

Hualapai Tribal Utility Authority (HTUA) Meeting Minutes

June 24, 2016, 9:20 AM to 12:05 PM, Hualapai Health Department, Peach Springs.

Board members:

Charles Vaughn, Chairman – present at 9:37 AM

Rory Majenty, Vice-Chairman – absent

Joe Montana, Secretary – present

Steve Malin, Treasurer – present

Jamie Navenma – present

Guests:

William Clay Bravo, Council member

Phil Wisely, P.E., Public Services Director

Support personnel:

Kevin Davidson, Planning Director

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

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

1) Call to Order

In the absence of the Chairman and Vice-Chairman, Secretary Montana presided over the meeting.

2) Roll Call

3) Review and Approval of Minutes

Mr. Montana made a motion to approve the May 24, 2016, meeting minutes. Motion seconded by Mr. Navenma. Motion carried 3-0-2.

Prior to moving further into the agenda, Mr. Wisely requested an Executive Session to update the Board on the status of the tribe's water rights settlement. Mr. Navenma made a motion to enter into Executive Session. Mr. Malin seconded the motion. Motion carried 3-0-2.

At approximately 11:00 AM Mr. Montana called for an end to the Executive Session and to return to the regular meeting. Mr. Navenma seconded the motion. Motion passed 4-0-1. At this point, Mr. Montana turned the meeting over Mr. Vaughn.

4) Project Updates

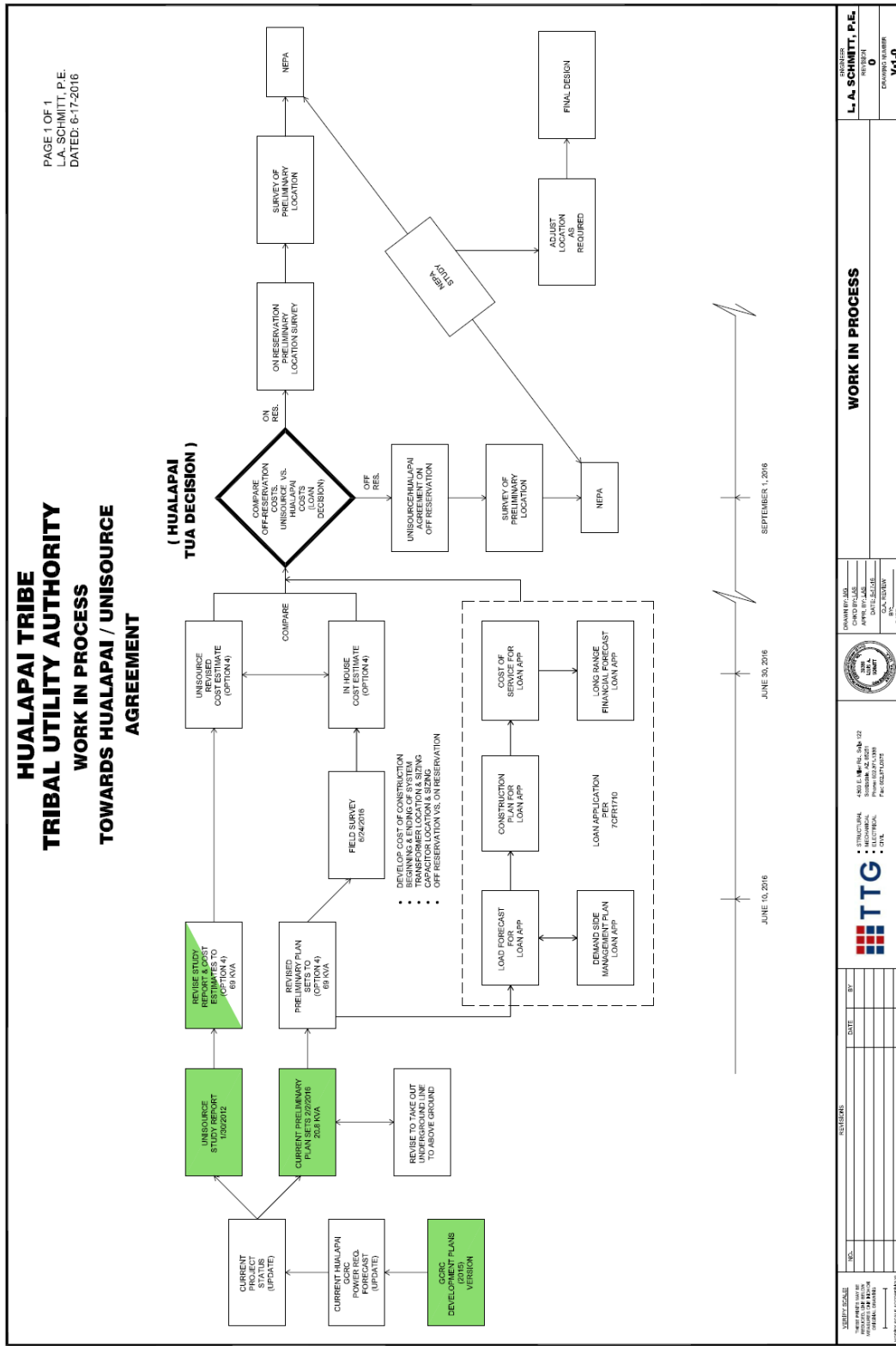
a. Follow-up on Amendment to Hualapai Constitution

