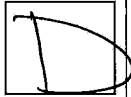


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

	
W-01917A DRAGOON WATER CO. 3950 W. WOODRIDGE DRIVE GLENDALE, AZ 85308	RECEIVED ARIZONA CORPORATION COMMISSION UTILITIES DIVISION

ANNUAL REPORT
WATER

FOR YEAR ENDING

12	31	2008
----	----	------

FOR COMMISSION USE

ANN 04	08
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PROCESSED BY:
A-14-09

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>DRAGON WATER CO., INC.</u>		
Mailing Address <u>3950 W. WOODRIDGE DRIVE</u>		
<u>GLENDALE</u> (City)	<u>AZ</u> (State)	<u>85308</u> (Zip)
<u>(602) 818-6888</u> Telephone No. (Include Area Code)	<u>(602) 547-2299</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>SAME AS ABOVE</u>		
 (City)	 (State)	 (Zip)
 Local Office Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>KEVIN SULLIVAN</u>			<u>PRESIDENT</u>
(Name)			(Title)
<u>3950 W. WOODRIDGE DRIVE</u> (Street)	<u>GLENDALE</u> (City)	<u>AZ</u> (State)	<u>85308</u> (Zip)
<u>(602) 818-6888</u> Telephone No. (Include Area Code)	<u>(602) 547-2299</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: <u>SOUTHWESTERN UTILITY MANAGEMENT, INC.</u>			
(Name)			
<u>2102 N. FORBES BLVD, SUITE 107</u> (Street)	<u>TUCSON</u> (City)	<u>AZ</u> (State)	<u>85745</u> (Zip)
<u>(520) 623-5172</u> Telephone No. (Include Area Code)	<u>(520) 792-0377</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)	
Email Address _____			

Statutory Agent: <u>Cary A. Drummond</u>			
(Name)			
<u>1430 E. Missouri Ave</u>	<u>Phoenix</u>	<u>Arizona</u>	<u>#125 85014</u>
(Street)	(City)	(State)	(Zip)
<u>602-224-9222</u>	<u>602-224-9366</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney: <u>Cary A. Drummond</u>			
(Name)			
<u>1430 E. Missouri Ave</u>	<u>Phoenix</u>	<u>Arizona</u>	<u>#125 85014</u>
(Street)	(City)	(State)	(Zip)
<u>602-224-9222</u>	<u>602-224-9366</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address			

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME DRAGON WATER CO., INC.
--

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	6,983		6,983
302	Franchises			
303	Land and Land Rights	5,187		5,187
304	Structures and Improvements	29,114	18,453	10,661
307	Wells and Springs	51,913	20,643	31,270
311	Pumping Equipment	172,845	172,845	0
320	Water Treatment Equipment	3,649	120	3,529
330	Distribution Reservoirs and Standpipes	96,107	51,608	44,499
331	Transmission and Distribution Mains	207,434	80,991	126,443
333	Services	17,375	7,255	10,120
334	Meters and Meter Installations	27,272	20,896	6,376
335	Hydrants	633	143	490
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	4,045	3,647	398
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	280	56	224
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	15,575	8,836	6,739
	TOTALS	638,412	385,493	252,919

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME DRAGOON WATER CO., INC.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	6,983		
302	Franchises			
303	Land and Land Rights	5,187		
304	Structures and Improvements	29,114	3.33%	969
307	Wells and Springs	51,913	3.33%	1,729
311	Pumping Equipment	172,845	12.50%	1,938
320	Water Treatment Equipment	3,649	3.30%	120
330	Distribution Reservoirs and Standpipes	96,107	2.22%	2,134
331	Transmission and Distribution Mains	207,434	2.00%	4,149
333	Services	17,375	3.33%	579
334	Meters and Meter Installations	27,272	8.33%	2,272
335	Hydrants	633	3.33%	21
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	4,045	6.67%	270
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	280	5.00%	14
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	15,575	2.50%	389
	SUBTOTAL	638,412		14,584
	Less: Amortization of Contributions			7,078
	TOTAL	638,412		7,506

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

COMPANY NAME DRAGON WATER CO., INC.
--

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 42,343	\$ 53,511
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	11,656	11,658
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	15,717	17,682
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 69,716	\$ 82,851
	FIXED ASSETS		
101	Utility Plant in Service	\$ 630,257	\$ 638,412
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	370,909	385,493
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 259,348	\$ 252,919
	TOTAL ASSETS	\$ 329,064	\$ 335,770

