

**NOTICE OF THE MEETING OF THE  
THE TOWN OF CAREFREE UTILITIES COMMUNITY FACILITIES DISTRICT**

**WHEN:** TUESDAY, FEBRUARY 9, 2021

**WHERE:** ZOOM ONLINE\*

**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 (UCFD).

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

**CALL TO ORDER**

**ROLL CALL**

Attendees for this meeting, in addition to Greg Crossman, General Manager of the Carefree Water Company, Gary Neiss, Carefree Town Administrator, and the UCFD Board of Directors, may include:

Dan Jackson; Vice President, Willdan Financial Services

Mark Reader; Managing Director, Public Finance, Stifel

Tracey Gruden; Director, Water & Wastewater, Coe & Van Loo

Timothy Starkey, Director of Landscape Architecture, Coe & Van Loo

Michael Wright; Attorney, Sherman & Howard LLC

Christopher Kramer; Attorney, Jennings Strouss & Salmon, PLC

Michael Pearce; Attorney, Gammage & Burnham

**AGENDA**

**ITEM #1** Approval of the UCFD/CWC Meeting Minutes for December 1<sup>st</sup>, 2020 Meeting.

**ITEM #2** Presentation on the status of the acquisition of water assets and the geographic service areas within the Town of Carefree served potable water by the Town of Cave Creek.

Reading of public comments received related to Agenda Item #2.

**NOTE:** Submission of public comments at Call to the Public must be provided in typed format by email to [Kandace@Carefree.org](mailto:Kandace@Carefree.org). Comments are to be limited to not more than one-half page, double spaced, 12 point type. No more than one submission per person or legal entity per meeting will be read into the record. Please identify your town or city of residence. Comments that do not comply with the format specified may not be read during this Board meeting. Comments must be received by 12:00 noon on Tuesday, February 9, 2021.

**ITEM #3**      **Presentation regarding the Underground Water Storage Reservoir in The Boulders.**

Reading of public comments received related to Agenda Item #3.

Public comments relative to this Agenda Item read during the meeting of the Carefree Town Council on January 5, 2021 will not be re-read at this meeting but are entered into the record.

**NOTE:** Submission of public comments at Call to the Public must be provided in typed format by email to [Kandace@Carefree.org](mailto:Kandace@Carefree.org). Comments are to be limited to not more than one-half page, double spaced, 12 point type. No more than one submission per person or legal entity per meeting will be read into the record. Please identify your town or city of residence. Comments that do not comply with the format specified may not be read during this Board meeting. Comments must be received by 12:00 noon on Tuesday, February 9, 2021.

**ITEM #4**      **Review, discussion and possible action to Approve Resolution 2021-01 authorizing the acquisition by the UCFD of the parcel of land required for the construction of the Underground Water Storage Reservoir in The Boulders.**

**ITEM #5**      Adjournment

DATED this 4<sup>th</sup> day of February, 2021.

**Utilities Community Facilities District**

By: *Kandace French Contreras*  
Kandace French Contreras, Secretary

Items may be taken out of order

\*Due to the risks to public health caused by the possible spread of the COVID-19 virus at public gatherings, it has been determined that public meetings will be held indefinitely through technological means. Meetings will be also open to the public through technological means. In reliance on, and compliance with, the March 13, 2020 Opinion issued by Attorney General Mark Brnovich, the Town of Carefree Utilities Community Facilities District provides this special advance notice of the technological means through which public meetings may be accessed. While this special notice is in effect, public comment at meetings will only be accepted through written submissions, which may or may not be read aloud during meetings.

**Join Zoom Meeting:**

You are invited to a Zoom webinar.

When: Feb 9, 2021 04:00 PM Arizona

Topic: Meeting of the Board of the UCFD

Please click the link below to join the webinar or cut and paste to your browser:

<https://us02web.zoom.us/j/86921484437?pwd=emlKUDdCMS9wOWM5WjZTDh5OUdTdz09>

**Passcode: 206277**

**Or by telephone:**

1 346 248 7799 or 1 669 900 6833 or 1 253 215 8782 or 1 312 626 6799 or 1 929 205 6099 or 1 301 715 8592

**Webinar ID: 869 2148 4437**

**Passcode: 206277**



**FOR SPECIAL ACCOMMODATIONS**

Please contact the 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.

UCFD/CWC

FEB 09 2020

# 1

## AGENDA ITEM #1

**THE MINUTES WILL BE PROVIDED PRIOR TO THE MEETING**



**Town of Carefree, Arizona  
Utilities Community Facilities District  
(UCFD)**

**Board of Directors Meeting  
February 9, 2021 - 4:00  
p.m.**

# UCFD Board Meeting

AGENDA ITEM NO. 2

Acquisition of Neighborhoods  
Provided Water Service by Cave Creek  
February 9, 2021



# Introductions

- Carefree Water Company
- Acquisition Professional Team
  - Engineering
  - Legal
  - Finance and Rates

# Greg Crossman



- CWC GM, Town Engr.
- 40 yrs. experience
- PE (Civil) – 35 years
- AZ Cert. Water Oper.
  - Grade 4/Grade 2
- ASCE, AWWA, AZ Water, RWAA



# Acquisition Team – Engineering Coe & Van Loo (CVL) Consultants



**Project Manager  
Tracy Grunden, P.E.**



**Project Engineer  
Cassandra Alejandro, P.E.**



**Landscape Arch.  
Tim Starkey, RLA**

# Acquisition Team - Legal



**Water Co. Attorney  
Michael Wright  
Sherman & Howard**



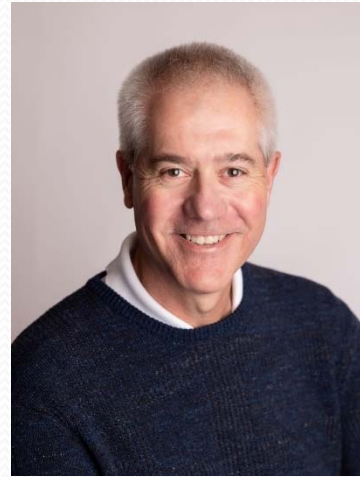
**Condemnation Law  
Chris Kramer  
Jennings Strouss**



**Water Law  
Michael Pearce  
Gammage & Burnham**



# Acquisition Team – Finance & Rates



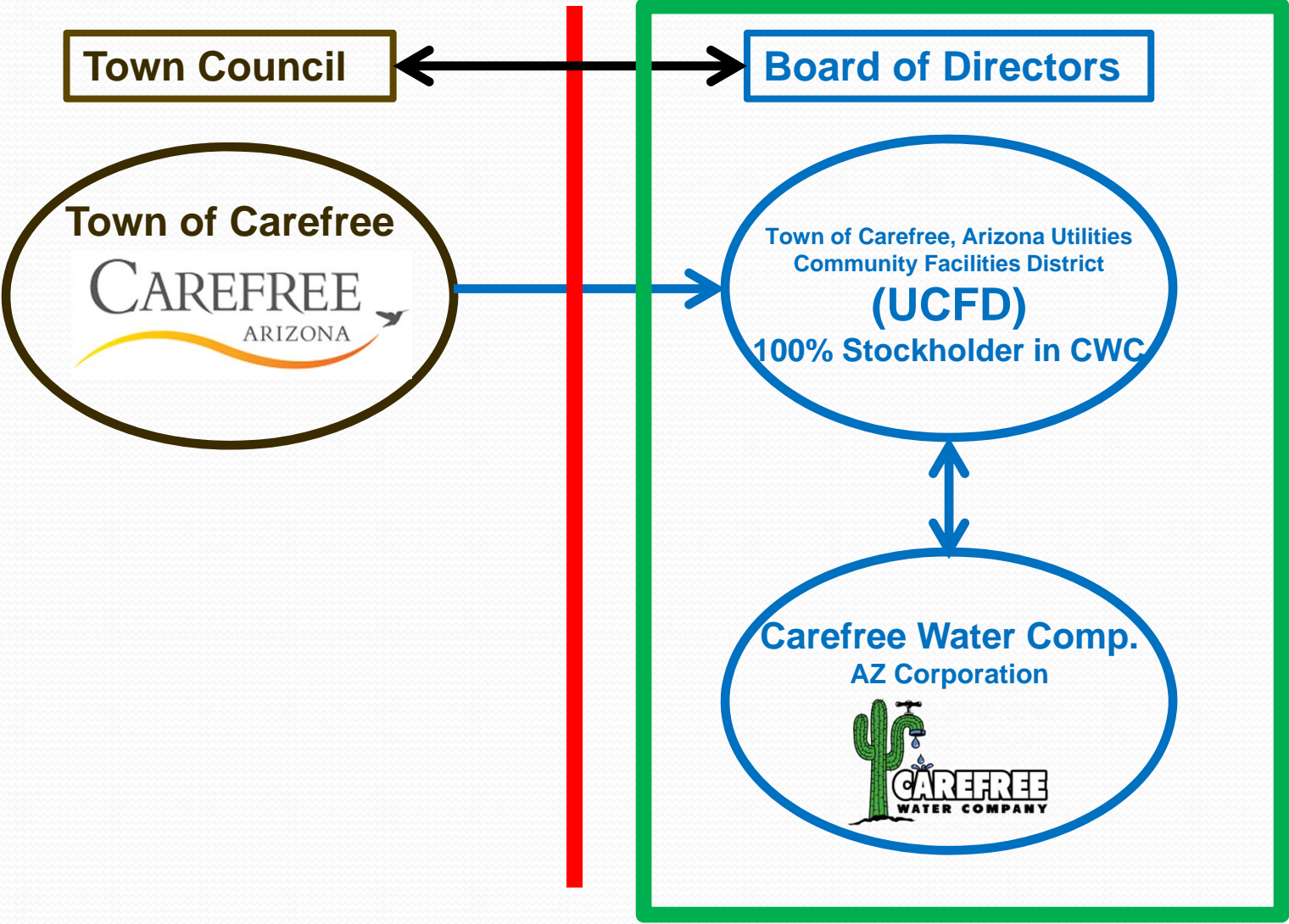
**Valuation**  
**Rick Giardina**  
**Raftelis**

**Municipal Bonding**  
**Mark Reader**  
**Stifel**

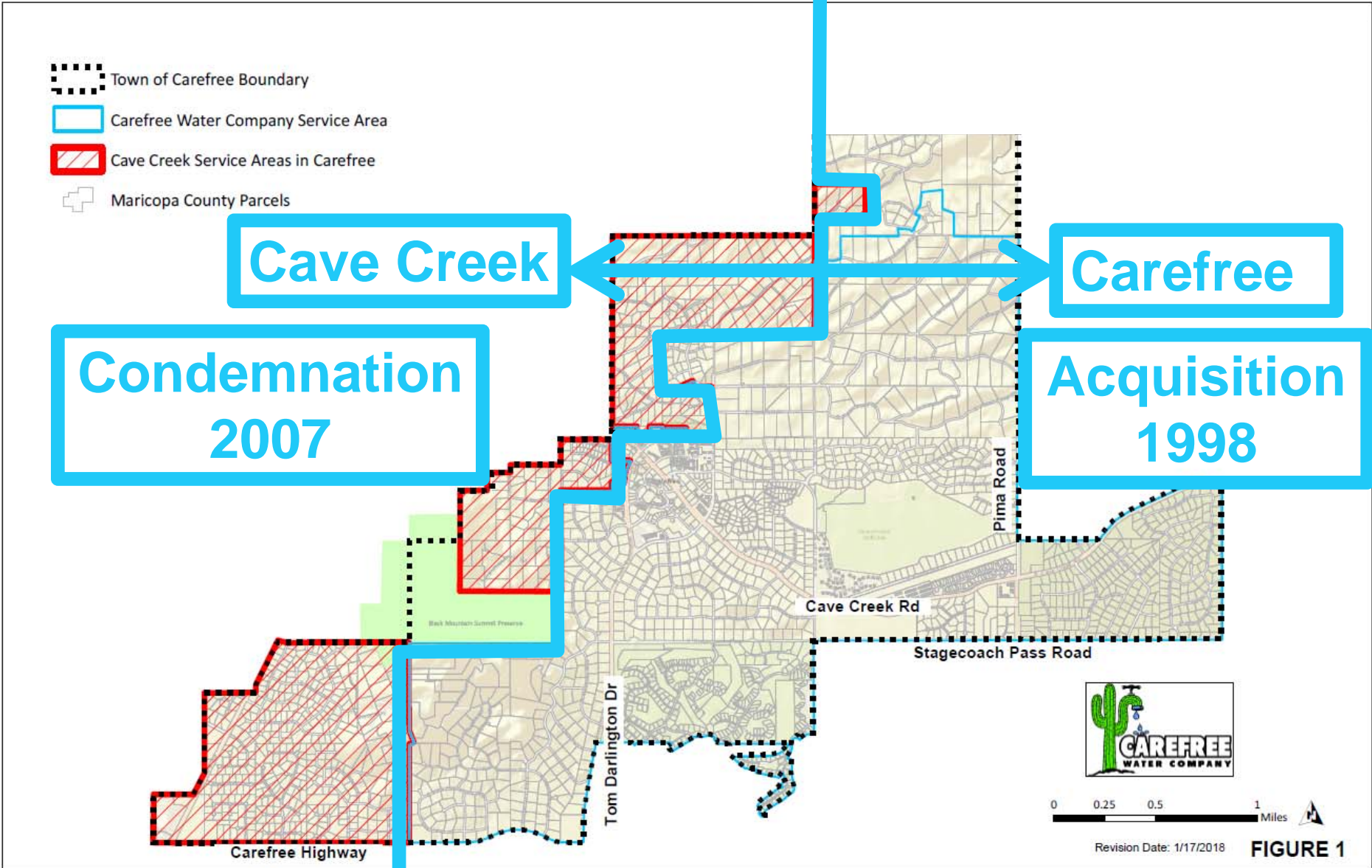
**Rate Analysis**  
**Dan Jackson**  
**Willdan Fin. Ser.**

**Bond Attorney**  
**Michael Cafiso**  
**Greenberg Traurig**

# Carefree's Organizational Structure







# 2005 Intergovernmental Agreement. (IGA)

- Parties
  - Cave Creek
  - Carefree, CWC, UCFD
- Provisions
  - Carefree supported condemnation
  - Option for CF to acquire customers (CSA)
  - Negotiate cost to acquire
  - Fallback - arbitration



# Carefree Invokes IGA–January 2019

- Formal steps
    - Filed condemnation action
    - 120 Day negotiation period
    - Arbitration
- 
- ```
graph TD; A[Filed condemnation action] --> B[120 Day negotiation period]; B --> C[Arbitration];
```

# Reasons for Carefree Acquisition

- Not one single event
- Lack of representation
- Level of service
  - Reliability/system redundancy
  - Water quality
  - System maintenance
  - Fire protection
- Water supply into future
- Controlling development & economic destiny



# Reasons for Carefree Acquisition

- Unify Carefree - one water provider
- Stronger Carefree & Carefree Water system





# Arbitration Process

- Started in late 2019
- Concluded in January 2021
- 3 member independent panel
- Arguments presented to panel
  - Expert reports and rebuttals
  - Testimony with “cross examination”

# Arbitration Topic

- Value (\$) of the water system in CSA
- Parties very far apart
  - Carefree at \$1.47M
  - Cave Creek \$17.4M
- Arbitrators heard detailed/complex arguments
- Arbitrators established value: \$1.47M



# Settlement Agreement Negotiations

- Value established at \$1.47M
- Negotiation points
  - Legal and expert witness fees
  - Future cooperation



# Where Does This Put Us?

- Arbitration answers big unknown
  - Cave Creek payment - \$1.5M
- Important piece of puzzle
- No magic switch



**Cave Creek Water**

**Carefree Water**



# Understanding the Big Picture

- Back-up to 2017 & 2018
- Consultant assistance
- 2018 hired Coe & Van Loo (CVL)
  - Condition/value of infrastructure
  - Cost to disconnect from Cave Creek
  - Cost to reconnect to Carefree
  - Investigate financing and rates



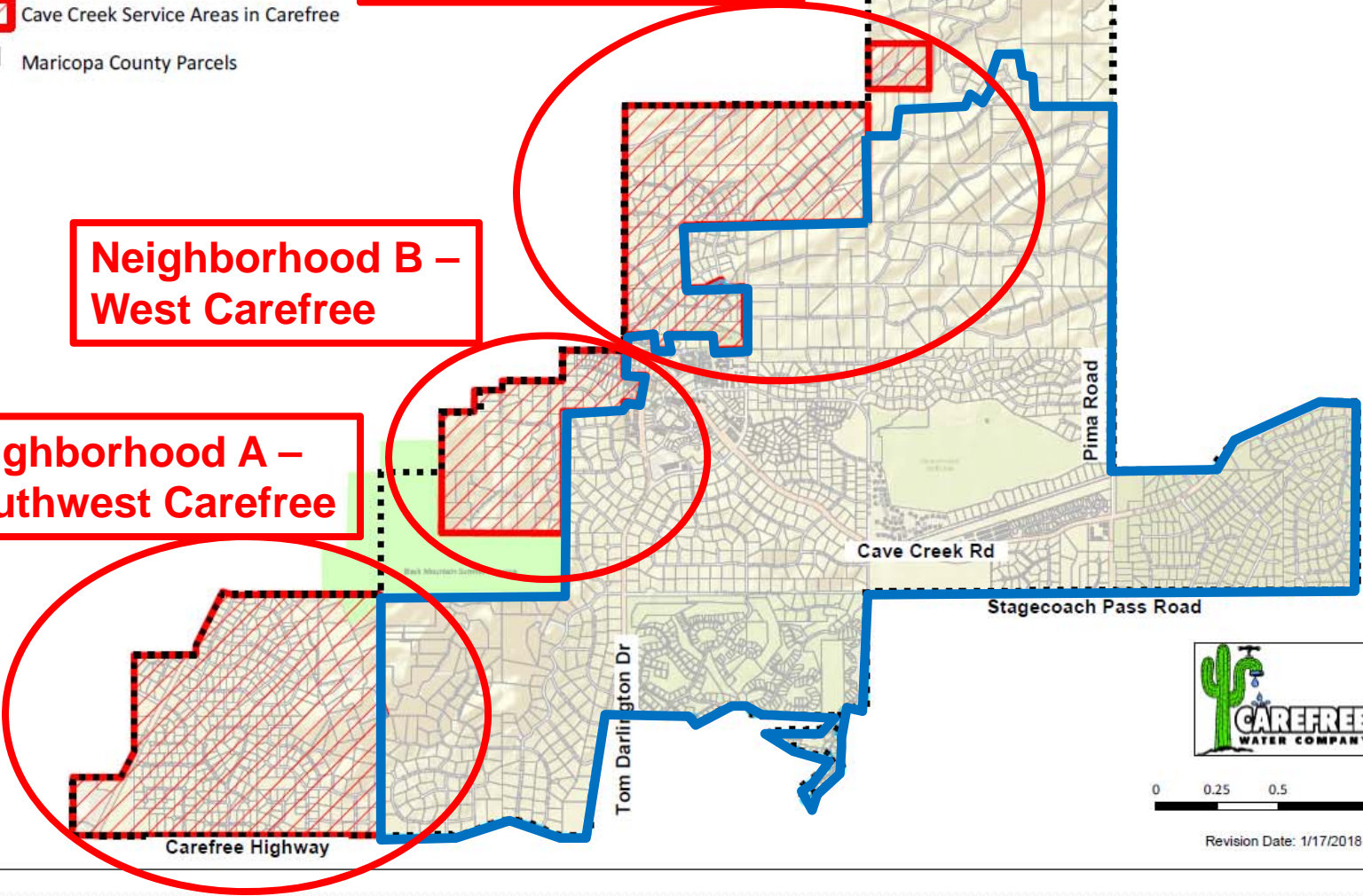
# Acquisition Areas

-  Town of Carefree Boundary
-  Carefree Water Company Service Area
-  Cave Creek Service Areas in Carefree
-  Maricopa County Parcels

