

ANNUAL REPORT

Of

Company Name:
2425 William Palmer

Mailing Address: Flagstaff AZ
86005

Docket No.: W-02493A
For the Year Ended:

**RECEIVED
BY EMAIL**

4/13/2020, 08:29 AM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@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:
Application Date:

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

For the Calendar Year Ended: 12/31/19

Primary Address:
City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Ownership:

Counties Served:

Important changes during the year
--

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

	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. NO

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			\$104,284		\$104,284
302	Franchises				0		0
303	Land and Land Rights				0		0
304	Structures and Improvements	202,124			202,124	133,251	68,873
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	1,586,401	23,913		1,610,315	1,217,968	392,347
308	Infiltration Galleries				0		0
309	Supply Mains	1,064,251			1,064,251	665,157	399,094
310	Power Generation Equipment				0		0
311	Pumping Equipment	1,493,091			1,493,091	1,362,835	130,256
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants				0		0
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes	191,269			191,269	132,570	58,698
330.1	Storage Tanks				0		0
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains	1,687,340			1,687,340	1,054,766	632,574
333	Services	186,154	4,967		191,121	149,568	41,553
334	Meters and Meter Installations	65,454			65,454	62,206	3,248
335	Hydrants	226,995			226,995	141,872	85,124
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment	67,199			67,199	67,199	0
340	Office Furniture and Equipment	6,781	5,104		11,885	7,632	4,253
340.1	Computer & Software	32,801	7,675	1,522	38,954	30,377	8,577
341	Transportation Equipment	345,544	135,654	20,045	461,153	324,842	136,311
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment	1,977			1,977	1,549	428
344	Laboratory Equipment	1,327			1,327	1,327	0
345	Power Operated Equipment				0		0
346	Communication Equipment	9,203			9,203	9,203	0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	Totals	\$7,272,195	\$177,314	\$21,567	\$7,427,941	\$5,362,321	\$2,065,620

Forest Highlands Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/19

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	0.00%	\$0
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		202,124	3.33%	6,737
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	1,586,401	23,913	0	1,610,315		1,610,315	3.26%	52,514
308	Infiltration Galleries	0	0	0	0		0		0
309	Supply Mains	1,064,251	0	0	1,064,251		1,064,251	2.00%	21,285
310	Power Generation Equipment	0	0	0	0		0		0
311	Pumping Equipment	1,493,091	0	0	1,493,091		1,493,091	1.58%	23,596
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	191,269	0	0	191,269		191,269	2.50%	4,782
330.1	Storage Tanks	0	0	0	0		0		0
330.2	Pressure Tanks	0	0	0	0		0		0
331	Transmission and Distribution Mains	1,687,340	0	0	1,687,340		1,687,340	2.02%	34,080
333	Services	186,154	4,967	0	191,121		191,121	4.38%	8,362
334	Meters and Meter Installations	65,454	0	0	65,454		65,454	1.08%	706
335	Hydrants	226,995	0	0	226,995		226,995	2.00%	4,540
336	Backflow Prevention Devices	0	0	0	0		0		0
339	Other Plant and Misc. Equipment	67,199	0	0	67,199		67,199	0.00%	0
340	Office Furniture and Equipment	6,781	5,104	0	11,885		11,885	7.16%	851
340.1	Computer & Software	32,801	7,675	1,522	38,954		38,954	3.53%	1,375
341	Transportation Equipment	345,544	135,654	20,045	461,153		461,153	11.85%	54,656
342	Stores Equipment	0	0	0	0		0		0
343	Tools, Shop and Garage Equipment	1,977	0	0	1,977		1,977	5.00%	99
344	Laboratory Equipment	1,327	0	0	1,327		1,327	0.00%	0
345	Power Operated Equipment	0	0	0	0		0		0
346	Communication Equipment	9,203	0	0	9,203		9,203	0.00%	0
347	Miscellaneous Equipment	0	0	0	0		0		0
348	Other Tangible Plant	0	0	0	0		0		0
	Subtotal	\$7,272,195	\$177,314	\$21,567	\$7,427,941	\$0	\$7,427,941		\$213,582

Contribution(s) in Aid of Construction (Gross)	\$1,602,858	\$106,975
Less: Non Amortizable Contribution(s)	1,602,858	
Fully Amortized Contribution(s)	0	
Amortizable Contribution(s)	<u>\$0</u>	
Times: Proposed Amortization Rate	2.88%	
Amortization of CIAC	\$0	
Less: Amortization of CIAC		\$0
DEPRECIATION EXPENSE		\$213,582

