May 15 Referendum

Reregulating Dam Hydroelectric Project

Questions and Answers

1. **Question:** Will it affect the Tribe's income received from Pelton and Round Butte Dams?
Answer: No

2. **Question:** Will it benefit the Tribes financially?
Answer: Yes, as illustrated in the Projected Revenue Statement.

3. **Question:** Will it generate enough power to supply the reservation?
Answer: Yes, 2½ times the present need on the reservation.

4. **Question:** Will the power be used on the reservation?
Answer: Not immediately because the cost of the power produced by the project will be more than the present price paid to power companies for power used on the reservation.

5. **Question:** What would be the cost of power produced by the project?
Answer: In 1982 the cost of power generated would be 40 mils per KWH.

6. **Question:** What is the average cost of power used on the reservation today?
Answser: In 1978 all the power purchased from PP&L on the reservation averaged 31 mils per KWH.

7. **Question:** What would happen to the power produced by the project?
Answer: It would be sold to power companies or industries to produce income for the Tribes.

8. **Question:** What is the projected tribal net revenue over the first 25 years from the project?
Answer: $54,292,000 (the sum of columns (4) and (5).

9. **Question:** What is the estimated cost to build the project?
Answer: $25,831,000.

10. **Question:** How much tribal money will be used to pay for the project?
Answer: Not more than $10,000,000.

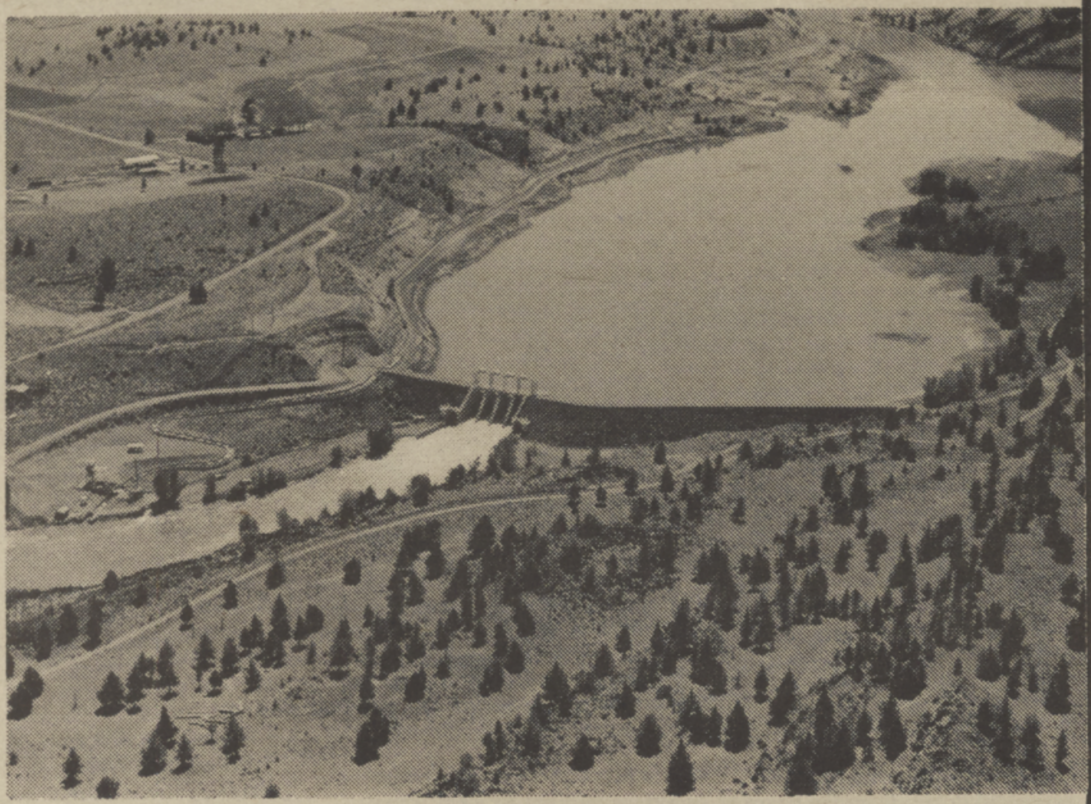
11. **Question:** Where will the rest of the money for construction come from?
Answer: A possible $5,000,000 grant from the Federal Government and-or borrowing of not more than $20,000,000.

12. **Question:** Why are we asking for authority to borrow up to $20,000,000?
Answer: To provide for a reserve in case of increased cost caused by unforeseen dealys.

