



NEW APPLICATION

ARIZONA CORPORATION COMMISSION

APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY

WATER AND/OR SEWER

W-20770A-13-0313

A. The legal name, mailing address and telephone number of the Applicant (Company) is:

**Hydro-Resources, Inc.**

**P.O. Box 3246, 549 Camper Village, Grand Canyon AZ 86023**

**928-638-8205**

B. If doing business (d.b.a.) under a name other than the Applicant (Company) name listed above, specify:

**Not Applicable**

C. List the full name, mailing address and telephone number of the management contact:

**John W. Rueter**

**P.O. Box 3246, 549 Camper Village, Grand Canyon AZ 86023**

**928-638-8205**

D. List the full name, mailing address and telephone number of the attorney for the Applicant:

**Steven A. Hirsch and Rodney W. Ott**

**Bryan Cave LLP, 2 N. Central Avenue, Suite 2200, Phoenix, AZ 85004**

**602-364-7000**

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2013 SEP 12 P 4: 03  
AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
DOCKETED  
SEP 12 2013

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NR

E. List the full name, mailing address and telephone number of the operator certified by the Arizona Department of Environmental Quality who is or will be working for the Applicant:

**John W. Rueter**

**P.O. Box 3246, 549 Camper Village, Grand Canyon, AZ 86023**

**928-638-8205**

F. List the full name, mailing address and telephone number of the on-site manager of the utility:

**John W. Rueter**

**P.O. Box 3246, 549 Camper Village, Grand Canyon, AZ 86023**

**928-638-8205**

G. The Applicant is a:

<input checked="" type="checkbox"/> Corporation: __ C <input checked="" type="checkbox"/> S <input type="checkbox"/> Non-Profit <input checked="" type="checkbox"/> Arizona <input type="checkbox"/> Foreign	<input type="checkbox"/> Partnership <input type="checkbox"/> Limited, <input type="checkbox"/> General <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Liability Company (LLC)
<input type="checkbox"/> Other (Specify)	

H. If Applicant is a corporation:

1. List full names, titles and mailing addresses of all Officers and Directors:

**Officers**

**President/CEO: John W. Rueter, P.O. Box 3246, Grand Canyon, AZ 86023**

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**Vice-President: Barry J. Baker, P.O. Box 3246, Grand Canyon, AZ 86023**

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**Secretary: John R. Seibold, 7000 Pine Springs Rd., Washoe Valley, NV 89704**

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**Directors**

**Elling Halvorson, 12515 Willows Rd., NE, Suite 200, Kirkland, WA 98034**

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**John R. Seibold, 7000 Pine Springs Rd., Washoe Valley, NV 89704**

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2. Attach a copy of the corporation's "Certificate of Good Standing" issued by the Corporation's Division of the Arizona Corporation Commission.

**See attached Exhibit H.2.**

3. Attach a certified copy of the Articles of Incorporation.

**See attached Exhibit H.3.**

4. Attach a certified copy of the corporation's By-Laws.

**See attached Exhibit H.4.**

5. If a for-profit corporation, indicate the number of shares of stock authorized for issue.

**The Articles of Incorporation allow issuance of 1,000,000 shares of common stock.**

6. If stock has been issued, indicate the number of shares issued and date of issue:

**5,478.9 shares of stock have been issued.**

I. If the Applicant is a partnership:

1. List the full name and mailing address of the general partners:

**Not Applicable.**

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2. List the full name, address and telephone number of the managing partners:

**Not Applicable.**

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3. Attach a copy of the Partnership's Articles of Partnership.

- If the Applicant is a foreign limited partnership, provide a copy of the Partnership's "Certificate of Registration" filed with the Arizona Secretary of State.

**Not Applicable.**

J. If the Applicant is a Limited Liability Company:

1. List the full name and mailing address of all the Applicant's managers or, if management is reserved to the members, the Applicant's members:

**Not Applicable.**

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2. Attach a copy of the Articles of Organization.

**Not Applicable.**

K. List the legal name and mailing address of each other utility in which the applicant has an ownership interest:

**None.**

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L. Attach a description of the requested service area, expressed in terms of **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be accepted.

**See attached Exhibit L.**

M. Attach a detailed map using the form provided as Attachment "B". Shade and outline the area requested. Also, indicate any other utility within the general area using different colors.

**See attached Exhibit M.**

N. List the name of each county in which the requested service area is located and a description of the area's location in relation to the closest municipality, which shall be named:

**The service area is entirely located within Coconino County and the municipal limits of the Town of Tusayan.**

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- O. Attach a complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to describe each water system and the principal components of each water system (e.g., source, storage, transmission lines, distribution lines, etc.) to allow verification of the estimated costs provided under subsection (B)(5)(o) and verification that the requirements of the Commission and the Arizona Department of Environmental Quality can be met.

**The Applicant does not plan construction of any facilities at this time, except for any line extensions which may be required.**

- P. Provide the estimated total construction cost of the proposed offsite and onsite facilities, including documentation to support the estimates, and an explanation of how the construction will be financed, such as through debt, equity, advances in aid of construction, contributions in aid of construction, or a combination thereof.

**The Applicant does not plan construction of any facilities at this time, except for any line extensions which may be required.**

- Q. Explain the method of financing utility facilities. Refer to the instructions, item no. 7. (Use additional sheets if necessary):

**No additional utility facilities are planned at this time.**

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- R. Attach financial information in a format similar to Attachment "C". Include current assets and liabilities, an income statement, estimated revenue and expenses and the estimated value of the applicant's utility plant in service for the first five years following approval of the application.

**See attached Exhibit R.**

- S. Provide a detailed description of the proposed construction timeline for facilities with estimated starting and completion dates and, if construction is to be phased, a description of each separate phase of construction.

**The Applicant does not plan any additional utility facilities at this time.**

- T. Provide a copy of any requests for service from persons who own land within the proposed service area or extension area, which shall identify the applicant by name.

**The Applicant has not solicited or received any requests for water service. However, all potential customers are customers of Tusayan Water Development Association, have requested membership in that Association, and will become customers of the Applicant after Tusayan Water Development Association is dissolved. By virtue of the Settlement Agreement docketed on August 13, 2012, the Tusayan Water Development Association has agreed to the transfer of all of its customers to the Applicant.**

U. Provide maps of the proposed service area identifying:

1. The boundaries of the area, with the total acreage noted;

**See attached Exhibit U.**

2. The land ownership boundaries within the area, with the acreage of each separately owned parcel within the area noted;

**See attached Exhibit U.**

3. The owner of each parcel within the area;

**See attached Exhibit U.**

4. Any municipality corporate limits that overlap with or are within five miles of the area;

**The proposed service area is completely contained within the borders of the Town of Tusayan. No other municipality exists within five miles of the proposed service area.**

5. The service area of any public service corporation, municipality, or district currently providing water or wastewater service within one mile of the area, with identification of the entity providing service and each type of service being provided;

**The South Grand Canyon Sanitary District provides wastewater service within the same service area. No other entity provides water or wastewater service within one mile of the proposed service area.**

6. The location within the area of any known water service connections that are already being provided service by the applicant;

**See attached Exhibit U.**

7. The location of all proposed developments within the area;  
**See attached Exhibit U.**
  
8. The proposed location of each water system and the principal components; and  
**See attached Exhibit U.**
  
9. The location of all parcels for which a copy of a request for service has been submitted.

**No parcels have provided requests for service to the Applicant. However, all parcels within the proposed service area are currently receiving water service from the Tusayan Water Development Association, and the Tusayan Water Development Association has agreed to the transfer of its customers to the Applicant.**

- V. Provide a copy of each notice to be sent, as required, to a municipal manager or administrator.

**See attached Exhibit V.**

- W. A copy of each notice sent, as required, to a landowner not requesting service.

**Every landowner within the proposed service area has requested service, and has been receiving service, from the existing provider, Tusayan Water Development Association. The Tusayan Water Development Association and the Town of Tusayan are fully aware of, and have consented to, the application. The Applicant will inform each landowner in the proposed service area of the application as directed by the Commission following a finding of sufficiency. See attached Exhibit W.**

- X. For each landowner not requesting service, provide either the written response received from the landowner or, if no written response was received, a description of the actions taken by the applicant to obtain a written response.

**Every landowner within the proposed service area has requested service, and has been receiving service, from the existing provider, Tusayan Water Development Association. The Tusayan Water Development Association and the Town of Tusayan are fully aware of, and have consented to, the application. The Applicant will inform each landowner in the proposed service area of the application. See attached Exhibit W.**

- Y. Attach proposed Tariffs using either the water or sewer format of Attachment "D", unless the Utilities Division, prior to the filing of this application, approves another form.

**See attached Exhibit R, Schedule 5.**

Z. Attach the following permits:

1. The franchise from either the City or County for the area requested.

**Neither the Town of Tusayan nor Coconino County own the roads within the proposed service area. Instead, all of the roads within the proposed service area are either owned by the Arizona Department of Transportation (“ADOT”) or private landowners.**

**ADOT is aware of the Applicant’s lines, has consented to their presence with ADOT’s right of way, and has issued encroachment permits for the Applicant. The Applicant has attached permits, consents and permissions received from the ADOT as Exhibit Z.1.**

**By virtue of the Settlement Agreement docketed on August 13, 2013, the Town of Tusayan has consented to the Applicant’s operation within the Town. The Town has no procedures in place to grant franchises and does not plan to do so.**

2. The Arizona Department of Environmental Quality (or its designee’s) approval to construct facilities.

**No additional facilities are planned at this time.**

3. The Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.)

**No State Trust Land is included within the requested area.**

4. Any U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.)

**No U.S. Forest Service land is included within the requested area.**

5. WATER ONLY) If the area requested is within an Active Management Area, attach a copy of the utility's Designation of an Assured Water Supply, or the developer's Certificate of Assured Water Supply issued by the Arizona Department of Water Resources, whichever applies.

**The area is outside any Active Management Area.**

- a. If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources, if applied for by the developer.

**Not applicable.**

- b. If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detail to prove that adequate water exists to provide water to the area requested.

**The Applicant has access to water from two wells, drilled in 1989 and 1994, which together have provided the majority of the water for the Tusayan community for the last twenty years. During that time, the water levels in the wells have not decreased and the Applicant has not needed to haul water.**

**The Applicant recently retained a licensed hydrologist, Ed Squires of Hydro Logic, Inc., who has prepared a report which is attached as Exhibit Z.5. Mr. Squires has determined that, at the present time, there is insufficient information on water supplies in the Tusayan area. For that reason, Mr. Squires has proposed that the Applicant institute a monitoring and reporting plan in order to determine water supplies in the Tusayan area. The Applicant agrees and will undertake such a monitoring and reporting plan as outlined by Mr. Squires.**

**Institution of such a plan is a first step towards addressing the water supply concerns of the Commission and the Applicant such that Applicant will be in a position in the future to provide sufficient detail on the adequacy of the water supply.**

6. Provide a copy of your estimated property taxes. This may be obtained by contacting the Arizona Department of Revenue, Division of Property Valuation and Equalization. You must provide them with a five (5) year projection of the original cost of the plant, depreciation expense, the location of the property and the school district.

**The Applicant does not own any of the land on which its well, storage tanks, lines or other facilities are located. Because the Applicant has leased rather than owned real property, it has not paid property taxes in the past.**

**The Applicant has included estimated property and other taxes in the financial materials provided. See attached Exhibit R, Schedules 2 and 2b.**

AA. Indicate the estimated number of customers, by class, to be served in each of the first five years of operation. Include documentation to support the estimates.

**Residential:**

First Year   3   Second Year   3   Third Year   3   Fourth Year   3   Fifth Year   3  

**Commercial:**

First Year  91  Second Year  91  Third Year  91  Fourth Year  91  Fifth Year  91 

**Industrial:**

First Year   0   Second Year   0   Third Year   0   Fourth Year   0   Fifth Year   0  

**Irrigation:**

First Year   0   Second Year   0   Third Year   0   Fourth Year   0   Fifth Year   0

BB. Indicate the projected annual water consumption or sewerage treatment, in gallons, for each of the customer classes for each of the first five years of operation:

**Residential:**

First Year	<u>57,000</u>
Second Year	<u>57,000</u>
Third Year	<u>57,000</u>
Fourth Year	<u>57,000</u>
Fifth Year	<u>57,000</u>

**Industrial:**

First Year	<u>0</u>
Second Year	<u>0</u>
Third Year	<u>0</u>
Fourth Year	<u>0</u>
Fifth Year	<u>0</u>

**Commercial:**

First Year	<u>27,622,000</u>
Second Year	<u>27,622,000</u>
Third Year	<u>27,622,000</u>
Fourth Year	<u>27,622,000</u>
Fifth Year	<u>27,622,000</u>

**Irrigation:**

First Year	<u>0</u>
Second Year	<u>0</u>
Third Year	<u>0</u>
Fourth Year	<u>0</u>
Fifth Year	<u>0</u>

CC. Indicate the total estimated annual operating revenue for each of the first five years of operation:

**Residential:**

First Year	<u>\$10,991</u>
Second Year	<u>\$10,991</u>
Third Year	<u>\$10,991</u>
Fourth Year	<u>\$10,991</u>
Fifth Year	<u>\$10,991</u>

**Industrial:**

First Year	<u>0</u>
Second Year	<u>0</u>
Third Year	<u>0</u>
Fourth Year	<u>0</u>
Fifth Year	<u>0</u>

**Commercial:**

First Year	<u>\$821,362</u>
Second Year	<u>\$821,362</u>
Third Year	<u>\$821,362</u>
Fourth Year	<u>\$821,362</u>
Fifth Year	<u>\$821,363</u>

**Irrigation:**

First Year	<u>0</u>
Second Year	<u>0</u>
Third Year	<u>0</u>
Fourth Year	<u>0</u>
Fifth Year	<u>0</u>

DD. Indicate the total estimated annual operating expenses for each of the first five years of operation:<sup>1</sup>

**Residential:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Industrial:**

First Year 0  
Second Year 0  
Third Year 0  
Fourth Year 0  
Fifth Year 0

**Commercial:**

First Year \$677,756  
Second Year \$696,862  
Third Year \$698,327  
Fourth Year \$698,371  
Fifth Year \$695,600

**Irrigation:**

First Year 0  
Second Year 0  
Third Year 0  
Fourth Year 0  
Fifth Year 0

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<sup>1</sup> Given the small number of residential customers, it is difficult for the Applicant to separate out the small amount of annual operating expenses related to residential customers. Therefore, the Applicant has listed all operating expenses under the commercial customers.

EE. Attach an itemized list of the major components of the water or sewer system (see Attachment C-3).

**See attached Exhibit EE.**

FF. Indicate the total estimated cost to construct utility facilities:

**No additional construction is planned except for any line extensions which may be required.**

GG. Provide a description of how wastewater service is to be provided in the proposed service area or extension area and the name of each wastewater service provider for the area, if any.

**Wastewater service to the proposed service area is provided by the South Grand Canyon Sanitary District, P.O. Box 3066, Grand Canyon, AZ 86023, telephone (928) 638-0906.**

HH. Provide a letter from each wastewater service provider identified under subsection (B)(5)(aa), confirming the provision of wastewater service for the proposed service area or extension area.

**See attached Exhibit HH.**

II. Provide plans for or a description of water conservation measures to be implemented in the proposed service area or extension area, including, at a minimum:

- i. A description of the information about water conservation or water saving measures that the utility will provide to the public and its customers;
- ii. A description of how the applicant will work with each wastewater service provider identified under subsection (B)(5)(aa) to encourage water conservation;
- iii. A description of the sources of water that will be used to supply parks, recreation areas, golf courses, greenbelts, ornamental lakes, and other aesthetic water features;
- iv. A description of any plans for the use of reclaimed water;
- v. A description of any plans for the use of recharge facilities;
- vi. A description of any plans for the use of surface water; and
- vii. A description of any other plans or programs to promote water conservation;

**(i) The public in Tusayan has been keenly aware for years of the need for water conservation. The price of water itself serves as a constant reminder of the need to conserve water. Water conservation in Tusayan is also accomplished by a number of other methods, including double-plumbing in homes and businesses, the use of xeriscape, and low flush toilets.**

**(ii) The Applicant will work closely with the South Grand Canyon Sanitary District to conserve water through cross-connections and reuse.**

**(iii) Reclaimed water provided by the South Grand Canyon Sanitary District is used to supply parks, recreation areas, golf courses, greenbelts, ornamental lakes and other aesthetic water features in Tusayan.**

**(iv) The use of reclaimed water for irrigation and commercial toilet flushing is required by the Town code.**

**(v) Recharge is accomplished by means of a passive recharge basin in Coconino Wash at the South Grand Canyon Sanitary District.**

**(vi) No surface water is used.**

**(vii). See above for programs promoting water conservation.**

JJ. Provide a backflow prevention tariff that complies with Commission standards, if not already on file.

**See attached Exhibit JJ.**

KK. Provide a curtailment tariff that complies with Commission standards, if not already on file.

**See attached Exhibit KK.**

LL. Provide a copy of a Physical Availability Determination, Analysis of Adequate Water Supply, or Analysis of Assured Water Supply issued by the Arizona Department of Water Resources for the proposed service area or extension area or, if not yet obtained, the status of the application for such approval;

**The Applicant has access to water from two wells, drilled in 1989 and 1994, which together have provided the majority of the water for the Tusayan community for the last twenty years. During that time, the water levels in the wells have not decreased and the Applicant has not needed to haul water.**

**The Applicant recently retained a licensed hydrologist, Ed Squires of Hydro Logic, Inc., who has prepared a report which is attached as Exhibit Z.5. Mr. Squires has determined that, at the present time, there is insufficient information on water supplies in the Tusayan area. For that reason, Mr. Squires has proposed that the Applicant institute a monitoring and reporting plan in order to determine water supplies in the Tusayan area. The Applicant agrees and will undertake such a monitoring and reporting plan as outlined by Mr. Squires.**

**Institution of such a plan is a first step towards addressing the water supply concerns of the Commission and the Applicant such that Applicant will be in a position in the future to provide sufficient detail on the adequacy of the water supply.**

John William Kupter  
(Signature of Authorized Representative)

John William Kupter  
(Type or Print Name Here)

PRESIDENT  
(Title)

SUBSCRIBED AND SWORN to before me this 12<sup>th</sup> day of September, 2013

Lisa A. Remus  
NOTARY PUBLIC

My Commission Expires \_\_\_\_\_



LISA A. REMUS  
Notary Public — Arizona  
Maricopa County  
Expires 06/30/2015

# Exhibit H2

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**

**CERTIFICATE OF GOOD STANDING**

To all to whom these presents shall come, greeting:

I, Jodi A. Jerich, Executive Director of the Arizona Corporation Commission, do hereby certify that

**\*\*\*HYDRO-RESOURCES, INC.\*\*\***

a domestic corporation organized under the laws of the State of Arizona, did incorporate on April 7, 1994.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 4th Day of September, 2013, A. D.



  
Jodi A. Jerich, Executive Director

By: \_\_\_\_\_ 957437

# Exhibit H3

APR 7 1994

2:16PM

GUST ROSENFELD

No. 3352 P. 6/7

ARIZONA CORPORATION COMMISSION  
CORPORATIONS DIVISION

Phoenix Address: 1200 West Washington  
Phoenix, Arizona 85007

Tucson Address: 400 West Congress  
Tucson, Arizona 85701

CERTIFICATE OF DISCLOSURE

A.R.S. Sections 10-128 & 10-1084

PLEASE SEE REVERSE SIDE

Hydro-Resources, Inc.  
EXACT CORPORATE NAME

CHECK APPROPRIATE BOX(ES) A or B  
ANSWER "C"

THE UNDERSIGNED CERTIFY THAT:

- A. No persons serving either by election or appointment as officers, directors, incorporators and persons controlling, or holding more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation:
- 1. Have been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
  - 2. Have been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraining the trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
  - 3. Have been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate where such injunction, judgment, decree or permanent order:
    - (a) involved the violation of fraud or registration provisions of the securities laws of that jurisdiction; or
    - (b) involved the violation of the consumer fraud laws of that jurisdiction; or
    - (c) involved the violation of the antitrust or restraint of trade laws of that jurisdiction.

B. For any person or persons who have been or are subject to one or more of the statements in items A.1 through A.3 above, the following information MUST be attached:

- 1. Full name and prior name(s) used.
- 2. Full birth name.
- 3. Present home address.
- 4. Prior addresses (for immediate preceding 7-year period).
- 5. Date and location of birth.
- 6. Social Security number.
- 7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case.

STATEMENT OF BANKRUPTCY, RECEIVERSHIP OR REVOCATION

A.R.S. Sections 10-128.01 and 10-1083

C. Has any person serving (a) either by election or appointment as an officer, director, trustee or incorporator of the corporation or, (b) major stockholder possessing or controlling any proprietary, beneficial or membership interest in the corporation, served in any such capacity or held such interest in any corporation which has been placed in bankruptcy or receivership or had its charter revoked? YES \_\_\_\_\_ NO   X  

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

- 1. Name and address of the corporation.
- 2. Full name, including alias and address of each person involved.
- 3. State(s) in which the corporation:
  - (a) Was incorporated.
  - (b) Has transacted business.
- 4. Dates of corporate operation.
- 5. A description of the bankruptcy, receivership or charter revocation, including the date, court or agency involved and the file or cause number of the case.

APR 8 1994

Under penalties of law, the undersigned incorporators/officers declare that we have examined this Certificate, including any attachments, and to the best of our knowledge and belief it is true, correct and complete

BY Elling Halvorson DATE 4-1-94  
TITLE Incorporator, Officer, Director  
Elling Halvorson

BY John Seibold DATE 4-1-94  
TITLE Incorporator, Officer, Director  
John Seibold

BY \_\_\_\_\_ DATE \_\_\_\_\_  
TITLE \_\_\_\_\_

BY \_\_\_\_\_ DATE \_\_\_\_\_  
TITLE \_\_\_\_\_

FISCAL DATE: December

DATE: April 7, 1994TO: ARIZONA CORPORATION COMMISSION  
INCORPORATING DIVISION  
1300 WEST WASHINGTON  
PHOENIX, ARIZONA 85007

RE: HYDRO-RESOURCES, INC.