- i. New language sent to BIA for incorporation into Constitution** Mr. Davidson said the BIA received no challenges to the Secretarial Election and that the election process closed on June 11, 2016. The BIA will have the official amendment sent to the tribe in the next few days.
- ii. Community reaction** Mr. Davidson asked the HTUA Board if they have had any feed-back on the election results. He had heard of a possible lawsuit. Mr. Vaughn said the Hualapai Court will review, if need be. Mr. Bravo said he had a conversation with one tribal member who believed if he boycotted the election, the amendment would fail. Mr. Davidson said that once 30% of the registered voters cast a ballot, the election was valid per BIA rules. The Secretarial Election had 47 of the 84 registered voters participate equating to a 56% turnout.

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

- i. Flow charts showing organization, funding, construction and operations** Mr. Davidson briefly referred to the four flow charts that Mr. Schmitt had prepared which show the HTUA's progress to date and the decisions to be made to build a power line to Grand Canyon West. Mr. Schmitt recommended the *Infrastructure Update* flow chart showing a 10-year timeline to develop the needed electric, water, wastewater and communication facilities for Grand Canyon West be updated to a 20-year timeline. The *Work in Progress* flow chart requires the HTUA Board to

decide whether to build a 20.8 KV power line (Option No. 3) or a 69 KV power line (Option No. 4) to Grand Canyon West prior to submitting the loan application (see chart).



Mr. Schmitt opined that the cost estimate from UniSource is likely to be some 30% higher than TTG's estimate. This will require a serious negotiation with UniSource to lower their construction cost estimate for the benefit of the tribe and to keep the USDA/RUS loan amount within reason. Mr. Davidson referred to three-ring binder with some 600-pages of support documentation that RUS requires all loan applicant's to become familiar with as noted in a telephone conversation with Mr. McGraw, General Field Representative for the USDA in the western United States. Mr. Vaughn said the power line should be sized for at least 20-years of growth at Grand Canyon West. Mr. Black said the long-term load forecast for Grand Canyon West, part of the loan application, is required to determine operational costs and that this analysis should proceed simultaneously with the UniSource negotiations on construction costs.

ii. **Cost estimates from TTG and UniSource** Mr. Schmitt said TTG's cost estimate for both options should be available in about two weeks. Mr. Vaughn asked if the larger, 69 KV power line can be kept within the confines of the road right-of-way. Mr. Schmitt replied that the 69 KV power poles are taller and spaced further apart than 20.8 KV power poles which may cause them to move outside of the roadway right-of-way; however, he expects 80% of the power line to be placed within the 100-foot wide right-of-way. Mr. Malin asked how close the cost estimates for the 20.8 KV power line and 69 KV power line are expected to be. Mr. Black opined that the 69 KV power line may be 30% more expensive. Mr. Schmitt was more optimistic but will defer to his design team.

iii. **USDA loan application process** Mr. Davidson presented TTG's Amendment No. 15 in the amount of \$150,926 to develop the loan application, including \$60,000 to hire two consultants to create: 1) the construction work plan and 2) long-range financial forecast, both key parts of the USDA loan application (7 CFR 1710). Mr. Vaughn asked Mr. Davidson to ensure that the RFPs for the consultants are advertised per the tribe's procurement code. The timeline for the RFP should allow the Board to evaluate the bidders at their August meeting.

