PUBLIC WORKS
CONSTRUCTION AND AWWA 600

All new commercial water main lines that are to be installed in the Chandler Heights Citrus Irrigation District, shall conform to the MAG specifications 601 through 611, 630 through 631, other appropriate sections, and CHCID engineer's approval.

- 1- Prior to starting any water line construction, the contractor shall attend a coordination meeting with our CHCID engineer and receive a copy of the above specifications. In addition to the specifications, a list of the approved pipe, fittings, valves, meter boxes and covers, fire hydrants, and other material to be used for any project will also be provided by the CHCID engineer.
- 2- All pipe shall be a minimum size of 6" and maximum 12", C-900, class 150, bell & spigot with a rubber gasket in the bell end for domestic water. NSF approved lubricant, for the use in drinking water systems, shall be used on each rubber gasket for ease of joining the pipe and to prevent rolling the gasket.
- 3- All below grade valves on main lines and fire hydrants shall be Muller number 2360 Gate Valves. These valves are available with MJ X MJ connections or MJ X Flange connections. All bolted below ground metal valves and fittings, shall be protected from corrosion by encasement in a polyethylene protective wrapping, referred to hereafter as poly-wrap, per MAG Specifications 601.5 through 601.5.3. Valve boxes and covers shall comply with MAG Detail 391-1B with the word, "WATER" molded in cover. Locking type debris caps as manufactured by SW Services, Model R-457-B, or equal, shall be installed inside each valve box in compliance with MAG detail 392 and as directed by the CHCID engineer.
- 4- The contractor shall submit five copies of each submittal for each item to be used on any project to the CHCID engineer for approval. Any material purchased by contractor prior to CHCID submittal approval, shall be at his own risk and may be rejected by CHCID. Three copies of each submittal shall be returned to contractor as "accepted" or "with comments". Submittals shall be reviewed only two times without additional cost to the contractor.
- 5- All trenches for main lines shall have a minimum depth of five feet and a width in accordance with Table 601-1 of the MAG Specifications.

- 6- At no time shall the contractor have more than 1320 feet of open trench.
(MAG 601-2.10) Trenches in paved roads and main unpaved road areas are to be considered open until all ABC for pavement placement has been placed and compacted to 95%. Trenches in any utility easement street, road or alley right of way, outside of paved street areas are to be considered open until the backfill has been properly installed and compacted to 85% to 90% in accordance with MAG table 601-2.
- 7- Prior to excavation, contractor shall call for blue-stake. After all existing underground utilities have been identified, the contractor shall be responsible and liable for any damages to or interruption of any service caused by the construction.
- 8- Pipe bedding material shall be a minimum depth of 6" and consist of clean granular material such as, sand, pea-gravel or native soil, free of broken concrete, broken pavement, wood, or other deleterious material, as approved by the CHCID engineer. The pipe zone material shall be of like kind as bedding and shall extend from the pipe bedding to 12" above the top of the pipe.
- 9- Trench widths shall conform to MAG specifications table 601-1. All trench excavation shall comply with OSHA requirements and MAG specifications 601.2.9. . Backfill material shall be of approved material and shall be placed and compacted to 85% to 90% in 8" lifts from the pipe zone material to finished grade for unpaved areas and to 95% to finished sub-grade for paved areas and main roads. Compaction of backfill material shall comply with MAG specifications table 601-2. All new domestic PVC water main line trenches shall be backfilled to 18" below the surface, then a continuous metallic locator tape shall be placed in the middle of the trench. Backfill and compaction shall continue from this point until trench backfill and compaction is completed.
- 10-The contractor shall employ and pay for the services of an Arizona State Approved Testing Lab for the purpose of testing the density of compaction of all backfill material. Compaction tests shall be performed every 100 feet of trench or as directed by the CHCID engineer and at each 2 foot lift and accordance with paragraphs 5 and 8. CHCID shall be notified when these tests are to be performed and may request to be present to witness these test. Copies of all compaction test results shall be given or sent to CHCID. CHCID shall, if not present for any test, be notified immediately should any compaction test fail.
- 11-All installations of any underground water lines shall be inspected and approved by CHCID prior to placing pipe zone and backfill material. Incomplete water lines shall be plugged or capped at the end of each work shift to prevent rodents or foreign material from entering pipe lines.

