

Hualapai Tribal Utility Authority (HTUA) Meeting Minutes

May 25, 2017, 9:25 AM to 10:35 AM, Hualapai Health Department, Peach Springs.

Board members:

Charles Vaughn, Chairman – present

Joe Montana, Vice-Chairman – present

Jamie Navenma, Secretary – present

Rory Majenty – absent

Support personnel:

Kevin Davidson, Planning Director

Patrick Black, Fennemore Craig (via telephone)

Lauren Ferrigni, Fennemore Craig (via telephone)

Bob Becherer, IMEG (via telephone)

1) Call to Order

2) Roll Call

3) Review and Approval of Minutes from April 27, 2017, meeting

In reading page 7 of the minutes, Mr. Vaughn asked if the insurance quote provided by the Mahoney Group covered the improvements that would be made by the HTUA inside the UniSource sub-station. Mr. Davidson said he would confirm that with Ms. Sharp.¹ Mr. Vaughn entertained a motion to approve the meeting minutes of April 27, 2017. Mr. Navenma made a motion to approve the minutes as written. Mr. Montana seconded the motion. Motion carried 3-0-1.

4) Project Updates

a. Proposed Power Line to Grand Canyon West

¹ In an e-mail dated May 2, 2017, Ms. Sharp noted that the improvements within the substation would be covered in the insurance quote.

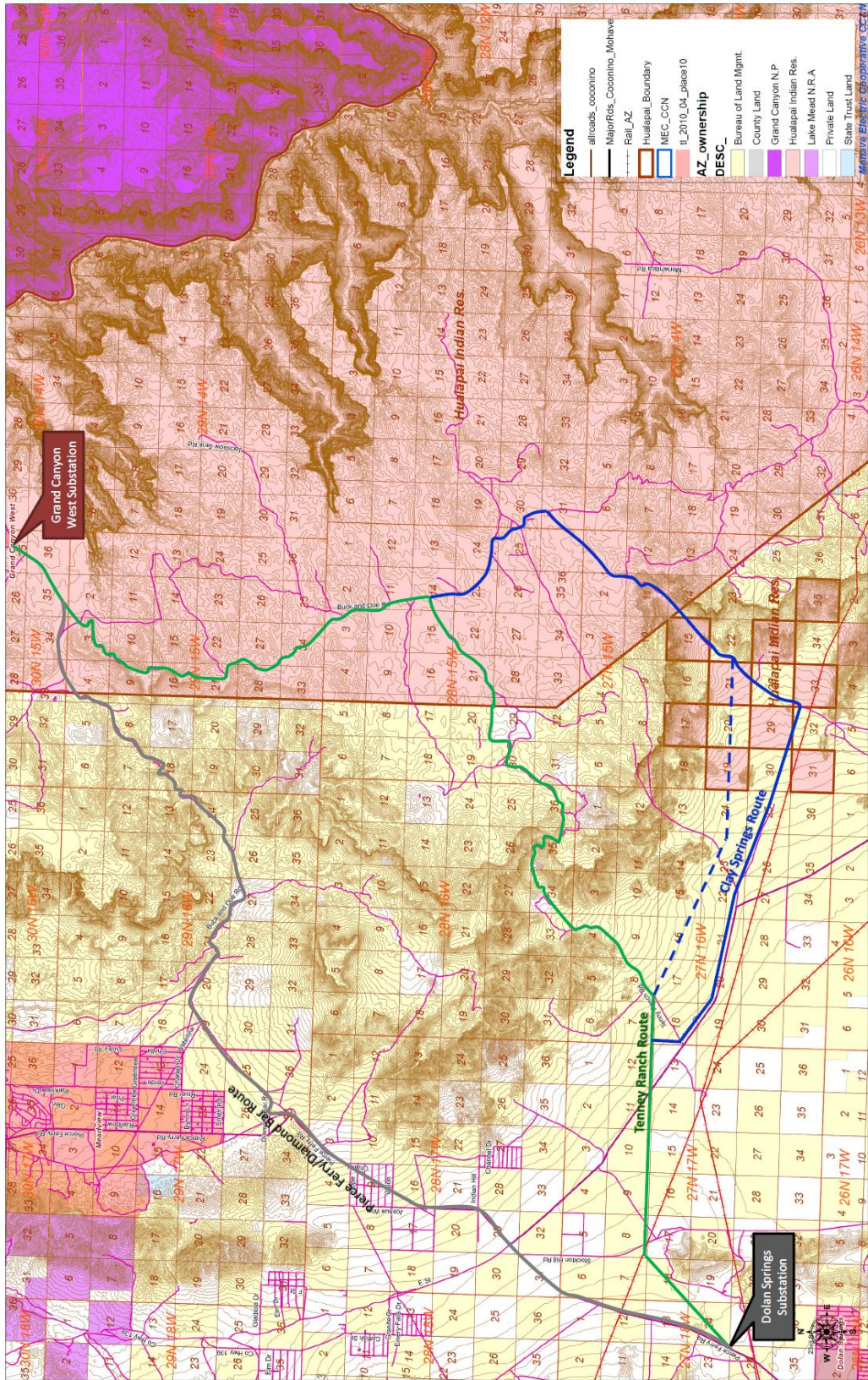
- i. Review and possible action on bids for reconnaissance flight along proposed route** Mr. Davidson reviewed bids from Papillion, Maverick and Sundance with Maverick at \$1,200 per hour and Papillion at \$1,250 per hour of flight time. Mr. Becherer noted that Papillion has the most experience of the three operators in that they currently work with UniSource on their power line surveys and they have a good understanding of the HTUA’s request. Mr. Vaughn requested that a member from the Hualapai Cultural Department be included in the flight in addition to Mr. Becherer and a second engineer from IMEG. Mr. Davidson said he would contact Ms. Dawn Hubbs at the Cultural Department to see who she recommends. Mr. Montana said that \$1,200 per hour is in line with what the Hualapai Natural Resources Department pays for helicopter surveys. The Board, by consensus, selected Papillion to perform the helicopter survey.

