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BEFORE THE ARIZONA CORPORATION COMMISSION

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ARIZONA CORP COMMISSION  
DOCKET CONTROL

ORIGINAL

COMMISSIONERS

- GARY PIERCE – CHAIRMAN
- BOB STUMP
- SANDRA D. KENNEDY
- PAUL NEWMAN
- BRENDA BURNS

IN THE MATTER OF THE APPLICATION OF TUSAYAN WATER DEVELOPMENT ASSOCIATION, INC. FOR ESTABLISHMENT OF RATES FOR WATER SERVICE.

DOCKET NO. W-02350A-10-0163

IN THE MATTER OF THE APPLICATION OF ANASAZI WATER CO., LLC FOR ADJUDICATION “NOT A PUBLIC SERVICE CORPORATION.”

DOCKET NO. W-20765A-10-0432

IN THE MATTER OF THE APPLICATION OF HYDRO-RESOURCES, INC. FOR ADJUDICATION “NOT A PUBLIC SERVICE CORPORATION.”

DOCKET NO. W-20770A-10-0473

IN THE MATTER OF THE APPLICATION OF TUSAYAN WATER DEVELOPMENT ASSOCIATION, INC. FOR CANCELLATION OF CERTIFICATE OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-02350A-13-0312

IN THE MATTER OF THE APPLICATION OF HYDRO-RESOURCES, INC. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICE.

DOCKET NO. W-20770A-13-0313

**DIRECT TESTIMONY OF CHRISTOPHER BRAINARD**

(Administrative Law Judge Sarah N. Harpring)

Applicant Tusayan Water Development Association, Inc. (“TWDA”), through its counsel, pursuant to the Procedural Order dated February 4, 2014, hereby submits the direct testimony of Christopher Brainard.

Arizona Corporation Commission

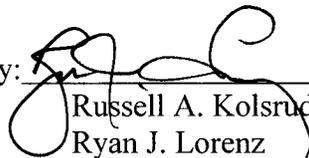
**DOCKETED**

APR 14 2014

DOCKETED BY

1 RESPECTFULLY SUBMITTED this 14 day of April 2014.

2 CLARK HILL PLC

3  
4 By: 

Russell A. Kolsrud  
Ryan J. Lorenz  
Attorneys for Tusayan Water  
Development Association, Inc.

7 ORIGINAL of the foregoing filed  
8 and delivered this 14 of April 2014, to:

9 Sarah N. Harpring  
10 Administrative Law Judge  
ARIZONA CORPORATION COMMISSION  
11 1200 West Washington  
Phoenix, Arizona 85007

12 COPY of the foregoing mailed  
13 this 14 day of April 2014, to:

14 Janice Alward, Chief Counsel  
15 Legal Division  
ARIZONA CORPORATION COMMISSION  
16 1200 West Washington Street  
Phoenix, AZ 85007

17 Robin Mitchell  
18 Utilities Division  
ARIZONA CORPORATION COMMISSION  
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23 Flagstaff, AZ 85001  
Attorney for Anasazi Water Co., LLC

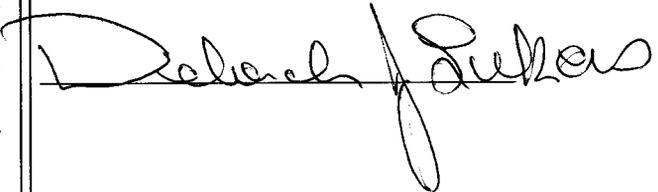
24 Garry D. Hays  
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26 1702 E. Highland Avenue, Suite 204  
Phoenix, AZ 85016  
27 Attorney for Tusayan Ventures LLC

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*Attorneys for Squire Motor Inns, Inc.*



1 I. INTRODUCTION

2 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

3 A. Christopher Brainard, 6241 E. Friess Drive, Scottsdale, Arizona 85254.

4 Q. IN WHAT CAPACITY ARE YOU EMPLOYED?

5 A. I am a certified public accountant. I have been licensed as an accountant by the Arizona  
6 State Board of Accountancy since 1990. I have been employed by TWDA and have provided it  
7 administrative, accounting and professional services since 1995.

