

RESOLUTION NO. 2023-2

**A RESOLUTION OF THE HIGHLAND PINES DOMESTIC WATER IMPROVEMENT DISTRICT, YAVAPAI COUNTY, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2022/2023.**

WHEREAS, the Board of Directors of the Highland Pines Domestic Water Improvement District is authorized pursuant to A.R.S. 48-954 to adopt a fiscal year budget for fiscal year 2022-2023; and

WHEREAS, the Board of Directors of the District set the date and the time for a public hearing to consider adopting the budget for June 10, 2022 at 4:00 pm; and

WHEREAS, in accordance with A.R.S. 42-17103, estimates of proposed expenditures and notice of the public hearing was published twice in the paper of general circulation; and

WHEREAS, a public hearing was held on June 10, 2022; and

WHEREAS, a public hearing was held and public input sought on the possible adoption of the said 2022/2023 fiscal year budget.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HIGHLAND PINES DOMESTIC WATER IMPROVEMENT DISTRICT AS FOLLOWS:

THAT, the District hereby adopts the budget for Fiscal Year 2022/2023, as attached hereto as Exhibit "A"; and

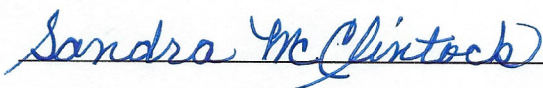
THAT, the budget shall be effective on July 1, 2022 and submitted to the Yavapai County Board of Supervisors and shall be posted on the District's website pursuant to A.R.S. 42-17103.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE HIGHLAND PINES DOMESTIC WATER IMPROVEMENT DISTRICT, Yavapai County, Arizona, this 10<sup>th</sup> day of June 2022.



Celia Carr, Chair  
Highland Pines Domestic Water Improvement District

ATTEST:



Sandra McClintock, Vice Chair  
Highland Pines Domestic Water Improvement District

Property Taxes at \$2.50 rate (down from \$2.7677) with Higher Property Values

	Actuals FYE 6/2021	Adopted Budget FYE 6/2022	9 Month Actuals FYE 6/2021	12 Month Estimate FYE 6/2021	Draft Budget FYE 6/2023
<b>System Income</b>					
14105 · Water - Customer Base User Fee	\$214,049	\$257,224	\$201,635	\$268,846	\$267,889
Base User Fee Vacant Lots	0	14,400	0	0	14,400
14110 · Water - Customer Service Rev	115,464	115,748	77,554	103,405	108,575
14120 · Back Charges	71	0	0	0	0
14130 · Activate/Transfer Fee	3,030	2,500	2,800	3,600	3,500
14150 · Permit/Tap Connections	0	0	4,000	4,000	0
14140 · Connection Fees	500	0	0	0	0
14310 · Penalties & Interest	4,114	4,500	2,891	3,855	4,100
<b>Total System Income</b>	<b>\$337,227</b>	<b>\$394,372</b>	<b>\$288,880</b>	<b>\$383,707</b>	<b>\$398,464</b>
<b>General Income</b>					
14320 · Sales Tax - Water	\$7,345	\$0	\$4,982	\$6,642	\$6,700
14330 · Miscellaneous Income	192	240	119	159	240
14350 · Real Estate Tax Collections	251,274	261,689	197,091	261,689	302,626
14355 · Personal Prop Tax Collections	2	2	2	2	2
14365 · Interest Earned on Checking	148	155	137	183	155
14366 · Interest Earned on Warrant Act.	1,918	2,400	881	1,175	1,300
14370 · Interest Earned on Temp. Invest	687	800	481	642	700
<b>Total General Income</b>	<b>\$261,566</b>	<b>\$265,286</b>	<b>\$203,693</b>	<b>\$270,491</b>	<b>\$311,723</b>
<b>Total District Income</b>	<b>\$598,793</b>	<b>\$659,658</b>	<b>\$492,573</b>	<b>\$654,198</b>	<b>\$710,187</b>
<b>Debt Service Expense - Paid with System Income</b>					
16631 · 2012 Loan Principal	\$28,881	\$28,881	\$22,163	\$28,881	\$28,881
16632 · 2012 Loan Interest	4,192	4,192	2,929	4,192	4,192
16633 · 2009 Loan Principal	6,855	6,855	5,276	6,855	6,855
16640 · 2021 Loan Principal	0	68,359	33,380	53,348	132,204
16641 · 2021 Loan Interest	0	4,965	0	0	2,299
16638 · Transmission Line Loan Expenses	11,695	0	500	500	0
16635 · WIFA R&R Reserve Fund 2009	1,757	1,757	1,757	1,757	1,757
16636 · WIFA R&R Reserve Fund 2012	7,869	7,869	7,869	7,869	7,869
16641 · WIFA R&R Reserve Fund 2021	0	22,420	9,342	14,947	22,420
16637 · WIFA Loan Admin Fees	7,518	38,015	5,217	7,533	38,015
<b>Total Debt Service Expense</b>	<b>\$68,767</b>	<b>\$183,312</b>	<b>\$88,432</b>	<b>\$125,881</b>	<b>\$244,492</b>
<b>General Operating Expense</b>					
<b>Maintenance &amp; Repair Expense</b>					
16105 · Operations - Water	\$32,520	\$33,820	\$24,930	\$33,816	\$33,820
16106 · Operations - Water Additional	5,928	7,500	13,350	17,800	25,000
16107 · Operations Equip & Supplies	3,876	5,500	1,477	4,000	3,000
16120 · Maintenance & Repairs - Roads	0	2,500	7,774	7,774	5,000
16165 · Propane/Gas Expense	51	100	240	250	250
16230 · Maintenance & Repairs-Structure	825	1,500	5,533	5,533	3,000
16310 · Line, Meter & Valve Replacement	0	4,000	8,131	10,841	15,000
16350 · Engineering Fees	116	5,000	465	500	5,000
16351 · Engineering Fees - GIS System	0	43,500	24,905	43,500	5,000
<b>Maintenance &amp; Repair Expense</b>	<b>43,317</b>	<b>103,420</b>	<b>86,805</b>	<b>124,014</b>	<b>95,070</b>
<b>Administration Expense</b>					
16115 · Administrative Fees	\$48,517	\$50,000	\$40,819	\$54,426	\$55,000
16116 · Admin - Activation Fees	1,224	1,250	964	1,285	1,250
16117 · Admin - Addtl Services	75	0	0	0	0
16118 · Admin - Collection Fees	757	925	268	357	600
16170 · Consumer Confidence Report	0	1,320	0	1,320	1,320
16250 · Registrations & Blue Stake	363	750	154	300	500
16260 · Online Payment Processing	380	500	235	313	400
16380 · Permit Expense	291	350	318	318	350
16390 · Telephone Expense	663	700	498	664	700
16330 · Legal Fees	46,573	45,000	16,208	21,208	25,000
16370 · Election Expense	0	500	193	1,850	1,000
16450 · Legal Notices & Other Publ.	243	400	0	300	400
16455 · Newsletter Expense	0	360	269	360	360
16460 · Printing & Office Supplies	1,475	1,200	591	788	1,000
16465 · Website Expense	142	300	110	250	300
16520 · Postage	270	400	125	167	250
16530 · Insurance & Surety Bond	6,405	6,500	72	7,040	7,100
16580 · Bank Service Charge	79	35	508	668	1,000
16600 · Director Fees of Office	4,725	4,500	1,725	2,475	4,500
16610 · Reimbursements	412	0	710	1,000	1,500
<b>Administration Expense</b>	<b>112,594</b>	<b>114,990</b>	<b>63,766</b>	<b>94,088</b>	<b>102,530</b>