- ii. Additional information on archeological sites along alternate power line routes** As noted in Ms. Hubbs presentation at the April Board meeting, there is a high density of artifacts in the Hualapai Valley near Red Lake. The sub-route, which utilizes a portion of the one-mile-wide BLM designated “368” energy corridor, passes through a dozen or so of these historic sites and should likely be avoided (see map on page 3). Many archeological sites were discovered during the field work performed for the Hualapai Valley Solar Project proposed in 2009.² Mr. Vaughn commented that traditional camp sites would have been located near a water source, such as a drainage. Mr. Becherer asked Mr. Davidson for general locations of these cultural sites in preparation for the flight.

- iii. Review of Right-of-Way application and Plan of Development for BLM** Mr. Davidson reviewed the SF-299 application for the right-of-way across BLM land and the Plan of Development (POD) which describes the power line design and construction in detail that was submitted to Mr. Andy Whitefield at the BLM’s Kingman Field Office on May 23rd. Mr. Whitefield will provide a courtesy review to the HTUA in anticipation of the formal application which will be submitted by the HTUA in June. This is the first step of the BLM’s NEPA review.

² Hualapai Valley Solar Project consisted of 340 MW Concentrating Solar Power (CSP) plant covering over six square miles adjoining the southeast portion of the Red Lake Playa.

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



iv. Draft Interconnect agreement with UniSource for Dolan Springs substation Mr. Black stated the draft contract between the tribe and UniSource is derived from language in UniSource's Large Generator Interconnection Agreement (LGIA) and the Small Generator Interconnection Agreement (SGIA) because UniSource has yet to create a "wires-to-wires" interconnection agreement where the company makes a physical connection with another utility company. By choosing this approach, the tribe will be proposing both familiar language and new language to UniSource to create this contract. The Board will have a chance to offer input on the draft contract prior to submittal to UniSource.

To address sovereign immunity, Mr. Black suggested that the board select one of the four options offered by Gallagher and Kennedy in January (no waiver, declaratory and injunctive relief only, monetary damages specified in the contract, or collateral of HTUA for re-payment of debt), with monetary damages specified in the contract being the likely option.

Mr. Black continued with a review of the mediation process offered by the Federal Energy Regulatory Commission's (FERC) Dispute Resolution Service (DRS). The DRS will act as an intermediary for disputes. Mr. Black asked if the Board prefers arbitration or litigation after mediation has run its course. The arbitration clause from the tribe's attorney may be employed if the parties cannot agree on an arbitrator, each party will select an arbitrator, and the arbitrators will select the sole arbitrator to resolve the dispute. Mr. Vaughn opined that the party which drafted the contract, which appears to be the tribe in this case, may not be looked upon favorably by a court during litigation. Mr. Black said that the draft contract he is preparing is based upon language taken from UniSource's Open Access Transmission and Tariff (OATT), namely the LGIA and SGIA. Mr. Vaughn recommended that tribal council also review the draft language prior to transmitting to UniSource to review. Mr. Black said he is concerned that the "back and forth" nature of such a process may weaken the tribe's position in the negotiation and eventually lead to a rejection by both parties. Mr. Black said he would prefer to have the Board review the draft, then have it reviewed by Council with help of the tribe's attorney, have it approved by Council, and then transmit it to UniSource. UniSource will make comments, send them to the Board, who will then review and comment. If agreeable to the Board, the Board will recommend approval to Council who will review and hopefully grant final approval. Mr. Montana asked for multiple drafts to review.

Mr. Vaughn noted that past tribal councils have had an issue with arbitration. Mr. Black said he would provide language in the draft contract describing alternate ways for dispute resolution and varying degrees of limited waivers of sovereign immunity.

b. Hydropower contracts with Western

- i. Follow up on Post-2017 Hoover power allocation and contracting** Mr. Davidson said the benefit arrangement contract between the tribe and the Pechanga Band of Luiseno Indians from Temecula, California is ready for signature and that he has received an invitation from Ms. Nu'uhiwa at Pechanga to have a signing ceremony in Temecula in early June.

c. Community Wi-Fi

- i. Status of contract with Mural** Mr. Davidson noted that tribal council met with representatives of Mural and Northern Arizona University to discuss the internet issue with the Peach Springs Unified School District and Grand Canyon Resort Corporation. Obtaining the school district's support for the FCC license is critical for the success of the community wi-fi program and may be forthcoming provided that the community wi-fi program does not utilize the existing E-Rate funded internet service provided to the school district.

d. Cost of Service Study and Community-Scale Solar Array Feasibility Study (BIA grants)

Mr. Davidson informed the Board that both contracts are in review by the Grants and Contracts officer and should be signed by June 1st.

5) Other Matters (Planning)

- a. Announcements** Mr. Davidson noted that the grand opening for the much anticipated Hualapai Youth Camp will be on May 30th.

6) Set time and location for next meeting The next meeting will be held on Wednesday, June 21, 2017, at 9:00 AM at the Hualapai Health Department, Peach Springs.

7) Adjourned at 10:35 AM