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME
DRAGOON WATER CO., INC.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	\$ -	\$ 2,837
232	Notes Payable (Current Portion)	13,130	10,220
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	3,095	3,605
236	Accrued Taxes	3,642	3,770
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	0	40
	TOTAL CURRENT LIABILITIES	\$ 19,867	\$ 20,472
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 142,449	\$ 135,610
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	62,582	62,410
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	125,935	125,935
272	Less: Amortization of Contributions	64,531	71,609
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 123,986	\$ 116,736
	TOTAL LIABILITIES	\$ 286,302	\$ 272,818
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 13,000	\$ 13,000
211	Paid in Capital in Excess of Par Value	168,642	168,642
215	Retained Earnings	(138,880)	(118,690)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 42,762	\$ 62,952
	TOTAL LIABILITIES AND CAPITAL	\$ 329,064	\$ 335,770

COMPANY NAME**DRAGOON WATER CO., INC.****COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 104,238	\$ 100,869
460	Unmetered Water Revenue		
474	Other Water Revenues	942	514
	TOTAL REVENUES	\$ 105,180	\$ 101,383
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water		
615	Purchased Power	11,682	10,159
618	Chemicals		
620	Repairs and Maintenance	2,833	2,664
621	Office Supplies and Expense	668	582
630	Outside Services	49,825	36,823
635	Water Testing	1,186	4,875
641	Rents	741	715
650	Transportation Expenses		
657	Insurance - General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	5,584	6,122
403	Depreciation Expense	13,280	7,506
408	Taxes Other Than Income		
408.11	Property Taxes	5,657	5,081
409	Income Tax	282	787
	TOTAL OPERATING EXPENSES	\$ 91,738	\$ 75,314
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 1,555	\$ 1,212
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	7,598	7,092
	TOTAL OTHER INCOME/EXP	\$ (6,043)	\$ (5,880)
	NET INCOME/(LOSS)	\$ 7,399	\$ 20,189

COMPANY NAME DRAGON WATER CO., INC.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	VARIES			
Source of Loan	WIFA			
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ 196,383	\$	\$	\$
Amount Outstanding	\$ 145,830	\$	\$	\$
Date of Maturity	04/01/2018			
Interest Rate	4.688%	%	%	%
Current Year Interest	\$ 7,091	\$	\$	\$
Current Year Principle	\$ 9,749	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 6,149

Meter Deposits Refunded During the Test Year \$ 972

COMPANY NAME	DRAGOON WATER CO., INC.		
Name of System:	DRAGOON WATER CO., INC.	ADEQ Public Water System Number:	02-015

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-631739	15	55		12	3	
55-631738	30	200		12	4	

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	2		
15	2		
10	2		
1.5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
40,000	1	5,000	2
20,000	1	2,000	1
5,000	1	100	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	DRAGOON WATER CO., INC.	
Name of System:	DRAGOON WATER CO., INC.	ADEQ Public Water System Number: 02-015

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	300
3	AC	2,830
4	AC	4,030
5		
6	AC	600
8		
10		
12		
3	PVC	16,418
4	PVC	9,637
6	PVC	7,460
6	PVC	1,400

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	120
3/4	
1	20
1 1/2	
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:

2 Automatic Chlorinators

STRUCTURES:

10' X 10' Pump House
10' X 12' Pump House
1200 ft of 6' Chain Link Fence
5' x 5' Booster House
2 Storage Shops

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: DRAGOON WATER CO., INC.
Name of System: DRAGOON WATER CO., INC. ADEQ Public Water System Number: 02-015

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	142	698	835	0
FEBRUARY	143	746	907	0
MARCH	143	692	812	0
APRIL	143	1014	1138	0
MAY	143	1024	1151	0
JUNE	143	1312	1341	0
JULY	143	973	746	0
AUGUST	143	878	1549	0
SEPTEMBER	143	874	944	0
OCTOBER	143	830	888	0
NOVEMBER	143	793	884	0
DECEMBER	144	672	727	0
TOTALS →		10,506	11,922	0

What is the level of arsenic for each well on your system? <0.003 mg/l
(If more than one well, please list each separately.) <0.003

If system has fire hydrants, what is the fire flow requirement? N/A GPM for ___ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 Yes No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: DRAGOON WATER CO., INC.

Name of System: DRAGOON WATER CO., INC. ADEQ Public Water System Number: 02-015

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	2	0
FEBRUARY	0	1	0
MARCH	0	3	0
APRIL	0	0	0
MAY	0	0	0
JUNE	0	2	0
JULY	0	1	0
AUGUST	0	1	0
SEPTEMBER	0	0	0
OCTOBER	0	1	0
NOVEMBER	0	0	0
DECEMBER	0	0	0
TOTALS →	0	11	0

OTHER (description):

