

ANNUAL REPORT

Of

Company Name:
PO Box 85160

Mailing Address: Tucson AZ
85754

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

**RECEIVED
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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@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: 12/31/19

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			\$6,983		\$6,983
302	Franchises				0		0
303	Land and Land Rights	5,187			5,187		5,187
304	Structures and Improvements	29,114			29,114	21,907	7,207
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	48,891			48,891	40,103	8,788
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	256,300			256,300	242,139	14,161
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants	3,649			3,649	1,397	2,252
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes	96,107			96,107	68,319	27,788
330.1	Storage Tanks	2,495			2,495	138	2,357
330.2	Pressure Tanks	613	860		1,473	129	1,344
331	Transmission and Distribution Mains	222,928	1,794		224,722	142,616	82,106
333	Services	24,211			24,211	14,018	10,193
334	Meters and Meter Installations	34,789			34,789	30,967	3,822
335	Hydrants	633			633	219	414
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment	4,045			4,045	4,045	0
340.1	Computer & Software				0		0
341	Transportation Equipment				0		0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment	280			280	203	77
344	Laboratory Equipment				0		0
345	Power Operated Equipment				0		0
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant	15,575			15,575	14,790	785
	Totals	\$751,800	\$2,654	\$0	\$754,454	\$580,990	\$173,464

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
302	Franchises	0	0	0	0		0		0
303	Land and Land Rights	5,187	0	0	5,187	5,187	0		0
304	Structures and Improvements	29,114	0	0	29,114		29,114	3.33%	969
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	0	0	48,891		48,891	3.33%	1,628
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	256,300	0	0	256,300	235,097	21,203	12.50%	3,270
320	Water Treatment Equipment	0	0	0	0		0		0
320.1	Water Treatment Plants	3,649	0	0	3,649		3,649	3.33%	122
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		96,107	2.22%	2,134
330.1	Storage Tanks	2,495	0	0	2,495		2,495	2.22%	55
330.2	Pressure Tanks	613	860	0	1,473		1,473	5.00%	52
331	Transmission and Distribution Mains	222,928	1,794	0	224,722		224,722	2.00%	4,477
333	Services	24,211	0	0	24,211		24,211	3.33%	806
334	Meters and Meter Installations	34,789	0	0	34,789	29,097	5,692	8.33%	(1,946)
335	Hydrants	633	0	0	633		633	2.00%	13
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	6.67%	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		280	5.00%	14
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	2.50%	389
	Subtotal	\$751,800	\$2,654	\$0	\$754,454	\$280,409	\$474,045		\$11,983

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	\$9,398

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current and Accrued Assets			
131	Cash		\$24,702	\$32,232
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		1,958	1,632
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments		7,071	6,340
174	Miscellaneous Current and Accrued Assets		38,881	34,172
	Total Current and Accrued Assets		\$72,612	\$74,376
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$751,800	\$754,454
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(573,923)	(580,990)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$177,877	\$173,464
	Total Assets		\$250,489	\$247,840

*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 (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$4,619	\$2,924
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		5,204	5,443
236	Accrued Taxes		459	439
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	Total Current Liabilities		\$10,282	\$8,806
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$1,219	
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		1,430	1,485
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		187,023	187,023
272	Less: Amortization of Contributions		(138,162)	(137,180)
281	Accumulated Deferred Income Tax			(6,695)
	Total Deferred Credits		\$50,291	\$44,633
	Total Liabilites		\$61,792	\$53,439
	Capital Accounts			
201	Common Stock Issued		\$13,000	\$13,000
211	Other Paid-In Capital		168,642	168,642
215	Retained Earnings		7,055	12,759
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$188,697	\$194,401
	Total Liabilities and Capital		\$250,489	\$247,840

