

# City of Apache Junction Water Utilities Community Facilities District

## **Agenda Item 1**

### **Discussion on Proposed Fiscal Year 2026–2027 Budget**

**May 5, 2026  
(Work Session)**

# Overview

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

# Proposed 2026-27 Budget Summary

<b>BUDGET SUMMARY</b>	<b>2024-25 BUDGETARY ACTUAL</b>	<b>2025-26 BUDGET</b>	<b>2025-26 PROJECTED</b>	<b>2026-27 DISTRICT MANAGER PROPOSED</b>
<b>OPERATING SOURCES</b>				
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
<b>Total Operating Sources</b>	<b>9,203,027</b>	<b>15,769,313</b>	<b>15,087,999</b>	<b>28,117,392</b>
<b>USES</b>				
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	-	-	-
<b>Total Operating Uses</b>	<b>9,203,027</b>	<b>15,769,313</b>	<b>15,087,999</b>	<b>28,117,392</b>
<b>NET OPERATING SOURCES/(USES)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# Proposed 2026-27 Budget Summary

<b><u>BUDGET SUMMARY</u></b>	<b>2024-25 BUDGETARY ACTUAL</b>	<b>2025-26 BUDGET</b>	<b>2025-26 PROJECTED</b>	<b>2026-27 DISTRICT MANAGER PROPOSED</b>
<b><u>RESTRICTED SOURCES</u></b>				
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
<b>Total Restricted Sources</b>	<b>8,153,588</b>	<b>8,214,000</b>	<b>7,345,800</b>	<b>6,150,000</b>
<b><u>USES</u></b>				
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
<b>Total Restricted Uses</b>	<b>8,153,588</b>	<b>8,214,000</b>	<b>7,345,800</b>	<b>6,150,000</b>
<b>NET RESTRICTED SOURCES/(USES)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# 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

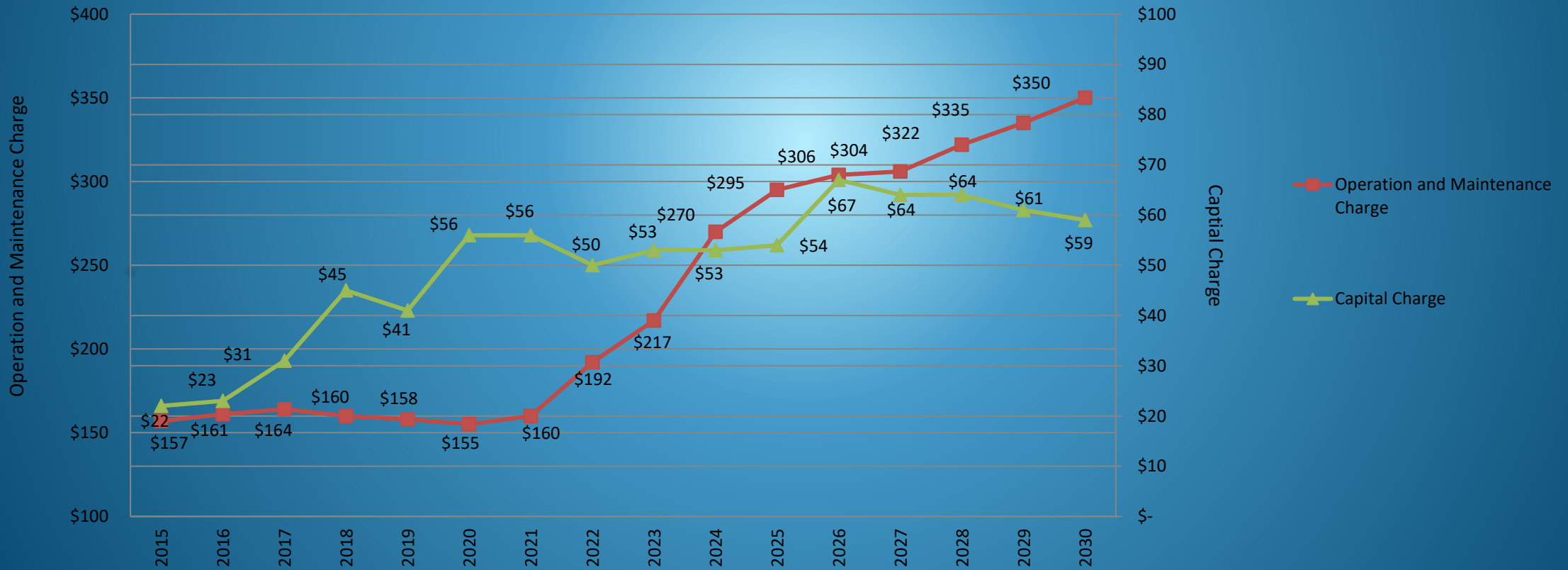
# Proposed 2026-27 District Budget EXPENDITURE INCREASES