8 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

9 A. The purpose of my testimony is to present to the Arizona Corporation  
10 Commission ("ACC") my knowledge concerning the following:

- 11 • TWDA's provision of water service to customers in the Tusayan, Arizona area;
- 12 • TWDA's ownership and control of water system facilities;
- 13 • TWDA's involvement in management and operation of the water systems (including  
14 regulatory compliance with the Arizona Department of Environmental Quality, the  
15 handling of repairs and maintenance, and the payment of operating expenses);
- 16 • TWDA's involvement in bringing any new customers onto service;
- 17 • TWDA's interaction with current customers.

18 I am prepared to discuss and am knowledgeable about the following issues:

- 19 • The procedural path that TWDA's application for establishment of rates for water service  
20 (docket no. W-02350A-10-0163) ("TWDA Rate Case") followed.
- 21 • The entry of TWDA into a Settlement Agreement with Hydro-Resources, Inc. ("Hydro"),  
22 Anasazi Water Co., LLC ("Anasazi") and the advantages and reasons for doing so for  
23 TWDA.

- The completion of TWDA's performances of the Settlement Agreement, if approved.

**Q. WHAT IS YOUR LEVEL OF FAMILIARITY WITH TWDA?**

A. I am familiar with TWDA because I have provided it with services since 1995. Since first providing services, I have learned about TWDA's origin and historical development. Other than Ann Wren, the current president of TWDA, and the board members, Bess Foster and Clarinda Vail, I am the most knowledgeable person concerning TWDA's operations.

**II. ORIGIN AND HISTORICAL DEVELOPMENT**

**Q. HOW AND WHY WAS TWDA INCORPORATED?**

A. TWDA was incorporated by filing articles of incorporation ("Articles") with the ACC – Corporations Division on September 28, 1978. TWDA was granted and maintains non-profit status from the Internal Revenue Service. The Tusayan area began to see an increase in development because of its proximity to the south main entrance to Grand Canyon National Park. Tusayan is completely surrounded by the Kaibab National Forest, with very little privately owned land. In the late 1970's, the increase in development resulted in a collective desire to have regular water service for residents and businesses. At that time, water was delivered to the area by tanker trucks because there were no wells. TWDA was formed to apply to the ACC for a certificate of convenience and necessity ("CC&N") because water could not be purchased from the United States Department of the Interior – National Park Service ("National Park Service") without it. A further dilemma was created by the fact that the ACC would not approve the CC&N without first securing a commitment from the National Park Service to provide a supply of water adequate to meet the needs of the Tusayan area.

**Q. DID TWDA APPLY FOR A CC&N AND IF SO, WHAT WAS THE OUTCOME?**

1 A. Yes. On December 7, 1978, TWDA applied to the ACC for a CC&N to provide water  
2 service to the Tusayan area (DOCKET NO. U-2350) ("CC&N Case"). A hearing was conducted  
3 on February 8, 1979. On March 28, 1979, the ACC issued its opinion and order (Decision no.  
4 49808) in the CC&N Case, a copy of which is attached to this testimony as Exhibit 1  
5 ("Preliminary CC&N"). The CC&N Decision was preliminary and was conditioned on  
6 obtaining a water supply from the National Park Service and a franchise from Coconino County.  
7 On December 13, 1979, the ACC issued a second opinion and order (Decision no. 50492)  
8 affirming that TWDA had met the conditions and rendering the CC&N final for a designated and  
9 legally described area ("Final CC&N"). A copy of the Final CC&N is attached as Exhibit 2.  
10

