

**VERDE GLEN DOMESTIC WATER IMPROVEMENT DISTRICT
LETTER FROM THE BOARD**

October 26, 2025

Subject: Financial Stability and Upcoming WIFA Funding

With the upcoming WIFA funding application, Verde Glen DWID must demonstrate a sound financial foundation to support repayment of any loan amounts that may be required to implement the recommendations outlined in the KUV Engineering Report.

At present, we are in urgent need of new water meters. Several existing meters are either non-functional or significantly under-reading actual water usage. Additionally, the District has not implemented a rate increase in over ten years, leaving us underfunded. According to KUV's financial analysis, our reserve balance should now exceed \$80,000. However, we currently maintain only about \$17,000, which is well below the sustainable reserve target.

We are also in discussions with Salt River Project (SRP) to secure adjudication of our water rights, which will help protect Verde Glen from costly conflicts in the future. Nevertheless, without a stable and ongoing monthly revenue source, it will be extremely difficult for the District to qualify for WIFA's low-interest loans or grant opportunities moving forward.

Thank you for your continued support as we work to strengthen our financial position and ensure the long-term sustainability of Verde Glen's water system.

Sincerely,

Dave Owens
Chairman
Verde Glen Domestic Water Improvement District