

## **Hualapai Tribal Utility Authority (HTUA) Meeting Minutes**

April 11, 2018, 9:20 AM to 10:55 AM, Hualapai Health Department, Peach Springs.

Board members:

Charles Vaughn, Chairman – absent

Joe Montana, Vice-Chairman – present

Jamie Navenma, Secretary – present

Treasurer – Vacant

Rory Majenty – present via telephone

Support personnel and guests:

Bill Cyr, General Manager

Kevin Davidson, Planning Director

Peter Bungart, Cultural Resources Director

Lauren Ferrigni, Fennemore Craig

Patrick Black, Fennemore Craig

Mike Jackson, IMEG

Bob Becherer, IMEG (via telephone)

Todd Stoval, Taney Engineering (via telephone)

### **1) Call to Order**

### **2) Roll Call**

### **3) Welcome new General Manager**

The HTUA Board and attendees welcomed Mr. Cyr as the new general manager. Mr. Davidson had Mr. Cyr sign the tribe's Professional Services contract to commemorate the transition. Mr. Cyr has resigned from the HTUA Board to assume the role of general manager for the HTUA.

### **4) Review and Approval of Minutes from March 14, 2018, meeting**

Mr. Navenma made a motion to approve the meeting minutes of March 14, 2018. Mr. Montana seconded the motion. Motion carried 3-0-1.

## 5) Project Updates

### a. Proposed Power Line to Grand Canyon West

i. **Status of power line survey and scheduling a field trip** Mr. Stoval reported that all survey stakes marking the centerline of the 35-mile power line have been placed except for the last mile along that portion of Tenny Ranch Road where there is steep terrain and roadway switch backs. This area was left un-staked until the project engineer can walk the route to determine the preferred course of the power line. Mr. Stoval said the aerial survey, showing topography, should be complete by June 4, 2018. Mr. Cyr asked if he could obtain a map showing the alternate routes. Mr. Becherer said he would provide Mr. Cyr with a map to review. To help provide an understanding of the topography in question, Mr Stoval will transmit an electronic file (kmz) that can be mapped in Google Earth. Mr. Bungart noted the potential of artifacts being discovered along both the Tenny Ranch Road routes and Clay Springs Road route given that these areas were frequented by both the Grass Springs and Clay Springs bands of Hualapai. Mr. Cyr asked about the need to walk the staked route. Mr. Becherer advised those areas along Tenny Ranch Road that have yet to be staked be covered on foot and marked so Mr. Stoval can finish out this portion of the contract. However, those portions that cross open terrain may not need as much scrutiny and can be reconnoitered by air. Mr. Stoval added that most of the staking is along existing roads and trails that may be accessed by motor vehicle. The stakes are six-foot high PVC placed over rebar which are driven into the ground some 24 inches. Stakes are spaced 500 feet apart with smaller wooden stakes placed between if terrain obstructs the 500-foot line of sight between the PVC markers.

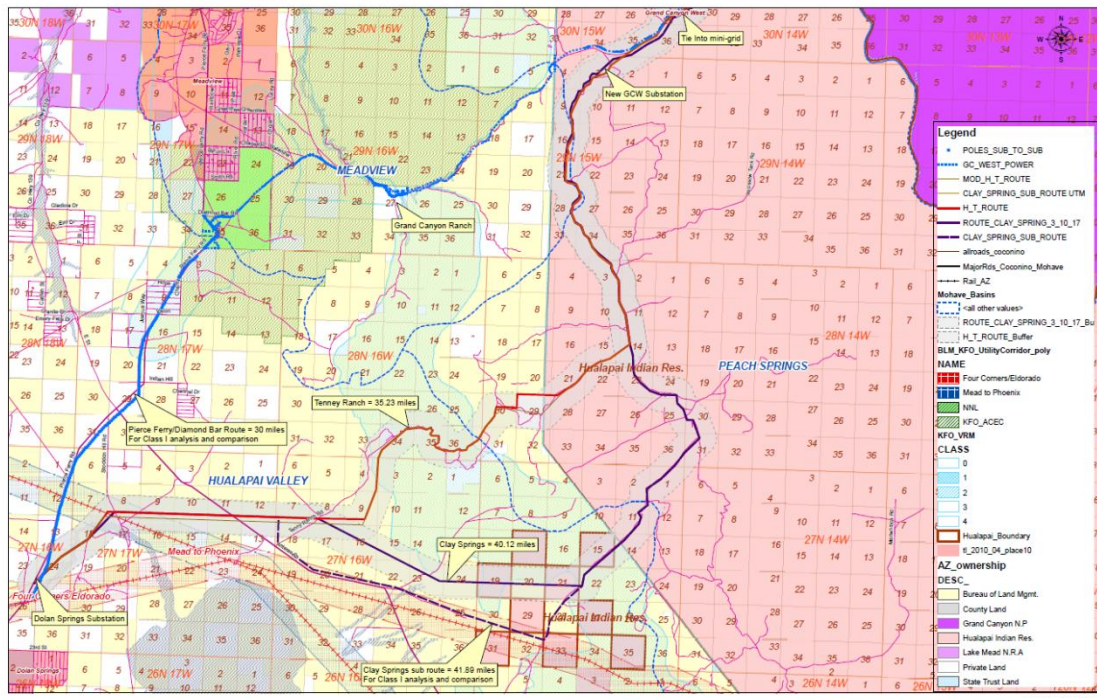
### ii. Status of NEPA review, cooperating agencies (USDA & BIA) and revised Indirect Cost

