

## **Hualapai Tribal Utility Authority (HTUA) Meeting Minutes**

October 18, 2016, 9:15 AM to 11:35 AM, Hualapai Health Department, Peach Springs.

### Board members:

Charles Vaughn, Chairman – present

Joe Montana, Vice-Chairman – present

Jamie Navenma, Secretary – present (via telephone)

Rory Majenty – absent

### Support personnel:

Kevin Davidson, Planning Director

Patrick Black, Fennemore Craig (via telephone)

Bob Becherer, P.E., TTG (via telephone)

### Guests:

Vernon & Charlyne Farris, Friends of Arizona Joshua Tree Forest

Renee Darling, UniSource Electric (via telephone)

Andy Whitefield, Bureau of Land Management (via telephone)

### **1) Call to Order**

### **2) Roll Call**

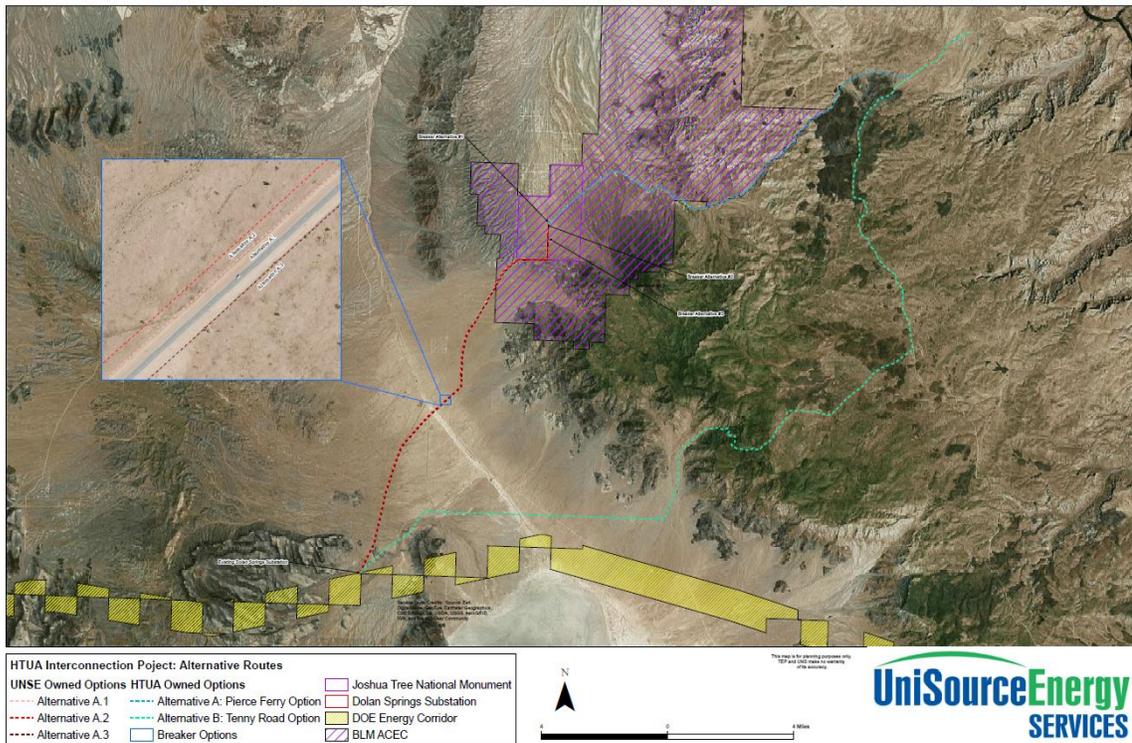
### **3) Review and Approval of Minutes**

Mr. Vaughn made a motion to table the September 20, 2016, meeting minutes. Motion seconded by Mr. Montana. Motion carried 3-0-1.