Please be advised that Tom Chauncey II, having been designated the statutory agent for the above-referenced corporation, approves of such designation and consents to act in such capacity. However, Tom Chauncey II specifically reserves the right to resign as statutory agent in accordance with the provisions of the Arizona Revised Statutes.

  
Tom Chauncey II

STATE OF ARIZONA  
ACC/FAX  
DATE FILED

ARTICLES OF INCORPORATION  
OF

APR 07 1994

HYDRO-RESOURCES, INC.

DATE APPR 4-7-94  
TERM

BY Christine Ojanga

715536-6

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, having associated ourselves together for the purpose of forming a corporation under and by virtue of the laws of the State of Arizona, do hereby adopt the following Articles of Incorporation:

ARTICLE I - NAME

The name of this corporation shall be:

Hydro-Resources, Inc. *OK & M*

ARTICLE II - INCORPORATORS

The names and addresses of the incorporators are:

Elling Halvorson  
12515 Willows Road NE, Suite 200  
Kirkland, Washington 98034

John Seibold  
241 East Reno Avenue  
Las Vegas, Nevada 89119

ARTICLE III - PURPOSE

The purpose for which this corporation has been organized is to transact any or all lawful business for which corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.

ARTICLE IV - INITIAL BUSINESS

The character of the business the corporation initially intends to engage in Arizona is the drilling of a well.

ARTICLE V - AUTHORIZED CAPITAL

The corporation is hereby authorized to issue One Million (1,000,000) shares of common stock, having a no par value per share.

3 2 9 0 3

ARTICLE VI - BOARD OF DIRECTORS

The affairs of the corporation shall be conducted by an initial Board of Directors consisting of two directors. Each member of the Board of Directors after the initial Board of Directors shall be elected by the shareholder(s) at the annual meeting and each member shall serve until such member's successor is elected and qualified. Until the first annual meeting or until their successors are elected and qualified, the following persons shall be the initial members of the Board of Directors:

Elling Halvorson  
12515 Willows Road NE, Suite 200  
Kirkland, Washington 98034

John Seibold  
241 East Reno Avenue  
Las Vegas, Nevada 89119

The number of persons to serve on the Board of Directors shall be fixed by the Bylaws.

ARTICLE VII - STATUTORY AGENT

This corporation does hereby appoint Tom Chauncey II, 201 North Central Avenue, Suite 3300, Phoenix, Arizona 84073, who has been a bona fide resident of Arizona for at least three years, as its initial statutory agent.

ARTICLE VIII - KNOWN PLACE OF BUSINESS

The address of the corporation's known place of business in Arizona is Highways 64 and 180, Grand Canyon, Arizona 86023.

ARTICLE IX - STOCK RIGHTS AND OPTIONS

The corporation shall have authority, as provided under the laws of the State of Arizona, to create and issue rights and options entitling the holders thereof to purchase shares of stock of the corporation. The issuance of such rights and options, whether or not to directors, officers or employees of the corporation or of any affiliate thereof and not to the shareholders generally, need not be approved or ratified by the shareholders of the corporation or be authorized by or be consistent with a plan approved or ratified by the shareholders of the corporation.

ARTICLE X - DISTRIBUTIONS FROM CAPITAL SURPLUS

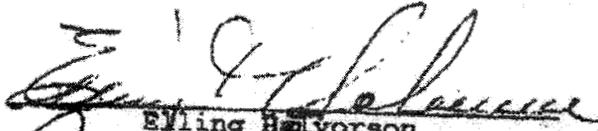
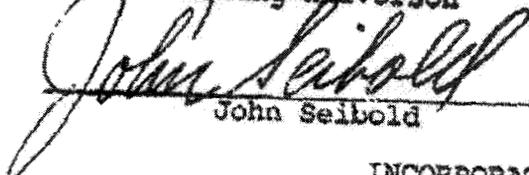
The Board of Directors may from time to time, without shareholder approval, distribute on a pro rata basis to the shareholders, from and to the extent of the capital surplus of the corporation, a portion of the corporation's assets, in cash or property.

ARTICLE XI - DIRECTOR'S LIABILITY

Except as hereinafter provided in this Article, the personal liability of a director to the corporation or its shareholders for monetary damages for breach of fiduciary duty as director is eliminated. Nothing in this Article shall eliminate or limit the liability of a director for any of the following:

- (a) Any breach of the director's duty of loyalty to the corporation or its shareholders;
- (b) Acts or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of law;
- (c) Authorizing the unlawful payment of a dividend or other distribution on the corporation's capital stock or the unlawful purchase of its capital stock;
- (d) Any transaction from which the director derived an improper personal benefit; or
- (e) A violation of Section 10-041, Arizona Revised Statutes, as amended from time to time, regarding director conflicts of interest.

In witness whereof, we have hereunto set our hands this 3<sup>rd</sup> day of March, 1994.

  
 Eiling Halvorsen  
  
 John Seibold  
 INCORPORATORS

# Exhibit H4

ARTICLES OF INCORPORATION

OF

HYDRO-RESOURCES, INC.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, having associated ourselves together for the purpose of forming a corporation under and by virtue of the laws of the State of Arizona, do hereby adopt the following Articles of Incorporation:

ARTICLE I - NAME

The name of this corporation shall be:

Hydro-Resources, Inc.

ARTICLE II - INCORPORATORS

The names and addresses of the incorporators are:

Elling Halvorson  
12515 Willows Road NE, Suite 200  
Kirkland, Washington 98034

John Seibold  
241 East Reno Avenue  
Las Vegas, Nevada 89119

ARTICLE III - PURPOSE

The purpose for which this corporation has been organized is to transact any or all lawful business for which corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.

ARTICLE IV - INITIAL BUSINESS

The character of the business the corporation initially intends to engage in Arizona is the drilling of a well.

ARTICLE V - AUTHORIZED CAPITAL

The corporation is hereby authorized to issue One Million (1,000,000) shares of common stock, having a no par value per share.

ARTICLE VI - BOARD OF DIRECTORS

The affairs of the corporation shall be conducted by an initial Board of Directors consisting of two directors. Each member of the Board of Directors after the initial Board of Directors shall be elected by the shareholder(s) at the annual meeting and each member shall serve until such member's successor is elected and qualified. Until the first annual meeting or until their successors are elected and qualified, the following persons shall be the initial members of the Board of Directors:

Elling Halvorson  
12515 Willows Road NE, Suite 200  
Kirkland, Washington 98034

John Seibold  
241 East Reno Avenue  
Las Vegas, Nevada 89119

The number of persons to serve on the Board of Directors shall be fixed by the Bylaws.

ARTICLE VII - STATUTORY AGENT

This corporation does hereby appoint Tom Chauncey II, 201 North Central Avenue, Suite 3300, Phoenix, Arizona 84073, who has been a bona fide resident of Arizona for at least three years, as its initial statutory agent.

ARTICLE VIII - KNOWN PLACE OF BUSINESS

The address of the corporation's known place of business in Arizona is Highways 64 and 180, Grand Canyon, Arizona 86023.

ARTICLE IX - STOCK RIGHTS AND OPTIONS

The corporation shall have authority, as provided under the laws of the State of Arizona, to create and issue rights and options entitling the holders thereof to purchase shares of stock of the corporation. The issuance of such rights and options, whether or not to directors, officers or employees of the corporation or of any affiliate thereof and not to the shareholders generally, need not be approved or ratified by the shareholders of the corporation or be authorized by or be consistent with a plan approved or ratified by the shareholders of the corporation.

ARTICLE X - DISTRIBUTIONS FROM CAPITAL SURPLUS

The Board of Directors may from time to time, without shareholder approval, distribute on a pro rata basis to the shareholders, from and to the extent of the capital surplus of the corporation, a portion of the corporation's assets, in cash or property.

ARTICLE XI - DIRECTOR'S LIABILITY

Except as hereinafter provided in this Article, the personal liability of a director to the corporation or its shareholders for monetary damages for breach of fiduciary duty as director is eliminated. Nothing in this Article shall eliminate or limit the liability of a director for any of the following:

(a) Any breach of the director's duty of loyalty to the corporation or its shareholders;

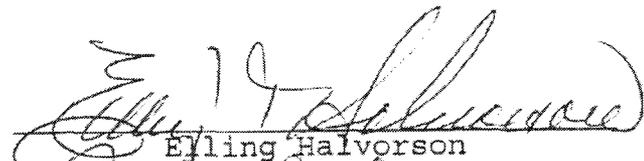
(b) Acts or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of law;

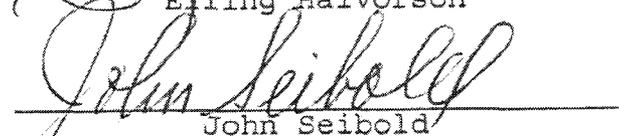
(c) Authorizing the unlawful payment of a dividend or other distribution on the corporation's capital stock or the unlawful purchase of its capital stock;

(d) Any transaction from which the director derived an improper personal benefit; or

(e) A violation of Section 10-041, Arizona Revised Statutes, as amended from time to time, regarding director conflicts of interest.

In witness whereof, we have hereunto set our hands this  
\_\_\_\_ day of March, 1994.

  
Eiling Halvorson

  
John Seibold

INCORPORATORS

BYLAWS OF  
HYDRO-RESOURCES, INC.

ARTICLE I  
SHAREHOLDERS

Section 1. Shareholders' Meetings: All meetings of shareholders shall be held at the office of the corporation in Grand Canyon, Arizona, or at such other place as may be fixed from time to time by the Board of Directors, or in the absence of direction by the Board of Directors, by the President or Secretary of the corporation, either within or without the State of Arizona, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meetings: Annual meetings of shareholders shall be held during the second week of December, or at such other date and time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. At the annual meeting, shareholders shall elect a Board of Directors and transact such other business as may properly be brought before the meeting.

Section 3. Notice of Annual Meeting: Written notice of the annual meeting stating the place, date and hour of the meeting shall be given by the Secretary of the corporation or the person authorized to call the meeting to each shareholder of record entitled to vote at such meeting not less than ten (10) nor more than fifty (50) days before the date of the meeting. Shareholders entitled to vote at the meeting shall be determined as of 4:00 in the afternoon on the day before notice of the meeting is sent.

Section 4. List of Shareholders: The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of shareholders, a complete list of the shareholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address and the number of shares registered in the name of each shareholder. Such list shall be open to the examination of any shareholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any shareholder present.

Section 5. Special Meetings of Shareholders: Special meetings of the shareholders, for any purpose or purposes, unless otherwise proscribed by statute or by the Articles of Incorporation

tion, may be called by the President and shall be called by the President or Secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of shareholders owning a majority in amount of the entire capital stock of the corporation issued, outstanding, and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Notice of Special Meetings: Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called shall be given by the Secretary of the corporation or the person authorized to call the meeting not less than ten (10) days nor more than fifty (50) days before the date of the meeting to each shareholder of record entitled to vote at such meeting. Business transacted at any special meeting of shareholders shall be limited to the purposes stated in the notice. Shareholders entitled to vote at the meeting shall be determined as of 4:00 in the afternoon on the day before notice of the meeting is sent.

Section 7. Quorum and Adjournment: The holders of one-half or more of the shares issued, outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum at all meetings of the shareholders for the transaction of business except as otherwise provided by statute or by the Articles of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the shareholders, the shareholders entitled to vote at the meeting, present in person or represented by proxy, shall have power to adjourn the meeting to another time or place, without notice other than announcement at the meeting at which adjournment is taken, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

Section 8. Majority Required: When a quorum is present at any meeting, the vote of the holders of a majority of the voting power present, whether in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the statutes or of the Articles of Incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 9. Voting: At every meeting of the shareholders, each shareholder shall be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such shareholder, but no proxy shall be voted or

acted upon after eleven (11) months from its date, unless the proxy provides for a longer period.

Section 10. Action Without Meeting: Any action required or permitted to be taken at any annual or special meeting of the shareholders may be taken without a meeting, without prior notice, and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of all of the outstanding shares entitled to vote with respect to the subject matter of the action.

Section 11. Waiver of Notice: Attendance of a shareholder at a meeting, either in person or by proxy of a person entitled to notice, shall constitute waiver of notice of such meeting, except when such attendance at the meeting is for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any shareholder may waive notice of any annual or special meeting of shareholders by executing a written notice of waiver either before or after the time of the meeting.

## ARTICLE II

### DIRECTORS

Section 1. Number: The number of Directors which shall constitute the whole Board shall be not fewer than one (1) nor more than seven (7). The Directors shall be elected at the annual meeting of the shareholders, except as provided in Section 2 of this Article, and each Director elected shall hold office until his or her successor is elected and qualified. Directors need not be shareholders or residents of Arizona.

Section 2. Vacancies: Vacancies and newly created directorships resulting from any increase in the authorized number of Directors may be filled by the affirmative vote of a majority of the remaining Directors then in office, though less than a quorum, or by a sole remaining Director, and the Directors so chosen shall hold office until the next annual election and until their successors are duly elected and qualified, unless sooner displaced. If there are no Directors in office, then an election of Directors may be held in the manner provided by statute.

The office of a Director who is convicted of a felony or who is declared of unsound mind by an order of a court may be declared vacant by the affirmative vote of a majority of the Directors then in office, though less than a quorum, or by a sole remaining Director.

Section 3. Powers: The business and affairs of the corporation shall be managed by its Board of Directors, which may exercise all such powers of the corporation and do all such

lawful acts as are not by statute, the Articles of Incorporation, or these Bylaws directed or required to be exercised or done by the shareholders.

Section 4. Place of Meetings: The Board of Directors of the corporation may hold meetings, both regular and special, at any place or in any manner, including but not limited to a conference telephone call, within or without the State of Arizona, that a majority of the Board of Directors may from time to time approve.

Section 5. Annual Meetings: The first meeting of each newly elected Board of Directors shall be held immediately following the annual meeting of shareholders and in the same place as the annual meeting of shareholders, and no notice of such meeting shall be necessary, providing a quorum shall be present. In the event such meeting is not held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver by all of the Directors.

Section 6. Regular Meetings: Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board.

Section 7. Special Meetings: Special meetings of the Board may be called by the President or the Secretary on one (1) day's notice to each Director, either personally, by mail, by telegram or by telephone, setting forth the time and place of the meeting; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) Directors.

Section 8. Voting Rights: At meetings of the Board of Directors, each Director shall have one (1) vote.

Section 9. Quorum: A majority of the membership of the Board of Directors shall constitute a quorum and if a quorum is present, the acts of a majority of those present shall be the acts of the Board, except as may be otherwise specifically provided by statute or by the Articles of Incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the Directors then present may adjourn the meeting to another time or place, without notice other than announcement at the meeting, until a quorum shall be present. At an adjourned meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting originally called.

Section 10. Action Without Meeting: Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken with-

out a meeting, if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

Section 11. Compensation: The Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors. No such payment shall preclude any Director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings. The amount or rate of such compensation of members of the Board of Directors or of committees shall be established by the Board of Directors and shall be set forth in the minutes of the Board.

Section 12. Waiver of Notice: Attendance of a Director at a meeting shall constitute waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any Director may waive notice of any annual, regular or special meeting of Directors by executing a written notice of waiver either before or after the time of the meeting.

Section 13. Removal: At a meeting of shareholders called for that purpose, the entire Board of Directors or any individual Director may be removed from office without assignment of cause by the vote of a majority of the shares entitled to vote at an election for Directors, provided, however, that if the vote cast against the removal of any individual Director would have been sufficient under Arizona law to elect one or more Directors at an election of the full Board, said vote of a majority shall be without effect.

### ARTICLE III

#### OFFICERS, AGENTS AND EMPLOYEES

Section 1. Designation of Titles: The officers of the corporation shall be chosen by the Board of Directors and shall be a President, a Secretary and a Treasurer. The Board of Directors may also choose a Chairman of the Board, one or more Vice Presidents and one or more Assistant Secretaries and Assistant Treasurers. Any number of offices, except the offices of President and Secretary, may be held by the same person, unless the Articles of Incorporation or these Bylaws otherwise provide.

Section 2. Appointment of Officers: The Board of Directors at its first meeting after each annual meeting of shareholders shall choose a President, a Secretary and a

Treasurer, and may choose a Chairman of the Board and one or more Vice Presidents each of whom shall serve at the pleasure of the Board of Directors. The Board of Directors at any time may appoint such other officers, agents and employees as it shall deem necessary to hold offices at the pleasure of the Board of Directors and to exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 3. Salaries: The salaries of the officers shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a Director of the corporation. The salaries of the officers or the rate by which salaries are fixed shall be set forth in the minutes of the meetings of the Board of Directors. The salaries of other agents and employees of the corporation may be fixed by the Board of Directors or by an officer to whom that function has been delegated by the Board.

Section 4. Vacancies: A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors at any time.

Section 5. Removal of Officers and Agents: An officer or agent of the corporation may be removed by a majority vote of the Board of Directors whenever, in their judgment, the best interests of the corporation will be served by the removal. The removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 6. Chairman of the Board: The Chairman of the Board, if one shall have been appointed and be serving, shall preside at all meetings of the Board of Directors and shall perform such other duties as from time to time may be assigned to him or her.

Section 7. President: The President shall preside at all meetings of shareholders, and if a chairman of the Board shall not have been appointed or, having been appointed, shall not be serving or be absent, the President shall preside at all meetings of the Board of Directors. He or she shall sign all deeds and conveyances, all contracts and agreements, and all other instruments requiring execution on behalf of the corporation, and shall act as operating and directing head of the corporation, subject to policies established by the Board of Directors.

Section 8. Vice Presidents: There shall be as many Vice Presidents as shall be determined by the Board of Directors from time to time, and they shall perform such duties as from time to time may be assigned to them. Any one of the Vice Presidents, as authorized by the Board, shall have all the powers and perform all the duties of the President in case of the temporary absence of the President or in case of his or her temporary inability to act. In case of the permanent absence or inability

of the President to act, the office shall be declared vacant by the Board of Directors and a successor chosen by the Board.

Section 9. Secretary: The Secretary shall see that the minutes of all meetings of shareholders, of the Board of Directors, and of any standing committees are kept. He or she shall be the custodian of the corporate seal and shall affix it to all proper instruments when deemed advisable by him or her or when so directed by the Board of Directors. He or she shall give or cause to be given required notices of all meetings of the shareholders and of the Board of Directors.

Section 10. Treasurer: The Treasurer shall have general custody of all the funds and securities of the corporation except such as may be required by law to be deposited with any state official. He or she shall see to the deposit of the funds of the corporation in such depository or depositories as the Board of Directors may designate. Regular books of account shall be kept under his or her direction and supervision, and he or she shall render financial statements to the President, Directors and shareholders at such time or times as he or she may be directed to do so. The Treasurer shall have charge of the preparation and filing of such reports, financial statements and returns as may be required by law. He or she shall give to the corporation such fidelity bond as may be required, and the premium therefor shall be paid by the corporation as an operating expense.

Section 11. Assistant Secretaries: There may be such number of Assistant Secretaries as from time to time the Board of Directors may fix, and such persons shall perform such functions as from time to time may be assigned to them. No Assistant Secretary shall have power or authority to collect, account for, or pay over any tax imposed by any federal, state or city government.

Section 12. Assistant Treasurers: There may be such number of Assistant Treasurers as from time to time the Board of Directors may fix, and such persons shall perform such functions as from time to time may be assigned to them. No Assistant Treasurer shall have the power or authority to collect, account for, or pay over any tax imposed by any federal, state or city government.

Section 13. Delegation of Duties: Whenever an officer is absent or whenever, for any reason, the Board of Directors may deem it desirable, the Board may delegate the powers and duties of an officer to any other officer or officers or to any director or directors.

#### ARTICLE IV

#### CAPITAL STOCK

Section 1. Share Certificates: The share certificates shall be in a form approved by the Board of Directors. Each certificate shall be signed by the President or the Vice President and the Secretary or an Assistant Secretary.

Section 2. Registered Shareholders: All certificates of stock shall be consecutively numbered and the numbers, the names of the owners, the number of shares and the date of issue shall be entered on the books of the corporation. The corporation shall be entitled to treat the holder of record of shares as the holder-in-fact, and, except as otherwise provided by the laws of Arizona, shall not be bound to recognize any equitable or other claim to or interest in the shares.

Section 3. Transfers of Shares: Shares of the corporation shall only be transferred on its books upon the surrender to the corporation of the share certificates duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer. In that event, the surrendered certificates shall be cancelled, new certificates shall be issued to the person entitled to them and the transaction recorded on the books of the corporation.

Section 4. Lost Certificates: The Board of Directors may direct a new certificate to be issued in place of a certificate alleged to have been destroyed or lost if the owner makes an affidavit that it is destroyed or lost. The Board, in its discretion, may as a condition precedent to issuing the new certificates require the owner to give the corporation a bond as indemnity against any claim that may be made against the corporation on the certificate allegedly destroyed or lost.

#### ARTICLE V

#### REPEAL, ALTERATION OR AMENDMENT

These Bylaws may be repealed, altered or amended, or substitute Bylaws may be adopted at any time, only by a majority of the Board of Directors.

