Verde Glen DWID – Proposed Budget

Fiscal Year: July 1, 2025 – June 30, 2026

Prepared: June 16, 2025

I. Revenues

Revenue Source	Projected Amount
Quarterly Water Fees (48 × $198 × 4)	$38,016
Usage-Based Fees (based on 2,500 gallons/quarter = $0 excess)	$0
Connection Fee (1 projected)	$2,500
Late Fees and Penalties	$500
Miscellaneous Income	$500
Total Revenues	$41,516

II. Operating Expenses

Expense Category	Projected Amount
System Repairs and Maintenance	$2,000
Electricity (Pumps/Well Ops @ $300/mo)	$3,600
ADEQ Compliance & Testing	$5,000
Operator Wages / Contracted Services	$7,200
Administrative Expenses ($300/mo)	$3,600
Insurance (Liability & D&O)	$3,000
Legal Services	$7,500
Software, Billing, IT Support ($400/mo)	$4,800
Water Conservation and Outreach	$1,200
Emergency Contingency Fund	$5,000
Total Operating Expenses	$53,400

III. Net Position

Total Revenue: $41,516

Total Expenses: $53,400

Projected Deficit: ($11,884)

IV. Rate Structure (No Change Proposed)

- Flat Rate: $198/quarter ($66/month)

- Usage Fee: $5.00 per 1,000 gallons above 1,000 gal/month

- Connection Fee: $2,500 (1 projected)

- Late Fee: $10 per delinquent billing cycle

V. Budget Considerations – Closing the $11,884 Deficit

- Raise flat rate by $5.63/month per user to break even ($20.63/month total increase)
- Raise quarterly rate by $61.90 per user
- Use reserves temporarily to offset while pursuing conservation or grant support
- Reduce discretionary expenses or postpone contingency allocation
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To eliminate the $11,884 annual deficit across 48 users, here are the viable options:

Per-User Breakdown:

- Annual: $247.58 per user
- Quarterly: $61.90 per user
- Monthly: $20.63 per user

Option 1: Raise Flat Rate

- Monthly: from $66 to $86.63
- Quarterly: from $198 to $259.90
- Annual: from $792 to $1,039.58

Option 2: Use Reserve Funds (Short-Term Fix)

- Apply $11,884 from reserves to avoid rate increase this year

Option 3: Reduce Discretionary Expenses

- Contingency Fund: Reduce from $5,000 to $2,000–$3,000
- Legal/Accounting: Re-negotiate scope or defer minor services
- Admin/Outreach/IT: Review and cut low-priority spending

Option 4: Phase-In a Smaller Rate Increase

- Year 1: Increase by half ($10.32/month), cover remaining with reserves
- Year 2: Adjust full rate or reassess based on need