COMPANY NAME DRAGOON WATER CO., INC. YEAR ENDING 12/31/2008

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2008 was: \$ 5,369

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

DRAGON WATER COMPANY

P.O. BOX 85160
TUCSON, AZ 85754
520-623-5172

WELLS FARGO BANK, N.A.
WWW.WELLSFARGO.COM
91-527/1221

2/27/2008

PAY TO THE ORDER OF Marsha Bonham - Cochise County Treasurer

\$ **2,828.43

Two Thousand Eight Hundred Twenty-Eight and 43/100*****

DOLLARS

Marsha Bonham - Cochise County Treasurer
PO Box 1778
Bisbee, AZ 85603-2778

MEMO:

908 60 900 7

⑈003922⑈ ⑆12210527815788195807⑈

DRAGON WATER COMPANY

Marsha Bonham - Cochise County Treasurer

2/27/2008

3922

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
2/19/2008	Bill	908 60 900 7	2,828.43	2,828.43		2,828.43
				Check Amount		2,828.43

2007 SECOND HALF PAYMENT COUPON

DETACH AND RETURN WITH PAYMENT

Make check payable to:
Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

Payment in U.S. FUNDS ONLY

Due March 1, 2008
DRAGON WATER CO

908-60-900 7 Roll Number: 0119641

Delinquency Date Second Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after 5:00 P.M. May 1, 2008 (ARS 42-18052 and ARS 42-18053).

TO PAY 2ND HALF PAY 2,828.43

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.



029086090000700000282843



Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

2007 9086090007 2 00000056568600000282843

Wells Fargo Bank 908 60 900 7

2,828.43

2008 PROPERTY TAX NOTICE

ARIZONA

PARCEL #	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE
908-60-900 7	0900	8.3365	3.0096	

TAX SUMMARY	
PRIMARY PROPERTY TAX	3,815.62
LESS STATE AID TO EDUCATION	0.00
NET PRIMARY PROPERTY TAX	3,815.62
SECONDARY PROPERTY TAX	1,265.22
SPECIAL DISTRICT TAX	0.00
TOTAL TAX DUE FOR 2008	5,080.84

ASSESSMENT	VALUE IN DOLLARS	ASST %	ASSESSED VALUE	EXEMPTIONS	TAX RATE	TAX
LIMITED LAND, BLDGS, ETC	11,033	23.0	2,539	0	8.3365	211.58
LIMITED PERSONAL PROPERTY	187,957	23.0	43,232	0	8.3365	3,604.04
LIMITED TOTALS	198,990		45,770	0		3,815.62
FULL CASH LAND	1,590	23.0	366	0	3.0096	11.01
FULL CASH BLDINGS, ETC	9,443	23.0	2,172	0	3.0096	65.37
FULL CASH PERSONAL PROPERTY	187,957	23.0	43,232	0	2.7499	1,188.85
FULL CASH TOTALS	199,000		45,770	0		1,265.22

JURISDICTION	2007 TAXES	2008 TAXES
02000 COCHISE COUNTY	1,320.36	1,224.76
07009 BENSON SD #9	2,981.78	2,551.32
08150 COCHISE COUNTY JUNIO	803.19	759.96
10252 SAN PEDRO VALLEY HOS	414.73	411.93
11900 FIRE DISTRICT ASSIST	39.95	36.98
14900 COCHISE COUNTY LIBRA	66.85	66.41
15000 COCHISE COUNTY FCD #	6.96	6.59
30000 COCHISE CNTY JOINT T	23.04	22.89

0121228
 S1TUS ADDRESS: HULL
 LEGAL DESCRIPTION: TOTAL VALUE OF OPERATING PROPERTY 208-78-013-B-788 208-78-046 788

This is the only notice you will receive.

Marsha Bonham
 Cochise County Treasurer
 PO Box 1778
 Bisbee AZ 85603-2778

PAID
 OCT 01 2008
 BY: [Signature]

Handwritten: ad 6254042 9/30/08 CR # 10/1/08

THIS IS A
 CALENDAR YEAR
 TAX NOTICE

TOTALS 5,656.86 5,080.84

908-60-900 7
 0062284 01 AT 0.346 **AUTO J2 0 0786 85308-412750
 DRAGON WATER CO
 KEVIN SULLIVAN
 3950 W WOODRIDGE DRIVE
 GLENDALE, A Z 85308-4127

ENTERED
 SEP 30 2008
 BY: [Signature]

PAYMENT INSTRUCTIONS
 To pay the 1st half installment and full year tax notices of \$100 or less, send the 1st half coupon with your payment postmarked no later than Nov 3, 2008. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2009. To pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec 31, 2008 and no interest will be charged for current year.

Make your check payable to and mail to:
 Marsha Bonham
 Cochise County Treasurer
 PO Box 1778
 Bisbee AZ 85603-2778

Handwritten: Handled 11/30/08 1/4/07

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE PARCEL NUMBER ON YOUR CHECK.