**Agreement with BLM** Mr. Cyr asked Mr. Davidson to update the board on the results of the kick-off meeting for the NEPA review with the tribe, BLM, and Tierra Right-of-Way held on Tuesday, March 20, 2018, at the Kingman Field Office. Mr. Davidson reviewed the meeting minutes and stated the most significant impact to the region may be on the transportation network given that the power line will allow more growth to occur at Grand Canyon West, namely a hotel, welcome center and eventually a community. This will be especially true if the tribe is able to settle its water rights to the Colorado River which will allow more growth on the

reservation in general. However, the foot print of the power line should be nearly the same whether it serves a 3 MW or a 10 MW load at Grand Canyon West.

Alternative routes discussed this far have been 1) Grapevine Canyon following Pierce Ferry, Diamond Bar, and Buck and Doe Roads: this alternative has been discussed extensively but has been eliminated from detailed analysis due to its crossing through the Grapevine Mesa-Joshua Tree Forest Area of Critical Environmental Concern (ACEC) and the Joshua Tree National Natural Landmark (NNL), 2) Tenny Ranch Road, a.k.a. Hells Canyon Road, is the Tribe's preferred alternative, even though steep terrain may make construction difficult in areas. This route crosses northern Hualapai Valley to Antares Road then easterly along an existing road to intersect with the Tenny Ranch Road, generally following it to Buck and Doe Road then north to Grand Canyon West, and 3) Clay Springs Road which follows the Tenny Ranch Road Alternative for the most part, except instead of turning east near Tenny Ranch it would continue somewhat parallel to Antares Road to Clay Springs Road, then northeast to Buck and Doe Road and north to Grand Canyon West (see map). This site has several cultural concerns identified by the Hualapai Cultural Resources Department. All routes originate at the existing UniSource 69 KV substation on Pierce Ferry Road just north of Dolan Springs.

69 KV Powerline Routes from Dolan Springs Substation to Grand Canyon West



Project components and design consist of: 1) a 50-foot wide right-of-way (ROW) for the power line, 25 foot wide ROW for access roads where it would be outside the power line ROW, temporary ROW areas for construction of 50 feet on either side of power line ROW and 25 feet wide on either side of access roads, 2) right-of-way for two lay-down areas with one adjacent to Antares Road near its intersection with Tenny Ranch Road, and the other on the Hualapai Reservation adjacent to Buck and Doe Road, 3) Structures would be single wooden poles approximately 55 feet in height with steel self-weathering poles at turning points and for longer spans, 4) poles and hardware configuration would be “raptor proof” with non-specular conductors. Wood poles are suggested in lieu of steel poles to save cost. Steel poles are anticipated along Tenny Ranch Road steel poles where they may reduce the number of poles that would otherwise be used in steep terrain.

For construction access and maintenance, existing roads would be used as much as possible and, in areas of little slope, access would likely be created by vehicle/equipment travel; however, wash crossings should be contoured. Access to pole locations will be described in the environmental assessment, especially in regards to methods of installing poles in steep terrain. Areas of disturbance, both temporary and residual, will be estimated and described in the EA. Reclamation may be required anytime there would be access to the poles, unless there is no road included in the ROW grant. Travel lanes will be kept to 12 feet in width, however, wider roads may be considered if there are access issues. Access routes will be determined and surveyed for cultural artifacts. Access roads over flat country are anticipated to stay within the 50-foot right-of-way.

