

**NOTICE OF JOINT MEETING OF THE BOARD OF DIRECTORS OF  
THE TOWN OF CAREFREE UTILITIES COMMUNITY FACILITIES DISTRICT AND  
THE BOARD OF DIRECTORS OF THE CAREFREE WATER COMPANY, INC.**

**WHEN:** TUESDAY, DECEMBER 6, 2022

**WHERE:** CAREFREE TOWN COUNCIL CHAMBERS\*  
33 EASY STREET, CAREFREE, AZ 85377

**TIME:** 4:00 P.M.

Pursuant to A.R.S. § 10-822, notice is hereby given of the time, place and purposes of a meeting of the Board of Directors of the Town of Carefree Utilities Community Facilities District and the Board of Directors of the Carefree Water Company, Inc., an Arizona corporation.

*Members of the Board of Directors are participating by technological means or methods pursuant to A.R.S. §10-708.*

**CALL TO ORDER**

**SILENT ROLL CALL**

**AGENDA**

**ITEM #1** Recognition of incoming Board Member, Sheila Amoroso.

**ITEM #2** Approval of the September 6, 2022 UCFD/CWC meeting minutes.

**ITEM #3** Discussion and possible action regarding 2021-2022 Fiscal Year audit.  
*A representative from the firm of Heinfeld Meech will attend electronically.*

**ITEM #4** Review, discussion, and possible action to approve Resolution 2022-07 implementing enhanced water conservation measures and formally declaring a Drought Stage 2 condition.

**ITEM #5** Adjournment

DATED this 28<sup>th</sup> day of November, 2022.

UCFD/CWC

By: Kandace French Contreras  
Kandace French Contreras, Board Secretary

Items may be taken out of order

***\*All official Town Council, Commission and Board meetings are scheduled to be held in-person within Council Chambers, located at 33 Easy St.***

***The Town is currently in the process of upgrading its audio/visual equipment. Audio recordings of official meetings will be posted to our website for public record until the new equipment is available for video recording.***

***Thank you for your patience as we work to improve our systems.***



**FOR SPECIAL ACCOMMODATIONS**

Please contact the Carefree Town Clerk, 8 Sundial Circle (PO Box 740), Carefree, AZ 85377; (480) 488-3686, at least three working days prior to the meeting if you require special accommodations due to a disability.

**JOINT MEETING OF THE BOARD OF DIRECTORS OF  
THE TOWN OF CAREFREE, AZ UTILITIES COMMUNITY FACILITIES DISTRICT  
AND THE BOARD OF DIRECTORS OF THE CAREFREE WATER COMPANY, INC.**

**WHEN:** TUESDAY, SEPTEMBER 6, 2022  
**WHERE:** CAREFREE TOWN COUNCIL CHAMBERS  
33 EASY STREET, CAREFREE, AZ 85377  
**TIME:** 3:30 P.M.

**UCFD/CWC**

**DEC - 6 2022**

**# 2**

**CALL TO ORDER**

**Attending:**

Chairman Les Peterson

**Absent:**

Stephen Hatcher

**Board Members:**

Vice Chairman John Crane  
Vince D'Aliesio (*Appeared at 3:47 pm*)  
Tony Geiger (via telephone)  
Mike Johnson  
Cheryl Kroyer

**Also Attending:**

Greg Crossman, District Manager and Water Company General Manager; Michael Wright, District and Water Company Attorney; Kandace French Contreras

Chairman Peterson opened the meeting at 3:30 p.m.

Mayor Peterson and the Board acknowledged Greg Crossman for his 10-years of service and commitment as Carefree UCFD's District Manager and Water Company General Manager.

**AGENDA**

**ITEM #1** Approval of the May 3, 2022 UCFD/CWC meeting minutes.

**ITEM #2** Approval of the June 7, 2022 UCFD/CWC meeting minutes.

**ITEM #3** Approval of the July 5, 2022 UCFD/CWC meeting minutes.

Chairman Peterson announced Agenda Items #1 through #3 and asked if there were any questions or changes. There were none.

