

**MINUTES OF JOINT 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, JUNE 2, 2020

WHERE: ZOOM WEB <https://us02web.zoom.us/j/88213442506>
MEETING ID: 882 1344 2506

TIME: 4:00 P.M.

Attending:
Chairman Les Peterson

Absent:
None

Board Members:

John Crane
Vince D'Aliesio
Stephen Hatcher
Michael Krahe
Cheryl Kroyer
Gene Orrico

Also Attending:

Greg Crossman, Manager; Meghan Orem, Controller; Michael Wright, Attorney; Kandace French, Board Secretary/Treasurer

Chairman Peterson opened the meeting of the Town Of Carefree Utilities Community Facilities District And The Board Of Directors Of The Carefree Water Company, Inc. at 4:05 p.m.

ITEM #1 Approval of the November 5, 2019 UCFD/CWC meeting minutes.

Chairman Peterson asked for a motion to approve the November 5, 2019 UCFD/CWC meeting minutes.

Board Member Kroyer made a **motion** to approve. There was a **second** by Board Member Krahe. The motion **carried** unanimously.

ITEM #2 Review, discussion and possible action regarding approval of the FY 2020-2021 Carefree Water Company Budget and Rate Schedule.

Chairman Les Peterson introduced the item.

Carefree Water Company, Greg Crossman and introduced Meghan Orem, Controller - Carefree Water Company. Mr. Crossman presented via PowerPoint, a summary of budget and water rates

for fiscal year 2020/2021. He noted that this fiscal year is the first year that the Carefree Water Company expects its revenues to top the 3 million dollar mark, a milestone for the Water Company. Additionally in this fiscal year, Carefree Water Company is proposing a 4.4% rate increase for both Base and Commodity rates, an increase of \$4.66 per month @ 12,300 gallons per month. The rate increase will be delayed to October 1, 2020 to allow residents to get their feet back on the ground during this Covid-19 emergency. The financial impact to the Carefree Water Company due to Covid-19 has been relatively minor. Carefree Water Company is working with customers that have had an impact on them. Mr. Crossman gave a shout out to the “front liners” as well as the Public Works employees, Liberty Utilities employees and the Town of Carefree Public Works Street Department employees. The Carefree Water Company is continuing a strong capital improvement budget. Mr. Crossman presented an overview of line items and responded to questions and comments from the Board. Board Member Crane asked regarding the new Fire hydrant locations. Mr. Crossman outlined the plan for the replacement of aging existing hydrants as well as the purchase of 2 new additional hydrants. Board Member Crane inquired about the Million gallon water tank and how long it will be down. Mr. Crossman explained the tank will be down for at least a week. There is risk associated with this and will need to be thought through carefully. Board Member Hatcher asked how has the new equipment helped save time and does it enhance safety? Mr. Crossman presented details of new equipment and associated safety and cost factors. Chairman Peterson commented on the 4.4% increase. Noting that delaying the rate increase to October makes it a 3.3% increase. Mr. Crossman responded to questions and comments from Chairman Peterson regarding the importance and benefits of the backup generators within the system.

Chairman Peterson recognized the Carefree Water Company employees for all they do and for keeping the system flowing and operating.

Chairman Peterson called for a motion for approval of the FY2020-2021 Carefree Water Company Budget and Rate Schedule as presented.

Board Member Crane made a **motion** to approve. There was a **second** by Board Member Orrico. The motion **carried** unanimously.

ITEM #3 **Review, discussion and possible action to approve Resolution 2020-01 authorizing the creation of a Health and Dependent Care Flexible Spending Account for Water Company employees.**

Chairman Peterson introduced the item.

Greg Crossman presented details of Health and Dependent Care Flexible Spending accounts via PowerPoint. Mr. Crossman explained that Carefree Water Company employees currently have had the option to enjoy the flexible spending benefit from November 1, 2019 to October 31, 2020. In order to continue the benefit for the upcoming year, there will need to be approval from the Town of Carefree Utilities Community Facilities District Board. FSA is a voluntary program on the part of individual employees, they have the choice whether to participate or not. Funding for the program comes via payroll deductions. The monies deposited into the FSA account are pretax dollars. There are no administrative fees; this is paid by the Health Insurance provider,

United Healthcare. Contribution to the FSA account is limited by the IRS. For 2020-2021, the Health FSA contribution is limited to \$2750.00 and the Dependent care annual contribution is limited to \$5000.00. Board member Krahe noted that in the document under the adoption information, it states that a maximum of \$500.00 may be carried over each year.

Chairman Peterson asked for a motion to approve Resolution 2020-01 authorizing the creation of a Health and Dependent Care Flexible Spending Account for Water Company employees.

Board Member Orrico made a **motion** to approve. There was a **second** by Board Member Kroyer. The motion **carried** unanimously.

ITEM #4 Adjournment

Chairman Peterson announced the agenda item and asked for a motion to adjourn.

Board Member Orrico made a **motion** to adjourn. There was a **second** by Board Member Kroyer. The motion **carried** unanimously.

The meeting adjourned at 4:58 p.m.

DATED this 11th of June, 2020.

UCFD/CWC

Kandace French Contreras, Secretary/Treasurer

BOARD OF DIRECTORS

Les Peterson, Chairman

Attest:

Kandace French Contreras, Secretary/Treasurer

CERTIFICATION

I certify that the foregoing minutes are a true and correct copy of the minutes of the meeting of the Carefree Water Company/Utilities Community Facilities District Board of Directors held on June 2, 2020. I further certify that the meeting was duly called and held and that a quorum was present.

Kandace French Contreras, Secretary/Treasurer