

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

**WHEN:** TUESDAY, JUNE 3, 2025

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

**LIVESTREAM:** [CAREFREE YOUTUBE CHANNEL](https://www.youtube.com/@Carefree.AZgov)  
<https://www.youtube.com/@Carefree.AZgov>

**TIME:** 4:30 P.M.

*Pursuant to A.R.S. 38-431.02, notice is hereby given to the members of the Utilities Community Facilities District, Arizona and to the general public that the members of the Utilities Community Facilities District will hold a meeting open to the public. For any item listed on the agenda, the Board of Directors may vote to go into Executive Session for advice of counsel and/or to discuss records and information exempt by law or rule from public inspection, pursuant to Arizona Revised Statutes §38-431.03.*

*The agenda for the meeting is as follows:*

**CALL TO ORDER**

**ROLL CALL**

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

**REGULAR AGENDA**

1. Review, discussion and possible action to approve the May 6, 2025, Minutes of the Meeting of the Utilities Community Facilities District/Carefree Water Company.

**Attachments**

Draft UCFD Minutes May 6 2025

2. Review, discussion and possible action on Resolution 2025-02 adopting the final FY 25-26 Carefree UCFD budget and the final FY 25-26 Carefree Water Company budget including rates, fees, deposits, and charges.

**Attachments**

Resolution 2025-02

FY 25-26 Final CWC Budget

1. Adjournment.

DATED this 28th of May, 2025.

TOWN OF CAREFREE

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By: Kristen Krey, Town Clerk

Items may be taken out of sequence

Council meetings are now broadcast live via the Town of Carefree YouTube channel: [@CarefreeAZgov](#)



Sign Up For Emails: <https://www.carefree.org/page/sign-up>

Email: [info@carefree.org](mailto:info@carefree.org)

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#### 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.

**TOWN OF CAREFREE  
STAFF REPORT**

**MEETING DATE:** 06/03/2025

**SUBJECT:** Review, discussion and possible action to approve the May 6, 2025, Minutes of the Meeting of the Utilities Community Facilities District/Carefree Water Company.

**PREPARED BY:** Kristen Krey, Town Clerk / Treasurer

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**SUMMARY:**

**ACTION NEEDED:**

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**Attachments**

Draft UCFD Minutes May 6 2025

# DRAFT

## MINUTES OF THE 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, MAY 6, 2025

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

LIVESTREAM: CAREFREE YOUTUBE CHANNEL  
<https://www.youtube.com/@Carefree.AZgov>

TIME: 4:00 P.M.

Pursuant to A.R.S. 38-431.02, notice is hereby given to the members of the Utilities Community Facilities District Board of Directors of the Town of Carefree, Arizona and to the general public that the members of the Utilities Community Facilities District Board of Directors will hold a meeting open to the public. For any item listed on the agenda, the Board of Directors may vote to go into Executive Session for advice of counsel and/or to discuss records and information exempt by law or rule from public inspection, pursuant to Arizona Revised Statutes §38-431.03.

CALL TO ORDER 4:00 p.m.

### ROLL CALL

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

Present: John Crane, Chair  
Cheryl Kroyer, Vice Chair  
Sheila Amoroso, Board Member  
Clint Miller, Board Member  
Lon Johnson, Board Member  
Colleen Rose Scurti, Board Member  
Diane Lloyd Roth, Board Member

Staff Present: Greg Crossman, Manager  
Kristen Krey, Secretary/Treasurer  
Nikki Matzdorf, Admin- Carefree Water Company  
Manuel Jones, Field Supervisor- Carefree Water Company  
Meghan Orem, Budget - Carefree Water Company

### REGULAR AGENDA

1. Approval of the November 12, 2024, Joint Meeting of the Board of Directors of the Town of Carefree Utilities Community Facilities District and Board of Directors of the Carefree Water Company Meeting Minutes.

The minutes were approved with an administrative correction noted to replace Tony

Geiger's name in the voting tables with the correct Board Member.

Motion to Approve: Board Member Sheila Amoroso

Second: Vice Chair Cheryl Kroyer

Vote: 7-0

<b>Voting Member</b>	<b>Aye/Nay</b>
Chair John Crane	Aye
Vice Chair Cheryl Kroyer	Aye
Sheila Amoroso	Aye
Lon Johnson	Aye
Clint Miller	Aye
Diane Lloyd Roth	Aye
Colleen Rose- Scurti	Aye

2. Presentation on the proposed FY 25-26 Town of Carefree, Arizona Utilities Community Facilities District (Carefree UCFD) budget (informational only).

Greg Crossman presented the proposed FY 25-26 budget for the UCFD. The budget is simple and primarily authorizes debt service payments, a key function of the UCFD.

It also funds two capital projects:

- Peaceful Place Booster Pump Station Improvement Project: currently under construction and expected to be completed by mid to late summer. This project will enable fire protection for the Peaceful Place neighborhood and allow the final 24 Cave Creek water customers to transition to Carefree, completing the acquisition process.
- Silver Saddle Pipeline Improvement Project: funded in part by an \$800,000 EPA community grant awarded on March 28. The project will soon be put out for bids.

Revenue sources:

- Carefree Water Company (primary funding source for debt and rent obligations- \$1.4 million).
- \$800,000 EPA grant.
- \$2 million capital advance from the Town (from FY 2023--24).
- The \$2.8 million from the grant and town advance will fund the two capital projects.

3. Presentation on the proposed FY 25-26 Carefree Water Company budget, rates, fees, and charges (informational only).

Greg Crossman presented the FY25-26 Carefree Water Company proposed budget.

Budgeting Process Overview:

The Water Company's budgeting follows a structured process, beginning with identifying fixed costs (water supply, treatment, pumping, payroll, maintenance, debt service, etc.).

Discretionary expenses are then calculated via a profit and loss analysis. The company has adhered to a 5-year rate plan, implementing a 4.4% annual rate increase, despite actual inflation being higher.

## Key Budget Considerations & Cost Increases

### Water Costs:

- Going up 6% to \$1.8 million.
- Driven by higher CAP water costs (+14%), Scottsdale treatment & delivery costs (+5%), and APS electricity (+6%).
- General & Administrative (G&A) Costs up 9%, primarily due to:
  - \$75,000 for lead service line determinations (600 of 1,200 unknowns to be addressed this year).
  - \$50,000 for updating the emergency response and risk & resilience plans.
  - Payroll is increasing 4% (includes a 4.5% COLA and one new part-time office staff).

### Replacement & Maintenance:

- Costs are being well-managed despite a 30% growth in service area.
- Supply chain issues are improving, shortening wait times for critical materials and equipment.

### Revenue & Rate Impact

- Average residential bill to increase by \$5.69/month, based on 12,000 gallons/month usage.
- Projected revenue to grow from \$5.0M to \$5.2M.
- Customer base grew by 30% over 3 years (from 2,000 to 2,600 customers).

### Discretionary Spending & Capital Improvements

- Reserve Fund: Target raised from \$1M to \$1.4M; contributing \$40,000/year to reach goal in 10 years.

### Capital Improvements (~\$315K total):

- Replacing 3 fire hydrants.
- Replacing outdated meters and pipelines (\$186K).
- Annual \$55k deposit to Capital Equip Fund for vehicles/equip.
- Final payment for NIA water rights (\$16K).
- Continued participation in Bartlett Dam water rights discussion (\$43K).

### Other Notable Changes

- Standpipe/fill station (for water haulers):
  - 40% rate increase to align with market and recover costs.
  - Minimum charge raised from \$5 to \$20.
  - Background: Restrictions in place to prevent overuse after Scottsdale cut off water haulers to Rio Verde.
- Water Supply Fee (charged to new development):
  - Increased 44% to help fund future water supply acquisition.
  - Increased to \$2,700 per single-family home, \$1,350 per multi-family unit.

### Conclusion

The presentation concluded with an invitation for questions, summarizing both the UCFD and

Carefree Water Company budgets. The approach maintains fiscal responsibility while addressing regulatory requirements, inflation, and growing service needs.

Board Members asked questions regarding the following items and Mr. Crossman provided responses.

- Standpipe Usage: The standpipe is used by water haulers, contractors, and some individual residents. Most users are from outside Carefree, providing limited benefit to local residents.
- Pipeline Budget and Projects: Budget is being held in anticipation of two possible projects.
  - The Silver Saddle Pipeline Project
  - Potential impacts from the Scottsdale's Carefree Highway Improvement Project, especially due to drainage concerns.
- Colorado River Water Cuts: Water supply cuts (20--25%) are expected but manageable in the short term. Carefree is in a strong position due to foresight in securing water rights and judicious groundwater use. Long-term solutions are being considered due to ongoing drought.
- Bartlett Project: Carefree pays annually to participate. Capital costs will be significant (in the millions). 21 entities are involved; Carefree has one of the smallest allocations but sees value in continued participation. Cave Creek has recently joined the project and requested 1,000 acre-feet.
- Fire Hydrants: One hydrant is currently out of service; three replacements are planned. Carefree now maintains 430 hydrants (up from 270). Regular maintenance and upgrades are ongoing. Hydrants on Peaceful Place are not yet active; awaiting booster station completion.
- Generator Relocation at Peaceful Place BPS: A large generator was temporarily moved outside the pump station due to construction work but will be returned inside after a new pad is poured.
- Consultants: A consultant will be hired to update the Emergency Response Plan and the risks, and reliance calculations, likely the same one used in the original study.

