

**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, NOVEMBER 18, 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: 4:00 P.M.

Pursuant to A.R.S. 38-431.02, notice is hereby given to the members 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., and to the general public that the members 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. Approval of the minutes of the November 4, 2025 meeting.
2. Discussion and possible action of approval of the appointment and contract for the Carefree Water Company General Manager.
3. Adjournment.

DATED this 14th of November, 2025.

TOWN OF CAREFREE

By: Kristen Krey, Secretary/Treasurer

Items may be taken out of sequence

Meetings are now broadcast live via the Town of Carefree YouTube channel: [@CarefreeAZgov](https://www.youtube.com/@CarefreeAZgov)

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
MINUTES**

MEETING DATE: 11/18/2025

SUBJECT: Approval of the minutes of the November 4, 2025 meeting.

PREPARED BY: Kristen Krey, Town Clerk / Treasurer

Attachments

CWC UCFD Draft Minutes 11.4.25

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, NOVEMBER 4, 2025

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

LIVESTREAM: [CAREFREE YOUTUBE CHANNEL](https://www.youtube.com/@Carefree.AZgov)
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TIME: 4:00 P.M.

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The agenda for the meeting is as follows:

CALL TO ORDER 4:03 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, Chairman
Cheryl Kroyer, Vice Chairmember
Sheila Amoroso, Board Member
Clint Miller, Board Member
Colleen Rose Scurti, Board Member
Lon Johnson, Board Member
Diane Lloyd Roth, Board Member

Staff Present: Kristen Krey, Secretary/Treasurer
CJ DiMaggio, Town Engineer
Gary Neiss, Town Administrator
Dennis Fitgibbons, Attorney

REGULAR AGENDA

1. Approval of the June 3, 2025 Carefree Water Company and Utilities Community Facilities District Meeting Minutes.
The Board approved the minutes of the June 3, 2025 meeting.
Motion: Board Member Amoroso
Second: Board Member Miller
Vote: 7-0 Unanimous

2. Update on interim staffing of General Manager position and recruitment of new General Manager.

The Chairman, John Crane, provided an update on this process. Former General Manager Greg Crossman retired with limited notice after 13 years of service, including significant work on the consolidation project. The Town on behalf of the Water Company has advertised the General Manager position via LinkedIn, League of Arizona Cities & Towns, and Arizona Water Association.

A recruitment panel has been established including: Sheila Amoroso (Board Member), Kristen Krey (Secretary/Treasurer), Gary Neiss (Town Administrator with a 23-year history with the water company/town) and Chairman John Crane. Multiple resumes were received and interviews are underway.

No action is required on this item.

3. Review, discussion, and possible action to approve the following:
 1. Resolution 2025-03 authorizing the Chairman of the Town of Carefree, Arizona Utilities Community Facilities District (Carefree UCFD) to execute the following contract;
 - a. Construction Contract No. 2025-C01 with Jud Co, LLC for the Silver Saddle Pressure Zone Waterline Improvement Project for the total bid amount of \$894,466.00;
 2. The establishment by the District Manager of a 25% contingency fund to account for possible cost increases and change orders as discussed in the Summary section.

The execution of Construction Contract No. 2025-C01 is contingent upon award concurrence from the Environmental Protection Agency (EPA) and confirmation of federal funding availability of an FY 23 Community Grant in the amount of \$800,000. Confirmation of both has been impacted by the recent shutdown of the federal government.

The Chairman indicated that Town Engineer CJ DiMaggio agreed to manage this project in the interim. Mr. DiMaggio presented the Silver Saddle Pressure Zone Pipeline Improvement Project, originally prepared by former General Manager Crossman.

Key project elements:

- Replacement of 4,000 feet of aging 3-inch PVC line with new 8-inch ductile iron pipe.
- Installation of seven (7) new fire hydrants.
- Creation of a pressure "zone" that improves system wide flow between existing reservoirs (Highlands/Silver Saddle, Tom Darlington, Nonchalant).
- Project benefits over one-third of the Town's water system (original and transition area properties).
- Existing 3-inch PVC line will remain active during construction, then be abandoned.

Bidding:

- 13 bids received.
- Low bidder: Judd Company LLC, Cedar City, Utah.
- Bid amount: \$894,466.