  
Elling Halvorson, President

Attest to:

\_\_\_\_\_  
John Seibold, Secretary

# Exhibit L

That portion of HES 401 as shown in the Dependent Resurvey officially filed by the BLM in November of 2004 as File No. 1247-B lying Northerly of the Grand Canyon National Park Airport AND the Grand Canyon National Park Airport as Retraced and recorded on August 31, 1987 in Book 6 of Land Surveys, Pages 9-9E of the Official Records of the Coconino County Recorder's Office, said parcel of land is situated Sections 23, 24, 25, 26, 27, 34 and 35 all in Township 30 North, Range 2 East AND Section 3 of Township 29 North, Range 2 East, all of the Gila and Salt River Base and Meridian in the Town of Tusayan, Coconino County, Arizona, and is more particularly described by metes and bounds as follows:

BEGINNING at Corner No. 5 of HES 401, said point lies South 89°32" West a distance of 13.22 Chains (872.5 feet) from the Northeast corner of said Section 24;

THENCE South 13°52'00" West a distance of 1575.42 feet to Corner No. 6 of HES 401;  
THENCE South 27°38'00" West a distance of 1769.46 feet to AP2 of Tract 38 as shown on the plat of HES 401;  
THENCE North 68°50'00" West a distance of 656.70 feet to AP1 of Tract 38;  
THENCE South 47°08'00" West a distance of 615.78 feet to the Northeast corner of the Grand Canyon Park National Airport;

The following courses follow the boundary of said airport;

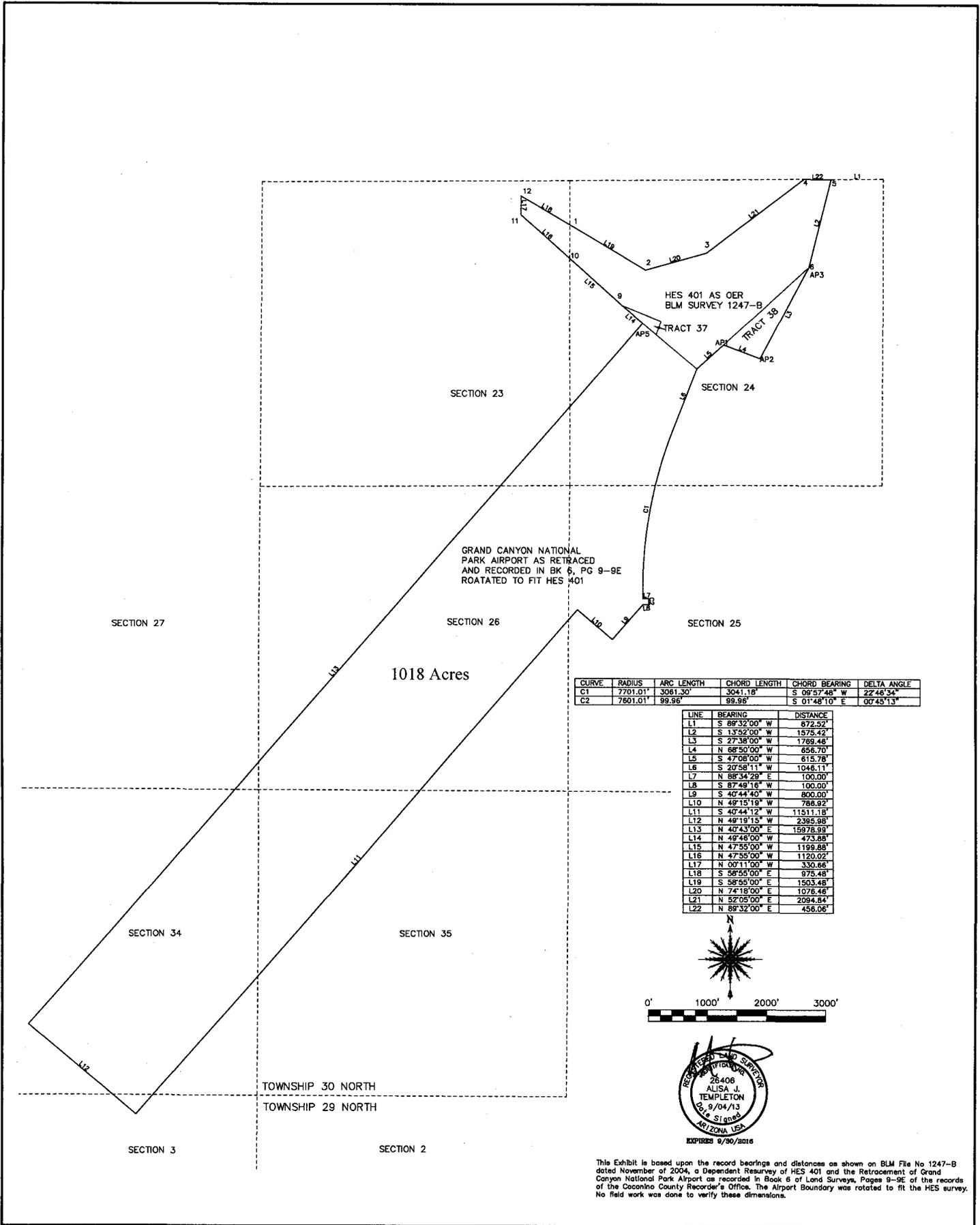
THENCE South 20°58'11" West a distance of 1046.11 feet to the beginning of a non-tangent curve, concave to the East;  
THENCE Southwesterly along said curve with an arc length of 3061.30 feet, through a central angle of 22°46'34", the radius of said curve is 7701.01 feet, with a chord bearing of South 09°57'48" West and with a chord length of 3041.18 feet;  
THENCE North 88°34'29" East a distance of 100.00 feet to the beginning of a non-tangent curve, concave to the East;  
THENCE Southwesterly along said curve with an arc length of 99.96 feet, through a central angle of 00°45'13", the radius of said curve is 7601.01 feet, with a chord bearing of South 01°48'10" East and with a chord length of 99.96 feet;  
THENCE South 87°49'16" West a distance of 100.00 feet;  
THENCE South 40°44'40" West a distance of 800.00 feet;  
THENCE North 49°15'19" West a distance of 786.92 feet;  
THENCE South 40°44'12" West a distance of 11511.18 feet;  
THENCE North 49°19'15" West a distance of 2395.98 feet;  
THENCE North 40°43'00" East a distance of 15978.99 feet to AP5 of Tract 37 as shown on the plat of HES 401;

THENCE North 49°46'00" West a distance of 473.88 feet to Corner No. 9 of HES 401;  
THENCE North 47°55'00" West a distance of 1199.88 feet to Corner No. 10 of HES 401;  
THENCE continuing North 47°55'00" West a distance of 1120.02 feet to Corner No. 11 of HES 401;  
THENCE North 00°11'00" West a distance of 330.66 feet to Corner No. 12 of HES 401;

THENCE South 58°55'00" East a distance of 975.48 feet to Corner No. 1 of HES 401;  
THENCE South 58°55'00" East a distance of 1503.48 feet to Corner No. 2 of HES 401;  
THENCE North 74°18'00" East a distance of 1076.46 feet to Corner No. 3 of HES 401;  
THENCE North 52°05'00" East a distance of 2094.84 feet to Corner No. 4 of HES 401;  
THENCE North 89°32'00" East a distance of 456.06 feet to the Point of Beginning.

All as shown on the attached Exhibit A-1 which is made a part of this description by this reference.

# Exhibit M

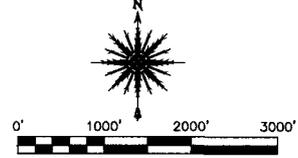


1018 Acres

GRAND CANYON NATIONAL  
PARK AIRPORT AS RETRACED  
AND RECORDED IN BK 6, PG 9-9E  
ROTATED TO FIT HES 401

CURVE	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING	DELTA ANGLE
C1	7701.01'	3061.30'	3041.18'	S 08°57'48" W	22°46'34"
C2	7601.01'	89.98'	89.98'	S 01°48'10" E	00°45'13"

LINE	BEARING	DISTANCE
L1	S 88°32'00" W	872.52'
L2	S 13°52'00" W	1575.42'
L3	S 27°38'00" W	1789.48'
L4	N 68°50'00" W	656.70'
L5	S 47°08'00" W	615.78'
L6	S 20°58'11" W	1046.11'
L7	N 88°34'28" E	100.00'
L8	S 87°49'16" W	100.00'
L9	S 40°44'40" W	800.00'
L10	N 49°15'19" W	786.92'
L11	S 40°44'12" W	11511.18'
L12	N 49°19'15" W	2385.98'
L13	N 40°43'00" E	15978.99'
L14	N 49°46'00" W	473.88'
L15	N 47°55'00" W	1199.88'
L16	N 47°55'00" W	1120.02'
L17	N 00°11'00" W	330.66'
L18	S 88°55'00" E	975.48'
L19	S 88°55'00" E	1503.48'
L20	N 74°18'00" E	1076.48'
L21	N 52°05'00" E	2094.84'
L22	N 89°32'00" E	456.06'



This Exhibit is based upon the record bearings and distances as shown on BLM File No 1247-B dated November of 2004, a Dependent Resurvey of HES 401 and the Retracement of Grand Canyon National Park Airport as recorded in Book 6 of Land Surveys, Pages 9-9E of the records of the Coconino County Recorder's Office. The Airport Boundary was rotated to fit the HES survey. No field work was done to verify these dimensions.

# Exhibit R

Hydro Resources, Inc.  
 Projected Balance Sheets  
 For the Years Ended

Exhibit 1  
 Schedule 1

Line No.	Label	Adjusted 2012	Projected Year							
			1st year Changes	1	2	3	4	5		
3	<b>Assets</b>									
4	<b>Plant-in-Service</b>									
5	Utility Plant	982,463	973,538	1,956,001	2,209,001	2,859,001	2,859,001	2,859,001	2,859,001	2,859,001
6	Accumulated Depreciation	(688,914)	(388,523)	(1,077,437)	(1,155,190)	(1,229,243)	(1,297,480)	(1,355,054)	(1,355,054)	(1,355,054)
7	Net Plant	293,549	\$ 585,015	\$ 878,564	\$ 1,053,811	\$ 1,629,759	\$ 1,561,521	\$ 1,503,947	\$ 1,503,947	\$ 1,503,947
8										
9	<b>Deferred Regulatory Assets</b>									
10										
11	<b>Current Assets</b>									
12	Cash	217,716	\$ (21,688)	\$ 196,028	\$ 178,409	\$ 168,231	\$ 391,918	\$ 609,846	\$ 609,846	\$ 609,846
13	Accounts Receivable	66,209	-	66,209	66,209	66,209	66,209	66,209	66,209	66,209
14	Materials and Supplies									
15	Prepayments									
16	Other Current Assets	6,358	-	6,358	6,358	6,358	6,358	6,358	6,358	6,358
17	<b>Total Current Assets</b>	290,284	\$ (21,688)	\$ 288,596	\$ 250,976	\$ 240,799	\$ 464,485	\$ 682,414	\$ 682,414	\$ 682,414
18	<b>Total Assets</b>	583,833	\$ 563,327	\$ 1,147,160	\$ 1,304,787	\$ 1,870,558	\$ 2,026,006	\$ 2,186,360	\$ 2,186,360	\$ 2,186,360
19										
20	<b>Equity and Liabilities</b>									
21	<b>Equity</b>									
22	Common Stock	50,000	\$ 719,353	\$ 789,353	\$ 789,353	\$ 1,179,353	\$ 1,179,353	\$ 1,179,353	\$ 1,179,353	\$ 1,179,353
23	Paid-in-Capital	(657,917)	-	(657,917)	(657,917)	(657,917)	(657,917)	(657,917)	(657,917)	(657,917)
24	Retained Earnings	1,147,373	174,774	1,322,147	1,479,775	1,635,545	1,790,994	1,951,348	1,951,348	1,951,348
25	<b>Total Equity</b>	539,456	\$ 894,127	\$ 1,433,583	\$ 1,591,211	\$ 2,196,981	\$ 2,312,430	\$ 2,472,784	\$ 2,472,784	\$ 2,472,784
26										
27	<b>Long-Term Debt</b>									
28										
29	<b>Current Liabilities</b>									
30	Accounts Payable	25,670	\$ -	\$ 25,670	\$ 25,670	\$ 25,670	\$ 25,670	\$ 25,670	\$ 25,670	\$ 25,670
31	Security Deposits									
32	Accrued Taxes	186	-	186	186	186	186	186	186	186
33	Other Current Liabilities	18,520	-	18,520	18,520	18,520	18,520	18,520	18,520	18,520
34	<b>Total Current Liabilities</b>	44,376	\$ -	\$ 44,376	\$ 44,376	\$ 44,376	\$ 44,376	\$ 44,376	\$ 44,376	\$ 44,376
35										
36	<b>Deferred Credits</b>									
37	Advances in Aid of Construction									
38	Contributions in Aid of Construction									
39	Less: Amortization									
40	<b>Refundable Meter Deposits</b>									
41	<b>Total Deferred Credits</b>									
42	<b>Total Equity &amp; Liab.</b>	583,833	\$ 894,127	\$ 1,477,960	\$ 1,635,588	\$ 2,201,358	\$ 2,356,806	\$ 2,517,160	\$ 2,517,160	\$ 2,517,160

(f) Advances in Aid of Construction, if applicable (See Schedule 1c)  
 (g) Contributions in Aid of Construction, if applicable (See Schedule 1e)  
 (h) Amortization of Contributions in Aid of Construction, if applicable (See Schedule 1e)  
 (i) Security deposits (2 times average bill)  
 (j) Unrefunded meter deposits (See Schedule 1d)

**Hydro Resources, Inc.**  
Plant Additions and Retirements

Line No.	NARUC Account No.	Description	Deprec. Rate	Year 1										
				Plant at 12/31/2012	Accum. Deprec. At 12/31/2012	Net Plant 12/31/2012	Plant Additions (Per Books)	Plant Retirements (Per Books)	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.		
1	301	Organization Cost	0.00%	-	-	-	-	-	-	-	-	-	-	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-	-	-	-	-	-
4	304	Structures & Improvements	3.33%	3,970	1,277	2,693	-	-	82,802	3,196	187,973	87,275	-	-
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	784,097	546,987	237,110	130,000	-	-	28,275	914,097	575,262	-	-
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	12.50%	3,511	1,232	2,279	-	-	46,750	4,689	71,511	52,671	-	-
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-	1,125	37	2,250	1,162	-	-
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	42,000	42,000	-	-	-	-	-	42,000	42,000	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	1,667	535	1,132	-	-	-	83	1,667	618	-	-
18	331	Transmission & Distribution Mains	2.00%	-	-	-	119,385	-	88,968	3,483	348,273	92,451	-	-
19	333	Services	3.33%	-	-	-	-	-	-	-	-	-	-	-
20	334	Meters	8.33%	-	-	-	45,000	-	-	1,874	45,000	1,874	-	-
21	335	Hydrants	2.00%	-	-	-	4,800	-	15,871	558	55,836	16,429	-	-
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	55,083	32,789	22,294	-	-	70,285	6,180	146,759	109,255	-	-
24	340	Office Furniture & Equipment	6.67%	1,493	1,493	-	-	-	-	-	1,493	1,493	-	-
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	20.00%	45,896	31,190	14,706	-	-	25,000	3,674	70,896	59,864	-	-
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	8,572	2,359	6,213	-	-	-	704	19,572	3,063	-	-
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	20.00%	35,920	22,115	13,806	-	-	-	4,344	35,920	26,459	-	-
34		Unreconciled Plant and A/D		254	6,937	(6,682)	-	-	-	-	254	6,937	-	-
35														
36		TOTALS		982,463	688,914	293,549	299,185	-	330,800	57,723	1,956,001	1,077,437	-	-

See work papers

Hydro Resources, Inc.  
Plant Additions and Retirements

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Line No.	NARUC Account No.	Description	Deprec. Rate	Year 2					Accum. Deprec.
				Plant Additions (Per Books)	Plant Retirements (Per Books)	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	
1	301	Organization Cost	0.00%	-	-	-	-	-	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-
4	304	Structures & Improvements	3.33%	-	-	-	6,260	187,973	93,534
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	-	-	28,552	914,097	603,813
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-
11	311	Pumping Equipment	12.50%	-	-	-	8,939	71,511	61,610
12	320	Water Treatment Equipment	3.33%	-	-	-	75	2,250	1,237
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	42,000	42,000
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	83	1,667	701
18	331	Transmission & Distribution Mains	2.00%	253,000	-	-	9,495	601,273	101,946
19	333	Services	3.33%	-	-	-	-	-	-
20	334	Meters	8.33%	-	-	-	3,749	45,000	5,623
21	335	Hydrants	2.00%	-	-	-	1,117	55,836	17,546
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	9,238	146,759	118,492
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	1,493	1,493
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	3,674	70,896	63,538
27	342	Stores Equipment	4.00%	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	979	19,572	4,041
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	1,250	12,500	1,875
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-
33	348	Other Tangible Plant	20.00%	-	-	-	4,344	35,920	30,803
34		Unreconciled Plant and A/D		-	-	-	-	254	6,937
35		TOTALS		253,000	-	-	77,753	2,209,001	1,155,190

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**Hydro Resources, Inc.**  
Plant Additions and Retirements

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Line No.	NARUC Account No.	Description	Deprec. Rate	Year 3					Accum. Deprec.
				Plant Additions (Per Books)	Plant Retirements (Per Books)	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	
1	301	Organization Cost	0.00%	-	-	-	-	-	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-
4	304	Structures & Improvements	3.33%	-	-	-	6,260	187,973	99,794
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	-	-	15,106	914,097	618,919
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-
11	311	Pumping Equipment	12.50%	-	-	-	8,939	71,511	70,549
12	320	Water Treatment Equipment	3.33%	-	-	-	75	2,250	1,312
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	650,000	-	-	7,215	692,000	49,215
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	83	1,667	785
18	331	Transmission & Distribution Mains	2.00%	-	-	-	12,025	601,273	113,972
19	333	Services	3.33%	-	-	-	-	-	-
20	334	Meters	8.33%	-	-	-	3,749	45,000	9,371
21	335	Hydrants	2.00%	-	-	-	1,117	55,836	18,662
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	9,238	146,759	127,730
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	1,493	1,493
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	3,674	70,896	67,211
27	342	Stores Equipment	4.00%	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	979	19,572	5,020
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	1,250	12,500	3,125
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-
33	348	Other Tangible Plant	20.00%	-	-	-	4,344	35,920	35,147
34		Unreconciled Plant and A/D		-	-	-	-	254	6,937
35		TOTALS		650,000	-	-	74,052	2,859,001	1,229,243

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**Hydro Resources, Inc.**  
Plant Additions and Retirements

Line No.	NARUC Account No.	Description	Deprec. Rate	Year 4						
				Plant Additions (Per Books)	Plant Retirements (Per Books)	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.	
1	301	Organization Cost	0.00%	-	-	-	-	-	-	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-	-
4	304	Structures & Improvements	3.33%	-	-	-	6,260	187,973	106,053	-
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	-	-	15,106	914,097	634,025	-
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	-
11	311	Pumping Equipment	12.50%	-	-	-	439	71,511	70,988	-
12	320	Water Treatment Equipment	3.33%	-	-	-	75	2,250	1,387	-
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	14,430	692,000	63,645	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	83	1,667	868	-
18	331	Transmission & Distribution Mains	2.00%	-	-	-	12,025	601,273	125,997	-
19	333	Services	3.33%	-	-	-	-	-	-	-
20	334	Meters	8.33%	-	-	-	-	-	-	-
21	335	Hydrants	2.00%	-	-	-	3,749	45,000	13,120	-
22	336	Backflow Prevention Devices	6.67%	-	-	-	1,117	55,836	19,779	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	8,558	146,759	136,289	-
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	1,493	1,493	-
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	3,394	70,896	70,605	-
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	979	19,572	5,999	-
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	1,250	12,500	4,375	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-
33	348	Other Tangible Plant	20.00%	-	-	-	774	35,920	35,920	-
34		Unreconciled Plant and A/D		-	-	-	-	254	6,937	-
35		TOTALS		-	-	-	68,238	2,859,001	1,297,480	-

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**Hydro Resources, Inc.**  
Plant Additions and Retirements

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Schedule 1a  
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Line No.	NARUC Account No.	Description	Deprec. Rate	Year 5					Accum. Deprec.
				Plant Additions (Per Books)	Plant Retirements (Per Books)	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	
1	301	Organization Cost	0.00%	-	-	-	-	-	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-
4	304	Structures & Improvements	3.33%	-	-	-	6,260	187,973	112,313
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	-	-	15,106	914,097	649,131
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-
11	311	Pumping Equipment	12.50%	-	-	-	427	71,511	71,415
12	320	Water Treatment Equipment	3.33%	-	-	-	75	2,250	1,462
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	14,430	692,000	78,075
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	83	1,667	951
18	331	Transmission & Distribution Mains	2.00%	-	-	-	12,025	601,273	138,023
19	333	Services	3.33%	-	-	-	-	-	-
20	334	Meters	8.33%	-	-	-	3,749	45,000	16,868
21	335	Hydrants	2.00%	-	-	-	1,117	55,836	20,896
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	1,784	146,759	138,072
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	1,493	1,493
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	290	70,896	70,896
27	342	Stores Equipment	4.00%	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	979	19,572	6,977
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	1,250	12,500	5,625
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-
33	348	Other Tangible Plant	20.00%	-	-	-	-	35,920	35,920
34		Unreconciled Plant and A/D		-	-	-	-	254	6,937
35		TOTALS		-	-	-	57,574	2,869,001	1,355,054

See work papers

**Hydro Resources, Inc.**  
 Plant Additions and Retirements

Line No.	NARUC Account No.	Description	Deprec. Rate
1	301	Organization Cost	0.00%
2	302	Franchise Cost	0.00%
3	303	Land and Land Rights	0.00%
4	304	Structures & Improvements	3.33%
5	305	Collecting & Impounding Reservoirs	2.50%
6	306	Lake, River, Canal Intakes	2.50%
7	307	Wells & Springs	3.33%
8	308	Infiltration Galleries	6.67%
9	309	Raw Water Supply Mains	2.00%
10	310	Power Generation Equipment	5.00%
11	311	Pumping Equipment	12.50%
12	320	Water Treatment Equipment	3.33%
13	320.1	Water Treatment Plants	3.33%
14	320.2	Solution Chemical Feeders	20.00%
15	330	Distribution Reservoirs & Standpipes	2.22%
16	330.1	Storage Tanks	2.22%
17	330.2	Pressure Tanks	5.00%
18	331	Transmission & Distribution Mains	2.00%
19	333	Services	3.33%
20	334	Meters	8.33%
21	335	Hydrants	2.00%
22	336	Backflow Prevention Devices	6.67%
23	339	Other Plant & Misc Equipment	6.67%
24	340	Office Furniture & Equipment	6.67%
25	340.1	Computers & Software	20.00%
26	341	Transportation Equipment	20.00%
27	342	Stores Equipment	4.00%
28	343	Tools, Shop & Garage Equipment	5.00%
29	344	Laboratory Equipment	10.00%
30	345	Power Operated Equipment	5.00%
31	346	Communication Equipment	10.00%
32	347	Miscellaneous Equipment	10.00%
33	348	Other Tangible Plant	20.00%
34		Unreconciled Plant and A/D	
35		TOTALS	
36			

