

ANNUAL REPORT

Of

Company Name: Dragoon Water Company
PO Box 85160

Mailing Address: Tucson AZ
85754

RECEIVED BY EMAIL
6/20/2024, 12:14 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Docket No.: W-01917A
For the Year Ended: 12/31/23

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: 6/20/2024

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

For the Calendar Year Ended: 12/31/23

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.
	N/A

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.
	N/A

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	79,866	1,755	0	81,621	28,350	53,271
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	54,156	0	0	54,156	46,878	7,278
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	63,445	65,354	395,564	292,654	102,910
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	3,649	0	0	3,649	1,885	1,764
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	76,853	19,254
330.1	Storage Tanks	50,347	0	0	50,347	1,954	48,393
330.2	Pressure Tanks	1,473	0	0	1,473	425	1,048
331	Transmission and Distribution Mains	247,739	2,739	0	250,478	161,350	89,128
333	Services	82,114	133	0	82,247	20,137	62,110
334	Meters and Meter Installations	38,279	0	0	38,279	33,300	4,979
335	Hydrants	633	0	0	633	271	362
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	259	21
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	\$1,083,906	\$68,072	\$65,354	\$1,086,624	\$683,936	\$402,688

Dragoon Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/23

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	79,866	1,755	0	81,621	0	81,621	3.33%	2,689
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	54,156	0	0	54,156	0	54,156	3.33%	1,803
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	63,445	65,354	395,564	235,097	160,467	12.50%	20,178
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	50,347	0	0	50,347	0	50,347	2.22%	1,118
330.2	Pressure Tanks	1,473	0	0	1,473	0	1,473	5.00%	74
331	Transmission and Distribution Mains	247,739	2,739	0	250,478	0	250,478	2.00%	4,982
333	Services	82,114	133	0	82,247	0	82,247	3.33%	2,737
334	Meters and Meter Installations	38,279	0	0	38,279	29,097	9,182	8.33%	765
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	15,575	0	2.50%	0
	Subtotal	\$1,083,906	\$68,072	\$65,354	\$1,086,624	\$295,984	\$790,640		\$36,627

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

Less: Amortization of CIAC \$2,585

DEPRECIATION EXPENSE **\$34,042**

Dragoon Water Company
 Annual Report
 Balance Sheet Assets
 12/31/23

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current and Accrued Assets			
131	Cash		\$86,288	\$88,268
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		7,634	(1,225)
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		\$109,223	\$102,344
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,018,552	\$1,086,624
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(647,307)	(683,936)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$371,245	\$402,688
	Total Assets		\$480,468	\$505,032

*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 (2023)	Balance at End of Year (2023)
Account No.	Current Liabilities			
231	Accounts Payable		\$7,685	\$2,242
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		6,865	8,128
236	Accrued Taxes		2,356	616
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		862	1,650
	Total Current Liabilities		\$17,768	\$12,636
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$217,993	\$301,333
	Deferred Credits			
251	Unamortized Premium on Debt		\$19,760	\$29,568
252	Advances in Aid of Construction		3,419	3,700
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		187,023	187,023
272	Less: Amortization of Contributions		(144,939)	(147,524)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$65,263	\$72,767
	Total Liabilites		\$301,024	\$386,736
	Capital Accounts			
201	Common Stock Issued		\$13,000	\$13,000
211	Other Paid-In Capital		168,642	128,642
215	Retained Earnings		(2,198)	(23,347)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$179,444	\$118,295
	Total Liabilities and Capital		\$480,468	\$505,031

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
12/31/23

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2023 - 12/31/2023	Last Year 01/01/2022 - 12/31/2022
	Operating Revenue		
461	Metered Water Revenue	\$118,800	\$120,386
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	1,890	1,963
	Total Revenues	\$120,690	\$122,349
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	13,241	11,265
618	Chemicals	696	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	1,372	1,386
620.2	Office Supplies and Expense	4,098	3,651
630	Contractual Services	180	160
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	6,140	6,285
633	Contractual Services - Legal	2,149	6,676
634	Contractual Services - Management Fees	62,556	35,580
635	Contractual Services - Water Testing	1,640	1,290
636	Contractual Services - Other	4,200	16,500
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	4,205	3,039
657	Insurance - General Liability	1,825	1,676
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	1,570	1,444
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	4,189	0
403	Depreciation Expense (From Schedule AR4)	34,042	27,240
408	Taxes Other Than Income	0	0
408.11	Property Taxes	5,264	4,739
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	100	0
	Total Operating Expenses	\$147,467	\$120,931
	Operating Income / (Loss)	(\$26,777)	\$1,418
	Other Income / (Expense)		
419	Interest and Dividend Income	\$3	\$3
421	Non-Utility Income	68	1,197
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	(107)
	Total Other Income / (Expense)	\$71	\$1,093
	Net Income / (Loss)	(\$26,706)	\$2,511

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)
 12/31/23

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	NA	NA	NA
ACC Decision No.	77748	NA	NA	NA
Reason for Loan	INFRASTRUCTO	NA	NA	NA
Dollar Amt. Issued	\$325,600	NA	NA	NA
Amount Outstanding	\$301,333	NA	NA	NA
Date of Maturity	1/1/2041	NA	NA	NA
Interest Rate	2.59%	NA	NA	NA
Current Year Interest	\$4,164	NA	NA	NA
Current Year Principal	\$87,247	NA	NA	NA

Meter Deposit Balance at Test Year End:	\$3,700
---	---------

Meter Deposits Refunded During the Test Year:	\$420
---	-------

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 AT WELL 1, 10X12FT BOOSTER HOUSE, 2 TIN STORAGE SHEDS
--------------------	--

OTHER:	TWO AIR CHARGERS, TWO AIR COMPRESSORS
---------------	---------------------------------------

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	157
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	110	0	19	0	0
February	110	0	18	0	0
March	110	0	18	0	0
April	108	0	19	0	0
May	106	0	19	0	0
June	107	0	19	0	0
July	108	0	19	0	0
August	110	0	20	0	0
September	111	0	20	0	0
October	111	0	20	0	0
November	109	0	20	0	0
December	111	0	20	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 GCPCPD 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
 12/31/23

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	2	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	2	0
September	0	0	0
October	0	0	0
November	0	4	0
December	0	0	0
Total	0	8	0

Other (description): N/A

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	
-----------------------	--

Amount of actual property taxes paid during Calendar Year 2023 was	\$5,264
--	---------

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.

Verification and Certification (Taxes)

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

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

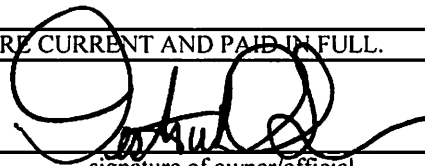
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/23

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.



signature of owner/official

520-265-5350
telephone no.