

ANNUAL REPORT

Of

Company Name:

Dragoon Water Company

PO Box 85160

Mailing Address: Tucson AZ
85754

RECEIVED BY EMAIL

8/18/2026, 4:10 PM

**ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

Docket No.: W-01917A

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:

8/18/2026

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

For the Calendar Year Ended: 12/31/25

Primary Address:

PO BOX 85160
City: TUCSON State: Arizona Zip Code: 85754

Telephone Number:

520-623-5172

Date of Original Organization of Utility:

11/30/1962

Person to whom correspondence should be addressed concerning this report:

Name:

DORINDA CHACON

Telephone No. :

520-623-5172

Address:

PO BOX 85160
City: TUCSON State: Arizona Zip Code: 85754

Email:

INFO@SOUTHWESTERNUTILITY.COM

NA
Name:

n/a

Telephone No. :

n/a

Address:

n/a
City: n/a State: Arizona Zip Code: 85754

Email:

n/a

NA
Name:

n/a

Telephone No. :

n/a

Address:

n/a
City: n/a State: Arizona Zip Code: 85754

Email:

n/a

NA
Name:

n/a

Telephone No. :

n/a

Address:

n/a
City: n/a State: Arizona Zip Code: 85754

Email:

n/a

NA
Name:

n/a

Telephone No. :

n/a

Address:

n/a
City: n/a State: Arizona Zip Code: 85754

Email:

n/a

Ownership:

"C" Corporation

Counties Served:

Cochise

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Dragoon Water Company

Important changes during the year
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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

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 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	81,621	0	0	81,621	33,757	47,864
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	54,286	181	0	54,467	50,487	3,980
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	388,037	0	0	388,037	331,949	56,088
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	3,649	0	0	3,649	2,129	1,520
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	81,121	14,986
330.1	Storage Tanks	53,272	0	0	53,272	4,255	49,017
330.2	Pressure Tanks	3,240	0	0	3,240	617	2,623
331	Transmission and Distribution Mains	273,179	8,536	0	281,715	171,666	110,049
333	Services	44,470	195	0	44,665	24,355	20,310
334	Meters and Meter Installations	45,981	691	0	46,671	35,303	11,368
335	Hydrants	633	0	0	633	297	336
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	6,060	0	6,060	0	6,060
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	280	(0)
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	44,604	0	0	44,604	15,575	29,029
	Totals	\$1,105,573	\$15,663	\$0	\$1,121,235	\$755,836	\$365,399

Dragoon 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	\$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	81,621	0	0	81,621	0	81,621	3.33%	2,718
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	54,286	181	0	54,467	0	54,467	3.33%	1,811
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	388,037	0	0	388,037	235,097	152,940	12.50%	19,117
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	53,272	0	0	53,272	0	53,272	2.22%	1,183
330.2	Pressure Tanks	3,240	0	0	3,240	0	3,240	5.00%	162
331	Transmission and Distribution Mains	273,179	8,536	0	281,715	0	281,715	2.00%	5,549
333	Services	44,470	195	0	44,665	0	44,665	3.33%	1,484
334	Meters and Meter Installations	45,981	691	0	46,671	29,097	17,574	8.33%	1,435
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	0.00%	0
340.1	Computer & Software	0	6,060	0	6,060	0	6,060	20.00%	606
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	280	(0)	5.00%	(0)
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	44,604	0	0	44,604	15,575	29,029	0.00%	0
	Subtotal	\$1,105,573	\$15,663	\$0	\$1,121,235	\$296,264	\$824,971		\$36,333

Contribution(s) in Aid of Construction (Gross)	\$187,023
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	147,524
Amortizable Contribution(s)	\$39,499
Times: Proposed Amortization Rate	4.40%
Amortization of CIAC	\$1,740

Less: Amortization of CIAC
\$1,740

DEPRECIATION EXPENSE
\$36,625

Dragoon 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		\$83,456	\$85,159
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		15,591	142
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		\$114,348	\$100,602
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,105,573	\$1,121,235
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(719,211)	(755,836)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$386,362	\$365,399
	Total Assets		\$500,709	\$466,002

*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 (2025)	Balance at End of Year (2025)
Account No.	Current Liabilities			
231	Accounts Payable		\$3,696	\$12,208
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		6,251	2,459
236	Accrued Taxes		251	(4,316)
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		2,626	2,626
	Total Current Liabilities		\$12,823	\$12,976
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$311,806	\$301,797
	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		187,023	187,023
272	Less: Amortization of Contributions		(147,524)	(147,524)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$39,499	\$39,499
	Total Liabilities		\$364,128	\$354,272
	Capital Accounts			
201	Common Stock Issued		\$13,000	\$13,000
211	Other Paid-In Capital		128,642	128,642
215	Retained Earnings		(9,895)	(5,061)
218	Proprietary Capital (Sole Props and Partnerships)		4,834	(24,852)
	Total Capital		\$136,581	\$111,730
	Total Liabilities and Capital		\$500,710	\$466,002