Forest Highlands Water Company
Annual Report
Balance Sheet Assets
12/31/19

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current and Accrued Assets			
131	Cash		72,507	19,972
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		17,700	11,168
146	Notes Receivable from Associated Companies		(0)	33,638
151	Plant Material and Supplies		678	842
162	Prepayments		1,228	0
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$92,114	\$65,620
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$7,272,195	\$7,449,499
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(5,170,305)	(5,383,887)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$2,101,890	\$2,065,612
	Total Assets		\$2,194,003	\$2,131,232

*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 (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$3,336	\$0
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies		272,407	232,574
235	Customer Deposits			
236	Accrued Taxes			
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		52,157	65,326
	Total Current Liabilities		\$327,900	\$297,899
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)			
	Deferred Credits			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		1,602,858	1,602,163
272	Less: Amortization of Contributions			
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$1,602,858	\$1,602,163
	Total Liabilites		\$1,930,758	\$1,900,062
	Capital Accounts			
201	Common Stock Issued		\$4,861,824	\$4,861,824
211	Other Paid-In Capital		1,365,909	1,540,057
215	Retained Earnings		(5,964,487)	(6,170,710)
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$263,245	\$231,171
	Total Liabilities and Capital		\$2,194,003	\$2,131,233

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
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$495,212	\$479,649
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	18,295	8,330
	Total Revenues	\$513,507	\$487,979
	Operating Expenses		
601	Salaries and Wages	\$197,764	\$193,573
604	Employee Pensions and Benefits	62,641	57,105
610	Purchased Water		
615	Purchased Power	64,886	67,687
618	Chemicals	482	349
620	Materials and Supplies	16,839	15,423
620.1	Repairs and Maintenance	22,391	8,062
620.2	Office Supplies and Expense	8,803	8,109
630	Contractual Services	6,008	4,477
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	45,800	45,800
633	Contractual Services - Legal	0	340
634	Contractual Services - Management Fees		
635	Contractual Services - Water Testing	2,874	1,201
636	Contractual Services - Other		
640	Rents		
641	Rental of Building/Real Property	11,784	11,784
642	Rental of Equipment		
650	Transportation Expenses	16,394	13,456
657	Insurance - General Liability	18,582	17,580
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense	2,073	168
675	Miscellaneous Expense	13,300	13,284
403	Depreciation Expense (From Schedule AR4)	106,607	92,143
408	Taxes Other Than Income		
408.11	Property Taxes	15,526	15,479
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$612,753	\$566,018
	Operating Income / (Loss)	(\$99,246)	(\$78,038)
	Other Income / (Expense)		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)		
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	(\$99,246)	(\$78,038)

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	1.0			1.0
Vice-president	1.0			1.0
Manager	1.0			1.0
Engineering Staff				0.0
System Operator(s)	4.0			4.0
Meter reader	2.0			2.0
Customer Service				0.0
Accounting	1.0			1.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	10.0	0.0	0.0	10.0

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

Meter Deposit Balance at Test Year End:	
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Meter Deposits Refunded During the Test Year:	
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<i>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 <u>not</u> be listed. Input 0 or none if there is nothing to report for that cell.</i>

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 2019	Meter Size (inches)	How measured:	Active
55-514733	40	82	1,195	12	submersible	1986			4		Yes
55-515547	40	68	1,405	12	submersible	1986			4		Yes
55-5517583	75	115	1,250	12	submersible	1987			4		Yes
55-588893	30	60	1,380	10	submersible	2002			4		Yes

Name of system water delivered to:	FOREST HIGHLANDS WATER CO
ADWR PCC Number:	91-000104.0000
Source of water delivered to another system	

Name of system water received from:	FOREST HIGHLANDS WATER CO
ADWR PCC Number:	91-000104.0000
Source of water received	
Well registry 55# (55-XXXXXX):	

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	2,266,518	2,092,155				\$4,197	
February	1,486,962	0				3,826	
March	1,482,957	2,234,615				3,987	
April	11,529,648	11,482,058				3,897	
May	7,798,902	7,092,414				3,662	
June	20,448,224	20,967,121				5,524	
July	26,996,049	26,002,151				10,717	
August	19,035,433	17,426,045				6,624	
September	13,311,935	11,758,741				8,151	
October	8,834,726	8,356,754				5,801	
November	1,801,704	1,364,232				6,587	
December	1,405,168	2,350,120				1,914	
Totals	116,398,226	111,126,406	0.00	0.00	0.00	\$64,887	0