For the preparation of the EA, it is being drafted by Tierra Right-of-Way. Scoping meetings should be held in Peach Springs and Dolan Springs. The EA should be complete in 10 months. The USDA will also be reviewing the EA since it is linked to an existing Rural Utility Services (RUS) grant and future RUS loan. The BLM’s Kingman Field Office staff will identify resource concerns. For example, Mexican Vole habitat may need to be addressed. Both routes cross through Class 2 visual resource management areas (VRM). Key observation points must be identified. The EA should also consider the view-shed or landscape perspective during the visual analysis. The EA should develop thresholds for this process and examine resource concerns such as visual, wildlife, cultural assets. Also, new Wilderness characteristic inventories will be taken into

account for this analysis. Numerous cultural sites have not been registered with Arizona State Museum within the Clay Springs area.

In regard to processing the EA, the tribe and Tierra Right-of-Way request the BLM to have comments prepared within 2 weeks of submittal for review barring unusual circumstances. New federal guidelines for EAs limit page length to between 25-50 pages. Appendices and reference documents are not included in the page limit. The priority route is along Tenny Ranch Road, with the Clay Springs Road route only being investigated if the Tenny Ranch Road route proves untenable during the NEPA review.

To conclude, Mr. Polacek of the USDA has requested a letter from the BLM stating that the BLM act as the lead agency in performing the EA and that USDA will be a cooperating agency. The BLM is also working with BIA to designate that agency as a cooperating agency.

**iii. Review of Interconnection Agreement and possible action on payment to Tucson Electric**

**Power to complete System Impact Study** Mr. Davidson reported that UniSource has \$14,028.77 in funds remaining from the original system impact study performed in 2012 and is looking to see how they can transfer the money to TEP to help for the new system impact study which requires a \$30,000 deposit to begin. Mr. Cyr asked about the parameters of the study. Mr. Becherer and Mr. Davidson reviewed their notes from the March 13, 2018, meeting with Tucson Electric Power (TEP)/UniSource as follows: 1) model the load (up to 3 MWs) as well as back-up generators, 2) look at outages and impacts of those outages on the system and also range of service, and 3) determine best path to send Hoover power to Grand Canyon West. To proceed, the HTUA will provide TEP with the diesel generator specifications. Mr. Cyr asked if it would be better to model the total capacity of the system to determine how much power UniSource can deliver to the substation. Mr. Cyr advised the board that it would be best to discuss the scope of the study with TEP prior to paying them the deposit to begin the study. Mr. Davidson will provide the results of the 2012 study for Mr. Cyr to review.

**b. Cost of Service Study**

- i. Progress to Date** Mr. Davidson noted the cost of service study is nearing completion. The major findings of the study indicate that serving Peach Springs alone is too small of a load to be economically viable. Adding a large water pumping load would improve the economics assuming the load was charged a retail rate and connected to the existing MEC electrical distribution system. Serving load at Grand Canyon West may help spread the cost to a large commercial customer; however, the cost of paying for a new power line to serve the Grand Canyon West load may make the energy more expensive than the current diesel generation.
- ii. Review and possible action on payment to MEC to obtain net book value of facilities** Mr. Davidson said MEC would like an additional \$3,031.87 to provide the tribe with the net book value of the electrical facilities on the reservation. The data would prove useful if the tribe seeks to buyout the electrical system in the next few years. Mr. Cyr said he would first like to meet with Mr. Carlson, MEC's CEO to understand how open MEC is to divesting itself of its facilities on the Hualapai Reservation. Also, if the HTUA were to pursue the purchase, MEC would provide the net book value to help with the negotiation process. The board decided to defer to the question of payment and allow Mr. Cyr to meet with Mr. Carlson.