See work papers

Hydro Resources, Inc.  
 Projected Capital Financing  
 Projected Years Ended

Exhibit  
 Schedule 1b

Line No.	1	2	3	4	5
Plant to be Constructed	\$ 973,538	\$ 253,000	\$ 650,000	\$ -	\$ -
<b>Financing:</b>					
Hydrants and Distrib. Lines Advanced	\$ -	\$ -	\$ -	\$ -	\$ -
Plant Installed with Customer Deposits (Advances)	-	-	-	-	-
Hook-up Fees	-	-	-	-	-
Common Equity Issued for Plant Construction	719,353	-	410,000	-	-
Common Equity Issued For Working Capital	-	-	-	-	-
Debt Financing Issued for Plant Construction	-	-	-	-	-
Internal Cash Used for Plant Additions	254,185	253,000	240,000	-	-
<b>Total Financing</b>	<b>\$ 973,538</b>	<b>\$ 253,000</b>	<b>\$ 650,000</b>	<b>\$ -</b>	<b>\$ -</b>

Hydro Resources, Inc.  
 Schedule of Developer Advances and Refunds  
 Projected Years

Exhibit  
 Schedule 1c

Line No.	1	2	3	4	5
	<b>Projected Year</b>				
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Developer Advances Collected</b>				
	Developer Advances - Trans & Dist.				
	Developer Advances - Hydrants				
	<b>Total Collected</b>				
	<b>Cummulative Collected</b>				
	<b>Developer Advances Refunded (a)</b>				
	Advances from Year 1				
	Advances from Year 2				
	Advances from Year 3				
	Advances from Year 4				
	Advances from Year 5 to 10				
	<b>Total Refunds</b>				
	<b>Cummulative Refunds</b>				
	<b>Cummulative Balance</b>				
	(a) Refund Rate per Year 10%				



Hydro Resources, Inc.  
 Schedule of Contributions-in-Aid of Construction  
 Projected Years

Exhibit  
 Schedule 1e

Line No.	1	2	3	4	5
	<b>Contributions(Hook-up Fees)</b>				
12	\$ -	\$ -	\$ -	\$ -	\$ -
13	\$ -	\$ -	\$ -	\$ -	\$ -
14					
15					
16					
17	2.9525%	3.5213%	2.5910%	2.3876%	2.0215%
18					
19	\$ -	\$ -	\$ -	\$ -	\$ -
20					
21	\$ -	\$ -	\$ -	\$ -	\$ -
22					
23	\$ -	\$ -	\$ -	\$ -	\$ -
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

(a) Hook-up fees  
 (b) from plant schedule

Hydro Resources, Inc.  
 Projected Statements of Income  
 For the 12 Months Ended

Exhibit  
 Schedule 2

Line No.	Description	Actual 2012	Adjustments <sup>1</sup>	Actual 2012	Projected Year					
					1	2	3	4	5	
1	<b>Revenues</b>									
2	Metered Revenues	\$ 692,330	\$ -	\$ 692,330	\$ 832,353	\$ 832,353	\$ 832,353	\$ 832,353	\$ 832,353	\$ 832,353
3	Miscellaneous Revenues	18,000	-	18,000	18,000	18,000	18,000	18,000	18,000	18,000
4	<b>Total Revenues</b>	\$ 710,330	\$ -	\$ 710,330	\$ 850,353	\$ 850,353	\$ 850,353	\$ 850,353	\$ 850,353	\$ 850,353
5	<b>Operating Expenses</b>									
6	Salaries and Wages(a)	\$ 81,707	\$ 48,293	\$ 130,000	\$ 132,600	\$ 135,252	\$ 137,957	\$ 140,716	\$ 143,530	\$ 143,530
7	Employee Pensions and Benefits(a)	3,875	4,500	8,375	8,543	8,714	8,888	9,066	9,247	9,247
8	Purchased Water (b)	110,856	-	110,856	82,151	82,151	82,151	82,151	82,151	82,151
9	Pumping Power (b)	43,006	-	43,006	44,325	45,212	46,116	47,038	47,979	47,979
10	Fuel For Power Production	-	-	-	-	-	-	-	-	-
11	Chemicals (b)	-	-	-	1,412	1,440	1,469	1,498	1,528	1,528
12	Repairs and Maintenance(a)	27,584	-	27,584	28,136	28,698	29,272	29,858	30,455	30,455
13	Office Supplies and Expense(a)	7,070	-	7,070	7,212	7,356	7,503	7,653	7,806	7,806
14	Contractual Services - Engineering	-	-	-	-	-	-	-	-	-
15	Contractual Services - Accounting	10,705	14,295	25,000	25,000	25,000	25,000	25,000	25,000	25,000
16	Contractual Services - Legal	69,295	(61,795)	7,500	7,500	7,500	7,500	7,500	7,500	7,500
17	Contractual Services - Other	65,495	(18,719)	46,776	46,776	46,776	46,776	46,776	46,776	46,776
18	Contractual Services - Testing	6,318	-	6,318	6,318	6,318	6,318	6,318	6,318	6,318
19	Rents	18,000	18,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
20	Transportation Expenses(a)	8,437	-	8,437	8,606	8,778	8,954	9,133	9,315	9,315
21	Insurance - General Liability(a)	32,725	-	32,725	33,380	34,047	34,728	35,423	36,131	36,131
22	Reg. Comm. Expense	-	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
23	Miscellaneous Expense(a)	9,277	-	9,277	9,462	9,652	9,845	10,042	10,242	10,242
24	Depreciation net of Amortization of CIAC (c)	40,606	-	40,606	57,723	77,753	74,052	68,238	57,574	57,574
25	Taxes Other Than Income (d)	7,438	-	7,438	10,144	10,347	10,554	10,765	10,980	10,980
26	Property Taxes (e)	253	-	253	18,465	18,546	18,627	18,701	18,708	18,708
27	Income Tax	-	-	-	44,005	37,324	36,618	36,496	38,359	38,359
28	<b>Total Operating Expenses</b>	\$ 542,648	\$ 74,574	\$ 617,222	\$ 677,756	\$ 696,862	\$ 698,327	\$ 698,371	\$ 695,600	\$ 695,600
29	<b>Operating income (loss)</b>	\$ 167,682	\$ (74,574)	\$ 93,108	\$ 172,597	\$ 153,490	\$ 152,026	\$ 151,982	\$ 154,753	\$ 154,753
30	Less:									
31	Interest(Expense) Income on Work. Cap. (c)	-	-	-	2,177	4,137	3,744	3,466	5,601	5,601
32	Interest Expense Long-term Debt (c)	-	-	-	-	-	-	-	-	-
33	<b>Net Income</b>	\$ 167,682	\$ (74,574)	\$ 93,108	\$ 174,774	\$ 157,628	\$ 155,770	\$ 155,448	\$ 160,354	\$ 160,354

<sup>1</sup> See Work papers

(a) 2012 actual with annual inflation of: 2.00%  
 (b) See Gallons Sold Summary Schedule 2a, page 3.  
 (c) See Plant Schedule 1a and CIAC Schedules 1e  
 (d) Payroll Taxes at 7.65% of Salaries and Wages  
 (e) See Property Tax Calculation Schedule 2b

Hydro Resources, Inc.  
 Schedule of Projected Revenues  
 For the Years Ended

Exhibit  
 Schedule 2a  
 Page 1

Line No.	1	2	3	4	5
	<b>Projected Year</b>				
<b>Metered Revenues</b>					
3/4 Inch - Residential	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160
2 Inch - Residential	7,831	7,831	7,831	7,831	7,831
Subtotal	\$ 10,991	\$ 10,991	\$ 10,991	\$ 10,991	\$ 10,991
3/4 Inch - Commercial	\$ 99,056	\$ 99,056	\$ 99,056	\$ 99,056	\$ 99,056
1 Inch - Commercial	38,826	38,826	38,826	38,826	38,826
1 1/2 Inch - Commercial	41,494	41,494	41,494	41,494	41,494
2 Inch - Commercial	432,046	432,046	432,046	432,046	432,046
3 Inch - Commercial	209,941	209,941	209,941	209,941	209,941
Subtotal	\$ 821,362	\$ 821,362	\$ 821,362	\$ 821,362	\$ 821,362
Subtotal Metered Revenues	\$ 832,353	\$ 832,353	\$ 832,353	\$ 832,353	\$ 832,353
<b>Miscellaneous Revenues</b>					
3/4 Inch - Residential	\$ -	\$ -	\$ -	\$ -	\$ -
2 Inch - Residential	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -
3/4 Inch - Commercial	-	-	-	-	-
1 Inch - Commercial	-	-	-	-	-
1 1/2 Inch - Commercial	-	-	-	-	-
2 Inch - Commercial	-	-	-	-	-
3 Inch - Commercial	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Misc revenues	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 832,353</b>	<b>\$ 832,353</b>	<b>\$ 832,353</b>	<b>\$ 832,353</b>	<b>\$ 832,353</b>
<b>Revenue Recovery</b>					
Revenues from Mins	\$ 296,550	\$ 296,550	\$ 296,550	\$ 296,550	\$ 296,550
Revenues from Commodity	524,812	524,812	524,812	524,812	524,812
Total Revenues	\$ 821,362	\$ 821,362	\$ 821,362	\$ 821,362	\$ 821,362
% from Mins	36.10%	36.10%	36.10%	36.10%	36.10%
% from Commodity	63.90%	63.90%	63.90%	63.90%	63.90%

See Schedule 2a pages 4 through 10

Customer Counts  
 For Projected Years Ended

Line No.	Year Ended	Projected Year				
		1	2	3	4	5
1	3/4 Inch - Residential	2	2	2	2	2
2	2 Inch - Residential	1	1	1	1	1
3	Subtotal	3	3	3	3	3
4	3/4 Inch - Commercial	53	53	53	53	53
5	1 Inch - Commercial	12	12	12	12	12
6	1 1/2 Inch - Commercial	4	4	4	4	4
7	2 Inch - Commercial	19	19	19	19	19
8	3 Inch - Commercial	3	3	3	3	3
9	Subtotal	91	91	91	91	91
10	Total	94	94	94	94	94
11	1/2 Year Convention					
12	Year Ended	1	2	3	4	5
13	3/4 Inch - Residential	2.00	2.00	2.00	2.00	2.00
14	2 Inch - Residential	1.00	1.00	1.00	1.00	1.00
15	Subtotal	3.00	3.00	3.00	3.00	3.00
16	3/4 Inch - Commercial	53.00	53.00	53.00	53.00	53.00
17	1 Inch - Commercial	12.00	12.00	12.00	12.00	12.00
18	1 1/2 Inch - Commercial	4.00	4.00	4.00	4.00	4.00
19	2 Inch - Commercial	19.00	19.00	19.00	19.00	19.00
20	3 Inch - Commercial	3.00	3.00	3.00	3.00	3.00
21	Subtotal	91.00	91.00	91.00	91.00	91.00
22	Total	94.00	94.00	94.00	94.00	94.00

See Schedule 2a pages 4 through 10

Hydro Resources, Inc.  
Gallons Sold (1,000's)  
For Projected Years Ended

Exhibit  
Schedule 2a  
Page 3

Line No.	Year Ended	Projected Year				
		1	2	3	4	5
3	3/4 Inch - Residential	24	24	24	24	24
4	2 Inch - Residential	33	33	33	33	33
5	Subtotal	57	57	57	57	57
7	3/4 Inch - Commercial	1,448	1,448	1,448	1,448	1,448
8	1 Inch - Commercial	622	622	622	622	622
9	1 1/2 Inch - Commercial	1,237	1,237	1,237	1,237	1,237
10	2 Inch - Commercial	15,539	15,539	15,539	15,539	15,539
11	3 Inch - Commercial	8,776	8,776	8,776	8,776	8,776
12	Subtotal	27,622	27,622	27,622	27,622	27,622
13						
14						
15						
16						
17	Total Gallons Sold (in 1,000s)	27,679	27,679	27,679	27,679	27,679
18						
19	See Schedule 2a pages 4 through 10					
20						
21	<b>Purchased Water</b>					
22	Annual Gallons (in 1,000s) From Co. Wells	25,000	25,000	25,000	25,000	25,000
23	Less: Water Loss at 10% (in 1000s)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
24	Annual net gallons from Co. owned Well (in 1000s)	22,500	22,500	22,500	22,500	22,500
25	Gallons sold (in 1000s)	27,679	27,679	27,679	27,679	27,679
26	Addnl Gallons required to be purchased (in 1,000s)	5,179	5,179	5,179	5,179	5,179
27	Plus: Water Loss at 10% (in 1000s)	518	518	518	518	518
28	Gallons purchased (in 1,000s)	5,697	5,697	5,697	5,697	5,697
29	Cost Per 1,000 gallons	14.42	14.42	14.42	14.42	14.42
30	Total Purchased Water Cost	\$ 82,151	\$ 82,151	\$ 82,151	\$ 82,151	\$ 82,151
31						
32	<b>Pumping Power</b>					
33	Gallons Pumped (in 1,000s)	27,679	27,679	27,679	27,679	27,679
34	Cost Per 1,000 gallons (\$1.57 plus inflation at 2%)	\$ 1,601.4	\$ 1,633.4	\$ 1,666.1	\$ 1,699.4	\$ 1,733.4
35	Total Pumping Power Expense	\$ 44,325	\$ 45,212	\$ 46,116	\$ 47,038	\$ 47,979
36						
37	<b>Chemicals</b>					
38	Gallons Treated (in 1000s)	27,679	27,679	27,679	27,679	27,679
39	Cost Per 1,000 gallons (\$.05 plus inflation at 2%)	\$ 0.0510	\$ 0.0520	\$ 0.0531	\$ 0.0541	\$ 0.0552
40	Total Chemicals expense	\$ 1,412	\$ 1,440	\$ 1,469	\$ 1,498	\$ 1,528
41						
42						

**Hydro Resources, Inc.**  
**Schedule of Projected Revenues**  
**For the Years Ended**

Exhibit  
 Schedule 2a  
 Page 4

Line No.	Actual 2012	1	2	3	4	5
<u>Projected Customers / 3/4 Inch Meter - Residential</u>						
6	Estimated connections installed by year end (Cumulative)	2	2	2	2	2
8	Estimated connection installed during the year	2	-	-	-	-
10	1/2 Year Convention for Revenue	2.00	2.00	2.00	2.00	2.00
12	<u>Projected Revenue</u>					
14	Annual gallonage delivered (in 1,000's)	24	24	24	24	24
15	Assuming average usage per month of:					
16	Daily Gallons	67	67	67	67	67
17	Residential:					
18	Monthly Mins.	\$ 2,700	\$ 2,700	\$ 2,700	\$ 2,700	\$ 2,700
19	Commodity Rev.	460	460	460	460	460
20						
21	\$ 112.50 Minimum Charge					
22	- Gals. in minimum					
23	\$ 19.00 Charge per/1,000 up to 3,000 gals					
24	\$ 19.00 Charge per/1,000 up to 10,000 gals					
25	\$ 19.00 Over 10,001 gals					
26	Metered Revenues	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160
27						
28	Establishment Fees at	\$ -	\$ -	\$ -	\$ -	\$ -
29	Total Revenue	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160
30						
31						
32						
33						
34						
35						

**Hydro Resources, Inc.**  
**Schedule of Projected Revenues**  
**For the Years Ended**

Exhibit  
Schedule 2a  
Page 6

Line No.	Actual 2012	1	2	3	4	5
<u>Projected Customers / 1 Inch Meter - Commercial</u>						
6	Estimated connections installed by year end (Cumulative)	12	12	12	12	12
8	Estimated connection installed during the year	12	-	-	-	-
10	1/2 Year Convention for Revenue	12.00	12.00	12.00	12.00	12.00
12	<u>Projected Revenue</u>					
14	Annual gallonage delivered (in 1,000's)	622	622	622	622	622
15	Assuming average usage per month of:		4,322			
16	Daily Gallons	1,729	1,729	1,729	1,729	1,729
17	Commercial					
18	Monthly Mins. 6 Inch Meter	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000
19	Commodity Rev.	11,826	11,826	11,826	11,826	11,826
20						
21	Minimum Charge					
22	Gals. in minimum					
23	Charge per/1,000		25,000 gals			
24	up to					
25	Charge per/1,000		19.00			
26	Over					
27						
28	Metered Revenues	\$ 38,826	\$ 38,826	\$ 38,826	\$ 38,826	\$ 38,826
29	Establishment Fees at	-	-	-	-	-
30	Total Revenue	\$ 38,826	\$ 38,826	\$ 38,826	\$ 38,826	\$ 38,826

**Hydro Resources, Inc.**  
**Schedule of Projected Revenues**  
**For the Years Ended**

Exhibit  
Schedule 2a  
Page 7

Line No.	Actual 2012	1	2	3	4	5
Year						
<b><u>Projected Customers / 1 1/2 Inch Meter - Commercial</u></b>						
6	Estimated connections installed by year end (Cumulative)	4	4	4	4	4
8	Estimated connection installed during the year	4	-	-	-	-
10	1/2 Year Convention for Revenue	4.00	4.00	4.00	4.00	4.00
<b><u>Projected Revenue</u></b>						
14	Annual gallonage delivered (in 1,000's)		1,237	1,237	1,237	1,237
15	Assuming average usage per month of:					
16	Daily Gallons		3,435	3,435	3,435	3,435
17	Commercial					
18	Monthly Mins. 6 Inch Meter	\$	18,000	\$ 18,000	\$ 18,000	\$ 18,000
19	Commodity Rev.	-	23,494	23,494	23,494	23,494
20		\$	19.00	Charge per/1,000		
21				up to		
22		\$	19.00	Charge per/1,000		
23				Over		
24				50,000 gals		
25				50,000 gals		
26	Metered Revenues	\$	41,494	\$ 41,494	\$ 41,494	\$ 41,494
27						
28	Establishment Fees at	\$	25.00	-	-	-
29	Total Revenue	\$	41,494	\$ 41,494	\$ 41,494	\$ 41,494
30						
31						
32						
33						
34						
35						

**Hydro Resources, Inc.**  
**Schedule of Projected Revenues**  
**For the Years Ended**

Exhibit  
Schedule 2a  
Page 8

Line No.	Actual 2012	1	2	3	4	5
		Year				
<b><u>Projected Customers / 2 Inch Meter - Residential</u></b>						
6	Estimated connections installed by year end (Cumulative)	1	1	1	1	1
7	Estimated connection installed during the year	1	-	-	-	-
10	1/2 Year Convention for Revenue	1.00	1.00	1.00	1.00	1.00
12	<b><u>Projected Revenue</u></b>					
14	Annual gallonage delivered (in 1,000's)	33	33	33	33	33
15	Assuming average usage per month of:					
16	Daily Gallons	92	92	92	92	92
17	Commercial					
18	Monthly Mins. 6 Inch Meter	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
19	Commodity Rev.	-	-	-	-	-
20	Minimum Charge	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00
21	Gals. in minimum Charge per/1,000	up to 80,000 gals				
22	Charge per/1,000	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00
23	Over 80,000 gals					
24						
25						
26	Metered Revenues	\$ 7,831	\$ 7,831	\$ 7,831	\$ 7,831	\$ 7,831
27						
28	Establishment Fees at	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
29	Total Revenue	\$ 7,831	\$ 7,831	\$ 7,831	\$ 7,831	\$ 7,831
30						
31						
32						
33						
34						
35						

**Hydro Resources, Inc.**  
**Schedule of Projected Revenues**  
**For the Years Ended**

Exhibit  
Schedule 2a  
Page 10

Line No.	Actual 2012	1	2	3	4	5
<b><u>Projected Customers / 3 Inch Meter - Commercial</u></b>						
6	Estimated connections installed by year end (Cumulative)	3	3	3	3	3
8	Estimated connection installed during the year	3	-	-	-	-
10	1/2 Year Convention for Revenue	3.00	3.00	3.00	3.00	3.00
<b><u>Projected Revenue</u></b>						
14	Annual gallonage delivered (in 1,000's)	8,776	8,776	8,776	8,776	8,776
15	Assuming average usage per month of:	243,773				
16	Daily Gallons	24,377	24,377	24,377	24,377	24,377
17	Commercial					
18	Monthly Mins. 6 Inch Meter	\$ 43,200	\$ 43,200	\$ 43,200	\$ 43,200	\$ 43,200
19	Commodity Rev.	166,741	166,741	166,741	166,741	166,741
20						
21	Minimum Charge					
22	Gals. in minimum					
23	Charge per/1,000					
24	up to					
25	160,000 gals					
26	Charge per/1,000					
27	Over					
28	160,000 gals					
29						
30						
31						
32						
33						
34						
35						
26	Metered Revenues	\$ 209,941	\$ 209,941	\$ 209,941	\$ 209,941	\$ 209,941
27						
28	Establishment Fees at	-	-	-	-	-
29	Total Revenue	\$ 209,941	\$ 209,941	\$ 209,941	\$ 209,941	\$ 209,941

Hydro Resources, Inc.  
 Schedule for the Computation of Projected  
 Property Taxes for the Years Ended