**Neighborhood C – Northwest Carefree**

**Neighborhood B – West Carefree**

**Neighborhood A – Southwest Carefree**

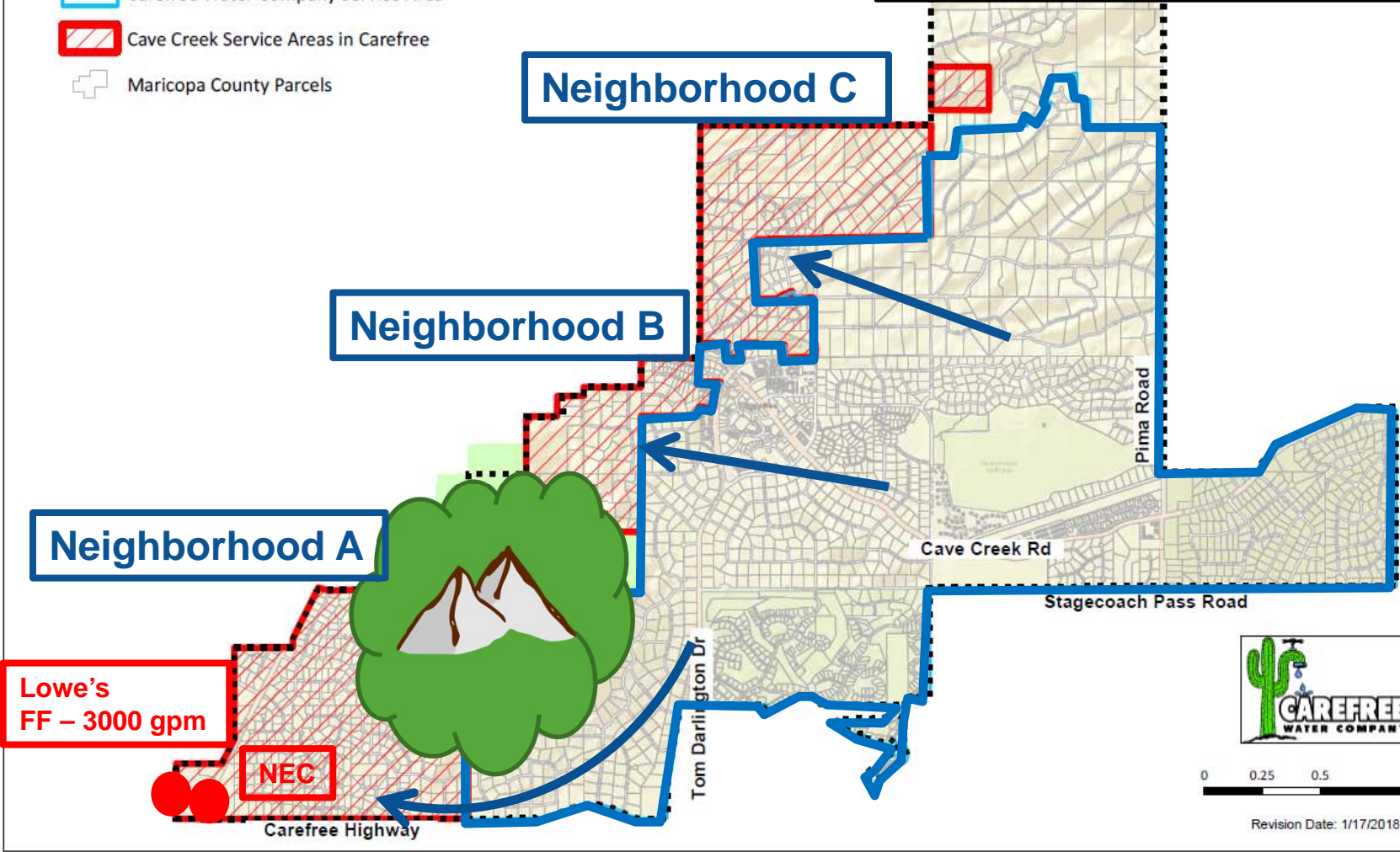


Revision Date: 1/17/2018

**FIGURE 1**

# Acquisition Areas

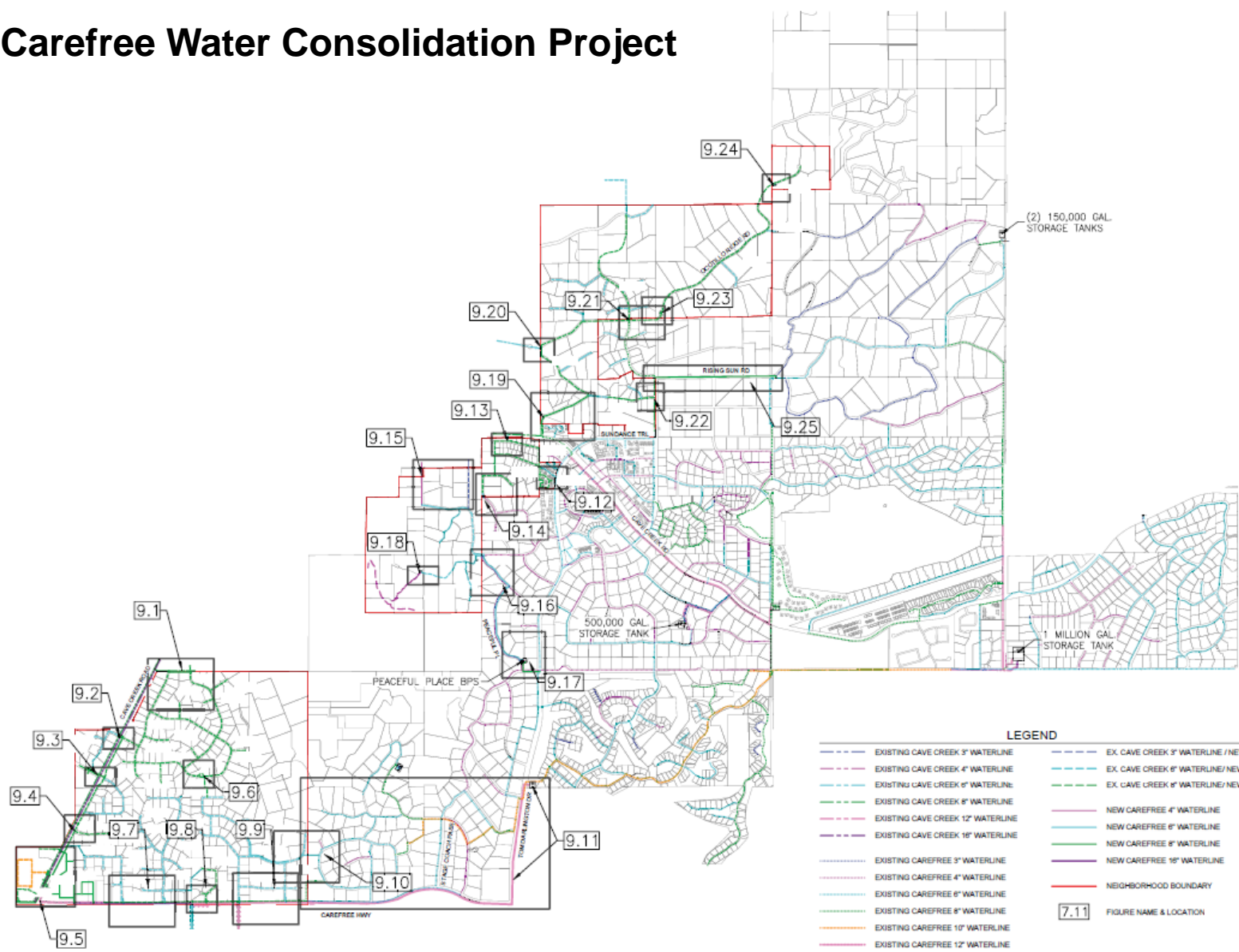
-  Town of Carefree Boundary
-  Carefree Water Company Service Area
-  Cave Creek Service Areas in Carefree
-  Maricopa County Parcels



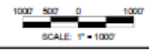
Revision Date: 1/17/2018 **FIGURE 1**



# Carefree Water Consolidation Project



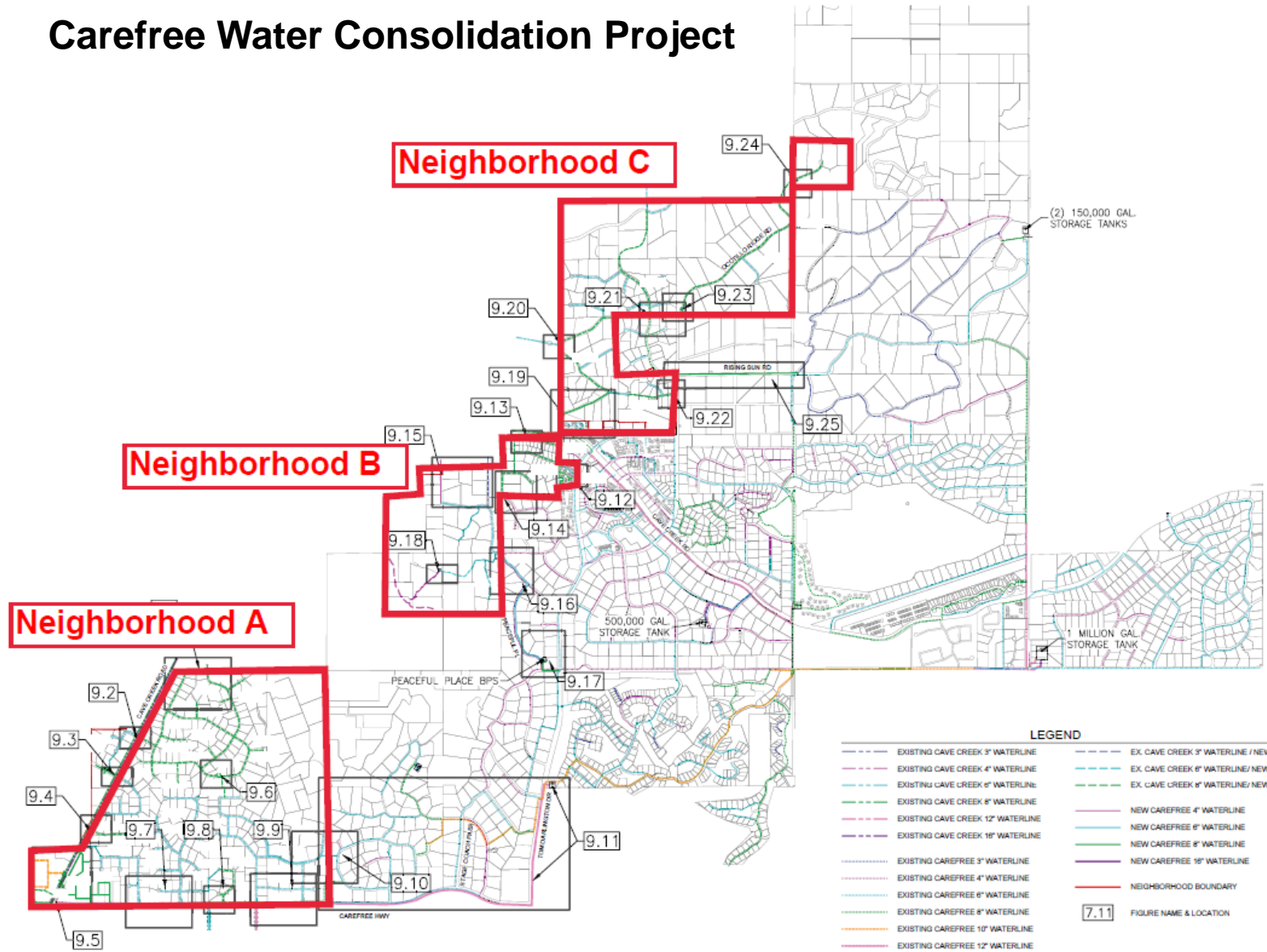
- LEGEND**
- EXISTING CAVE CREEK 3" WATERLINE
  - EXISTING CAVE CREEK 4" WATERLINE
  - EXISTING CAVE CREEK 6" WATERLINE
  - EXISTING CAVE CREEK 12" WATERLINE
  - EXISTING CAVE CREEK 16" WATERLINE
  - EXISTING CAREFREE 3" WATERLINE
  - EXISTING CAREFREE 4" WATERLINE
  - EXISTING CAREFREE 6" WATERLINE
  - EXISTING CAREFREE 8" WATERLINE
  - EXISTING CAREFREE 10" WATERLINE
  - EXISTING CAREFREE 12" WATERLINE
  - EX. CAVE CREEK 3" WATERLINE / NEW CAREFREE 3" WATERLINE
  - EX. CAVE CREEK 6" WATERLINE / NEW CAREFREE 6" WATERLINE
  - EX. CAVE CREEK 6" WATERLINE / NEW CAREFREE 6" WATERLINE
  - NEW CAREFREE 4" WATERLINE
  - NEW CAREFREE 6" WATERLINE
  - NEW CAREFREE 8" WATERLINE
  - NEW CAREFREE 16" WATERLINE
  - NEIGHBORHOOD BOUNDARY
  - [7.11] FIGURE NAME & LOCATION



|                           |          |                                                                                                                                                                                                 |                                                       |
|---------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| DATE                      | REVISION | NEIGHBORHOOD IMPROVEMENTS KEY MAP                                                                                                                                                               | CAREFREE WATER SYSTEM EVALUATION<br>CAREFREE, ARIZONA |
|                           |          |                                                                                                                                                                                                 |                                                       |
| NO.                       |          | FIGURE 9.0                                                                                                                                                                                      |                                                       |
|                           |          |                                                                                                                                                                                                 |                                                       |
| Coe and Van Loo II L.L.C. |          | <small>DESIGNED BY: E. LAURIN<br/> <small>CIVIL ENGINEER # T. 14,05186-01<br/> <small>DATE: 05/14/2014<br/> <small>PROJECT: CAREFREE WATER SYSTEM EVALUATION</small> </small> </small> </small> |                                                       |

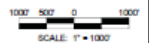
FILED BY: GABRIELLA  
 FILED DATE: December 16, 2014  
 FILED AT: IN THE COUNTY OF MARICOPA, ARIZONA  
 PROJECT: CAREFREE WATER SYSTEM EVALUATION

# Carefree Water Consolidation Project



**LEGEND**

|                                       |                                                            |
|---------------------------------------|------------------------------------------------------------|
| --- EXISTING CAVE CREEK 3" WATERLINE  | --- EX CAVE CREEK 3" WATERLINE / NEW CAREFREE 3" WATERLINE |
| --- EXISTING CAVE CREEK 4" WATERLINE  | --- EX CAVE CREEK 4" WATERLINE / NEW CAREFREE 4" WATERLINE |
| --- EXISTING CAVE CREEK 6" WATERLINE  | --- EX CAVE CREEK 6" WATERLINE / NEW CAREFREE 6" WATERLINE |
| --- EXISTING CAVE CREEK 8" WATERLINE  | --- EX CAVE CREEK 8" WATERLINE / NEW CAREFREE 8" WATERLINE |
| --- EXISTING CAVE CREEK 12" WATERLINE | --- NEW CAREFREE 4" WATERLINE                              |
| --- EXISTING CAVE CREEK 16" WATERLINE | --- NEW CAREFREE 6" WATERLINE                              |
| --- EXISTING CAREFREE 3" WATERLINE    | --- NEW CAREFREE 8" WATERLINE                              |
| --- EXISTING CAREFREE 4" WATERLINE    | --- NEW CAREFREE 16" WATERLINE                             |
| --- EXISTING CAREFREE 6" WATERLINE    | --- NEIGHBORHOOD BOUNDARY                                  |
| --- EXISTING CAREFREE 8" WATERLINE    | [7.1] FIGURE NAME & LOCATION                               |
| --- EXISTING CAREFREE 10" WATERLINE   |                                                            |
| --- EXISTING CAREFREE 12" WATERLINE   |                                                            |



