

ANNUAL REPORT

Of

Company Name: **Forest Highlands Water Company**
2425 William Palmer

Mailing Address: Flagstaff AZ
86005

Docket No.: W-02493A
For the Year Ended: 12/31/20

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:
Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: Original Filing
Application Date: 4/14/2021

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Forest Highlands Water Company
A Class Utility

For the Calendar Year Ended: 12/31/20

Primary Address:

2425 William Palmer		
City: Flagstaff	State: Arizona	Zip Code: 86005

Telephone Number: 928-525-9014

Date of Original Organization of Utility: 9/22/1987

Person to whom correspondence should be addressed concerning this report:

Name: Patricia Ashbrook
Telephone No. : 928-525-9014
Address: 2425 William Palmer
City: Flagstaff State: Arizona Zip Code: 86005
Email: pashbrook@fhgc.com

On-Site Manager

Name: Lindsey Church
Telephone No. : 928-525-5294
Address: 2425 William Palmer
City: Flagstaff State: Arizona Zip Code: 86005
Email: lchurch@fhgc.com

Regulatory Contact

Name: Lindsey Church
Telephone No. : 928-525-5294
Address: 2425 William Palmer
City: Flagstaff State: Arizona Zip Code: 86005
Email: lchurch@fhgc.com

Statutory Agent

Name: Patricia Ashbrook
Telephone No. : 928-525-9014
Address: 2425 William Palmer
City: Flagstaff State: Arizona Zip Code: 86005
Email: pashbrook@fhgc.com

Attorney

Name: Scott Carpenter
Telephone No. : 480-527-2844
Address: 1550 Plaza West Drive
City: Prescott State: Arizona Zip Code: 86303
Email: none

Ownership: "C" Corporation

Counties Served: Coconino

Important changes during the year	
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No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.
	NA

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.
	NA

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$104,284	\$0	\$0	\$104,284	\$0	\$104,284
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	202,124	0	0	202,124	139,988	62,136
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	1,558,331	34,694	0	1,593,025	1,246,476	346,549
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	1,395,017	0	16,237	1,378,780	1,281,347	97,433
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	191,269	0	0	191,269	137,352	53,917
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	1,687,340	0	0	1,687,340	1,088,845	598,495
333	Services	191,121	3,229	0	194,350	158,593	35,757
334	Meters and Meter Installations	65,454	0	4,335	61,119	58,458	2,661
335	Hydrants	226,995	0	0	226,995	146,411	80,584
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	64,570	26,203	0	90,773	61,677	29,096
340	Office Furniture and Equipment	11,885	0	0	11,885	8,653	3,232
340.1	Computer & Software	38,954	2,687	0	41,641	26,746	14,894
341	Transportation Equipment	453,197	0	0	453,197	361,607	91,590
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	1,977	0	0	1,977	1,648	329
344	Laboratory Equipment	1,327	0	0	1,327	1,327	0
345	Power Operated Equipment	0	11,364	0	11,364	0	11,364
346	Communication Equipment	9,203	0	0	9,203	9,203	(0)
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	1,064,251	0	0	1,064,251	686,442	377,809
	Totals	\$7,267,300	\$78,176	\$20,572	\$7,324,904	\$5,414,774	\$1,910,130

Forest Highlands Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/20

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$104,284	\$0	\$0	\$104,284	\$104,284	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0	0.00%	0
304	Structures and Improvements	202,124	0	0	202,124	139,988	62,136	10.00%	6,214
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	1,558,331	34,694	0	1,593,025	1,246,476	346,549	17.50%	57,610
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	1,395,017	0	16,237	1,378,780	1,281,347	97,433	30.50%	32,193
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	191,269	0	0	191,269	137,352	53,917	8.87%	4,782
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	1,687,340	0	0	1,687,340	1,088,845	598,495	5.69%	34,054
333	Services	191,121	3,229	0	194,350	158,593	35,757	26.75%	9,133
334	Meters and Meter Installations	65,454	0	4,335	61,119	58,458	2,661	12.15%	587
335	Hydrants	226,995	0	0	226,995	146,411	80,584	5.63%	4,537
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	64,570	26,203	0	90,773	61,677	29,096	0.00%	0
340	Office Furniture and Equipment	11,885	0	0	11,885	8,653	3,232	31.50%	1,018
340.1	Computer & Software	38,954	2,687	0	41,641	26,746	14,895	32.80%	4,445
341	Transportation Equipment	453,197	0	0	453,197	361,607	91,590	48.83%	44,723
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	1,977	0	0	1,977	1,648	329	29.75%	98
344	Laboratory Equipment	1,327	0	0	1,327	1,327	(0)	0.00%	0
345	Power Operated Equipment	0	11,364	0	11,364	0	11,364	0.00%	0
346	Communication Equipment	9,203	0	0	9,203	9,203	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	1,064,251	0	0	1,064,251	686,442	377,809	5.63%	21,271
	Subtotal	\$7,267,300	\$78,176	\$20,572	\$7,324,904	\$5,519,057	\$1,805,847		\$220,666