Board Member Kroyer **MOVED TO APPROVE** Agenda Items #1 through #3. The motion was **SECONDED** by Board Member D'Aliesio. **CARRIED**, 6-1, with Board Member Hatcher absent.

**ITEM #4 Review, discussion and possible action to approve Resolution 2022-06 authorizing the Chairman of UCFD to enter into Construction Services Contract No. C2022-02 with Achen-Gardner Construction, LLC, for Guaranteed Maximum Price (GMP) A3, Tom Darlington Water Storage Reservoir Backfill, Utility Yard, and Landscaping, associated with the Carefree Water Consolidation Project.**

Greg Crossman, District Manager and Water Company General Manager presented details of the Construction Services Contract No. C2022-02 with Achen-Gardner Construction LLC, associated with the Carefree Consolidation Project for Guaranteed Maximum Price (GMP) A3. Explaining this is the 3<sup>rd</sup> and final construction contract for the Tom Darlington Water Storage Reservoir backfill, utility yard and associated landscaping.

Mr. Crossman first provided general updates of the Carefree Consolidation Project.

1. Pipelines: Approx. 15,000 of 25,000 feet have been installed - 61% complete.
2. Water Storage Reservoirs (WSR): Tom Darlington WSR - 67% complete.
3. Booster Pump Stations: Peaceful Place improvements have not yet been contracted for and will be brought forth to Town Council in the next 1 – 2 months.
4. Water Meter Replacements: 283 meters of 535 have been replaced – 53% complete.
5. Customers Transitioned: 84 of 532 customers – 16% complete.

Mr. Crossman then displayed an aerial of the reservoir, showing location, backfill and the lot in its entirety depicted with construction fencing.

District Manager, Crossman provided history of the construction of the Water Storage Reservoir project. This was accomplished by 3 GMP's (Guaranteed Maximum Prices).

1. **GMP A1 – Site preparation** – Native plant salvage, clearing and grubbing of the site, excavation and hauling of material and miscellaneous site preparation. Additionally, there was under slab piping, foundation compaction, site maintenance and traffic.
2. **GMP A2 – Concrete Construction** - This work included the following concrete work: foundation slab, side wall panels, post tension, and support columns.
3. **GMP A3 – Reservoir Finalization** – Backfilling of the site, construction of a small utility yard which includes an emergency backup generator, and all landscaping to match the surrounding Sonoran Desert and other aesthetics associated with the site.

District Manager Crossman responded to questions from Mayor Peterson regarding the final visibility of the Water Storage Reservoir. Mr. Crossman explained, the storage reservoir will not be visible from the neighborhood side and there will be landscaping to provide screening from the Tom Darlington side. Parapet walls will provide security and screening of the utility area.

Mr. Crossman provided details of cost history of the project.

Board Member Kroyer asked if the images of the Water Storage Tank included in Mr. Crossman's presentation were to scale. Mr. Crossman responded, yes, they are to scale.

District Manager Crossman responded to Vice Chairperson Crane regarding the timeframe of completion of the landscaping and mounding and that this will be completed by the end of the year. Mr. Crossman explained, this is the goal and explained how this will be completed in two mobilizations.

Mr. Crossman added that GMP A3 work will be done through Construction Services Contract No. C2022-02 with Achen-Gardner Construction LLC, who is the construction manager at risk and summarized details and estimated timelines of the project and provided images of the landscape architects renderings of the completed project. Concluding, Town Councils authorization to enter into this contract is being done through Resolution 2022-06.

Mayor Peterson asked for questions or comments. Hearing none asked for a motion.

Board Member Kroyer **MOVED TO APPROVE** Resolution 2022-06 authorizing the Chairman of UCFD to enter into Construction Services Contract No. C2022-02 with Achen-Gardner Construction, LLC, for Guaranteed Maximum Price (GMP) A3, to complete the construction and restoration of Tom Darlington Water Storage Reservoir, Backfill, Utility Yard, and Landscaping, associated with the Carefree Water Consolidation Project. **SECONDED** by Vice Chairperson Crane. **CARRIED**, 6-1, with Board Member Hatcher absent.