Funding:

- 80% of project cost anticipated from an EPA Community Grant (up to \$800,000).
- The Federal shutdown has paused EPA concurrence, but funding is expected to remain viable.
- The award of the contract is contingent upon EPA confirmation.
- A 25% contingency requested due to: Likely hard dig conditions (cemented soils/rock common in foothill areas).
- And an estimated ~20% of project area may require hard-dig excavation. Projected potential additional costs are approximately \$200,000--\$300,000 if conditions are more extensive.

The Board had questions about the following and Mr. DiMaggio provided clarification.

- Fire flow & pressure: New 8-inch line allows increased capacity and ensures hydrant coverage.
- Service continuity: Homes currently served by the 3-inch line will be switched to the 8-inch line after installation.
- Hard dig history: More common near Black Mountain; uncertain how much was encountered during past projects like Peaceful Place.
- Utility conflicts: Possible source of change orders if uncharted utilities are found. Water flow direction: System is dynamic; water may flow uphill/downhill depending on operational needs.

The Chair requested a motion to approve Resolution 2025-03, authorizing: the execution of construction contract 2025-C01 with Judd Company LLC and the establishment of a 25% contingency fund.

Motion: Board Member Kroyer

Second: Board Member Amoroso

Vote: 7-0 Unanimous

4. Adjournment. 4:30 p.m.

DATED this 14th of November, 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: 11/18/2025

SUBJECT: Discussion and possible action of approval of the appointment and contract for the Carefree Water Company General Manager.

PREPARED BY: Kristen Krey, Town Clerk / Treasurer

SUMMARY:

In October of 2025, upon the resignation of the Carefree Water Company General Manager, a recruitment was posted to the websites of the League of Arizona Cities and Towns, Linked IN, and the AZ Water Association. Applications received for this recruitment were reviewed and applicants were selected for interview by a panel of the Board Chair, Board Director, Secretary/Treasurer and Carefree Town Administrator. The candidate selected and recommended by the panel is highly qualified, experienced in all aspects of the General Manager responsibilities and will provide an outstanding level of leadership for the future of Carefree Water Company.

ACTION NEEDED:

Vote to approve the hiring and authorization of the Chairman to sign the Contract for General Manager of Carefree Water Company.

Attachments

GM Contract Nov. 2025



Carefree Water Company
EMPLOYMENT AGREEMENT

This Employment Agreement (the “Agreement”) is made and entered into as of the ____ day of _____, 2025 (the “Effective Date”), by and between **Carefree Water Company**, an Arizona corporation, with its principal place of business located at 7181 Ed Everett Way, Carefree, Arizona 85377 (the “Company”), and **Nicholas Larssen** (the “Employee”).

1. Position and Duties:

1.1 Position: The Company hereby employs the Employee as General Manager. The Employee shall report to the Company’s Board of Directors (the Carefree Town Council) and shall have such duties, responsibilities, and authority as are commensurate with the title of General Manager and as reasonably assigned by the Board of Directors from time to time. The Company reserves the right to assign Employee such reasonable different or additional duties as it deems necessary or advisable.

1.2 Best Efforts: The Employee agrees to devote full business time, attention, skill and efforts to the performance of the Employee’s duties hereunder, and to perform such duties faithfully, diligently, and in the best interests of the Company, subject to such reasonable absences for vacation, illness or other approved leave.

1.3 Place of Work: The Employee’s primary place of work shall be located at 7181 Ed Everett Way, Carefree, Arizona.

1.4 Compliance: The Employee agrees to comply with all lawful and reasonable policies, practices, procedures, and regulations of the Company now in effect or adopted in the future. The Employee agrees to maintain all current water certifications throughout his employment with the Company.

2. At-Will Employment:

2.1 At-Will: The Employee acknowledges and agrees that employment hereunder is “at-will,” meaning that either the Company or the Employee may terminate the



employment relationship at any time, with or without Cause or notice, except as otherwise provided in Section 8 below.

3. Term:

3.1 Effective Date. This Agreement will commence on the Effective Date.

3.2 No Fixed Term: There is no guarantee of employment for any fixed term.

4. Compensation and Benefits:

4.1 Base Salary: The Employee shall receive an **annual base salary of \$150,000**, payable in regular installments in accordance with the Company's standard payroll practices, subject to required withholdings and deductions.

