ANNUAL REPORT

Of

Company Name: Forest Highlands Water Company

Mailing Address: 2425 William Palmer
Flagstaff AZ
86005

RECEIVED BY EMAIL
3/26/2026, 11:27 AM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Docket No.: W-02493A
For the Year Ended: 12/31/25

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: 3/16/2026

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

For the Calendar Year Ended: 12/31/25

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:	Doug Sutter
Telephone No. :	(928) 525-9014
Address:	2425 William Palmer
City:	Flagstaff
State:	Arizona
Zip Code:	86005
Email:	dsutter@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:	Doug Sutter
Telephone No. :	(928) 525-9014
Address:	2425 William Palmer
City:	Flagstaff
State:	Arizona
Zip Code:	86005
Email:	dsutter@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

	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.
	N/A

	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.
	N/A

Forest Highlands Water Company
Annual Report
Utility Plant in Service (Water)
12/31/25

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	$5,214	$99,070
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	227,124	1,481,031	0	1,708,155	181,875	1,526,279
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	1,400,056	35,248	0	1,435,304	1,341,708	93,596
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	1,479,703	23,961	11,364	1,492,300	1,365,611	126,690
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	161,260	30,008
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	1,680,211	0	0	1,680,211	1,251,757	428,454
333	Services	208,549	0	0	208,549	205,328	3,221
334	Meters and Meter Installations	64,906	2,883	0	67,790	58,843	8,946
335	Hydrants	253,376	396	0	253,772	177,429	76,343
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	163,262	30,435	0	193,696	97,905	95,791
340	Office Furniture and Equipment	11,885	0	0	11,885	11,885	(0)
340.1	Computer & Software	42,604	0	0	42,604	41,743	861
341	Transportation Equipment	516,402	0	0	516,402	446,728	69,674
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	1,977	0	0	1,977	1,977	(0)
344	Laboratory Equipment	1,327	0	0	1,327	1,327	0
345	Power Operated Equipment	50,413	450	0	50,864	7,266	43,598
346	Communication Equipment	28,762	0	0	28,762	14,962	13,799
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	1,064,251	0	0	1,064,251	792,867	271,384
	Totals	**$7,490,360**	**$1,574,403**	**$11,364**	**$9,053,400**	**$6,165,687**	**$2,887,713**

Forest Highlands Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/25

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	$5,214	$99,070	2.63%	$2,607
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	227,124	1,481,031	0	1,708,155	181,875	1,526,279	1.17%	9,231
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	1,400,056	35,248	0	1,435,304	1,341,708	93,596	13.75%	10,449
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	1,479,703	23,961	11,364	1,492,300	1,373,322	118,979	32.40%	36,513
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	191,269	0	0	191,269	161,260	30,008	15.94%	4,782
330.1	Storage Tanks	0	0	0	0	0	0	0.00%	0
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	1,680,211	0	0	1,680,211	1,251,757	428,454	7.84%	33,604
333	Services	208,549	0	0	208,549	205,328	3,221	80.32%	2,587
334	Meters and Meter Installations	64,906	2,883	0	67,790	58,843	8,946	19.99%	1,500
335	Hydrants	253,376	396	0	253,772	177,429	76,343	9.46%	7,204
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	163,262	30,435	0	193,696	97,905	95,791	10.97%	8,836
340	Office Furniture and Equipment	11,885	0	0	11,885	11,885	(0)	0.00%	0
340.1	Computer & Software	42,604	0	0	42,604	41,743	861	131.65%	1,134
341	Transportation Equipment	516,402	0	0	516,402	446,728	69,674	41.93%	29,214
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	1,977	0	0	1,977	1,977	(0)	0.00%	0
344	Laboratory Equipment	1,327	0	0	1,327	1,327	0	0.00%	0
345	Power Operated Equipment	50,413	450	0	50,864	7,266	43,598	16.75%	7,266
346	Communication Equipment	28,762	0	0	28,762	14,962	13,799	9.45%	1,304
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	1,064,251	0	0	1,064,251	792,867	271,384	7.88%	21,385
	Subtotal	$7,490,360	$1,574,403	$11,364	$9,053,400	$6,173,397	$2,880,002		$177,616