4. Review, discussion, and possible action on Resolution 2025-01 approving the proposed FY 25-26 Carefree UCFD budget and the proposed FY 25-26 Carefree Water Company budget, rates, fees, and charges and calling for a Public Hearing.

Resolution 2025-01 was introduced for approval. This resolution accomplishes three main things:

- Approves the proposed (preliminary) FY 2025--2026 budget for both the UCFD and the Carefree Water Company.
- Approves rates, fees, deposits, and charges for the Carefree Water Company.
- Orders a public hearing to review these proposed budgets.

The board clarified that this step sets the proposed budget and authorizes the public hearing; it does not finalize the budget or rates yet.

Motion to Approve: Board Member Sheila Amoroso

Second: Vice Chair Cheryl Kroyer

Vote: 7-0

<b>Voting Member</b>	<b>Aye/Nay</b>
Chair John Crane	Aye
Vice Chair Cheryl Kroyer	Aye
Sheila Amoroso	Aye
Lon Johnson	Aye
Clint Miller	Aye
Diane Lloyd Roth	Aye
Colleen Rose- Scurti	Aye

5. Public Hearing on the proposed FY 25-26 Carefree UCFD budget and the proposed FY 25-26 Carefree Water Company budget, rates, fees, and charges.

The public hearing was opened, but no public comments were received.

The public hearing was then closed.

6. Adjournment.

4:49 p.m. Board Member Sheila Amoroso made the motion to adjourn and Vice Chair Cheryl Kroyer seconded. All were in favor. Meeting adjourned.

DATED this 16th of May, 2025.

UCFD/CAREFREE WATER COMPANY, INC.

BY: \_\_\_\_\_  
Kristen Krey, Secretary/Treasurer

BOARD OF DIRECTORS

\_\_\_\_\_  
John Crane, Chairman

Attest:

\_\_\_\_\_  
Kristen Krey, Secretary/Treasurer

#### CERTIFICATION

I hereby certify that the foregoing are a true and correct copy of the Minutes of the Joint Meeting of the Board of Directors of the Town of Carefree, Arizona Utilities Community Facilities District and the Board of Directors of the Carefree Water Company, Inc. held on the date noted above. I further certify that the meeting was duly called and held and that a quorum was present.

\_\_\_\_\_  
Kristen Krey, Secretary/Treasurer



**TOWN OF CAREFREE  
STAFF REPORT**

**MEETING DATE:** 06/03/2025

**SUBJECT:** Review, discussion and possible action on Resolution 2025-02 adopting the final FY 25-26 Carefree UCFD budget and the final FY 25-26 Carefree Water Company budget including rates, fees, deposits, and charges.

**PREPARED BY:** Greg Crossman, Carefree Water Company Manager

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**SUMMARY:**

Attached for review prior to the June 3, 2025, Board meeting is Resolution 2025-02 which accomplishes the following:

- Approves and adopts the final Carefree UCFD budget for FY25-26. The final UCFD Budget is included as Exhibit B to the Resolution.
- Approves and adopts the final Water Company budget including rates, fees, deposits, and charges that were presented to the Board at the May 6, 2025, meeting. The full FY25-26 Water Company budget document is included as an attachment to this agenda item.

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

**ACTION NEEDED:**

Approval of Resolution 2025-02.

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**Attachments**

Resolution 2025-02  
FY 25-26 Final CWC Budget

**UTILITIES COMMUNITY FACILITIES DISTRICT  
CAREFREE WATER COMPANY**

**RESOLUTION 2025-02**

**A JOINT RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN OF CAREFREE, ARIZONA UTILITIES COMMUNITY FACILITIES DISTRICT AND THE BOARD OF DIRECTORS OF THE CAREFREE WATER COMPANY, INC. ADOPTING A DISTRICT BUDGET FOR FISCAL YEAR 2025/26 AND ADOPTING A CAREFREE WATER COMPANY BUDGET INCLUDING RATES, FEES, DEPOSITS, AND CHARGES APPLICABLE FOR FISCAL YEAR 2025/26.**

**WHEREAS**, pursuant to Arizona Revised Statutes ("A.R.S.") Section 48-716 of the Arizona Revised Statutes, the District Treasurer of the Town of Carefree Utilities Community Facilities District (the "District") prepared and submitted to the Board of Directors of the District (the "District Board") for approval on May 6, 2025, a proposed District budget for Fiscal Year 2025/26 (the "Proposed Budget"); and

**WHEREAS**, the budget, rates, fees, deposits and charges applicable for Fiscal Year 2025/26, were also presented by Carefree Water Company, Inc., to the District Board and the Board of Directors of the Carefree Water Company on May 6, 2025; and

**WHEREAS**, on May 6, 2025, the District Board adopted Resolution 2025-01, approving the Proposed Budgets, and approving the rates, fees, deposits and charges as presented by the Carefree Water Company, Inc., and ordering a hearing on the Proposed Budgets and the identification and noticing of the rates, fees, deposits and charges as required by law; and

**WHEREAS**, as required by A.R.S. Section 48-716, notice of the public hearing on the Proposed Budgets and of the rates, fees, deposits and charges, in the form attached hereto as Exhibit A, was published not less than ten days prior to the May 6, 2025, public hearing in a newspaper of general circulation in the District and was mailed to the Town Clerk of the Town of Carefree, Arizona; and

**WHEREAS**, a public hearing was held on May 6, 2025,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TOWN OF CAREFREE, ARIZONA UTILITIES COMMUNITY FACILITIES DISTRICT AND THE BOARD OF DIRECTORS OF THE CAREFREE WATER COMPANY, INC. AS FOLLOWS:**

**Section 1.** The Proposed District Budget, as discussed at the Board meeting of May 6, 2025, in the form attached hereto as Exhibit B, is hereby approved and adopted as the final District budget for Fiscal Year 2025/26.

**Section 2.** The Carefree Water Company budget, rates, fees, deposits, and charges, as discussed at the Board meeting of May 6, 2025, are on file with the District Clerk/Water Company Secretary and are hereby approved and adopted as final for Fiscal Year 2025/26.

**Section 3.** Pursuant to A.R.S. Section 48-720(D), the District hereby identifies and notices the rates, fees, deposits and charges authorized by A.R.S. Section 48-709(A)(6) as authorized and adopted by District Board action. Such rates, fees, deposits and charges shall be effective for all billings processed on or after July 1, 2025.

**Section 4.** This Resolution is effective immediately.

**PASSED AND ADOPTED** by the Board of Directors of the Town of Carefree, Arizona Utilities Community Facilities District and the Board of Directors of the Carefree Water Company, Inc. on this 3<sup>rd</sup> day of June, 2025.

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John Crane, Chairman - Board of Directors

ATTEST:

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Kristen Krey, District Clerk

APPROVED AS TO FORM

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Denis Fitzgibbons, District Attorney

**CERTIFICATE**

I hereby certify that the above and foregoing resolution was duly passed by the Board of Directors of the Town of Carefree, Arizona Utilities Community Facilities District and the Board of Directors of the Carefree Water Company, Inc. at a regular joint meeting held on June 3, 2025, and that a quorum was present thereat and that the vote thereon was \_\_\_\_\_ ayes and \_\_\_\_\_ nays; \_\_\_\_\_ did not vote or were absent.

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Kristen Krey, District Clerk

ATTACHMENTS:

- Exhibit A — Notice of Hearing
- Exhibit B — Adopted District Budget FY 2025/26

## EXHIBIT A

### TOWN OF CAREFREE, ARIZONA UTILITIES COMMUNITY FACILITIES DISTRICT

#### NOTICE OF HEARING

**REQUIRED BY A.R.S. §§48-716 AND 48-720(D)**

**ON THE PROPOSED BUDGET FOR FY 2025/26**

**OF**

**TOWN OF CAREFREE, ARIZONA UTILITIES COMMUNITY FACILITIES DISTRICT**

Pursuant to Sections 48-716 and 48-720(D), Arizona Revised Statutes, notice is hereby given that a public hearing on the Proposed Budget of the Town of Carefree, Arizona Utilities Community Facilities District for FY 2025/26 will be held by the District Board on May 6, 2025, at 4:00 p.m. at the Carefree Town Council Chambers, 33 Easy Street, Carefree, AZ 85377. A copy of the Proposed Budget and the rates, fees and charges are on file with the Clerk of the Town of Carefree, Arizona and the District Clerk of Town of Carefree, Arizona Utilities Community Facilities District, at the Carefree Town Hall, 8 Sundial Circle, Carefree, Arizona 85377, telephone number (480) 488-3686. This notice also constitutes notice of the rates, fees and charges as required by Section 48-720(D), of the Arizona Revised Statutes.

The meeting can also be viewed live and will be posted on the Carefree YouTube Channel at:

<https://www.youtube.com/@CarefreeAZgov>

**Public Comment** – Public comments must be provided in-person. Comments are to be limited to no more than three (3) minutes. No more than one submission per person or legal entity per meeting will be permitted. Please identify your town or city of residence.