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

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:	AZ0403073
ADWR PCC Number:	91-000104.0000

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

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,00,000 gallons	Percent over 10 years old
0.75	751	0%	94%
1	4	0%	100%
1.5	3	0%	100%
2	6	0%	100%

SERVICE LINES		
Material	Percent of system	Year installed

BOOSTER PUMPS		
Horsepower	GPM	Quantity
10	0	5

FIRE HYDRANTS	
Type	Quantity
Standard *	180
Other	

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
500,000	steel	1	

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

* 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.

Water Utility Plant Description (Continued)
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For the following three items, list the utility owned assets in each category for each system.

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

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

Use one of the following methods:

- (a) 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
- (b) 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

Method used:

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				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	741		22	3	
February	741		22	3	
March	741		22	3	
April	741		22	3	
May	741		22	3	
June	741		22	3	
July	741		22	3	
August	741		22	3	
September	741		22	3	
October	741		22	3	
November	742		22	3	
December	742		22	3	

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 (GPCPD) requirement?
 If yes, provide the GPCPD 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
 12/31/19

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	
February	0	0	
March	0	0	
April	0	0	
May	0	0	
June	0	0	
July	0	0	
August	0	0	
September	0	0	
October	0	0	
November	0	0	
December	0	0	
Total	0	0	0

Other (description):

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	
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Amount of actual property taxes paid during Calendar Year 2019 was	
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	\$15,526
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If no property taxes paid, explain why.

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: Robert Stenger, Controller
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: 12/31/19

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.

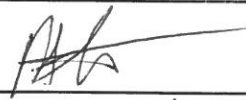
Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE NOT CURRENT AND PAID IN FULL.

**RECEIVED
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4/13/2020, 08:29 AM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



signature of owner/official

928-525-9014

telephone no.

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

THIS

12th

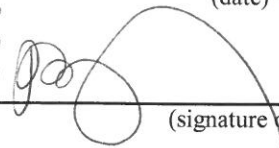
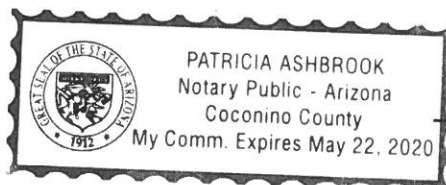
DAY OF

COCONINO
APRIL 2020

(month) and (year)

MY COMMISSION EXPIRES

MAY 22, 2020
(date)



(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: Robert Stenger, Controller
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: 12/31/19

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 (\$) \$513,507
(The amount in the box above includes \$27,479 in sales taxes billed or collected)

**RECEIVED
BY EMAIL**

4/13/2020, 08:29 AM

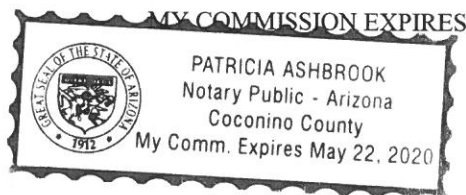
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

[Signature]
signature of owner/official

928-525-9014
telephone no.

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

THIS 12th DAY OF COCONINO (county name)
APRIL 2020 (month) and (year)



MAY 22 2020 (date)
[Signature]
(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: Robert Stenger, Controller
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: 12/31/19

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 (\$)

\$399,257

(The amount in the box above includes

\$21,433 in sales taxes
billed or collected)

**RECEIVED
BY EMAIL**

4/13/2020, 08:29 AM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



signature of owner/official

928-525-9014

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IN AND FOR THE COUNTY

COCONINO

(county name)

THIS

12th

DAY OF

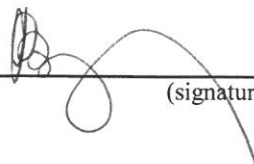
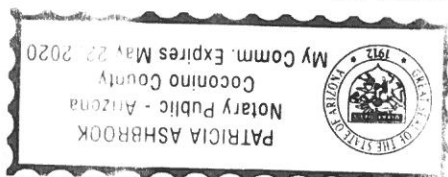
APRIL 2020

(month) and (year)

MY COMMISSION EXPIRES

MAY 22 2020

(date)



(signature of notary public)