### **4) Project Updates**

#### **a. Proposed Power Line to Grand Canyon West along Diamond Bar Road**

i. **Outcome of 9/20/16 meeting with UniSource** - As part of the public scoping process for the power line route to Grand Canyon West, Mr. Vaughn requested that Vernon & Charlyne Farris, both board members of the Friends of Arizona Joshua Tree Forest, give their testimony on the proposed power line routes. Mr. Farris said the board works with the BLM and the Conservation Lands Foundation to protect sensitive lands. The area of land between Red Lake and Iron Mountain contains some 44,228 acres known as the Grapevine Mesa Joshua Tree Forest, with the Area of Critical Environmental Concern (ACEC) created in 1984 to help protect it. One of the board's goals is to improve signage which should help reduce trash and keep off-road vehicles on designated paths rather blazing new trails. To that end, the board is seeking the ACEC to be designated as a National Monument and also be included within a Wilderness Area or the Lake Mead National Recreation Area. Given that, the Pierce Ferry/Diamond Bar Road alternative power line route is not preferred by the board. This route cuts through the heart of the ACEC and has been the historic pathway for Hualapai and other Native Americans for centuries. However, the alternate route which leaves Pierce Ferry Road and Diamond Bar Road and proceeds across country to Tenney Ranch Road, is near an existing BLM Section 368 Energy Corridor and south of the ACEC (see map). This route should not significantly affect the ACEC or



thwart its future designation as a National Monument. Mr. Whitefield noted that a 69 KV power line is not considered a major transmission line, so it would not have to be within the Energy

Corridor which currently carries the Eldorado-Moenkopi 500 KV power line; however, the 69 KV line could run along the north side of the corridor.

To continue with the Joshua trees, Mr. Farris noted that this is only one of four stands in the world that remains intact. The ACEC offers the ideal combination of elevation, soil type, temperature and rainfall to keep the trees healthy. The Joshua tree needs some 70 years to reach maturity. Mrs. Farris added that many visitors to the forest are interested in these unique trees and that she and her husband have spent many hours educating people about them while on nature hikes. Mr. Montana asked if the trees can be transplanted. Mrs. Farris said there has been limited success with transplanting. Mr. Vaughn noted the many private in-holdings within the ACEC and asked how that impacts the forest's health. Mr. Farris said the board members educate the home owners about the trees. Most land owners want to help with the conservation effort. National Monument status for the ACEC allows land to be developed in a way that is conservation-based. Because many residents in the area are retirees, they naturally prefer a quiet outdoor experience which is a good fit with National Monument status. In addition, National Monument status should make the Joshua tree forest a destination and stimulate the tourist economy. Mr. Vaughn asked if the board has considered creating signage and interpretative trails to educate visitors. Mr. Farris replied he and his wife attend monthly meetings with the BLM where they discuss how to enhance trailheads and walking paths with signage to educate the public and enhance the visitor experience. Another goal of the board is to protect the forest from the negative effects of population growth over the next half-century. Mrs. Farris would like the board to form partnership with the tribe based on care and preservation of the forest. Mr. Montana said he will consider the Friends of Arizona Joshua Tree Forest input when evaluating the alternate power line routes. Mr. Farris said he and his fellow board members will seek an audience with the Hualapai Tribal Council to obtain a formal support letter, possibly even a Memorandum of Understanding (MOU), to have the ACEC designated as a National Monument.

Mr. Vaughn added that the Grand Canyon Resort Corporation (GCRC) Board is not informed about the Joshua tree forest issues and its potential but instead is focused more on short-term return on investment opportunities. Long-term preservation projects which have the potential to draw more tourists should also be pursued by GCRC. On the other hand, tourism at Grand

Canyon West has spurred the paving of Diamond Bar Road and has greatly reduced the amount of dust generation allowing the Joshua trees along the roadway to recover. Mr. Farris said the goal of the board is to protect ACEC for generations to come as well as keeping the HTUA's power project on track. Mr. Vaughn asked about methods for transplanting Joshua trees. Mr. Montana said the tree's orientation to southern exposure must be maintained or it will most likely die. When keeping the plant's orientation correct, the transplant survival rate is about 60 percent. Mr. Farris noted the Joshua tree is part of the Liliales Order (*Yucca Brevifolia*). Mr. Vaughn advised Mr. Farris to have the board create a master plan for the forest showing trail heads, trail routes, scenic overlooks, etc. Mr. Farris said that National Monument status would help secure funding for this type of project. With that said, Mr. and Mrs. Farris wished the HTUA Board good fortune and looked forward to being part of the environmental review for the power line.