Exhibit  
 Schedule 2b  
 Page 1

Line No.	1	2	3	4	5
Revenue Component 1	\$ 850,353	\$ 850,353	\$ 850,353	\$ 850,353	\$ 850,353
Revenue Component 2	850,353	850,353	850,353	850,353	850,353
Revenue Component 3	850,353	850,353	850,353	850,353	850,353
Average 3 years of revenue	\$ 850,353	\$ 850,353	\$ 850,353	\$ 850,353	\$ 850,353
Add:					
Construction Work in Progress at 10%	0	0	0	0	0
Deduct:					
Book Value of Transportation Equipment	11,032	7,358	3,684	290	0
Full Cash Value	\$ 839,321	\$ 842,995	\$ 846,669	\$ 850,062	\$ 850,353
Times Assessment Ratio	20.00%	20.00%	20.00%	20.00%	20.00%
Assessed Value	\$ 167,864	\$ 168,599	\$ 169,334	\$ 170,012	\$ 170,071
Property Tax Rate	11.00%	11.00%	11.00%	11.00%	11.00%
<b>Computed Property Tax</b>	<b>\$ 18,465</b>	<b>\$ 18,546</b>	<b>\$ 18,627</b>	<b>\$ 18,701</b>	<b>\$ 18,708</b>

Hydro Resources, Inc.  
 Projected Cash Flows  
 For the Years Ended

Exhibit  
 Schedule 3

Line No.	1	2	3	4	5
	<b>Projected Year</b>				
<b>Cash from Operations</b>					
Beginning Cash Balance	\$ 217,716	\$ 196,028	\$ 178,409	\$ 168,231	\$ 391,918
Income from Operations	174,774	157,628	155,770	155,448	160,354
Add Depreciation expense	57,723	77,753	74,052	68,238	57,574
<b>Total Cash From Operations</b>	<b>\$ 232,497</b>	<b>\$ 235,381</b>	<b>\$ 229,822</b>	<b>\$ 223,686</b>	<b>\$ 217,928</b>
<b>Cash from Financing</b>					
Deposits (security) collected	\$ -	\$ -	\$ -	\$ -	\$ -
Long-Term Debt	-	-	-	-	-
Common Equity	719,353	-	410,000	-	-
Advances in Aid of Const.	-	-	-	-	-
Contribution in Aid of Const. (Hook-up Fees)	-	-	-	-	-
Meter Deposits Collected	-	-	-	-	-
<b>Total Cash from Financing</b>	<b>\$ 719,353</b>	<b>\$ -</b>	<b>\$ 410,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Uses of Cash:</b>					
Long-term debt Repayment	\$ -	\$ -	\$ -	\$ -	\$ -
Advances Refunded	-	-	-	-	-
Meter Deposit Refunded	-	-	-	-	-
Deposit (Security) refunded	-	-	-	-	-
Capital Improvements - Plant	973,538	253,000	650,000	-	-
<b>Total Cash Uses</b>	<b>\$ 973,538</b>	<b>\$ 253,000</b>	<b>\$ 650,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Cash Balance</b>	<b>\$ 196,028</b>	<b>\$ 178,409</b>	<b>\$ 168,231</b>	<b>\$ 391,918</b>	<b>\$ 609,846</b>
<b>Net Cash Flow</b>	<b>(21,688)</b>	<b>(17,619)</b>	<b>(10,178)</b>	<b>223,686</b>	<b>217,928</b>
<b>Interest Income: Assuming Earning Equal to Inflation Factor on Average Cash Balance</b>					
Average Cash Balance	\$ 206,872	\$ 187,218	\$ 173,320	\$ 280,074	\$ 500,882
Interest Earned	\$ 4,137	\$ 3,744	\$ 3,466	\$ 5,601	\$ 10,018

Hydro Resources, Inc.  
Rate Base

Exhibit  
Schedule 4

Line No.	Project Year				
	1	2	3	4	5
3					
4	\$ 1,956,001	\$ 2,209,001	\$ 2,859,001	\$ 2,859,001	\$ 2,859,001
5	1,077,437	1,155,190	1,229,243	1,297,480	1,355,054
6					
7	\$ 878,564	\$ 1,053,811	\$ 1,629,759	\$ 1,561,521	\$ 1,503,947
8					
9					
10	\$ -	\$ -	\$ -	\$ -	\$ -
11	-	-	-	-	-
12	-	-	-	-	-
13					
14	59,156	59,791	60,440	61,101	61,776
15					
16					
17	\$ 937,720	\$ 1,113,602	\$ 1,690,198	\$ 1,622,622	\$ 1,565,722
18					
19					
20	\$ 172,597	\$ 153,490	\$ 152,026	\$ 151,982	\$ 154,753
21					
22	18.41%	13.78%	8.99%	9.37%	9.88%
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

**Hydro Resources, Inc.  
REPRESENTATIVE RATE SCHEDULE**

Exhibit  
Schedule 5  
Page 1

<u>LINE NO.</u>		<u>MONTHLY MINIMUM</u>	<u>GALLONS IN MINIMUM</u>
1			
2	<u>MONTHLY MINIMUMS:</u>		
3			
4	3/4 Inch	\$ 112.50	-
5	1 Inch	\$ 187.50	-
6	1 1/2 Inch	\$ 375.00	-
7	2 Inch	\$ 600.00	-
8	3 Inch	\$ 1,200.00	-
9	4 Inch	\$ 1,875.00	-
10	6 Inch	\$ 3,750.00	-
11	8 Inch	\$ 6,000.00	-
12			
13			
14			
15	<u>COMMODITY CHARGE PROPOSED RATES:</u>		
16			<u>Per 1000 gallons</u>
17	All meter sizes	All gallons	\$ 19.00
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
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40			
41			
42			
43			
44			

**Hydro Resources, Inc.**  
**REPRESENTATIVE RATE SCHEDULES**  
**STATEMENT OF CHARGES**

Exhibit  
Schedule 5  
Page 2

LINE  
NO.

1	A. Establishment of Service per Rule R14-2-403.D	Proposed	\$ 25.00
2			
3	B. Re-establishment of Service per Rule 14-2-403.D	see (a)	
4			
5	C. Reconnection of service per Rule R14-2-403.D.1	\$	30.00
6			
7	D. Charge for moving meter at customer request per		
8	Rule R14-2-405.B.5	@ Cost	
9			
10	E. After hours service charge, per hour, R14-2-403.D	\$	50.00
11			
12	F. Minimum Deposit per Rule R-14-2-403.B		
13			
14	H. Meter Reread per Rule R14-2-408	\$	15.00
15			
16	I. Charge for NSF Check per Rule R14-2-409.F.1	\$	25.00
17			
18	J. Late payment charge for delinquent bills		
19	as defined in Rule R14-2-409.C.1		1.50%
20			
21	K. Deferred Payment Finance Charge, R14-2-409.G		1.50%
22			
23	L. Service Line and Meter Installation per R14-12-405.B		
24		<u>Meter Size</u>	<u>Service Line</u> <u>Meter Installation</u> <u>Total</u>
25		5/8 x 3/4 inch	\$ 385.00 \$ 135.00 \$ 520.00
26		3/4 inch	415.00 205.00 620.00
27		1 inch	465.00 265.00 730.00
28		1 1/2 inch	520.00 475.00 995.00
29		2 Inch - Turbo	800.00 995.00 1,795.00
30		2 inch - Compound	800.00 1,840.00 2,640.00
31		3 inch - Turbo	1,015.00 1,620.00 2,635.00
32		3 Inch - Compound	1,135.00 2,495.00 3,630.00
33		4 Inch - Turbo	1,430.00 2,570.00 4,000.00
34		4 inch - Compound	1,610.00 3,545.00 5,155.00
35		6 Inch - Turbo	2,150.00 4,925.00 7,075.00
36		6 inch - Compound	2,270.00 6,820.00 9,090.00
37		8 Inch and Larger	Cost Cost Cost
38			
39	M. Main Extension and additional facilities agreements,		
40	per Rule R14-2-406.B	@ COST (b)	
41			
42	N. All Revenue related taxes will be charged customers.		
43			
44	<b>RULES AND REGULATIONS</b>		
45	* The Company has adopted the Rules and Regulation established by the Commission		
46	as the basis for its operating procedures. AAC R14-204-01 Through ACC R14-2-411		
47	will be controlling of Company procedures, unless specific Commission Orders		
48	provide otherwise.		
49	(a) Monthly minimum times months off the system		
50	(b) Cost to include parts, labor, overhead, and all applicable taxes, including income tax.		
51	(c) If meter is reading correct per rule.		

# Exhibit U



# Exhibit V

September 10, 2013

Mr. Will Wright  
Town Manager  
Town of Tusayan  
P.O. Box 709  
845 Mustang Drive  
Tusayan, AZ 86023

Re: Application for Certificated Area

Dear Mr. Wright:

On September 12, 2013, Hydro-Resources, Inc. filed an application with the Arizona Corporation Commission for a certificate of convenience and necessity for the provision of water service within the town limits of Tusayan.

The application has been docketed by the Commission in Docket No. \_\_\_\_\_. If the application is approved, Hydro-Resources, Inc. plans to provide water service in the area for all residential and commercial purposes.

I have enclosed a copy of the application for your files. A description of the proposed service area is included within the application.

Very truly yours,

John W. Rueter  
President and C.E.O

Enclosure

cc: \_\_\_\_\_

# Exhibit W

[insert current date]

«PropertyOwner»  
«Address1»  
«Address2»  
«City» «State» «PostalCode»

RE: COCONINO COUNTY ASSESSOR'S PARCEL NO.: «ParcelNumber»

PUBLIC NOTICE OF AN APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY BY HYDRO-RESOURCES, INC.

Hydro-Resources, Inc. has filed with the Arizona Corporation Commission ("Commission") an application for authority to provide water utility service to an area in which records indicate that you are a property owner. If the application is granted, Hydro-Resources, Inc. would be the provider of water utility service to the proposed area. The Commission will require Hydro-Resources, Inc. to provide this service under rates and charges and terms and conditions established by the Commission. The application is available for inspection during regular business hours at the offices of the Commission at 1200 West Washington Street, Phoenix, Arizona and at Hydro-Resources, Inc., 549 Camper Village, Grand Canyon, Arizona.

The Commission will hold a hearing on this matter. As a property owner you may have the right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless you request it.

If you have questions or concerns about this application, have any objection to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Arizona Corporation Commission at 1200 West Washington St., Phoenix, Arizona 85007 or call 1-800-222-7000.

John W. Rueter  
President/C.E.O.

# Exhibit Z-1

HYDRO RESOURCES

ARIZONA DEPARTMENT OF TRANSPORTATION

By: JOHN RUETER

JOHN HALIKOWSKI, DIRECTOR

Title: PRESIDENT

By: Mona Aglan

Its: John Rueter

Mona Aglan, P.E., Statewide Utility Engineer  
Utility & Railroad Engineering Section

Date: 3/31/2010

Date: 4/1/2010

**ACKNOWLEDGMENT BY UTILITY**

STATE OF ARIZONA )  
 ) ss  
COUNTY OF COCONINO )



The foregoing instrument was acknowledged before me this 31<sup>st</sup> day of March 2010, by John Rueter, the President on behalf of the corporation.

My Commission Expires:  
July 30, 2010

Ilse R. Harvey  
Notary Public

**ACKNOWLEDGMENT BY STATE**

STATE OF ARIZONA )  
 ) ss  
COUNTY OF MARICOPA )

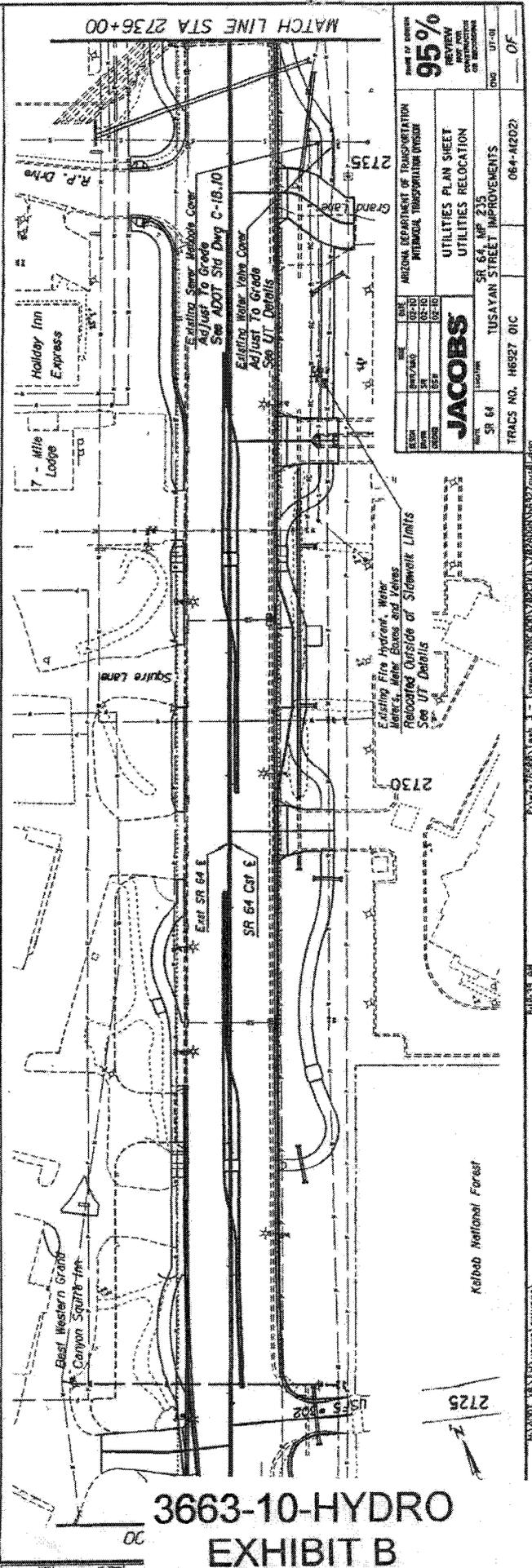
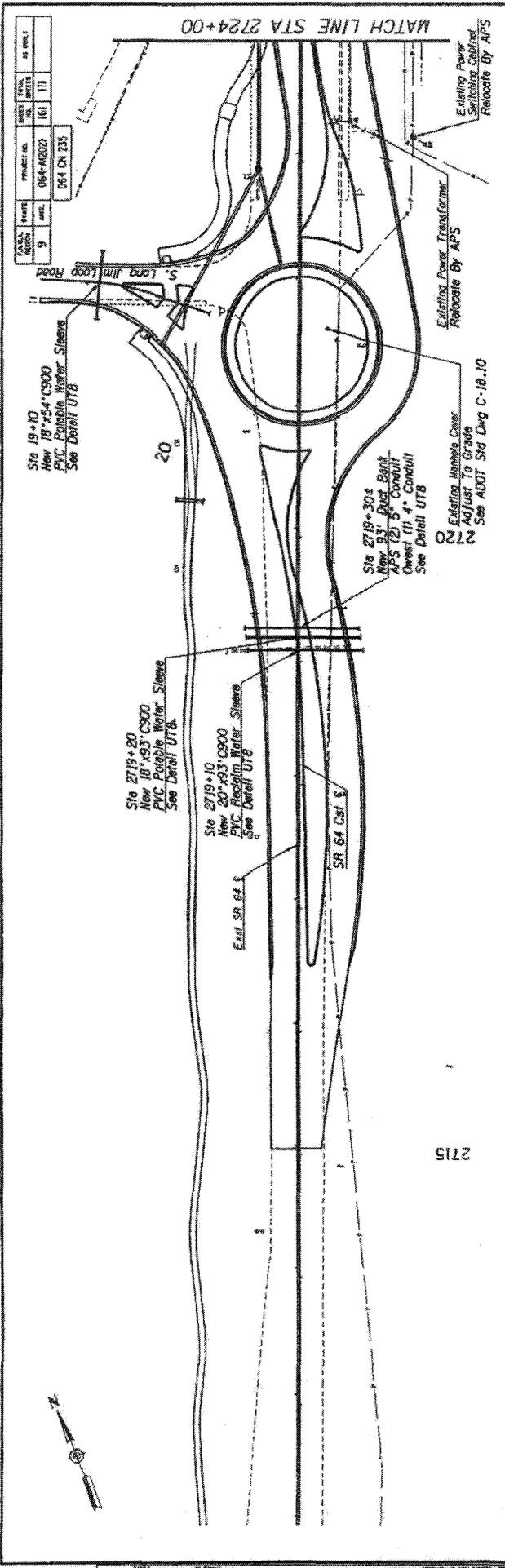
The foregoing instrument was acknowledged before me this 1<sup>st</sup> day of April, 2010, by Mona Aglan, P.E., Statewide Utility Engineer, Arizona Department of Transportation.

My Commission Expires:  
March 24, 2012

Amy Butz  
Notary Public



Agreement # 3262-10-HYDRO



DATE	BY	REVISION
9		

PROJECT NO.	064-A2022
SHEET NO.	161
TOTAL SHEETS	111

064 ON 235

Sta 19+10  
New 18" x 24" CS900  
PVC Potable Water Slience  
See Detail U78

Sta 2719+20  
New 18" x 33" CS900  
PVC Potable Water Slience  
See Detail U78

Sta 2719+10  
New 20" x 33" CS900  
PVC Potable Water Slience  
See Detail U78

Sta 2719+30.4  
New 93' Duct Bank  
APS (2) 5" Conduit  
West (1) 4" Conduit  
See Detail U78

Existing Manhole Cover  
Adjust To Grade  
See ADOT Std Dwg C-18.10

Existing Power Transformer  
Relocate By APS

Existing Power  
Sertificating Cabinet  
Relocate By APS

MATCH LINE STA 2724+00

MATCH LINE STA 2736+00

3663-10-HYDRO  
EXHIBIT B

DATE	BY	REVISION
06/10/2022	JAC	
06/15/2022	JAC	
06/16/2022	JAC	

**JACOBS**

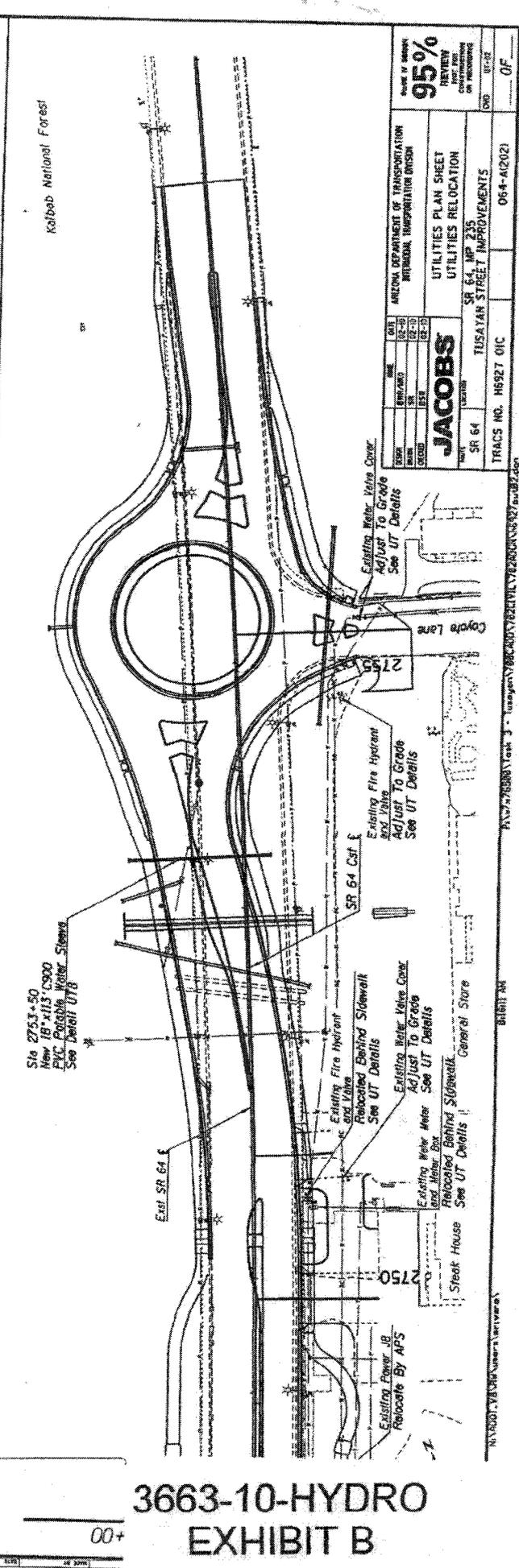
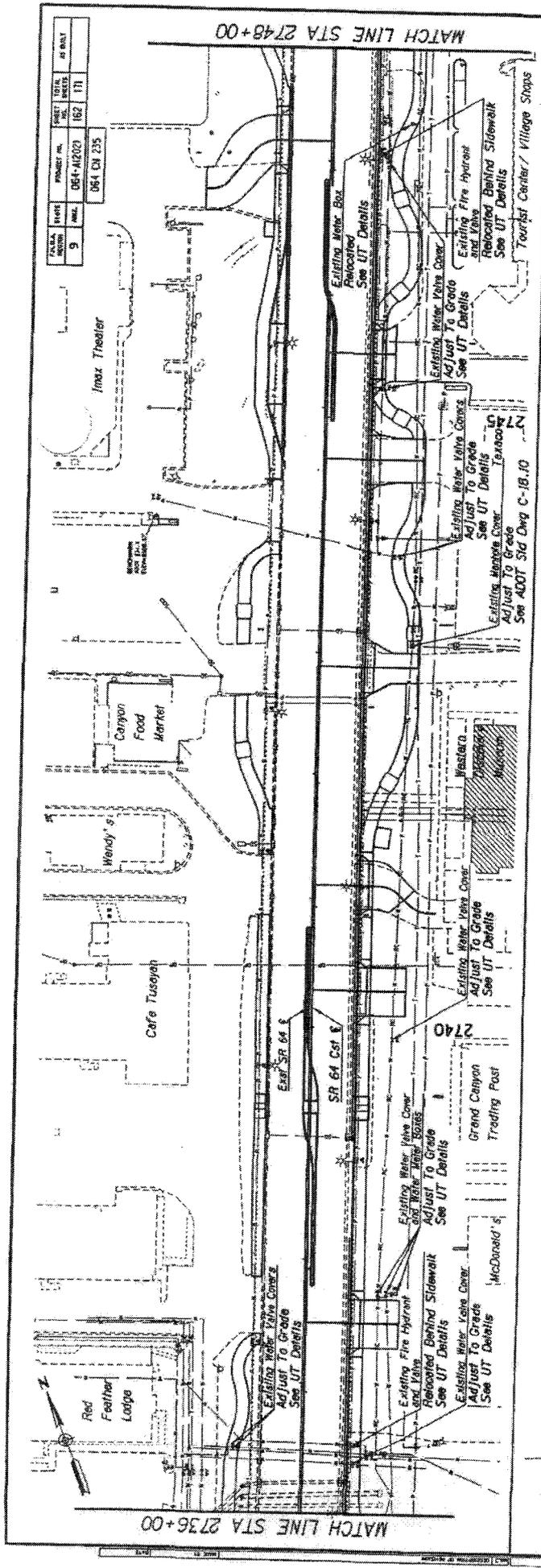
ARIZONA DEPARTMENT OF TRANSPORTATION  
INTEGRAL TRANSPORTATION DIVISION