**ITEM # 5 Adjournment.**

The meeting was adjourned by unanimous consent at 4:06 p.m.

DATED this 6<sup>th</sup> day of September 2022.

UTILITIES COMMUNITY FACILITIES DISTRICT  
CAREFREE WATER COMPANY

By: \_\_\_\_\_  
Kandace French Contreras, Secretary

\_\_\_\_\_  
Les Peterson, Chairman

Attest:  
  
\_\_\_\_\_  
Samantha Gesell, Planning Clerk

**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct copy of the Town of Carefree, AZ Utilities Community Facilities District Board of Directors and the Board of Directors of the

Carefree Water, Inc. held September 6, 2022. I further certify that the meeting was duly called and held and that a quorum was present.

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Kandace French Contreras, Secretary

## **Agenda Item #3**

**Carefree Water Company  
Utilities Community Facilities District  
2021-2022 Fiscal Year Audit  
will be provided prior to the meeting.**

**CAREFREE WATER COMPANY AND  
CAREFREE UTILITIES COMMUNITY FACILITIES DISTRICT**

**BOARD COMMUNICATION**

TO: CHAIRMAN AND BOARD MEMBERS

FROM: GREG CROSSMAN, GENERAL MANAGER *GC*

DATE: NOVEMBER 30, 2022

SUBJECT: DEC. 6, 2022, BOARD AGENDA ITEM NO. 4 – DROUGHT DECLARATION

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Attached for your review prior to the December 6, 2022, Board meeting are the following documents covered under Agenda Item No. 4:

- 1) Resolution No. 2022-07 declaring Drought Stage 2 conditions for the Carefree Water Company system;
- 2) Carefree Water Company's current Drought Preparedness Plan updated December 2021, submitted to and approved by the Arizona Department of Water Resources (ADWR).

**BACKGROUND**

Drought conditions are well entrenched in the western United States and are showing no signs of getting better. Reservoir water levels on the Colorado River have been dropping since 2000 and have gotten to critical levels. For the first time ever, the U.S. Bureau of Reclamation (BOR) declared Tier 1 Drought Conditions on the Colorado River for 2022, resulting in water delivery cutbacks from the Central Arizona Project (CAP) canal.

In response to worsening drought conditions, shortage conditions in 2023 have been upgraded to a Tier 2a level, resulting in even further cutbacks on water deliveries to Arizona from the CAP canal.

Significant discussion are currently taking place at the local, State, and Federal levels to address this critical drought situation and to maintain as much water in the Colorado River system as possible. In June of this year, the Commissioner of the BOR called on the 7 Colorado River Basin states to come up with a plan to conserve 2 to 4 million additional acre-feet of water. As yet, no agreement has been reached on how this will be accomplished, but all acknowledge that water conservation starts with the end-users of water. For the Carefree Water Company, this is our customers.

**RECOMMENDATION**

Staff recommends the approval of Resolution 2022-07, which formally declares Drought (Curtailment) Stage 2 Conditions for all of the Carefree Water Company and authorizes the General Manager to implement all appropriate programs contained in the Drought Preparedness Plan. The Resolution further sets the voluntary reduction in water usage for each customer at the 10% level.

Please contact Greg Crossman (480-488-9100; [greg@carefreewaterco.com](mailto:greg@carefreewaterco.com)) with any questions.



