ANNUAL REPORT

Of

Company Name:

Forest Highlands Water Company

2425 William Palmer

Mailing Address:

Flagstaff

AZ

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86005

ARIZONA CORPORATION COMMISSION

UTILITIES DIVISION

Docket No.:

W-02493A

For the Year Ended:

12/31/21

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:

3/17/2022

ARIZONA CORPORATION COMMISSION

WATER UTILITY ANNUAL REPORT

Forest Highlands Water Company A Class \boxed{D} Utility

For the Calendar Year E	Ended: $12/31/21$					
Primary Address:	2425 William Palmer	***************************************				
	Flagstaff		State: A	rizona	Zip Code:	86005
e.v.j.	8	1	2 1000			00003
Telephone Number:	(928) 525-9014	1				
•	L` , , , , , , , , , , , , , , , , , , ,	1				
Date of Original Organi	zation of Utility:	9/22/1	987			
	,					
	ondence should be addresse	ed concern	ing this	report:		
	Patricia Ashbrook					
Telephone No.:						
	2425 William Palmer			,	,	
•	Flagstaff		State: A	rizona	Zip Code:	86005
Email:	pashbrook@fhgc.com					
[O. G!: 16						
On-Site Manager	Ir · · · · · · · · ·					
	Lindsey Church					
Telephone No.:	` '			THE STATE OF THE S		
	2425 William Palmer	1	Gr / IA	•	77' 0 1	10.000
-	Flagstaff	<u> </u>	State: A	rizona	Zip Code:	86005
Eman:	lchurch@fhgc.com					
Regulatory Contact				10-00-		
v	Lindsey Church					
Telephone No.:						
-	2425 William Palmer					
	Flagstaff	Ī	State: A	rizona	Zip Code:	86005
•	lchurch@fhgc.com	L	State. 173	T IZONA		00003
Ziiiwiii.						
Statutory Agent						
	Patricia Ashbrook					10.4 10.0
Telephone No.:	(928) 525-9014					
	2425 William Palmer					
City:	Flagstaff		State: A	rizona	Zip Code:	86005
Email:	pashbrook@fhgc.com		,L,		······································	
Attorney						
Name:	Scott Carpenter					
Telephone No.:	(480) 527-2844					
Address:	1550 Plaza West Drive					
City:	Prescott		State: A	rizona	Zip Code:	86303
Email:	none					
			_			
Ownership:	"C" Corporation					
			ı			
Counties Served:	Coconino					

ARIZONA CORPORATION COMMISSION WATER UTILITY ANNUAL REPORT Forest Highlands Water Company

Important changes during the year							
N/A 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							
AVA							
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							

Utility Plant in Service (Water)											
Account	Description	Beginning Year	Current Year	Current Year	Adjusted Original	Accumulated	OCLD (OC less				
No.		Original Cost	Additions	Retirements	Cost	Depreciation	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	25,000	0	227,124	147,559	79,565				
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	1,593,025	0	0	1,593,025	1,305,360	287,665				
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	1,390,144	26,627	34,478	1,382,293	1,276,405	105,888				
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	142,134	49,135				
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	8,341	0	1,695,681	1,122,994	572,687				
333	Services	194,350	3,129	0	197,479	168,732	28,747				
334	Meters and Meter Installations	61,119	2,242	5,270	58,091	53,685	4,406				
335	Hydrants	226,995	0	0	226,995	150,951	76,044				
336	Backflow Prevention Devices	0	0	0	0	0	0				
339	Other Plant and Misc. Equipment	90,773	74,302	0	165,075	66,267	98,808				
340	Office Furniture and Equipment	11,885	0	0	11,885	9,673	2,212				
340.1	Computer & Software	41,641	4,550	2,390	43,801	30,463	13,338				
341	Transportation Equipment	453,197	37,397	35,400	455,194	369,664	85,530				
342	Stores Equipment	0	0	0	0	0	0				
343	Tools, Shop and Garage Equipment	1,977	0	0	1,977	1,747	230				
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	19,559	0	28,762	9,747	19,015				
347	Miscellaneous Equipment	0	0	0	0	0	0				
348	Other Tangible Plant	1,064,251	0	0	1,064,251	707,727	356,524				
	Totals	\$7,324,904	\$201,147	\$77,538	\$7,448,513	\$5,564,435	\$1,884,078				

Forest Highlands Water Company Annual Report Depreciation Expense for the Current Year (Water) 12/31/21