UTILITIES PLAN SHEET  
UTILITIES RELOCATION

SR 64, MP 235  
TUSAYAN STREET IMPROVEMENTS

PROJECT NO. 064-A2022

95%  
NOT FOR CONSTRUCTION



3663-10-HYDRO  
EXHIBIT B

DATE	BY	CHKD.	APP'D.
06-14-2023	06-14-2023	06-14-2023	06-14-2023
162	171		

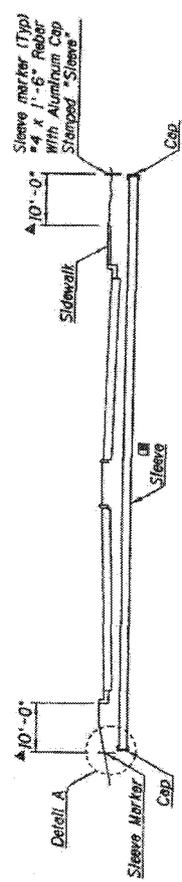
DATE OF SHEET: 06-14-2023  
 REVIEW: 95%  
 PREPARED BY: JACOBSON  
 PROJECT NO.: SR 64, MP 235  
 TUSAYAN STREET IMPROVEMENTS  
 TRACS NO. H8927 01C  
 06-14-2023

JACOBS ENGINEERING GROUP, INC. 1000 N. GILBERT AVENUE, SUITE 100, TUSAYAN, ARIZONA 85629

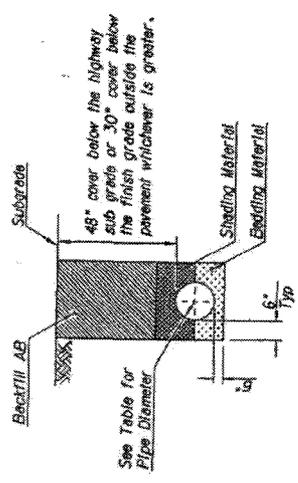
DATE	NO.	BY	REVISION
9			
PROJECT NO.	DATE	SCALE	AS SHOWN
064-A1202	064-A1202	1:1	1:1
PROJECT NAME			NO.
064 CH 235			111

**GENERAL NOTES:**

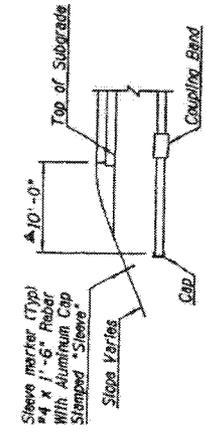
1. Sleeves shall be installed in a trench condition. See Std Dwg C-13.15.
  2. Bedding and back fill material shall be as used on project.
  3. Pipe installation shall conform to Section 501 of Std Specs.
  4. The contractor shall imprint a 4" x high letter "S" on the face of all curbs at sleeve locations. The width of the letter shall be 1/2" and shall penetrate the concrete surround/2".
  5. For non-continuous sleeves under crossroads, Std Dwg C-05.10 Type "A-1" curb shall be required where median is irrigated. See plans for locations.
  6. Materials used for caps or plugs shall be as recommended by the pipe supplier and approved by the Engineer.
  7. The exact location of sleeves can be adjusted as necessary for a best fit to existing or proposed conditions.
- Sleeves shall be installed parallel to the roadway subgrade. Slopes may vary in super-elevated sections. Minimum slope minimal to drain.
- ▲ The sleeve must extend 10" beyond the back of curb, edge of pavement or back of walkway whichever is greater.



DUCT / SLEEVE UNDER MAINLINE



TYPICAL PIPE INSTALLATION



DETAIL A  
SLEEVE TERMINATION  
AT ELEVATED ROADWAY

TABLE

Location	Facility	Sleeve Material	Diameter	Length
Sta 2719+10	Reclaimed Water	C900 PVC	20"	93'
Sta 2719+20	Potable Water	C900 PVC	18"	93'
Sta 2719+30	AFS / Overst	Sched. 40 PVC (20'-5" / 17'-4")	18"	93'
Sta 2753+50	Potable Water	C900 PVC	18"	113'
Sta 79+10	Potable Water	C900 PVC	18"	54'

3663-10-HYDRO  
EXHIBIT B

ARIZONA DEPARTMENT OF TRANSPORTATION  
INTERNAL TRANSPORTATION DIVISION

**JACOBS**

SR 64  
TUSAYAN STREET IMPROVEMENTS

DATE: 06-14-2023  
SCALE: 1:1

95%  
FINAL REVIEW  
CONSTRUCTION  
ON RESUBMITTAL

PROJECT NO. 064-A1202  
SHEET NO. 111 OF 111

TRACS NO. H6927 01C  
DATE: 06-14-2023



**Arizona Department of Transportation**  
**Intermodal Transportation Division**  
206 South Seventeenth Avenue Phoenix, Arizona 85007-3213

Janice K. Brewer  
Governor

John S. Halikowski  
Director

Floyd Roehrich Jr.  
State Engineer

April 5, 2010

HYDRO Resources, Inc.  
John Rueter, President  
P.O. Box 3246  
Grand Canyon, Arizona 86023

RE: Project 064-A(202)  
TRACS 64 CN 235 H69327 01C  
Highway State Highway SR 64  
Location Tusayan Street Improvements

Mr. Rueter,

Attached for your use and files is a copy of the fully executed Utility Agreement 3260-10-HYDRO. Your check for \$21,528.00 has been deposited in the project account. It is still the intention of ADOT to advertise the project for bids in late April or early May of this year in order to ensure a one season project.

Thank you for your assistance and input in the design of the project and we look forward to continuing that relationship as the project begins actual construction. Please feel free to contact me if you have any questions.

Respectfully,

A handwritten signature in dark ink, appearing to read "Wayne L. Smith", is written over a horizontal line.

Wayne L. Smith, Utility Coordinator  
1801 S. Milton Road, Flagstaff AZ 86001  
928.779.7535



Intermodal Transportation

Janice K. Brewer, Governor  
John S. Halikowski, Director  
Jennifer Toth, State Engineer  
Robert Samour, Senior Deputy State Engineer, Operations  
Dallas Hammit, Senior Deputy State Engineer, Development

June 5, 2013

Hydro Resources  
John Rueter  
PO Box 3294  
Grand Canyon, AZ 86023

Re: ADOT Encroachment Permit No.: 1210898  
Purpose: Water line improvements  
Location: SR 64, mp 235.54

Dear John:

This courtesy notice is to advise you that the above referenced highway encroachment permit for the purpose noted will expire on **06/26/13**.

Should the permit purpose not be complete and the need for an additional period of time be necessary in order to complete the permit, an extension to the permit expiration date may be requested. Extensions to the expiration date of the permit may be requested in amounts up to 90 days.

Should the permit work be complete or there be expectation of completion by the current expiration date, please notify this office and a final inspection of the work by ADOT personnel will be made.

If the permit is no longer necessary and work specified by the permit will not be pursued please notify this office of the circumstances. The permit will then be cancelled and a new request may be made should the work be attempted in the future.

Please contact this office in writing at the address, fax or email noted below.

Thank you,

Chuck King  
Permits Inspector  
Arizona Department of Transportation  
Flagstaff District  
1801 S. Milton Rd.  
Flagstaff, AZ 86001  
Phone 928.779.7558  
Fax 928.779-5905

C: File



Intermodal Transportation

Janice K. Brewer, Governor  
John S. Halikowski, Director  
Jennifer Toth, State Engineer  
Robert Samour, Senior Deputy State Engineer, Operations  
Dallas Hammit, Senior Deputy State Engineer, Development

June 6, 2013

Hydro Resources  
John Rueter  
PO Box 3294  
Grand Canyon, AZ 86023

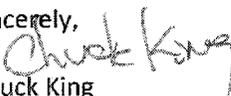
Attn John:

This letter will serve to advise you that the original completion date of your permit has been extended based on review of your request.

PERMIT NUMBER	1210898
PURPOSE	Water line improvements
LOCATION	SR 64 mop 235.54
ORIGINAL COMPLETION DATE	06/26/13
NEW COMPLETION DATE	09/26/13

Thank you in advance for ensuring that the permit work is completed within the new time frame established by this extension.

Sincerely,

  
Chuck King  
Permits Inspector  
1801 S. Milton Rd.  
Flagstaff, AZ 86001  
Phone: 928.779.7558  
Fax: 928.779.5905  
[Cking2@azdot.gov](mailto:Cking2@azdot.gov)

CC: Area Maintenance Foreman  
Maintenance Permits, Phoenix  
File

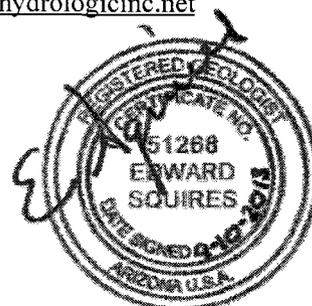
# Exhibit Z-5

# Hydro Logic, Inc.

1002 W. Franklin Street, Boise, ID 83702 (208) 342-8369. Fax (208) 342-3100, hli@hydrologicinc.net

## TECHNICAL MEMORANDUM

**TO:** John Rueter/ Hydro Resources Inc. / Tusayan, Arizona  
**FROM:** Ed Squires/ Hydro Logic, Inc. / Boise, Idaho  
**DATE:** September 10, 2013  
**SUBJECT:** Tusayan, Arizona Ground Water-Level/Production Monitoring Plan



Exp. 9 / 30 / 2016

### OVERVIEW

Hydro Resources Inc. (HRI) has access to water supplies provided from two deep public drinking water supply wells in Tusayan, Arizona. These are the "Squire Well #1" and the "Tusayan Well #2, drilled and constructed in 1989 and 1994, respectively. These two water wells comprise the lion's share of the ground water supply for the town of Tusayan with approximately 40 million gallons of ground water per year being produced from these two wells.

Tusayan, AZ is located on the Coconino plateau adjacent to the Grand Canyon where surface and ground water supplies are believed by some to be in short supply such that there are have been expressed concerns about the affects of additional ground water development on existing water users from the regional Redwall-Muav limestone aquifer (RMA) and on natural spring discharges in Grand Canyon National Park.

Although a significant body of scientific research and studies of the geologic structures and stratigraphy exists for the general area, useful hydrogeologic studies are almost non-existent. A numerical computer model has been developed for the regional RMA but the model is based on only a handful (five) of questionable spot water level measurements (of unspecified origin) and many unsupported assumptions. Therefore the model predictions must be viewed with a very high degree of scientific uncertainty and should not be relied upon to simulate ground water/surface water interconnections in this hydrogeologic setting because the model has almost no essential high-quality hydrogeologic data on which to base its predictions on and/or to calibrate to. Unfortunately, such hydrogeologic data does not exist for the Tusayan area even though water wells have been in existence here for many decades. There are also no quality constant-rate discharge hydraulic test data for the Tusayan wells because such tests are typically conducted on newly completed water wells. All researchers agree, however, that the hydrogeologic data base is lacking and inadequate for meaningful studies.

Needed, are long-term, high quality, defensible and interpretable water level and ground water production monitoring data from area wells. Such data are the essential baseline information from which much can be interpreted about the aquifer and upon which additional studies and evaluations can be based. The monitoring plan that follows is aimed at providing a high-quality and consistent ground water monitoring database as a first step in characterizing the ground water resource in this area aimed at answering the expressed concerns for ground water / surface water interference effects and from which any future impacts to the aquifer and springs from increased pumping may be assessed. Without such good-quality ground water monitoring data, it will never be possible to understand and/or characterize the hydrogeologic setting in the RMA beneath Tusayan.

Good quality water level data are often found to be lacking in ground water basins because ground water level monitoring is both a difficult and expensive task to accomplish in any meaningful way. When water levels in wells are as deep below land surface (bls) as they are in the Tusayan area (~2,400 feet bls), the difficulty in obtaining high-quality monitoring data is increased significantly owing to a host of circumstances including 1) small diameter well bores/casings filled with submersible pump columns and inadequately secured electrical power cables, 2) deviated (crooked) well bores, 3) lack of technical knowledge of how the water level data can and will be used on the part of water system operators, 4) failure and drift of down hole digital instruments, 5) the time and expense of incorporating monitoring tubes into the pumping plant installation and removal processes, 6) lack of consistency of measurements due to lackadaisical monitoring practices, 7) remoteness of the site to be monitored, and 8) a general ignorance of the importance and usefulness of the data to long-term characterization of the water resource

To commence a meaningful monitoring of the source aquifer pressures, to be able to quantify the sustainability of the ground water resource, and to monitor its own effects from pumping, HRI contracted with Hydro Logic, Inc. (HLI) to develop and formalize a water level/water production monitoring and reporting plan. Two production supply wells have been identified for water level monitoring (Tusayan Well #2 and the Squire Well #1) because HRI has long-term access and/or ownership of these wells. Given the almost complete absence of hydrogeological data in this area, the proposed HRI monitoring plan will constitute a major contribution to understanding and characterizing the regional aquifer near Tusayan. In addition to the two-well monitoring network, ground water levels and pumped ground water volume will be monitored in any future water supply production wells if they are constructed and brought into production. The details of the monitoring plan, including the protocols, instrumentation, types of measurements, proposed timelines for measuring, and reporting requirements are presented below:

### **WELLS TO BE MONITORED**

The Tusayan Well #2 and the Best Western "Squire Inn Well #1 (the original well in Tusayan) have been selected for initial and long-term monitoring. These wells are currently not equipped with monitoring pipes to enable deep water level measurements with electric well sounders or emplacement of digital pressure-transducer/data-loggers. As such, the monitoring plan contemplates that the required monitoring tubes and equipment will be installed whenever the pumping plants for these wells are extracted for repair and replacement. Because of the great risk in damaging a well facility, and the expense of removing and replacing submersible pumping plants to such depths in the Tusayan wells, it is not advisable from a safety standpoint, nor economically feasible, to remove an existing pumping plant solely for the purpose of equipping the well with monitoring equipment. Rather, this monitoring plan envisions emplacing the monitoring equipment opportunistically as pumping plants are extracted for repair and/or replacement. This requires HRI to purchase and have ready the monitoring equipment and instruments, including the hydrogeological expertise and on-site inspection services, to be available when an emergent failure of any component of a pumping plant necessitates removal and repair of one of the pumping plants in these wells. HRI recognizes that monitoring is an essential component of water well operation such that installation of the monitoring devices is

equally as important as installation of the pumping plant itself such that compromising the ability to monitor a well is not an option in the rush to bring a failed plant back on line. Once a well has been equipped with monitoring capability, that capability shall not be compromised during any future pump extractions and/or replacements because this would result in years of "lost" data. If HRI constructs any additional well for its water system, such well shall be subject to monitoring requirements in this Monitoring Plan.

### MONITORING RESPONSIBILITY

HRI, as the current owner and operator of the Tusayan water system, has the primary responsibility for its ground water monitoring program. John Rueter is the current president and CEO of HRI. John can be contacted at:

John Rueter, President  
Hydro Resources Inc.  
P.O. Box 3246  
Grand Canyon, AZ 86023  
(928) 638-3336 office  
[rueter.jw@gmail.com](mailto:rueter.jw@gmail.com) e-mail

Currently, HRI has charged Ed Squires of HLI with operating its monitoring network and to interpret and report on its findings<sup>1</sup>. HLI can be contacted at:

Ed Squires, President  
Hydro Logic, Inc.  
1002 W. Franklin Street  
Boise, Idaho 83702  
(208) 342-8369 office  
[ed@hydrologicinc.net](mailto:ed@hydrologicinc.net) e-mail

### MONITORING INSTRUMENTS AND EQUIPMENT

All ground water level measurements will be obtained from a combination of electronic pressure-transducer/digital data-logger instruments calibrated to, and verified with, periodic manual measurements using non-stretch electric well sounders. The digital water level measurements<sup>2</sup> are taken with *Solinst Gold Levelogger*® (or equivalent) non-vented pressure-transducer/data-loggers suspended within dedicated monitoring tubes using stainless steel and/or

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<sup>1</sup> Hydro Logic, Inc. is currently contracted to conduct HRI's monitoring but this function shall be accomplished by whatever consultant is hired by HRI, by HRI itself, or by HRI's successors.

<sup>2</sup> The pressure-transducer/data-logger measures the weight of the water column over the instrument (plus barometric pressure). The weight of the water column is converted to feet of water over the pressure-transducer by the software of the instrument. To convert these pressures to depth-to-water, the thickness of the water column over the transducer must first be subtracted. The hand-measured depth-to-water is then added to the corresponding data-point and used to calibrate the digital data.

Kevlar® braided cable to suspend and remove instruments in/from the designated monitoring tubes. Braided cables shall be periodically replaced if wear is apparent. A digital barometric data-logger, such as a *Solinst Barologger*® (or equivalent), installed inside of the pump house or well casing well located on HRI property, will be used to record changing atmospheric pressure and to compensate the pressure readings of the unvented data loggers by subtracting the component of water level fluctuations caused solely by changes in barometric pressure<sup>3</sup>. Manual water level measurements, using non-stretch electric water level tapes, such as manufactured by *Testwell Instruments*® will be used to convert the water level pressures to depth-to-water measurements. All hand measurements will be recorded and reported to 0.01 foot.

### MEASUREMENT INTERVALS

All electronic data loggers will measure and record water levels at 3-hour intervals.<sup>4</sup> Manual on-site measurements will be taken at a minimum of six times per year: a minimum of three during the seasonal high water-level period (January through early March) and a minimum of three during the seasonal low water-level period (September through October)<sup>5</sup>.

### WATER LEVEL PROCESSING AND ANALYSIS

Each data logger will be removed from the well and connected to a portable computer (PC) for data uploading. The data from the digital instrument (time and pressure) will be transferred to the PC, brought back to the office and then processed using *MS Excel*®. Raw data logger readings first will be converted to pressure above the data logger by subtracting the simultaneously-measured atmospheric pressure (*Barologger*® or equivalent) data. All the digitally-measured water levels will be converted to depth-to-water measurements using the manually-measured water level recorded prior to removal of the data logger. The Barometric Efficiency (BE) effects of the aquifer<sup>6</sup> will also be removed using the method outlined in the Ground Water Manual (US Department of the Interior, 1981).

The following equation is the accepted industry standard for aquifer BE corrections and will be used in the interpretive reports:

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<sup>3</sup> The barometric efficiency of the Redwall-Muav aquifer, assumed to be high, will also be able to be ascertained from this continuous data.

<sup>4</sup> For long-term monitoring, and to ensure adequate battery life and reasonably manageable data file size, six daily measurements (every three hours) are considered optimal for future hydrogeological analysis and to best calibrate the digital data to hand-measured water levels. The data files can easily be pared down in size with MS Excel for long-term data storage if desired.

<sup>5</sup> Unless the seasonal water-level highs and lows are found to occur at different annual time periods (they are currently not known)

<sup>6</sup> Barometric Efficiency ("BE") of an aquifer describes how changes in barometric pressure affect water levels (or pressures) in the *aquifer* compared with how the same change in barometric pressure affect water levels in a *well* open to the atmosphere. In an aquifer with a BE of 50 percent, a barometrically-caused change in *well* water level of 1 foot, results in a change in *aquifer* water level (or pressure) of 0.5 feet. Well water level data are corrected for BE to indicate what the water levels in the aquifer would be, were there no well (open to the atmosphere) completed in the aquifer. Calculation of BE is somewhat subjective to the assumptions and interpretation of the analyst. Therefore, it is an interpretation rather than data and the calculation of BE will be included in the interpretive Monitoring Reports of this monitoring plan.

$$WL_{\text{aquifer}} = WL_{\text{well}} + [(P_t - P_{\text{ave}}) * BE]$$

- WL<sub>aquifer</sub> = corrected depth-to-water in the aquifer, in feet
- WL<sub>well</sub> = depth-to-water in the well calibrated to the manual measurement, in feet
- P<sub>ave</sub> = mean atmospheric pressure for the year, in feet of water
- P<sub>t</sub> = atmospheric pressure at the time of each measurement, in feet of water
- BE = dimensionless scaling factor of Barometric Efficiency (varies 0 to 1.0)

The BE correction factor applied to each well will be calculated from water levels and atmospheric pressure data recorded during periods when no pumping is occurring in the vicinity of the HRI wells and seasonal water-level-trend effects are relatively small. The BE correction factor derived will be based on the best available data from the monitoring. If better data become available and a better BE correction factor becomes available, then an improved value and its derivation shall be reported on. The raw data to be processed and analyzed will be submitted to HRI twice per year as described below in the Interpretation and Reporting section of this report.

Individual well head equipment and instrument specifications (examples attached as Appendix A to this document) for the actual installed equipment will be included in the monitoring plan and subsequent reports as appendices. Additionally, annotated photos of the two wellheads, GPS coordinates, and reference measurement point distances above ground level will be recorded and presented with the monitoring data.

