

Hualapai Tribal Utility Authority (HTUA) Meeting Minutes

April 13, 2016, 9:30 AM to 11:45 AM, Hualapai Health and Wellness Center, Peach Springs.

Board members:

Charles Vaughn, Chairman – present

Rory Majenty, Vice-Chairman – absent

Joe Montana, Secretary – present

Steve Malin, Treasurer – present

Jamie Navenma – present

Support personnel:

Kevin Davidson, Planning Director

Melvin Hunter, Jr., Bureau of Indian Affairs

Patrick Black, Fennemore-Craig, P.C. (via telephone)

Lou Schmitt, P.E., TTG (via telephone)

1) Call to Order

2) Roll Call

3) Review and Approval of Minutes

Mr. Black noted that Mr. Francis attended the March meeting rather than himself. At the top of page four, Mr. Navenma requested that rather than state several unsubstantiated forms of corruption as a fact the wording should be revised to say “various possible forms.” Both Mr. Vaughn and Mr. Malin requested that the answer to Question No. 39 be reworded. This revision will be addressed under Section 4.a.iv of the agenda. Mr. Montana made a motion to approve the March 13, 2016, meeting minutes, as amended. Motion seconded by Mr. Vaughn. Motion carried 3-0-1-1.

4) Project Updates

a. Follow-up on Amendment to Hualapai Constitution

- i. **BIA/Department of Interior Secretarial Election Schedule** Mr. Hunter of the BIA reviewed the Secretarial Election Schedule. The election was authorized on March 14, 2016. The Secretarial Election Board, comprised of James Williams, Superintendent of the Truxton Canon Agency, Chairwoman Sherry J. Counts, and Vice-Chairman Philbert Watahomigie, Sr. met on March 22, 2016, to set the schedule for the election. The registration forms will be mailed on April 13, 2016, with completed forms due back to the BIA's Valentine office by noon on April 29, 2016. These can be hand delivered. Challenges to the list of registered voters are due by May 5, 2016. The BIA will respond to challenges on May 6, 2016. Mr. Vaughn asked if eligible tribal voters also received the information packet published by the HTUA. Mr. Davidson said the Planning Department will be mailing out some 1,620 information packets using the same address list as the BIA on April 14 and April 15, 2016. Mr. Vaughn asked if the Secretarial Election Board is committed to the aggressive schedule which is also running parallel to the Council elections. Mr. Hunter replied that the schedule is set.

Mr. Hunter continued by saying that the election is set for May 23, 2016, and any challenges to the results will be concluded by June 11, 2016. Again, all ballots must be returned to the Valentine office by noon on the 23rd. Mr. Hunter explained that in order for the election to be valid, 30 percent of those who have registered for the Secretarial Election must actually cast a ballot by May 23rd. Mr. Vaughn asked who drafted the ballot question. Mr. Davidson replied that the ballot question is the new language for Section 3, Article XVI. Mr. Hunter said that the BIA's attorney reviewed the language and approved it.

- ii. **Additional public outreach in Peach Springs and in Phoenix** Mr. Davidson reviewed the invitation letter, Fact Sheet, power line map and public notice for the upcoming meetings in Peach Springs and at the Inter-Tribal Council of Arizona (ITCA). Mr. Vaughn asked that in instances where "amendment" occurs in the letter it be replaced with "addition of Section 3 to Article XVI" to clearly define the limited scope of the request so as not to cause unneeded anxiety. Mr. Malin advised that the answer to No. 7 on Fact Sheet be moved from second paragraph to the first paragraph. Mr. Black suggested that a fourth page be added to the mailings showing the language proposed in Section 3, Article XVI.

iii. Letter to Ms. Suminimo Mr. Davidson reviewed the draft letter to Ms. Suminimo. This will be the HTUA's response to the letter she submitted to the HTUA on February 5, 2016, that questioned how Mr. Jin obtained permission from the tribe to develop utilities for the Skywalk building without amending the Hualapai Constitution. Mr. Vaughn noted that the reference to the "tribe" should specifically refer to Grand Canyon Resort Corporation. The capital used to develop the utilities at Grand Canyon West was taken from GCRC's reserves and spent in accordance with GCRC's bylaws.