	Depreciation Expense for the Current Year (Water)										
Account No.	Description	Beginning	Current Year	Current Year	Adjusted	Fully	Depreciable	Depreciation	Depreciation		
	-	Year Original	Additions	Retirements	Original Cost	Depreciated/Non-		Percentages	Expense		
		Cost			J	depreciable Plant	Plant				
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	25,000	0	227,124	147,559	79,565	11.28%	7,565		
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	1,593,025	0	0	1,593,025	1,305,360	287,665	20.45%	58,813		
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	1,390,144	26,627	34,478	1,382,293	1,276,405	105,888	18.40%	20,206		
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%			
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%			
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	142,134	49,135	8.87%			
330.1	Storage Tanks	0	0	0	0	0		0.00%			
330.2	Pressure Tanks	0	0	0	0	0	1	0.00%			
331	Transmission and Distribution Mains	1,687,340	8,341	0	1,695,681	1,122,994	572,687	6.00%			
333	Services	194,350	3,129	0	197,479	168,732	28,747	37.20%	10,112		
334	Meters and Meter Installations	61,119	2,242	5,270	58,091	53,685	4,406	12.00%			
335	Hydrants	226,995	0	0	226,995	150,951	76,044	5.50%	4,182		
336	Backflow Prevention Devices	0	0	0	0			0.00%			
339	Other Plant and Misc. Equipment	90,773	74,302	0	165,075	66,267		7.50%			
340	Office Furniture and Equipment	11,885	0	0	11,885	9,673	2,212	46.00%			
340.1	Computer & Software	41,641	4,550	2,390	43,801	30,463	13,338	49.85%	· · · · · · · · · · · · · · · · · · ·		
341	Transportation Equipment	453,197	37,397	35,400	455,194	369,664	85,530	51.25%			
342	Stores Equipment	0	0	0	0			0.00%			
343	Tools, Shop and Garage Equipment	1,977	0	0	1,977	1,747	230	41.00%			
344	Laboratory Equipment	1,327	0	0	1,327	1,327	0	0.00%			
345	Power Operated Equipment	0	0	0	0		1	0.00%	1		
346	Communication Equipment	9,203	19,559	0	28,762	9,747	19,015	14.85%			
347	Miscellaneous Equipment	0	0	0	0			0.00%			
348	Other Tangible Plant	1,064,251	0	0	1,064,251	707,727		6.05%			
	Subtotal	\$7,324,904	\$201,147	\$77,538	\$7,448,513	\$5,668,719	\$1,779,794		\$218,168		

 Contribution(s) in Aid of Construction (Gross)
 \$5,661,233

 Less: Non Amortizable Contribution(s)
 0

 Fully Amortized Contribution(s)
 4,375,930

 Amortizable Contribution(s)
 \$1,285,303

 Times: Proposed Amortization Rate
 12,26%

 Amortization of CIAC
 \$157,553

Less: Amortization of CIAC \$157,553

DEPRECIATION EXPENSE \$60,615

Forest Highlands Water Company Annual Report Balance Sheet Assets 12/31/21

	Balance Sheet Assets		
	Assets	Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current and Accrued Assets		
131	Cash	\$36,219	\$134,483
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	13,865	7,967
146	Notes Receivable from Associated Companies	(1)	0
151	Plant Material and Supplies	1,075	345
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	(374)	(440)
	Total Current and Accrued Assets	\$50,784	\$142,355
Account No.	Fixed Assets		
101	Utility Plant in Service*	\$7,324,904	\$7,448,513
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation (enter as negative)*	(5,414,774)	(5,564,435)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	Total Fixed Assets	\$1,910,130	\$1,884,078
	Total Assets	\$1,960,914	\$2,026,433

*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 Ow	ners Equity	
	Liabilities	Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current Liabilities		
231	Accounts Payable	\$4,428	\$0
232	Notes Payable (Current Portion)	0	0
234	Notes Payable to Associated Companies	293,545	314,870
235	Customer Deposits	15,755	17,658
236	Accrued Taxes	10,770	11,671
237	Accrued Interest	0	0
242	Miscellaneous Current and Accrued Liabilities	56,022	7,192
***************************************	Total Current Liabilities	\$380,520	\$351,391
	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	5,661,230
272	Less: Amortization of Contributions	(4,268,955)	(4,375,930)
281	Accumulated Deferred Income Tax	0	0
	Total Deferred Credits	\$1,373,773	\$1,285,300
	Total Liabilites	\$1,754,293	\$1,636,691
	Capital Accounts		
201	Common Stock Issued	\$4,861,824	\$4,861,824
211	Other Paid-In Capital	1,543,222	1,839,568
215	Retained Earnings	(6,198,425)	(6,311,650)
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	Total Capital	\$206,621	\$389,742
	Total Liabilities and Capital	\$1,960,914	\$2,026,433

