

CAREFREE WATER FAST FACTS #5



History

Both Carefree and Cave Creek have taken positive steps in controlling their water destiny and providing potable water service to their residents by acquiring the private water systems that served their respective communities. For Carefree, this occurred in 1998 through a friendly acquisition of the Carefree Water Company. For Cave Creek, this occurred in 2007 through an adverse condemnation of the Cave Creek Water Company.

In 2005, Cave Creek was beginning the condemnation process of the Cave Creek Water Company. This private water utility served portions of both Cave Creek and Carefree. However, a municipality cannot condemn property or assets outside of its municipal boundary without the consent of the other municipality.

To address this, Carefree and Cave Creek entered into an Intergovernmental Agreement (“IGA”) in 2005 whereby Carefree supported the condemnation by Cave Creek of the private Cave Creek Water Company. The IGA provided that Carefree may, when ready, acquire or condemn that portion of Cave Creek’s water service area within the Carefree town limits, to be served in the future by Carefree Water Company.

Carefree, motivated by the continued desire to control its water destiny, in January 2019, filed a condemnation action to acquire that portion of Cave Creek’s service area which was located within Carefree (referred to as the “Carefree Service Area” or “CSA”, comprised of Neighborhoods A, B, and C <https://bit.ly/3xL4IXA>). This action was additionally motivated by, among other things, Carefree’s desire to strengthen the assured water supply for all Carefree residents and businesses and to ensure representation for all Carefree water users when dealing with water issues.

The matter proceeded to arbitration before the American Arbitration Association (AAA) to determine the value of the assets to be acquired by Carefree. In December of 2020, the AAA panel issued a wide-ranging decision that specified the fair and reasonable value of the water assets in the CSA and confirmed the transfer of 378-acre feet of the Cave Creek CAP water to Carefree to serve the CSA. The two municipalities agreed upon all pertinent aspects of this matter in a Settlement Agreement dated March 16, 2021.

This transition for the Carefree Water Company to serve all residents of the Town of Carefree will require two-plus years to accomplish. The portions of Carefree within the CSA will need to be physically disconnected from Cave Creek and reconnected to Carefree while maintaining continuous, or nearly continuous, water service. This is a significant undertaking requiring a considerable amount of water infrastructure construction. Upon completion of this process, the entirety of the Town of Carefree will fall within the water umbrella of the Carefree Water Company.



For more information visit [Carefree.org](https://www.Carefree.org)