DATED this 23<sup>rd</sup> day of April, 2025.

/s/ Greg Crossman

District Manager

Town of Carefree, Arizona Utilities

Community Facilities District

**EXHIBIT B**

**TOWN OF CAREFREE, ARIZONA UTILITIES COMMUNITY FACILITIES DISTRICT**

**ADOPTED BUDGET FISCAL YEAR 2025/26**

<b>BEGINNING UCFD FUNDS AVAILABLE</b>		<b>\$2,037,460</b>
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**SOURCES**

**REVENUES (FROM CAREFREE WATER COMPANY)**

Debt Service and Rent	\$1,426,064	
Contingency	\$500,000	
<b>Total CWC Revenues</b>		<b>\$1,926,064</b>

**OTHER REVENUE SOURCES**

Federal Community Grant	\$800,000	
<b>Total Other Revenue Sources</b>		<b>\$800,000</b>

<b>TOTAL SOURCES</b>		<b>\$4,763,524</b>
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**EXPENDITURES**

**ADMINISTRATION**

Rent	\$33,000	
<b>Total Administration</b>		<b>\$33,000</b>

**CAPITAL**

Public Infrastructure - Construction	\$2,800,000	
Contingency	\$500,000	
<b>Total Capital</b>		<b>\$3,300,000</b>

**DEBT SERVICE**

Principal – Water System Revenue Bonds Series 2021	\$385,000	
Interest – Water System Revenue Bonds Series 2021	\$714,500	
Trustee Fees	\$800	
Capital Advance Payment	\$48,000	
Capital Lease Payment (WIFA)	\$244,764	
<b>Total Debt Service</b>		<b>\$1,393,064</b>

<b>TOTAL EXPENDITURES</b>		<b>\$4,726,064</b>
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<b>ENDING FUNDS AVAILABLE</b>		<b>\$37,460</b>
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**Budget Packet  
Including Rates, Fees,  
Deposits, and Charges**

**FY 25-26**

## **Water Rates and Fees Summary Carefree Water Company – FY 25-26**

### **Rates**

- 4.4% Overall Water Rate Increase – Base Fee and Commodity Rates
- Consistent with the 5-Year Rate Plan approved in 2021
- Rate increase takes effect July 2025
- Average Monthly Bill Increase (Residential): \$5.69
- Current Average Monthly Residential Bill: \$130.63
  - Proposed Average Monthly Residential Bill: \$136.32
  - Based on an average monthly use of 12,000 gallons
- Current Residential Base Fee: \$57.40 – Proposed Residential Base Fee: \$59.93 – Up \$2.53
  - \$20.00/month “Acquisition Fee” - Neighborhoods A, B, and C
- Commodity Rates: Remain in 5 Tiers to Encourage Conservation
  - Tier Break Points Have Remained the Same
  - Rate in Each Tier (per 1,000 gallon charge) has Increased 4.4%
- Similar 4.4% adjustments to other rate categories (commercial meters and master meters)
- Standpipe (Fill Station) – Proposed 40% Rate Increase to Align With Market and cost of doing business
  - \$8.21 per 1,000 gallons → \$11.50 per 1,000 gallons
  - Minimum Charge \$5.00 → \$20.00
  - Most Communities Do Not Provide This Service
  - Carefree – No New Accounts, Limited Based on Historic Usage (CY 21&22)
- Fire Hydrant Meter – Base Fee Increased to \$200/month – includes first 20,000 gallons
  - Refundable Deposit Increased to \$1,000

### **Fees**

- Water Supply Fee – An updated Water Supply Fee for new development is being proposed in this budget. A revised Fee Report is included at the end of this budget document.

**CAREFREE WATER COMPANY RATE SCHEDULE**  
**Effective July 1, 2025**  
**Before Taxes**

				Monthly Commodity (Usage) Charges and Tier Breakdown									
Meter Type	Meter Size	Meter Classification	Monthly Base Fee	Tier 1		Tier 2		Tier 3		Tier 4		Tier 5	
				From (gallons)	To (gallons)	From (gallons)	To (gallons)	From (gallons)	To (gallons)	From (gallons)	To (gallons)	From (gallons)	To (gallons)
RESIDENTIAL METERS													
Residential	5/8", 3/4", 1"	R1, R2, R4	\$ 59.93	0	8,000	8,001	20,000	20,001	30,000	30,001	50,000	50,001	and over
Residential	5/8", 3/4", 1"	R1A, R2A, R4A	\$ 79.93	0	8,000	8,001	20,000	20,001	30,000	30,001	50,000	50,001	and over
COMMERCIAL METERS													
Commercial	1 inch	C5/CSA	\$107.87/\$127.87	0	8,000	8,001	16,000	16,001	32,000	32,001	64,000	64,001	and over
Commercial	1-1/2 inch	C6/C6A	\$267.70/\$287.70	0	11,000	11,001	16,000	16,001	35,000	35,001	70,000	70,001	and over
Commercial	2 inch	C8/CSA	\$641.64/\$661.64	0	20,000	20,001	40,000	40,001	80,000	80,001	160,000	160,001	and over
Commercial	3 inch	C9/CSA	\$855.37/\$875.37	0	100,000	100,001	200,000	200,001	400,000	400,001	600,000	600,001	and over
MASTER METERS													
Master Meter 1		MM1 - 8	\$ 455.33	0	30,000	30,001	40,000	40,001	60,000	60,001	80,000	80,001	and over
Master Meter 2		MM2 - 4	\$ 228.76	0	30,000	30,001	50,000	50,001	70,000	70,001	90,000	90,001	and over
Master Meter 3		MM3 - 8	\$ 455.33	0	40,000	40,001	80,000	80,001	100,000	100,001	150,000	150,001	and over
Master Meter 4		MM4 - 6	\$ 341.52	0	50,000	50,001	100,000	100,001	190,000	190,001	250,000	250,001	and over
Master Meter 5		MM5 - 12	\$ 697.18	0	30,000	30,001	50,000	50,001	80,000	80,001	100,000	100,001	and over
Master Meter 6		MM6 - 38	\$ 2,162.85	0	170,000	170,001	270,000	270,001	300,000	300,001	350,000	350,001	and over
Master Meter 7		MM7 - 18	\$ 1,024.55	0	80,000	80,001	100,000	100,001	120,000	120,001	150,000	150,001	and over
Master Meter 8		MM8 - 11	\$ 626.09	0	90,000	90,001	150,000	150,001	200,000	200,001	250,000	250,001	and over
Master Meter 9		MM9 - 11	\$ 626.09	0	75,000	75,001	105,000	105,001	135,000	135,001	165,000	165,001	and over
Master Meter 10		MM10 - 11	\$ 626.09	0	60,000	60,001	120,000	120,001	190,000	190,001	220,000	220,001	and over
STAND PIPE													
Stand Pipe		CWH	-	\$11.50 per 1000 gallons - Minimum Billing \$20.00 - Additional Keys \$20.00									
FIRE HYDRANT METER													
Fire Hydrant		FHY	\$ 200.00	\$8.57 per 1000 gallons after the first 20,000 gallons									

**Temporary Turn-Off Policy** - Customers may request their water service to be turned off temporarily or permanently at any time. If water service is off for less than nine (9) months, at the time service is re-established, the customer will be billed the monthly base fee plus tax for the number of months the water was off. If water service is off for more than nine (9) months, the customer will be billed the New Account Set-Up Fee at the time service is re-established.



NEW ACCOUNT SETUP FEES	
Residential and Commercial	\$50.00
Landlord (Transfer to Info on File)	\$20.00
Fire Hydrant	\$100.00

TAXES	
State Sales Tax	6.3%
Town Sales Tax	3.0%
State Water Tax	\$0.0065 /1,000 gal. billed

REFUNDABLE DEPOSITS	
Residential	\$250.00
Commercial	3X Average Water Bill
Stand Pipe	\$50.00
Fire Hydr. Meter	\$1,000.00

NEW CONSTRUCTION CHARGES AND FEES <sup>3</sup>			
Meter and Service Size	Meter Set Charge	Water Capacity Fee <sup>1</sup>	Total
1" Meter -New	\$1,230.00	\$4,640.00	\$5,870.00
1" Meter - Upgrade from 3/4"	\$510.00	-	\$510.00
1-1/2" Meter	\$1,714.00	\$8,409.00	\$10,123.00
2" Meter	\$2,589.00	\$13,061.00	\$15,650.00
3" Meter	\$7,700.00	\$26,528.00	\$34,228.00
4" Meter	\$11,948.00	\$40,647.00	\$52,595.00
Development Category	Water Supply Fee		
Single Family Residential	\$2,690.00 per Unit		
Multi-Family Residential	\$1,345.00 per Unit		
All Other (Commercial, Common Area, Irrigation, etc.)	\$5,379.00 per AF of Annual Demand <sup>2</sup>		

<sup>1</sup>Distribution, Storage, and Pumping Capacity

<sup>2</sup>Annual Demand Calculations to be Submitted to and Approved by the Carefree Water Company

