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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT

Of

Company Name:
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-01917A
For the Year Ended:

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:
Application Date:

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

For the Calendar Year Ended: 12/31/22

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

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

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

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$6,983	\$0	\$0	\$6,983	\$0	\$6,983
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	5,187	0	0	5,187	0	5,187
304	Structures and Improvements	29,114	50,752	0	79,866	25,661	54,205
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	48,891	5,265	0	54,156	45,075	9,081
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	397,473	0	65,354	332,119	272,476	59,643
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	3,649	0	0	3,649	1,763	1,886
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	96,107	0	0	96,107	74,719	21,388
330.1	Storage Tanks	2,495	47,852	0	50,347	836	49,511
330.2	Pressure Tanks	1,473	0	0	1,473	351	1,122
331	Transmission and Distribution Mains	226,722	21,017	0	247,739	156,368	91,371
333	Services	24,211	57,903	0	82,114	17,400	64,714
334	Meters and Meter Installations	34,789	3,490	0	38,279	32,535	5,744
335	Hydrants	633	0	0	633	258	375
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	4,045	0	0	4,045	4,045	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	280	0	0	280	245	35
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	15,575	0	0	15,575	15,575	0
	Totals	\$897,627	\$186,279	\$65,354	\$1,018,552	\$647,307	\$371,245

Dragoon Water Company
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/22

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	\$6,983	\$0	\$0	\$6,983	\$6,983	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	5,187	0	0	5,187	5,187	0	0.00%	0
304	Structures and Improvements	29,114	50,752	0	79,866	0	79,866	3.33%	1,815
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	48,891	5,265	0	54,156	0	54,156	3.33%	1,716
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	397,473	0	65,354	332,119	235,097	97,022	12.50%	16,212
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	3,649	0	0	3,649	0	3,649	3.33%	122
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	96,107	0	0	96,107	0	96,107	2.22%	2,134
330.1	Storage Tanks	2,495	47,852	0	50,347	0	50,347	2.22%	587
330.2	Pressure Tanks	1,473	0	0	1,473	0	1,473	5.00%	74
331	Transmission and Distribution Mains	226,722	21,017	0	247,739	0	247,739	2.00%	4,745
333	Services	24,211	57,903	0	82,114	0	82,114	3.33%	1,770
334	Meters and Meter Installations	34,789	3,490	0	38,279	29,097	9,182	8.33%	620
335	Hydrants	633	0	0	633	0	633	2.00%	13
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	4,045	0	0	4,045	4,045	0	6.67%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	280	0	0	280	0	280	5.00%	14
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	15,575	0	0	15,575	0	15,575	2.50%	6
	Subtotal	\$897,627	\$186,279	\$65,354	\$1,018,552	\$280,409	\$738,143		\$29,825

Contribution(s) in Aid of Construction (Gross)	\$187,023
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	124,735
Amortizable Contribution(s)	\$62,288
Times: Proposed Amortization Rate	4.15%
Amortization of CIAC	\$2,585

Less: Amortization of CIAC **\$2,585**

DEPRECIATION EXPENSE \$27,240

Dragoon Water Company
Annual Report
Balance Sheet Assets
12/31/22

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current and Accrued Assets			
131	Cash		\$77,828	\$86,288
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		8,292	7,634
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		7,412	7,412
174	Miscellaneous Current and Accrued Assets		7,889	7,889
	Total Current and Accrued Assets		\$101,421	\$109,223
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$897,627	\$1,018,552
103	Property Held for Future Use		0	0
105	Construction Work in Progress		172,925	0
108	Accumulated Depreciation (enter as negative)*		(617,479)	(647,307)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$453,073	\$371,245
	Total Assets		\$554,494	\$480,468

