

City of Apache Junction Water Utilities Community Facilities District

Agenda Item 3

Resolution 2026-002

Presentation, Discussion, and Public Hearing

Fiscal Year 2026–2027 Budget

May 19, 2026

Overview

- Proposed 2026-27 Budget
- Proposed Rates, Fees, and Charges
- Budget Schedule Review

Proposed 2026-27 Budget Summary

BUDGET SUMMARY	2024-25 BUDGETARY ACTUAL	2025-26 BUDGET	2025-26 PROJECTED	2026-27 DISTRICT MANAGER PROPOSED
OPERATING SOURCES				
Reserves	-	4,889,813	3,604,499	4,941,892
Charges for Services	8,136,279	8,942,500	9,326,000	11,032,000
Operating Grants & Contributions	-	1,075,000	1,100,000	325,000
Investment Earnings	801,661	680,000	778,000	680,000
Bond Proceeds	-	-	-	10,000,000
Lease Revenue	-	-	-	900,000
Miscellaneous	265,087	182,000	279,500	238,500
Total Operating Sources	9,203,027	15,769,313	15,087,999	28,117,392
USES				
Operating	4,577,991	5,868,798	6,183,647	7,370,161
Debt Service	142,052	706,995	838,352	1,878,711
Capital Outlay	1,632,514	8,741,953	8,066,000	18,368,520
Contingency	-	451,567	-	500,000
Reserves	2,850,470	-	-	-
Total Operating Uses	9,203,027	15,769,313	15,087,999	28,117,392
NET OPERATING SOURCES/(USES)	\$ -	\$ -	\$ -	\$ -

Proposed 2026-27 Budget Summary

<u>BUDGET SUMMARY</u>	2024-25 BUDGETARY ACTUAL	2025-26 BUDGET	2025-26 PROJECTED	2026-27 DISTRICT MANAGER PROPOSED
<u>RESTRICTED SOURCES</u>				
System Connection Fees	1,525,728	1,150,000	2,110,800	1,150,000
Water Resource Acquisition	6,627,860	7,064,000	5,235,000	5,000,000
Total Restricted Sources	8,153,588	8,214,000	7,345,800	6,150,000
<u>USES</u>				
System Connection Fees	7,617	4,600,000	3,210,000	4,500,000
Water Resource Acquisition	333,810	334,970	334,000	-
Reserves	7,812,161	3,279,030	3,801,800	1,650,000
Total Restricted Uses	8,153,588	8,214,000	7,345,800	6,150,000
NET RESTRICTED SOURCES/(USES)	\$ -	\$ -	\$ -	\$ -

Proposed 2026-27 District Budget Vehicles and Equipment

- 1) Purchase two (2) new $\frac{3}{4}$ ton service trucks.
\$130,000
- 2) Purchase one (1) new mid size trucks.
\$50,000
- 3) Purchase one (1) pipe trailer
\$30,000

Proposed 2026-27 District Budget

CAPITAL PROJECTS

- Install 12-inch waterline in Baseline from Water Campus 2 to Idaho
 - \$750,000
- Install 16-inch waterline in Tomahawk from US 60 to Southern
 - \$600,000
- Install electrical and pumping equipment at well 10
 - \$2,000,000
- Purchase effluent credits from Apache Junction Sewer District
 - \$300,000

Proposed 2026-27 District Budget

CAPITAL PROJECTS

- Replace and upgrade booster pumps at Water Campus 2
 - \$2,200,000 Fund 61
 - \$2,000,000 Fund 62
- Replace media in Treatment Train 1 and coat existing pipe at Superstition Area Water Plant (SAWP)
 - \$300,000
- Water / Public Works Building
 - \$2,250,000 Fund 62