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

461	Calendar Year Operating Revenue	Current Year 01/01/2021 - 12/31/2021	Last Year
461 II 460 II 460 II 462 II 469 G 471 II 474 G 601 S 604 II 610 II 615 II 620.2 G 630 G 631 G 632 G 633 G 634 G 635 G 636 G		01/01/2021 - 12/31/2021	01/01/2020 12/21/2020
461 II 460 II 460 II 462 II 469 G 471 II 474 G 601 S 604 II 610 II 615 II 620.2 G 630 G 631 G 632 G 633 G 634 G 635 G 636 G			01/01/2020 - 12/31/2020
460 II 462 II 469 G 471 II 474 G 601 S 601 S 604 II 610 II 615 II 620.2 G 630 G 631 G 632 G 633 G 634 G 635 G 636 G	Matauad Watau Danami	*****	*=== ::
462 II 469 G 471 II 474 G 601 S 604 II 610 II 615 II 620.2 G 630 G 631 G 632 G 633 G 634 G 635 G 636 G	Metered Water Revenue	\$514,369	\$532,44
469 (471 174 174 174 174 174 174 174 174 174	Unmetered Water Revenue	0	
471 1 474 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	Fire Protection Revenue	0	
474 (6) (7) (6) (7) (7) (7) (7) (7) (7) (7) (7) (7) (7	Guaranteed Revenues (Surcharges)	0	
601 S 604 II 610 II 615 II 618 G 620 II 620.2 G 630 G 631 G 632 G 633 G 634 G 635 G 636 G	Miscellaneous Service Revenues	0	
601 S 604 II 610 II 615 II 618 G 620 II 620.2 G 630 G 631 G 632 G 633 G 634 G 635 G 636 G	Other Water Revenue	8,036	9,26
601 S 604 I 610 I 615 I 618 G 620 I 620.1 I 620.2 G 630 G 631 G 632 G 633 G 634 G 635 G 636 G 636	Total Revenues	\$522,406	\$541,71
601 S 604 II 610 II 615 II 618 G 620 II 620.2 G 630 G 631 G 632 G 633 G 634 G 635 G 636 G	0 4 7		
604 II 610 II 615 II 618 G 620 II 620.2 G 630 G 631 G 632 G 633 G 634 G 635 G 636 G	Operating Expenses	\$220.107	\$201.52
610 II 615 II 618 G 620 II 620.1 II 620.2 G 630 G 631 G 632 G 633 G 634 G 635 G 636 G	Salaries and Wages	\$220,187	\$221,53
615 II 618 G 620 II 620.1 II 620.2 G 630 G 631 G 632 G 633 G 634 G 635 G 636 G	Employee Pensions and Benefits	59,131	60,85
618 620 1 620.1 1 620.2 630 631 632 633 634 635 636	Purchased Water	0	CC ##
620 II 620.1 II 620.2 G 630 G 631 G 632 G 633 G 634 G 635 G 636 G	Purchased Power	59,538	66,55
620.1 II 620.2 G 630 G 631 G 632 G 633 G 634 G 635 G 636 G	Chemicals	445	55-
620.2 (630 (631 (632 (633 (634 (635 (636 (636 (636 (630 (630 (630 (630 (630	Materials and Supplies	14,752	14,65
630 G 631 G 632 G 633 G 634 G 635 G 636 G	Repairs and Maintenance	18,743	17,45
631 (632 (633 (634 (635 (636 (636 (636 (631 (632 (631 (632 (633 (633 (633 (633 (633 (633 (633	Office Supplies and Expense	16,635	15,48
632 (633 (634 (635 (636 (Contractual Services	0	
633 (634 (635 (636 (Contractual Services - Engineering	0	
634 (635 (636 (Contractual Services - Accounting	53,872	51,80
635 (636 (Contractual Services - Legal	0	20:
636 (Contractual Services - Management Fees	0	
	Contractual Services - Water Testing	2,122	2,532
640 II	Contractual Services - Other	0	
	Rents	0	
	Rental of Building/Real Property	11,784	11,78
	Rental of Equipment	0	(
	Transportation Expenses	13,894	10,57
	Insurance - General Liability	19,772	20,80
-	Insurance - Health and Life	0	
	Regulatory Commission Expense - Rate	0	
	Bad Debt Expense	1,211	3,383
	Miscellaneous Expense	7,584	13,28
403 I	Depreciation Expense (From Schedule AR4)	60,615	52,79
	Taxes Other Than Income	0	29.
408.11 I	Property Taxes	15,689	15,688
	Income Taxes	50	50
427.1	Customer Security Deposit Interest	0	
7	Total Operating Expenses	\$576,024	\$580,28
	Operating Income / (Loss)	(\$53,618)	(\$38,573
	Other Income / (Expense)		
	Interest and Dividend Income	\$0	\$(
	Non-Utility Income	0	
	Miscellaneous Non-Utility (Expense)	(59,607)	(67,63
	Interest (Expense)	0	(-19
	Total Other Income / (Expense)	(\$59,607)	(\$67,634
1			

