

**Hualapai Tribal Utility Authority Board Meeting Minutes
January 17, 2019**



1. Call to Order – Meeting was called to order at 9:10 am by Chairman Vaughn

2. Roll Call **Board Members**

Charles Vaughn, Chairman – Present

Joe Montana, Vice Chairman - Present

Secretary- Vacant

Treasurer- Vacant

Rory Majenty – Via Telephone

Support Personnel

Bill Cyr, General Manager – Present

Kevin Davidson, Planning Director – Present

Invited Guest(s) – Western Area Power Administration (WAPA)

Ron Moulton, Regional Manager, Western Area Power Administration (WAPA)

Greg Hansen, Acting Vice President Transmission Services, WAPA

John Steward, Transmission Business Unit Manager, WAPA

Roberta Sweeney, Tribal Coordinator, WAPA

Lyle Johnson, Public Utilities Specialist, WAPA

Jim Kendrick, Vice President of Power Marketing, WAPA

Tim Kutz, Contracts, WAPA

3. Review and Approve Minutes from December 20, 2018 –

The minutes were approved as written 3 – 0 on a motion by Mr. Vaughn and second by Mr. Montana

4. Final 2019 HTUA Budget as approved by Tribal Council – *Mr. Cyr and Mr. Davidson discussed the final 2019 HTUA Budget as approved by Tribal Council. The budget as approved is approximately \$251,000. Approximately, \$206,000 is already committed to professional services contracts with Mr. Cyr (\$90,000) and Tierra Right of Way (\$121,000). This leaves a balance of approximately \$40,000 for other items.*

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5. Proposed Power Line to Grand Canyon West
 - a. Status of BLM work – The Federal Government shutdown has impacted BLM work. It appears BLM offices were closed after December 21, 2018. We expect no additional work in this area until the government shutdown is resolved.
 - b. Status of power line survey – No additional survey work has been completed and no additional survey work is scheduled.
 - c. Status of NEPA/ Environmental
 - Brief on Tierra Right-of-Way work in December 2018 – Mr. Davidson notified the Board that the Hualapai Council had extended the Tierra Right of Way contract for an additional 12 months at a sum of \$121,600. The Board was also provided with a summary of Tierra Right of Ways progress to date.
 - d. Status Pierce Ferry/Diamond Bar
 - i. BIA Encroachment Permit – Mr. Cyr and Mr. Davidson provided the Board with a copy of BIA Encroachment Permit Application. This permit application will be completed at the appropriate time. The appropriate time is loosely defined as final route selection, environmental preliminary results and additional clarification on ownership/maintenance of the Diamond Bar Road.
 - ii. Friends of the Arizona Joshua Tree Forest letter – The Board was presented with a draft letter to send to The Friends of the Arizona Joshua Tree Forest (FAJTF). In summary, the letter is requesting for a face to face, joint meeting between HTUA and FAJTF. After some discussion, Mr. Vaughn signed the letter and the Board approved the transmittal of said letter.
 - e. Status Tucson Electric Power System Impact Study Dolan Springs to Grand Canyon West
 - Potential Interconnection Study funding source – The Board reviewed a potential interconnection study funding source from The Office of Indian Energy and Economic Development.
 - f. Status Final Transmission Line/Substation Design – The Board was informed that no additional design work has occurred.
 - g. Financing – The Board was informed that no additional work was performed in this area.

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6. Water/Wastewater/Electric/Telecommunication services to all parts of Hualapai
Reservation - HTUA Strategic Plan

a. Path forward for HTUA electrical ---Base Model Strawman – The Board was presented with a Base Model Strawman detailing the expense revenues for HTUA electric service to Peach Springs and Grand Canyon West. The model identified the following items:

- Expected Revenues from Grand Canyon West and Peach Springs electric service
- The expenses for:
 - Labor
 - Cost of power
 - Transmission
 - Wheeling
 - Debt service. Debt service was defined as:
 - Power line \$12.1M
 - 2MW Solar \$2.2M
 - Cost to purchase MEC assets in Peach Springs \$1M
 - Startup cost \$1.5M

The model relies heavily on a redirection of the current fuel costs and some of the operating costs associated with the diesel generation located at Grand Canyon West. The model includes a \$2M redirection of those diesel costs to the HTUA. With the redirection of said \$2M the model has a net positive yearly cashflow of \$115,000. It was further relayed to the Board that this is a very preliminary estimate on this model and the numbers are expected to change as we obtain greater clarity on the overall project.

Mr. Vaughn relayed to staff and all Board members that at the time the diesel generation was installed at Grand Canyon West that the EPA qualified the installation with environmental requirements, specifically GCW is located in a Class 1 Air Shed. Mr. Vaughn indicated that we should become familiar with said regulations to ensure GCW remains in compliance.

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7. Federal Hydro Power/ WAPA/Other Power related

- a. Hoover operating committee – 2019 meetings – The Board was informed of a recent Hoover operating committee meeting.
- b. WAPA Presentation – At this point in the board meeting WAPA provided the Board with various presentations from three primary areas:
 - CRSP Management Center
 - Department of Energy Office of Indian Energy (Power Point presentation)
 - Overview of Interconnection Process (Power Point presentation)

Additionally, WAPA provided the following handout(s):

- Colorado River Storage Project Management Center – brochure
- 2018 State of WAPA's Assets – Customer Circuit
- Strengthening Tribal Communities, Sustaining Future Generations – booklet
- Value of WAPA Annual Report 2018 – booklet

During and after WAPAs formal presentation, HTUA was able to update WAPA on its efforts to date on bringing power to Grand Canyon West. WAPA suggested strongly that HTUA immediately apply for technical assistance grant with the Office of Indian Energy to fund a broad interconnection study to be conducted by WAPA that would look at:

- Alternative Routes
 - From Round Valley
 - From Peacock
 - From unknown or undefined locales as determined by WAPAs study
- Capability of 69kv system through Dolan Springs to supply 10MW or more at GCW
- Benefits to adjacent utilities of a looped system through the Hualapai Reservation essentially looping UniSource and Mohave Electric.

Mr. Cyr and Mr. Davidson will work with WAPA and the Office of Indian Energy to initiate the study as soon as possible. Mr. Davidson volunteered to create a new geographically based map that identifies all the alternative routes mentioned above including the alternative routes from UniSource's Dolan Springs substation already under consideration.

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8. Other Matters
 - a. Update on Tribal Council actions – Kevin
 - b. AT&T fiber optic easement and status of awarded contract – update – Mr. Davidson indicated that the kick off meeting for the AT&T Fiber Optic negotiations should occur next week. He informed the Board that some of them may be requested to participate on the newly formed committee.
 - c. Arizona Tribal Energy Association (ATEA) Annual Meeting – January 23-24, 2019 – The Board was informed of the upcoming subject meeting and that there are no plans for attendance at this meeting.
 - d. Replacement Board Member Search – Mr. Davidson indicated that he did receive a call from a potential candidate but never received follow-up. Mr. Davidson will extend the deadline again.
 - e. Announcements

9. Set time and location for next meeting – Next meeting date was set for February 21, 2019 at 9:00am in the conference room at the Hualapai Health, Education and Wellness Center.

10. Adjourn – Adjournment at 12:04 PM was approved 3 – 0 on a motion entered by Mr. Montana and seconded by Mr. Vaughn.