11 **Q. HAS TWDA HAD ANY FURTHER INVOLVEMENT WITH THE ACC SINCE**  
12 **THE CC&N CASE?**

13 A. Each year, I have caused TWDA to file its annual report with the ACC – Corporations  
14 Division and the ACC – Utilities Division. Otherwise, TWDA did not file any further  
15 documents or applications until prompted to file this case by letter dated November 16, 2009  
16 from the ACC.  
17

18 **Q. WHAT WATER SERVICE DID TWDA PROVIDE UNDER THE CC&N?**

19 A. For approximately fifteen years, TWDA bought and sold water supplied by the National  
20 Park Service to residents and business in the Tusayan area. In the mid-1990s Hydro-Resources,  
21 Inc. ("Hydro") and Anasazi Water Co., LLC ("Anasazi") drilled private wells and began  
22 production of water. Because TWDA still held the Final CC&N, it billed customers for water  
23 produced by Hydro and Anasazi. TWDA received reports from Anasazi and Hydro of customer  
24 consumption through meters for each customer. The wells, pumps, tanks, meters, and  
25 distribution lines (both on public and private land) were owned either by Hydro, Anasazi, or the  
26  
27  
28

1 customers. TWDA did not and does not own any water infrastructure. TWDA charges an  
2 administrative fee to defray its costs. TWDA charges appropriate transaction privilege (sales)  
3 tax. TWDA did and does not perform or provide any maintenance, repairs or capital  
4 improvements to the wells, pumps, tanks, and distribution lines. In the TWDA Rate Case, I  
5 prepared a set of schedules to the best of my ability depicting various matters as evidence of  
6 TWDA's current operations, which were attached to its original application, filed April 29, 2010.  
7

### 8 III. SPECIFIC OPERATIONAL INQUIRIES

#### 9 Q. WHAT WATER SYSTEM FACILITIES DOES TWDA OWN OR CONTROL?

10 A. TWDA neither owns nor controls any water system infrastructure. Hydro and Anasazi  
11 have an implied license to enter upon the property of TWDA customers to read customer meters.  
12 TWDA does not own the meters. TWDA owns no physical property other than a moderate  
13 quantity of office supplies.  
14

#### 15 Q. WHAT IS TWDA'S INVOLVEMENT IN MANAGEMENT AND OPERATION 16 OF THE WATER SYSTEM?

17 A. TWDA is the holder of the CC&N and performs billing functions, including compiling  
18 consumption data, preparation of invoices, transmittal of invoices, collection of payments, and  
19 payment of obligations to taxing authorities.  
20

#### 21 Q. WHAT IS TWDA'S INVOLVEMENT IN REGULATORY COMPLIANCE WITH 22 ADEQ?

23 A. TWDA does not perform any functions relating to regulatory compliance. Anasazi,  
24 Hydro and Squire perform quality control functions for the water they supply and ensure  
25 compliance.  
26  
27  
28

1 **Q. WHAT IS TWDA'S INVOLVEMENT IN BRINGING NEW CUSTOMERS ONTO**  
2 **SERVICE?**

3 A. New customers send a letter to TWDA requesting water service. TWDA makes a formal  
4 request for water supply to either Hydro or Anasazi. When TWDA receives confirmation that  
5 they have the capacity to service the new customer, the customer connects to the water system.  
6 TWDA commences billing as soon as a physical connection and service are established. Due to  
7 the small size of the certificated area and the limited quantity of private land, TWDA does not  
8 have a fixed procedure for bringing new customers onto service.  
9

10 **Q. WHAT REPAIRS AND MAINTENANCE DOES TWDA HANDLE?**

11 A. None. All repairs and maintenance are performed by Hydro, Anasazi or other private  
12 owner of the water distribution infrastructure.  
13