During construction, all pipe and fittings shall be kept clean and clear of any damage. No pipe shall be installed that shows any signs of UV or other damage.

- 12-Newly laid or repaired water mains shall be flushed, pressure tested, disinfected and final flushed prior to placing into service.
Primary Flushing of Water Lines: New and repaired water lines smaller than 12” shall be flushed for a minimum period of fifteen minutes. This is accomplished with all pipe joints and couplings left exposed.
Pressure Testing of Main Lines: With all pipe joints and couplings exposed, all new and repaired water mains shall be tested at a minimum of 200 PSI for a period of two hours. Maximum PSI loss shall not exceed two PSI during the two hour test. CHCID shall witness all pressure tests.
Disinfection of Water Lines: Disinfection of all water mains shall be completed in accordance with MAG Specifications 611.6 , 611.11 and AWWA 651-9 using an NSF approved, 12.5% LIQUID bleach solution for 24 hours.
The amount of the 12.5% bleach solution to be used shall be so sufficient that, after the 24 hour test, the chlorine residual shall not be less than 10.0 PPM . Should the residual be less than 10 PPM, the contractor shall retest until an acceptable result can be accomplished. The CHCID engineer shall witness and approve all of these tests.
- 13- Final Flushing, Sampling and Testing of All New and Repaired Main Lines:
After a successful disinfection test, the new or repaired main lines shall be flushed and tested in accordance with the MAG Specifications 611.15, AWWA 651-05, Sec. 4.5 and until the chlorine residual throughout the line is reduced to 1.0 PPM or less. CHCID may witness this process, but the contractor shall be required to send a copy of final Lab Test Report to CHCID for record.
- 14-All cost requiring any existing CHCID system upgrades, to facilitate water service to new installations, shall be paid to CHCID prior to beginning construction.
- 15-During construction of any new water mains or water lines requiring CHCID water service, owner or contractor shall keep CHCID informed of the project progress and request for inspections shall be made at least 24 hours prior to inspection time and date.
- 16-In the event any work associated with the installation of new water mains or water lines is found NOT to be in compliance with CHCID requirements, CHCID may issue a “Stop Work Order” requiring all work to be stopped until the non-compliance work has been corrected to the satisfaction of CHCID.

17-Upon substantial completion (system operational) of work, a walk through with the CHCID engineer shall be required and any items found to need correcting, "Punch List Items" shall be corrected. Once all listed items have been corrected, a final walk through inspection shall be made. Should there be no further infractions or non-compliance items found, CHCID shall issue a "Letter of Final Completion" to the owner or developer.

18-At the same time, the owner shall issue to CHCID, a one year unconditional warranty covering all of his work, including his labor and material, one set of as-built drawings, and a letter or "Certificate of Ownership" of the newly constructed water lines and easements required for the operation and maintenance of system.

19-Should the owner or contractor need any additional information during construction, we encourage you to contact CHCID prior to proceeding with the work.

METER COST, WATER RATES AND REQUIRED WATER SUPPLY TO TREATMENT PLANT, USERS WATER DEMAND, WATER STORAGE, UP-GRADE TO ANY OF THE CHCID WATER CONVEYANCE INFRASTRUCTURE SYSTEM, TREATMENT SYSTEM AND PUMPING SYSTEM, AND OVERALL CONSTRUCTION COST TO MEET DEVELOPERS OR OWNERS WATER DEMAND SHALL BE PAID TO CHCID PRIOR TO STARTING ANY CONSTRUCTION OR A SIGNED AGREEMENT BY AN OTHERIZED DEVELOPER REPRESENTATIVE THAT THE DEVELOPER SHALL PERFORM THE REQUIRED UP-GRADE REQUIRED BY CHCID.

