HAMP Significant Developments Since May 2017

1) The Hopi Tribal Council established the Hopi Utility Corporation HUC as a wholly tribally-owned for-profit corporation under the umbrella of the existing telecommunications utility (Hopi Telecommunications). This was done to facilitate a likely grant application to USDA-RD because the Telecom has a record of receiving USDA-RD money. The Hopi Tribe is not in compliance with the single audit act and therefore cannot apply to USDA-RD for a grant/loan package to fund the HAMP.

2) The Hopi Tribal Council approved a resolution committing $1.1M to connect the HAMP wells to the electrical grid using a NTUA connection.

3) The HUC developed a Memorandum of Agreement (MOA) between the HUC, each HAMP participating village (i.e. FMCV, Mishongnovi, Shungopavi and Sipaulovi), and the Hopi Tribal Council. The MOAs commit each village to purchase HAMP water at a price per connection that is estimated in IHS' Preliminary Engineering Report (PER). All but FMCV have signed the agreement.

4) EPA, IHS, HUC met with USDA-RD development to discuss the PER and prospective funding scenarios in September. USDA-RD has lingering concerns regarding the increase in user cost proposed under the PER.

5) The HUC has requested funding from the Hopi Tribal Council to fund the utility for five years. The funding request likely includes subsidies to the O+M costs for HAMP operation such that the user rates will not be as high as proposed in the PER. We have yet to see the proposed budget or a resolution with the details.

6) IHS has proposed a plan to address RD's comments on the PER such that the HUC can apply for RD funding in February 2018. We are still awaiting RD concurrence.

7) IHS and EPA have made conditional funding commitments contingent upon the HUC obtaining the final FMCV signature and following through with the USDA-RD application.