<sup>3</sup>Total New Construction Charges/Fees = Service Connection Charge + Water Capacity Fee + Water Supply Fee

PAYMENT AND BILLING FEES	
Credit Card Convenience Fee (per transaction)	
Monthly Billings & Other Charges Under \$500	\$4.00
Other Charges Over \$500	3% of Amount
Late Payment or Delinquent Charge (per month)	\$7.00
Foreign Currency Transaction	\$10.00
Foreign Mailing Fee	\$3.00
Insufficient Funds or Returned Check Fee	\$30.00
Interest on Outstanding Balance	1.5% per month

MISCELLANEOUS SERVICES AND FEES	
Data Log Fee - Beginning With Second Data Log	\$40.00
Account Re-Establishment Fee (After Termination of Service)	\$125.00
Change-Out or Moving Meter	At Water Co. Cost
Third Party Meter Test (Customer Request)	At Water Co. Cost
Emergency Call Out	
(If Water Company is Not Responsible for Problem)	\$100.00
Unauthorized Meter Turn-On - Residential	\$150.00
Unauthorized Meter Turn-On - Commercial	\$250.00
Unauthorized Fire Hydrant Use - Per Use	\$300.00

SAMPLE RESIDENTIAL WATER BILL CALCULATION <sup>4</sup>				
1 inch Residential Meter (R4/R4A Classification) @ 24,000 gallons				
Tier 1:	8,000 gallons	@ \$ 4.84 /1000 gal.	= \$ 38.72	= \$ 38.72
Tier 2:	12,000 gallons	@ \$ 6.50 /1000 gal.	= \$ 78.00	= \$ 78.00
Tier 3:	4,000 gallons	@ \$ 8.56 /1000 gal.	= \$ 34.24	= \$ 34.24
Tier 4:	0 gallons	@ \$ 11.06 /1000 gal.	= \$ -	= \$ -
Tier 5:	0 gallons	@ \$ 14.37 /1000 gal.	= \$ -	= \$ -
Month Total:	24,000 gallons		Base Fee \$ 59.93	\$ 79.93
Total (Does not include taxes)				\$ 210.89
				\$ 230.89

<sup>4</sup> A Residential Water Bill Calculator is available on our website at [www.carefreewaterco.com](http://www.carefreewaterco.com)

**Carefree Water Company**  
**Effective July 1, 2025**  
**Rate Comparison Sheet @ 4.4% Base and Commodity Increase**

R1, R2 & R4

	Gallons	Base Rate		Commodity Charge		Subtotal Before Taxes		Taxes		Total With Taxes		Overall % Difference					
		Current	New	Difference	Current	New	Difference	Current	New	Difference	Current		New	Difference			
Tier 1 - \$4.84 (Curr - \$4.64)	1,000	57.40	59.93	2.53	4.64	4.84	0.20	62.04	64.77	2.73	5.78	6.03	0.25	76.82	70.80	2.98	4.4%
	2,000	57.40	59.93	2.53	9.28	9.68	0.40	66.68	69.61	2.93	6.21	6.49	0.27	73.05	76.10	3.20	4.4%
	4,000	57.40	59.93	2.53	18.56	19.36	0.80	75.96	79.29	3.33	7.09	7.40	0.31	82.89	86.69	3.64	4.4%
	6,000	57.40	59.93	2.53	27.84	29.04	1.20	85.24	88.97	3.73	7.97	8.31	0.35	93.21	97.28	4.08	4.4%
	8,000	57.40	59.93	2.53	37.12	38.72	1.60	94.52	98.65	4.13	8.84	9.23	0.38	103.36	107.88	4.51	4.4%
Tier 2 - \$6.50 (Curr - \$6.23)	9,000	57.40	59.93	2.53	43.35	45.22	1.87	100.75	105.15	4.40	9.43	9.84	0.41	110.18	114.99	4.81	4.4%
	12,000	57.40	59.93	2.53	62.04	64.72	2.68	119.44	124.65	5.21	11.19	11.67	0.48	130.63	136.32	5.69	4.4%
	14,000	57.40	59.93	2.53	74.50	77.72	3.22	131.9	137.65	5.75	12.36	12.89	0.53	144.26	150.54	6.28	4.4%
	16,000	57.40	59.93	2.53	86.96	90.72	3.76	144.36	150.65	6.29	13.53	14.11	0.58	157.89	164.76	6.87	4.4%
	18,000	57.40	59.93	2.53	99.42	103.72	4.30	156.82	163.65	6.83	14.70	15.34	0.64	171.52	178.99	7.47	4.4%
	20,000	57.40	59.93	2.53	111.88	116.72	4.84	169.28	176.65	7.37	15.87	16.56	0.69	185.15	193.21	8.06	4.4%
	22,000	57.40	59.93	2.53	128.28	133.84	5.56	185.68	193.77	8.09	17.41	18.16	0.75	203.09	211.93	8.84	4.4%
Tier 3 - \$8.56 (Curr - \$8.20)	24,000	57.40	59.93	2.53	144.68	150.96	6.28	202.08	210.89	8.81	18.95	19.77	0.82	221.03	230.66	9.63	4.4%
	26,000	57.40	59.93	2.53	161.08	168.08	7.00	218.48	228.01	9.53	20.49	21.37	0.89	238.97	249.38	10.42	4.4%
	28,000	57.40	59.93	2.53	177.48	185.20	7.72	234.88	245.13	10.25	22.03	22.98	0.95	256.91	268.11	11.20	4.4%
	30,000	57.40	59.93	2.53	193.88	202.32	8.44	251.28	262.25	10.97	23.56	24.58	1.02	274.84	286.83	11.99	4.4%
	32,000	57.40	59.93	2.53	215.08	224.44	9.36	272.48	284.37	11.89	25.55	26.65	1.11	298.03	311.02	13.00	4.4%
Tier 4 - \$11.06 (Curr - \$10.60)	35,000	57.40	59.93	2.53	246.88	257.62	10.74	304.28	317.55	13.27	28.53	29.76	1.23	332.81	347.31	14.50	4.4%
	40,000	57.40	59.93	2.53	299.88	312.92	13.04	357.28	372.85	15.57	33.49	34.94	1.45	390.77	407.79	17.02	4.4%
	45,000	57.40	59.93	2.53	352.88	368.22	15.34	410.28	428.15	17.87	38.45	40.11	1.66	448.73	468.26	19.53	4.4%
	50,000	57.40	59.93	2.53	405.88	423.52	17.64	463.28	483.45	20.17	43.41	45.29	1.88	506.69	528.74	22.05	4.4%
	55,000	57.40	59.93	2.53	474.73	495.37	20.64	532.13	555.3	23.17	49.85	52.00	2.15	581.98	607.30	25.32	4.4%
Tier 5 - \$14.37 (Curr - \$13.77)	60,000	57.40	59.93	2.53	543.58	567.22	23.64	600.98	627.15	26.17	56.28	58.71	2.43	657.26	685.86	28.60	4.4%
	65,000	57.40	59.93	2.53	612.43	639.07	26.64	669.83	699	29.17	62.72	65.43	2.71	732.55	764.43	31.88	4.4%
	70,000	57.40	59.93	2.53	681.28	710.92	29.64	738.68	770.85	32.17	69.15	72.14	2.99	807.83	842.99	35.16	4.4%
	80,000	57.40	59.93	2.53	818.98	854.62	35.64	876.38	914.55	38.17	82.02	85.57	3.55	958.40	1000.12	41.72	4.4%
	90,000	57.40	59.93	2.53	956.68	998.32	41.64	1,014.08	1,058.25	44.17	94.89	99.00	4.11	1,108.97	1,157.25	48.28	4.4%
	100,000	57.40	59.93	2.53	1,094.38	1,142.02	47.64	1,151.78	1,201.95	50.17	107.77	112.43	4.67	1,259.55	1,314.38	54.84	4.4%

 Average Residential Usage

## **Profit and Loss Summary**

### **Carefree Water Company – FY 25-26**

- “All encompassing” spreadsheet to ensure cash flow needs are met (revenue stream matches expenditures)
- Looks at anticipated revenues (primarily from water sales) in relation to anticipated expenditures (e.g., Cost of Water, General & Administrative, Replacement & Maintenance)
- The Profit and Loss spreadsheet also includes other cash uses such as:
  - 2021 Series Bond Repayment (“Acquisition”)
  - WIFA Loan Repayment (“Capital Lease”)
  - Town of Carefree Repayment (“Capital Advance”)
  - Water Company Office/Shop Rent
  - Reserve Deposits
  - Capital Improvement Program
- Bottom Line: Revenue stream must cover all cash uses (cash flow/expenditures)