14 **Q. HOW DOES TWDA PAY ITS OPERATING EXPENSES?**

15 A. TWDA's operating expenses were historically limited to the cost of data collection, and  
16 clerical expenses of billing. I provided accounting and billing services at no cost for a couple  
17 years. Thereafter, I charged nominal fees, at a rate lower than standard for a certified public  
18 accountant. The collected revenue from customers has been adequate to pay Anasazi and Hydro  
19 for the water it supplies to TWDA. The filing of this application has resulted in TWDA  
20 expenditures for professional fees to its counsel and to me for legal and accounting services,  
21 respectively.  
22

23 **Q. HOW DOES TWDA INTERACT WITH ITS CUSTOMERS?**

24 A. TWDA mails its invoices for water service to its customers and collects payments.  
25 TWDA's president, Ann Wren, or myself are available to deal with customer complaints,  
26 concerns, and other communication. If matters arise which fall within the administrative  
27  
28

1 functions of TWDA, those issues would be brought either to Ms. Wren's attention or mine to be  
2 rectified.

3 **IV. SETTLEMENT AGREEMENT AND TRANSFER AGREEMENT**

4 **Q. WHAT IS YOUR UNDERSTANDING OF WHAT OCCURRED IN THE TWDA**  
5 **RATE CASE?**

6  
7 A. I submitted pre-filed testimony in that case that is consistent with my testimony here. It is  
8 my understanding that ACC – Utilities Division staff took the position that TWDA did not  
9 appear to meet criteria to be a public service corporation. I also understand that the TWDA Rate  
10 Case was consolidated with two other dockets, filed by Hydro (no. W-20770A-10-0473) and  
11 Anasazi (no. W-20765A-10-0432), in which Hydro and Anasazi applied for determinations to be  
12 adjudicated “not public service corporations” (“Hydro PSC Case” and “Anasazi PSC Case,”  
13 respectively). I also understand that the Town of Tusayan (“Town”), Squire and a developer,  
14 Tusayan Ventures, L.L.C. (“T-Ventures”) successfully intervened to be heard on the three  
15 consolidated applications.  
16

17 The three applicants, TWDA, Hydro and Anasazi, the three intervenors, Squire, the Town  
18 and T-Ventures, and the ACC – Utilities Division staff tried to formulate plans for a  
19 consolidation of the water system and have a single entity operate it, as a public service  
20 corporation. Through extensive negotiations, a Settlement Agreement was reached which is  
21 subject to approval by the ACC.  
22

23 **Q. WHAT DO YOU UNDERSTAND THE SETTLEMENT AGREEMENT TO**  
24 **ACCOMPLISH?**

25 A. The Settlement Agreement calls for Hydro to take over the provision of water service to  
26 all TWDA customers and to add customers who obtained water from Anasazi. The Settlement  
27  
28

1 Agreement also calls for TWDA to seek cancellation of its CC&N and for Hydro to apply for a  
2 CC&N for the Tusayan area. There are two parcels that are not contiguous to TWDA's service  
3 area that were included in the legal description of TWDA's CC&N. Hydro will not provide  
4 service to those parcels because they are not developed and have no plans for development. No  
5 service has ever been provided to the non-contiguous parcels of TWDA's service area. The  
6 Settlement Agreement requires Hydro to continue charging former TWDA customers the lower  
7 rate for water of \$24.50/thousand gallons.  
8

9 **Q. WHAT ARE TWDA'S PERFORMANCES UNDER THE SETTLEMENT**  
10 **AGREEMENT?**

11 A. TWDA is required to apply to the ACC to cancel the Permanent CC&N. TWDA is  
12 required to dissolve and wind up its business.  
13

14 **Q. HAS TWDA PERFORMED ITS OBLIGATIONS UNDER THE SETTLEMENT**  
15 **AGREEMENT?**

16 A. Yes. TWDA applied for cancellation of the Final CC&N in docket no. W-02350A-13-  
17 0312 ("Cancellation Case"), which is now consolidated with the TWDA Rate Case, the Hydro  
18 PSC Case, and the Anasazi PSC Case. TWDA has participated in providing notice to its  
19 customers of the Settlement Agreement and the ACC dockets now pending. The Cancellation  
20 Case and the original three consolidated cases are also consolidated with the docket for Hydro's  
21 application for issuance of a new CC&N (no. W-20770A-13-0313).  
22