Forest Highlands Water Company Annual Report Full time equivalent employees 12/31/21

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)	7.0	0.0	0.0	7.0
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	9.0	0.0	0.0	9.0

Forest Highlands Water Company Annual Report Supplemental Financial Data (Long-Term Debt) 12/31/21

Supplemental Financial Data (Long-Term Debt)									
	Loan #1	Loan #2	Loan #3	Loan #4					
Date Issued	None	None	None	None					
Source of Loan	0	0	0	0					
ACC Decision No.	None	None	None	None					
Reason for Loan	None	None	None	None					
Dollar Amt. Issued	0	0	0	0					
Amount Outstanding	0	0	0	0					
Date of Maturity	None	None	None	None					
Interest Rate	0	0	0	0					
Current Year Interest	0	0	0	0					
Current Year Principal	0	0	0	0					

Meter Deposit Balance at Test Year End:	\$2,750	
Meter Deposits Refunded During the Test Year	: :	

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.

\$2,900

Forest Highlands Water Company Annual Report Well and Water Usage

1	2	1.	3	1	1	2	1	

	Well and Water Usage											
Name of the System:		FOREST HIGHLA	NDS WATER CO									
ADEQ Public Water Syst	ADEQ Public Water System Number:		AZ0403073				•					
ADWR PCC Number:			91-000104.0000									
Well registry 55# (55-			Casing Depth	Casing Diameter	Pump Motor	Year	Water level	Water level	Meter Size	How		
XXXXXX):	Pump Horsepower	Pump Yield (gpm)	(feet)	(inches)	Type **	Drilled	2011	2021	(inches)	measured:	Active	
55-514733	40	82	1,195	12	submersible	1986	693	718	4	Metered		Yes
55-515547	40	65	1,405	12	submersible	1986	890	896	4	Metered		Yes
55-517583	75	110	1,250	12	submersible	1987	707	726		Metered		Yes
55-588893	30	60	1,380	10	submersible	2002	727	749	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	C		0
0	0	0	0	0	0	0	0	0	0	C		0
0		0	0	0	0	0		0	0	C		0
0		0	0	0	0	0			0	C		0
0	0	0	0	0	0	-		0	0	C		0
0] 0	1 0	0	0	0	0	0	0	0	(C)	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	

				Water received			
			Water delivered	(purchased) from	Estimated	Purchased	Purchased
	Water withdrawn	Water sold	(sold) to other	other systems	authorized use	Power	Power
Month	(gallons)1	(gallons)2	systems (gallons)3	(gallons)4	(gallons)5	Expense ⁶	(kWh) ⁷
January	2,864,359.00	2,864,359.00	0.00	0.00	0.00	\$2,751	19,738
February	3,947,808.00	3,947,808.00	0.00	0.00	0.00	2,746	21,588
March	1,697,187.00	1,697,187.00	0.00	0.00	0.00	2,363	15,168
April	4,407,100.00	4,407,100.00	0,00	0.00	250,000.00	3,168	24,484
May	7,176,102.00	7,176,102.00	0.00	0.00	0.00	5,303	51,447
June	4,424,610.00	4,424,610.00	0.00	0.00	0.00	6,736	70,882
July	5,335,622.00	5,335,622.00	0.00	0.00	0.00	4,996	49,166
August	3,008,549.00	3,008,549.00	0.00	0.00	0.00	3,941	34,817
September	1,913,278.00	1,913,278.00	0.00	0.00	0.00	3,060	28,059
October	2,944,576.00	2,944,576.00	0.00	0.00	250,000.00	2,460	16,354
November	610,700.00	610,700.00	0.00	0.00	0.00	3,506	28,966
December	1,566,010.00	1,566,010.00	0.00	0.00	0,00	2,397	14,902
Totals	39,895,901.00	39,895,901.00	0.00	0.00	500,000.00	\$43,427	375,571

If applicable, in the space below please provid	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.