DEVELOPMENT FEES DO NOT INCLUDE THE COST FOR DOMESTIC WATER METERS, LANDSCAPE WATER METERS AND FIRE PROTECTION CONNECTIONS.

CHCID may change any of these cost or requirements as necessary to stay in compliance with EPA, ADEQ, MCED and CHCID requirements and to maintain a sufficient financial stability at any time and without notice.

DOMESTIC METER COST

5/8" X 3/4" Meter	\$8,000.00
3/4" Meter	\$10,000.00
1" Meter	\$16,000.00
1 1/2" Meter	\$25,600.00
2" Meter	\$40,960.00
3" Meter	\$55,960.00
4" Meter	\$70,960.00
6" Meter	\$100,960.00

IRRIGATION METER COST

5/8" x 3/4" Meter	\$8,000.00
3/4" Meter	\$10,000.00
1" Meter	\$16,000.00
1 1/2" Meter	\$25,600.00
2" Meter	\$40,960.00

FIRE PROTECTION CONNECTION FEES

1" Service	\$16,000.00
2" Service	\$24,000.00
4" Service	\$45,500.00
6" Service	\$65,000.00

(All Fire Protection Connections shall be provided with a CHCID approved shut off gate valve directly off of the water main and a Maricopa County Approved Back Flow Preventer)

COMMERCIAL WATER RATES (NOT INCLUDING TAX)

0 to 3000 gallons, \$26.51 X 1.7 = Base Rate of	\$45.07
3000 gallons to 6,000 gallons, \$45.07 X .17 = \$7.66/1000 gallons	\$68.05
6,000 gallons to 10,000 gallons, \$45.07 X .20 = \$9.01/1000 gallons	\$81.11
10,000 gallons to 14,000 gallons, \$45.07 X .23 X \$10.37/1000 gallons	\$86.55
14,000 gallons to 18,000 gallons, \$45.07 X .37 X \$16.68/1000 gallons	\$111.79
18,000 gallons to 22,000 gallons, \$45.07 X .45 X \$20.28/1000 gallons	\$126.19
22,000 gallons and over, \$118.78 plus \$25.00 per 1000 gallons	

Cost directly associated to the "new" development, which directly or indirectly requires additional up-grades and improvements to any part of the CHCID overall infrastructure, including the purchase of any real-estate for any required easements, as determined by the CHCID engineer and board, will be paid in full, by the developer or owner to CHCID prior to commencing any work. The developer or owner shall convey to CHCID, a full size set of "As Built Drawings" reflecting all completed work and any newly acquired easements prior to receiving a "Letter of Final Acceptance and Completion by CHCID. All cost related to improving or up-grading the CHCID infrastructure, and the cost of purchasing any easements, required to provide water service to the new development, shall be included and referred to as "Development Fees, Construction Cost, or Development Cost". As stated above, all of these cost, plus the cost for domestic and landscape water meters and fire protection connections shall be the responsibility of the developer or owner and are to be paid to CHCID in full, prior to starting any construction.

Approved by the CHCID BOARD, April 21, 2009
Addendum Number One, May 26, 2009
Revision Number One, November 10, 2009

Pat O'Malley _____

Gene Rose _____

Derek Arnson _____

**EXHIBIT 7
ADDENDUM NUMBER ONE
CHCID REQUIREMENTS
FOR
COMMERCIAL WATER METER
SERVICE AND PIPING**

Scope of work: Commercial Water Meter Service and piping is that part of the domestic water system that delivers water from the main line to the customer's service connection. It includes the following; Service Saddle, Corp. Stop Valve, "K" Copper Tubing, Curb Stop Angle Valve, Water Meter, Meter Double Check Valve, Concrete Meter Box and Metal Cover. All material shall meet AWWA, MAG and CHCID

Specifications and all material shall be new and undamaged. All material shall be of proper size to meet these requirements and water service being applied for. The "K" copper service line shall have no kinks or bends that shall impede the flow of water or place undue stress upon any of the fittings. There shall be no joint connections between the Corp. Stop Valve and the Curb Stop Angle Valve. Where street or driveway crossings are necessary, all copper tubing from the main line to the angle curb stop, shall be installed through a Schedule 80 PVC sleeve placed at a minimum depth of three (3) feet below finished paved or unpaved street or driveway.