13. **Question:** Would present tribal assets be pledged for the loan?
Answer: No, only revenue from the project would be pledged.

14. **Question:** Would there be harmful effects on fish runs, water rights or the reservation's environment?
Answer: The project is designed to preserve and enhance fish runs and to utilize tribal water rights. Our studies indicate it should improve the environment.

15. **Question:** How will the project affect my per capita and bonus?
Answer: It will have no effect right now. If anything, it will help because it will increase the Tribal revenue. Bonuses are computed on annual income rather than on the treasury.



On May 15 voters will decide whether or not the Tribes should go ahead with the installation of a powerhouse at the Pelton Reregulating Dam. The proposed powerhouse would be located on the reservation (west) side of the existing dam.
....Despite the high cost of constructing the power plant, it is believed that sales of power from the project will pay off the costs and result in profits for the Tribes.
....The Tribal Council and management feel the project would be an excellent use of the water resource. A feasibility study indicates the project may enhance fish runs and that it will not harm the environment.
Spilyay Photo by Rangila

PELTON REREGULATING DAM HYDROELECTRIC PROJECT
PROJECTED REVENUE STATEMENT

Year	Total Revenue From Power Sales	Total Project Costs	13% Return on Investment	Additional Return on Investment
1983	$ 3,456,000	$ 2,165,000	$ 1,300,000	-0-
1984	3,485,000	2,185,000	1,300,000	-0-
1985	3,506,000	2,206,000	1,300,000	-0-
1986	3,528,000	2,228,000	1,300,000	-0-
1987	3,552,000	2,252,000	1,300,000	-0-
1988	3,630,000	2,275,000	1,300,000	$ 55,000
1989	3,735,000	2,301,000	1,300,000	134,000
1990	3,845,000	2,327,000	1,300,000	218,000
1991	3,960,000	2,355,000	1,300,000	305,000
1992	4,082,000	2,386,000	1,300,000	396,000
1993	4,209,000	2,416,000	1,300,000	493,000
1994	4,343,000	2,448,000	1,300,000	595,000
1995	4,484,000	2,483,000	1,300,000	701,000
1996	4,631,000	2,518,000	1,300,000	813,000
1997	4,787,000	2,557,000	1,300,000	930,000
1998	4,949,000	2,596,000	1,300,000	1,053,000
1999	5,120,000	2,637,000	1,300,000	1,183,000
2000	5,299,000	2,681,000	1,300,000	1,318,000
2001	5,487,000	2,726,000	1,300,000	1,461,000
2002	5,686,000	2,775,000	1,300,000	1,611,000
2003	5,843,000	2,825,000	1,300,000	1,718,000
2004	6,111,000	2,878,000	1,300,000	1,933,000
2005	6,340,000	2,933,000	1,300,000	2,107,000
2006	6,580,000	2,992,000	1,300,000	2,288,000
2007	6,832,000	3,052,000	1,300,000	2,480,000
TOTAL	$117,489,000	$63,197,000	$32,500,000	$21,792,000
Average return on investment first 25 years			13%	9%

After 2007, the project's costs will have been totally paid off. If the government renews license as expected, the income to the Tribe would continue at even higher levels. The projected income in the first five years would be:

2008	$6,226,000	$1,373,000	$1,300,000	$3,553,000
2009	6,504,000	1,441,000	1,300,000	3,763,000
2010	6,796,000	1,512,000	1,300,000	3,984,000
2011	7,103,000	1,586,000	1,300,000	4,216,000
2012	7,425,000	1,665,000	1,300,000	4,460,000

Hydro Electric Project

(Continued from page 1)

Tribal attorney Dennis Karnopp noted that his is one way the Tribes can make productive use of the water. "Nothing indicates the need for power is going to decrease," he said. "Nothing indicates that the value and cost of hydroelectric energy is going to decrease."

He explained that the operational costs, once the project is completed, will be low compared with oil or nuclear plants. He added that this project is unique. "Nowhere is there a project of this size being proposed by an Indian tribe." He said that once again Warm Springs is assuming a leadership role with such a project.

General Manager Ken Smith said that this is one of the better projects ever presented to the membership.

Councilman Zane Jackson said that the Tribe has the financial ability to complete a project like this. "It is a sound investment for now and for the future of the reservation," he stated. He added that the proposed powerhouse is a "radical departure" from things the Tribe has been involved in. "It will help ensure self-sufficiency for the Tribe. We can't go wrong here — it's a wise investment," he concluded.

(Those who were unable to attend the meeting or those who have further questions should talk to their Tribal Council representative.)