## WELL HEAD CONFIGURATIONS AND FIELD-MONITORING PROTOCOLS

### 1. **Tusayan Well #2<sup>7</sup>.**

#### a. Flow-Meter:

- i. All HRI water supply wells will be equipped with high-quality electromagnetic induction flow-meters manufactured by national suppliers.
- ii. All flow-meters will either be new, factory-calibrated meters or, for used and/or aging meters, the meter will be calibrated every five years in the installed state. The rated discharge range of the installed pumping plant and will indicate instantaneous flow and total volume pumped.

#### b. Measurements when Well #2 is on line and actively pumping:

- i. Water system personnel from HRI or its successor will visit all pumping wells at least one time per week.

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<sup>7</sup> Also known as the Siebold-Halvorson Well in some reports.

- ii. Flow-meter totalizer readings, instantaneous flow rate readings, and date and time of measurement will be manually recorded on a pump-house chart.
- c. Monitoring Tubes:
- i. Two, designated 1¼-inch diameter, coupled galvanized steel monitoring tubes will be installed with and attached to, the pump column with the lower end just above the pump bowl assembly.
  - ii. Two monitoring tubes are planned to provide one designated tube for the digital instruments and a second tube for electric sounder and air-line<sup>8</sup> pressure water level measurements.
  - iii. The well is open to the RMA through 683 feet of open, unlined limestone borehole below the 8-inch diameter steel casing over the depth interval from ~2,301-to-2,984 feet below ground.
  - iv. The well is “fully-penetrating” through the RMA.
  - v. Well #2 is currently protected by a removable, locking, pump house enclosure.
  - vi. If necessary, the wellhead will be modified to incorporate the monitoring tubes.
  - vii. Any changes in grade and/or well head elevation will be carefully documented to maintain a consistent measuring datum.
- d. Digital Data Acquisition:
- i. Two Model # 3001 LT F300 “*Levellogger*” ® data-logger/pressure-transducers, produced by Solinst Canada (or equivalent), will be suspended within the well on a 1/16-inch diameter braided stainless steel or *Kevlar*® cable inside of a designated (for that purpose only) steel monitoring tube.
  - ii. Two removable data-loggers are to be installed in the monitoring tube in an attempt to prevent data loss in the event of a failure of one of the instruments, e.g. as a back-up<sup>9</sup>.
  - iii. In addition to the removable instruments, a third data-logger will be permanently affixed to the base of the pump column to be accessible and downloaded only when the pumping plant is removed from the well.
  - iv. These instruments record a combination of pressure of water and atmospheric pressure over the transducer along with the time of measurement. Measurement accuracy of the instrument is 0.05 percent of full scale (300 feet), or about 0.15 feet (about one inch).

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<sup>8</sup> For this use, the coupled joints of the monitoring tubes must be sealed with an NSF-approved pipe compound and anti-seize properties. The precise length of the monitoring tube must be known to be able to use the air-line method of water-level measurement effectively. It is anticipated that the consultant responsible for the monitoring program will be on site to observe the installation of the monitoring tubes.

<sup>9</sup> Even the best of these types of instruments can fail or develop “drift” within a few years of deployment. Only through duplicative data-sets can one ensure that the data record is not interrupted and only with uninterrupted data sets can meaningful information about the aquifer be interpreted beginning about five years after the commencement of monitoring.

- v. The data-logger and battery are capable of recording and storing ~24,000 data points (measurements) such that at six measurements per day, the instrument could record and store data for 10 years which is the approximate expected battery life.
  - vi. The serial number of the installed instrument will be recorded in the raw data files. If a replacement data logger is required, a description of the new data logger, its serial number, its range and accuracy will be noted in the raw data files. An explanation for any instrument replacements will be included in the next annual interpretative report prepared after replacement.
  - vii. Because Well #2 is equipped and used as a water supply well, it will be similarly equipped with the same monitoring devices used to monitor all other production wells depending on the equipment specified for the water system.
- e. Measuring Datum:
- i. Measuring point is inside upper edge of the well head casing.
  - ii. HRI shall remain vigilant for an opportunity to have the well head measuring datum surveyed with a “survey-grade” GPS instrument when and if such an instrument is brought to town for another purpose.
- f. Barometric Efficiency:
- i. The barometric efficiency (BE) of this well will be calculated from the best available data as described above and reported in the interpretive reports.
  - ii. The annual mean of the recorded fluctuations of the variations in atmospheric pressure, as measured by the HRI site barometer, will be calculated from the monitored data.
- g. Monitoring Protocol:
- i. With each site visit, the well head condition will be inspected for any tampering or damage to the casing which would be documented along with weather conditions (temperature, precipitation or any other factors that might affect data reading, data reporting, or data interpretation).
  - ii. The lower 5 feet of the clean electric water level tape is sterilized in a chlorine bleach solution.
  - iii. The depth-to-water is measured to the nearest 0.01 ft using a hand-held electric tape measure (with readings to 0.01 ft). The depth-to-water is measured to the inside lip of the open well head casing (the “measuring point) for which an annotated photograph will be supplied to document the measuring point with respect to ground level. The tape is lowered to a depth that shows a full-scale electric conductance connection with the water column surface in the well. The total depth-to-water from the measuring point and the time of measurement are recorded.
  - iv. The depth-to-water measurement is repeated one or more times to verify its accuracy and repeatability.

- v. When Well #2 is being pumped, the electric tape may not be as accurate as a means of measuring pumping water levels owing to normal fluctuations in the water surface under pumping conditions. In this case, an average pumping water level will be recorded using multiple readings from the non-stretch electric well sounding tape (such as manufactured by *Testwell Instruments*®).
- vi. The data logger is then removed with the cable carefully wound up and the entire assembly (data logger, cable and cap to the 1-inch steel monitoring tube) is placed on a clean plastic tarp to maintain cleanliness of the logger assembly while the data is uploaded to the PC. Every safeguard will be exercised to avoid introducing bacteria or any other substance into the well during monitoring.
- vii. The data-logger is connected to a portable PC. Using the appropriate software and peripherals, the data from the data logger are transferred to the PC.
- viii. The data logger is reset (memory cleared) if and only if a previous upload of data has been duplicated and therefore verified.
- ix. The battery life of the data-loggers will be taken into account and replaced before the expected lifetime of the instrument's to avoid problems.
- x. The data logger is returned to the monitoring tube and the depth-to-water re-measured as per step iii, above.
- xi. The well head security enclosure is closed and locked with the lock double-checked.
- xii. In the event of a removal of the pumping plant, the caged data-logger at the base of the pump column will be removed, downloaded, and replaced with a new data-logger when the well pump is reinstalled in the well.

## 2. Best Western "Squire Inn" Well #1<sup>10</sup>.

### a. Flow-Meter:

- i. All HRI water supply wells will be equipped with high-quality electromagnetic induction flow-meters manufactured by national suppliers.
- ii. All flow-meters will either be new, factory-calibrated meters or, for used and/or aging meters, the meter will be calibrated every five years in the installed state. The rated discharge range of the installed pumping plant and will indicate instantaneous flow and total volume pumped.

### b. Measurements when the Squire Well #1 is on line and actively pumping:

- i. Water system personnel from HRI or its successor will visit all pumping wells at least one time per week.

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<sup>10</sup> Also known as the "Southwestern Groundwater Well" or "Well #1 (owing to it being the first well in Tusayan) in some reports.

- ii. Flow-meter totalizer readings, instantaneous flow rate readings, and date and time of measurement will be manually recorded on a pump-house chart.
- c. Monitoring Tubes:
- i. Two, designated 1¼-inch diameter, coupled galvanized steel monitoring tubes will be installed with and attached to, the pump column with the lower end just above the pump bowl assembly.
  - ii. Two monitoring tubes are planned to provide one designated tube for the digital instruments and a second tube for electric sounder and air-line<sup>11</sup> pressure water level measurements.
  - iii. The well is open to the RMA through ~766 feet of open, unlined limestone borehole below the 8-inch diameter steel casing over the depth interval from ~2,322-to-3,088 feet below ground.
  - iv. A 4/14/2004 video inspection of the well showed a non-pumping water level of 2,438 feet below top of 8-inch casing.
  - v. The well is “fully-penetrating” through the RMA.
  - vi. The Squire Well #1 is currently protected by a removable, locking, pump house enclosure.
  - vii. If necessary, the wellhead will be modified to incorporate the monitoring tubes.
  - viii. Any changes in grade and/or well head elevation will be carefully documented to maintain a consistent measuring datum.
- d. Digital Data Acquisition:
- i. Two Model # 3001 LT F300 “*Levellogger*” ® data-logger/pressure-transducers, produced by Solinst Canada (or equivalent), will be suspended within the well on a 1/16-inch diameter braided stainless steel or *Kevlar*® cable inside of a designated (for that purpose only) steel monitoring tube.
  - ii. Two removable data-loggers are to be installed in the monitoring tube in an attempt to prevent data loss in the event of a failure of one of the instruments, e.g. as a back-up<sup>12</sup>.
  - iii. In addition to the removable instruments, a third data-logger will be permanently affixed to the base of the pump column to be accessible and downloaded only when the pumping plant is removed from the well.
  - iv. These instruments record a combination of pressure of water and atmospheric pressure over the transducer along with the time of

<sup>11</sup> For this use, the coupled joints of the monitoring tubes must be sealed with an NSF-approved pipe compound and anti-seize properties. The precise length of the monitoring tube must be known to be able to use the air-line method of water-level measurement effectively. It is anticipated that the consultant responsible for the monitoring program will be on site to observe the installation of the monitoring tubes.

<sup>12</sup> Even the best of these types of instruments have failures and “drift” within a few years of deployment. Only through duplicative data-sets can one ensure that the data record is not interrupted and only with uninterrupted data sets can meaningful information about the aquifer be interpreted beginning about five years after the commencement of monitoring.

- measurement. Measurement accuracy of the instrument is 0.05 percent of full scale (300 feet), or about 0.15 feet (about one inch).
- v. The data-logger and battery are capable of recording and storing ~24,000 data points (measurements) such that at six measurements per day, the instrument could record and store data for 10 years which is the approximate expected battery life.
  - vi. The serial number of the installed instrument will be recorded in the raw data files. If a replacement data logger is required, a description of the new data logger, its serial number, its range and accuracy will be noted in the raw data files. An explanation for any instrument replacements will be included in the next annual interpretative report prepared after replacement.
  - vii. Because the Squire Well #1 is equipped and used as a water supply well, it will be similarly equipped with the same monitoring devices used to monitor all other production wells depending on the equipment specified for the water system.
- e. Measuring Datum:
- i. Measuring point is inside upper edge of the well head casing.
  - ii. HRI shall remain vigilant for an opportunity to have the well head measuring datum surveyed with a “survey-grade” GPS instrument when and if such an instrument is brought to town for another purpose.
- f. Barometric Efficiency:
- i. The barometric efficiency (BE) of this well will be calculated from the best available data as described above and reported in the interpretive reports.
  - ii. The annual mean of the recorded fluctuations of the variations in atmospheric pressure, as measured by the HRI site barometer, will be calculated from the monitored data.
- g. Monitoring Protocol:
- i. With each site visit, the well head condition will be inspected for any tampering or damage to the casing which would be documented along with weather conditions (temperature, precipitation or any other factors that might affect data reading, data reporting, or data interpretation).
  - ii. The lower 5 feet of the clean electric water level tape is sterilized in a chlorine bleach solution.
  - iii. The depth-to-water is measured to the nearest 0.01 ft using a hand-held electric tape measure (with readings to 0.01 ft). The depth-to-water is measured to the inside lip of the open well head casing (the “measuring point) for which an annotated photograph will be supplied to document the measuring point with respect to ground level. The tape is lowered to a depth that shows a full-scale electric conductance connection with the water column surface in the well. The total depth-to-water from the measuring point and the time of measurement are recorded.

- iv. The depth-to-water measurement is repeated one or more times to verify its accuracy and repeatability.
- v. When the Squire Well #1 is being pumped, the electric tape may not be as accurate as a means of measuring pumping water levels owing to normal fluctuations in the water surface under pumping conditions. In this case, an average pumping water level will be recorded using multiple readings from the non-stretch electric well sounding tape (such as manufactured by *Testwell Instruments®*).
- vi. The data logger is then removed with the cable carefully wound up and the entire assembly (data logger, cable and cap to the 1¼-inch steel monitoring tube) is placed on a clean plastic tarp to maintain cleanliness of the logger assembly while the data is uploaded to the PC. Every safeguard will be exercised to avoid introducing bacteria or any other substance into the well during monitoring.
- vii. The data-logger is connected to a portable PC. Using the appropriate software and peripherals, the data from the data logger are transferred to the PC.
- viii. The data logger is reset (memory cleared) if and only if a previous upload of data has been duplicated and therefore verified.
- ix. The battery life of the data-loggers will be taken into account and replaced before the expected lifetime of the instrument's to avoid problems.
- x. The data logger is returned to the monitoring tube and the depth-to-water re-measured as per step iii, above.
- xi. The steel well head security enclosure is closed and locked with the lock double-checked.
- xii. In the event of a removal of the pumping plant, the caged data-logger at the base of the pump column will be removed, downloaded, and replaced with a new data-logger when the well pump is reinstalled in the well.

## **MONITORING EQUIPMENT, INSTRUMENTS, AND CALIBRATION**

### **1) Measuring Instruments.**

- a. Water-level sounding tapes.
  - i. *Monitoring tubes:* All wells will be equipped with designated 1¼-inch inside diameter galvanized coupled steel pipe monitoring tubes for measuring water levels without becoming entangled with the pump column or submersible power cables and to avoid "casing suck" whereby the measuring tape can temporarily stick to the wetted steel casing above the water level preventing measurement. Two monitoring tubes will be installed with the pump column in each well and will be banded to the pump column below each coupled joint with stainless steel banding.
  - ii. *Electric Water Level Sounding Tapes:* For all pumping wells, non-stretch electric water level sounders such as manufactured by *Testwell Instruments®* will be used to measure water levels to 0.01/ft.

- iii. *Steel tapes.* Spring-steel tapes, such as manufactured by *Lufkin®*, specifically constructed for chalked water level measurements, incremented in one-foot intervals with the lowermost 20-feet of the tape embossed in 1/100<sup>th</sup> of a foot increments are not manufactured or available in the lengths necessary to measure Tusayan water levels and cannot be used.
- b. Electronic pressure-transducer/data loggers:
- i. Electronic water level monitoring instruments (data loggers) to be installed in the designated monitoring tubes require no periodic calibration or maintenance. If a data logger appears to be failing, it is returned to the manufacturer for repair, data recovery and/or replacement. To prevent loss of critical data to the extent possible, a replacement new data logger will be available during all site visits so that a failed data-logger can be replaced on the spot during the same site visit.
  - ii. All water supply production wells will be equipped with digital electronic equipment to measure and record system pressure, water-level, instantaneous flow, pumped volume, etc. as any high-quality municipal systems do. These are generally standardized monitoring packages that are identical for each well and which record and store the data for download to a computer during field visits. The exact manufacturers and/or type of remote sensing and data-transmission system that will be used are not currently designed or known but shall be from a nationally recognized manufacturer with a proven track record. Unfortunately, there are currently no manufacturers of digital down hole data loggers with connecting data cables so that the water level data can be downloaded without removing the instrument from the well. This is why the data-logger must be physically removed during each field visit and then reinstalled in the monitoring tube.
  - iii. All pressure-transducer/data-logging instruments will be housed inside of designated monitoring tubes within the well and within a welded cage at the base of the pump column. Tubes of sufficient rigidity and diameter will be used to ensure continued insertion and removal of the instruments to/from the well. The “cage” housing the data-logger at the base of the drop pipe will be sufficiently strong and rigid to protect the data-logger instrument during installation, operation, and removal of the pumping plant in an open borehole situation.
- c. Permanently Installed Flow Meters:
- i. *Flow-Meter Type.*
    - 1. All HRI water production wells will be equipped with high-quality electromagnetic induction flow-meters manufactured by national suppliers. The precise equipment will be chosen according to cost, performance, and reliability.

ii. *Flow Range.*

1. All flow-meters will be within the calibrated and rated flow range of the installed pumping plant and will indicate and record instantaneous flow and total volume pumped. Tusayan Well #2 is currently equipped with a 65 gpm submersible pumping plant.

iii. *Flow Meter Calibration.*

1. All new high-quality flow-meters are factory-calibrated within close tolerances. Periodically, at approximately five-year intervals, flow-meter calibrations will be checked by means of pumped filling of tanks of known volume, by pumping tests using a circular orifice weir, or using another calibrated flow-meter.

### ADDITIONAL WATER LEVEL DATA

After a HRI Supply Well has been equipped with the monitoring instruments described above, it will be pump-tested following good hydrogeologic practice for constant-rate discharge hydraulic tests to derive aquifer characteristics such as transmissivity and to determine the specific capacity of the well. The data from these tests will be submitted in electronic format to HRI as part of the raw monitoring data collected for that year. These data will be analyzed, interpreted, and reported by the groundwater consultant (currently HLI) preparing the interpretive monitoring reports (described below).

### INTERPRETATION AND REPORTING

Annual Data Submittals: The raw electronic and hand-measured water level data, including data corrected for fluctuations in atmospheric pressure, for each well will be submitted to HLI twice per year – once on or before December 31<sup>st</sup> (for data collected from June 1<sup>st</sup>-to-November 30<sup>th</sup>) and once on or before June 30<sup>th</sup> (for data collected from December 1<sup>st</sup>-to May 31<sup>st</sup>).<sup>13</sup> These data will be submitted to HRI on compact disc in MS Excel<sup>®</sup>, non-encrypted format with column headings included at the beginning of the file, posted above each recorded data type. For pumping wells, the raw data submittal will include field and digitally-acquired pumping and non-pumping water levels and pump house production data for all HRI water supply wells.

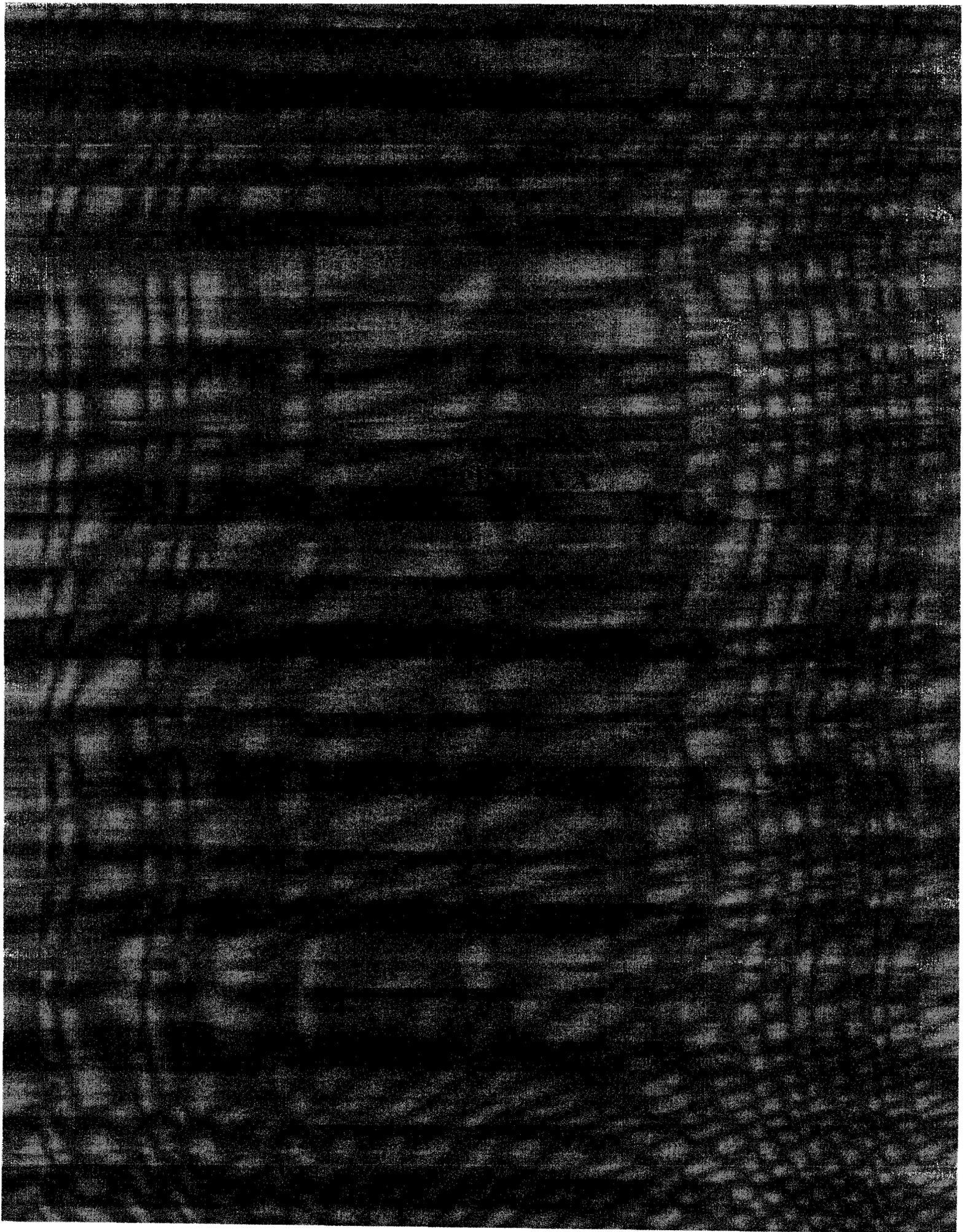
Annual Monitoring Report: On or before July 31 each year, HLI shall prepare and file with HRI an interpretive monitoring report by a professional hydrogeologist (“Monitoring Report”) which shall include:

- 1) The amount, timing, and location of ground water production for the year.
- 2) Plotted hydrographs for each monitored well using BE-corrected data showing seasonal variations, water-level trends, and pumping effects, along with a discussion of water level

<sup>13</sup> The June 1-to-November 30 and December 1-to-May 31) monitoring periods are intended to ensure that the highest and lowest water levels of the year are measured and recorded. The lowest levels are expected to occur in September-October, while the highest levels probably occur during January-March. The first year continuous monitoring data will help to define the high and low levels.