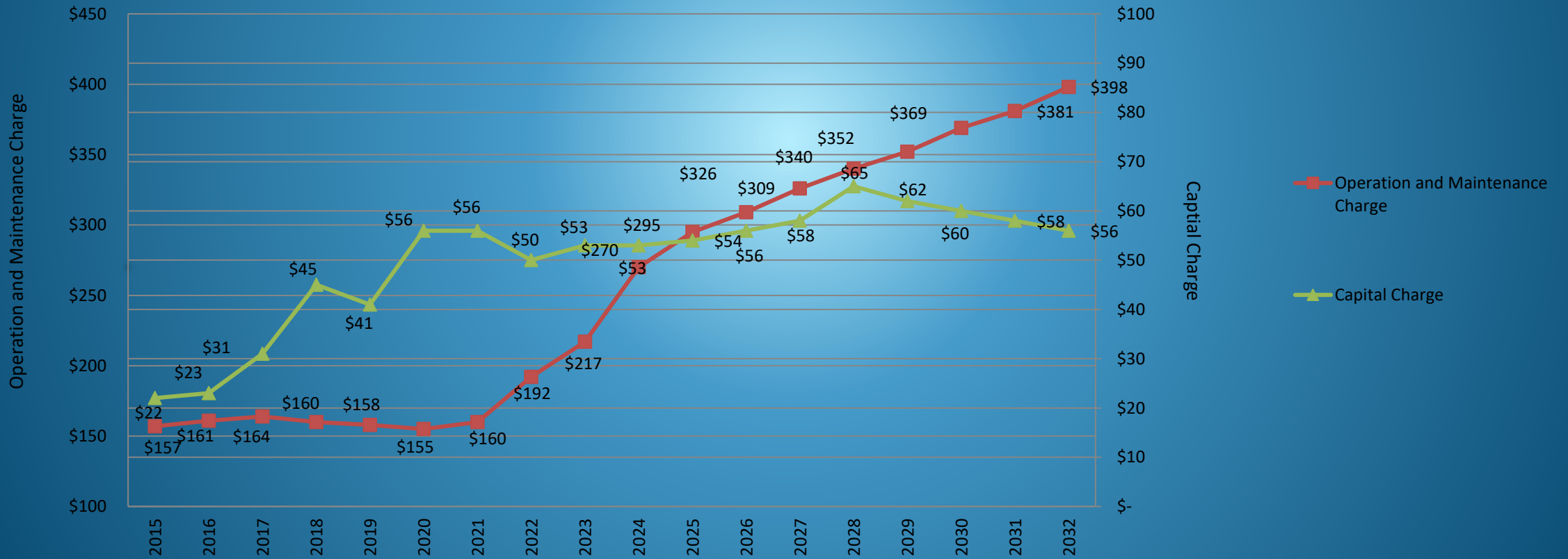
Proposed 2026-27 District Budget EXPENDITURE INCREASES

- \$180,000: Salt River Project Verde River Sedimentation Mitigation – 6 of 6. Study is going to take 6 years
- \$1,500,000: Central Arizona Project operation and maintenance fee
- \$215,000: Central Arizona Project Capital Charge

Proposed 2026-27 District Budget

CAP WATER CHARGES

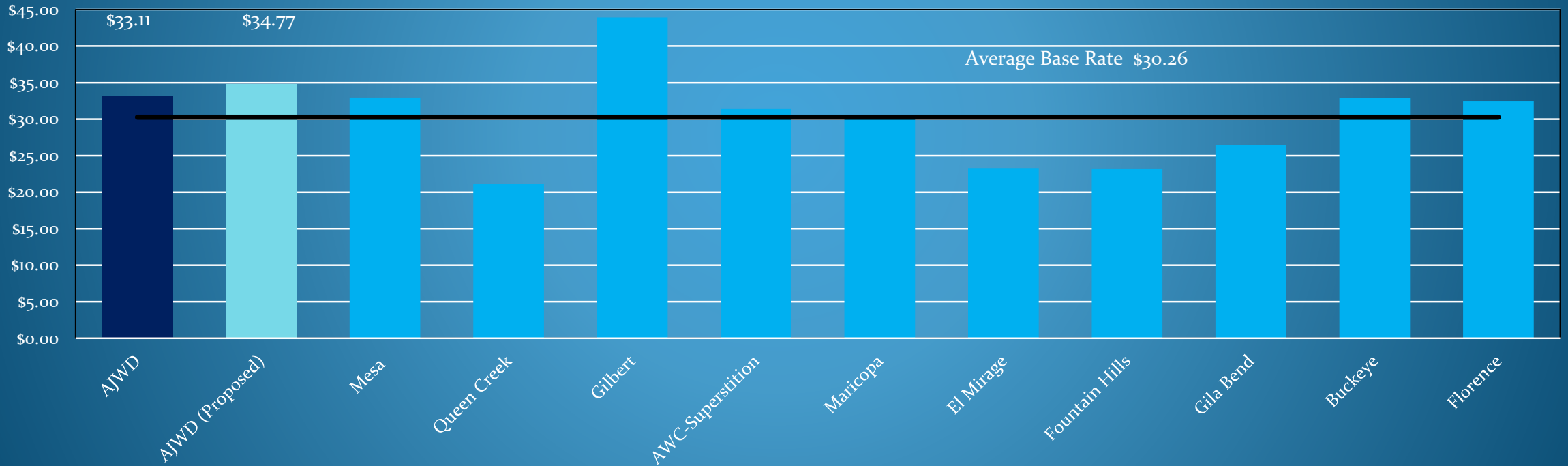
Cost of Central Arizona Project Water



Proposed 2026-27 Rates

BASE RATES COMPARISON

Base Water Rates



Proposed 2026-27 District Budget

PROPOSED RATE ADJUSTMENTS

- Customers Within the City Limits of Apache Junction
 - Base Rate: 5% Increase
 - Consumption Rates: NO CHANGE
 - Consumption Tiers: NO CHANGE

