

**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: 12/31/18

**RECEIVED**

**MAR 26 2019**

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

**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: Original Filing

Application Date: 3/26/2019

4-1-19

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
FOREST HIGHLANDS WATER COMPANY  
A Class  Utility

1. For the Calendar Year Ended: 12/31/18

2. Address: 

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

3. Telephone Number:

4. Date of Original Organization of Utility:

5. Person to whom correspondence should be addressed concerning this report:

Name:   
Telephone No. :   
Address: 

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

  
Email:

6. On-Site Manager:

Name:   
Telephone No. :   
Address: 

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

  
Email:

7. Ownership:

8. Counties Served:

FOREST HIGHLANDS WATER COMPANY  
 Annual Report  
 Utility Plant in Service (Water)  
 12/31/18

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	\$110,559	\$0	\$0	\$110,559	\$6,275	\$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	119,776	82,348
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	0	0	1,586,401	272,695	1,313,706
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	1,064,251	0	0	1,064,251	622,587	441,664
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	1,493,091	0	0	1,493,091	229,553	1,263,538
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	118,690	72,579
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	986,606	700,734
333	Services	175,200	10,954	0	186,154	135,184	50,970
334	Meters and Meter Installations	58,900	279	0	59,179	60,743	(1,564)
335	Hydrants	226,995	0	0	226,995	132,792	94,203
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
340	Office Furniture and Equipment	6,781	0	0	6,781	6,781	0
340.1	Computer & Software	32,801	0	0	32,801	30,299	2,501
341	Transportation Equipment	345,544	0	0	345,544	245,181	100,363
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	1,977	0	0	1,977	1,351	626
344	Laboratory Equipment	1,327	0	0	1,327	1,327	0
345	Power Operated Equipment	0	0	0	0	0	0
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	0	0	0	0	2,124,063	(2,124,063)
	<b>Totals</b>	<b>\$7,260,962</b>	<b>\$11,233</b>	<b>\$0</b>	<b>\$7,272,195</b>	<b>\$5,170,306</b>	<b>\$2,101,889</b>

**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.

FOREST HIGHLANDS WATER COMPANY  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/18

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	Depreciation Percentages	Depreciation Expense
301	Organization	\$110,559	\$0	\$0	\$110,559	0	0.00%	
302	Franchises	0	0	0	0	0	0.00%	
303	Land and Land Rights	0	0	0	0	0	0.00%	
304	Structures and Improvements	202,124	0	0	202,124	0	0.00%	
305	Collecting & Improving Reservoirs	0	0	0	0	0	0.00%	
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	
307	Wells and Springs	1,586,401	0	0	1,586,401	0	0.00%	
308	Infiltration Galleries	0	0	0	0	0	0.00%	
309	Supply Mains	1,064,251	0	0	1,064,251	0	0.00%	
310	Power Generation Equipment	0	0	0	0	0	0.00%	
311	Pumping Equipment	1,493,091	0	0	1,493,091	0	0.00%	
320	Water Treatment Equipment	0	0	0	0	0	0.00%	
320.1	Water Treatment Plants	0	0	0	0	0	0.00%	
320.2	Solution Chemical Feeders	0	0	0	0	0	0.00%	
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	
330	Distribution Reservoirs and Standpipes	191,269	0	0	191,269	0	0.00%	
330.1	Storage Tanks	0	0	0	0	0	0.00%	
330.2	Pressure Tanks	0	0	0	0	0	0.00%	
331	Transmission and Distribution Mains	1,687,340	0	0	1,687,340	0	0.00%	
333	Services	175,200	10,954	0	186,154	0	0.00%	
334	Meters and Meter Installations	58,900	279	0	59,179	0	0.00%	
335	Hydrants	226,995	0	0	226,995	0	0.00%	
336	Backflow Prevention Devices	0	0	0	0	0	0.00%	
339	Other Plant and Misc. Equipment	67,199	0	0	67,199	0	0.00%	
340	Office Furniture and Equipment	6,781	0	0	6,781	0	0.00%	
340.1	Computer & Software	32,801	0	0	32,801	0	0.00%	
341	Transportation Equipment	345,544	0	0	345,544	0	0.00%	
342	Stores Equipment	0	0	0	0	0	0.00%	
343	Tools, Shop and Garage Equipment	1,977	0	0	1,977	0	0.00%	
344	Laboratory Equipment	1,327	0	0	1,327	0	0.00%	
345	Power Operated Equipment	0	0	0	0	0	0.00%	
346	Communication Equipment	9,203	0	0	9,203	0	0.00%	
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	
348	Other Tangible Plant	0	0	0	0	92,143	100.00%	92,143
	<b>Subtotal</b>	<b>\$7,260,962</b>	<b>\$11,233</b>	<b>\$0</b>	<b>\$7,272,195</b>	<b>\$92,143</b>		<b>\$92,143</b>