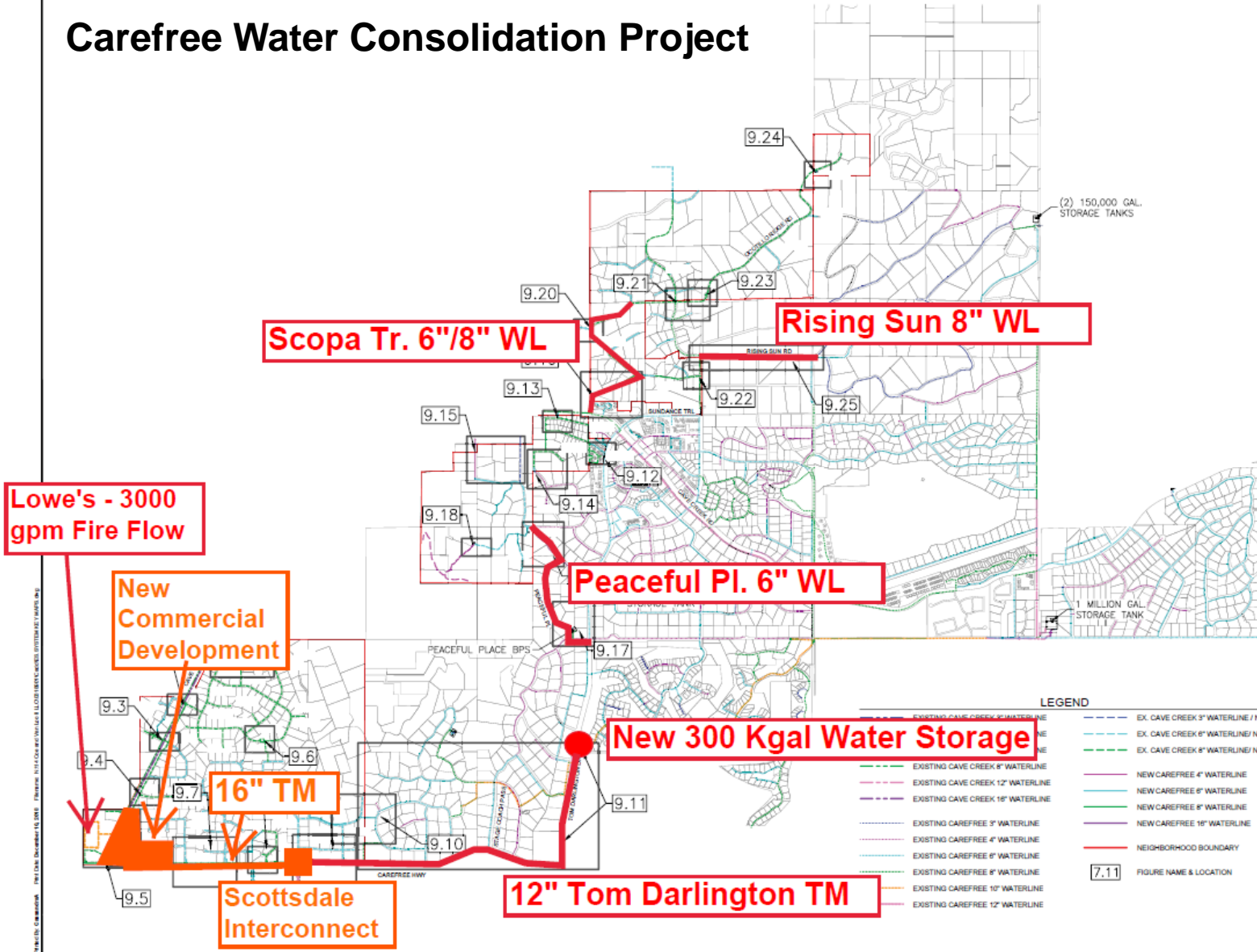
|                                  |  |
|----------------------------------|--|
| DATE                             |  |
| REVISION                         |  |
| NCL                              |  |
| <b>Coe and Van Loo II L.L.C.</b> |  |

NEIGHBORHOOD IMPROVEMENTS KEY MAP  
CAREFREE WATER SYSTEM EVALUATION  
CAREFREE, ARIZONA

**FIGURE 9.0**  
CML CONSULTANTS  
E. LAURIN  
CML PROJECT # 14-01586-01  
©2016 Coe and Van Loo II L.L.C.

PROJECT: CarefreeWater - 1/15/16 - December 15, 2016 - Drawings: 14-01586-01-CarefreeWaterSystemEvaluation-021716-021716.dwg

# Carefree Water Consolidation Project



| NO. | REVISION | DATE |
|-----|----------|------|
|     |          |      |
|     |          |      |
|     |          |      |

NEIGHBORHOOD IMPROVEMENTS KEY MAP  
 CAREFREE WATER SYSTEM EVALUATION  
 CAREFREE, ARIZONA

**FIGURE 9.0**  
 CIVIL ENGINEER: E. CALVERT  
 CIVIL ENGINEER: T. B. GIBSON  
 SCALE: 1" = 1000'



# Construction Opportunities

- Large complex project
- Trad. D/B/B – not good fit
  - Too many unknowns
  - Too much coordin./sequencing
- Relatively new “delivery method”
  - CMAR – Constr. Manager at Risk
  - Bring on early
    - Become part of design team
    - Recommended for this project



# Financing structure

- Multiple funding sources
  - Town upfront money
  - Developer contributions & offsets
  - Water revenue bonds
    - Generating upfront capital
    - Repay over time based on water revenues
    - Spreads costs to future rate payers
  - Rate structure flexibility
    - Weighted burden – Neighborhoods A, B, C

# Financing Details

|                                     |                     |
|-------------------------------------|---------------------|
| Town upfront (legal, experts)       | <del>\$ 2.3 M</del> |
| Payment to Cave Creek               | \$ 1.5 M*           |
| Scottsdale Interconnect             | \$ 1.5 M**          |
| Disconnection/reconnection          | \$11.5 M            |
| Construction “soft costs”           | \$ 1.4 M            |
| <u>Improvements to existing CWC</u> | <u>\$ 3.5 M</u>     |
| Total                               | \$19.4 M            |

\*(Settlement Agreement Reduct.) <\$ ----M>

\*\* (Developer Contribution) <\$ 0.75M>



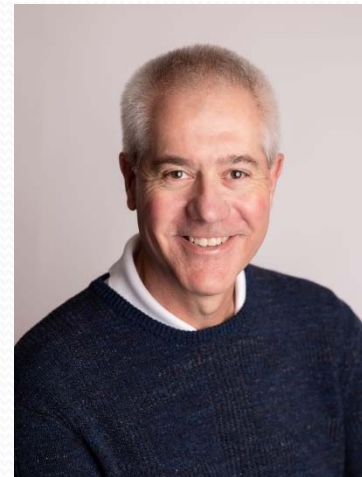


# Water Revenue Bonds

- Repay over time from water revenues
- Current bond market—very favorable
  - Historic lows, but volatile market
  - Antic. bond rating – A minus or better
  - 30-year term
  - Antic. interest rate – low 3%<sup>s</sup>
  - Overall scoped costs \$19.4M

# Water Rates

- Bottom line question
  - How will this impact my water bill?
- Rate consultant
  - Dan Jackson
  - Willdan Fin. Services
  - 36 years exp.
  - Performed over 400 rate studies





# Rate Analysis Summary

- CWC Rate increase history
  - Last 2 FY's – 4.4%
  - Ave. Last 4 FY's – 3.5%
- Proposed rate increases in-line
  - 4.4% for next 5 FY's
  - 2% thereafter
- All lower than Nat. average. of 5-6%
- Includes +\$20/month burden on CSA

# Acquisition Summary & Benefits

- Unifies CF under one water provider
- Provides certainty in acquisition area
  - Equivalent level of service
    - Maintenance
    - Fire protection
    - Water quality
    - Representation
- One-time opportunity
- End product: stronger Carefree

# Questions?

# UCFD Board Meeting

AGENDA ITEM NO. 3

Boulders Underground Water Storage Reservoir

February 9, 2021



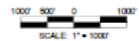
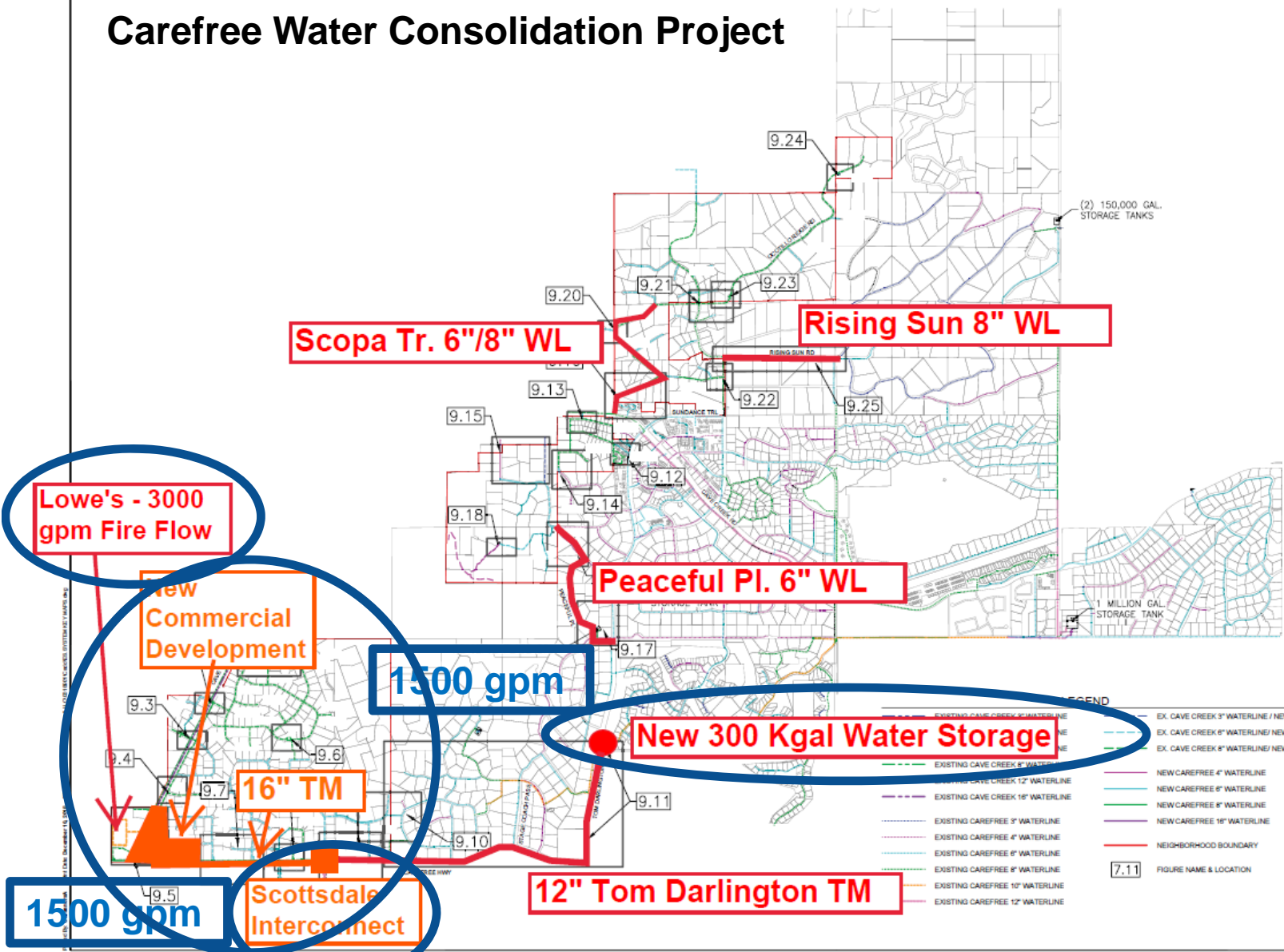
# Carefree Water Consolidation Project



| NO. | REVISION | DATE |
|-----|----------|------|
|     |          |      |
|     |          |      |
|     |          |      |

**Coe and Van Loo II L.L.C.**

NEIGHBORHOOD IMPROVEMENTS KEY MAP  
CAREFREE WATER SYSTEM EVALUATION  
CAREFREE, ARIZONA



**FIGURE 9.0**  
CML  
DATE: 11/16/2011  
SCALE: 1\"/>



# Overview of Topics

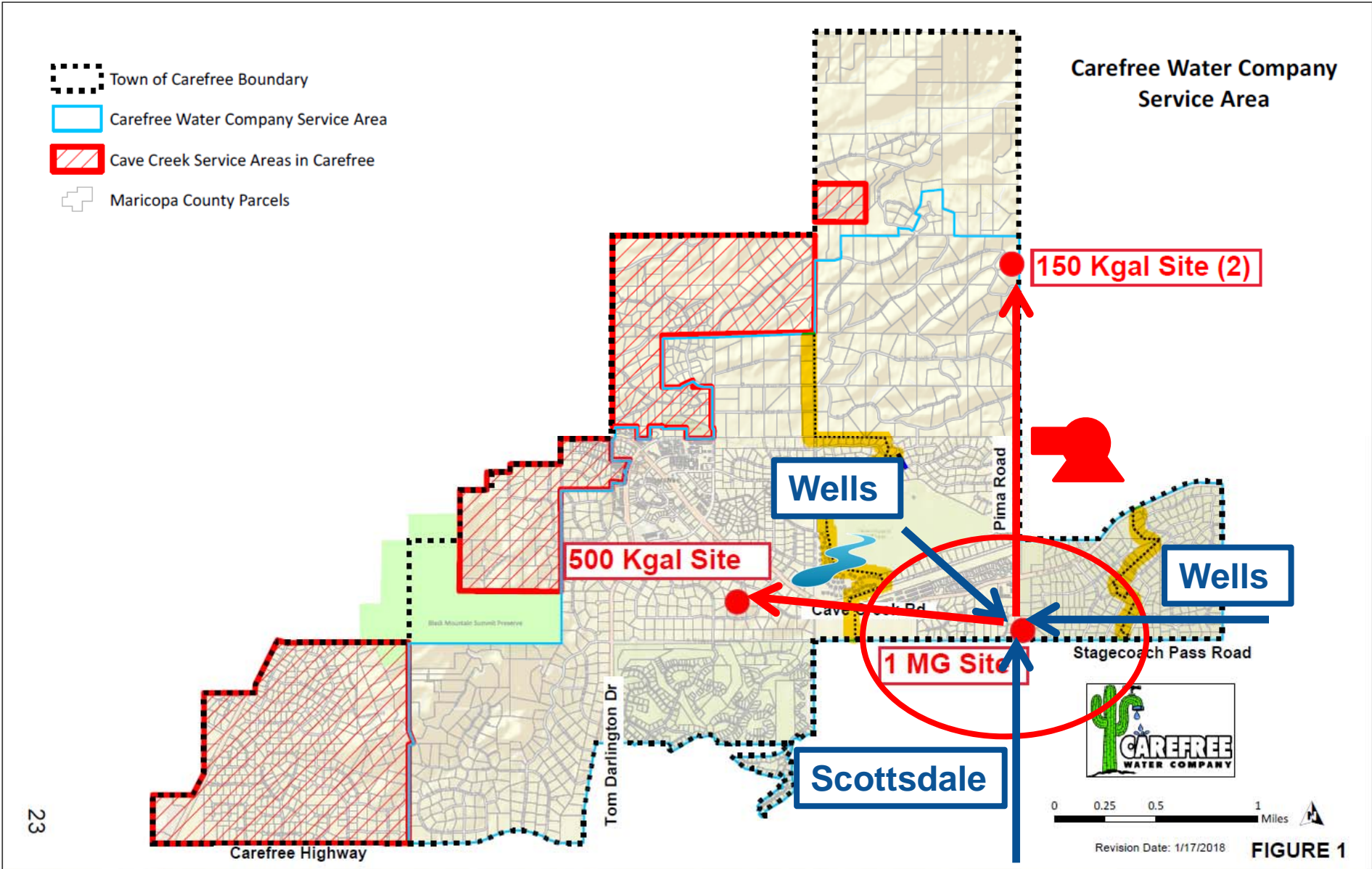
- General water storage discussion
- Acquisition studies – CVL analyses
- Site selection criteria
- Water storage concept/design changes since November 2019
- Other reservoir details
- Authorizations to be considered tonight




# Water Storage Discussion

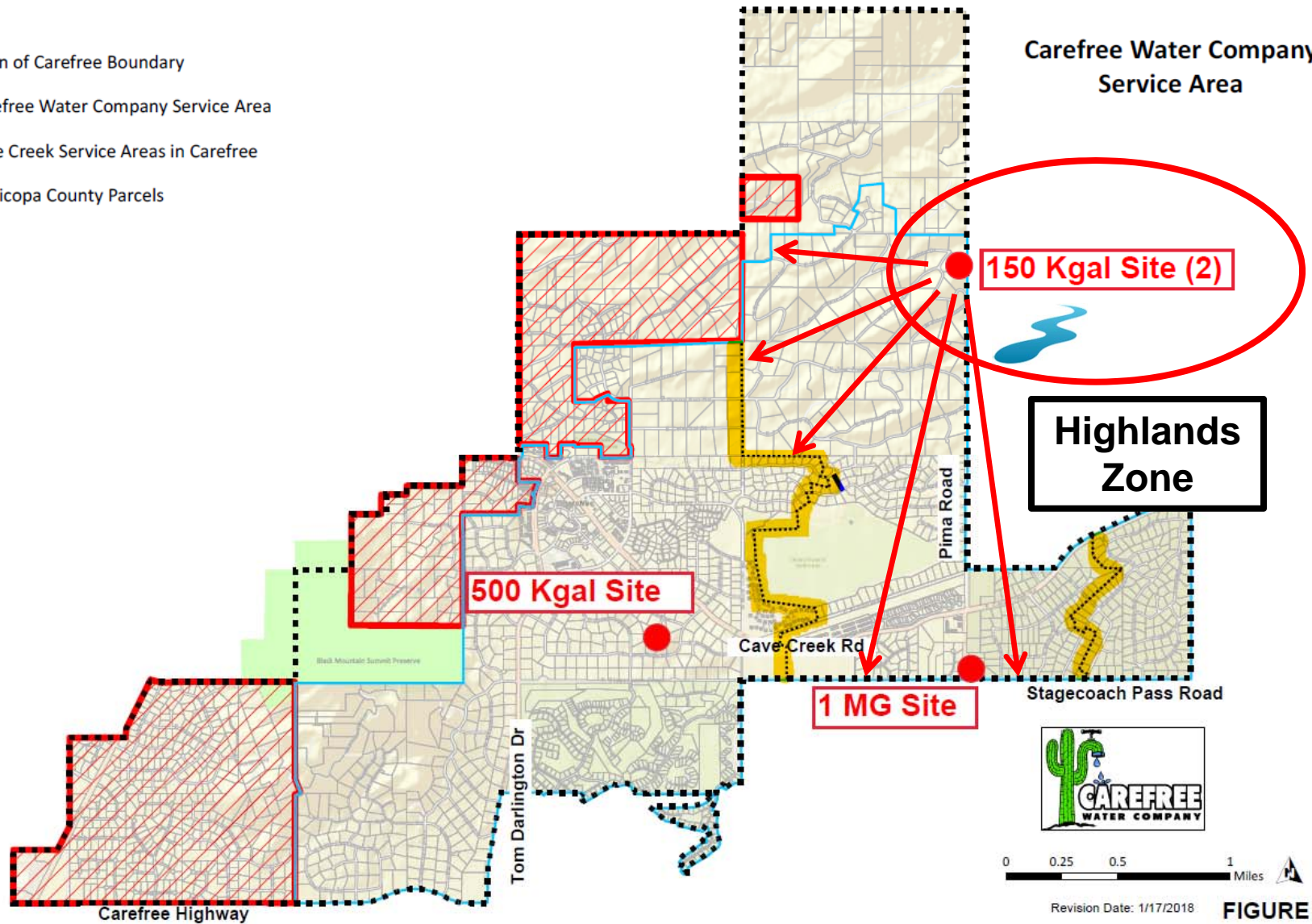
- Why is water storage needed?
  - Meet peak demand
  - Fire protection
  - Reasonably sized water production facilities
- Where is Carefree's current storage?