23 **Q. WHY DID TWDA ENTER INTO THE SETTLEMENT AGREEMENT?**

24 A. It is not in the public interest for TWDA to continue to hold the Final CC&N. Because  
25 wells and a water supply have been privately owned in Tusayan for decades, TWDA would have  
26 had to purchase the wells, the water, and the infrastructure from the private owners, including  
27  
28

1 Hydro, Anasazi, and others to consolidate the components of a water delivery system. TWDA  
2 would have had to negotiate the purchase price, finance the purchase by going into debt, and  
3 increase rates to service and pay back the debt. TWDA reasoned that if an entity would provide  
4 service under regulated rates of the ACC, TWDA's customers would be better served and more  
5 likely to obtain service at reasonable rates by passing along the administrative functions to the  
6 owner or owners of the physical infrastructure of the water delivery system. TWDA has always  
7 charged its customers just and reasonable rates based on the cost of obtaining water in the  
8 vicinity. The ACC has authority to ensure that that practice continues by exercising its regulatory  
9 authority over Hydro.  
10

11 **V. CONCLUSION**

12 **Q. DO YOU HAVE ANY OTHER TESTIMONY RELATING TO THE ISSUES**  
13 **DISCUSSED THAT YOU WOULD LIKE TO GIVE AT THIS TIME?**  
14

15 A. No. However, I would like to reserve the right to raise and/or comment upon these and  
16 other issues in pre-filed response testimony and live testimony as the need arises or based upon  
17 review of the parties' testimony in this docket.

18 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

19 A. Yes, it does.  
20  
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# EXHIBIT 1

BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

1979

1979

17110

1 BUD TIMS  
Chairman  
2 JIM WEEKS  
Commissioner  
3 STAN AKERS  
Commissioner

4 IN THE MATTER OF THE APPLICATION OF )  
5 TUSAYAN WATER DEVELOPMENT ASSOCIATION, )  
6 INC., AN ARIZONA NON-PROFIT PUBLIC )  
7 SERVICE CORPORATION, FOR AN ORDER PRE- )  
8 LIMINARY TO THE ISSUANCE OF A CERTIFICATE )  
9 OF CONVENIENCE AND NECESSITY TO PRO- )  
10 VIDE A DOMESTIC WATER SUPPLY TO THE )  
11 RESIDENTS OF TUSAYAN, ARIZONA. )

DOCKET NO. U-2350

DECISION NO. 49808

OPINION AND ORDER

9 DATE OF HEARING: February 8, 1979  
10 PLACE OF HEARING: Phoenix, Arizona  
11 HEARING OFFICER: Andrew W. Bettwy  
12 APPEARANCES: Mangum, Wall, Stoops & Warden, by Karl H. Mangum,  
13 Attorneys for the Applicant  
14 Barney Paulsen, Deputy Director, Utilities Division, for  
15 the Arizona Corporation Commission

16 By an application dated December 7, 1978, Tusayan Water Development Association, Inc.  
17 has applied for a certificate of convenience and necessity authorizing the provision of water  
18 service as a public service corporation within the area described in the APPENDIX hereto.

19 As reflected in the application and by the testimony presented during the February 8, 1979  
20 hearing, compliance with certain initial requirements of this Commission is dependent on the  
21 outcome of negotiations with the Grand Canyon National Park for the purchase by contract  
22 of certain waters.

23 On the basis of the record submitted in connection with the above-captioned matter, it  
24 is the determination of this Commission that Tusayan Water Development Association, Inc.  
25 is a fit and proper entity to receive a certificate of convenience and necessity from this  
26 Commission authorizing the provision of water service within the area described in the  
27 APPENDIX hereto and that the issuance of a certificate of convenience and necessity authoriz-  
28 ing such service would be consistent with the best interest of the public.

