

Hualapai Tribal Utility Authority Board Meeting

January 24, 2018

Gila River Indian Community Utility Authority, 6636 W. Sundust Rd, Chandler, Arizona



9:30 AM

- 1) Call to Order
- 2) Roll Call, Charlie Vaughn, Jamie Navenma and Bill Cyr in attendance for HTUA.
- 3) Open discussion with Gila River Indian Community Utility Authority on its operations
 - a. Overview of GRIC – 17 member council. GRICUA Board is appointed by tribal council. There are some 24,000 GRIC tribal members. Board members must sign an affidavit of no-conflict of interest. Applications for board membership are advertised for 60-days. Selection committee makes recommendations to tribal council. Board members are not term limited. Board members may serve beyond their three-year term if re-appointment or new appointments are not made in a timely fashion.
 - b. GRIC is the most fractionated tribe in the USA with several hundred allotments within the boundary of the reservation. This has caused difficulty for GRICUA to extend power lines, with some lines having to by-pass allotment owners who are not willing to allow an easement over the land. By contrast, the Hualapai have a few in-holdings within the reservation and three allotted parcels off-reservation in the Big Sandy Valley (Hwy 93).
 - c. GRICUA began in the 1990s by working with San Carlos Irrigation Project (SCIP), a federally operated electric system, with reliability issues and seen as slow to respond to the tribe's needs. GRICUA first began serving new commercial loads on the reservation that SCIP could not serve such as the new casino. By serving only new customers, GRICUA was able to charge higher rates than to existing residential customers. The higher rates also include wheeling charges from Salt River Project and Western. Over the years, GRICUA has proved their ability to run a utility and has gained trust with SCIP to help maintain their electrical system on the reservation as well. The maintenance of these lines is performed via a PL93-638 contract with the federal government. Much of the power that GRICUA re-sales is purchased from SRP. GRICUA also has Western hydropower allocations in its energy portfolio. By having the hydropower contract power wheeled through Western, GRICUA has avoided some wheeling charges from SRP.
 - d. New customers pay GRICUA for the interconnection facilities. GRICUA has a line extension credit for home owners for 100 or so feet of the power line built without cost to the customer. For operation, GRICUA first began with an administrative assistant and a Board who then began to contract out services such as line repair. Linemen were hired to build new infrastructure. One of these linemen is a tribal member. GRICUA was able to obtain tribal member employees via the Work Initiative Act (WIA) and through TERO.

- e. GRICUA is looking at leasing a large portion of land to a third party-developer who is proposing to build a utility-scale solar array. GRIC will receive a lease payment and some of the power at avoided cost and re-sale it to customers on the reservation. This arrangement is more advantageous to the tribe than having GRICUA own and operate the solar array. Roof-top solar is problematic for GRICUA since they do not have a net-metering program for their customers so the return on investment for individuals is negative.
- f. GRIC does not have the same constitutional issues regarding leasing (over \$50,000) or incurring debt (greater than \$250,000) that Hualapai does which requires a vote of tribal members in order to approve these ventures. Hualapai was able to amend its constitution to allow tribal council to vote to incur debt over \$250,000 vs. holding a referendum vote. GRICUA does not require approval of GRIC tribal council to take on most debt. GRICUA can borrow up to \$20 million without council approval. This ceiling was granted after GRICUA proved it could manage the electric service. GRICUA operates autonomously from tribal council; however, tribal council may step in and override a GRICUA decision.
- g. It is best to engage tribal members on the benefits of having a tribal utility at an early age (5th grade). GRICUA supports a STEAM (science, technology, engineering, architecture and mathematics) program and also has summer interns' work for the utility in meaningful positions.
- h. GRIC has a master land use plan which has been developed through much public involvement. GRIC also adopted its own leasing regulations under the HEARTH Act (2012) and has an environmental review process which complies with the principals of the National Environmental Policy Act (NEPA).
- i. For system reliability, GRICUA is seen as an improvement over service from SCIP. Lack of SCIP reliability was an impediment to commercial and residential users.
- j. The main objective of the HTUA is to bring hard-line power to Grand Canyon West. This will allow future development to occur and also supply sufficient power to the anticipated electric loads to pump and purify the Colorado River water entitlement which should be fully implemented by 2028. The HTUA may also look at taking over billing from Mohave Electric Cooperative (MEC) as a way to develop the HTUA into an operational utility. Currently, the Ak-Chin Electric Service (ACES) provides this function. In addition, the construction of the power line to Grand Canyon West will help the HTUA gain valuable experience in building power lines. The HTUA should consider taking advantage of training offered by the Arizona Public Power Association.
- k. The 2007 HTUA feasibility study, updated in 2009, noted that the power delivered to the Nelson substation could be split (most likely between Peach Springs and the MEC 70-mile line). The Hualapai are currently updating this study in the hopes of taking over control of the Peach Springs distribution system from MEC.
- l. The key recommendation from GRICUA is to run the utility as a business, not a charity.

4) Adjourn