**Carefree Water Company**  
**PROFIT AND LOSS**  
**2025-2026 Budget**

Revenues	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Water Sales	505,026	535,723	486,904	488,462	434,026	381,865	331,231	346,652	334,944	380,570	416,375	458,691	5,100,469
New Meter & Service Fees	3,927		3,927			3,927			3,927			3,927	19,635
DFGC Electrical Fees			7,952	1,833	1,833	1,833	1,833	1,833	7,951	1,833	1,833	7,951	31,805
Cell Tower Rental Fees (net)	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	21,993
Other Revenues	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Total Revenues	512,786	539,556	502,616	492,295	437,859	397,576	335,064	350,485	350,655	384,403	420,208	474,402	5,197,905
Cost of Water													
Scottsdale CAP	121,329	127,449	116,424	119,787	98,556	87,821	73,949	75,958	82,086	92,968	104,439	108,654	1,209,420
Cave Creek CAP													
Ground Water Pumped	\$13,537	\$14,140	\$13,053	\$13,385	\$10,832	\$9,823	\$11,019	\$8,708	\$9,284	\$10,307	\$11,385	\$11,781	137,254
Central Ariz Project	\$44,198	\$45,792	\$42,921	\$43,797	\$37,057	\$34,392	\$31,498	\$47,012	\$33,580	\$36,363	\$39,297	\$40,375	476,281
Total Water Costs	179,064	187,381	172,398	176,969	146,445	132,036	116,466	131,679	124,949	139,638	155,120	160,810	1,822,956
General and Administrative	107,456	107,456	107,457	107,456	107,456	107,456	107,457	107,456	107,456	107,457	107,456	107,456	1,289,475
Maintenance	26,354	26,354	26,354	26,354	26,354	26,354	26,354	26,354	26,354	26,354	26,355	26,355	316,250
Depreciation	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	1,500,000
Total Other Costs	258,810	258,810	258,811	258,810	258,810	258,810	258,811	258,810	258,810	258,811	258,811	258,811	3,105,725
REVENUES LESS COSTS	74,912	93,365	71,407	56,516	32,604	6,730	(40,213)	(40,004)	(33,104)	(14,046)	6,277	54,781	269,224

## CASH FLOW

Cash Flow	Cash Uses	Capital Projects
Net Gain	269,224	Fire Protection
Depreciation	1,500,000	System Automation & Tech.
Equipment Loss w/o	12,000	System Improvements
		Capital Equipment
		Water Rights
Total Available	<u>1,781,224</u>	
		Total Capital Uses
		<u>315,160</u>
	Cash Available	
	<u><u>315,160</u></u>	Cash Utilized
		<u>315,160</u>

## **Cost of Water Summary**

### **Carefree Water Company – FY 25-26**

- The cost of water is the Water Company's single largest expense at just over \$1.8M
- Continued Focus on Utilizing Renewable CAP Supply (Saving GW for Emergencies)
  - 70/30 Split (CAP/Groundwater)
- Overall water costs are increasing about \$130,000 (7.9%) this FY due to the following:
  - 5% Increase in Scottsdale Treated Water Costs
  - 6% Increase in APS Costs
  - 14% Increase in CAP Raw Water Costs primarily due to Colorado River Shortage Conditions
  - Increase in service area size

Carefree Water Company  
Estimated Water Costs  
Fiscal Year 2025-26

4/23/2025

325.851																
POST-TRANSITION WATER USE																
Water Sold FY 24-25 (24 Only)	AF	136.2	127.7	126.7	133.2	97.4	93.5									714.7
Water Sold FY 23-24	AF	120.7	142.3	119.7	120.4	100.8	82.8		74.3	78.4	73.7	84.7	93.3	108.9	106.9	1226.0
Water Sold FY 22-23 (23 Only)*	AF															
2-yr Average Water Sold	AF	128.5	135.0	123.2	126.8	99.1	88.2		74.0	76.1	82.3	93.4	105.1	109.4	1241.0	
2-yr Average Water Sold - Adj. for Last CSA Transition (Use for 25-26)	AF	129.7	136.4	124.4	128.1	100.1	89.0		74.7	76.8	83.1	94.3	106.2	110.5	1253.4	
2-yr Average Water Sold - Adj. for Last CSA Transition (Use for 25-26)	000 Gal.	42,274	44,430	40,546	41,731	32,615	29,011		24,354	25,029	27,086	30,739	34,589	36,005	408,408	
Percent of Annual Usage (Use for 25-26)		10.4%	10.9%	9.9%	10.2%	8.0%	7.1%		6.0%	6.1%	6.6%	7.5%	8.5%	8.8%	100.0%	
Water Supplied (Sold/0.9) (Use for 25-26)	AF	144.1	151.5	138.3	142.3	111.2	98.9		83.0	85.3	92.4	104.8	117.9	122.8	1392.6	
* Jan thru Apr Adjusted to Reflect Full CSA Transition																
Ground Water A.F. (30%)		43.2	45.5	41.5	42.7	33.4	29.7		24.9	25.6	27.7	31.4	35.4	36.8	417.8	
CAP Water A.F. (70%)		100.9	106.1	96.8	99.6	77.8	69.2		58.1	59.7	64.7	73.4	82.6	85.9	974.8	
CAP Water A.F. +5%		5.0	5.3	4.8	5.0	3.9	3.5		2.9	3.0	3.2	3.7	4.1	4.3	48.7	
CAVE CREEK WATER																
Acre-Feet		0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	
1,000's Gallons		0	0	0	0	0	0		0	0	0	0	0	0	0	
Cost @\$X.XX/1,000 Gal.	TBD \$	- \$	- \$	- \$	- \$	- \$	- \$		- \$	- \$	- \$	- \$	- \$	- \$	- \$	
0% of CAP Water																
100% of CAP Water																
SCOTTSDALE WATER																
Acre-Feet		100.9	106.1	96.8	99.6	77.8	69.2		58.1	59.7	64.7	73.4	82.6	85.9	974.8	
1,000's Gallons		32,880	34,556	31,536	32,458	25,367	22,564		18,942	19,467	21,067	23,908	26,903	28,004	317,651	
Cost @\$3.65/1,000 Gal.*	\$3.83	\$120,012	\$126,131	\$115,106	\$118,470	\$97,156	\$86,421		\$72,548	\$74,558	\$80,685	\$91,568	\$103,038	\$107,254	\$119,254	
Meter Fee		\$1,317.50	\$1,317.50	\$1,317.50	\$1,317.50	\$1,400.50	\$1,400.50		\$1,400.50	\$1,400.50	\$1,400.50	\$1,400.50	\$1,400.50	\$1,400.50	\$1,400.50	
* \$3.65/1,000 Gal. Until Nov. 2025 (5% Increase Thereafter - \$3.83)	Total Cost	\$121,329	\$127,449	\$116,424	\$119,787	\$98,556	\$87,821		\$73,949	\$75,958	\$82,086	\$92,968	\$104,439	\$108,654	\$117,811	
POTABLE GROUNDWATER																
Pumped Groundwater (A.F. - From Above)		43.2	45.5	41.5	42.7	33.4	29.7		24.9	25.6	27.7	31.4	35.4	36.8	417.8	
Pumped Groundwater (1000 gallons)		14,091	14,810	13,515	13,910	10,872	9,670		8,118	8,343	9,029	10,246	11,530	12,002	136,136	
Cost @\$0.84/1,000 Gal. (5% Increase)	\$0.84	\$11,837	\$12,440	\$11,353	\$11,685	\$9,132	\$8,123		\$6,819	\$7,008	\$7,584	\$8,607	\$9,685	\$10,081	\$114,354	
Groundwater Withdrawal Fee (ADWR)		\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700		\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$2,500	
Chemicals and Testing		\$13,537	\$14,140	\$13,053	\$13,385	\$10,832	\$9,823		\$11,019	\$8,708	\$9,284	\$10,307	\$11,385	\$11,781	\$137,254	
Total Cost																
A.F.																
289.6																
237.4																
184.3																
237.1																
GOLF COURSE GROUNDWATER																
A.F. Pumped (2024)																
(2023)																
(2022)																
(3-yr Ave.)																
Electrical Cost																
kWh/AF	\$/kWh	745.22	0.18	(From Desert Forest Agreement)												
		\$2,650.45	\$2,650.45	\$2,650.45	\$2,650.45	\$2,650.45	\$2,650.45		\$2,650.45	\$2,650.45	\$2,650.45	\$2,650.45	\$2,650.45	\$2,650.45	\$31,805	
CAP COSTS																
Capital Cost (per AF)	2025	\$69	2026												\$123,510	
Delivery Cost (per AF)	\$295	\$304	\$10,293	\$10,293	\$10,293	\$10,293	\$10,293		\$10,293	\$10,293	\$10,293	\$10,293	\$10,293	\$10,293	\$27,432	
CAP Contingency			\$31,255	\$32,849	\$29,978	\$30,854	\$24,114		\$18,555	\$19,069	\$20,637	\$23,420	\$26,354	\$27,432	\$305,966	
Total Cost																
		\$41,548	\$43,141	\$40,270	\$41,146	\$34,406	\$31,742		\$28,848	\$44,362	\$30,929	\$33,712	\$36,646	\$37,724	\$444,476	
ALL WATER COSTS																
		\$179,064	\$187,381	\$172,398	\$176,969	\$146,445	\$132,036		\$116,466	\$131,679	\$124,949	\$139,638	\$155,120	\$160,810	\$1,822,956	