Meter Boxes shall be manufactured of concrete and be of sufficient size to accommodate the Curb Stop Valve, Water Meter, Double Check Valve and Discharge Connection. The meter box and water meter shall be readily accessible. Meter boxes shall be located in the CHCID easements and where possible, in front of the building property. The meter box shall be installed high enough and with sufficient elevation and berm, so as to remain dry during irrigation of the served and adjacent properties. Meter boxes shall not be installed in paved driveways, or high traffic areas.

Submittals: Prior to starting construction, contractor shall submit to CHCID Engineer, 5 copies of all material product specifications or data sheets, the contractor proposes to use on the project. CHCID engineer shall review and return 3 copies with comments or approved as submitted. Submittals requiring more than 2 reviews for approval, the contractor shall be charged an additional review fee as determined by CHCID.

Service Saddle; Shall be manufactured by Muller, Mdl. Number, H-13491-330 or an approved equal, and of sufficient size for the main line size and meter service line size.

Corporation Stop Valve; Shall be brass manufactured by Muller, Mdl. Number, B-25028 or an approved equal, and of sufficient size for required water service.

Copper Tubing; Shall be type “K” soft copper.

Curb Stop Angle Valve; Shall be as manufactured by Muller, Mdl. Number B-24258 or an approved equal.

Water Meter; Shall be as manufactured by PM Performance Water Meter Corp. Mdl. Number PMN-112 or an approved equal.

Meter Double Check Valve; Shall be as manufactured by AY McDonald, Magnetic Mdl. Number for ¾” is 11-3NP. For 1 ½” Meters, the Mdl. Number is, 12-7DE66 (This is a flanged to female threaded angle double check valve).

Meter Box and Cover; Shall be a concrete box with a metal cover of sufficient size to enclose the required angle valve, meter, double check valve and space for the building connection. Example, a 5/8”s X ¾” meter would require a number one (1) or a number two (2) box. A 1 ½” meter will require a number three (3) or a number four (4) box.

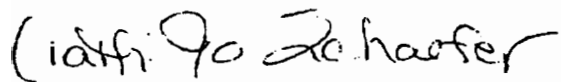
OCTOBER 30, 2009

CHANDLER HEIGHTS CITRUS IRRIGATION DISTRICT
ATTN: GENE ROSE
FAX: 480988-5018

RE: Monthly Meter Reading

I, Cathi Jo Schaefer will read 1199 meters once a month for Chandler Heights Citrus Irrigation District for \$700.00/month.

Thank You

A handwritten signature in black ink that reads "Cathi Jo Schaefer". The signature is written in a cursive style with a large initial 'C'.

Cathi Jo Schaefer

Gene Rose

From: Gene Rose [gene.rose@chcid.org]
Sent: Thursday, November 05, 2009 6:46 PM
To: 'Jeff Welker'
Cc: 'Bob Kerley'; 'Shane Kobialka'; 'scott@campbell-development.com'; 'warddevelopment@yahoo.com'; 'Pat OMalley'; 'derek.arnson@chcid.org'; 'jollieen.w@chcid.org'; 'Alfonso Garcia'
Subject: RE: Riggs & Recker Self Storage - Impact Fee Resolution