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
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$104,647	\$102,665
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	1,395	1,938
	Total Revenues	\$106,042	\$104,603
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	11,205	9,947
618	Chemicals		194
620	Materials and Supplies		
620.1	Repairs and Maintenance	4,570	7,588
620.2	Office Supplies and Expense	1,340	1,120
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	5,384	5,024
633	Contractual Services - Legal		588
634	Contractual Services - Management Fees	21,730	35,312
635	Contractual Services - Water Testing	3,021	4,306
636	Contractual Services - Other	18,228	1,145
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	3,663	4,042
657	Insurance - General Liability	1,935	2,097
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate	16,338	4,515
670	Bad Debt Expense	631	353
675	Miscellaneous Expense	120	
403	Depreciation Expense (From Schedule AR4)	9,398	10,327
408	Taxes Other Than Income		
408.11	Property Taxes	5,097	4,708
409	Income Taxes	(2,480)	2,100
427.1	Customer Security Deposit Interest		142
	Total Operating Expenses	\$100,180	\$93,508
	Operating Income / (Loss)	\$5,862	\$11,095
	Other Income / (Expense)		
419	Interest and Dividend Income	\$463	\$837
421	Non-Utility Income	1,348	
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	(135)	(1,267)
	Total Other Income / (Expense)	\$1,676	(\$430)
	Net Income / (Loss)	\$7,538	\$10,665

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager				0.0
Engineering Staff			difficult to	0.0
System Operator(s)			determine	0.0
Meter reader			without	0.0
Customer Service			significant	0.0
Accounting			analysis	0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.0	0.0	0.0	0.0

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	No loans			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amt. Issued				
Amount Outstanding				
Date of Maturity				
Interest Rate				
Current Year Interest				
Current Year Principal				

Meter Deposit Balance at Test Year End:	\$1,485
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Meter Deposits Refunded During the Test Year:	\$100
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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.

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:	2 chlorinators
STRUCTURES:	10 x 10 foot block pump house at well 1, 10 x 12 foot wooden pump houses at wells 2 and 3, 1200 feet of chain link fence, 5 x 5 foot booster house, 2 tin storage sheds
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 365
- (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				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	105	0	7	0	12
February	105	0	7	0	12
March	108	0	7	0	13
April	106	0	7	0	12
May	106	0	7	0	10
June	105	0	7	0	13
July	103	0	7	0	13
August	104	0	7	0	13
September	104	0	7	0	13
October	105	0	7	0	13
November	106	0	7	0	13
December	103	0	7	0	13

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?

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
 12/31/19

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	1	0
February	0	1	0
March	0	1	0
April	0	0	0
May	0	1	0
June	0	1	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	2	0
November	0	1	0
December	0	2	0
Total	0	10	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 2019 was	\$4,902
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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): Pima
Name (owner or official) title: Paul Juhl, Manager
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: 12/31/19

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.


**RECEIVED
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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Paul Juhl
signature of owner/official
(520) 623-5172
telephone no.

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

THIS 29 DAY OF Pima County
April, 2020
(month) and (year)

MY COMMISSION EXPIRES 10-21-2021
(date)

 Christine Charles
Notary Public
Pima County, Arizona
My Comm. Expires 10-21-21

Christine Charles
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Pima
Name (owner or official) title: Paul Juhl, Manager
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: 12/31/19

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 (\$)
\$112,658
(The amount in the box above includes
\$6,616 in sales taxes
billed or collected)

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UTILITIES DIVISION

[Signature]
signature of owner/official
(520) 623-5172
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Pima County
THIS 29 DAY OF April, 2020
(county name) (month) and (year)

MY COMMISSION EXPIRES

Christine Charles
Notary Public
Pima County, Arizona
My Comm. Expires 10-21-21

10-21-2021
(date)
[Signature]
(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): Pima
Name (owner or official) title: Paul Juhl, Manager
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: 12/31/19

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 (\$)

\$92,237
(The amount in the box above includes
\$5,342 in sales taxes
billed or collected)

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UTILITIES DIVISION**

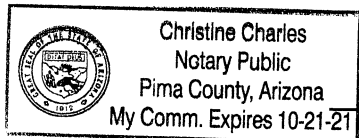
Paul Juhl
signature of owner/official

(520) 623-5172
telephone no.

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

THIS 29 DAY OF April, 2020
(month) and (year)

MY COMMISSION EXPIRES 10/21/2021
(date)



Christine Charles
(signature of notary public)