*Note these items feed automatically from AR3 UPIS Page 4

Dragoon Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current Liabilities			
231	Accounts Payable		\$3,195	\$7,685
232	Notes Payable (Current Portion)		0	
234	Notes Payable to Associated Companies		0	
235	Customer Deposits		6,359	6,865
236	Accrued Taxes		2,319	2,356
237	Accrued Interest		0	
242	Miscellaneous Current and Accrued Liabilities		0	862
	Total Current Liabilities		\$11,873	\$17,768
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$318,938	\$217,993
	Deferred Credits			
251	Unamortized Premium on Debt		\$8,008	\$19,760
252	Advances in Aid of Construction		3,770	3,419
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		187,023	187,023
272	Less: Amortization of Contributions		(142,349)	(144,939)
281	Accumulated Deferred Income Tax		0	
	Total Deferred Credits		\$56,452	\$65,263
	Total Liabilites		\$387,263	\$301,024
	Capital Accounts			
201	Common Stock Issued		\$13,000	\$13,000
211	Other Paid-In Capital		168,642	168,642
215	Retained Earnings		(14,411)	(2,198)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$167,231	\$179,444
	Total Liabilities and Capital		\$554,494	\$480,468

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

Dragoon Water Company
Annual Report
Water Comparative Income Statement
12/31/22

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2022 - 12/31/2022	Last Year 01/01/2021 - 12/31/2021
	Operating Revenue		
461	Metered Water Revenue	\$120,386	\$125,078
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	1,963	1,622
	Total Revenues	\$122,349	\$126,700
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	11,265	9,645
618	Chemicals	0	503
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	1,386	10,803
620.2	Office Supplies and Expense	3,651	3,622
630	Contractual Services	160	5,907
631	Contractual Services - Engineering	0	1,051
632	Contractual Services - Accounting	6,285	5,165
633	Contractual Services - Legal	6,676	12,253
634	Contractual Services - Management Fees	35,580	35,072
635	Contractual Services - Water Testing	1,290	717
636	Contractual Services - Other	16,500	11,000
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	3,039	3,723
657	Insurance - General Liability	1,676	1,720
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	1,444	0
670	Bad Debt Expense	0	316
675	Miscellaneous Expense	0	270
403	Depreciation Expense (From Schedule AR4)	27,240	20,081
408	Taxes Other Than Income	0	0
408.11	Property Taxes	4,739	5,060
409	Income Taxes	0	1,803
427.1	Customer Security Deposit Interest	0	145
	Total Operating Expenses	\$120,931	\$128,856
	Operating Income / (Loss)	\$1,418	(\$2,156)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$3	\$4
421	Non-Utility Income	1,197	80
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(107)	0
	Total Other Income / (Expense)	\$1,093	\$84
	Net Income / (Loss)	\$2,511	(\$2,072)

Dragoon Water Company
Annual Report
Full time equivalent employees
12/31/22

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.5	0.0	0.0	0.5
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.0	0.5	0.5
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	0.5	0.5
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.3	0.3
Accounting	0.0	0.0	0.1	0.1
Business Office	0.0	0.0	0.1	0.1
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Total	0.5	0.0	1.5	2.0

Dragoon Water Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/22

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	1/22/2021	NA	NA	NA
Source of Loan	WIFA	0	0	0
ACC Decision No.	77748	0	0	0
Reason for Loan	INFRASTRUCTU	0	0	0
Dollar Amt. Issued	\$325,600	\$0	\$0	\$0
Amount Outstanding	\$224,639	\$0	\$0	\$0
Date of Maturity	1/1/2041	NA	NA	NA
Interest Rate	2.59%	0.00%	0.00%	0.00%
Current Year Interest	\$6,646	\$0	\$0	\$0
Current Year Principal	\$0	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$3,420
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Meter Deposits Refunded During the Test Year:	\$350
---	-------

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.

Water Utility Plant Description (Continued)

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

TREATMENT EQUIPMENT:	TWO CHLORINATION INJECTION SYSTEMS
-----------------------------	------------------------------------

STRUCTURES:	10X10FT BLOCK PUMP HOUSE ANT WLL 1, 10X12FT BOOSTER HOUSE, 2 TIN STORAGE SHEDS
--------------------	--

OTHER:	TWO AIR CHARGERS, TWO AIR COMPRESSORS
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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
- (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

154

 Method used:

(a)

Customer and Other Information	
Name of the System:	DRAGOON WATER CO
ADEQ Public Water System Number:	AZ0402015
ADWR PCC Number:	91-000036.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	126	0	0	0	0
February	130	0	0	0	0
March	131	0	0	0	0
April	133	0	0	0	0
May	132	0	0	0	0
June	133	0	0	0	0
July	133	0	0	0	0
August	130	0	0	0	0
September	129	0	0	0	0
October	130	0	0	0	0
November	129	0	0	0	0
December	132	0	0	0	0

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

Does the system have chlorination treatment?