## **General and Administrative (G&A) Summary Carefree Water Company – FY 25-26**

- Overall G&A expenses up 9% (up approx. \$111,000) compared to last FY
  - Regulatory Requirements (\$125,000)
    - Lead Service Line Inventory
    - ERP and R&R – AWIA Requirements
  - Payroll Costs Up 4% - \$37,500 - includes:
    - 4.5% COLA – All employees
    - Addition of one part-time Office Staff for entire year

**General and Administrative Budget by Category  
for 2025-26**

	2024-2025 Budget	2025-2026 Budget	Difference	
<u>Payroll, Payroll Taxes, Group Insurance &amp; Benefits</u>				
Base Salaries	611,904	648,355		
Overtime	5,000	5,000		
Compensation Time	2,000	2,000		
Bonus	4,500	5,000		
Merit Increase	-	-		
Emgr. On-Call	14,600	14,600		
All Health Insurance Combined	50,995	48,664		
IRA and Retirement	60,261	60,371		
All Payroll taxes	43,176	45,467		
Medicare	9,251	9,787		
Unemployment	-	-		
Equalization Taxes	-	-		
	<u>801,686</u>	<u>839,244</u>	<u>37,558</u>	4%
<u>Training Expense A/C 60154</u>				
	<u>10,000</u>	<u>10,000</u>	<u>0</u>	0%
<u>Employee Expenses A/C 60152</u>				
Uniforms	4,500	4,500		
	<u>4,500</u>	<u>4,500</u>	<u>0</u>	0%
<u>Safety Equipment A/C 60156</u>				
Personal Protective Equipment	2,000	2,000		
Safety Equipment	2,000	2,000		
	<u>4,000</u>	<u>4,000</u>	<u>0</u>	0%
<u>Accounting and Professional Services A/C 60201</u>				
Auditors	7,550	6,006		
Part Time office help	56,500	-		
Dasco	2,500	2,500		
ER System	6,000	6,000		
Payroll Experts	3,000	3,000		
	<u>75,550</u>	<u>17,506</u>	<u>(58,044)</u>	-332%
<u>Legal A/C 60202</u>				
	<u>5,000</u>	<u>5,000</u>	<u>0</u>	0%
<u>Cleaning Service A/C 60204</u>				
Regular	6,000	6,000		
	<u>6,000</u>	<u>6,000</u>	<u>0</u>	0%



<u>SCADA A/C 60207</u>				
SCADA	5,000	5,000		
Specter - WIN 911	800	1,000		
	<u>5,800</u>	<u>6,000</u>	<u>200</u>	3%
 <u>Computer A/C 60205</u>				
UMS Annual Fee	6,000	6,000		
Sage	6,000	5,000		
Beacon Mobile	5,000	5,000		
Computer Repair Contract	16,000	16,000		
Computer Repair additional hours	4,000	4,000		
Printer	500	500		
Meter Tablet	2,000	2,000		
Fixed Asset Software	300	300		
Server Warranty Care Pack	1,500	2,000		
Firewall	140	640		
	<u>41,440</u>	<u>41,440</u>	<u>0</u>	0%
 <u>Insurance A/C 60250</u>				
Cincinnati Insurance	60,816	61,145		
Claims (Insurance Deductible- Contingency)	5,000	5,000		
	<u>65,816</u>	<u>66,145</u>	<u>329</u>	0%
 <u>Postage A/C 60300</u>				
Billings	9,000	11,000		
Additional mailings	1,000	1,000		
	<u>10,000</u>	<u>12,000</u>	<u>2,000</u>	17%
 <u>Telephone A/C 60351</u>				
Cox	3,500	2,700		
Verizon	5,000	4,500		
Replacement Cell Phones	1,200	1,200		
	<u>9,700</u>	<u>8,400</u>	<u>(1,300)</u>	-15%

Promotional A/C 60353

Truck Magnets	250	250		
Advertisement	500	550		
	750	800	50	6%

Auto Expense A/C 60400

Repairs, batteries, tires	5,000	8,500		
Fuel *	29,500	26,000		
Fuel Adj. (Potential Increase)	3,000	3,000		
	37,500	37,500	0	0%

Office Supplies A/C 60452

Printing	6,200	6,200		
Stuffing Machine Annual Maint.	2,700	2,850		
All Other	4,500	4,500		
	13,400	13,550	150	1%

Security and Emergency A/C 60453

Safeguard - Office	750	750		
	750	750	0	0%

Office Utilities A/C 60454

	5,700	7,090	1,390	20%
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Fees and Permits A/C 60501

Maricopa County	3,300	3,620		
ACC	50	50		
Carefree Shadows HOA	125	125		
Town License	40	40		
	3,515	3,835	320	8%

Dues and Subscriptions A/C 60456

Blue Stake	1,000	1,000		
AWWA Membership	420	450		
Rural Water Association	1,500	1,300		
WEF	210	210		
AZ Water Association	250	250		
American Society of Civil Engineers	300	200		
Water Operator Certifications	750	750		
	4,430	4,160	(270)	-6%

<u>Office Equipment Rental A/C 60457</u>				
Postage Machine	1,800	1,800		
	1,800	1,800	0	0%
<u>Bad Debt Write-off A/C 60550</u>				
	4,000	4,000	0	0%
<u>Loss Write Off - Meters</u>				
	12,000	12,000	0	0%
<u>Income Tax</u>				
State	55	55		
	55	55	0	0%
<u>Credit Card Charges A/C 60652</u>				
	9,000	12,500	3,500	28%
<u>Bank Charges A/C 60653</u>				
All Other Banks	500	500		
Chase (Electronic Banking)	11,000	11,000		
	11,500	11,500	0	0%
<u>GIS Mapping A/C 60206</u>				
GPS Annual Fee	1,500	1,000		
Monthly MIFI Fee	600	1,200		
Support	20,000	20,000		
Elements Annual Maintenance	10,000	10,000		
	32,100	32,200	100	0%
<u>Water Conservation Costs A/C 6100</u>				
Literature/Community Events	2,500	2,500		
	2,500	2,500	0	0%
<u>Regulatory Expense A/C TBD</u>				
Lead Service Line	-	75,000		
ERP/ Resiliency	-	50,000		
	-	125,000	125,000	100%
<u>Total Costs</u>				
	1,178,492	1,289,475	110,983	9%

## **Replacement and Maintenance (R&M) Summary**

### **Carefree Water Company – FY 25-26**

- Funds the normal water system maintenance (items we do everyday)
- Unscheduled repair/replacement costs are the hardest to predict
- Utilized historical expenses from the last 3 years, plus knowledge of what needs to be done
- Budget is up 4% this fiscal year, \$13,500, reflecting:
  - Additional R&M in for expanded service area
  - Material/Contract Labor/Equipment Rental Increases
  - Supply-Chain Related Issues Have Improved

**Replacement and Maintenance Budget  
2025-2026**

	2024-2025 Budget	2025-2026 Budget	Variance	Percentage
<u>R &amp; M Tanks</u>				
Tank Maint.	36,600	36,185		
Misc.	3,000	3,000		
	<u>39,600</u>	<u>39,185</u>	<u>(415)</u>	<u>-1%</u>
<u>R &amp; M Pumps and Wells</u>				
Pumps Stations	11,000	11,000		
Wells	6,000	6,000		
	<u>17,000</u>	<u>17,000</u>	<u>0</u>	<u>0%</u>
<u>R &amp; M Mains and Valves</u>				
Valves	35,000	35,000		
Mains Repairs	62,250	72,250		
Other Distribution Repairs	0	0		
	<u>97,250</u>	<u>107,250</u>	<u>10,000</u>	<u>10%</u>
<u>R &amp; M Services/Meters</u>	<u>60,000</u>	<u>60,000</u>	<u>0</u>	<u>0%</u>
<u>R &amp; M Easements &amp; Right of Way Landscape</u>	<u>2,000</u>	<u>3,000</u>	<u>1,000</u>	<u>50%</u>
<u>R &amp; M Equipment</u>				
Backhoe	4,500	2,500		
Ditch Witch	2,000	2,000		
Mini Excavator	1,500	2,500		
Trucks	7,000	10,000		
Chlorination	2,000	2,000		
Town Equipment Cost Sharing	4,000	5,000		
	<u>21,000</u>	<u>24,000</u>	<u>3,000</u>	<u>14%</u>
<u>Fire Hydrant Maintenance</u>	<u>25,000</u>	<u>15,000</u>	<u>(10,000)</u>	<u>-40%</u>
<u>R &amp; M Generator</u>	<u>20,000</u>	<u>25,000</u>	<u>5,000</u>	<u>25%</u>
<u>R &amp; M Interconnect</u>	<u>3,000</u>	<u>6,000</u>	<u>3,000</u>	<u>100%</u>
<u>R &amp; M Supplies</u>	<u>10,000</u>	<u>12,000</u>	<u>2,000</u>	<u>20%</u>

<u>R &amp; M General</u>				
AC Units	3,500	3,500		
Fire Protection	700	700		
Exterminating	615	615		
	<u>4,815</u>	<u>4,815</u>	<u>0</u>	<u>0%</u>
<u>Equipment Rental</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>0%</u>
 Total Maint. and Replacement	 <u>302,665</u>	 <u>316,250</u>	 <u>13,585</u>	 <u>4%</u>