Contribution(s) in Aid of Construction (Gross)	$5,642,728
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	4,759,661
Amortizable Contribution(s)	**$883,067**
Times: Proposed Amortization Rate	6.17%
Amortization of CIAC	$54,461

Less: Amortization of CIAC	$54,461
DEPRECIATION EXPENSE	**$123,155**

Forest Highlands Water Company
Annual Report
Balance Sheet Assets
12/31/25

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2025)	Balance at End of Year (2025)
Account No.	**Current and Accrued Assets**			
131	Cash		$82,737	$147,579
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		17,192	2,455
146	Notes Receivable from Associated Companies		105,728	236,586
151	Plant Material and Supplies		4,785	5,309
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		**$210,442**	**$391,929**
Account No.	**Fixed Assets**			
101	Utility Plant in Service*		$7,490,360	$9,053,400
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation **(enter as negative)***		(5,994,040)	(6,165,687)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		**$1,496,320**	**$2,887,713**
	Total Assets		**$1,706,762**	**$3,279,642**

*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 (2025)	Balance at End of Year (2025)
Account No.	**Current Liabilities**			
231	Accounts Payable		$394,571	$632,240
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		17,344	19,164
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		16,400	1,040
	Total Current Liabilities		**$428,315**	**$652,444**
	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		1,074,475	904,685
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		**$1,074,475**	**$904,685**
	Total Liabilites		**$1,502,790**	**$1,557,129**
	Capital Accounts			
201	Common Stock Issued		$4,861,824	$4,861,824
211	Other Paid-In Capital		2,191,897	3,766,300
215	Retained Earnings		(6,849,749)	(6,905,613)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		**$203,972**	**$1,722,511**
	Total Liabilities and Capital		**$1,706,762**	**$3,279,640**

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
12/31/25

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2025 - 12/31/2025	Last Year 01/01/2024 - 12/31/2024
	Operating Revenue		
461	Metered Water Revenue	$545,620	$549,548
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	8,724	5,354
	Total Revenues	**$554,344**	**$554,902**
	Operating Expenses		
601	Salaries and Wages	$264,331	$245,994
604	Employee Pensions and Benefits	50,194	55,325
610	Purchased Water	0	0
615	Purchased Power	86,927	84,011
618	Chemicals	513	168
620	Materials and Supplies	14,488	13,649
620.1	Repairs and Maintenance	4,024	28,269
620.2	Office Supplies and Expense	12,358	11,474
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	58,428	58,406
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	2,040	5,220
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	12,264	12,264
642	Rental of Equipment	369	0
650	Transportation Expenses	11,565	11,360
657	Insurance - General Liability	56,240	32,468
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	140	0
675	Miscellaneous Expense	10,007	7,014
403	Depreciation Expense (From Schedule AR4)	123,155	61,931
408	Taxes Other Than Income	0	0
408.11	Property Taxes	16,419	16,488
409	Income Taxes	50	50
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	**$723,512**	**$644,091**
	Operating Income / (Loss)	**($169,168)**	**($89,189)**
	Other Income / (Expense)		
419	Interest and Dividend Income	$0	$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	**$0**	**$0**
	Net Income / (Loss)	**($169,168)**	**($89,189)**

Forest Highlands Water Company
Annual Report
Full time equivalent employees
12/31/25

Full time equivalent employees

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

Forest Highlands Water Company
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/25

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	none	none	none	none
Source of Loan	none	none	none	none
ACC Decision No.	none	none	none	none
Reason for Loan	none	none	none	none
Dollar Amt. Issued	none	none	none	none
Amount Outstanding	none	none	none	none
Date of Maturity	none	none	none	none
Interest Rate	none	none	none	none
Current Year Interest	none	none	none	none
Current Year Principal	none	none	none	none

Meter Deposit Balance at Test Year End:	$21,619

Meter Deposits Refunded During the Test Year:	$3,309

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.