Mr. Davidson gave a summary of the meeting he attended with UniSource on September 20, 2016. Ms. June Deering, Ms. Renee Darling, Mr. Ron Satour and Mr. Bill DeJulio attended for UniSource along with Mr. Majenty, Mr. Montana and Mr. Navenma for the HTUA. Mr. Davidson said the Tenney Ranch Road alternative was not looked upon as being an issue for UniSource and that Ms. Darling would publish an addendum to the RFP for the second route. Mr. Satour commented that the meter could be placed at the Dolan Springs Substation. In addition, the cost to construct a "cold build" power line is about \$700,000 less than using the "hot build" method where the new power poles are placed in-line with the live circuits.

Mr. Vaughn asked if the Tenney Ranch Road route is the same as if it were to follow along Music Mountain Road. Mr. Becherer, after having driven the road, said there is a ranch at the base of Tenney Ranch Road, so it may be a different road. Mr. Davidson said even though the Tenney Ranch Road route is some six miles longer than the Pierce Ferry/Diamond Bar Road alignment it costs a few million dollars less. Mr. Becherer said the Tenney Ranch Road alignment cost some \$3 million less than the Pierce Ferry/Diamond Bar Road alternative. The route provides a clear access to the power line with the exception of a few miles where the line traverses the canyon up to the plateau. The tribe would own all of the power line and have to maintain it because UniSource would place its meter at the Dolan Springs Substation vs. placing the metering point on Diamond Bar Road under the first route alternative. Mr. Vaughn asked about the feasibility

of purchasing private lands along the Tenney Ranch Road option. The tribe would have to negotiate with each land owner. However, the Tenney Ranch Road option is not subject to the million dollar-plus tax gross-up fee charged by UniSource. Mr. Black said the tax gross-up applies to all facilities built for and owned by UniSource per state law. The 12-mile portion of power line UniSource is worth more than \$500,000 so the gross-up tax applies.

**ii. Review of bids for power line Environmental Assessment** Mr. Davidson reviewed the five bids received from SWCA, Transcon Environmental, Tierra Right of Way, Westland Resources and EnviroSystems Management (ESM) with SWCA, Transcon and Tierra being the top three in his opinion given their experience with drafting power line EAs, especially those created using BLM and USDA criteria, and their experience in working with the BLM Kingman Field Office (KFO), tribes, and the Hualapai Tribe in particular. Mr. Becherer noted that the scope of work described by each bidder varied. Both SWCA and ESM have offices in Flagstaff. The resumes provided by SWCA and ESM were also impressive. Mr. Whitefield commented all agency requirements must be met by the EA with Section 106 compliance playing an important role. However, the BLM should remain a neutral party in the consultant selection process. Ms. Darling said she did not provide a detailed scope of work so bidders could define the scope of EA as they see it. Transcon and SWCA have the best proposals in regard to the cultural survey, biological assessment and visual impact analysis. Transcon has staff in Mesa, Arizona, but is successfully working with the KFO on the Golden Valley 230 KV power line EA. For ESM, their bid, being several thousand dollars less than the others, does not indicate a full survey of the Tenney Ranch Road route and does not give great detail on the visual simulations. Transcon and SWCA were her top two selections. Mr. Black said his top three were Transcon, Tierra Right of Way and SWCA. Mr. Vaughn said he would like to interview Transcon, SWCA and ESM. Mr. Becherer asked Ms. Darling if she could get ESM to augment their bid for a full pedestrian survey of the Tenney Ranch Road alternate route. Ms. Darling recommended the interviews take place at the UniSource office in Kingman on either November 3<sup>rd</sup> or 4<sup>th</sup> and begin at 9:00 AM.

**iii. USDA loan application process** Mr. Davidson reviewed the display ads for the two RFPs, one for the Construction Work Plan and the other for the Long Range Financial Forecast. Along with the EA, both are key components of the loan application to RUS/USDA. Both bids are due on November 21, 2016.