Proposed 2026-27 District Budget

PROPOSED RATE ADJUSTMENTS

- Customers in County and County Islands
 - Base Rate: 5.0% Increase
 - Consumption Rates: 5.0% Increase
 - Consumption Tiers: NO CHANGE

COMPARISON – PROPOSED RATES

District Customers within City Limits

5/8" METER RATE	EXISTING	PROPOSED	DIFFERENCE
Base Rate	\$ 33.11	\$ 34.77	\$ 1.66
Consumption Rate	\$ 34.70	\$ 34.70	\$ 0
Subtotal	\$ 67.81	\$ 69.47	\$ 1.66
Tax	\$ 7.19	\$ 7.36	\$ 0.17
TOTAL	\$ 75.00	\$ 76.83	\$ 1.83

2.4% overall increase

Based on AVERAGE Customer (i.e. small household) using
7,500 gallons per month

COMPARISON – PROPOSED RATES

District Customers in County Areas

5/8" METER RATE	EXISTING	PROPOSED	DIFFERENCE
Base Rate	\$ 34.10	\$ 35.81	\$ 1.71
Consumption Rate	\$ 50.35	\$ 52.86	\$ 2.51
Subtotal	\$ 84.45	\$ 88.87	\$ 4.22
Tax	\$ 6.08	\$ 6.38	\$ 0.30
TOTAL	\$ 90.53	\$ 95.05	\$ 4.52

4.8% overall increase

Based on AVERAGE Customer (i.e. small household) using
7,500 gallons per month

COMPARISON – PROPOSED RATES

5/8" METER RATE	CITY	COUNTY
Base Rate	\$ 34.77	\$ 35.81
Consumption Rate	\$ 34.70	\$ 52.86
Tax	\$ 7.36	\$ 6.38
TOTAL	\$ 76.83	\$ 95.05

**Based on AVERAGE Customer (i.e. small household)
using 7,500 gallons per month**

Residential System Connection Fees

Does Not Affect Current Customer Base

SERVICE TYPE	CURRENT 2025-2026	PROPOSED 2026-2027
Single Family	\$ 7,900	\$ 8,030
Multi-Family	\$ 6,620	\$ 6,730
RV Space	\$ 6,550	\$ 6,660

Proposed 1.7% Increase

Residential System Connection Fees

Radiance and Blossom Rock Development Agreement

SERVICE TYPE	Current 2025-2026	Proposed 2026-2027
Single Family	\$ 570	\$ 580
Multi-Family	\$ 480	\$ 490
Manufactured Home / RV Space	\$ 480	\$ 490

Proposed 1.7% Increase

Residential Water Resource Acquisition Fees

Does Not Affect Current Customer Base

SERVICE TYPE	CURRENT 2025-2026	PROPOSED 2026-27
Single Family	\$ 3,840	\$ 4,030
Multi-Family	\$ 3,010	\$ 3,160

System Connection and Water Resource Acquisition Fees

Single-Family Unit	Fees Effective	Water	Water Resource	Waste-water	Utility Total
Phoenix - NW	2025	\$ 18,433.00	\$ 2,009.00	\$ 8,951.00	\$ 29,393.00
Phoenix - NE	2025	\$ 18,433.00	\$ 2,009.00	\$ 8,951.00	\$ 29,393.00
Phoenix - Deer Valley	2025	\$ 18,433.00	\$ 2,009.00	\$ 1,190.00	\$ 21,632.00
Gilbert	2024	\$ 8,310.00	\$ 5,826.00	\$ 4,467.00	\$ 18,603.00
Surprise - SPA 2	2024	\$ 5,296.00	\$ 3,649.00	\$ 9,003.00	\$ 17,948.00
Apache Junction	2026*	\$ 8,030.00	\$ 4,030.00	\$ 4,950.00	\$ 17,010.00
Apache Junction	2025	\$ 7,900.00	\$ 3,840.00	\$ 4,950.00	\$ 16,690.00
Peoria - West	2024	\$ 6,318.00	\$ 936.00	\$ 8,968.00	\$ 16,222.00
Surprise - SPA 3	2024	\$ 3,142.00	\$ 3,649.00	\$ 9,108.00	\$ 15,899.00
Surprise - SPA 4	2024	\$ 2,966.00	\$ 3,649.00	\$ 9,190.00	\$ 15,805.00
Surprise - SPA 1	2024	\$ 5,325.00	\$ 3,649.00	\$ 4,481.00	\$ 13,455.00
Peoria - North	2024	\$ 3,038.00	\$ 936.00	\$ 7,346.00	\$ 11,320.00
Chandler	2024	\$ 2,460.00	\$ 1,094.00	\$ 5,989.00	\$ 9,543.00