**c. Community-Scale Solar Array Feasibility Study**

- i. Revised Power Purchase Agreement sent to MEC for comment** Mr. Davidson reviewed the draft PPA and said the price per MWhr was set at MEC's avoided cost rate of \$25.00/MWhr over the 25 year agreement with adjustments for inflation made every five years. The agreement allows the HTUA to sell power to other users. This would include the near-by chemical lime plant. Mr. Campos is reviewing the document and should have comments shortly. Mr. Bungart asked if the future operations of the chemical lime have been taken in to account. Is there a danger of the mine shutting down operations during the life span of the solar array?
- ii. Status of grant application to Department of Energy** Mr. Davidson said the grant is due on April 19<sup>th</sup>. Mr. Cyr asked when DOE is expected to make the award announcements. Mr. Davidson

said he is expecting a notification in late June of 2018. Mr. Montana asked if any excess power could be wheeled outside of the MEC grid and could the HTUA add additional solar capacity on to the grid. Mr. Cyr said he will ask Mr. Carlson about MEC's ability to wheel power to points off the reservation.

**d. Mohave Electric Cooperative**

- i. Review records of rights-of-way on file** Mr. Davidson referred to a table of power line easements he was able to obtain from MEC. Some of these easements have expired or are about to expire. Mr. Cyr asked if these could be mapped. Mr. Davidson said they could be using a GIS file he received from MEC last fall. When it comes to renegotiating the easements, Mr. Black advised that Mr. Cyr first talk to the Arizona Corporation Commission because they are sympathetic to issues of tribal sovereignty.

**6) Other Matters (Planning)**

- a. Obligation of new Boulder Canyon Project power allottees to report to WAPA** Mr. Davidson notified the HTUA that they must provide a yearly financial report as specified under Section 34 of the Arizona Power Authority Power Sales Contract. This applies to the tribe's Schedule D2 allocation which is set up in a bill credit arrangement with MEC. Mr. Cyr said this is a report that he can produce for the HTUA.
- b. Update on tribal council actions on Community Connect grant and AT&T wireless proposal** Mr. Davidson reviewed the USDA Community Connect grant opportunity that the tribe is both applying for to bring fiber optic to Grand Canyon West and in writing a support letter for WECOM's application to extend their fiber optic line from Valle Vista to Peach Springs. The grant requires a 15 percent tribal cash match. This would reduce the tribe's cost to build the 48-strand fiber optic under build along the new power line from approximately \$700,000 to \$105,000.

For the AT&T wireless proposal, Mr. Davidson said two cellular towers are proposed, one at Gray Mountain and the other at Grand Canyon West. Both towers will be within 100 or so feet of the existing radio communication towers. This is part of the FirstNet program which is designed to enhance public safety by increasing the speed of telecommunications for first-responders. Tribal council is looking to pursue this venture with AT&T.

**c. Proposed Big Chino Valley Pumped Storage project** Mr. Davidson next referred to a notice from Big Chino Valley Pumped Storage, LLC on a proposed 3,000 MW energy project located just south of Interstate-40 at Picacho Butte. The pre-application document states the project will provide energy storage and grid stabilization for the Southwest with connection points on both the Western and APS transmission lines. Mr. Davidson noted the APS interconnection point is about 15 miles east of the Hualapai Reservation and could provide a tie-in point for a future utility-scale solar array. Mr. Black said there would be significant water loss through evaporation which may prove problematic when facing Arizona's ongoing drought and problems with groundwater depletion statewide. Mr. Black also noted that FERC may not understand this project requires Arizona Corporation Commission (ACC) review and approval. The proposal does fall in line with the current state ballot initiative to have 50% of power produced in Arizona derived from renewable sources by 2030<sup>1</sup> and the ACC initiative to have 80% by 2050. The ACC proposal includes conventional hydropower and nuclear.

**d. Announcements** Mr. Davidson said the tribe is carrying forward six sites for the new administration building as part of the environmental review. The environmental assessment should be complete this year.

**7) Set time and location for next meeting** The next meeting is set for Wednesday, May 23, 2018, at 9:00 AM at the Hualapai Health Department, Peach Springs.

**8) Adjourned at 10:55 AM**

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<sup>1</sup> The Clean Energy for a Healthy Arizona Amendment requires affected electric utilities to provide at least 50% of their annual retail sales of electricity from renewable energy sources by 2030. The Amendment defines renewable energy sources to include solar, wind, small-scale hydropower, and other sources that are replaced rapidly by a natural, ongoing process (excluding nuclear or fossil fuel). Distributed renewable energy sources, like rooftop solar, must comprise at least 10% of utilities' annual retail sales of electricity by 2030. The Amendment allows electric utilities to earn and trade credits to meet these requirements.