Forest Highlands Water Company
Annual Report
Well and Water Usage
12/31/25

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 2015	Water level 2025	Meter Size (inches)	How measured:	Active
55-514733	40	82	1,195	12	submersible	1986	694	713	4	Metered	Yes
55-515547	40	68	1,405	12	submersible	1986	896	903	4	Metered	Yes
55-517583	75	115	1,250	12	submersible	1987	708	715	4	Metered	Yes
55-588893	30	60	1,380	10	submersible	2002	753	735	4	Metered	Yes
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0

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

Name of system water received from:	FOREST HIGHLANDS WATER CO
ADWR PCC Number:	91-000104.0000
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	2,529,766.00	2,529,766.00	0.00	0.00	0.00	$4,196	23,968
February	1,269,003.00	1,269,003.00	0.00	0.00	0.00	4,078	22,584
March	2,482,392.00	2,482,392.00	0.00	0.00	0.00	3,888	23,437
April	2,267,928.00	2,267,928.00	0.00	0.00	250,000.00	4,345	24,561
May	9,002,011.00	9,002,011.00	0.00	0.00	0.00	7,130	49,254
June	10,061,258.00	10,061,258.00	0.00	0.00	0.00	10,764	81,666
July	9,948,470.00	9,948,470.00	0.00	0.00	0.00	10,037	86,176
August	8,330,638.00	8,330,638.00	0.00	0.00	0.00	9,253	59,098
September	5,228,148.00	5,228,148.00	0.00	0.00	0.00	8,511	61,533
October	1,573,830.00	1,573,830.00	0.00	0.00	250,000.00	7,519	51,129
November	1,584,729.00	1,584,729.00	0.00	0.00	0.00	4,213	20,718
December	1,373,220.00	1,373,220.00	0.00	0.00	0.00	5,762	34,709
Totals	**55,651,393.00**	**55,651,393.00**	**0.00**	**0.00**	**500,000.00**	**$79,695**	**538,833**

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
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0

CUSTOMER METERS

Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
0.75	778	7%	92%
1	8	0%	100%
1.5	3	0%	100%
2	6	0%	100%
NA	NA	0%	0%
NA	NA	0%	0%
NA	NA	0%	0%
NA	NA	0%	0%
NA	NA	0%	0%
NA	NA	0%	0%
NA	NA	0%	0%
NA	NA	0%	0%
NA	NA	0%	0%
NA	NA	0%	0%
NA	NA	0%	0%
NA	NA	0%	0%
NA	NA	0%	0%

SERVICE LINES

Material	Percent of system	Year installed
Copper	100%	1988
Copper	100%	1997
NA	0%	0
NA	0%	0
NA	0%	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	Year installed
500,000	Steel	1	1987
500,000	Steel	1	2024
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0

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

* 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.

TREATMENT EQUIPMENT:	NA

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

OTHER:	NA

312
(b)

Forest Highlands Water Company
Annual Report
Customer and Other Information
12/31/25

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

	Number of Customers				
Month	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	779	0	22	6	1
February	780	0	22	6	1
March	780	0	22	6	1
April	781	0	22	6	1
May	783	0	22	6	1
June	783	0	22	6	1
July	783	0	22	6	1
August	784	0	22	6	1
September	784	0	22	6	1
October	786	0	22	6	1
November	786	0	22	6	1
December	786	0	22	6	1

If the system has fire hydrants, what is the fire flow requirements? 2,000 GPM for 2 hrs.

Does the system have chlorination treatment? No

Does the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement? No
If yes, provide the GPCPD amount: NA

Is the Water Utility located in an ADWR Active Management Area (AMA)? No
If yes, which AMA? NA

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

NA

Forest Highlands Water Company
Annual Report
Utility Shutoffs / Disconnects
12/31/25

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.

Forest Highlands Water Company
Annual Report
Property Taxes
12/31/25

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2025 was	$16,419

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 Certification (Taxes)

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

County of (county name): Coconino
Name (owner or official) title: Kim Rushing, CFO
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: 12/31/25

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.

Certification: I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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

Kim Rushing

signature of owner/official

928-525-9014
telephone no.