

Hualapai Tribal Utility Authority (HTUA) Meeting Minutes

January 10, 2018, 9:38 AM to 10:55 AM, Hualapai Health Department, Peach Springs.

Board members:

Charles Vaughn, Chairman – present

Joe Montana, Vice-Chairman – absent

Jamie Navenma, Secretary – present

Bill Cyr – present via telephone

Rory Majenty – absent

Support personnel and guests:

Kevin Davidson, Planning Director

Lauren Ferrigni, Fennemore Craig (via telephone)

Patrick Black, Fennemore Craig (via telephone)

Bob Becherer, IMEG (via telephone)

1) Call to Order

2) Roll Call

3) Review and Approval of Minutes from December 13, 2017, meeting

Mr. Vaughn made a motion to approve the meeting minutes of December 13, 2017, with minor corrections. Mr. Navenma seconded the motion. Motion carried 3-0-2.

4) FY 2018 Budget Review Mr. Davidson noted that \$20,000 was taken from the Training line item that was reserved for linemen training and \$4,100 was removed from the Travel fund leaving \$5,000 in that line item. With these two items notwithstanding, the HTUA's budget was approved as presented in the total amount of \$643,915.04 which will cover the anticipated professional service requests and the expense of hiring a part-time general manager for the HTUA.

5) Project Updates

a. Proposed Power Line to Grand Canyon West

- i. Comments from UniSource on Interconnection Agreement** Mr. Davidson reported that the draft Interconnect Agreement (IA) was transmitted to UniSource on November 27, 2017, and that Mr. Matt Bailey, Corporate Counsel for Tucson Electric Power Company (TEP) responded on January 9, 2018, via e-mail, indicating that he has circulated the HTUA's request through TEP's Transmission Planning Group and is awaiting a reply which will most likely include a step by step process and a formal application form for the HTUA to complete along with the name of TEP's contact. Ms. Ferrigni confirmed that TEP is working on a formal response to the HTUA detailing the overall interconnect process.
- ii. Status of contracts with consultants** Mr. Davidson said that he received signed contracts from Taney Engineering, Tierra Right-of-Way, T&D Services+Q-Spec and Cobb Consulting for the survey, environmental review, construction work plan and long-range financial forecast, respectively, and that all were given to the tribe's Grants and Contracts officer on December 28, 2017, for review and signature. Mr. Davidson said he will check on their status after today's meeting.
- iii. Kick-off meeting with consultants** Mr. Davidson said he will schedule a kick-off meeting shortly after the four contracts are signed. On a related topic, Mr. Vaughn asked how the Grand Canyon West Ranch is proceeding on getting grid power to their facility on Diamond Bar Road, some six miles east of Pierce Ferry Road. Mr. Becherer said he has talked to the new owners who acquired the property from Mr. Tuner and said the cost to extend a power line to the site is quite expensive. Mr. Vaughn said an investment by Grand Canyon West Ranch to build a power line part way along Diamond Bar Road could help the tribe to bring power to Grand Canyon West. Mr. Becherer said the cost to build a power line from Pierce Ferry Road to the Grand Canyon West Ranch is estimated to be between \$1.5 and \$2.0 million. Mr. Becherer said even if the Grand Canyon West Ranch was to pay this part of the cost, the HTUA's proposed power line along Tenny Ranch Road would still cost less to construct. Mr. Vaughn asked about the probability of either UniSource or BLM opposing the Tenny Ranch Road route. Mr. Becherer said UniSource should not have any issues with the route since they will not be owning or operating

the power line. Mr. Davidson commented that one of the bidders for the environmental review said this project did not appear to be complex or controversial. Mr. Becherer added the BLM did not indicate any significant issues with the project during the right-of-way application process (SF299).

b. Cost of Service Study

i. Progress to Date Mr. Davidson referenced the e-mail from Ms. Davies of Intergroup detailing the teleconference with Mr. Cyr, Mr. Davidson and Intergroup to help the Cost of Service study focus on reducing power costs to the HTUA. As a result, Mr. Davidson has assembled the tribe’s existing hydropower contracts, which are currently subject to a bill credit or benefit arrangement with a third-party utility, such as Navajo Tribal Utility Authority, and presented the data to Intergroup for analysis (see table). The existing hydropower contracts can provide nearly 40 percent of the current power demand in Peach Springs. Intergroup will calculate the cost of the remaining power supply needed to meet demand by time of day which may vary from as low as \$5.00/MWhr up to \$30.00/MWhr.

Operating Year 2018 Estimated Power Costs									
Supplier	KW/ Contract	KW/ Actual	KWHrs/ Contract	KWHrs/ Actual (AHP)	Total Power Costs OY2018	Delivery Point	Term	Notes	
Boulder Canyon Project, Western Sched D1 Summer (est in red)	382	242	583,160	370,000	\$13,007.95	Mead 230KV bus	9/30/2067	Benefit Arrangement with Pechanga for 10 yrs. Termination prior to 10/1/2022 w/ penalty.	
Boulder Canyon Project, Western Sched D1 Winter (est in red)	382	518	250,495	340,000	\$12,408.55	bus	9/30/2067	Benefit Arrangement with Pechanga for 10 yrs. Termination prior to 10/1/2022 w/ penalty.	
Boulder Canyon Project, APA Sched D2	107	67	233,457	184,431	\$7,918.67	Mead 230KV bus	9/30/2067	Have signed Bill Credit with MEC. May terminate w/ 30-days notice	
Colorado River Storage Project, Western Summer	625	318	1,118,127	1,199,903	\$34,051.82	Pinnacle Peak sub (230KV)	9/30/2024 & 9/30/2057	Existing contract in effect with NTUA until 9/30/2024. May terminate w/ 1 year notice	
Colorado River Storage Project, Western Winter	609	351	1,163,130	1,163,130	\$33,106.27	Pinnacle Peak sub (230KV)	9/30/2024 & 9/30/2057	Existing contract in effect with NTUA until 9/30/2024. May terminate w/ 1 year notice	
Total or Avg KW Capacity	1,106	782	3,348,369	3,257,464	\$100,493.26				