Mr Davidson said he had contacted Ms. Cusick at USDA in regard to the environmental compliance for the USDA/RUS grant which will be used in conjunction with the USDA loan to fund the power line and told her of the HTUA's progress with the loan application. The lengthy lead time in applying for the loan does not jeopardize the grant's status. Originally, the grant

required an Environmental Report be prepared prior to funds being released. With the greater scope of the power line project, namely UniSource's need to upgrade over 12 miles of their existing power line, an Environmental Assessment (EA) will be pursued for the entire 33-mile project with both parties sharing the cost of producing the EA. Mr. Vaughn asked if the tribe should be paying UniSource to write an EA for work which they have already budgeted. Mr. Davidson replied that UniSource will most likely ask for additional support from the tribe to pay the cost of the study to upgrade the power line to 69 KV. This, however, is just one point that is subject to negotiation with UniSource.

iv. Transfer of Diamond Bar Road from BIA/BLM to Mohave County Mr. Wisely began with a review of the post-construction activities for the roadway, namely the request by Mohave County for a hydrological study proving that the roadway does not create a flood hazard to adjacent properties. The tribe has a consultant under contract to complete the hydrological study by August 1st. The Bureau of Indian Affairs has prepared the paperwork to transfer the roadway to Mohave County so it can be accepted into the County's roadway system for maintenance. The County will be performing an analysis as to the adequacy of the signage and guardrails; however, they are still working on the scope of work with their consultant. Mr. Black asked Mr. Wisely to make sure that the roadway transfer documents do not preclude the establishment of a utility easement for an above-ground power line along the right-of-way.

In related a matter, Mr. Vaughn said the growth at Grand Canyon West will add further traffic to the roadway and that the current master plan should be revisited to keep this new growth away from the canyon rim. In regard to growth, Mr. Wisely said the fire district serving that portion of Diamond Bar Road in Mohave County went bankrupt a few years back. The non-taxable growth at Grand Canyon West, causing an increase in service calls along the roadway was seen as part of the fire district's problem. Mr. Vaughn noted the fire district did not prove their case. If anything the county has benefitted from an increase in its sales tax base with the growth of Grand Canyon West. Mr. Wisely added that due to this increase in traffic, the six miles of Pierce Ferry Road between Stockton Hill Road and Diamond Bar Road has been added to the tribe's BIA roadway inventory which means the tribe will be able to collect additional roadway improvement funds.

c. Western Area Power Authority Post-2017 Hoover power allocation and contracting.

Mr. Vaughn requested that Item Nos. 4.c and 4.d be tabled until the next Board meeting. Mr. Montana made a motion to table Item Nos. 4.c and 4.d until the next Board meeting. Mr. Navenma seconded the motion. Motion passed 4-0-1.

d. Arizona Power Authority Post-2017 Hoover power allocation and contracting.

Item No. 4.d tabled until next Board meeting.

5) Other Matters (Planning)

a. Community-scale solar project for Peach Springs Mr. Davidson said that the new Council, of which Mr. Bravo is a part, is interested in developing a community-scale solar project in the 1 MW size range. This would provide power to Peach Springs and also provide back-up power in case of grid failure. Locations for the array could be near the Nelson sub-station, east of Peach Springs, or just south of the water tank at Buck and Doe Road and Route 66. Mr. Davidson said he had contacted MEC to get an update on the feasibility of this type of solar project on which he first asked about over three years ago.

b. Announcements No announcements

c. Election of Board Officers Mr. Davidson asked the HTUA Board to nominate new officers per Section 205, HTUA Ordinance. Mr. Vaughn made a motion to open the floor to the nomination of Chairman. Mr. Malin seconded the motion. Motion approved 4-0-1. Mr. Montana made a motion to nominate Mr. Vaughn as Chairman. Mr. Malin seconded the motion. With no other nominees offered, the vote was called for Mr. Vaughn to be Chairman. Vote approved 3-0-2, with Mr. Vaughn abstaining.

Mr. Vaughn made a motion to open the floor to the nomination of Vice-Chairman. Mr. Malin seconded the motion. Motion approved 4-0-1. Mr. Vaughn made a motion to nominate Mr.

Montana as vice-chairman. Mr. Navenma seconded the motion. With no other nominees offered, the vote was called for Mr. Montana to be Vice-Chairman. Vote approved 3-0-2, with Mr. Montana abstaining.

Mr. Vaughn made a motion to open the floor for the nomination of Treasurer. Mr. Malin seconded the motion. Motion approved 4-0-1. Mr. Navenma made a motion to nominate Mr. Malin as Treasurer. Mr. Montana seconded the motion. With no other nominees offered, the vote was called for Mr. Malin to be Treasurer. Vote approved 3-0-2, with Mr. Malin abstaining.

Mr. Vaughn made a motion to open the floor for the nomination of Secretary. Mr. Malin seconded the motion. Motion approved 4-0-1. Mr. Montana made a motion to nominate Mr. Navenma as Secretary. Mr. Vaughn seconded the motion. With no other nominees offered, the vote was called for Mr. Navenma to be Secretary. Vote approved 3-0-2, with Mr. Navenma abstaining.

6) Set time and location for next meeting

The next meeting will be held on July 20, 2016, at 9:00 AM at the Hualapai Health Department, Peach Springs.

7) Adjourned at 12:05 PM