Property Taxes at \$2.50 rate (down from \$2.7677) with Higher Property Values

	Actuals FYE 6/2021	Adopted Budget FYE 6/2022	9 Month Actuals FYE 6/2021	12 Month Estimate FYE 6/2021	Draft Budget FYE 6/2023
<b>Water Expense</b>					
16125 · Purchase Water - City Prescott	\$87,340	\$84,600	\$68,928	\$91,904	\$94,700
16150 · Laboratory Expense - Water	862	1,450	647	1,000	1,450
16160 · Electricity Expense	12,818	14,000	10,493	13,990	14,100
16570 · Sales Tax Expense	7,444	0	5,559	6,642	6,700
<b>Water Expense</b>	<b>108,465</b>	<b>100,050</b>	<b>85,627</b>	<b>113,537</b>	<b>116,950</b>
<b>Miscellaneous Expense</b>					
16550 · Rural Water Association Fees	\$323	\$400	\$150	\$270	\$400
16560 · Miscellaneous Expense	979	500	378	504	500
16575 · Account Write Off	10,736	0	0	0	0
<b>Miscellaneous Expense</b>	<b>12,037</b>	<b>900</b>	<b>528</b>	<b>774</b>	<b>900</b>
<b>Total Expense</b>	<b>\$345,179</b>	<b>\$502,672</b>	<b>\$325,158</b>	<b>\$458,293</b>	<b>\$559,942</b>
<b>Operating Surplus/(Deficit)</b>	<b>\$253,614</b>	<b>\$156,986</b>	<b>\$167,415</b>	<b>\$195,905</b>	<b>\$150,246</b>
<b>Other Income</b>					
14901 · Use of Prior Year Surplus	\$0	\$111,606	\$0	\$0	\$344,754
14410 · WIFA Loan Proceeds	0	0	762,765	1,237,941	1,197,578
<b>Total Other Income</b>	<b>\$0</b>	<b>\$111,606</b>	<b>\$762,765</b>	<b>\$1,237,941</b>	<b>\$1,542,332</b>
<b>Other Expenses</b>					
16700 · Contingency Expense	\$0	\$0	\$0	\$0	\$20,000
17005 · Tank Replacement (2)	0	21,000	0	0	400,000
17015 · Easement Survey	0	10,000	0	0	25,000
17020 · Pump Replacement	0	0	0	0	50,000
17010 · Transmission Project	23,696	237,592	11,290	15,000	0
17012 · WIFA Distrib. Transmission Line	0	0	1,237,941	1,237,941	1,197,578
<b>Total Other Expenses</b>	<b>\$23,696</b>	<b>\$268,592</b>	<b>\$1,249,231</b>	<b>\$1,252,941</b>	<b>\$1,692,578</b>
<b>Net Operating Surplus/(Deficit)</b>	<b>\$229,918</b>	<b>\$0</b>	<b>(\$319,051)</b>	<b>\$180,905</b>	<b>(\$0)</b>