Contribution(s) in Aid of Construction (Gross)	\$1,711,447
Less: Non Amortizable Contribution(s)	1,711,447
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$0
Times: Proposed Amortization Rate	1.28%
<b>Amortization of CIAC</b>	<b>\$0</b>

Less: Amortization of CIAC

**DEPRECIATION EXPENSE**

**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.

FOREST HIGHLANDS WATER COMPANY  
 Annual Report  
 Balance Sheet Assets  
 12/31/18

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$156,777	\$72,507
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		9,426	17,709
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies		287	678
162	Prepayments			1,228
174	Miscellaneous Current and Accrued Assets			
	<b>Total Current and Accrued Assets</b>		<b>\$166,491</b>	<b>\$92,123</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$7,260,962	\$7,272,195
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(4,971,187)	(5,170,306)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		<b>\$2,289,774</b>	<b>\$2,101,889</b>
	<b>Total Assets</b>		<b>\$2,456,265</b>	<b>\$2,194,012</b>

**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.

\*Note these items feed automatically from AR3 UPIS Page 3

FOREST HIGHLANDS WATER COMPANY  
 Annual Report  
 Balance Sheet Liabilities and Owners Equity

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		<b>Balance at Beginning of Year (2018)</b>	<b>Balance at End of Year (2018)</b>
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		\$345,980	\$275,744
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits			
236	Accrued Taxes		51,864	25,056
237	Accrued Interest			6,560
242	Miscellaneous Current and Accrued Liabilities		9,681	20,541
	<b>Total Current Liabilities</b>		<b>\$407,525</b>	<b>\$327,900</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)			
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		1,711,447	1,602,858
272	Less: Amortization of Contributions			
281	Accumulated Deferred Income Tax			
	<b>Total Deferred Credits</b>		<b>\$1,711,447</b>	<b>\$1,602,858</b>
	<b>Total Liabilities</b>		<b>\$2,118,972</b>	<b>\$1,930,758</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$4,861,824	\$4,861,824
211	Other Paid-In Capital		1,365,909	1,365,909
215	Retained Earnings		(5,890,440)	(5,964,478)
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>\$337,293</b>	<b>\$263,254</b>
	<b>Total Liabilities and Capital</b>		<b>\$2,456,265</b>	<b>\$2,194,012</b>