- \$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

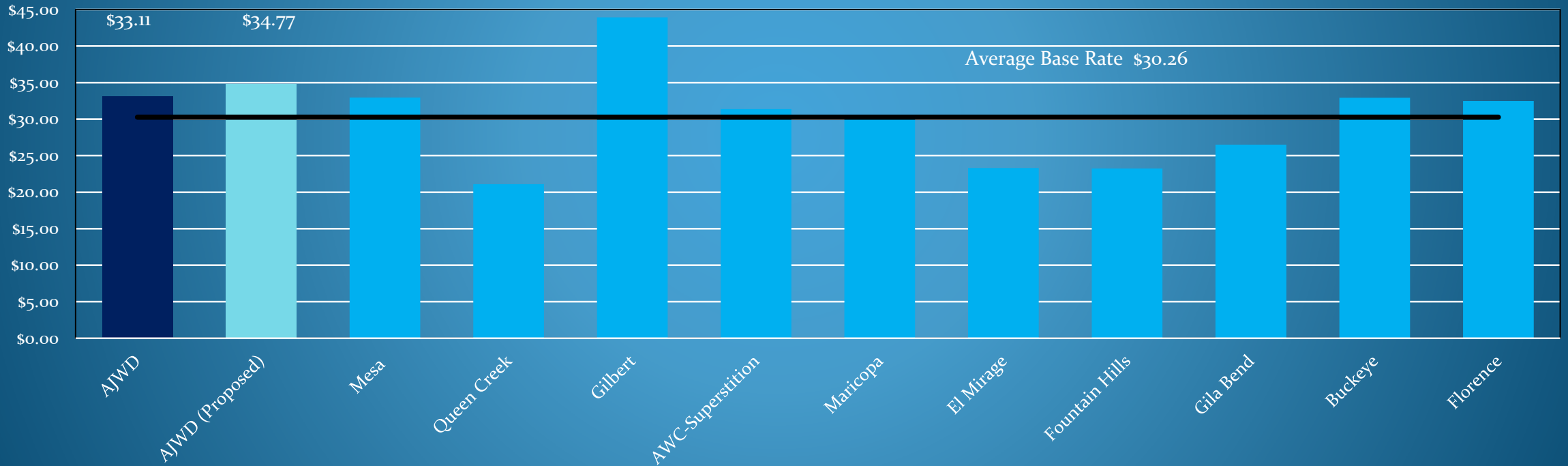
Cost of Central Arizona Project Water



# 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
<b>Subtotal</b>	<b>\$ 67.81</b>	<b>\$ 69.47</b>	<b>\$ 1.66</b>
Tax	\$ 7.19	\$ 7.36	\$ 0.17
<b>TOTAL</b>	<b>\$ 75.00</b>	<b>\$ 76.83</b>	<b>\$ 1.83</b>

**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
<b>Subtotal</b>	<b>\$ 84.45</b>	<b>\$ 88.87</b>	<b>\$ 4.22</b>
Tax	\$ 6.08	\$ 6.38	\$ 0.30
<b>TOTAL</b>	<b>\$ 90.53</b>	<b>\$ 95.05</b>	<b>\$ 4.52</b>

**4.8% overall increase**

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

# COMPARISON – PROPOSED RATES

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

**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

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

Proposed 1.7% Increase

# Residential Water Resource Acquisition Fees

Does Not Affect Current Customer Base

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

# Proposed 2026-27 District Budget CLASSIFICATION & COMPENSATION

- Classification and Compensation Study implementation
  - Varying salary increases for employees depending on average market salary per position
  - Average increase across all positions is 8.88%
- 9.5% increase to health insurance premiums. Premium costs are shared between the District and employee.

# Fiscal Year 2026-27 Budget

## UPCOMING SCHEDULE

- Tentative Budget: May 19, 2026 at 6:00 pm
- Final Budget: June 16, 2026 at 6:00 pm

In Apache Junction City Council Chambers