29 We note that Coconino County's franchise has been received, except with respect to the  
30 area described in the last paragraph of the APPENDIX hereto, and that Tusayan Water  
31 Development Association, Inc. is in the process of seeking an appropriate franchise for that  
32 area.



EXHIBIT "A"

That portion of Coconino County, Arizona, described as follows, to-wit:

Being within Section 23 and 24, T 30 N, R 2 E, G & S R B & M, Coconino County, Arizona, the coterminous exterior boundaries of the entire composite and consolidated territory lying within the following boundaries: Beginning at a point on the north line of said Section 24, said point of beginning being Corner No. 5 of Homestead Entry Survey No. 401 (hereinafter HES 401); thence S 14° W, 1574.76 feet to Corner No. 6, HES 401; thence S 27°30' W, 1769.46 feet; thence N 68°43' W, 656.70 feet to an easterly line of said HES 401; thence along said easterly line S 47°20' W., 593.73 feet to Corner 6-C, HES 401; thence southerly along the easterly boundary of Grand Canyon National Park Airport property 3061.29 feet to a corner of said airport property; thence S 40°40'07" W, 800 feet to a corner of said airport property; thence S 40°40'07" W, 11,515.33 feet to the most southerly corner of said airport property; thence N 49°19'53" W, 2,400 feet to the most westerly corner of said airport property; thence N 40°40'07" E, 15,993.57 feet to the most northerly corner of said airport property; thence N 49°47'W 471.21 feet to Corner 9, HES 401; thence N 48°20' W, 1198.56 feet to Corner 10, HES 401; thence N 48°20'W 1119.36 feet to Corner 11, HES 401; thence North, 330 feet to Corner 12, HES 401; thence S 58°50' E, 372.84 feet to Corner 1, HES 401; thence S 58°50' E, 1506.12 feet to Corner 2, HES 401; thence North 74°18' E, 1077.12 feet to Corner 3, HES 401; thence N 52°02' E, 2092.86 feet to Corner 4, HES 401; a point on said north line of Section 24; thence along said north section line, N 89°32' E, 458.70 feet to the point of beginning;

Together with MOQUI CAMP, lying within the Northeast Quarter of Section 13, and westerly of State Highway 64, and that portion of Grand Canyon National Park Airport lying within Sections 25 and 26, all in Township 30 North, Range 2 East, G & S R B & M, Coconino County, Arizona.

APPENDIX

# EXHIBIT 2

BEFORE THE ARIZONA CORPORATION COMMISSION

1 BUD TIMS  
Chairman  
2 JIM WEEKS  
Commissioner  
3 JOHN AHEARN  
Commissioner  
4

5 IN THE MATTER OF THE APPLICATION OF )  
TUSAYAN WATER DEVELOPMENT ASSOCIA- )  
TION, INC., AN ARIZONA NON-PROFIT )  
6 PUBLIC SERVICE CORPORATION, FOR AN )  
ORDER PRELIMINARY TO THE ISSUANCE )  
7 OF A CERTIFICATE OF CONVENIENCE TO )  
PROVIDE A DOMESTIC WATER SUPPLY TO )  
8 THE RESIDENTS OF TUSAYAN, ARIZONA. )

DOCKET NO. U-2350

DECISION NO. 50492

OPINION AND ORDER

9  
10 BY THE COMMISSION:

11 On March 28, 1979, this Commission issued Decision No. 49808 in the  
12 above-numbered and entitled matter, which granted an order preliminary to the  
13 issuance of a certificate of convenience and necessity to Tusayan Water Develop-  
14 ment Association, Inc. pending the filing of the appropriate franchise from  
15 Coconino County pertaining to the area described in the last paragraph of the  
16 APPENDIX hereto, which is required for the issuance of the certificate of  
17 convenience and necessity.