**CAREFREE WATER COMPANY**

**RESOLUTION 2022-07**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAREFREE WATER COMPANY, INC., AN ARIZONA CORPORATION, DECLARING DROUGHT STAGE 2 CONDITIONS AND REQUESTING VOLUNTARY TEN PERCENT (10%) REDUCTIONS IN WATER USE BY ALL CUSTOMERS.**

**WHEREAS**, water is a critical resource in the desert; and

**WHEREAS**, local groundwater and Colorado River water delivered through the Central Arizona Project (CAP) canal system are Carefree’s only sources of water; and

**WHEREAS**, the Colorado River watershed has experienced drought conditions that have lasted well over 20-years; and

**WHEREAS**, a Tier 1 Shortage condition was declared on the Colorado River for the current calendar year 2022 and a Tier 2a Shortage condition has been declared on the Colorado River for the upcoming calendar year 2023; and

**WHEREAS**, the Carefree Water Company has developed a Drought Preparedness Plan that was updated in December of 2021 and submitted to and approved by the Arizona Department of Water Resources; and

**WHEREAS**, the purpose of the Drought Preparedness Plan is to encourage efficient use of Carefree’s water resources, reduce waste, and help prevent and/or manage water shortages in times of drought or periods of diminished water supply due to emergency situations; and

**WHEREAS**, water conservation measures set forth in the Drought Preparedness Plan will result in improved water levels in the Colorado River reservoirs and reduce demand on our local groundwater aquifer.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CAREFREE WATER COMPANY, INC., THE FOLLOWING:**

**Section 1.** All of the Carefree Water Company service area shall be in Drought (Curtailment) Stage 2 – Intermediate Drought and Water Supply Conditions; and

**Section 2.** The General Manager of the Carefree Water Company shall implement all appropriate programs contained in the Drought Preparedness Plan for Drought Stage 2, and shall initially set the voluntary reductions in water use from all customers at 10%; and

**Section 3.** This Resolution is effective immediately.

**PASSED AND ADOPTED** by the Board of Directors of the Carefree Water Company, Inc. this 6<sup>th</sup> day of December, 2022.

\_\_\_\_\_  
John Crane, President, Carefree Water Company

ATTEST:

\_\_\_\_\_  
Kandace French Contreras, Secretary

APPROVED AS TO FORM

\_\_\_\_\_  
Michael W. Wright, Water Company Attorney

**CERTIFICATE**

I hereby certify that the above and foregoing resolution was duly passed by the Board of Directors of the Carefree Water Company, Inc. at a regular meeting held on December 6, 2022, and that a quorum was present thereat and that the vote thereon was \_\_\_\_\_ ayes and \_\_\_\_\_ nays; \_\_\_\_\_ did not vote or were absent.

\_\_\_\_\_  
Kandace French Contreras, Secretary



Revised 12/2021

## **DROUGHT PREPAREDNESS PLAN**

**(including Conservation Measures and Emergency Curtailment Plan)**

### **PURPOSE:**

To encourage efficient use of Carefree's water resources, reduce waste, and help prevent and/or manage water shortages in times of drought or periods of diminished water supply due to emergency situations.

### **IMPLEMENTATION OF DROUGHT OR CURTAILMENT STAGES:**

Drought or curtailment stages and requirements will be recommended by the Carefree Water Company General Manager and approved by the presiding officer of the Water Company's Board of Directors.

### **DROUGHT OR CURTAILMENT INDICATORS:**

The Carefree Water Company General Manager will monitor the following indicators to assist in the determination of drought or curtailment stages:

#### **Drought Indicators**

1. Drought and Shortage Determinations on the Colorado River (CAP Supply)
2. Groundwater levels within the Carefree Subbasin
3. Long-Term Weather and Precipitation Forecasts
4. Regional Drought and Shortage Conditions (SRP and other regional agencies)
5. Customer Per Capita Water Usage and Growth in Customer Base

#### **Emergency Curtailment Indicators**

1. Declared emergencies by governmental officials mandating reductions in water usage
2. Water supply availability from CAP connections (Scottsdale and Cave Creek)
3. Water production availability from wells (CWC Well Nos. 2, 4, 6 (blending required), 7, and DFGC #2)
4. Supply available in water storage reservoirs (1 MG, 500 Kgal, 50 Kgal, 150 Kgal (2), 10 Kgal)
5. Historic and current water demand levels
6. Infrastructure conditions/capabilities/challenges (emergency infrastructure situations such as pipeline breaks, well failures, pump failures, etc.)