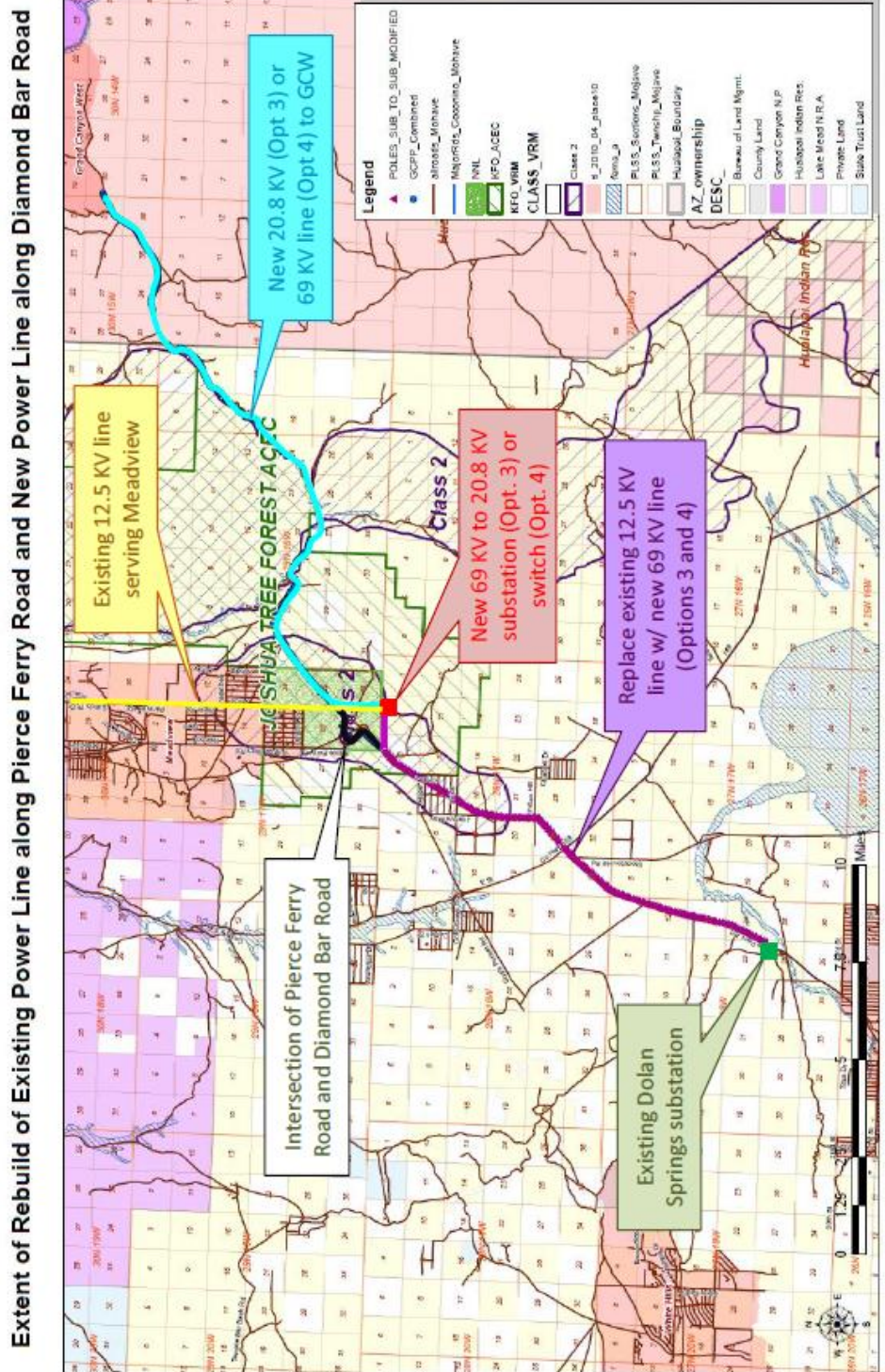
iv. Updated FAQ sheet based upon December 16, 2015, meeting at ITCA Mr. Davidson presented a supplemental FAQ sheet based on the questions and answers taken from the December 16, 2015, meeting at ITCA and reviewed by the HTUA at the past two board meetings. Mr. Davidson said the supplemental FAQ sheet would be provided at the upcoming public meetings in Peach Springs and at ITCA. In addition, Mr. Davidson referred to a PowerPoint presentation containing the supplemental FAQ sheet for the audience's benefit.

Mr. Vaughn said the response to Question No. 13 - Can a private landowner located along the route of the new power line tap into it and take all of Grand Canyon West's power? - should provide a shorter explanation as to why the answer is "no." Question No. 14 - Should there be a dollar amount cap on the proposed limited waiver in Section 3? What should the cap be set at? - Mr. Vaughn advised the first bullet point be re-worded to reflect the tribe's ability to determine appropriate and needed investments. Also, Question No. 15 - How does the Council know when to invoke Section 2 vs. Section 3 of Article XVI? - the response may be too complex and does not directly answer the question. Mr. Black said he would revise the answers to make them more concise and readable.

b. Proposed Power Line to Grand Canyon West along Diamond Bar Road

i. Clarification of power line route for Unisource on Option Nos. 3 and 4 Mr. Davidson reviewed a map showing the existing power line along Pierce Ferry Road and the new power line proposed along Diamond Bar Road. Approximately 12.5 miles of existing 12.8 KV power line along Pierce Ferry Road is to be upgraded to 69 KV under both Option Nos. 3 and 4. Mr. Navenma noted that

the power line crosses Pierce Ferry Road, from the west to the east, about one mile south of the intersection of Diamond Bar Road (see map).