18 As of the date of this order, the above-mentioned document has been filed,  
19 and the Commission is of the opinion that the certificate of convenience and  
20 necessity should be issued.

21 WHEREFORE IT IS ORDERED that this order shall constitute and be a certi-  
22 ficate of convenience and necessity, pursuant to Section 40-281, Arizona Revised  
23 Statutes, authorizing applicant herein to construct, operate and maintain a public  
24 domestic water utility to serve water in the area described in the APPENDIX hereto.

25 IT IS FURTHER ORDERED that the remainder of Decision No. 49808 shall  
26 remain in full force and effect.

27 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

28   
29 CHAIRMAN

  
COMMISSIONER

  
COMMISSIONER

30 IN WITNESS WHEREOF, I, G. C. ANDERSON, JR., Executive Secretary of the  
31 Arizona Corporation Commission, have hereunto set my hand and caused  
32 the official seal of this Commission to be affixed at the Capitol in  
the City of Phoenix, this 15<sup>th</sup> day of December, 1979.

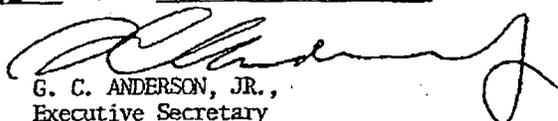
  
G. C. ANDERSON, JR.,  
Executive Secretary

EXHIBIT "A"

That portion of Coconino County, Arizona, described as follows, to-wit:

Being within Section 23 and 24, T 30 N, R 2 E, G & S R B & M, Coconino County, Arizona, the coterminous exterior boundaries of the entire composite and consolidated territory lying within the following boundaries: Beginning at a point on the north line of said Section 24, said point of beginning being Corner No. 5 of Homestead Entry Survey No. 401 (hereinafter HES 401); thence  $S 14^{\circ} W$ , 1574.76 feet to Corner No. 6, HES 401; thence  $S 27^{\circ} 30' W$ , 1769.46 feet; thence  $N 68^{\circ} 43' W$ , 656.70 feet to an easterly line of said HES 401; thence along said easterly line  $S 47^{\circ} 20' W$ , 593.73 feet to Corner 6-C, HES 401; thence southerly along the easterly boundary of Grand Canyon National Park Airport property 3061.29 feet to a corner of said airport property; thence  $S 40^{\circ} 40' 07'' W$ , 800 feet to a corner of said airport property; thence  $S 40^{\circ} 40' 07'' W$ , 11,515.33 feet to the most southerly corner of said airport property; thence  $N 49^{\circ} 19' 53'' W$ , 2,400 feet to the most westerly corner of said airport property; thence  $N 40^{\circ} 40' 07'' E$ , 15,993.57 feet to the most northerly corner of said airport property; thence  $N 49^{\circ} 47' W$  471.21 feet to Corner 9, HES 401; thence  $N 48^{\circ} 20' W$ , 1198.56 feet to Corner 10, HES 401; thence  $N 48^{\circ} 20' W$  1119.36 feet to Corner 11, HES 401; thence North, 330 feet to Corner 12, HES 401; thence  $S 58^{\circ} 50' E$ , 972.84 feet to Corner 1, HES 401; thence  $S 58^{\circ} 50' E$ , 1506.12 feet to Corner 2, HES 401; thence North  $74^{\circ} 18' E$ , 1077.12 feet to Corner 3, HES 401; thence  $N 52^{\circ} 02' E$ , 2092.86 feet to Corner 4, HES 401; a point on said north line of Section 24; thence along said north section line  $N 89^{\circ} 32' E$ , 458.70 feet to the point of beginning;

Together with MOQUI CAMP, lying within the Northeast Quarter of Section 13, and westerly of State Highway 64, and that portion of Grand Canyon National Park Airport lying within Sections 25 and 26, all in Township 30 North, Range 2 East, G & S R B & M, Coconino County, Arizona.

APPENDIX