Forest Highlands Water Company Annual Report Water Utility Plant Description 12/31/21

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		

SERVICE LINES				
		Year		
Material	Percent of system	installed		
Copper	100%	1988		
Copper	100%	1997		
na	0%	na		
na	0%	na		
na	0%	na		

CUSTOMER METERS				
		Percent over	Percent over	
Size (inches)	Quantity	1,000,000 gallons	10 years old	
0.75	764	51%	88%	
1	6	0%	0%	
1.5	3	0%	0%	
2	11	100%	100%	
6	2	0%	0%	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA	0	0	0	
NA [.]	0	0	0	

BOOSTER PUMPS			
Horsepower	GPM	Quantity	
10	100	5	
na	0	0	
na	0	0	
na	0	0	

STORAGE TANKS				
			Year	
Capacity (gallons)	Material	Quantity	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	

FIRE HYDRANTS			
Type Quantity			
Standard *	183		
Other	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	

^{*} 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.

Forest Highlands Water Company

Annual Report Page 12

Annual Report
Water Utility Plant Description (Continued)

12/31/21

				~	-			
Ta	h	0	0	F I	1 '	21.5	tan	,to

w	ater	Utility	Plant	Descri	ntion ((Continued)	١
***	atei	Ounty	Liant	Descri	μασα (Commuca	,

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, 1 BOOSTER STATION BUILDING, 1 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:

- (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
- (b) If no historical flow data are available, use: ERC = (Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day)

ERC

Method used:

312

Forest Highlands Water Company Annual Report Customer and Other Information 12/31/21

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

		3			
					Other Non-
Month	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Residential
January	747	0	22	7	1
February	747	0	22	7	1
March	747	0	22	7	1
April	747	0	22	7	1
May	749	0	22	7	1
June	751	0	22	7	1
July	754	0	22	7	1
August	755	0	22	7	1
September	756	0	22	7	1
October	756	0	22	7	1
November	756	0	22	7	1
December	756	0	22	7	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 No No	
Is the Water Utility located in an ADWR Active Management Area (AMA)? No NA	
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.	
NA	

 $[\]ensuremath{^*}$ an ERC is based on the calculation on the bottom of AR9 page 12.

Forest Highlands Water Company Annual Report Utility Shutoffs / Disconnects 12/31/21

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

		Termination with	
Month	Termination without	Notice R14-2-	
	Notice R14-2-410.B	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 12/31/21

Property Taxes							
Amount of actual property taxes paid during Calendar Year 2021 was	\$23,542						
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.

Forest Highlands Water Company Annual Report Verification and Sworn Statement (Taxes) 12/31/21

		Verification a	and Sworn Statement (T	axes)	
Verification:		e name)	I, the undersigned of the		
	County of (county name): Name (owner or official) title Company name:	: Forest Highlands	Coconino Patricia Ashbrook, Secre Water Company	etary	
	DO SAY THAT THIS ANNU COMMISSION.	JAL UTILITY PR	OPERTY TAX AND SA	LES TAX REPORT TO TH	HE ARIZONA CORPORATION
	FOR THE YEAR ENDING:		12/31/21		
	CORRECT STATEMENT O	AREFULLY EXA F BUSINESS AN EACH AND EVEI	MINED THE SAME, AND AFFAIRS OF SAID U	ND DECLARE THE SAME FILITY FOR THE PERIOD	TO BE A COMPLETE AND
Sworn Statement:	I HEREBY ATTEST THAT	ALL PROPERTY	TAXES FOR SAID CO	MPANY ARE CURRENT A	AND PAID IN FULL.
	I HEREBY ATTEST THAT	ALL SALES TAX	ES FOR SAID COMPA	NY ARE CURRENT AND	PAID IN FULL.
				signature of owner/off	icial
				928-525-9014 telephone no.	
		SUBSCRIBED A IN AND FOR TH		RE ME A NOTARY PUBL	Coconino
		THIS	17th	DAY OF	(county name) (month) and (year)
		MY COMMISSI	ON EXPIRES	9/13/20 (date)	003
		ROBIN LEE Notary Public, St Coconino Commission My Commissi September	ate of AffZono County # 569201 ion Expires	Roll (signature of	notary public)