Jeff, the answer to your first question for clarification is, When any developer comes to our office on Valencia and applies for a letter of water service or brings in a set of design drawings for our review, a meeting shall be set up with that developer and he will be advised of our process relating to the review of the subject drawings. After the review is completed, another meeting shall be set to discuss the review comments and drawings with the developer and his design engineers. At that time the developer will be made to clearly understand any required up-grades or improvements to the CHCID infrastructure, including the conveyance system, to meet any additional demands required to serve the new development. At this meeting the developer shall be given an opportunity to pay for and complete the necessary up-grades and improvements. He will also be given the option for CHCID to prepare a cost estimate and sub out the required work. He will be given a copy of the CHCID Exhibit # 7 that shall include the cost for water meters, both domestic and irrigation, and fire protection connection fees. For example and for budget planning, a 2" Commercial Water Meter will cost \$40,960.00. With board approval, which is expected soon, the Fire Protection Connection Fee for a 4" connection, will be \$45,500.00, which is greatly reduced from the \$167,773.00 Bob was first quoted. Exhibit # 7 also conveys to the developer the CHCID requirements for construction of the required up-grades and improvements to the CHCID infrastructure.

As to your second statement that I confirmed the fire flow test provided to me in May of 2008 by Shane for the self storage project was sufficient and clearly showed the existing CHCID system would work for the self storage. What was relayed to Bob and Shane was that our conveyance system could provide 1500 GPM and the Fire Hydrant Flow Test that was accomplished on 5-8-08 verified that our system could meet the 1500 GPM requirements. As you know for CHCID to guarantee sufficient water flow for your fire protection system, we would need an engineered calculated flow demand for your system. We do not have that yet. Only then could we make a statement that CHCID could provide sufficient water flow to meet your fire protection requirements. If 1500 GPM is sufficient to meet the demands for the normal usage and the fire protection system, then the test dated 5-8-08 will suffice. However, these test are verified for only one year, making this test out of date. We give no guarantee that the CHCID conveyance infrastructure will provide sufficient water flow to meet both of the demands until we are provided the fire protection system flow demands and the normal water usage demand for the self storage project and a new fire hydrant flow test.

Your third statement relating to the requirements when the commercial corner is developed, a 10" line would be necessary. That was in the early planning stages of this project. Their again, demands for additional water storage, additional pumping capacity and increased conveyance capacity will be addressed at that time and the requirements that will be necessary will be given to the developer.

Your forth statement relating to the June 2009 meeting in which you infer that I agreed that with the fire marshal's approval and the fire hydrant flow test, there would not be no further requirement for the self storage. First of all, we can not completely guarantee this without the engineered calculations of the total water demand and a new fire hydrant flow test for this project. Then we will know what is going to require.

Your fifth statement is completely incorrect. In answer to your question number one, that without any changes from Shane's final design that I reviewed, the minimum cost that this project will incur a cost from CHCID in the amount of \$86,460.00.

You know Jeff, we have worked with Bob on this project from conception to present, even providing a cost estimate for the engineering of the grading plan to be provided by the firm I was associated with. We

have tried to make every attempt to remain professional and work with Bob and Shane as we work with any developer that desires to construct a new development in our district. This has been our practice working with Bob and Shane. But let me make it very clear, we do know how to play HARD BALL and I do know how to pick apart design drawings plus calculate demand that will result in additional cost if you continue to be pushy or continue to try and complicate this project for CHCID. We could possibly re-evaluate the requirements relating to the ability of the present CHCID infrastructure, conveyance system, pumping system, water storage capacity and treatment system to meet the demands for this project, and I am sure we can find additional requirements this project will demand from CHCID.

With the information I have given you in this writing, Bob should be able to plan for proceeding with the project and the cost the project will incur from CHCID.

Thank You
Gene Rose Sr.
CHCID Board Member
and Engineering Consultant

-----Original Message-----

From: Jeff Welker [mailto:jeffw@wdrllc.net]

Sent: Thursday, November 05, 2009 10:42 AM

To: 'Gene Rose'

Cc: Bob Kerley; Shane Kobialka; scott@campbell-development.com; warddevelopment@yahoo.com

Subject: RE: Riggs & Recker Self Storage - Impact Fee Resolution

Importance: High

Dear Gene:

I sincerely appreciate your email confirming that there will be no impact fees and fire protection connection fees assessed to this project. This is obviously great news for Bob. At your request, I have asked Shane to provide you with a couple sets of approved construction plans and he is making arrangements to get them to you a.s.a.p.