Contribution(s) in Aid of Construction (Gross)	\$5,642,728
Less: Non Amortizable Contribution(s)	4,268,955
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$1,373,773
Times: Proposed Amortization Rate	12.22%
Amortization of CIAC	\$167,868

Less: Amortization of CIAC **\$167,868**

DEPRECIATION EXPENSE \$52,797

Forest Highlands Water Company
Annual Report
Balance Sheet Assets
12/31/20

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	Current and Accrued Assets			
131	Cash		\$19,972	\$36,219
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		18,950	13,865
146	Notes Receivable from Associated Companies		(1)	(1)
151	Plant Material and Supplies		842	1,075
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		(294)	(374)
	Total Current and Accrued Assets		\$39,469	\$50,784
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$7,267,300	\$7,324,904
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(5,227,204)	(5,414,774)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$2,040,096	\$1,910,130
	Total Assets		\$2,079,565	\$1,960,914

*Note these items feed automatically from AR3 UPIS Page 4

Forest Highlands Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	Current Liabilities			
231	Accounts Payable		\$396	\$4,428
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		231,480	293,545
235	Customer Deposits		14,440	15,755
236	Accrued Taxes		9,324	10,770
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		33,509	56,022
	Total Current Liabilities		\$289,149	\$380,520
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		5,642,728	5,642,728
272	Less: Amortization of Contributions		(4,161,980)	(4,268,955)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$1,480,748	\$1,373,773
	Total Liabilities		\$1,769,897	\$1,754,293
	Capital Accounts			
201	Common Stock Issued		\$4,861,824	\$4,861,824
211	Other Paid-In Capital		1,540,057	1,543,222
215	Retained Earnings		(6,092,214)	(6,198,425)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$309,667	\$206,621
	Total Liabilities and Capital		\$2,079,564	\$1,960,914

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Forest Highlands Water Company
Annual Report
Water Comparative Income Statement
12/31/20

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2020 - 12/31/2020	Last Year 01/01/2019 - 12/31/2019
	Operating Revenue		
461	Metered Water Revenue	\$532,444	\$495,212
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	9,267	8,609
	Total Revenues	\$541,711	\$503,821
	Operating Expenses		
601	Salaries and Wages	\$221,531	\$199,979
604	Employee Pensions and Benefits	60,855	62,750
610	Purchased Water	0	0
615	Purchased Power	66,556	64,886
618	Chemicals	554	492
620	Materials and Supplies	14,656	16,933
620.1	Repairs and Maintenance	17,452	22,391
620.2	Office Supplies and Expense	15,484	14,811
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	51,800	45,800
633	Contractual Services - Legal	203	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	2,532	2,946
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	11,784	11,784
642	Rental of Equipment	0	0
650	Transportation Expenses	10,579	16,485
657	Insurance - General Liability	20,808	18,582
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	3,383	2,090
675	Miscellaneous Expense	13,280	13,656
403	Depreciation Expense (From Schedule AR4)	52,797	122,438
408	Taxes Other Than Income	295	0
408.11	Property Taxes	15,688	15,476
409	Income Taxes	50	50
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$580,288	\$631,548
	Operating Income / (Loss)	(\$38,578)	(\$127,726)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	(67,634)	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	(\$67,634)	\$0
	Net Income / (Loss)	(\$106,212)	(\$127,726)

Forest Highlands Water Company
 Annual Report
 Full time equivalent employees
 12/31/20

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	1.0	0.0	1.0
Vice-president	0.0	1.0	0.0	1.0
Manager	1.0	0.0	0.0	1.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	1.0	0.0	0.0	1.0
Meter reader	2.0	0.0	0.0	2.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.0	0.5	0.0	0.5
Business Office	0.0	0.5	0.0	0.5
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Total	4.0	3.0	0.0	7.0

Forest Highlands Water Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/20

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	NA	NA	NA	NA
Source of Loan	NA	NA	NA	NA
ACC Decision No.	NA	NA	NA	NA
Reason for Loan	NA	NA	NA	NA
Dollar Amt. Issued	NA	NA	NA	NA
Amount Outstanding	NA	NA	NA	NA
Date of Maturity	NA	NA	NA	NA
Interest Rate	NA	NA	NA	NA
Current Year Interest	NA	NA	NA	NA
Current Year Principal	NA	NA	NA	NA