-  Town of Carefree Boundary
-  Carefree Water Company Service Area
-  Cave Creek Service Areas in Carefree
-  Maricopa County Parcels

Carefree Water Company Service Area



Highlands Zone

500 Kgal Site

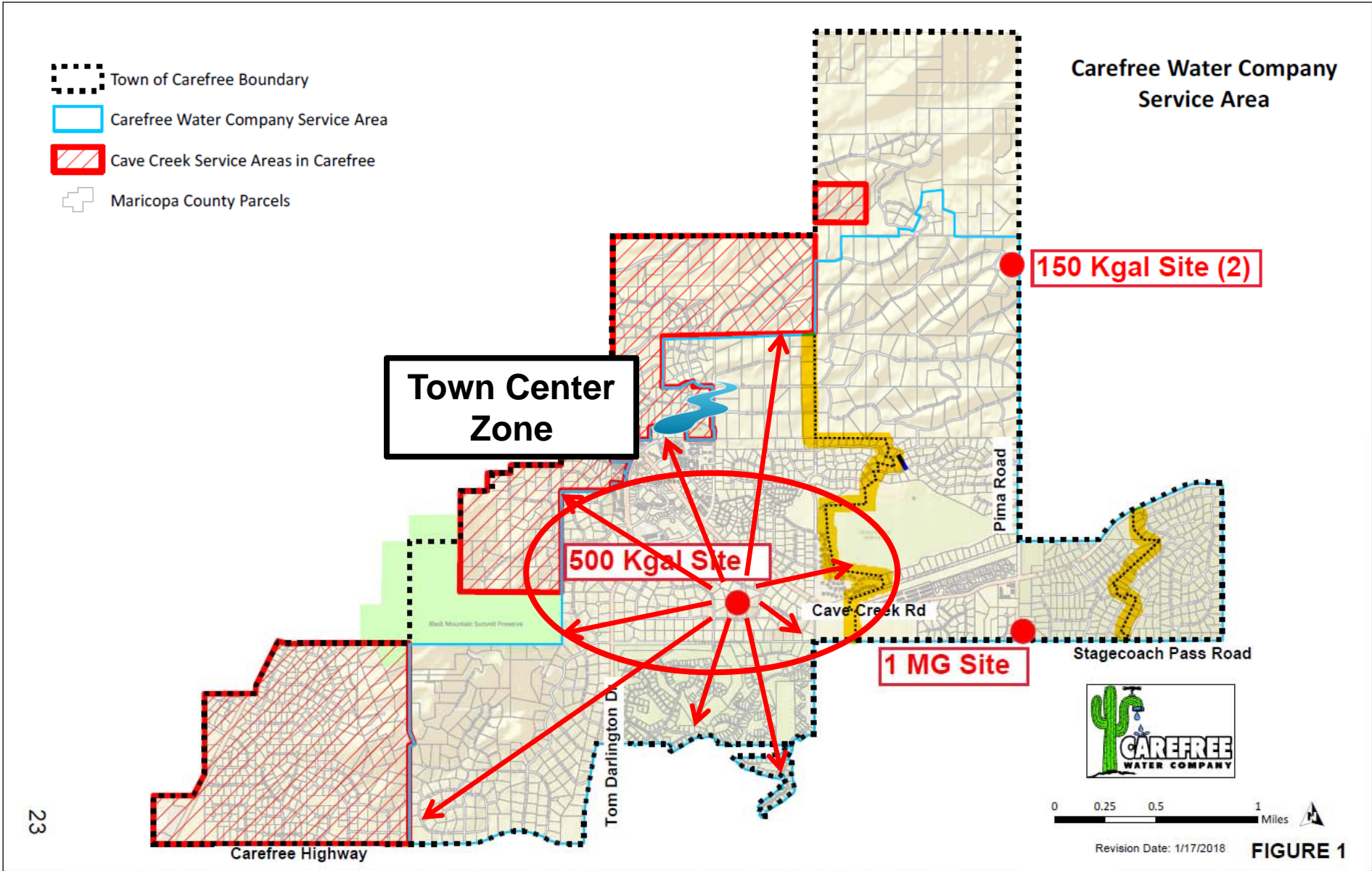
150 Kgal Site (2)

1 MG Site



Revision Date: 1/17/2018 **FIGURE 1**

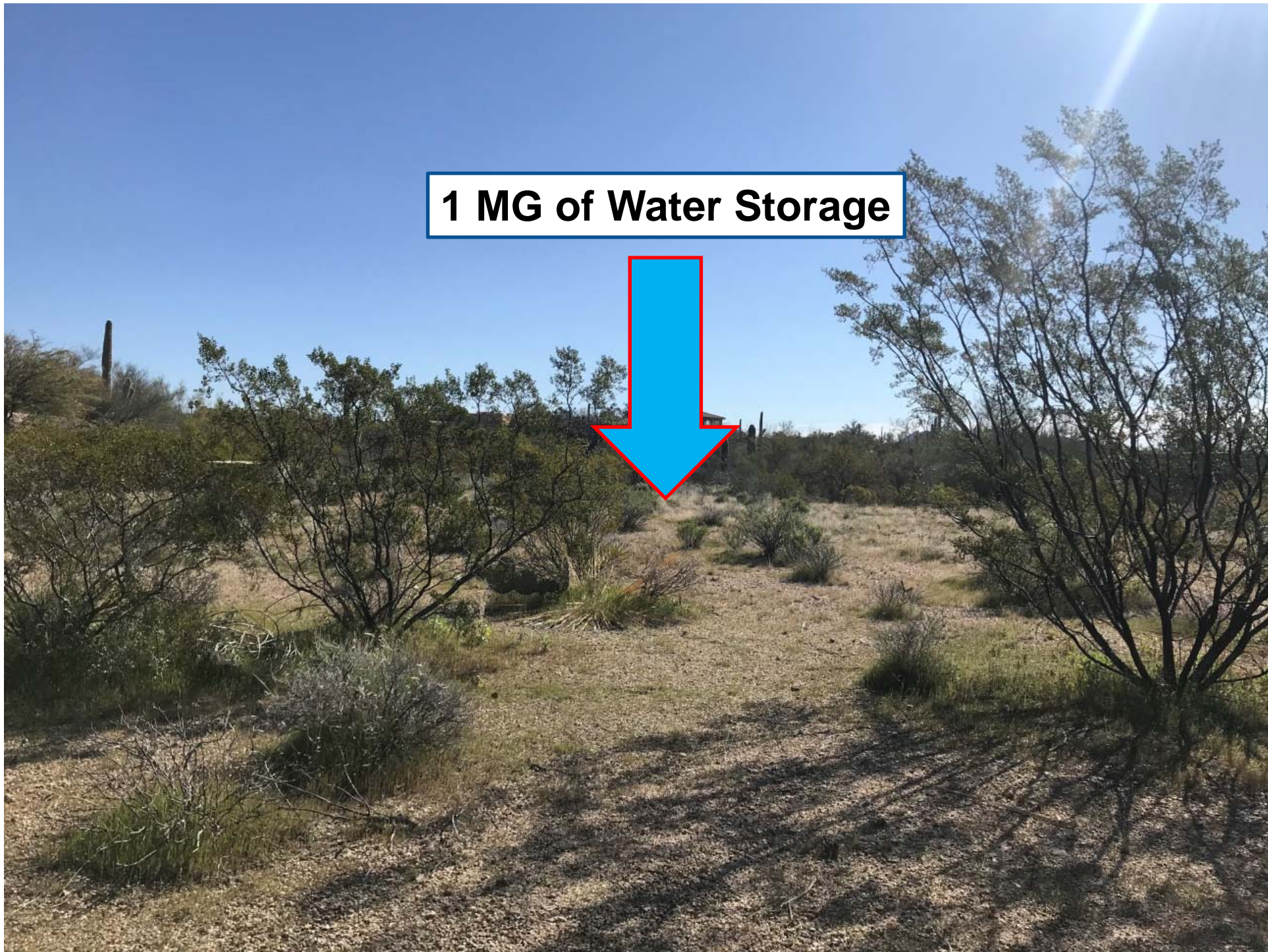
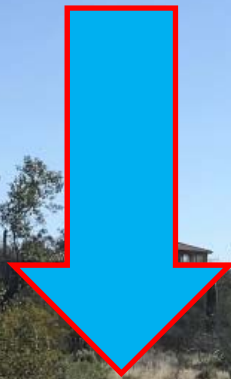




**FIGURE 1**

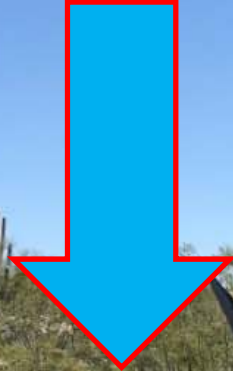


**1 MG of Water Storage**



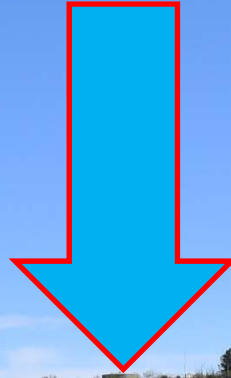


**1 MG of Water Storage**



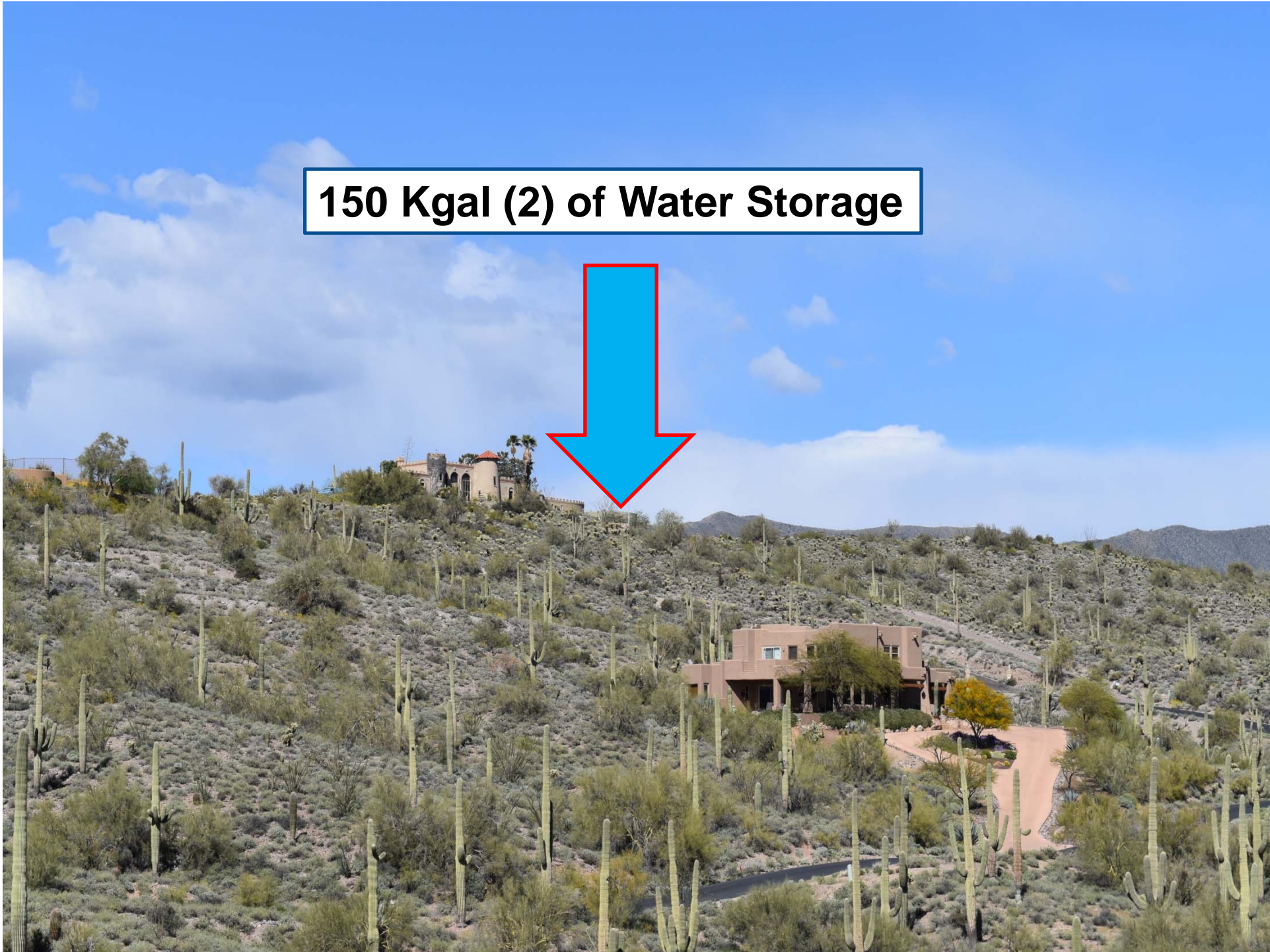
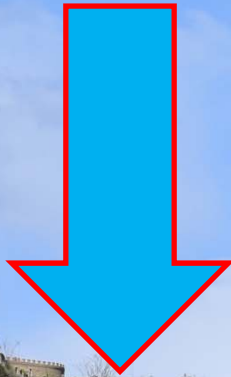


**150 Kgal (2) of Water Storage**



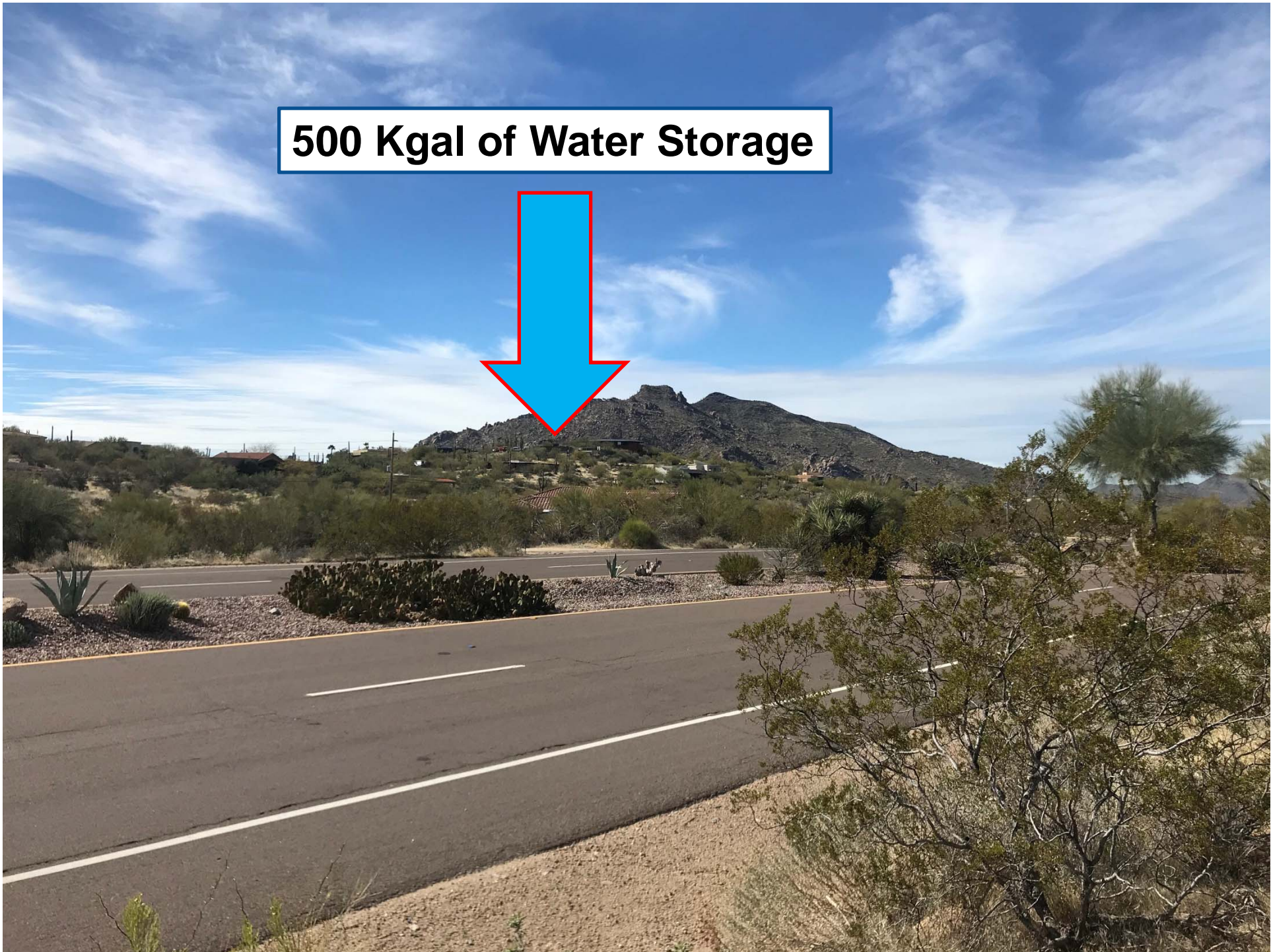
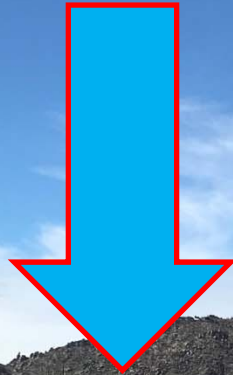


**150 Kgal (2) of Water Storage**





**500 Kgal of Water Storage**

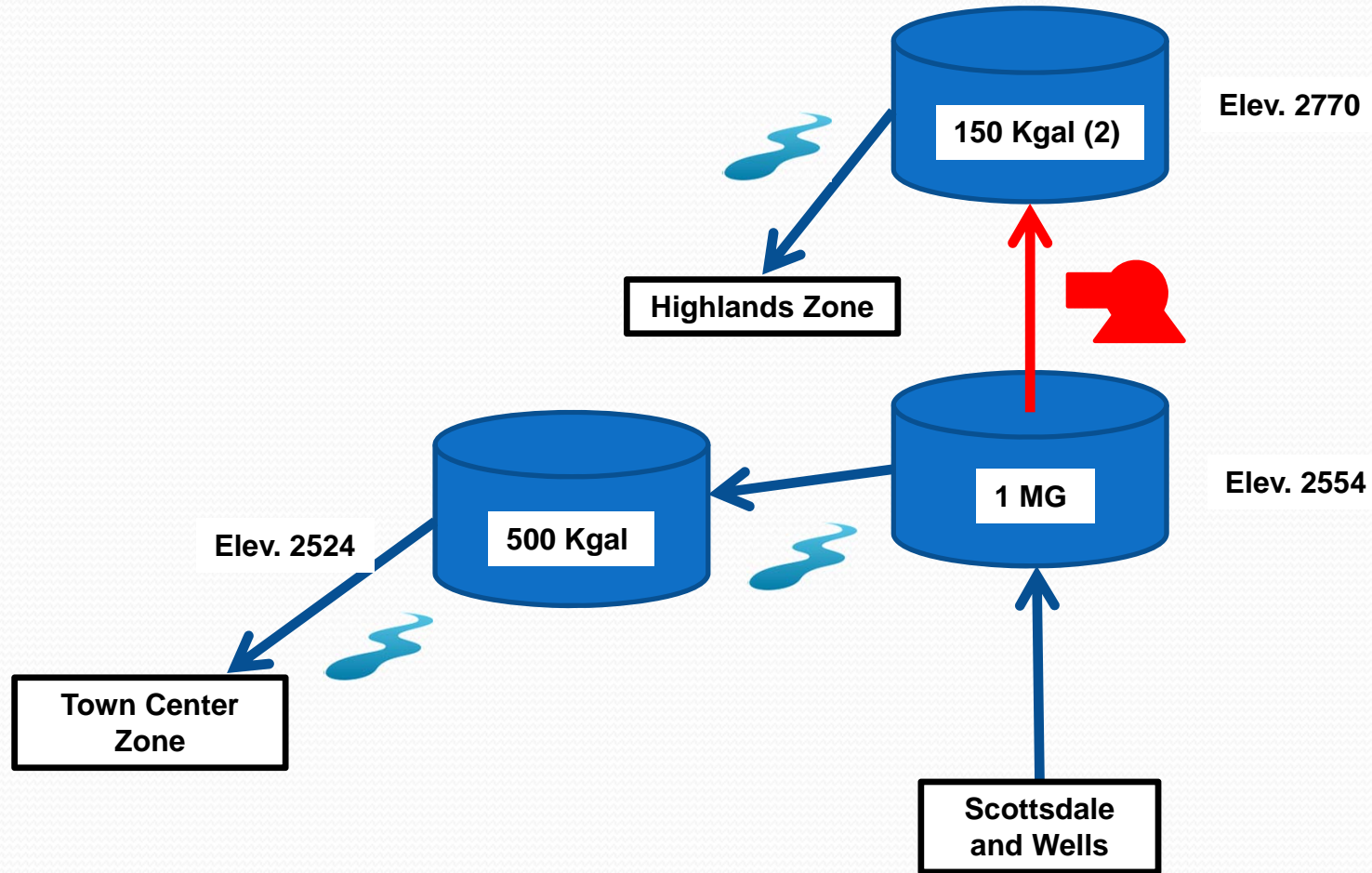








# Carefree Water Storage Schematic





# Acquisition Studies

(The Acquisition of those areas of Carefree served potable water by the Town of Cave Creek.)