I do want to make sure that I completely understand the last couple of sentences in your email below.

- Development and improvement costs will be negotiated with each developer. This negotiation will take place when the developer first makes CHCID aware of its intent to develop.

As you will recall, in November 2008 you met with Shane and Bob to discuss future water requirements for the commercial corner. **At that meeting, you confirmed that the fire flow tests provided to you in May 2008 by Shane for the self storage project were sufficient and clearly showed the existing CHCID system would work for the self storage.** You also informed Bob that, at some point in the future when the commercial corner developed, an extension of the existing CHCID 10-inch waterline may be required. The extent of that future water mainline extension would be determined by you/CHCID when a more formal development plan is prepared.

In June 2009, you met with Bob, Shane and Scott Ward. **In that meeting you agreed that a combination of the previously approved fire flow test and achieving approval from the State Fire Marshal would result in no further requirements for the self storage facility. You stated that the existing CHCID water service line would be sufficient for the self storage.** Shane sent you a copy of the State Fire Marshal's approved permit as soon as he received it (see attached copy of the permit). From this meeting Bob understood that a small water connection fee of less than \$10,000.00 would be required for the self storage facility.

I have referenced these prior meetings, discussions, and understandings to confirm that Bob has already negotiated the development/improvement costs with you and that they will be less than \$10,000.00. Please email your confirmation of this understanding a.s.a.p.

As always, it is a pleasure to work with you.

Thank you,

Jeff D. Welker

WELKER DEVELOPMENT RESOURCES

From: Gene Rose [mailto:gene.rose@chcid.org]
Sent: Tuesday, November 03, 2009 1:25 PM
To: 'Jeff Welker'
Subject: RE: Riggs & Recker Self Storage - Impact Fee Resolution

Hello Jeff

I have consulted legal cancel on this and have deleted any impact fees and fire protection connection fees. In place will be development and improvement cost which will usually be negotiated with each developer to make the required improvements himself required by the district. This will be scheduled at the time the developer first makes the district aware of their intent to develop. The fire protection connection fees will be greatly reduced and will become connection fees.

Tank you for your input to these items.

Gene Rose
(480) 577-2436

-----Original Message-----

From: Jeff Welker [mailto:jeffw@wdrllc.net]
Sent: Tuesday, October 27, 2009 12:42 PM
To: Gene Rose
Subject: Riggs & Recker Self Storage - Impact Fee Resolution
Importance: High

Dear Gene:

It was good to talk with you last Thursday (10/22). You'll recall I requested that you send me an email that covered the change in CHICD's pending change in their impact fees (i.e. page 7). I hate to be a pest; however, I really need to update Bob and your email would be most helpful in achieving that goal.

Shane is out of town; however, as soon as he returns, I will make sure he delivers the sets of construction plans you've requested.

I look forward to receiving you email that clarifies the changes in impact fees and related costs for this project.

Thanks again for all your help;

Jeff D. Welker

WELKER DEVELOPMENT RESOURCES

1733 N. Greenfield Rd. - Suite 103 • Mesa, AZ 85205 • JEFFW@WDRLLC.NET
Office (480) 718-9802 • Mobile (480) 209-7167 • FAX (480) 718-9805

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Thank you.