The new power line will start at a new substation located just south of the Joshua Tree National Natural Landmark (NNL), proceed one mile north through the NNL to Diamond Bar Road where it will turn east and head up to the Hualapai Reservation's western boundary. UniSource has asked the HTUA if this is the correct route on which to base its construction cost estimate. Mr. Schmitt said there will be 69 KV to 20.8 KV step down transformer at the reservation boundary which is estimated to cost about one million dollars. A new 20.8 KV electric line will then be constructed between the transformer and the existing terminus of the mini-grid located at the entrance to the Western Town. Mr. Vaughn asked about the upgrades to the existing power line along Pierce Ferry Road. Mr. Schmitt said he is talking to UniSource about the upgrade and its costs. The tribe should not be paying 100 percent of the cost to upgrade the line because UniSource's existing customers in Meadview will also benefit from a more robust electrical grid. One benefit is that a 69 KV power line has less transmission losses than the smaller 12.8 KV line. The HTUA, by consensus, approved the route of the proposed power line.

ii. Request by Mared, LLC, for electric service from proposed Diamond Bar Road power line Mr. Davidson reviewed a request by the new owner of the Grand Canyon Ranch, Mared, LLC, for power from the proposed electric line along Diamond Bar Road. Mr. Vaughn said the tribe should be offered first right of refusal if Mared, LLC, chooses to sell the ranch. Mr. Montana asked if another land owner in the vicinity of Diamond Bar Road could connect to the Grand Canyon Ranch's electric supply. Mr. Davidson replied that the adjoining uses are public lands (BLM). Mr. Vaughn asked how much a third-party land owner would compensate the HTUA if he were allowed to connect to the power line. Mr. Black said these third-party customers are within UniSource's service area; however, the HTUA would be able to charge these would-be users a wheeling fee to transport the electricity over the power line and connection fee to access the power. In addition, the HTUA could request a limit on the amount of development on these private parcels.

c. Western Area Power Authority Post-2017 Hoover power allocation and contracting. Mr. Davidson reviewed the hand out materials time line for the payment of working capital and transitional cost owed by each contractor to Western as part of the "buy-in" to Hoover hydropower. The Schedule D contractors will be asked to pay \$675,000. The Hualapai portion is being calculated.

Mr. Davidson next reviewed Section 20 of Western's Electric Service Contract which sets rules for dispute resolutions between Western and its contractors. Several versions of this section have been debated by the contractors and Western for over a month. Section 20.4 concerns tribes and their agreeing to a "limited waiver of sovereign immunity solely to allow the federal parties to enforce tribal contractor's obligations under this contract through arbitration . . . and through litigation in Federal courts of competent jurisdiction." In addition, nothing in the Western contract "is intended to be or shall be construed as a waiver of tribal contractor's sovereign immunity." In addition, "neither this contract nor any underlying law or procedure abrogates or waives the tribal contractor's sovereign immunity from suit in any state or federal court or confers jurisdiction on any such court." Mr. Davidson concluded by saying the contract is still in draft form.

d. Arizona Power Authority Post-2017 Hoover power allocation and contracting and potential bill crediting. Mr. Davidson said that given the great effort that has gone into the Western contract to protect tribes in dispute resolution, he and Mr. Black have submitted language similar to Section 20.4 to the Arizona Power Authority to be inserted into the APA power sales contract as follows:

As required by A.R.S. Section 12-1518, the Authority and the Customer agree to make use of arbitration in disputes that are subject to mandatory arbitration pursuant to A.R.S. Section 12-133. The Parties agree to consider the use of arbitration for dispute resolution prior to filing suit in federal district court. The Customer agrees to a limited waiver of sovereign immunity solely as to arbitration of and litigation in Federal courts of competent jurisdiction for the enforcement of the Contract by the Arizona Power Authority related to Customer's obligations under this Contract. Aside from this limited waiver, nothing in this Contract, or in any current or future schedules, attachments, exhibits, amendments, or addenda, is intended to be or shall be construed as a waiver of Customer's sovereign immunity. The Parties understand and agree that neither this Contract nor any underlying law or procedure abrogates or waives Customer's sovereign immunity from suit in any state or federal court or confers jurisdiction on any such court.

Mr. Davidson noted this language may be revised when the APA releases the next version of their draft power sales contract.

5) Other Matters (Planning)

a. HTUA website Mr. Davidson announced that the HTUA web site is on-line at:

<http://www.hualapaiutility.org/>

b. Announcements Mr. Davidson said the next 500 KV right-of-way meeting with Council will be in Phoenix on April 20, 2016, at ITCA beginning at 9:00 AM.

6) Set time and location for next meeting

The next meeting will be held on May 25, 2016, at 9:00 AM at the Hualapai Cultural Resources Center, Peach Springs.

7) Adjourned at 11:45 AM