

**MINUTES OF THE 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, JULY 5, 2022

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

LIVESTREAM: [HTTPS://ZOOM.US/](https://zoom.us/j/3229729660)
MEETING ID 322 972 9660
PASSCODE 12345

TIME: 4:30 P.M.

CALL TO ORDER

Attending:

Chairman Les Peterson

Absent:

None

Board Members:

Vice Chairman John Crane
Vince D'Aliesio
Tony Geiger (via telephone)
Stephen Hatcher
Mike Johnson
Cheryl Kroyer

Also Attending:

Greg Crossman, District Manager and Water Company General Manager; Gary Neiss, Carefree Town Administrator; Michael Wright, District and Samantha Gesell, Planning Clerk.

Chairman Peterson opened the meeting at 4:30 p.m.

AGENDA

ITEM #1 Review, discussion, and possible action to approve Resolution 2022-04, authorizing the General Manager of the Carefree Water Company to enter an "Agreement to Share Costs for the Feasibility Study of Bartlett Dam Modification Alternatives."

Carefree Water Company General Manager, Greg Crossman presented via PowerPoint. Beginning with an overview of the 2 presentations that were given in June by SRP staff, both having to do with long term water supply planning issues. Mr. Crossman displayed a map depicting the locations of Bartlett Dam, the proposed SCIF (SRP-CAP Interconnection Facility) and the CAP canal and how they relate to the Town of Carefree.

Mr. Crossman further explained, the Bartlett Dam Modification Feasibility Study will address loss of storage due to natural sedimentation on the Verde River and look at increased storage capacity by capturing flood waters. Addressing this long-term loss of storage due to sedimentation, SRP and the Bureau of Reclamation were also looking at the potential to increase the storage capacity on the Verde River which would allow this dam system to capture flood waters that otherwise would be released downstream and not be put to beneficial use. One option is to increase the height of Bartlett Dam by 62 feet, this would increase the storage capacity and available water on an annual basis on the river system by approximately 60,000-acre feet. Option 2 is to increase the height of Bartlett Dam by 97 feet which would generate another 100,000-to-115,000-acre feet of water that could be allocated on the river. The estimated cost per acre foot of this water would be approximately \$2500 per acre foot. Mr. Crossman explained, by today's standards, this is very inexpensive water as water rights today range from \$7,000 to \$10,000 per acre foot.

Mr. Crossman informed that he wrote a letter on behalf of Carefree Water Company, requesting participation in the Bartlett Dam Steering Committee as a non-voting member. He explained, that participation in the steering committee does not guarantee an allocation of water from Bartlett Dam, however pursuing an allocation does have very high potential to diversify our water portfolio. This request will be considered by the Steering Committee in late July/August.

General Manager, Crossman responded to questions from Council regarding water allocation. Board Member D'Aliesio inquired, voting rights on the committee does in essence put us in line so that once the raising of the dam is completed and the water allocation is set to begin, it gives us a foot in and keeps us in tune with what is going on and the potential for getting an allocation from Bartlett Dam? Mr. Crossman responded, that is correct, it will keep us in tune with what is happening with the Steering Committee, as they develop criteria for allocations. Mr. Crossman concluded, if nothing else, it keeps us in tune as the raising of Bartlett Dam, and the construction of the new dam. This will have a significant economic impact on Carefree. The Town of Carefree is one of the closest communities to Bartlett Dam. If this comes to fruition, there will be a massive construction effort that will happen on the Verde River that will have implications for the Town of Carefree. In the future an increased size of Bartlett Lake would become a recreational opportunity to the likes of Lake Pleasant.

Mr. Crossman responded to questions from the Board regarding the Steering Committee voting rights and membership upgrades. Chairman Peterson recognized, this Steering Committee seems to be unscrupulously honest, fair, and ethical. General Manger, Crossman agreed, especially when it comes to water rights. There is an understanding that water rights are forever. Mr. Crossman did acknowledge however, that assessing the *need* for water, is going to be a big criterion for allocating this water, which makes Carefree Water Company's record keeping important to justify our need for water.

Board Member Geiger confirmed, when the decision time comes, can we show the Committee our water needs, based our record keeping and be ready to go. Mr. Crossman responded, we do have records and know exactly where we sit from a water supply perspective and where we are headed in the future. Mr. Crossman reminded, we are still a ways from making the decision whether Bartlett Dam is going to be raised and whether we will have additional water to allocate.

Board Member Kroyer **MOVED TO APPROVE** Resolution 2022-04, authorizing the General Manager of the Carefree Water Company to enter an "Agreement to Share Costs for the Feasibility

Study of Bartlett Dam Modification Alternatives.” **SECONDED** by Board Member D’Aliesio. **CARRIED**, 7-0.

ITEM #2 Review, discussion, and possible action to approve Resolution 2022-05 authorizing the General Manager of the Carefree Water Company to enter into a “Memorandum of Understanding to Support the Planning, Design, Permitting, Construction, and Operation of the SRP-CAP Interconnection Facility.”

General Manager Crossman provided details of the Memorandum of Understanding (MOU). Explaining, this MOU is under consideration by 14 other entities and supports the planning of the SRP-CAP Interconnection Facility (SCIF). There is no monetary commitment and there is little risk in participating. Mr. Crossman explained the logistics of the water delivery capability between the CAP (Central Arizona Project) and the SRP (Salt River Project). Mr. Crossman displayed a graphic exhibiting how it could work geographically for Carefree.

Board Member Kroyer ask who the 14 entities are? Mr. Crossman responded, most of them are communities around the valley who have access to SRP water but who may not necessarily be able to get SRP water to all portions of their community.

Board Member Hatcher raised question regarding the time frame of the completion of the SCIP. Mr. Crossman approximated a 5–10-year range, as opposed to the Bartlett Dam project which is a 10-20-year time frame as this is a federal project which will go through a lot of national environmental policy act requirements.

Vice Chairman Crane **MOVED TO APPROVE** Resolution 2022-05 authorizing the General Manager of the Carefree Water Company to enter into a “Memorandum of Understanding to Support the Planning, Design, Permitting, Construction, and Operation of the SRP-CAP Interconnection Facility.” **SECONDED** by Board Member Kroyer. **CARRIED**, 7-0.

ITEM #3 Adjournment.

Board Member Kroyer **MOVED TO ADJOURN**. **SECONDED** by Board Member D’Aliesio. **CARRIED**, unanimously.

DATED this 6th day of July, 2022.

TOWN OF CAREFREE

BY: Samantha Gesell

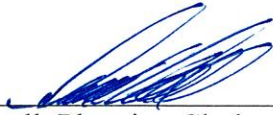
Samantha Gesell, Planning Clerk

TOWN OF CAREFREE



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 July 5, 2022. I further certify that the meeting was duly called and held and that a quorum was present.



Samantha J. Gesell, Planning Clerk

UTILITIES COMMUNITY FACILITIES DISTRICT
CAREFREE WATER COMPANY

By: _____