4.2 Bonus or Incentive Compensation: The Employee shall be eligible to receive an annual performance-based bonus or other incentive compensation, in amounts and on terms determined at the Company's sole discretion. The structure, performance targets, and timing of any such bonus will be provided to the Employee in writing. The Employee acknowledges that all bonuses are discretionary and may be modified or discontinued by the Company at any time. In addition, the Employee may receive an annual cost-of-living adjustment ranging between 3% and 5%, to be applied at the start of each new fiscal year in accordance with the Company's budget approval process.

4.3 Benefits: The Employee shall be eligible to participate in the Company's employee-benefit plans, policies or programs (e.g., health insurance, retirement plans, paid time off) in accordance with the terms of such plans, subject to any eligibility and participation requirements.

4.4 Vacation and Leave: The Employee shall accrue paid time off (PTO) in accordance with the rates specified in the Company Employee Handbook. In addition to the standard accrued PTO, the Employee will receive a one-time grant of 80 hours of vacation time, effective on the first day of employment.

Unused vacation time will be paid out at the end of each calendar year or upon separation from employment, in accordance with Company policy. However, during the initial year of this Agreement, the 80 hours of initial vacation time may either be used before the end of the calendar year or carried over into the following year. This initial 80-hour allotment shall not be paid out at the end of calendar year 2025.



4.5 Reimbursement for Business Expenses: The Company shall reimburse the Employee for all reasonable business expenses properly incurred in the performance of duties hereunder, in accordance with the Company's expense reimbursement policy.

5. Duties of Confidentiality and Non-Disclosure:

5.1 Confidential Information: The Employee acknowledges that during the course of employment, the Employee will have access to confidential and proprietary information of the Company (including trade secrets, customer lists, pricing, processes, operation methods, financial information, etc.). The Employee agrees not to disclose, use, publish or permit the use of any such Confidential Information except in the performance of the Employee's duties for the Company.

5.2 Return of Materials: Upon termination of employment, the Employee shall return all materials, records, documents and other property of the Company that embody or relate to Confidential Information.

5.3 Survival: The obligations of confidentiality under this Section 5 shall survive termination of employment.

6. Non-Solicitation, Non-Rehire:

6.1 Non-Solicitation of Employees: For a period of twelve (12) months following termination of employment, the Employee shall not solicit or hire, or attempt to solicit or hire, any employee of the Company with whom the Employee had contact or responsibility during the last twelve (12) months of employment.

6.2 Reasonableness: The Employee acknowledges that the Company's business includes proprietary systems and goodwill, and that the restrictions in this Section 6 are designed to protect those interests, are reasonable in duration, geography and scope, and are necessary for the protection of the Company's legitimate business interests. If any provision of this Section 6 is held invalid or unenforceable by a court, the parties agree to substitute a valid provision as reasonably necessary.

7. Intellectual Property:

7.1 Work Product: The Employee agrees that all inventions, innovations, developments, discoveries, designs, improvements, works of authorship, trade



secrets, ideas or other work product (whether or not patentable) which are conceived, developed or reduced to practice by the Employee alone or with others during the term of employment and which relate to the Company's actual or anticipated business or result from the Employee's duties for the Company (collectively, the "Work Product"), shall be the exclusive property of the Company. The Employee hereby assigns, and agrees to assign, all right, title and interest in and to the Work Product, and any intellectual property rights therein, to the Company.

7.2 Assistance: The Employee agrees to execute all documents and take such other actions as may be required by the Company (both during and after employment) to facilitate the protection or registration of the Work Product in the Company's name.

8. Separation:

8.1 Separation by Company: The Company may terminate the Employee's employment at any time, for any reason or no reason, in accordance with Section 2.1. If the Employee's employment is terminated for "Cause," then the Company may terminate immediately and without notice. "Cause" shall mean (but not be limited to) the Employee's (i) willful misconduct or gross negligence in the performance of duties; (ii) material breach of this Agreement; (iii) conviction of, or plea of guilty or no contest to, a felony; (iv) misconduct or fraud that materially injures the Company, or casts the Company in a negative light.

8.2 Separation by Employee: The Employee may resign the employment at any time by giving the Company at least 90 days' written notice (unless waived by the Company).