Mr. Davidson reviewed a set of tables obtained from Western showing the wheeling rates for the Boulder Canyon, Parker-Davis and other Western projects in the Desert Southwest Region. Intergroup will also research wheeling rates to bring electricity to the reservation, namely through Western’s and Mohave Electric Cooperative’s (MEC) grid.

On the topic of reliability, Mr. Davidson has acquired additional outage information on MEC’s feeder lines from the Kingman, Round Valley and Nelson substations. Mr. Vaughn asked how the HTUA can improve reliability of the off-reservation transmission lines to take advantage of these low cost hydropower allocations. Mr. Cyr said the HTUA requires more information on the type and cause of the power outages, e.g. failures along the transmission and distribution

lines as well as at the points of service. Some of the long duration outages may be caused by MEC not having enough staff available to respond immediately to the situation. Having additional linemen on MEC's staff may shorten repair times and restore power sooner to the customers. Mr. Vaughn estimated that MEC will still need at least 90 minutes to access the Round Valley substation and transmission line from their base of operations in Kingman. Mr. Cyr said showing evidence of substandard reliability by the existing transmission providers can be used to obtain funding from Western to improve reliability, i.e. transmission to the Hualapai Reservation. Mr. Vaughn asked that the circuit codes (68, 79, 80 and 81) from each feeder be identified to understand what loads they serve.¹ Also, how is "cut off" defined? Mr. Becherer said this is another name for an electrical switch. Mr. Vaughn asked what the cost would be to each tribal member to improve reliability of power service.

c. Community Wi-Fi

- i. Update on BIA's investigation into AT&T's coaxial cable and fiber optic right-of-way lease terms** Given the incomplete information the tribe has on file for the lease, Ms. Varela of BIA Realty has also contacted Mr. Luis Ortega of AT&T's Right-of-Way Division and requested the lease documents. No additional information has been received from AT&T, so the tribe's next step should be to request a formal meeting with AT&T to discuss the contents of the existing lease.

d. Mohave Electric Cooperative

- i. Request to MEC to provide records of rights-of-way not on file with BIA** Mr. Davidson reviewed the letter sent to MEC in December requesting the records the Cooperative has on file for the grants of easements it has on the reservation. In response, MEC has requested a payment of \$784.00 to perform a records search and transmit the information to the HTUA.
- ii. Possible action to approve payment to MEC to provide additional records to HTUA** Mr. Davidson requested the HTUA Board to approve the use of HTUA funds to pay MEC for these

¹ Circuit 68 serves areas west of the Chinatown switch including Buck & Doe, Music Mountain and VORTAC; Circuit 79 serves a property east of the reservation; Circuit 80 serves Peach Springs east of the Chinatown switch and along Nelson Road; Circuit 81 serves Havasupai and other points along the 70-mile line including the Youth Camp.

records. Mr. Vaughn requested that the inquiry be worded so that the tribe will not be getting records which do not pertain to the tribe. This may lower the cost of the invoice. Mr. Cyr made a motion to approve the expense using HTUA funds. Mr. Navenma seconded the motion. Motion approved 2-1-2.

6) Other Matters (Planning)

- a. Review and possible action on draft RFP for HTUA General Manager position** Mr. Davidson reviewed the draft RFP and noted that much of the scope has been taken from other job descriptions for electric utility general managers. The RFP follows the same outline as other RFPs issued by the Planning Department. Mr. Vaughn noted a spelling mistake and asked if the summary of the job description could be summarized. Mr. Cyr said the RFP reads okay. By consensus, the HTUA approved the RFP subject to a spell check.
- b. Set-up field trip to Gila River Indian Community Utility Authority** Mr. Davidson reported that Mr. Leonard Gold, General Manager for the Gila River Indian Community Utility Authority (GRICUA), has arranged for his board to meet with the HTUA board on January 24th at 9:30 AM. Mr. Vaughn, Mr. Navenma and Mr. Cyr said they will attend the meeting. Mr. Davidson said he will ask Mr. Montana if he can attend as well. Mr. Cyr stressed the importance of having Hualapai Tribal members on the HTUA Board meet with GRICUA. Mr. Vaughn and Mr. Cyr said they will not be attending the Arizona Tribal Energy Association meeting the following day in Phoenix. Mr. Navenma said he would be attending both meetings. Mr. Davidson will prepare travel requests accordingly and said Mr. Majenty will not be able to attend either meeting. Mr. Cyr will prepare a set of technical questions to present to GRICUA.
- c. Announcements** Happy New Year! No other announcements.

7) Set time and location for next meeting The next meeting is set for Wednesday, February 14, 2018, at 9:00 AM at the Hualapai Health Department, Peach Springs.

8) Adjourned at 10:55 AM