- trends, and notable changes in water levels, the high and low water level measurements recorded, and an explanation of any other factors that may be relative to the measured water levels in the RMA.
- 3) Other information describing hydrologic impacts of HRI's Tusayan ground water pumping (to the extent data is available) and a determination or interpretation of the cause(s) of any observed water level declines and/or increases.
  - 4) A discussion of the effects of HRI's ground water pumping on the RMA.

The monitoring and reporting requirements are envisioned as a permanent necessity for aquifer stewardship as set forth herein and shall remain in place as long as pumping from the RMA continues. All data obtained, developed, interpreted, and reported to HRI by HLI shall be the sole property of HRI and considered proprietary to HRI by HLI. Only HRI shall have the discretion to release or otherwise disseminate the data from this monitoring program.



# WLM SERIES WATER LEVEL METERS

Ranked #1 by University Field Course  
Best for accuracy, ease of use and performance

## Unique Bridge Proof Probe

Testwell sets a new standard for probe performance during pump tests and for well sounding

## Best Resolution & Accuracy

1/100 ft or 1mm & 5x more accurate than white tapes

## Choice of Probe diameters

Standard 5/8, 7/16, 3/8 or 1/4 inch diameter stainless steel and Teflon probes

**Hook & Cable Protector** protects tape from casing and lets unit hang from casing

## 5 Times More Accurate

Than white tapes with complete polyethylene jacket to protect 1/100 ft or 1mm graduations and stranded stainless steel conductors

## Standard Sensitivity Control

Prevents false readings in high conductivity water-ideal for pump and draw down tests

## FIELD-TESTED & AWARD-WINNING

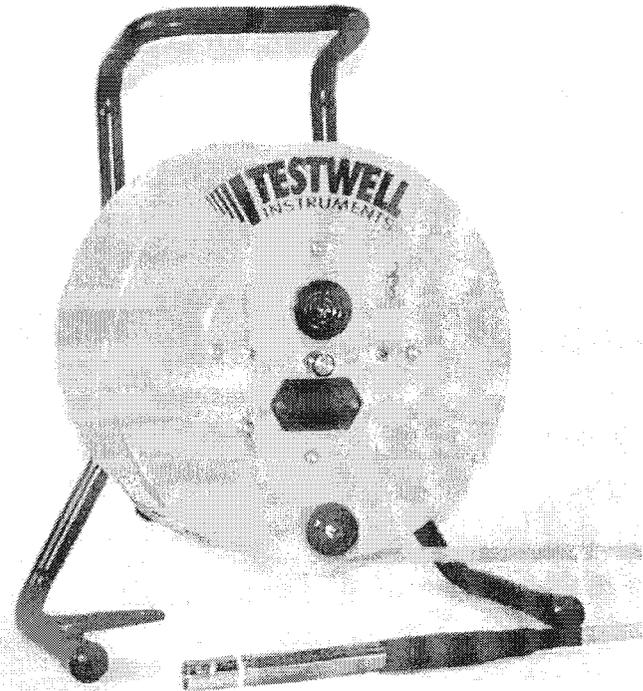
Ranked #1 for accuracy, durability and ease of use since 1995. Many of the features found on the original SST units are also found in the new units. This design has been tested extensively in the field for several years now and is a reliable performer. The tapes meet or exceed federal specification US GGG-T-106E (U.S.A.) or EEC CLASS II (Europe) for a guaranteed accuracy of .008%. A flat spring steel core ensures tapes hang perfectly straight in large and



small diameter wells. This provides unparalleled accuracy when compared to the flat white tapes, where kinks in the tape introduce slight errors, in addition to the displacement of water changing the static level.

The WLM Water Level Meter set new standards for reliability and accuracy. This unit has a 5/8 diameter stainless steel and Teflon probe. It uses a shrouded probe and unique probe design to prevent bridging.

Bridging is often encountered during pump tests with other



units. All units carry a sensitivity adjustment for different water qualities, with a choice of internal or external controls. The time proven Sonalert buzzer is also used on all units.

## SPECIFICATIONS

### Operating Principle:

Water Sensing	Conductivity
Power	9 volt battery
Shipping weight	8 lbs
Tape lengths	50 -3000 ft
(Metric)	15-600 meters
Tape material	Polyethylene
Probe diameter	7/16 or 12 mm

## DISTRIBUTED BY:

# Baro-Diver



[Request Pricing »](#)

Ideal for accurate barometric compensation  
Estuary and wetlands monitoring

## Pressure Transducer for Barometric Compensation

### Features

- Compact size: Ø 22 mm - length 90 mm
- 24,000 records of time stamp, atmospheric pressure and temperature
- 30-Point Pressure Factory Calibration
- Corrosion-proof ceramic pressure sensor

### Benefits

- Easy installation
- Cost effective frequent, long-term measuring
- Reliable and accurate data
- Low maintenance, No user calibration

### Applications

- Barometric compensation
- Groundwater monitoring projects
- Surface water monitoring
- Monitoring of shallow waters
- Estuary and wetlands monitoring
- Aquifer storage and recovery

## Quick specifications

### *Pressure*

Model	DI500	unit
Range	1.5	meter
Accuracy	$\pm 0.5$	cmH2O
Resolution	0.1	cmH2O

### *Temperature*

	value	unit
Range	-20 .. +80	°C
Accuracy	$\pm 0.1$	°C
Resolution	0.01	°C

# Micro-Diver



[Request Pricing »](#)

Easy installation in small diameter wells  
Ideal for pump and slug tests

## Compact Datalogger for Groundwater Monitoring

### Features

- Compact size: Ø 18 mm - length 88 mm
- 48,000 records of time stamp, pressure and temperature
- 30-Point Pressure Factory Calibration
- Pre-programmed and user defined pumping tests*

### Benefits

- Fits 3/4 inch drive points and piezometers
- Event based, averaging and pumping tests sample methods to conserve memory
- Cost effective frequent, long-term measuring
- Reliable and accurate data
- No need to search through extraneous data
- Fits any application

### Applications

- Groundwater monitoring projects
- Direct push/Drive point Piezometers
- Pumping tests and slug tests
- Estuary and wetlands monitoring
- Groundwater monitoring network automation
- Aquifer storage and recovery projects

## Long term water level monitoring

### Quick specifications

#### Pressure

Model	DI601	DI602	DI605	DI610	unit
Range	10	20	50	100	meter
Accuracy	±1.0	±2.0	±5.0	±10.0	cmH <sub>2</sub> O
Resolution	0.2	0.4	1.0	2.0	cmH <sub>2</sub> O

#### Temperature

	value	unit
Range	-20 .. +80	°C
Accuracy	±0.1	°C
Resolution	0.01	°C



# Mini-Diver



[Request Pricing »](#)

Easy installation in almost any well  
Ideal for long-term monitoring of water levels and temperature

## Cost-effective Long-term Groundwater Monitoring

### Features

- Compact size: Ø 22 mm - length 90 mm
- 24,000 records of time stamp, pressure and temperature
- 30-Point Pressure Factory Calibration
- Corrosion-proof ceramic pressure sensor

### Benefits

- Easy installation in almost every well
- Cost effective frequent, long-term measuring
- Reliable and accurate data
- Low maintenance, No user calibration

### Applications

- Long term water level monitoring
- Groundwater monitoring projects
- Groundwater monitoring network automation
- Watershed, drainage basin and recharge areas
- Stream gauging, lake levels and reservoirs
- Wetlands and stormwater run-off monitoring

## Quick specifications

### Pressure

Model	DI501	DI502	DI505	DI510	unit
Range	10	20	50	100	meter
Accuracy	±0.5	±1.0	±2.5	±5.0	cmH2O
Resolution	0.2	0.4	1.0	2.0	cmH2O

### Temperature

	value	unit
Range	-20 .. +80	°C
Accuracy	±0.1	°C
Resolution	0.01	°C

# Monitoring tubes

## API J55

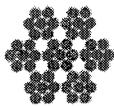
Minimum Yield Strength:	55,000 psi
Maximum Yield Strength:	80,000 psi
Minimum Tensile Strength:	75,000 psi
Hardness Requirement:	None

Notes: General purpose pipe manufactured to API specification 5CT. Similar to K55 except the minimum tensile strength is lower. Usually, this grade is used in tubing applications.

[top of page](#)

# Stainless cable for suspending data-loggers

7 x 7 Strand Core



7 x 7 Strand  
Core

Dia.	Breaking Strength, lbs.	Available Lengths, ft.	Meets Spec.	Type 302 Stainless Steel		Type 304 Stainless Steel	
				Per Ft.		Per Ft.	
0.018"	40	10, 25, 50, 100, 300	—			3461T31	\$0.44
0.027"	90	10, 25, 50, 100, 300	—			3461T32	.60
<sup>1</sup> / <sub>32</sub> "	140	25, 50, 100, 300, 500	—	3458T429	\$0.35	3461T325	.36
0.036"	160	10, 25, 50, 100, 300	—			3461T33	.59
<sup>3</sup> / <sub>16</sub> "	270	25, 50, 100, 300, 500	Fed. Spec. RR-W-410, ML-DTL-83420	3458T43	.33	3461T35	.34
<sup>1</sup> / <sub>16</sub> "	480	25, 50, 100, 300, 500	Fed. Spec. RR-W-410, ML-DTL-83420	3458T44	.31	3461T44	.32
<sup>5</sup> / <sub>16</sub> "	650	25, 50, 100, 300, 500	—	3458T451	.36	3461T57	.37
<sup>3</sup> / <sub>32</sub> "	920	25, 50, 100, 300, 500	Fed. Spec. RR-W-410, ML-DTL-83420	3458T46	.46	3461T45	.47
<sup>1</sup> / <sub>8</sub> "	1,700	10, 25, 50, 100, 300	—	3458T47	.61	3461T46	.63

\* Lubricated.  
\* Not preferred.

# Exhibit EE

ITEMIZED LIST OF MAJOR COMPONENTS OF WATER SYSTEM

Hydro Resources, Inc.			
Plant-in-Service			
Acct. No.	Plant Facilities	Year Installed	Owned By
301	Organization	1994	
302	Franchise – none	None	None
303	Land & Land Rights		
	Well Site #2 (55-542928) Land Lease from Halvorson Seibold		Hydro Resources lease
	Tank Site – Land Lease from Squire Inn		Hydro Resources lease
304	Structures & Improvements		
	Well #2(55-542928) – well houses	2006	Hydro-Resources
	Well #2 (55-542928)– fencing	1994	Hydro-Resources
	Well #2 (55-542928)– standpipe	2006	Hydro-Resources
	Tank Site – fire pump house (includes 2,500 gpm Diesel-powered fire pump at tank site)	1998	Hydro-Resources
	Accessory Meter/Valve House	1998	Hydro-Resources
307	Wells & Springs		
	Well #2 (55-542928)– 12" x 3,200 feet, 65-80 gpm.	1994	Hydro-Resources
311	Electric Pumping Equip.		
	Well #2 (55-542928)– 75-Hp well pump at 65 GPM thru 3" meter	2006	Hydro-Resources
320	Water Treatment Equip.		
	Well #2 (55-542928)– Liquid chlorination –chemical pump	2009	Hydro-Resources
330	Dist. Reservoir & Standpipe		
	525,000 gallon storage tank	1975	Hydro-Resources
	Hydro-Resources leases 2 million gallons of storage capacity in a 3 million gallon tank owned by Squire	1991	Hydro-Resources lease
331	Transmission & Dist. Mains – 11,808 total feet		
	Segment B: 1113 feet of Schedule 40, 8" pipe	1986	Hydro-Resources
	Segment C: 732 feet of C-900 PVC, 8" pipe	1997	Hydro-Resources
	Segment D: 480 feet of Schedule 40, 8" pipe	1986	Hydro-Resources
	Segment E: 1351 feet of Schedule 40, 6" pipe	1992	Hydro-Resources
	Segment F: 313 feet of C-900 PVC, 4" pipe	2000	Hydro-Resources
	Segment G: 3026 feet of Schedule 40 2" pipe	1984	Hydro-Resources
	Segment H: 2022 feet of Schedule 40, 6" pipe	1984	Hydro-Resources
	Segment I-1: 476 feet of Schedule 40, 8" pipe	1984	Hydro-Resources
	Segment I-2: 820 feet of Schedule 40, 8" pipe	1984	Hydro-Resources
	Segment J: 727 feet of C-900 PVC, 8" pipe	2000	Hydro-Resources
	Segment K: 318 feet of C-900 PVC, 8" pipe	1984	Hydro-Resources
	Segment L: 430 feet of C-900 PVC, 4" pipe	2000	Hydro-Resources
	5 Road Crossings	1975, 1986, 2000, 2011	Hydro-Resources
	8" line extension	2013	Hydro-Resources
333	Services –94 service connections		
334	Meters – total 24 meters (other meters owned by other parties)		
	11 – 2" meters		Hydro-Resources
	6 -- 1" meters		Hydro-Resources
	3 – 5/8" meters		Hydro-Resources

ITEMIZED LIST OF MAJOR COMPONENTS OF WATER SYSTEM

	2 – 3" meters		Hydro-Resources
	1 – 1.5" meter		Hydro-Resources
	1 – 6" meter		Hydro-Resources
335	Hydrants		
	6 hydrants (all other hydrants are owned by individual property owners)	1984, 1993, 1997	Hydro-Resources
	16 hydrants		Hydro-Resources
336	Backflow Prevention Devices – all owned by other parties		
339	Other Plant & Miscell. Equip.		
	34 valves/valve cans (8, 6, 4 and 2 inch)	Various	Hydro-Resources
	150 kv transformer	1994	Hydro-Resources
	Controls – ESP CTI, Reda Control Panel	1994	Hydro-Resources
	3 Manholes	1982	Hydro-Resources
	4 check valves		Hydro-Resources
	Wells & Aquifer metering & monitoring equipment	2013	Hydro-Resources
340	Office Furn. & Improvements		
	2 desks, file cabinets, computer, fax, phone, etc.	2010	Hydro-Resources
341	Transportation Equipment –		
	Semi-truck	1987	Hydro-Resources
	Tanker	1998	Hydro-Resources
	Pickup truck	2008	Hydro-Resources
343	Tool & Work Equip.		
	Miscellaneous welding equipment	2005	Hydro-Resources
	Handpumps & miscellaneous tools		Hydro-Resources
	Location marking equipment	2013	Hydro-Resources
	Emergency repair materials – pipes, fittings, inventory		Hydro-Resources
346	Communication Equipment (phone & computer listed above)		

# Exhibit HH



# Moyes Sellers & Hendricks

STEVE WENE • 602-604-2189 • swene@law-msh.com  
1850 N. Central Avenue, Suite 1100 • Phoenix, AZ 85004 • fax 602.274.9135

September 5, 2013

Rodney W. Ott  
Bryan Cave LLP  
2 North Central Ave., Suite 2200  
Phoenix, Arizona 85004

**RE: Wastewater Service Provider**

Mr. Ott:

Our firm represents the South Grand Canyon Sanitary District ("District"). We understand that you have asked the District to provide you a letter confirming the provision of wastewater service within the area where Hydro-Resources' is requesting a Certificate of Convenience and Necessity ("CC&N").

The District is the Designated Management Agency with authority to provide wastewater service in Township 30 North, Range 2 East, Sections 13, 14, 23, 24, 25, 26, 34, 35, and 36. Currently, the District provides wastewater service within the Town of Tusayan located in Sections 23 and 24. Based upon our review of the map and legal description you provided, the District is authorized to serve the proposed CC&N area, except for the land in Section 27 and Township 29 North, Range 2 East, Section 3. The District is willing to accept an application for wastewater service for these areas as well.

You are authorized to submit this correspondence to the Arizona Corporation Commission to establish that the proposed CC&N will receive wastewater service from the District. The District is looking forward to working with you on this matter. If you have any questions or concerns, please feel free to call me at your convenience.

Respectfully,

Steve Wene

# Exhibit JJ

**CROSS-CONNECTION OR BACKFLOW TARIFF**

**PURPOSE:**

The purpose of this tariff is to protect Hydro-Resources, Inc. ("Company") water from the possibility of contamination caused by the backflow of contaminants that may be present on the customer's premises by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code ("A.A.C.") R14-2-405.B.6 and A.A.C. R18-4-215.

**REQUIREMENTS:**

In compliance with the Rules of the Arizona Corporation Commission ("Commission") and the Arizona Department of Environmental Quality ("ADEQ"), specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-215 relating to backflow prevention:

1. The Company may require a customer to pay for and to have installed a backflow-prevention assembly if A.A.C. R18-4-215.B or C applies.
2. A backflow-prevention assembly required to be installed by the customer under Paragraph 1 of this tariff shall comply with the requirements set forth in A.A.C. R18-4-215.D and E.
3. Subject to the provisions of A.A.C. R14-2-407 and 410, and in accordance with Paragraphs 1 and 7 of this tariff, the Company may terminate service or may deny service to a customer who fails to install a backflow-prevention assembly as required by this tariff
4. The Company shall give any existing customer who is required to install a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is **not** applicable, the customer shall be given thirty (30) days from the time such written notice is received in which to comply with this notice. If the customer can show good cause as to why he cannot install the backflow-prevention assembly within thirty (30) days, the Company or Commission Staff may suspend this requirement for a reasonable period of time.

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**\*\*FOR OFFICIAL USE ONLY\*\***

Effective Date: \_\_\_\_\_

5. Testing shall be in conformance with the requirements of A.A.C. R18-4215.F. The Company may require the customer to pay to have the backflow-prevention assembly tested as long as the Company does not require an unreasonable number of tests.
6. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:
  - a. assembly identification number and description;
  - b. location
  - c. date(s) of test(s);
  - d. description of repairs and recommendations for repairs made by tester; and
  - e. the tester's name and certificate number.
7. In the event the backflow-prevention assembly does not function properly or fails any test, and an obvious hazard as contemplated under A.A.C. R14-2-410.B.1.a. exists, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be repaired or replaced by the customer and retested.
8. In the event the backflow-prevention assembly does not function properly or fails any test, or in the event that a customer fails to comply with the testing requirement, and A.A.C. R14-2-410.B.1.a. is **not** applicable, the backflow-prevention assembly shall be repaired or replaced within fourteen (14) days of the initial discovery of the deficiency in the assembly or its function. Failure to remedy the deficiency or dysfunction of the assembly, or failure to retest, shall be grounds for termination of water service in accordance with A.A.C. R14-2-410.

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**\*\*FOR OFFICIAL USE ONLY\*\***

Effective Date: \_\_\_\_\_

# Exhibit KK

## TARIFF SCHEDULE

Utility: Hydro-Resources, Inc.  
Docket No.: \_\_\_\_\_  
Phone No.: 928-638-8205

Tariff Sheet No.: 1 of 4  
Decision No.: \_\_\_\_\_  
Effective: \_\_\_\_\_

**CURTAILMENT PLAN FOR: Hydro-Resources, Inc.**  
(Template 102109)

ADEQ Public Water System No: \_\_\_\_\_

Hydro-Resources, Inc. ("Company"), is authorized to curtail water service to all customers within its certificated area under the terms and conditions listed in this tariff.

This curtailment plan shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company.

The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of the tariff or no later than sixty (60) days after the effective date of the tariff.

The Company shall provide a copy of the curtailment tariff to any customer, upon request.

### **Stage 1 Exists When:**

Company is able to maintain water storage in the system at 90 percent of capacity and there are no known problems with its well production or water storage in the system.

Restrictions: Under Stage 1, the Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

### **Stage 2 Exists When:**

- a. Company's water storage or well production has been less than 70 percent of capacity for at least 96 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

## TARIFF SCHEDULE

Utility: Hydro-Resources, Inc.  
Docket No.: \_\_\_\_\_  
Phone No.: 928-638-8205

Tariff Sheet No.: 2 of 4  
Decision No.: \_\_\_\_\_  
Effective: \_\_\_\_\_

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

### **Stage 3 Exists When:**

- a. Company's total water storage or well production has been less than 50 percent of capacity for at least 72 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 3, the Company shall request the customers to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible. Standpipe service shall be suspended.

### Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Beginning with Stage 3, the Company shall post at least 4 signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.
3. The Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than Stage 3 until a permanent solution has been implemented.

## TARIFF SCHEDULE

Utility: Hydro-Resources, Inc.  
Docket No.: \_\_\_\_\_  
Phone No.: 928-638-8205

Tariff Sheet No.: 3 of 4  
Decision No.: \_\_\_\_\_  
Effective: \_\_\_\_\_

### **Stage 4 Exists When:**

- a. Company's total water storage or well production has been less than 25 percent of capacity for at least 36 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 4, Company shall inform the customers of a **mandatory** restriction to employ water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection. The following uses of water shall be prohibited:

- Irrigation of outdoor lawns, trees, shrubs, or any plant life is prohibited
- Washing of any vehicle is prohibited
- The use of water for dust control or any outdoor cleaning uses is prohibited
- The use of drip or misting systems of any kind is prohibited
- The filling of any swimming pool, spas, fountains or ornamental pools is prohibited
- The use of construction water is prohibited
- Restaurant patrons shall be served water only upon request
- Any other water intensive activity is prohibited

The Company's operation of its standpipe service is prohibited. The addition of new service lines and meter installations is prohibited.

### **Notice Requirements:**

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Company shall post at least 4 signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.

## TARIFF SCHEDULE

Utility: Hydro-Resources, Inc.  
Docket No.: \_\_\_\_\_  
Phone No.: 928-638-8205

Tariff Sheet No.: 4 of 4  
Decision No.: \_\_\_\_\_  
Effective: \_\_\_\_\_

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply or must otherwise provide emergency drinking water for its customers until a permanent solution has been implemented.

Customers who fail to comply with the above restrictions will be given a written notice to end all outdoor use. Failure to comply with two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.