8.3 Termination without Cause: If the Company terminates the Employee's employment without Cause, the Company shall provide the Employee with 30 days' written notice (or pay in lieu thereof) and, if applicable, a severance payment equal to 6 months of base salary, provided the Employee signs a full and complete release of claims acceptable to the Company.

8.4 Effect of Termination: Upon any termination of employment, the Employee shall return all Company property, comply with Section 5 (confidentiality), and cooperate in any transition of duties as reasonably requested by the Company. The Employee will be paid all earned but unpaid salary and accrued vacation (if applicable and per policy) as of the date of termination.



8.5 Final Wages: The Employee shall be paid in accordance with applicable law and Company policy.

9. Dispute Resolution:

9.1 Governing Law: This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the laws of the State of Arizona without regard to choice of law principles. Any action or proceeding concerning this Agreement shall be commenced in Maricopa County, Arizona and the parties irrevocably consent to personal jurisdiction and venue in the Maricopa County Superior Court

9.2 Arbitration: In the event that there is a dispute hereunder which the parties cannot resolve between themselves, the parties agree to attempt to settle the dispute by nonbinding arbitration before commencement of litigation. The arbitration shall be held under the rules of the American Arbitration Association. The matter in dispute shall be submitted to an arbitrator mutually selected by Employer and Employee. In the event that the parties cannot agree upon the selection of an arbitrator within seven (7) days, then within three (3) days thereafter, the Employer and Employee shall request the presiding judge of the Superior Court in and for the County of Maricopa, State of Arizona, to appoint an independent arbitrator. The cost of any such arbitration shall be divided equally between the Employer and Employee. The results of the arbitration shall be nonbinding on the parties, and any party shall be free to initiate litigation subsequent to the final decision of the arbitrator.

9.3 Procedures and Rights:

Each party shall be entitled to reasonable discovery consistent with the scope and limitations of the Arizona Rules of Civil Procedure, as determined by the arbitrator.

9.4 Waiver of Jury Trial and Court Proceedings: The parties knowingly and voluntarily waive any right to a trial by jury or to participate in a class, collective or representative action in any court.

9.5 Claims Not Covered: This Section 9 does not preclude either party from seeking provisional or injunctive relief in a court of competent jurisdiction to prevent or restrain the unauthorized use or disclosure of Confidential Information or other intellectual property pending arbitration.



10. Miscellaneous:

10.1 Entire Agreement: This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral or written agreements or understandings.

10.2 Amendments: This Agreement may be amended only by a written instrument signed by both the Company and the Employee.

10.3 Severability: If any provision of this Agreement is held invalid or unenforceable under applicable law, the remaining provisions will remain unaffected and enforced, and the invalid provision will be amended to the minimum extent necessary to make it valid and enforceable.

10.4 Waiver: No waiver by either party of any breach of any provision hereof shall operate as a waiver of any subsequent breach.

10.5 Assignment: The Employee may not assign any of the Employee's rights or obligations under this Agreement. The Company may assign its rights or obligations to any successor or affiliate, provided the Employee's rights are not materially diminished.

10.6 Notice. All notices under this Agreement shall be in writing and shall be deemed given when delivered personally, by certified mail return receipt requested, or by reputable overnight courier, to the other party at the address set forth above (or such other address as either party may designate in writing).

10.7 Headings: Section headings are for convenience only and shall not affect the interpretation of this Agreement.

10.8 Attorney's Fees and Costs: In the event either party shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition in this Agreement, it is mutually agreed that the prevailing party in such action shall recover all costs including: all litigation and appeal expenses, collection expenses, reasonable attorney's fees, necessary witness fees and court costs to be determined by the court in such action.

10.9 Conflict of Interest: The provisions of A.R.S. §38-511 relating to cancellation of contracts due to conflicts of interest shall apply to this Agreement.



11. Acknowledgment:

The Employee acknowledges that the Employee has had the opportunity to review this Agreement (and seek independent legal counsel, if desired), that the Employee fully understands the terms, and that the Employee enters into this Agreement voluntarily and without any other inducement other than as set forth herein.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CAREFREE WATER COMPANY


By: _____

Print Name: _____

Title: _____

Date: _____

EMPLOYEE

By:  _____

Print Name: Nicholas Larssen

Title: _____

Date: 11/10/2025