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

Dragoon Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/22

Utility Shutoffs / Disconnects	
Name of the System:	DRAGOON WATER CO
ADEQ Public Water System Number:	AZ0402015
ADWR PCC Number:	91-000036.0000

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

Other (description):

NA

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

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2022 was	\$4,739
--	---------

If no property taxes paid, explain why. NA

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

Verification and Sworn Statement (Taxes)

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

County of (county name): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Dragoon Water Company

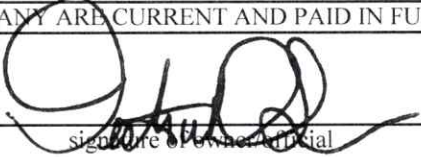
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/22

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

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

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

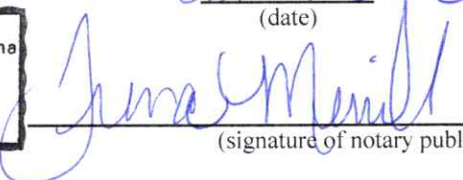

signature of owner/official

520-265-5350
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Cochise
(county name)
THIS 15 DAY OF May 2023
(month) and (year)

MY COMMISSION EXPIRES

TRESSA MERRILL
Notary Public, State of Arizona
Cochise County
Commission # 572184
My Commission Expires
October 17, 2023

Oct 17 2023
(date)

(signature of notary public)

Verification and Sworn Statement

Verification:

State of ARIZONA I, the undersigned of the
(state name)
County of (county name): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Dragoon Water Company

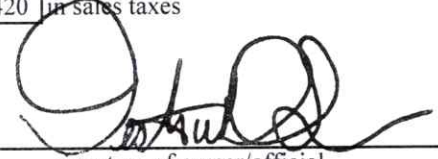
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/22

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 (\$)
\$122,349
(The amount in the box above includes
\$9,420 in sales taxes
billed or collected)


signature of owner/official

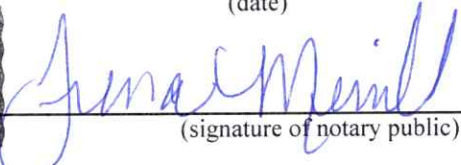
520-265-5350
telephone no.

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

THIS 15 DAY OF May 2023
(month) and (year)

MY COMMISSION EXPIRES Oct 17 2023
(date)




(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Dragoon Water Company

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

FOR THE YEAR ENDING: 12/31/22

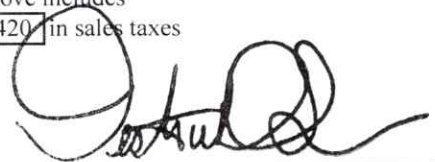
HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND 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 (\$)

\$122,349
(The amount in the box above includes
\$9,420 in sales taxes
billed or collected)



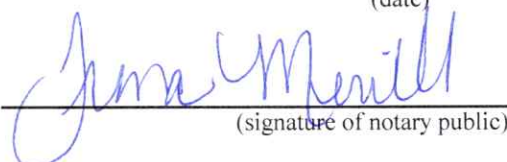
signature of owner/official

520-265-5350
telephone no.

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

THIS 15 DAY OF May 2023
(month) and (year)

MY COMMISSION EXPIRES Oct 17, 2023
(date)



(signature of notary public)

Full Gross-up Method for Income Tax Statement of Certification

Verification:

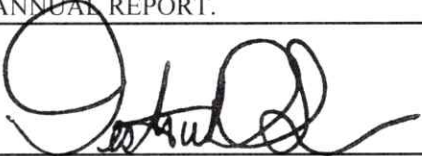
State of ARIZONA I, the undersigned of the
(state name)

County of (county name): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Dragoon Water Company

FOR THE YEAR ENDING: 12/31/22

Sworn Statement:

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



signature of owner/official

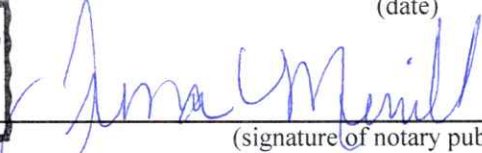
520-265-5350
telephone no.

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IN AND FOR THE COUNTY

Cochise
(county name)

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(month) and (year)

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