Meter Deposit Balance at Test Year End:	\$15,755
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Meter Deposits Refunded During the Test Year:	\$1,315
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Well and Water Usage

Name of the System: FOREST HIGHLANDS WATER CO											
ADEQ Public Water System Number:		AZ0403073									
ADWR PCC Number:		91-000104.0000									
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2020	Meter Size (inches)	How measured:	Active
55-514733	40	82	1,195	12	submersible	1986	703	718	4	Metered	Yes
55-515547	40	68	1,405	12	submersible	1986	885	896	4	Metered	Yes
55-517583	75	115	1,250	12	submersible	1987	707	726	4	Metered	Yes
55-588893	30	60	1,380	10	submersible	2002	731	753	4	Metered	Yes
Name of the System:	0	0	0	0	0	0	0	0	0	0	0
Name of the System:	0	0	0	0	0	0	0	0	0	0	0
Name of the System:	0	0	0	0	0	0	0	0	0	0	0
Name of the System:	0	0	0	0	0	0	0	0	0	0	0
Name of the System:	0	0	0	0	0	0	0	0	0	0	0
Name of the System:	0	0	0	0	0	0	0	0	0	0	0
Name of the System:	0	0	0	0	0	0	0	0	0	0	0
Name of the System:	0	0	0	0	0	0	0	0	0	0	0
Name of the System:	0	0	0	0	0	0	0	0	0	0	0
Name of the System:	0	0	0	0	0	0	0	0	0	0	0
Name of the System:	0	0	0	0	0	0	0	0	0	0	0
Name of the System:	0	0	0	0	0	0	0	0	0	0	0
Name of the System:	0	0	0	0	0	0	0	0	0	0	0

Name of system water delivered to:	NA
ADWR PCC Number:	#N/A
Source of water delivered to another system	NA

Name of system water received from:	NA
ADWR PCC Number:	#N/A
Source of water received	NA
Well registry 55# (55-XXXXXX):	NA

Month	Water withdrawn (gallons) ¹	Water sold (gallons) ²	Water delivered (sold) to other systems (gallons) ³	Water received (purchased) from other systems (gallons) ⁴	Estimated authorized use (gallons) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	1,854,197.00	1,854,197.00	0.00	0.00	0.00	\$2,698	19,394
February	1,339,442.00	1,339,442.00	0.00	0.00	0.00	2,498	16,923
March	1,325,095.00	1,325,095.00	0.00	0.00	0.00	1,983	13,190
April	3,257,922.00	3,257,922.00	0.00	0.00	250,000.00	2,070	11,717
May	10,012,181.00	10,012,181.00	0.00	0.00	0.00	5,070	49,589
June	8,220,525.00	8,220,525.00	0.00	0.00	0.00	6,222	78,071
July	8,259,052.00	8,259,052.00	0.00	0.00	0.00	7,503	82,292
August	10,548,643.00	10,548,643.00	0.00	0.00	0.00	7,637	83,950
September	7,395,904.00	7,395,904.00	0.00	0.00	0.00	7,516	82,968
October	5,582,265.00	5,582,265.00	0.00	0.00	250,000.00	5,166	51,891
November	1,530,618.00	1,530,618.00	0.00	0.00	0.00	4,472	42,246
December	1,785,259.00	1,785,259.00	0.00	0.00	0.00	2,602	17,850
Totals	61,111,103.00	61,111,103.00	0.00	0.00	500,000.00	\$55,437	550,081

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
 NA

¹ Water withdrawn - Total gallons of water withdrawn from pumped sources.
² Water sold - Total gallons from customer meters, and other sales such as construction water.
³ Water delivered (sold) to other systems - Total gallons of water delivered to other systems.
⁴ Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.
⁵ Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.
⁶ Enter the total purchased power costs for the power meters associated with this system.
⁷ Enter the total purchased kWh used by the power meters associated with this system.

Water Utility Plant Description		
Name of the System:	FOREST HIGHLANDS WATER CO	
ADEQ Public Water System Number:	1A26403073	
ADWR PCC Number:	91-000104.0000	

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Water Utility Plant Description (Continued)

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	NA
STRUCTURES:	Five 10HP Booster Pumps; Diesel Fire Pump; 3 Well Houses; Booster Station Building; Well Vault
OTHER:	NA

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365
- If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$$

ERC	478
Method used:	(b)

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	ACP, C900	130
3.00	ACP, C900	2,640
6.00	ACP, C900	17,383
8.00	ACP, C900	59,292
10.00	ACP, C900	25,154
12.00	ACP, C900	3,162
0.00	NA	NA
0.00	NA	NA
0.00	NA	NA
0.00	NA	NA
0.00	NA	NA
0.00	NA	NA
0.00	NA	NA
0.00	NA	NA