**RESERVE BALANCE RECOMMENDATIONS/CALCULATION**  
**(Originally Updated for FY 24-25)**

**Operating Reserve**

AWWA Recommendation<sup>1</sup>: 45-90 days

Use a 60 day (2 month) Operating Reserve

FY 23-24 Operating Budget: \$3.0 M

$(\$3.0 \text{ M} / 12 \text{ months}) \times 2 \text{ months} = \$500,000$

**Repair and Replacement Reserves**

AWWA Recommendation<sup>1</sup>: 1% – 2% of Original Asset Value

Use 1% of Original Asset Value

Original Asset Value = \$30.9 M

$\$30.9 \text{ M} \times 1.0\% = \$309,000$

**Contingency**

AWWA Recommendation<sup>1</sup>: Open

Use a Conservative Approach in Other Categories and Defer Additional Contingency

**Debt Reserves**

AWWA Recommendation<sup>1</sup>: 120% of Annual Debt Service

Base Fee in Rates Essentially Pays Annual Debt Service

Use 50% of Annual Series 2021 Bond Debt Service for Reserves

Annual Debt Service = \$1.1M

$\$1.1\text{M} \times 50\% = \$550,000$

**Total Target Reserves:  $\$500,000 + \$309,000 + \$0 + \$550,000 = \$1,359,000 \rightarrow$  Use \$1.4M**

**New Target:               \$1,400,000**

**Previous Target:       \$1,000,000**

**Increase:               \$ 400,000 over 10 years  $\rightarrow$  \$40,000/yr.**

<b>Recommendation for FY's 24-25 thru 33-34: \$40,000 Reserve Deposit/year</b>
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<sup>1</sup>AWWA: American Water Works Association

## Capital Improvement Program Recommendations Carefree Water Company – FY 25-26

Total FY 25-26 Capital Budget - \$315,160

- Fire Protection – \$15,000 (3 Replacement Hydrants)
- System Automation and Technology - \$0
- System Improvements – \$186,160
- Capital Equipment Fund - \$55,000
- Water Rights - \$59,000

### CAPITAL IMPROVEMENT PROGRAM DETAILS

#### Fire Protection - \$15,000

- 3 Replacement Fire Hydrant Installations

#### System Automation and Technology - \$0

- SCADA System Upgrades

#### System Improvements - \$186,160

- Annual Meter Replacements - \$25,000
- Pipeline Upgrade Projects - \$161,160

#### Capital Equipment Account – \$55,000 (Annual FY 25-26 Deposit)\*

\* See Attached 10-year Capital Equipment Plan

#### Water Rights – \$59,000

NIA Payment (Last Payment)	\$16,000
Modified Bartlett Dam	\$43,000
Total	\$59,000



**CAREFREE WATER COMPANY  
10-YEAR CAPITAL IMPROVEMENT PLAN  
FY 25-26 THRU FY 34-35**

Capital Improvement Description	Fiscal Year (FY)										Line Item Total	Category Total
	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35		
<b>Fire Protection</b>												
Number of Fire Hydrant Replacements	3	3	3	3	3	3	3	3	3	3	42	
Fire Hydrants - Cost	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 150,000	\$ 150,000
<b>System Automation and Technology</b>												
SCADA System Improvements											\$ 125,000	
Billing System Upgrades			\$ 30,000	\$ 50,000				\$ 30,000	\$ 75,000		\$ 60,000	\$ 185,000
<b>System Improvements</b>												
Annual Meter Replacement (Typically 150 per year)	\$ 25,000	\$ 50,000	\$ 50,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 560,000	
Valve Replacement Program	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 290,000	
Pipeline Upgrade Projects	\$ 161,160	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 2,861,160	\$ 3,711,160
<b>Capital Equipment</b>												
Annual Contribution**	\$ 55,000	\$ 57,500	\$ 57,500	\$ 57,500	\$ 57,500	\$ 57,500	\$ 57,500	\$ 57,500	\$ 57,500	\$ 57,500	\$ 572,500	\$ 572,500
<b>Water Rights</b>												
Non-Indian Aq CAP	\$ 16,000										\$ 16,000	
New Bartlett Dam	\$ 43,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 2,968,000	
SCIF		\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 800,000	\$ 3,784,000
<b>Total FY Expenditure</b>	<b>\$ 315,160</b>	<b>\$ 777,500</b>	<b>\$ 907,500</b>	<b>\$ 937,500</b>	<b>\$ 887,500</b>	<b>\$ 887,500</b>	<b>\$ 892,500</b>	<b>\$ 927,500</b>	<b>\$ 972,500</b>	<b>\$ 897,500</b>	<b>\$ 8,402,660</b>	<b>\$ 8,402,660</b>

**PIPELINE UPGRADE PROJECTS - PRIORITIZATIONS**  
**10-YEAR CAPITAL IMPROVEMENT PLAN**  
**FY 25-26 THRU FY 34-35**

Priority	Project Description	Lineal Feet	Project Cost
1	Silver Saddle Gravity Zone Upgrades - Ph. 1*	4,050	\$ 2,025,000
2	Grandview Estates - Ph. 1	4,095	\$ 2,047,500
3	Black Mtn. Foothills - Ph. 1	2,575	\$ 1,287,500
4	Spanish Boot/Golden Spur - Ph. 1	3,025	\$ 1,361,250
5	Grandview Estates - Ph. 2	2,570	\$ 1,156,500
6	Black Mtn. Foothills - Ph. 2	3,400	\$ 1,530,000
7	Spanish Boot/Golden Spur - Ph. 2	1,825	\$ 821,250
8	Silver Saddle Gravity Zone Upgrades - Ph. 2	5,200	\$ 2,340,000
9	Milky Way Fire Protection Upgrades	2,150	\$ 860,000
10	Sidewinder Fire Protection Upgrades	3,200	\$ 1,280,000
11	Carefree Drive Fire Protection Upgrades	2,000	\$ 800,000
		<b>34,090</b>	<b>\$ 15,509,000</b>

\* Federal Community Grant Funding of \$800,000 Available

**CAREFREE WATER COMPANY**  
**10-YEAR CAPITAL EQUIPMENT PROGRAM**  
**FY 25-26 THRU FY 34-35**

Capital Equipment Description	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	10-Yr Total
<b>Vehicles and Heavy Equip.</b>											
Field Truck #1		\$ 40,000								\$ 40,000	\$ 80,000
Field Truck #2				\$ 40,000							\$ 40,000
Towing Truck #3								\$ 70,000			\$ 140,000
GM Truck #4	\$ 70,000						\$ 40,000				\$ 40,000
Supervisor Truck #5						\$ 40,000					\$ 40,000
Towing Truck #6			\$ 70,000						\$ 70,000		\$ 140,000
Backhoe (50/50 Cost Split w/Town)			\$ 80,000								\$ 80,000
Vactor Equipment (Ditch Witch)					\$ 70,000						\$ 70,000
Large Tools		\$ 5,000		\$ 5,000		\$ 5,000		\$ 5,000		\$ 5,000	\$ 25,000
<b>Technology &amp; Misc. (Computers, Printers, Work Stations, etc.)</b>											
Computer Replacements (\$1500/computer)	\$ 1,500		\$ 3,000	\$ 3,000			\$ 3,000	\$ 3,000			\$ 13,500
Server and Components	\$ 11,000					\$ 11,000					\$ 22,000
Meter Reading Technology Upgrades			\$ 8,000			\$ 8,000			\$ 8,000		\$ 24,000
<b>Total FY Expenditure</b>	<b>\$ 82,500</b>	<b>\$ 45,000</b>	<b>\$ 161,000</b>	<b>\$ 48,000</b>	<b>\$ 70,000</b>	<b>\$ 64,000</b>	<b>\$ 43,000</b>	<b>\$ 78,000</b>	<b>\$ 78,000</b>	<b>\$ 45,000</b>	<b>\$ 714,500</b>
<b>Prior FY Balance</b>	<b>\$ 110,236</b>	<b>\$ 87,736</b>	<b>\$ 105,236</b>	<b>\$ 6,736</b>	<b>\$ 21,236</b>	<b>\$ 13,736</b>	<b>\$ 12,236</b>	<b>\$ 31,736</b>	<b>\$ 16,236</b>	<b>\$ 736</b>	
<b>Annual FY Contribution</b>	<b>\$ 55,000</b>	<b>\$ 57,500</b>	<b>\$ 57,500</b>	<b>\$ 57,500</b>	<b>\$ 57,500</b>	<b>\$ 57,500</b>	<b>\$ 57,500</b>	<b>\$ 57,500</b>	<b>\$ 57,500</b>	<b>\$ 57,500</b>	<b>\$ 572,500</b>
<b>Misc. Sales</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 50,000</b>
<b>End of FY Balance</b>	<b>\$ 87,736</b>	<b>\$ 105,236</b>	<b>\$ 6,736</b>	<b>\$ 21,236</b>	<b>\$ 13,736</b>	<b>\$ 12,236</b>	<b>\$ 31,736</b>	<b>\$ 16,236</b>	<b>\$ 736</b>	<b>\$ 18,236</b>	

# Water Supply Fee

## Carefree Water Company – FY 25-26 Update

### **PURPOSE**

This report presents recommendations to update the one-time “Water Supply Fee” for new development and redevelopment projects within the service area of the Carefree Water Company. This fee was originally approved in FY 22-23. The purpose of the Water Supply Fee is two-fold:

- 1) Collect from new development and redevelopment projects their reasonable share of costs already expended for securing water supplies and water rights.
- 2) Provide the Water Company one mechanism to facilitate and fund the acquisition of new water supplies to bolster Carefree’s water portfolio.