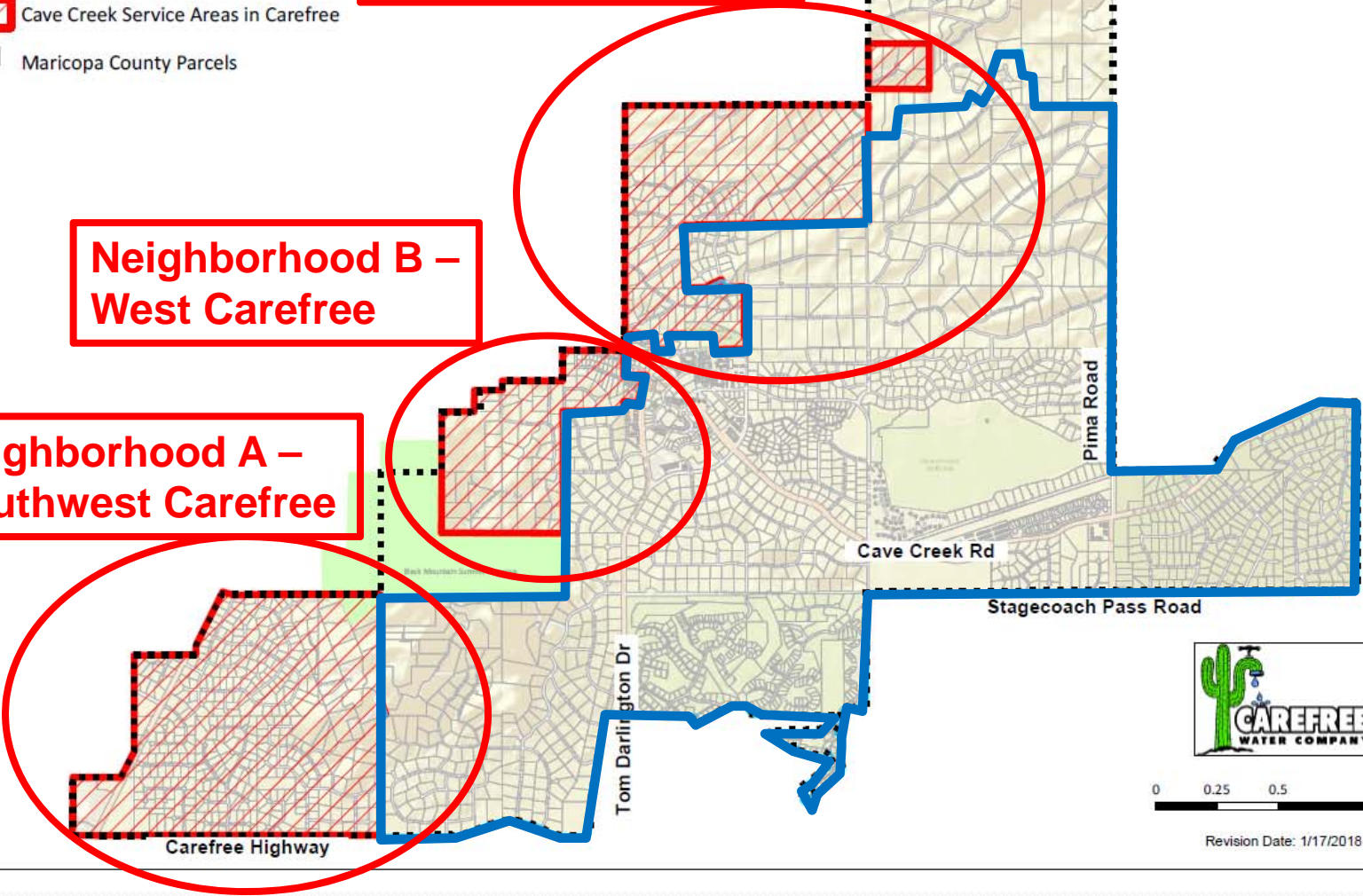
# Acquisition Areas

-  Town of Carefree Boundary
-  Carefree Water Company Service Area
-  Cave Creek Service Areas in Carefree
-  Maricopa County Parcels

**Neighborhood C – Northwest Carefree**

**Neighborhood B – West Carefree**

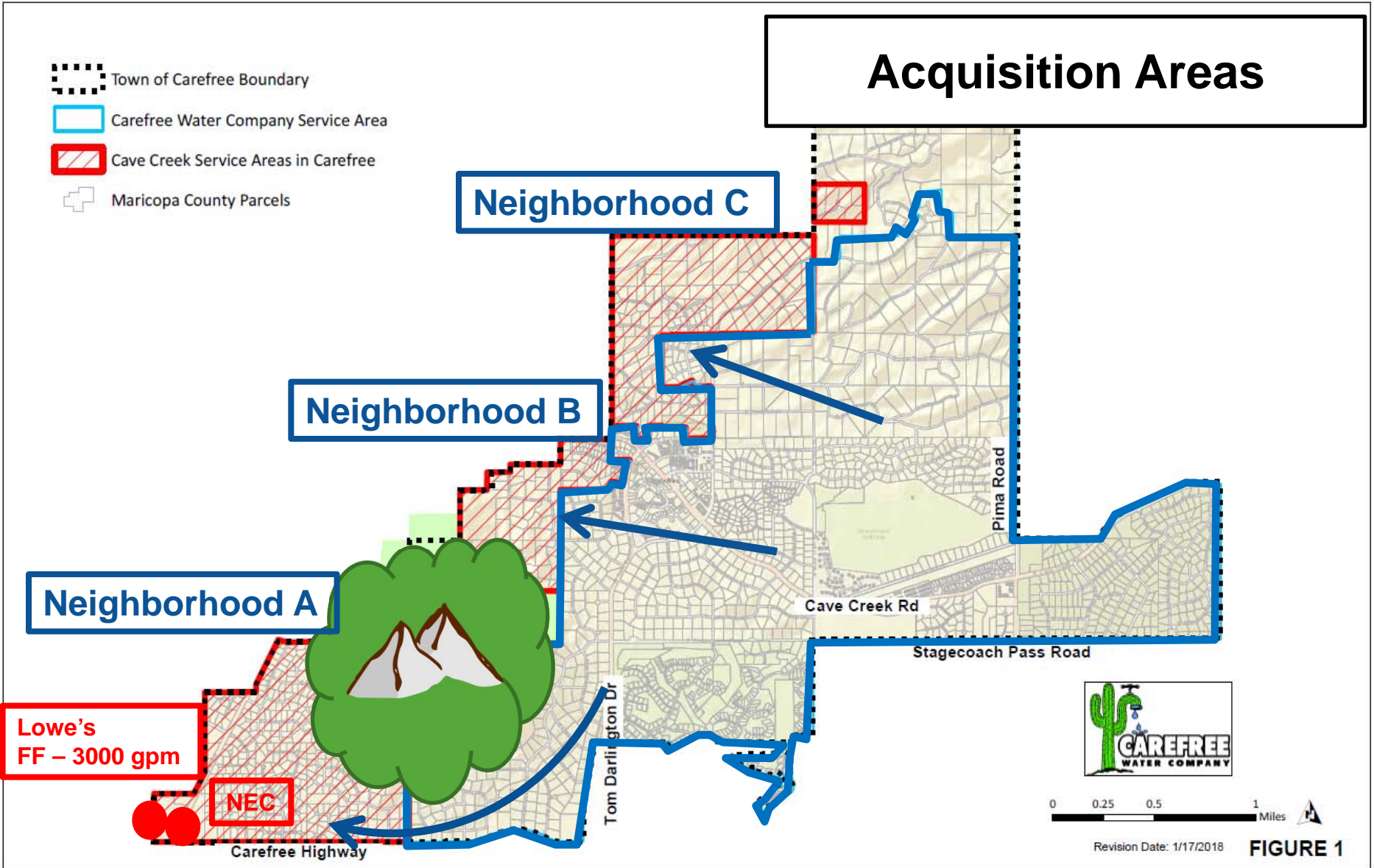
**Neighborhood A – Southwest Carefree**



Revision Date: 1/17/2018

**FIGURE 1**





# Acquisition Study

- Coe & Van Loo (CVL) hired mid-2018
- Address potential acquisition
- One question posed:
  - Need additional water storage?
- Computer modeling to answer
  - Every pipe, well, pump, water res. etc.
  - Addresses: peak demands, fire protection, acquisition areas, growth









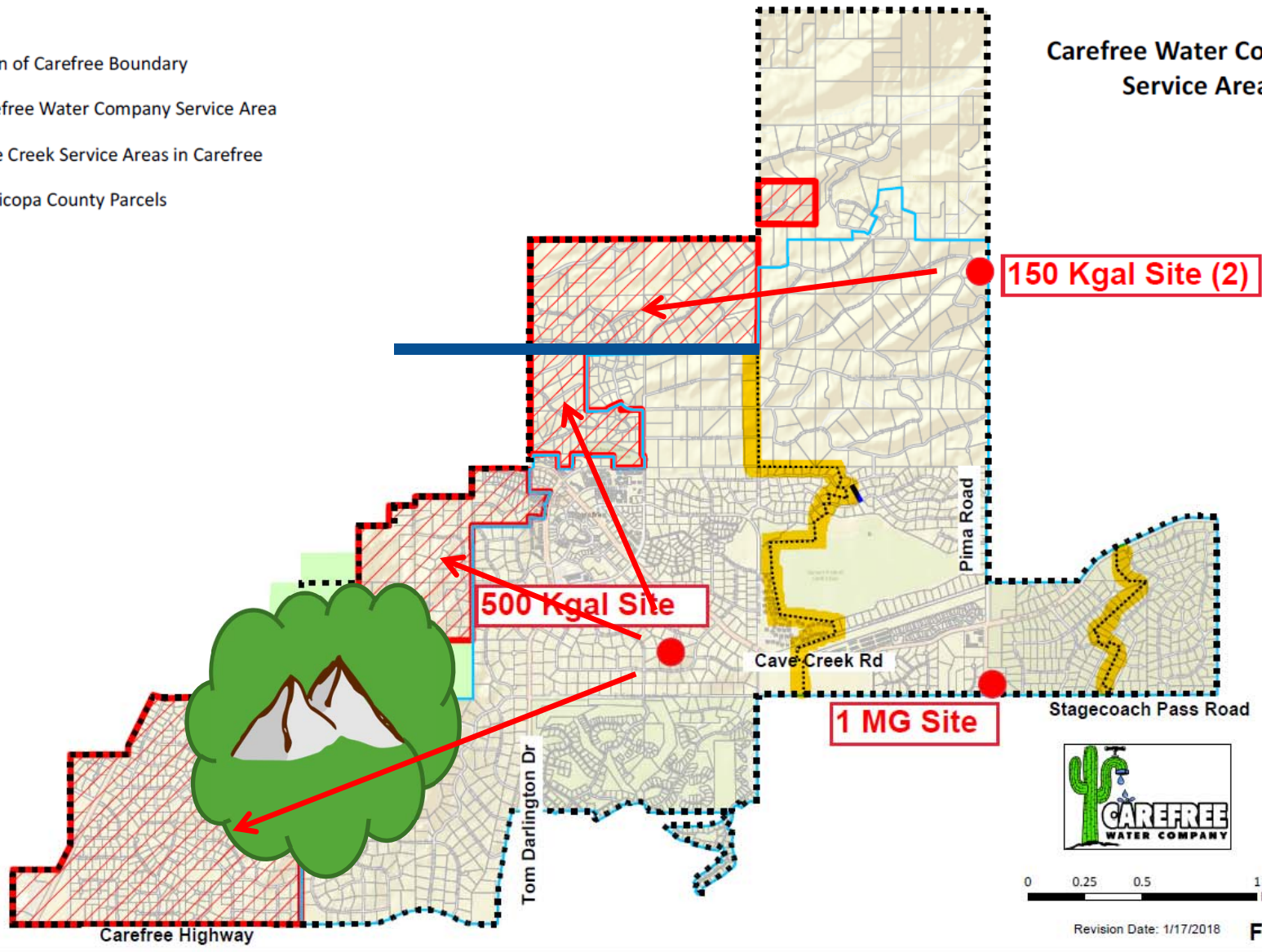
# Storage Analysis Results

- More storage needed – “rebalancing”
- How much – 300 Kgal.
- Where – supplement 500 kgal Site
  - Includes Town Center & Boulders
  - SW Carefree (Neighborhood A)



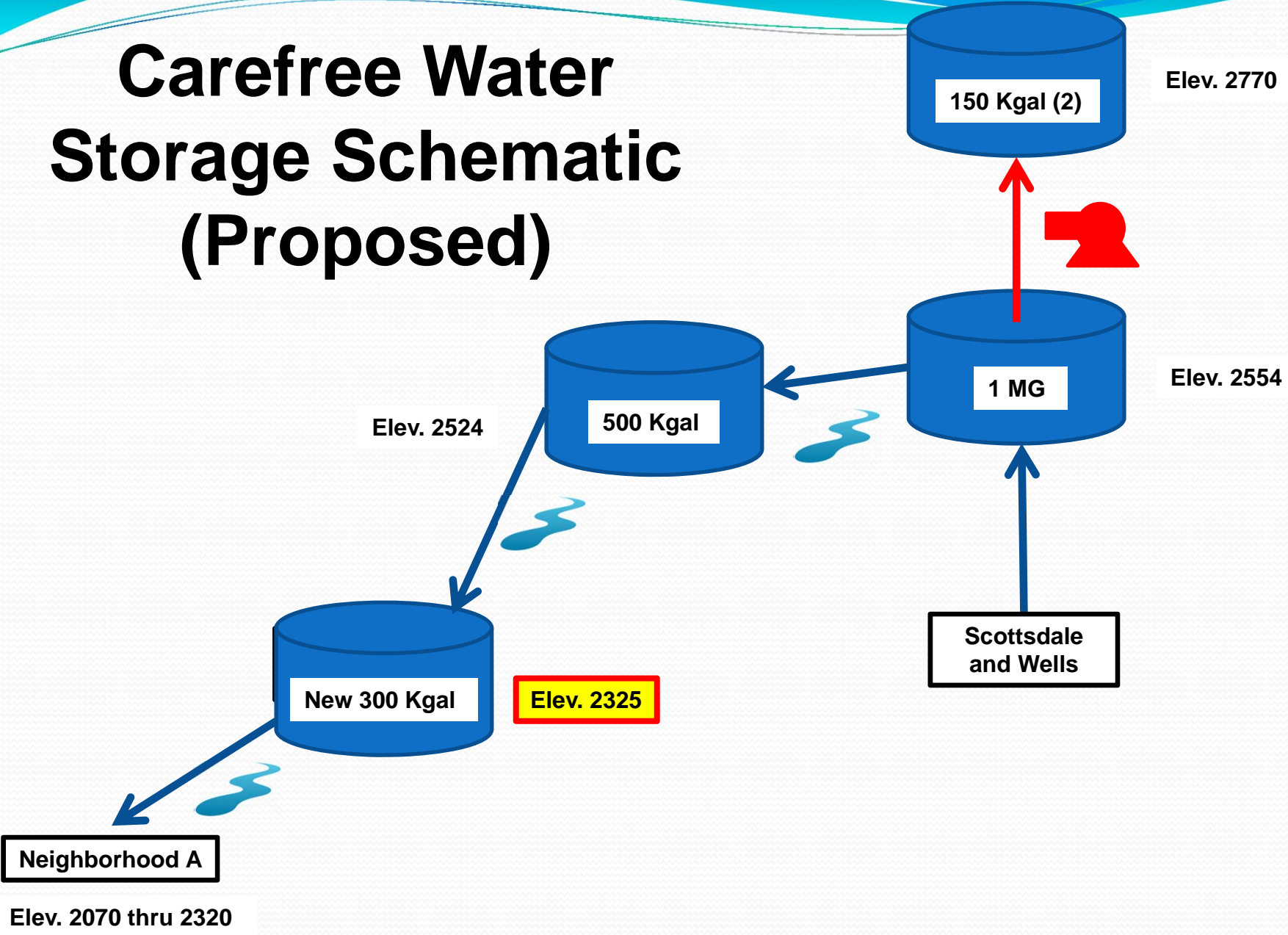
-  Town of Carefree Boundary
-  Carefree Water Company Service Area
-  Cave Creek Service Areas in Carefree
-  Maricopa County Parcels