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
0.75	754	6%	94%
1	4	0%	100%
1.5	3	0%	100%
2	6	0%	100%
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

SERVICE LINES		
Material	Percent of system	Year installed
Copper	100%	1988
Copper	100%	1997
NA	NA	NA
NA	NA	NA
NA	NA	NA

BOOSTER PUMPS		
Horsepower	GPM	Quantity
10	0	5
NA	NA	NA
NA	NA	NA
NA	NA	NA

FIRE HYDRANTS	
Type	Quantity
Standard *	180
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
500,000	Steel	1	1987
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Customer and Other Information	
Name of the System:	FOREST HIGHLANDS WATER CO
ADEQ Public Water System Number:	AZ0403073
ADWR PCC Number:	91-000104.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	739	0	22	3	1
February	739	0	22	3	1
March	739	0	22	3	1
April	739	0	22	3	1
May	739	0	22	3	1
June	739	0	22	3	1
July	742	0	22	3	1
August	742	0	22	3	1
September	742	0	22	3	1
October	742	0	22	3	1
November	742	0	22	3	1
December	742	0	22	3	1

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement?
 If yes, provide the GCPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

* an ERC is based on the calculation on the bottom of AR9 page 12.

Forest Highlands Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/20

Utility Shutoffs / Disconnects	
Name of the System:	FOREST HIGHLANDS WATER CO
ADEQ Public Water System Number:	AZ0403073
ADWR PCC Number:	91-000104.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

NA

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Property Taxes

Amount of actual property taxes paid during Calendar Year 2020 was

\$15,688

If no property taxes paid, explain why.

Na

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verification and Sworn Statement (Taxes)

Verification: State of Arizona I, the undersigned of the
(state name)

County of (county name): Coconino
Name (owner or official) title: Patricia Ashbrook, Secretary
Company name: Forest Highlands Water Company

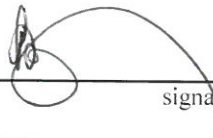
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/20

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



signature of owner/official

928-525-9014

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

13TH

DAY OF

COCONINO

(county name)

APRIL 2021

(month) and (year)

MY COMMISSION EXPIRES

JUNE 25, 2024

(date)



DANIEL J PRISTO
NOTARY PUBLIC - ARIZONA
COCONINO COUNTY
COMMISSION # 585021
MY COMMISSION EXPIRES
JUNE 25, 2024



(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Coconino
Name (owner or official) title: Patricia Ashbrook, Secretary
Company name: Forest Highlands Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/20

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$579,454

(The amount in the box above includes

\$37,743 in sales taxes

billed or collected)

signature of owner/official

928-525-9014

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

COCONINO

(county name)

THIS

13TH

DAY OF

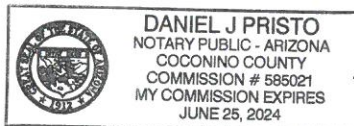
APRIL 2021

(month) and (year)

MY COMMISSION EXPIRES

JUNE 25, 2024

(date)



(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

State of Arizona I, the undersigned of the
(state name)

County of (county name): Coconino
Name (owner or official) title: Patricia Ashbrook, Secretary
Company name: Forest Highlands Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/20

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

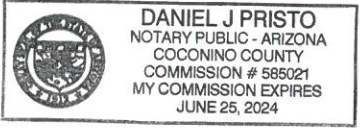
Arizona Intrastate Gross Operating Revenues Only (\$)
\$475,267
(The amount in the box above includes
\$29,859 in sales taxes
billed or collected)

[Signature]
signature of owner/official
928-525-9014
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY COCONINO
(county name)

THIS 13th DAY OF APRIL 2021
(month) and (year)

MY COMMISSION EXPIRES JUNE 25, 2024
(date)



[Signature]
(signature of notary public)

Full Gross-up Method for Income Tax Statement of Certification

Verification:

State of Arizona I, the undersigned of the
(state name)

County of (county name): Coconino
Name (owner or official) title: Patricia Ashbrook, Secretary
Company name: Forest Highlands Water Company

FOR THE YEAR ENDING: 12/31/20

Sworn Statement:

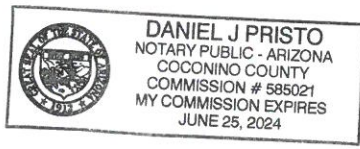
IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

[Signature]
signature of owner/official
928-525-9014
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY COCONINO
(county name)

THIS 13TH DAY OF APRIL 2021
(month) and (year)

MY COMMISSION EXPIRES JUNE 25, 2024
(date)



[Signature]
(signature of notary public)