### **BACKGROUND AND HISTORY**

A significant amount of planning and capital expenditures have been committed to assure that Carefree has an adequate supply of water into the future. Our existing customer base has fully paid for these efforts.

The current drought situation within the western United States and particularly the desert southwest has highlighted the fact that our water supplies and water rights are limited resources. These resources are likely to be curtailed in times of drought.

In order for Carefree to have an adequate supply of water into the future, we must manage and plan our finite water resources today and balance those resources with the need for reasonable growth, redevelopment, and revitalization.

### **CURRENT SUPPLY SITUATION**

The Carefree Water Company has secured the following water supplies which will be used as shown below in the Water Supply Fee calculation:

<b>Water Supply</b>	<b>Year Obtained</b>	<b>Amount Used in Fee Calculation [Acre Feet (AF)/yr]</b>
CAP M&I (Original Allocation)	1990	400
CAP M&I (BHP Reallocation)	2001	900
CAP NIA (60% Availability Assumed)	2021	67 (112 x 0.6)
CAP M&I (Cave Creek Transfer)	2023	378
Groundwater	Grandfathered	500*
<b>Total</b>		<b>2245</b>

\* Annual groundwater pumping shown (500 AF) is the maximum non-emergency groundwater volume established in the Scottsdale Treatment and Transportation Agreement. The only other legal limitation is Carefree’s historic groundwater pumping capability.

Carefree has obtained various CAP water rights over its history as detailed in the table above. The Carefree Water Company also has the right to pump groundwater within the Carefree Subbasin which is part of the East Salt River Valley aquifer. Although we exercise this right every year, the Arizona Department of Water Resources does not consider this groundwater resource as an “assured supply” that is continually available for the next 100-years and therefore we cannot utilize our groundwater resources to support new subdivision development within the Carefree community. Subdivision development is regulated by the ADWR and must obtain a “Certificate of Assured Water Supply” in order to be approved for development. Recent dealings with ADWR have indicated that currently only Carefree’s CAP M&I allocations can be utilized to demonstrate water availability to meet our existing demand and future demand for assured water supply purposes.

### **FUTURE SUPPLY SITUATION**

The original Water Supply Fee calculations performed for FY 22-23 used simplifying assumptions in order to generate a reasonable Water Supply Fee until additional details on the amount and cost of future supplies were obtained. These original assumptions were conservatively low in order to not inflate the initial Water Supply Fee. This Water Supply Fee update contains more clarity on the cost of future water supplies, even though there are still cost uncertainties.

The future water supply assumption for this analysis continues to be new Bartlett Dam water rights. This new Bartlett Dam water would only be used to “firm”, or back-up, Carefree’s current CAP supply and/or reduce our groundwater pumping. Thus, new Bartlett Dam water is not considered an additional water supply even though 1,155 AF of storage behind new Bartlett Dam would result in an average of yield of 330 AF of water annually.

For Carefree, new Bartlett Dam water would be delivered to the CAP canal through the future Salt River/CAP Interconnection Facility (SCIF), allowing delivery of this water to one of our neighboring communities that we have Treatment and Transportation Agreements with (Scottsdale and Cave Creek). This still appears to be a the most likely future water resource from a cost and viability perspective.

### **WATER SUPPLY FEE**

Appendix A contains the methodology and calculation for a Water Supply Fee update to \$5,379/AF. The Policy Statements below provides guidance on how this fee will be applied.

### **POLICY STATEMENTS AND ADMINISTRATIVE GUIDANCE**

- 1) All single-family residential units (SFRs) are assumed to require 0.5 AF/yr of water supply/water rights, setting the Water Supply Fee at \$2,690 per SFR dwelling unit.
- 2) All multi-family residential units (MFRs) are assumed to require 0.25 AF/yr of water supply/water rights, setting the Water Supply Fee at \$1,345 per MFR dwelling unit.
- 3) The Water Supply Fee for all other future water uses (commercial, irrigation, subdivision common areas including pools and recreational facilities, etc.) shall utilize the fee amount of \$5,379/AF multiplied by a calculated annual water demand. The calculated annual water demand shall be reviewed and approved by the Carefree Water Company. Carefree Water Company staff shall develop and implement future policies and procedures for the calculation of annual water demand calculations to ensure consistency and reasonableness.
- 4) Any future water use and proposed project that has an annual water demand greater than 15 AF is deemed to have a significant impact on Carefree’s existing water resources and may be required to provide a viable source of water that is physically available to the Carefree Water Company in lieu of payment of the Water Supply Fee. Proposed projects meeting this criterion will be reviewed on a case-by-case basis in consultation with the Town of Carefree considering the nature of the development, the volume of annual water needed, and best interest of the Town of Carefree and Carefree Water Company.
- 5) It is the intent of this policy to protect the Carefree/Cave Creek Groundwater Subbasin and to that extent, any water resource that would require direct or indirect use of groundwater within the Subbasin would not qualify as a viable source of water.
- 6) Redevelopment/revitalization projects shall qualify for a reasonable “credit” for existing annual water demand based on historic water use at a property. This historic annual water use shall be reviewed and approved by the Carefree Water Company and is exempt from the Water Supply Fee. The Water Supply Fee does apply to all newly generated annual water demand.
- 7) Rebuilding/refurbishing existing SFRs and MFRs are exempt from Water Supply Fees as long as the usage on the property remains SFR or MFR, even if characteristics change (i.e. total square footage changes, number of water fixtures changes, etc.).
- 8) Any land division that generates a new developable lot will require a Water Supply Fee at the time of development.
- 9) Water Supply Fees can be included/acknowledged in negotiated Development Agreements.
- 10) Water Supply Fees cannot be “prepaid”. Water supply Fees may only be paid at the time of development/redevelopment permit issuance.
- 11) Water Supply Fees once paid, are non-refundable.

## APPENDIX A VALUE/COST OF CURRENT AND FUTURE WATER SUPPLIES

### **Original CAP M&I Allocation and Cave Creek Transfer – 778 AF**

#### Basis of water supply valuation

- CAP M&I Capital Charges (paid regardless of water usage) – 1993 thru 2024
  - Assumed Time Value of Money - 5%
  - 2024 Per AF Value - \$2,390.11/AF
  - Total 2024 Value of Water Rights (778 AF x \$2,390.11/AF) = \$1,859,505.58

### **Supplemental CAP M&I Allocation (BHP Copper) – 900 AF**

#### Basis of water supply valuation

- Upfront Cost - \$329,389.15
  - Assumed Time Value of Money - 5% (2001 thru 2024)
  - 2024 Value - \$1,011,726.60
- CAP M&I Capital Charges (paid regardless of water usage) – 2001 thru 2024
  - Time Value of Money - 5%
  - 2024 Per AF Value - \$1,172.81/AF
  - 2024 Value - \$1,055,529.00
- Total 2024 Value of Water Rights = \$1,011,726.60 + \$1,055,529.00 = \$2,067,255.60

### **Supplemental CAP NIA Allocation – (60% Availability = 112 AF x 0.6 = 67 AF)**

#### Basis of water supply valuation

- Upfront Cost - \$219,688.00

### **Groundwater – (500 AF)**

- Upfront Capital Cost - \$0

### **Future Allocations – New Bartlett Dam Water & Salt River/CAP Interconnect Facility (SCIF) - 200 AF\*\***

#### Basis of water supply valuation

- New Bartlett Dam Water Estimate - \$6,930,000.00 (\$9,900/AF of capacity)
- SCIF Estimate = \$1,000,000.00
- Total = \$11,434,500.00/AF + \$1,000,000.00 = \$7,930,000.00

\*\* Assumes a New Bartlett Dam long-term average storage yield of 200 AF/yr of water supply from a Bartlett Dam storage capacity of 700 AF. This water will only be used to “firm”, or back-up existing supplies and/or reduce groundwater pumping, therefore, no new water supplies are assumed to be generated from participation in the new Bartlett Dam project.

### **Cost Allocation – Future Development and Redevelopment**

#### Assumptions

- A cost for all current and anticipated water supplies will be calculated and weighted on a per acre-foot basis considering all water supplies reasonably available to Carefree.
- Future development’s and redevelopment’s share of these water supply costs will be based on this weighted per acre-foot calculation.

#### Calculation

CAP Allocation – Original & CC Transfer	\$ 1,859,505.58
CAP Allocation – BHP Copper	\$ 2,067,255.60
CAP Allocation – NIA Water	\$ 219,688.00
Groundwater	\$ 0.00
Bartlett & SCIF	\$ 7,930,000.00
TOTAL	\$12,076,449.18/2245AF = <span style="border: 1px solid black; padding: 2px;">\$5,379/AF</span>