**Carefree Water Company  
Service Area**



Revision Date: 1/17/2018 **FIGURE 1**

# Carefree Water Storage Schematic (Proposed)





# Why Elev. 2325?

## Below Elev. 2325

- Requires pumping
  - Unnecessary energy costs-capital-noise
  - Creates unnec. weak pt. in system
    - Pump failures, power outage
    - Increased life cycle costs

## Above Elev. 2325

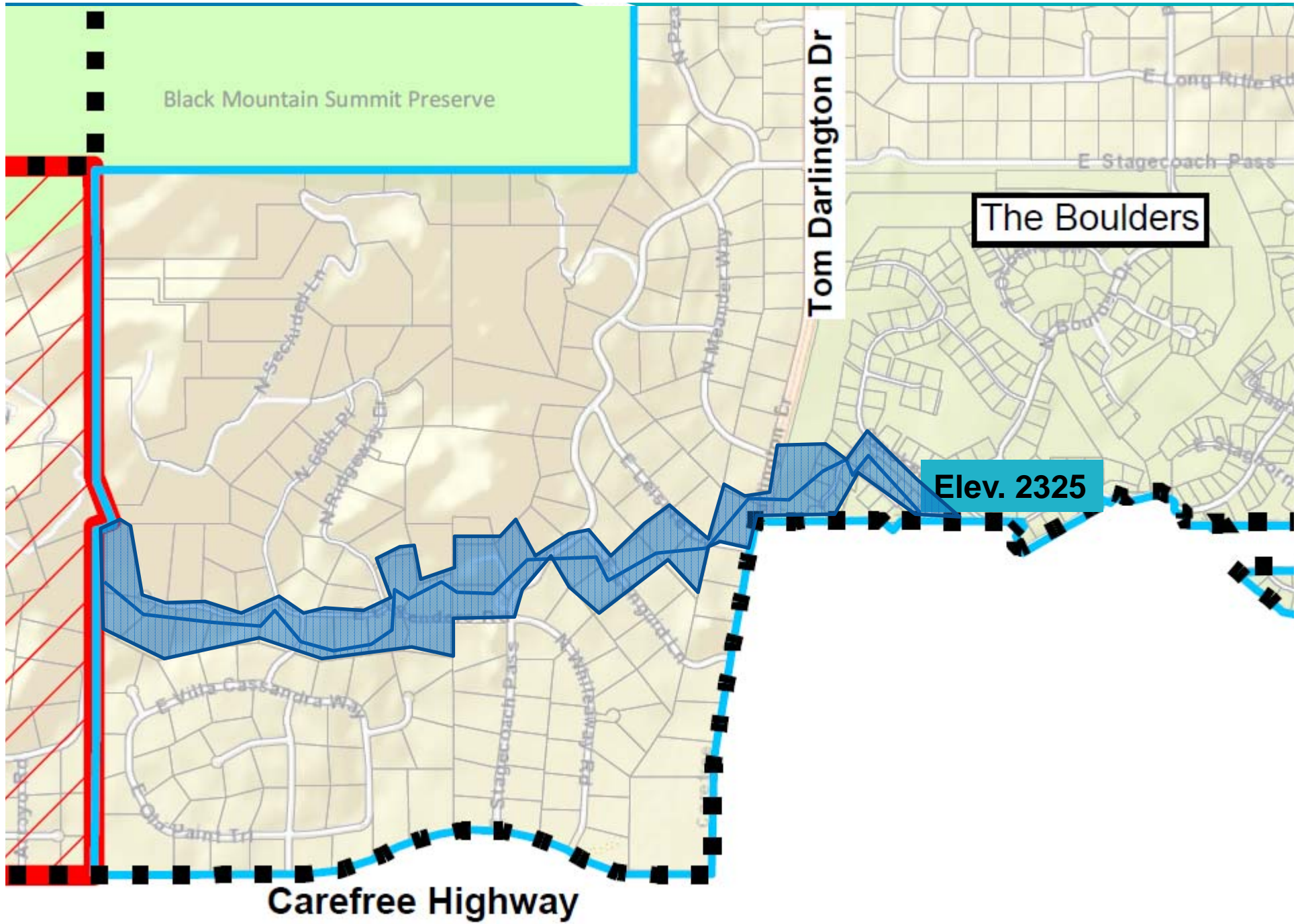
- Over-pressurizes system (More PRV's)
- Generally more distance, longer pipes



# Site Selection Criteria

- Proper elev. to support gravity feed
- Vacant/undeveloped parcel
- Proximity to large transmission main
- Non-residential access point
- Non-residential construction of feed line and discharge line
- Topographic and geologic challenges





**300,000 Gallon Water Storage Reservoir - Site Screening Matrix**  
**Parcels Meeting Elevation 2325 Criteria**

|    | APN         | Street                 | Vacant | Near Water Trans. Main | Non-Res. Access | Non-Res. Feed & Disch. Lines | Topo/Geo & Notes  |
|----|-------------|------------------------|--------|------------------------|-----------------|------------------------------|-------------------|
| 1  | 216-32-022  | Leisure Lane           | No     | -                      | -               | -                            | -                 |
| 2  | 216-32-030  | Leisure Lane           | No     | -                      | -               | -                            | -                 |
| 3  | 216-32-031  | Leisure Lane           | No     | -                      | -               | -                            | -                 |
| 4  | 216-32-037  | Languid Lane           | No     | -                      | -               | -                            | -                 |
| 5  | 216-32-040  | Languid Lane           | No     | -                      | -               | -                            | -                 |
| 6  | 216-32-074  | Stagecoach             | No     | -                      | -               | -                            | -                 |
| 7  | 216-32-075  | Stagecoach             | No     | -                      | -               | -                            | -                 |
| 8  | 216-32-076  | Stagecoach             | No     | -                      | -               | -                            | -                 |
| 9  | 216-32-106  | El Sendero             | No     | -                      | -               | -                            | -                 |
| 10 | 216-32-107  | El Sendero             | No     | -                      | -               | -                            | -                 |
| 11 | 216-32-109  | El Sendero             | No     | -                      | -               | -                            | -                 |
| 12 | 216-32-110  | El Sendero             | No     | -                      | -               | -                            | -                 |
| 13 | 216-32-111  | El Sendero             | No     | -                      | -               | -                            | -                 |
| 14 | 216-32-122  | El Sendero             | No     | -                      | -               | -                            | -                 |
| 15 | 216-32-123  | El Sendero             | No     | -                      | -               | -                            | -                 |
| 16 | 216-32-124  | El Sendero             | No     | -                      | -               | -                            | -                 |
| 17 | 216-32-125  | El Sendero             | No     | -                      | -               | -                            | -                 |
| 18 | 216-32-126  | El Sendero             | No     | -                      | -               | -                            | -                 |
| 19 | 216-33-371  | Sagebrush              | No     | -                      | -               | -                            | -                 |
| 20 | 216-33-372  | Sagebrush              | No     | -                      | -               | -                            | -                 |
| 21 | 216-33-375  | Sagebrush              | No     | -                      | -               | -                            | -                 |
| 22 | 216-33-376  | Sagebrush              | No     | -                      | -               | -                            | -                 |
| 23 | 216-33-377  | Fox Tail               | No     | -                      | -               | -                            | -                 |
| 24 | 216-33-378  | Fox Tail               | No     | -                      | -               | -                            | -                 |
| 25 | 216-33-382A | Fox Tail               | No     | -                      | -               | -                            | -                 |
| 26 | 216-33-384  | Sagebrush              | No     | -                      | -               | -                            | -                 |
| A  | 216-32-039  | Stagecoach             | Yes    | Yes                    | No              | No                           | See Note A Below  |
| B  | 216-32-086  | El Sendero             | Yes    | Yes                    | No              | No                           | See Note B Below  |
| C  | 216-32-087  | Ridgeway Dr.           | Yes    | Yes                    | No              | No                           | See Note C Below  |
| D  | 216-33-379  | Fox Tail               | Yes    | Yes                    | No              | No                           | See Note D Below  |
| E  | 216-33-461A | Smoketree/Boulder Pass | Yes    | Yes                    | No              | No                           | See Note E Below  |
| PA | 216-33-451B | Tom Darlington         | Yes    | Yes                    | Yes             | Yes                          | See Note PF Below |

32 Parcels

26 Parcels



## 300,000 Gallon Water Storage Reservoir - Site Screening Matrix

### Parcels Meeting Elevation 2325 Criteria

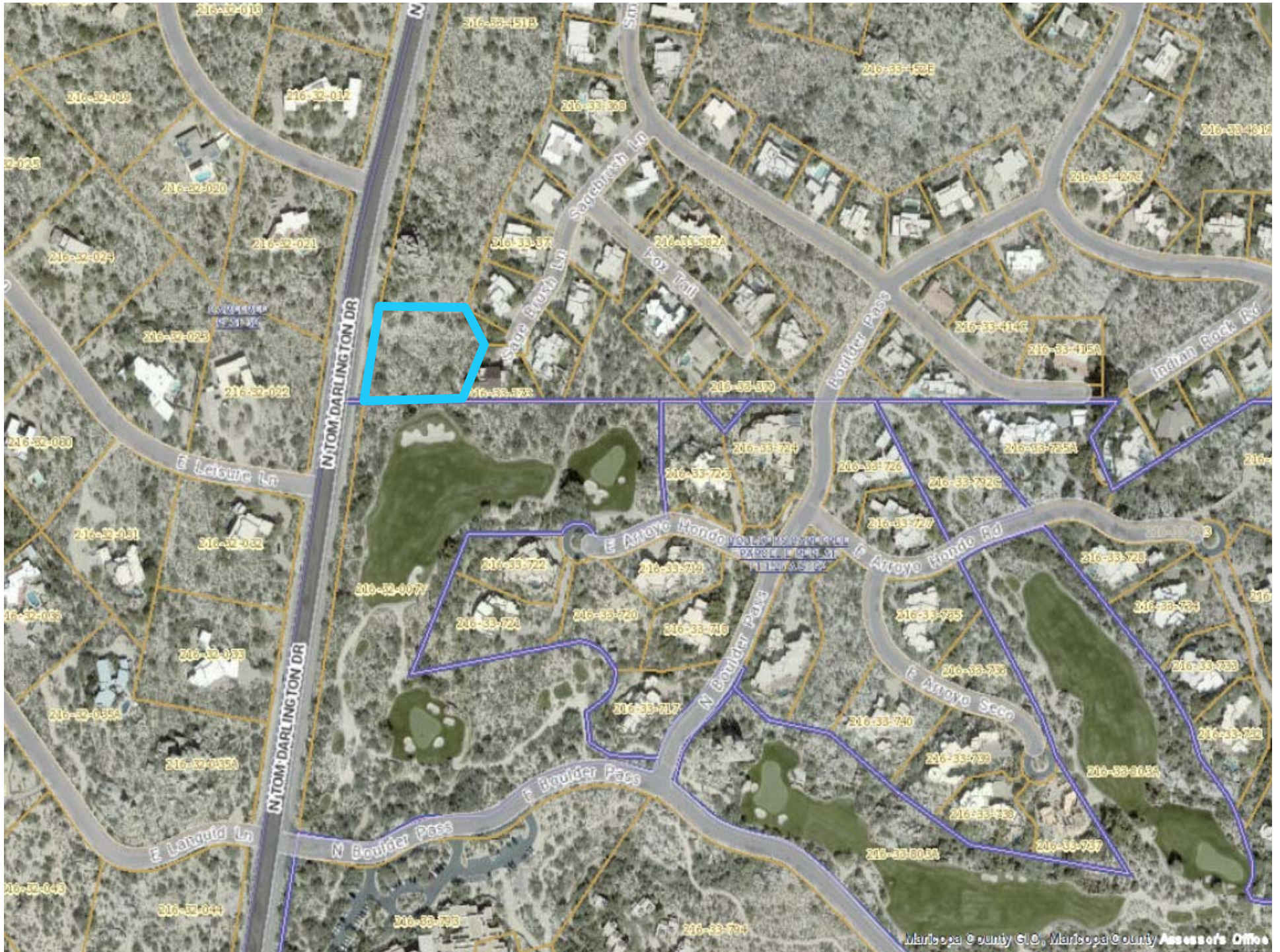
|    | APN         | Street                                        | Vacant | Near Water<br>Trans. Main | Non-<br>Res.<br>Access | Non-Res.<br>Feed &<br>Disch. Lines | Topo/Geo<br>& Notes  |
|----|-------------|-----------------------------------------------|--------|---------------------------|------------------------|------------------------------------|----------------------|
| A  | 216-32-039  | Stagecoach<br><b>Carefree 3B</b>              | Yes    | Yes                       | No                     | No                                 | See Note A<br>Below  |
| B  | 216-32-086  | El Sendero<br><b>Carefree 3B</b>              | Yes    | Yes                       | No                     | No                                 | See Note B<br>Below  |
| C  | 216-32-087  | Ridgeway Dr.<br><b>Carefree 3B</b>            | Yes    | Yes                       | No                     | No                                 | See Note C<br>Below  |
| D  | 216-33-379  | Fox Tail<br><b>Boulders Internal</b>          | Yes    | Yes                       | No                     | No                                 | See Note D<br>Below  |
| E  | 216-33-461A | Smoketree/Boulder<br><b>Boulders Internal</b> | Yes    | Yes                       | No                     | No                                 | See Note E<br>Below  |
| PA | 216-33-451B | Tom Darlington<br><b>Boulders Border</b>      | Yes    | Yes                       | Yes                    | Yes                                | See Note PF<br>Below |



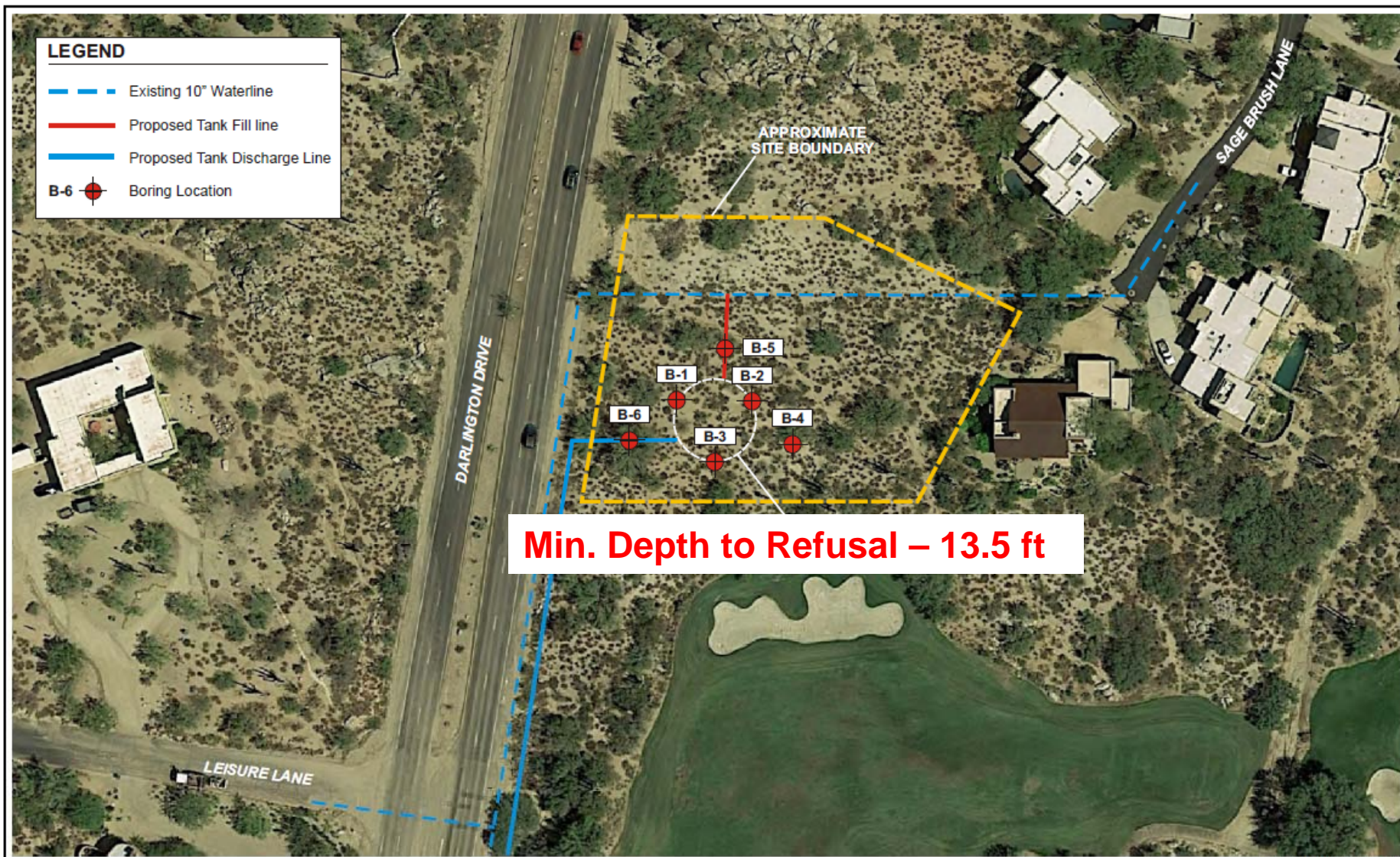
# Topography/Geology Notes

Note PA (216-33-451B) – Border HOA lot that is part of Boulders gated community. Moderately undulating topography with some small washes. Sizeable gently sloping area just east of Tom Darlington. General fall about 3.8% to the south/southeast. Access off Tom Darlington. Distance from Black Mtn. encouraging. Rock outcropping to the north. Recommended for further geology/geotechnical work.









Source: NAVTEQ, 08/28/18.



NOTE: DIMENSIONS, DIRECTIONS AND LOCATIONS ARE APPROXIMATE.