**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.

**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  
12/31/18

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2018 - 12/31/2018	Last Year 01/01/2017 - 12/31/2017
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$479,649	\$492,971
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	8,330	8,635
	<b>Total Revenues</b>	<b>\$487,979</b>	<b>\$501,606</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$193,573	\$237,569
604	Employee Pensions and Benefits	57,105	67,203
610	Purchased Water		
615	Purchased Power	67,687	69,488
618	Chemicals	349	178
620	Materials and Supplies	15,423	19,107
620.1	Repairs and Maintenance	8,062	15,286
620.2	Office Supplies and Expense	12,586	12,341
630	Contractual Services		
631	Contractual Services -Engineering		
632	Contractual Services - Accounting	45,800	46,900
633	Contractual Services - Legal	340	488
634	Contractual Services - Management Fees		
635	Contractual Services - Water Testing	1,201	1,872
636	Contractual Services - Other		
640	Rents		
641	Rental of Building/Real Property	11,784	11,784
642	Rental of Equipment		
650	Transportation Expenses	13,456	16,034
657	Insurance - General Liability	17,580	17,358
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense	168	1,247
675	Miscellaneous Expense	13,284	13,962
403	Depreciation Expense (From Schedule AR4)	92,143	105,117
408	Taxes Other Than Income	38	
408.11	Property Taxes	15,391	14,850
409	Income Taxes	50	50
427.1	Customer Security Deposit Interest	0	
	<b>Total Operating Expenses</b>	<b>\$566,018</b>	<b>\$650,835</b>
	<b>Operating Income / (Loss)</b>	<b>(\$78,038)</b>	<b>(\$149,229)</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)	4,000	
427	Interest (Expense)		
	<b>Total Other Income / (Expense)</b>	<b>\$4,000</b>	<b>\$0</b>
	<b>Net Income / (Loss)</b>	<b>(\$74,038)</b>	<b>(\$149,229)</b>

**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.

FOREST HIGHLANDS WATER COMPANY  
 Annual Report  
 Full time equivalent employees  
 12/31/18

**Full time equivalent employees**

	Direct Company	Outside service	Total
President	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0
Manager	2.0	0.0	2.0
Engineering Staff	0.0	0.0	0.0
System Operator(s)	4.0	0.0	4.0
Meter reader	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0
Accounting	0.0	1.0	1.0
Business Office	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0
Administrative Staff	0.0	1.0	1.0
Other	0.0	0.0	0.0
<b>Total</b>	<b>6.0</b>	<b>2.0</b>	<b>8.0</b>

**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. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.



FOREST HIGHLANDS WATER COMPANY  
 Annual Report  
 Supplemental Financial Data (Long-Term Debt)  
 12/31/18

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	n/a	n/a	n/a	n/a
ACC Decision No.	n/a	n/a	n/a	n/a
Reason for Loan	n/a	n/a	n/a	n/a
Dollar Amt. Issued	n/a	n/a	n/a	n/a
Amount Outstanding	n/a	n/a	n/a	n/a
Date of Maturity	n/a	n/a	n/a	n/a
Interest Rate	n/a	n/a	n/a	n/a
Current Year Interest	n/a	n/a	n/a	n/a
Current Year Principal	n/a	n/a	n/a	n/a

Meter Deposit Balance at Test Year End:	\$15,135
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Meter Deposits Refunded During the Test Year:	\$2,715
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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	Meter Size (inches)	How measured:	Active	
55-514733	40	82	1,195	12	submersible	1986	4	Metered	Yes	
55-515547	40	68	1,405	12	submersible	1986	4	Metered	Yes	
55-517583	75	115	1,250	12	submersible	1987	4	Metered	Yes	
55-588893	30	60	1,380	10	submersible	2002	4	Metered	Yes	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

Name of system water delivered to:		FOREST HIGHLANDS WATER CO	
ADWR PCC Number:		91-000104.0000	
Source of water delivered to another system		Ground Water	
Name of system water received from:		FOREST HIGHLANDS WATER CO	
ADWR PCC Number:		91-000104.0000	
Source of water received		Other	
Well registry 55# (55-XXXXXX):		see above on Well Table	

Month	Water withdrawn (acre ft) <sup>1</sup>	Water sold (acre ft) <sup>2</sup>	Water delivered (sold) to other systems (acre ft) <sup>3</sup>	Water received (purchased) from other systems (acre ft) <sup>4</sup>	Estimated authorized use (acre ft) <sup>5</sup>	Purchased Power Expense <sup>6</sup>	Purchased Power (kWh) <sup>7</sup>
January	4	4	0	0	0	\$4,452	n/a
February	4	4	0	0	0	4,467	n/a
March	4	4	0	0	0	4,204	n/a
April	9	8	0	0	0	4,138	n/a
May	21	21	0	0	0	4,978	n/a
June	33	33	0	0	0	8,908	n/a
July	28	28	0	0	0	9,726	n/a
August	16	16	0	0	0	6,957	n/a
September	17	17	0	0	0	5,418	n/a
October	9	9	0	0	0	5,548	n/a
November	4	3	0	0	0	4,259	n/a
December	6	6	0	0	0	4,477	n/a
<b>Totals</b>	<b>153</b>	<b>153</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$67,532</b>	<b>0</b>

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

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.