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.423 / Virus Database: 270.14.39/2470 - Release Date: 10/30/09 15:18:00

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.425 / Virus Database: 270.14.51/2482 - Release Date: 11/05/09 07:37:00

Gene Rose

From: Quintana Amy-R41062 [r41062@freescale.com]
Sent: Thursday, November 05, 2009 5:41 AM
To: derek.arnson@chcid.org; gene.rose@chcid.org; pat.omalley@chcid.org
Cc: Quintana Amy-R41062; jollieen.w@chcid.org

Subject: Issues with the irrigation

Gentlemen - I know it was agreed upon, by the board for a \$25 fine for the overflow of irrigation. My comment to this, is I hope we are treating everyone equal on this. I have repeatedly driven down Valencia and have seen water running down the road. I would hope a fine is being assessed accordingly. Also the property on the corner of San Tan and Tangelo breaks berms, almost every watering, so I'm not sure why they continue to get water, if that is the policy (\$25, \$50, \$100 and then no water).

Please keep record, that the first complain on the overflow of water on our property was May 17, 2009, we have had no complaints since that date, until the recent complaint. I would like to make clear what we have done to fix this problem. We have brought in 25 tons of dirt and built up all our berms, added 4" to the small wall around the driveway to hold any water. These things take time to complete. These activities have all been completed since the watering on October 15 irrigation. Enclosed are pictures of the watering with no overflow on that date.

We watered again on October30th, along with receiving the tail water, and I would like to make note, that even with the tail water, we had **no** over flow., not one drop of water anywhere.

As long as we are clear and everyone understands these issues. When the water did overflow and run into the gutter in front of my home, it never left the area in front of my home. I have problems with the neighbor that complains about this issue. He insist, he needs to make a mess and drive through the small amount of water in the gutter area and splash mud all over my fence. No one else in the neighborhood has any issues with the small amount of water that runs into the gutter in front of my home. I would hope the board understands the issues we consistently have with this neighbor and take this into consideration when assessing a fine. We have never flooded out the neighbor, the water never reaches their property, or washes out the roadway.

We, the Quintana's are the only people in this neighborhood that consistently maintain the roadway, and ensure it's in great shape for the whole neighborhood to drive on. Please drive by and check the neighborhood, and let me know what you think of my property and the property where the complaint was received from.

Please you make the judgment, and lets hope it's the correct call.

Thanks for your time, let treat all homeowners with equal respect.

Amy Quintana

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.425 / Virus Database: 270.14.51/2482 - Release Date: 11/05/09 07:37:00

Monthly Report for November 10/2009

Alfonso Garcia.

Weekly Report for the Week of 10/19/09- to 10/23/09

CHCID Employees took training classes for. Water Distribution Level One. Alfonso and Arnold.

CHCID Employees changed water meters were not working correctly.

CHCID Employees washed and painted. Fire Hydrants around of the district.

CHCID Employees took two week cycle residuals around the district.

Weekly Report for the week of October 26/09-to October 30/09

CHCID employees begin the week by changing out meters the not readings correctly and started cleaning dirt out meter boxes around of the district.

CHCID employees maintenance all companie's trucks and greased backhoe. While attending to all work orders that were issued by the office.

CHCID employees maintenance and painted whit yellow safety all hydrants through out the district also set up numbers on each hydrant. [71 hydrants around the district]

Weekly Report For The Week of November 02/09 to 11/06 09.

CHCID Employees began the week by cleaning meter boxes and continued exsercing main line valves.

CHCID Employees installed, post, chain and signage on Happy rd and Lime, requested for pollution , also handled work orders issued thru the week.

CHCID Employees took water distribution exam, Congratulations Arnold Martinez.

CHCID Employees installed new residential service line with 5/8 meter, on 26416 s Mandarin.

General Update
Pat O'Malley
November 10, 2009

Computers

Backup is working automatically and reliably. Spot checks also indicate it is being done correctly.

The PC's are working well. There is a problem with installing one Microsoft Windows upgrade, but it doesn't affect everyday operation.

inHance

Harris tells me that the programs QCWC and CHCID use are very different pretty much unrelated to each other. The ballpark cost to upgrade to the same program that QCWC uses is \$25,000; about half software cost and half training cost.

Water Quality

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

Arnold passed his Water Distribution 1 exam and now has a state license. Alfonso failed by three questions. The English wording of questions related to water regulations appears to have been a serious problem for him.