Forest Highlands Water Company Annual Report Verification and Sworn Statement 12/31/21

	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: 12/31/21
	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.
worn 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 (\$) \$558,318 (The amount in the box above includes \$35,912 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 THIS DAY OF (month) and (year)
	MY COMMISSION EXPIRES 9/13/2023 (date)
	ROBIN LEE AYERS Notary Public, State of Arizona Coconino County Commission # 569201 My Commission Expires September 13, 2023 ROBIN LEE AYERS ROBIN LEE AYERS (signature of notary public) Page 18
	September 13, 2023 Page 18



		Verification	and Sworn	Statement (Residential Re	venue)	
Verification:	State of	Arizor (state na		I, the undersigned of the		
		county name): ner or official) title: name:	Forest Highl	Coconino Patricia Ashbrook, Secreta ands Water Company	гу	
!		HAT THIS ANNUA TION COMMISSIC		PROPERTY TAX AND SA	ALES TAX REPOR	T TO THE ARIZONA
	FOR THE	YEAR ENDING:	12/31/21			
	OF SAID I A COMPL PERIOD O	JTILITY; THAT I H ETE AND CORREC COVERED BY THIS	AVE CARE T STATEM REPORT IN	ECTION, FROM THE OR FULLY EXAMINED THE IENT OF BUSINESS AND N RESPECT TO EACH AN EDGE, INFORMATION AI	SAME, AND DECL AFFAIRS OF SAID ID EVERY MATTE	ARE THE SAME TO BE UTILITY FOR THE
orn Statement:	REVISED UTILITY	STATUTES, IT IS F DERIVED FROM A	IEREIN REI RIZONA IN	EMENTS OF TITLE 40, AF PORTED THAT THE GRO TRASTATE UTILITY OPI THE CALENDAR YEAR W	OSS OPERATING R ERATIONS RECEIV	EVENUE OF SAID
		Arizona Intrasta	te Gross Op	erating Revenues Only (\$) \$454, (The amount in the box at \$29, billed or collected)		
					signature of ov	
				<u></u>	928-525 telephor	
				BED AND SWORN TO BE OR THE COUNTY	<u>Cocc</u>	RY PUBLIC PONDO county name)
			THIS	17th	DAY OF	march 206 (month) and (year)
				MISSION EXPIRES	9/13/6 (date)	0400

ROBIN LEE AYERS
Notary Public, State of Arizona
Coconino County
Commission # 669201
My Commission Expires
September 13, 2023

(signature of notary public)

Forest Highlands Water Company Annual Report Full Gross-up Method for Income Tax Statement of Certification 12/31/21

	Full	Gross-up Metl	hod for Incor	ne Tax Statemen	nt of Certif	rication	
Verification:	State of	Arizona (state name		he undersigned o	f the		
	County of (county of Name (owner or of Company name:	ficial) title:	Par	conino tricia Ashbrook, S s Water Company			
	FOR THE YEAR	ENDING:	12/31/21				
Sworn Statement:	TAX EXPENSE O	GROSS UP OF OT INCURRED OR A DECREAS OUNT EQUAL	ADVANCES NOR IS EXI SE IN DEFEN L TO OR GRE	S AND CONTRIE PECTED TO INC RRED TAX ASSI EATER THAN T	BUTIONS, CUR A NE' ET FOR A THE AMOU	I HEREBY STA T INCREASE IN CARRY FORWA INT OF THE RE	
						signature of own 928-525-9 telephone	014
				AND SWORN T	O BEFOR	E ME A NOTAR COCK	Y PUBLIC OUITY name)
		TI	HIS	17th		DAY OF	(month) and (year)
		M	Y COMMISS	SION EXPIRES		(date)	3
	ROBIN LE Notary Public, S Coconing Commission My Commiss Septembe	County n # 569201 sion Expires		Pol	(signatu	ire of notary publ) ic)

 $F = \{ x \in \mathcal{X} \mid x \in \mathcal{X} \mid x \in \mathcal{X} : x \in \mathcal{X} \}$