

Hualapai Tribal Utility Authority (HTUA) Meeting Minutes

May 23, 2018 Hualapai Health Department Conference Room

1. **Call to Order** The meeting was called to order by Chairman Vaughn at approximately 9:20 am.

2. Roll Call

Board Members

Charles Vaughn, Chairman present

Joe Montana, Vice Chairman present via phone

Jamie Navenma, Secretary present via phone

Treasurer- Vacant

Rory Majenty- Present---Absent

Support Personnel and Guest

Bill Cyr, General Manager present

Kevin Davidson, Planning Director present

Patrick Bowman Intergroup present via phone

Bob Becherer IMEG present via phone

3. Review and Approve Minutes from April 11, 2018

Mr. Vaughn made a motion to approve April 11, 2018 Board meeting minutes with a second by Mr. Navenma —board approved 3-0

4. Project Update

a. Proposed Power Line to Grand Canyon West

- i. Status of power line survey- Bobs Report

Mr. Robert Becherer provided an written update included in May 23, 2018 Board package along with a verbal presentation by phone. In Summary

- Initial identification of culturally sensitive sites to avoid
- Identification of private property to avoid
- Recommending moving proposed substation site at Grand Canyon West
- Rest of Bobs report is available in May 23, 2018 Board package

ii. **Status of NEPA/ Environmental**

Work by our consultants and BLM continues to move forward - no real road blocks uncovered yet. Plans for a line walk with BLM out of Kingman in June are being firmed up.

iii. **Review of Transmission Interconnection System Impact**

Study Agreement and possible action on payment to Tucson Electric Power (TEP) to complete system impact study.

The Board reviewed a system impact agreement between HTUA and Uni-source/Tucson Electric Power to study the technical merits of a transmission line from Dolan Springs to Grand Canyon West. On a motion by Mr. Naverma and a second by Mr. Vaughn the Board approved 3-0 to proceed with the study and authorized the expenditure of \$30,000 to complete the study. (Note: HTUA had a credit of \$17,005.85 on account with TEP so the balance due was only \$12,994.15. The entire

agreement was presented to the Board and is available in the May 23, 2018 Board package.

b. Cost of Service

i. Final Report

The final report for the cost of service study was provided to the Board in the May 23, 2018 Board package and a verbal presentation to the Board was provided by Patrick Bowman of Intergroup. The study is quite extensive and the key take away is

- Rates would need to increase by at least 30% to all customers on the Hualapai reservation if HTUA would acquire the assets from MEC and take over the day to day operation of supplying electricity to the Hualapai nation

ii. Simplified HTUA business model (handout)

Mr. Cyr provided a handout of a simplified business model that was supportive of the cost of service study. The simplified model concluded that if the Hualapai's move forward with becoming an operating utility - that the Hualapai's general fund will need to supplement its income until enough customers or electrical load is acquired or developed to fully support the HTUA revenue requirements. A copy of this hand out can be found at the end of the minute in this section. Mr. Cyr also

recommended that the Board meet with the council to ensure HTUA actions are consistent with Hualapai council goals.

iii. **Quick look at Financing transmission line**

Mr. Cyr informed the board that regardless of the financing agency that the cost to finance the project will be about \$4,300 dollars per month for 30 years at 3% for every million dollars borrowed or in this case if the lines net cost is \$15 million then the month payment will exceed \$60,000 per month. He also informed the Board that no agency would fund such a project if the borrowing party did not have the revenue to support such a payment and that in the case of HTAU it does not and will not have the revenue to support such a payment. Mr. Cyr again suggested that the Board meet with Hualapai council to discuss how it would like to finance project

- Tribe pays for line
- Tribe pays for line and assigns long term Debt back to HTUA
- Grand Canyon west pays for line
- Other

c. Community- Scale Solar Array (Kevin)

Mr. Davidson updated the Board on the two items listed below. He should have more information on both items for next month's Board meetings

- i. Revised PPA sent to MEC for comment
- ii. Status of grant application to DOE

d. Mohave Electric Cooperative

i. Discussions with MEC

Mr. Cyr discussed a couple of recent calls he had with MEC management. Mr. Cyr would like to meet with Tribal Council and the HTUA Board to firm up expectations prior to entering into discussions with MEC.

5. Other matters

a. Update on tribal council actions (Kevin)

Kevin provided the Board with an update regarding his attendance at recent Board meetings

b. Cell tower AT&T (Kevin)

Kevin provided a presentation that AT&T made to council regarding proposed upgrades to cell service by ATT that would require the

utilization of some Trivial assets. Full presentation in May Board package

c. Solar Field Trip with US Global

Kevin provided a presentation that a meeting he had with Global including a written summary regarding Global provided by Global.. Kevin was not optimistic that anything would result from this meeting

d. Discussions with WAPA- invite to next Board meeting

Mr. Cyr informed the Board that it is agreeable in meeting with Board to discuss how WAPA might be able to help HTUA. Mr. Cyr would like to have that meeting after the HTUA Board has meet with Tribal Council

e. BCP Customer Meeting to Review Draft Master Schedule FY18 & FY19

Informative email presented to Board regarding an upcoming BCP customer meeting

f. New Board Member

Tabled to next meeting as we may have two vacancies

g. Announcements

none

6. Set time and location for next meeting

Next meeting scheduled for June 27, 2018.

7. Adjourn

Adjourned at 11.00 am