2008 FIRST HALF PAYMENT COUPON

Due October 1, 2008
 DRAGON WATER CO
 Parcel Number: 908-60-900 7 Roll Number: 0121228

Delinquency Date First Half Payment
 Penalty for late payment is 10% per year prorated monthly as of the 1st day of the month for payments postmarked after 5:00 P.M. November 3, 2008 (ARS 42-18052 and ARS 42-18053).

Any total property tax notice of \$100 or less must be paid in full using the first payment coupon, no later than November 3, 2008 at 5:00 P.M.

Remit one full year payment for billed amounts over \$100 by Dec. 31, 2008 and no interest will be charged for current year. Mail full year payment with 1st half coupon.

DETACH AND RETURN WITH PAYMENT

Make check payable to:
 Marsha Bonham
 Cochise County Treasurer
 PO Box 1778
 Bisbee AZ 85603-2778

Payment in U.S. FUNDS ONLY

TO PAY 1ST HALF ONLY PAY 2,540.42
 TO PAY FULL YEAR TAX PAY 5,080.84

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.

029086090000700000254042

Marsha Bonham
 Cochise County Treasurer
 PO Box 1778
 Bisbee AZ 85603-2778

2008 9086090007 1 00000050808400000254042

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

PAID
MAY 10 2009
MARI COPA COUNTY
TREASURER'S OFFICE

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) COCHISE
NAME (OWNER OR OFFICIAL) TITLE KEVIN SULLIVAN, PRESIDENT
COMPANY NAME DRAGOON WATER CO., INC.

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

FOR THE YEAR ENDING

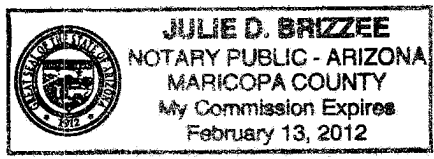
MONTH	DAY	YEAR
12	31	2008

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.



Kevin Sullivan

SIGNATURE OF OWNER OR OFFICIAL
602-818-6888

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 10 DAY OF April
2009
(SEAL)

COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	YEAR <u>2009</u>

MY COMMISSION EXPIRES Feb 13, 2012

Julie D. Brizzee

SIGNATURE OF NOTARY PUBLIC

COMPANY NAME DRAGOON WATER CO., INC. YEAR ENDING 12/31/2008

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 11,363
Estimated or Actual State Tax Liability 787

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances N/A
Amount of Gross-Up Tax Collected N/A
Total Grossed-Up Contributions/Advances N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4/10/09
DATE

Kevin L. Sullivan
PRINTED NAME

President
TITLE

RECEIVED

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

VERIFICATION STATE OF ARIZONA I, THE UNDERSIGNED OF THE

Form with fields: COUNTY OF (COUNTY NAME) COCHISE, NAME (OWNER OR OFFICIAL) TITLE KEVIN SULLIVAN, PRESIDENT, COMPANY NAME DRAGON WATER CO., INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

Table with columns: MONTH, DAY, YEAR. Values: 12, 31, 2008

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 REQUIREMENT 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 CALENDAR YEAR 2008 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$ 107,585

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 6,202 IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Signature of Kevin Sullivan, SIGNATURE OF OWNER OR OFFICIAL, 602-818-6888, TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF THIS 10 DAY OF

Form with fields: COUNTY NAME maricopa, MONTH April, 2009

(SEAL)

MY COMMISSION EXPIRES Feb 13 2012

Signature of Julie D. Brizee, SIGNATURE OF NOTARY, JULIE D. BRIZEE, NOTARY PUBLIC - ARIZONA, MARICOPA COUNTY, My Commission Expires February 13, 2012

RECEIVED
MAY 14 2009
ARIZONA CORPORATION COMMISSION
RESIDENTIAL UTILITIES

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

COUNTY OF (COUNTY NAME)	COCHISE	
NAME (OWNER OR OFFICIAL)	KEVIN SULLIVAN	TITLE PRESIDENT
COMPANY NAME	DRAGOON WATER CO., INC.	

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2008

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.

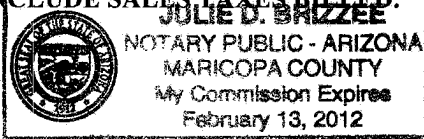
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, 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 CALENDAR YEAR 2008 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>84,070</u>

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 4,889 IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.



Kevin Sullivan
SIGNATURE OF OWNER OR OFFICIAL
602-818-6888
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

10

DAY OF

NOTARY PUBLIC NAME <u>Maricopa</u>	
COUNTY NAME <u>Julie D. Brizzee</u>	
MONTH <u>April</u>	YEAR <u>2009</u>

(SEAL)

MY COMMISSION EXPIRES

Feb 13, 2012

Julie D. Brizzee
SIGNATURE OF NOTARY PUBLIC