**FIGURE 2**

**BORING LOCATIONS**

WATER STORAGE TANK  
 TOM DARLINGTON AND LEISURE LANE  
 CAREFREE, ARIZONA

bain file no. 6138pm0919



# Site Selection Criteria

- Proper Elev. to support gravity feed ✓
- Vacant/undeveloped parcel ✓
- Proximity to large transmission main ✓
- Non-residential access point ✓
- Non-residential construction of feed line and discharge line ✓
- Topographic and geologic challenges ✓



# Neighborhood Involvement

- Approached BHOA Board March 2019
  - Access to perform geotech invest.
- BHOA gen. memb. meeting - Nov. 8, 2019
- Follow-up meeting w/nearby residents – January 2020
- Notice of Claim Filed in Feb. 2020,  
Litigation filed in July 2020



# Comparison


Meeting on Nov. 8, 2019 (BHOA)



Today

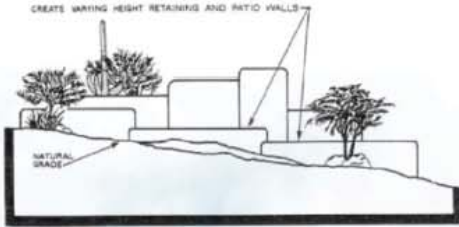
Message: We listened

# Water Storage Concept

- 300 Kgal of additional storage 
- ~~1/2 Below G~~ **Underground** ~~ive Ground~~
- ~~16~~ ft of water depth **12 ft.**
- ~~60~~ ft Diameter = ~~2800~~ SF **65 ft. 3300 SF**
- ~~Partially~~ buried concrete walls - 8" to 12" thickness
- Utility area (equipment/electrical) = ~~3000~~ SF **1300 SF**



Boulders Design Guidelines exhibit illustrating variation in building and wall massing



## Water Storage

Concept Views



Example illustrating varied building massing and retaining walls



Example illustrating undulations in parapet roof massing and stepped site walls



Example illustrating use of berming and boulders to screen structures



Specimen boulder outcroppings to be avoided.



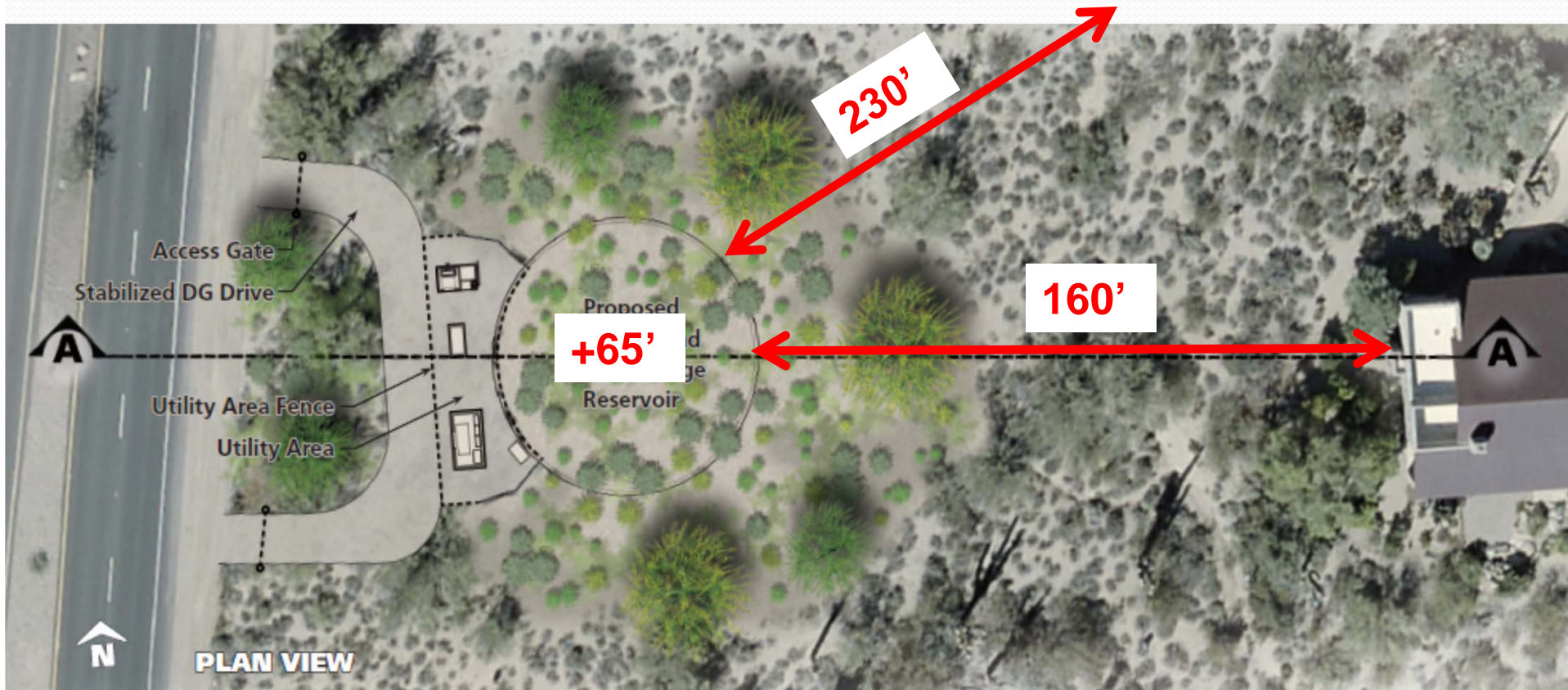




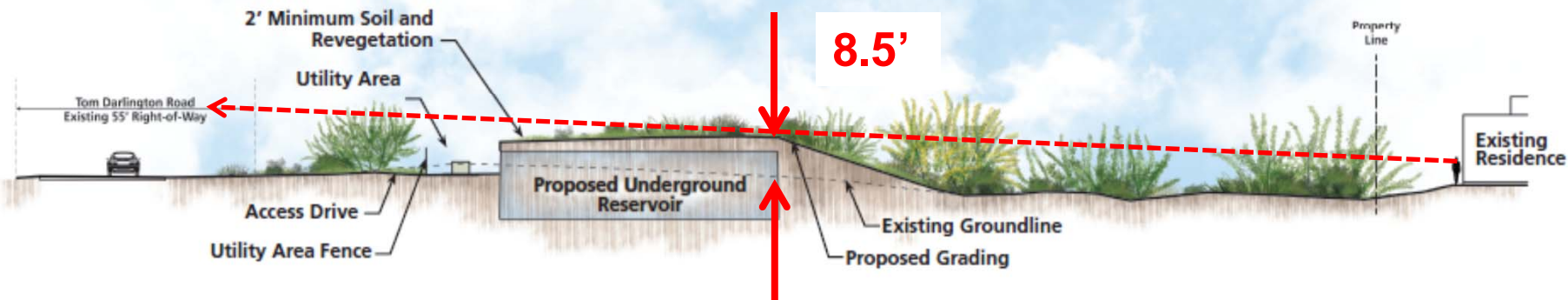
**ELEVATION, LOOKING WEST**

**Proposed Underground Water Storage Reservoir**



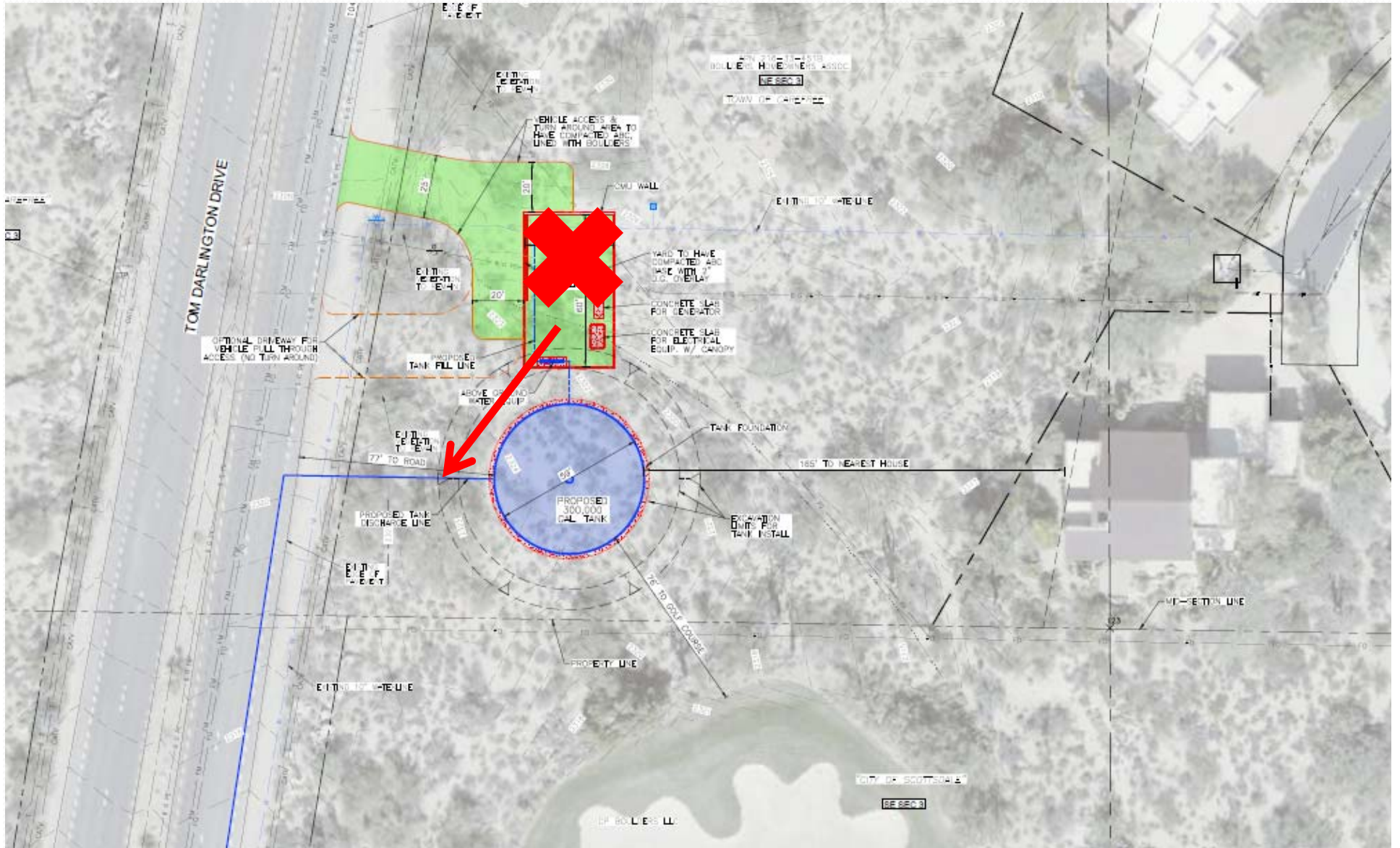


**SECTION VIEW, A-A**

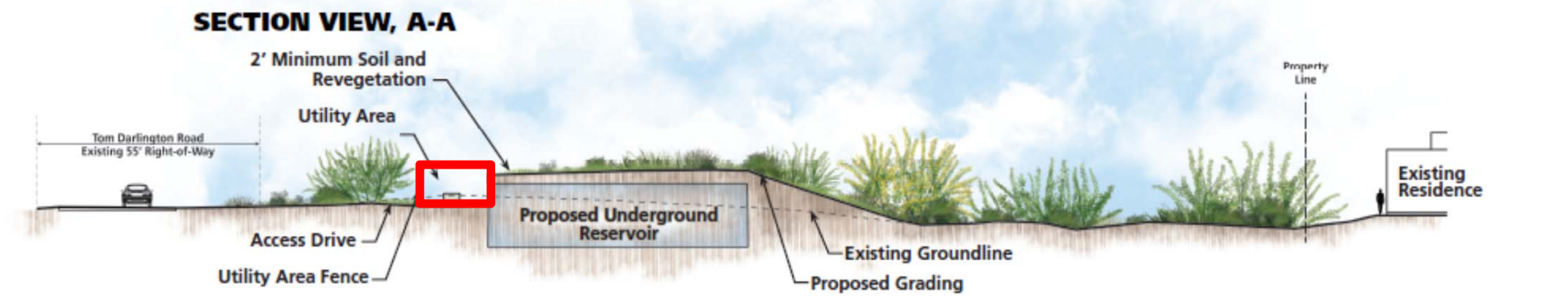
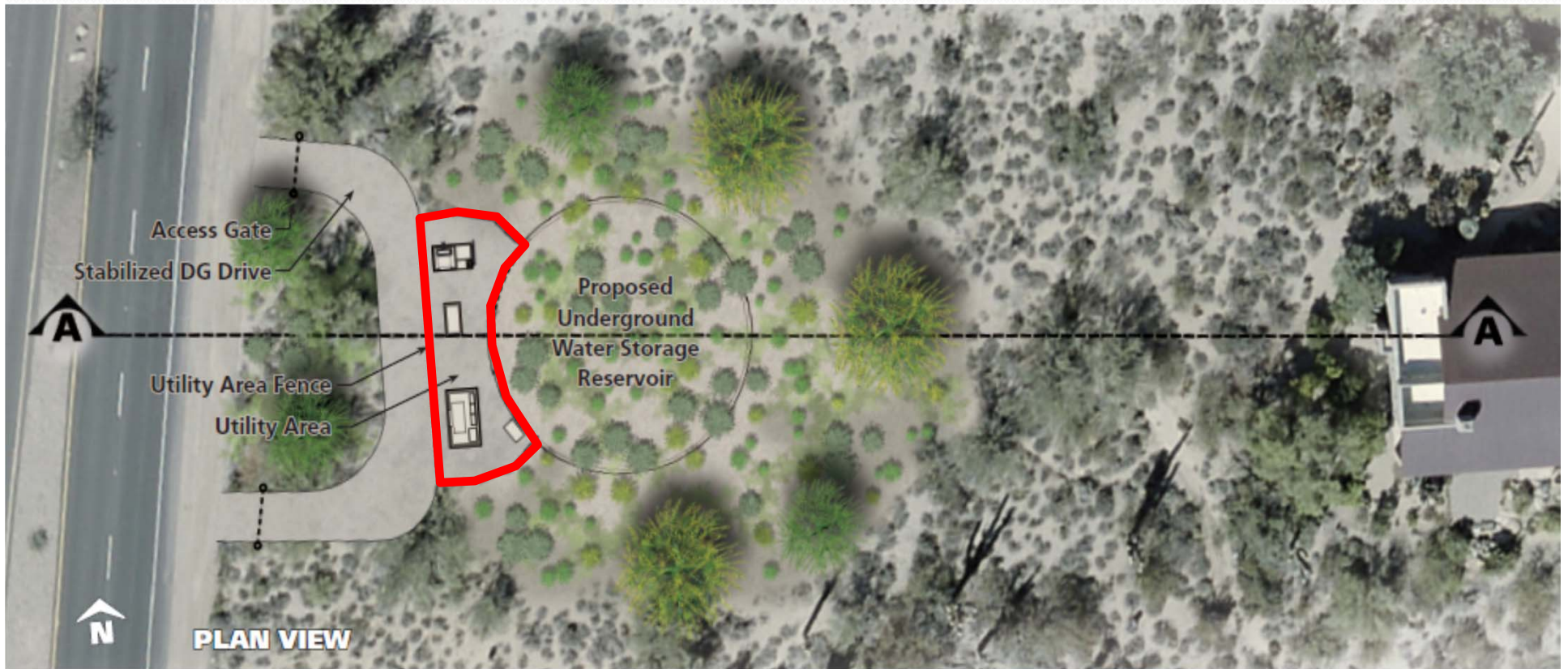


**Proposed Underground Water Storage Reservoir**









**Proposed Underground Water Storage Reservoir**



# Utility Area

- Significantly downsized to 1300 SF
- Move to west side of reservoir
  - Located behind wall and earthen berm
  - Hides visually and provides sound buffering for residences to east
  - Buffer from Tom D. by landscaping
- Minor, low impact equipment



# Utility Area Equipment

- Electrical cabinets
- Chlorination equipment
  - “Boost” chlorine if necessary
  - Use tablet (Solid) chlorine
- Blower - water quality (THM Control)
  - Comparable to “refrigerator”
- Emergency back-up generator
  - Power outages
  - Exercise once per week – 20 min.



# Utility Area Equipment

- Minimal Issues in Open Air Environ.
- Placing Equipment “Underground”
  - Unnecessary Based on Buffering
  - Significant Worker Safety Issues
    - OSHA Confined Space Requirements
      - Inundation/Drowning
      - Electrocution
      - Combustion Exhaust/Chlorine/Lack of Oxygen





# Recommendation/Action

- Concludes presentation
  - Excellent site for water storage res.
  - Listening to and protecting neighbors
- Next – reading of public comments
  - Claims about validity of site selection
  - Opposition to use of site
- After public comments – consider authorization to acquire Boulders site

# Recommendation/Action

- Recommendation from eng'r. team
- Don't take lightly
  - Reviewed and vetted by GM
  - Full support
- Best site balances multiple objectives
  - Meets water system's O&M objectives
  - Cost effective
  - Minimizes impact on community
  - Minimizes impact on neighborhood





# Recommendation/Action

- Utilized following knowledge bases
  - Independent consultant - months
  - 8yrs. knowledge GM of system & acq.
  - 20+yrs. operator knowledge
- Site provides greatest public good and least private injury