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
12/31/25

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	\$119,883	\$121,537
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	2,669	2,251
474	Other Water Revenue	13,951	13,665
	Total Revenues	\$136,503	\$137,453
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	8,300	10,976
618	Chemicals	1,389	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	4,225	1,660
620.2	Office Supplies and Expense	4,637	3,377
630	Contractual Services	180	210
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	5,170	3,900
633	Contractual Services - Legal	5,029	2,171
634	Contractual Services - Management Fees	63,431	54,492
635	Contractual Services - Water Testing	1,273	1,388
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	4,103	4,269
657	Insurance - General Liability	2,286	1,871
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	1,250	2,135
670	Bad Debt Expense	2,106	0
675	Miscellaneous Expense	5,051	5,907
403	Depreciation Expense (From Schedule AR4)	36,625	0
408	Taxes Other Than Income	0	0
408.11	Property Taxes	4,806	4,804
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	(37)	16
	Total Operating Expenses	\$149,825	\$97,176
	Operating Income / (Loss)	(\$13,322)	\$40,277
	Other Income / (Expense)		
419	Interest and Dividend Income	\$45	(\$14)
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	(44)
	Total Other Income / (Expense)	\$45	(\$58)
	Net Income / (Loss)	(\$13,277)	\$40,219

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.2	0.0	0.0	0.2
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	0.2	0.2
Other	0.0	0.0	0.0	0.0
Total	0.2	0.0	1.7	1.9

Dragoon 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	1/22/2021	NA	NA	NA
Source of Loan	Wifa	NA	NA	NA
ACC Decision No.	WIFA	NA	NA	NA
Reason for Loan	77748	NA	NA	NA
Dollar Amt. Issued	\$325,600	NA	NA	NA
Amount Outstanding	\$287,967	NA	NA	NA
Date of Maturity	1/1/2041	NA	NA	NA
Interest Rate	2.59	NA	NA	NA
Current Year Interest	\$7,073	NA	NA	NA
Current Year Principal	\$13,992	NA	NA	NA

Meter Deposit Balance at Test Year End:	\$2,895
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Meter Deposits Refunded During the Test Year:	\$490
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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.

[illegible]

Name of system water delivered to:	NA	
ADWR PCC Number:	0	
Source of water delivered to another system	NA	

Name of system water received from:	NA	
ADWR PCC Number:		NA
Source of water received	NA	
Well registry 55# (55-XXXXXX):	NA	

	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
Month							
January	998,000.00	930,264.00	0.00	0.00	0.00	\$480	3,042
February	670,162.00	576,598.00	0.00	0.00	0.00	485	3,106
March	447,000.00	382,166.00	0.00	0.00	0.00	440	2,397
April	650,000.00	576,724.00	0.00	0.00	0.00	805	3,208
May	780,001.00	741,980.00	0.00	0.00	0.00	791	3,016
June	609,000.00	578,050.00	0.00	0.00	0.00	800	3,501
July	1,399,000.00	1,272,751.00	0.00	0.00	0.00	797	3,501
August	888,000.00	750,570.00	0.00	0.00	0.00	787	3,501
September	654,000.00	587,169.00	0.00	0.00	0.00	1,145	5,408
October	1,152,071.00	1,000,173.00	0.00	0.00	0.00	1,069	4,169
November	695,335.00	599,398.00	0.00	0.00	0.00	652.13	4,456
December	506,000.00	444,370.00	0.00	0.00	0.00	536	3,430
Totals	9,448,569.00	8,440,213.00	0.00	0.00	0.00	\$8,787	42,735

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

- | | |
|---|---|
| 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:		DRAGOON WATER CO	
ADEQ Public Water System Number:		AZ0402015	
ADWR PCC Number:		91-000036.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC C900	890
2.00	PVC	560
3.00	AC/PVC	2,830
4.00	PVC C900	16,418
4.00	AC/PVC	4,030
6.00	AC/PVC	10,750
6.00	PVC C900	8,860
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

SERVICE LINES			
Material	Percent of system	Year installed	
PVC	100%	1977	
NA	0%	0	
NA	0%	0	
NA	0%	0	
NA	0%	0	

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5	35	2
10	75 Low Pressure	2
7.5	50 High Pressure	2
1.5	15	2

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
15,000	Steel	1	1977
40,000	Steel	1	1975
50	Air Tank	1	0
0	0	0	0
0	0	0	0
0	0	0	0

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	130	1%	1%
0.75	1	0%	0%
1	19	16%	84%
2	2	0%	50%
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%

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
2,000	Steel	1	1975
5,000	Steel	2	1977
5,000	Steel	1 Surge Tank	1977
0	0	0	0
0	0	0	0
0	0	0	0

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

TREATMENT EQUIPMENT:	Two Chlorination Injection Systems
STRUCTURES:	10x10 ft Black Pump House at Well #1, 10x12 ft Booster House, 2 Tin Storage Sheds
OTHER:	Two Air Chargers, Two Air Compressors

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					Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation		
January	116	0	3	0		0
February	125	0	3	0		0
March	124	0	3	0		0
April	128	0	3	0		0
May	124	0	3	0		0
June	124	0	3	0		0
July	126	0	3	0		0
August	126	0	3	0		0
September	127	0	3	0		0
October	126	0	3	0		0
November	127	0	3	0		0
December	127	0	3	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 (GPCPD) requirement?

If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?

If yes, which AMA?

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

None

Dragoon Water Company
Annual Report
Utility Shutoffs / Disconnects
12/31/25

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	1	0
March	0	2	0
April	0	0	0
May	0	3	0
June	0	4	0
July	0	6	0
August	0	4	0
September	0	5	0
October	0	1	0
November	0	6	0
December	0	0	0
Total	0	32	0

Other (description):

0

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:

Dorinda Chacon

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:

12/31/25

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.

Dorinda Chacon

signature of owner/official

520-624-1460

telephone no.



Lacey Renee Merritt
Pima County
July 1st 2028