**iv. Diamond Bar Road Studies** Mr. Davidson said the Mohave County Public Works Department has requested the tribe to install 4,000 linear feet of additional guardrail along the roadway and provide drainage improvements at various culverts before they can assume maintenance of the roadway. Mr. Wisely, Hualapai Public Works Director, is working with the county to fix these design issues.

**b. Follow up on Post-2017 Hoover power allocation and contracting.**

**i. Draft Benefit Arrangement Contract with Pechanga Band of Luiseno Indians** Mr. Davidson next reviewed the draft benefit arrangement contract from the Pechanga Band of Luiseno Indians from Temecula California courtesy of Western. To recap, the Pechanga offer provides the highest value and a 10-year term with an early termination clause which the HTUA is likely to need once the power line is built to Grand Canyon West. However, the Pechanga have yet to establish their TUA which must be done by October of 2017 to make the deal work. Mr. Black noted that the liquidated damages for early withdrawal from the contract in the first five years are substantial; however, the HTUA may negotiate and early termination after year five of the contract. Mr. Vaughn asked about the potential of solar power to make up part of the energy portfolio with the Pechanga or the Southern Nevada Water Authority. Also, which is the best deal for the Hualapai Tribe? Mr. Black said the Pechanga offer appears to be the best deal and that California tribes have had good success in forming tribal utility authorities. Mr. Vaughn asked if there was motion to accept the Pechanga offer. Mr. Montana made a motion to accept the benefit arrangement with the Pechanga Band of Luiseno Indians. Mr. Navenma seconded the motion. Motion approved 3-0-1.

**ii. Arizona Power Authority update.** Mr. Davidson referred to the recent strategic planning session presentation made by the APA on September 20, 2016. The takeaway is that the APA faces an uncertain energy future with hydrological challenges causing the need to acquire additional sources of electricity and limited staffing to address the new demands placed upon it such as revamping their financial model, enhancing outreach and assisting customers to develop renewable energy.

**5) Review of FY 2016 Budget and FY 2017 Budget Request (Planning)**

**a. Expenditures to date** Mr. Davidson reviewed the expenses to date which show a deficit of \$14,178.82. This is due to the Finance Department not yet applying the latest the TTG Change Order No. 15 to the HTUA budget.

**b. Budget Expenses for FY 2017** Mr. Davidson reviewed the major line items as follows:

- i. Legal and Engineering consultants = \$380,760 which covers expenses from the HTUA's attorney, engineer and the third-party NEPA consultant to draft the Grand Canyon West power line EA.
- ii. Hoover power allocation from APA = \$3,902 which is estimated for the last quarter of 2017.
- iv. Training and Apprenticeship Program = \$20,000 for linemen training for the future power line system.
- v. General Manager = \$127,740 for a consultant to fill the role of the HTUA General Manager.
- vi. Other budget line items include Board member training and travel (\$9,100), Memberships (\$1,500), and Public Outreach (\$3,185).

Mr. Davidson also mentioned the potential for a community-scale solar array being built in Peach Springs with council support in 2017 and with a budget of some \$1.5 million to \$2 million. Mr. Vaughn recommended a feasibility study be conducted in 2017 to determine the location and size prior to investing capital. Mr. Vaughn made a motion to accept the FY 2017 HTUA budget as presented. Mr. Montana seconded the motion. Motion approved 3-0-1.

## **6) Other Matters (Planning)**

**a. Preparation of Annual Report to Tribal Council per Section 110, HTUA Ordinance** Mr. Davidson said he would present the draft 2016 Annual Report at the next board meeting in November and include the HTUA's accomplishment such as signing the Boulder Canyon Project power contracts, supporting the successful amendment to Article XVI of the Hualapai Constitution and beginning the NEPA study for the power line to Grand Canyon West.

**b. Announcements** Mr. Vaughn and Mr. Montana said they would like to attend the New Directions in Indian Land Management conference at NAU on November 28<sup>th</sup> to the 30<sup>th</sup>.

Mr. Vaughn recommended the resignation of Mr. Malin from The HTUA be further discussed with tribal council prior to advertizing for his replacement.

**7) Set time and location for next meeting**

The next meeting will be held on November 15, 2016, at 9:00 AM at the Hualapai Health Department, Peach Springs.

**8) Adjourned at 11:35 AM**