### **DROUGHT (CURTAILMENT) STAGES (MANAGEMENT MEASURES):**

**Drought (Curtailment) Stage 0 – Normal Drought and Water Supply Conditions** – The Carefree Water Company will provide the following conservation focused programs for our customers:

- Metering of all water accounts, regular water meter maintenance, and verification of water meter readings including:
  - Monthly manual "zero" read verifications
  - Monthly high read customer notifications
  - Meter replacement program for old and worn-out meters
  - Voluntary cellular water usage data access

- Tiered conservation-based water rates
- Leak detection and management program
- Water conservation public education and outreach program
  - Water conservation flyers and bill notes
  - Water conservation publications

The Carefree Water Company will also perform water supply monitoring and maintain backup water supply plans for periods of drought and/or periods of reduced water supply due to emergency situations.

**Drought (Curtailed) Stage 1 – Precautionary Drought and Water Supply Conditions** – In addition to continuing Drought (Curtailed) Stage 0 Management Measures, the Carefree Water Company will supplement those programs with the following:

- Increased water conservation public education and outreach effort
- Encourage voluntary reductions in water use for all classes of customers with the focus on outdoor water use
- Expand the high read customer notification program

**Drought (Curtailed) Stage 2 – Intermediate Drought and Water Supply Conditions** – In addition to continuing Drought (Curtailed) Stages 0 and 1 Management Measures, the Carefree Water Company will supplement those programs with the following:

- Implement numeric based voluntary reductions in water use (e.g. 5 to 25%) for all classes of customers based upon drought/water supply conditions
  - Provide recommendations and guidance to customers on how to achieve these reduction goals
  - Monitor customer usage history to assess participation
- Implement day-of-week and time-of-day outdoor water use schedules
- Prohibit winter turf overseeding

**Drought (Curtailed) Stage 3 – Emergency Drought and Water Supply Conditions** – In addition to continuing Drought (Curtailed) Stages 0 thru 2 Management Measures, the Carefree Water Company will supplement those programs with the following:

- Implement mandatory numeric based reductions in water use (e.g. 5 to 25%) for all classes of customers based upon drought/water supply conditions
  - Provide recommendations and guidance to customers on how to achieve these required reductions
  - Monitor customer usage history to determine compliance
- Implement Drought (Curtailed) Water Rates as detailed below
- Reduce or eliminate all non-essential water use including:
  - Turf irrigation
  - Decorative water fountains
  - Pool draining and refilling
  - Vehicle washing
- Suspend all interruptible water customers including:
  - Construction
  - Standpipe users

**NOTIFICATIONS AND ENFORCEMENT**

Drought (Curtailement) Stage 1 & 2 Levels – General Town newsletter notice (email). Water bill inserts or bill notes. Door hanger notices or phone communications for high usage customers.

Drought (Curtailement) Stage 3 Level – General Town newsletter notice (email). Water bill inserts. Local media press release. Other means as determined by regulatory agencies. Enforcement will be done by Water Company and Town staff as appropriate.

**DROUGHT (CURTAILMENT) WATER RATES (All Meter Classifications)**

- Special Base Fee Emergency Curtailement Surcharge: \$ 20.00
- Tier 1 rates will increase by 5%
- Tier 2 rates will increase by 10%
- Tier 3 rates will increase by 15%
- Tier 4 rates will increase by 20%
- Tier 5 rates will increase by 20%

**EMERGENCY CURTAILMENT PLAN**

Emergency situations such as pipe breakage, well failure, pump failure, etc. may justify immediate implementation of higher levels of Curtailement Stages (e.g. immediately moving from Curtailement Stage 0 to Curtailement Stage 3, bypassing Stages 1 and 2). These types of emergencies could affect all Water Company customers or only a portion of Water Company customers depending upon the extent of the emergency situation.

Emergency Curtailement Stages will be recommended by the Carefree Water Company General Manager and approved by the presiding officer of the Water Company's Board of Directors.