# Questions?





# Carefree Water Company

## Water Acquisition

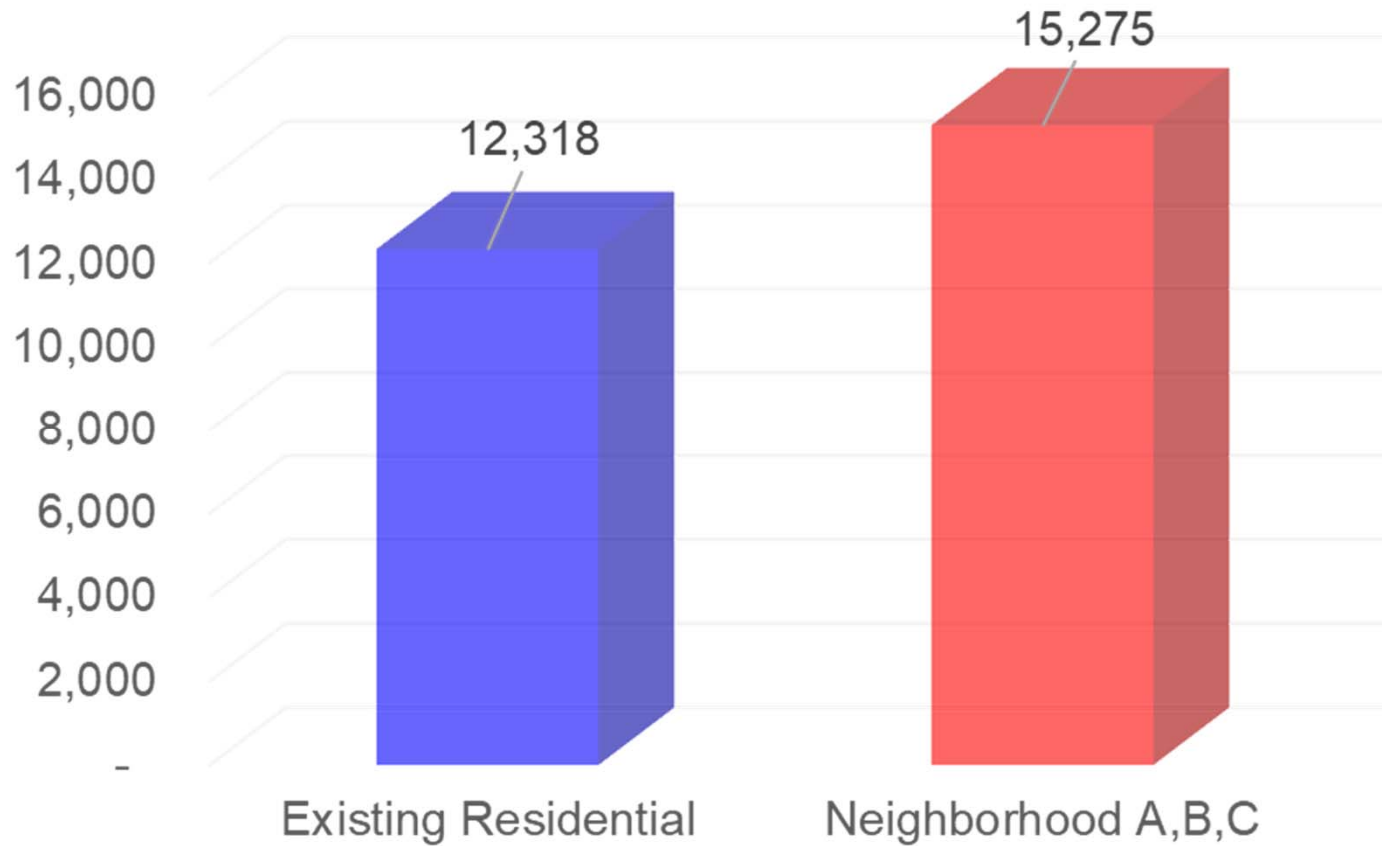
## Financial Impact Analysis

## UCFD Presentation



February 2021

# Average Monthly Usage per Account





# Forecast Water Accounts

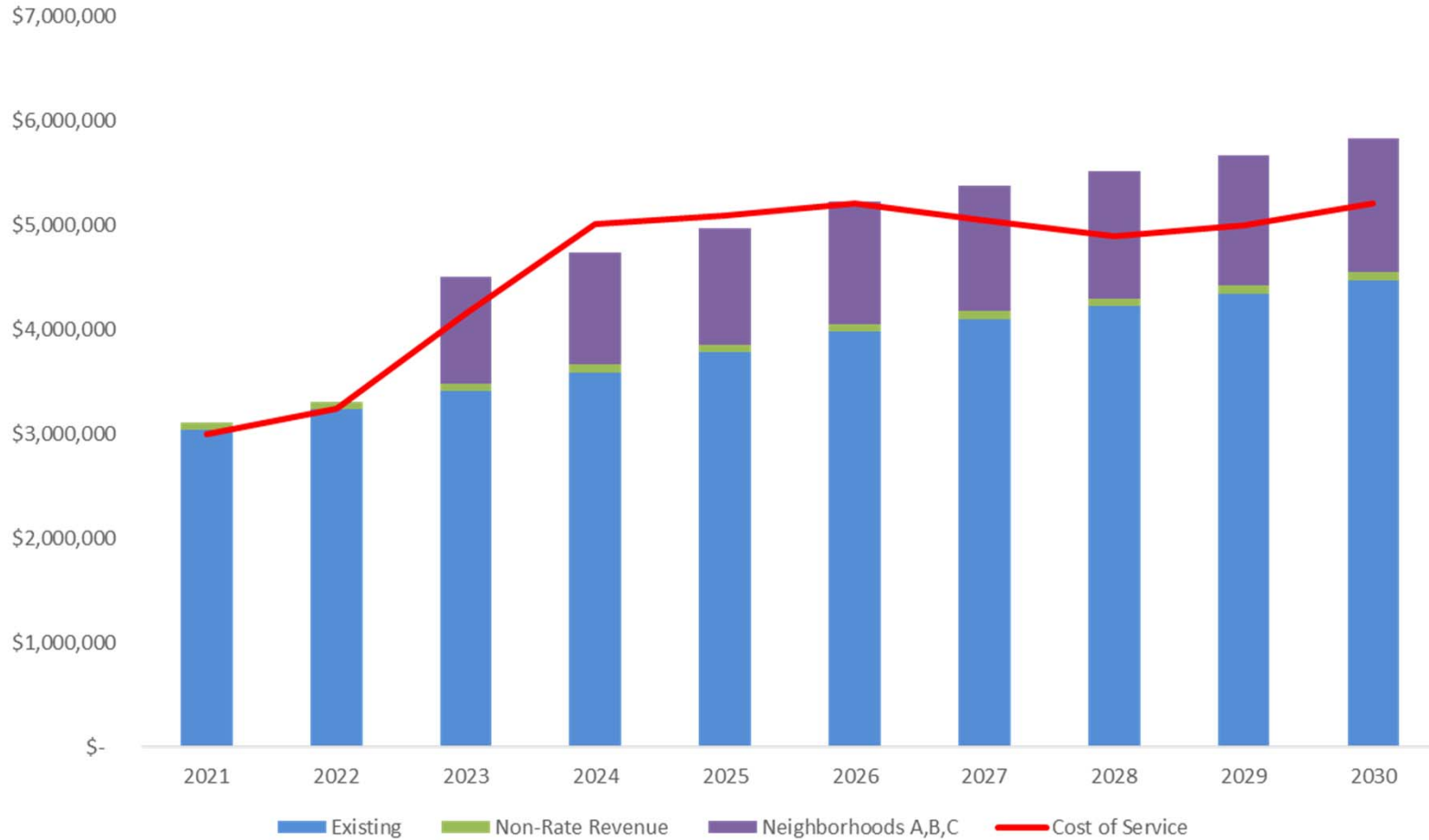


# Forecast Water Cost of Service 2021 – 2030





# Forecast Water Revenues 2021 - 2030



# What if No Acquisition Were to Take Place?



- ◆ Rate adjustments would still be necessary to fund:
  - ❖ Increasing operating costs
  - ❖ capital improvement needs
- ◆ 2019 study established that in the no acquisition scenario, annual rate adjustments **of 3-5%** will be required





# Notes on Rate Proposal



- ◆ To complete acquisition and improve system, the following annual rate adjustments will be needed:
  - ❖ 2022 – 2026: **4.4%**
  - ❖ 2027 – 2030 : **2.0%**
- ◆ Need for additional rate increases limited due to:
  - ❖ Structure of debt issued
  - ❖ Current debt obligations that will be retired by 2027
  - ❖ Additional revenue from acquired accounts
- ◆ Average utility in USA forecast to implement 5-6% annual adjustments

# Proposed Rate Plan



| Water Rates -- Residential               | Current  | Effective |          |          |          |          |
|------------------------------------------|----------|-----------|----------|----------|----------|----------|
|                                          |          | Jul-21    | Jul-22   | Jul-23   | Jul-24   | Jul-25   |
| Monthly Minimum Charge -- up to 1" Meter | \$ 48.31 | \$ 50.44  | \$ 52.65 | \$ 54.97 | \$ 57.39 | \$ 59.92 |
| Volume Rate Per 1,000 Gal                |          |           |          |          |          |          |
| - 8,000                                  | 3.90     | 4.07      | 4.25     | 4.44     | 4.63     | 4.84     |
| 8,001 20,000                             | 5.25     | 5.48      | 5.72     | 5.97     | 6.24     | 6.51     |
| 20,001 30,000                            | 6.90     | 7.20      | 7.52     | 7.85     | 8.20     | 8.56     |
| 30,001 50,000                            | 8.92     | 9.31      | 9.72     | 10.15    | 10.60    | 11.06    |
| 50,001 Above                             | 11.59    | 12.10     | 12.63    | 13.19    | 13.77    | 14.37    |



# Proposed Rate Plan Impact on Monthly Charges



| Residential Standard Monthly Bill -- 1" Meter |                | Current  | Effective |          |          |          |          |
|-----------------------------------------------|----------------|----------|-----------|----------|----------|----------|----------|
|                                               |                |          | Jul-21    | Jul-22   | Jul-23   | Jul-24   | Jul-25   |
| 5,000 Gal W                                   | Total          | \$ 67.81 | \$ 70.79  | \$ 73.91 | \$ 77.16 | \$ 80.56 | \$ 84.10 |
|                                               | Increase -- \$ | 2.86     | 2.98      | 3.11     | 3.25     | 3.40     | 3.54     |
|                                               | Increase -- %  | 4.4%     | 4.4%      | 4.4%     | 4.4%     | 4.4%     | 4.4%     |
| 12,000 Gal W                                  | Total          | 100.51   | 104.93    | 109.55   | 114.37   | 119.40   | 124.66   |
|                                               | Increase -- \$ | 4.24     | 4.42      | 4.62     | 4.82     | 5.03     | 5.25     |
|                                               | Increase -- %  | 4.4%     | 4.4%      | 4.4%     | 4.4%     | 4.4%     | 4.4%     |
| 20,000 Gal W                                  | Total          | 142.51   | 148.78    | 155.33   | 162.16   | 169.30   | 176.75   |
|                                               | Increase -- \$ | 6.01     | 6.27      | 6.55     | 6.83     | 7.14     | 7.45     |
|                                               | Increase -- %  | 4.4%     | 4.4%      | 4.4%     | 4.4%     | 4.4%     | 4.4%     |

## Acquired Area Rate Proposal



- ◆ For neighborhoods A, B, C, set minimum charge to be the Carefree minimum charge plus \$20.00
  
- ◆ Volumetric rates differ between Carefree and Cave Creek
  
- ◆ Impact on each monthly bill will differ based on:
  - ❖ Whether customer was in Cave Creek Boosted or Non-Boosted service area
  
  - ❖ Each customer's total monthly usage



# Acquired Area Rate Proposal



|                                    |        | <b>Cave Creek<br/>Current</b> |       | <b>Carefree<br/>FY 2023</b> |          |
|------------------------------------|--------|-------------------------------|-------|-----------------------------|----------|
| <b>Monthly Charge</b>              |        |                               |       |                             |          |
| Non-Boosted                        |        | \$ 56.85                      |       | \$ 72.65                    | \$ 15.80 |
| Boosted                            |        | 67.02                         |       | 72.65                       | 5.63     |
| <b>Volume Charge per 1,000 Gal</b> |        |                               |       |                             |          |
|                                    | -      | 8,000                         | 3.09  | 4.25                        |          |
|                                    | 8,001  | 10,000                        | 3.09  | 5.72                        |          |
|                                    | 10,001 | 20,000                        | 4.64  | 5.72                        |          |
|                                    | 20,001 | 30,000                        | 6.96  | 7.52                        |          |
|                                    | 30,001 | 50,000                        | 10.44 | 9.72                        |          |
|                                    | 50,001 | Above                         | 15.66 | 12.63                       |          |

NOTE: assumes Cave Creek does not increase its rates before 2023

# Acquired Area Impact on Monthly Charges



| Monthly Gallons | Cave Creek    |               | Carefree      |
|-----------------|---------------|---------------|---------------|
|                 | Non-Boosted   | Boosted       | FY 2023       |
| 5,000           | \$ 72.30      | \$ 82.47      | \$ 93.90      |
| 10,000          | 87.75         | 97.92         | 118.10        |
| <b>17,000</b>   | <b>120.23</b> | <b>130.40</b> | <b>158.16</b> |
| 30,000          | 203.75        | 213.92        | 250.53        |
| 40,000          | 308.15        | 318.32        | 347.75        |
| 50,000          | 412.55        | 422.72        | 444.97        |
| 60,000          | 569.15        | 579.32        | 571.30        |
| 70,000          | 725.75        | 735.92        | 697.62        |
| 80,000          | 882.35        | 892.52        | 823.94        |
| 90,000          | 1,038.95      | 1,049.12      | 950.27        |
| 100,000         | 1,195.55      | 1,205.72      | 1,076.59      |



**Questions?**



RESOLUTION 2021-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN OF CAREFREE, ARIZONA UTILITIES COMMUNITY FACILITIES DISTRICT (UCFD), AUTHORIZING THE CHAIRMAN OF THE BOARD OF DIRECTORS TO INSTRUCT THE ATTORNEY FOR THE UCFD TO TAKE ALL ACTIONS NECESSARY OR CONVENIENT TO ACQUIRE REAL PROPERTY IN FEE TITLE OR ANY LESSER INTEREST THEREIN NECESSARY FOR THE CONSTRUCTION, OPERATION, AND MAINTENANCE OF A WATER STORAGE RESERVOIR AND RELATED FACILITIES BY DONATION, PURCHASE, EXCHANGE, OR THE EXERCISE OF EMINENT DOMAIN, PLUS USUAL AND CUSTOMARY CLOSING COSTS AS MAY BE NECESSARY TO FURTHER THE PURPOSE OF THIS ACQUISITION; AND FURTHER AUTHORIZING THE DISBURSEMENT OF ALL NECESSARY FUNDS FOR THESE PURPOSES.

WHEREAS, providing adequate water service to the public is a proper public purpose; and

WHEREAS, the construction, operation, and maintenance of a water storage reservoir and related facilities will further that public purpose; and

WHEREAS, the property to be acquired, described in Exhibit "A" and incorporated by reference, is necessary for the construction, operation, and maintenance of a water storage reservoir and related facilities; and

WHEREAS, the UCFD has considered various alternative sites and plans, and has concluded that the location of the storage tank on the property to be acquired is consistent with the greatest public good and least private injury;

NOW, THEREFORE, IT IS RESOLVED by the Board of Directors of the UCFD that the Chairman of the Board is hereby authorized to instruct the attorney for the UCFD to take all actions necessary or convenient to acquire the real property legally described in Exhibit "A" and mapped in Exhibit "B" in fee title or any lesser interest therein for the construction, operation, and maintenance of a water storage reservoir and related facilities by donation, purchase, exchange, or the exercise of eminent domain; execute professional services contracts in order to facilitate the acquisition of the property and property interests; and further authorizing the disbursement of funds for these purposes.

PASSED AND ADOPTED BY the Board of Directors of the Town of Carefree, Arizona Utilities Community Facilities District this \_\_\_ day of \_\_\_\_\_, 2021.

AYES \_\_\_ NAYS \_\_\_ ABSTENTIONS \_\_\_ ABSENT \_\_\_

TOWN OF CAREFREE, ARIZONA  
UTILITIES COMMUNITY FACILITIES  
DISTRICT

ATTESTED TO:

---

Les Peterson, Chairman of the  
Board of Directors

---

Kandace French Contreras  
Board Secretary/Treasurer

APPROVED AS TO FORM:

---

Michael W. Wright  
UCFD Attorney

January 6, 2021

LEGAL DESCRIPTION  
BOULDERS WATER TANK SITE  
TOWN OF CAREFREE, ARIZONA  
UTILITIES COMMUNITY FACILITIES DISTRICT

That portion of Tract R-1 of Boulders Carefree 4 Phase 1 recorded in Book 173 of Maps, Page 38, Maricopa County Records, located in a portion of the Northeast Quarter of Section 3, Township 5 North, Range 4 East, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the G.L.O. Brass Cap marking the East Quarter Corner of said Section 3, from which the Maricopa County Highway Department Brass cap in hand hole marking the Northeast Corner of said Section 4 bears North 00°10'35" West, a distance of 2,618.57;

Thence North 89°57'53" West, along the South line of the Northeast Quarter of said Section 4, a distance of 70.01 feet to a Rebar with cap marked LS#33851 and the True Point of Beginning;

Thence continuing North 89°57'53" West, along said South line, a distance of 240.00 feet to a point on the Easterly right-of-way for Tom Darlington Drive;

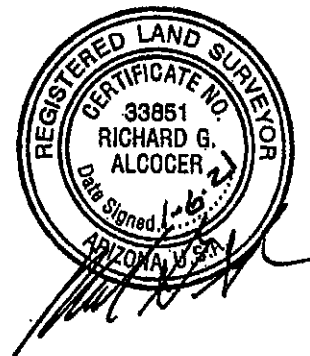
Thence North 09°24'08" East, along said Easterly right-of-way, a distance of 177.36 feet;

Thence South 89°57'53" East, departing said easterly right-of-way, a distance of 170.00 feet;

Thence South 00°02'07" West, a distance of 120.00 feet;

Thence South 36°45'23" East, a distance of 68.68 feet to the True Point of Beginning.

Containing 33,407 Square Feet or 0.767 Acres, more or less.

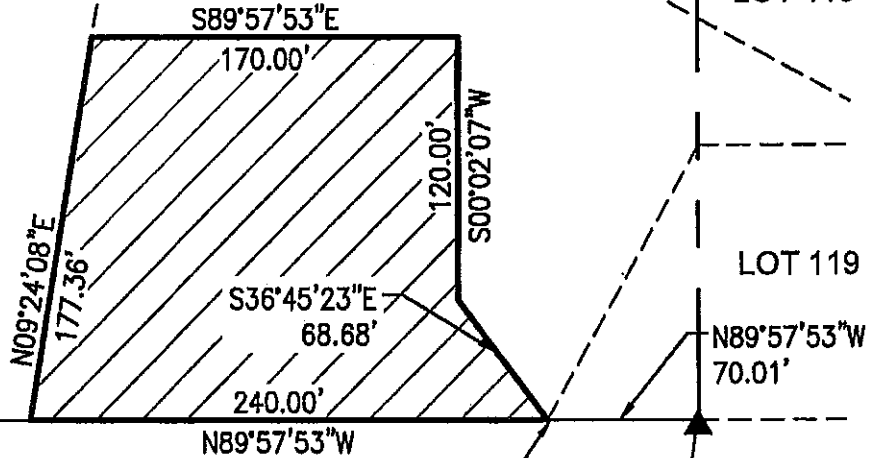




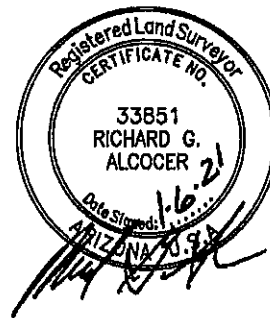
NORTHEAST CORNER, SECTION 3  
TOWNSHIP 5 NORTH, RANGE 4 EAST

TRACT R-1  
BOOK 173 OF MAPS, PAGE 38

TOM DARLINGTON DRIVE



POINT OF BEGINNING  
EAST 1/4 CORNER, SECTION 3  
TOWNSHIP 5 NORTH, RANGE 4 EAST  
POINT OF COMMENCEMENT



|                                                                                                                                             |                                                                              |  |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|--|
| <p>SCALE 1" = 80'<br/>EXHIBIT</p>                                                                                                           | <p>TOWN OF CAREFREE, ARIZONA<br/>UTILITIES COMMUNITY FACILITIES DISTRICT</p> |  |
| <p>4550 North 12th Street<br/>Phoenix, Arizona 85014<br/>Phone 602-264-6831<br/><a href="http://www.cvlci.com">http://www.cvlci.com</a></p> | <p><b>BOULDERS WATER TANK SITE</b></p>                                       |  |