1 Water withdrawn - Total acre feet of water withdrawn from pumped sources.  
 2 Water sold - Total acre feet from customer meters, and other sales such as construction water.  
 3 Water delivered (sold) to other systems - Total acre feet of water delivered to other systems.  
 4 Water received (purchased) from other systems - Total acre feet of water purchased/received from other systems.  
 5 Estimated authorized use - Total estimated acre feet 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
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0

CUSTOMER METERS	
Size (inches)	Quantity
0.75	738
1	3
1.5	3
2	2
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0

SERVICE LINES	
Material	Percent of system
NA	0%
NA	0%
NA	0%
NA	0%
NA	0%

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

FIRE HYDRANTS	
Type	Quantity
Standard *	180
Other	0

STORAGE TANKS		
Capacity (gallons)	Material	Quantity
500,000	steel	1
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0

PRESSURE/BLADDER TANKS		
Capacity (gallons)	Material	Quantity
n/a	n/a	n/a
n/a	n/a	n/a
n/a	n/a	n/a
n/a	n/a	n/a
n/a	n/a	n/a
n/a	n/a	n/a

**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. Copy and paste this sheet as many times as is necessary.

\* 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)**

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

<b>TREATMENT EQUIPMENT:</b>	n/a
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<b>STRUCTURES:</b>	Five 10HP Booster Pumps; Diesel Fire Pump; 3 Well Houses; Booster Station Building; Well Vault
--------------------	--

<b>OTHER:</b>	n/a
---------------	-----

**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. Copy and paste this sheet as many times as is necessary.

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	738	n/a	22	2	1
February	738	n/a	22	2	1
March	739	n/a	22	2	1
April	739	n/a	22	2	1
May	739	n/a	22	2	1
June	739	n/a	22	2	1
July	739	n/a	22	2	1
August	739	n/a	22	2	1
September	739	n/a	22	2	1
October	741	n/a	22	2	1
November	741	n/a	22	2	1
December	741	n/a	22	2	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 (GPCPD) requirement?   
 If yes, provide the GPCPD amount:

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

**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. Copy and paste this sheet as many times as is necessary.

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2018 was	\$15,391

If no property taxes paid, explain why.

n/a

**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.

FOREST HIGHLANDS WATER COMPANY  
Annual Report  
Verification and Sworn Statement (Taxes)  
12/31/18

RECEIVED

MAR 26 2019

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

**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: 12/31/18

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

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

THIS 25<sup>th</sup> DAY OF Coconino  
March 2019  
(month) and (year)

MY COMMISSION EXPIRES 9-13-2019  
(date)



Robin Lee Ayers  
(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

RECEIVED

MAR 26 2019

ARIZONA CORP COMMISSION  
UTILITIES DIVISION DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/18

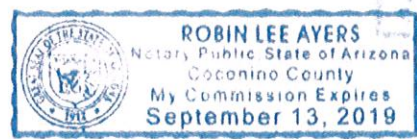
HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND 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 (\$)  
\$487,979  
(The amount in the box above includes  
\$34,658 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 25th DAY OF March 2019  
(month) and (year)  
MY COMMISSION EXPIRES 9-13-2019  
(date)



[Signature]  
(signature of notary public)

**Verification and Sworn Statement (Residential Revenue)** RECEIVED

**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

MAR 26 2019  
ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/18

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 (\$)  
\$406,132  
(The amount in the box above includes  
\$0 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 25th DAY OF March 2019  
(month) and (year)

MY COMMISSION EXPIRES 9-13-2019  
(date)



[Signature]  
(signature of notary public)