

by Donna Behrend

Hydro project result of wise foresight

What once seemed like a dream is now reality. After four years of studies, negotiations and construction, Warm Springs' \$30 million hydroelectric project, the only Indian-owned hydroelectric project in the United States, is now complete and functional. The project was financed in part by the Tribes, a no-interest government loan and a loan from the state of Oregon.

The dream began in June, 1978, when Warm Springs received a Federal Department of Energy grant for \$86,000 to conduct a feasibility study for possible development of a hydro power plant at the Pelton Reregulating dam. In the mid-1950's, when the Pelton and reregulating dams were built, the Tribes had the foresight to reserve the right to build a powerhouse at the reregulating dam.

In February, 1979, the study was complete and of particular concern included in the study was the impact the project would have on the surrounding environment. To build the plant, a license was required from the Federal Energy Regulatory Commission (FERC) and FERC procedures required a checklist of governmental agencies to be advised of any project plans and their expected impact.

By March, 1979, inflation was already hitting the Tribes' project. It was estimated that it would cost the Tribes \$175,000 for each month of delay. "Time is money," seemed to set the momentum at which the Tribes and their advisors moved throughout the year.

It was on May 25 that tribal voters approved, by an 84% margin, the construction of the hydro project and the appropriation of \$10 million for the project. Approval, which was 383 votes in favor and 73 votes against, commenced groundwork that included an application to FERC for the required license, interviewing turbine manufacturers, negotiating for power sales, retaining financial and engineering consultants and negotiating with landowners for transmission line right-of-way.

At the time, it was expected to take 10 months to obtain the FERC license. Again, time was of the essence, as any unnecessary delays could prove to be very expensive to the Tribe.

It was reported in the August 24, 1979 edition of *Spillyay Tymoo* that the Confederated Tribes selected Voest-Alpine International for the design, construction and delivery of a bulb turbine and generator, a \$5.1 million contract. The Tribes selected the Austrian-based firm on the basis of efficiency, price and length of time it would take to deliver the turbine and generator.

At the same time, the Tribal Council also appointed a panel of three engineers, whose job it was to review the project planning and design and to ensure construction of a safe and high-quality structure. This appointment was part of FERC requirements.

In November, 1979, consulting engineer Jerry Dibble reported that the project was "on schedule". He also recommended to Council that two contracts be awarded, one for all preliminary excavation, and one for



Consulting electrical engineer Jerry Dibble was made a "blood brother" of the Tribe and was presented a headdress.



PP&L Senior Vice President Robert Moench presented Council members with the first check for purchase of power.



Ken Smith returned home for the hydro dedication and was given the honor of "flipping the switch" which rechanneled the water through the turbine.



Food is a big part in all celebrations on the reservation—the dedication being no exception.

Spillyay Tymoo photos by Donna Behrend

the powerhouse installation.

Late in 1979, the Tribes received a \$5 million no-interest federal government loan, to be paid at the end of 20 years. The appropriation was approved by Congress for the 1980 budget of the Department of the Interior primarily because the Tribes were unable to obtain tax-exempt status which is available to other municipal entities.

In March, 1980, the Tribes received their FERC license. The license was prepared in "record time" (nine months) and it allowed the Tribes and Portland General Electric (PGE) to become joint licensees for the hydro project. It was also reported at the same time that the Tribes were still negotiating with Charles Jackson for the use of

his land where the dam is located.

Later in the month, advertising began for the excavation contract portion of the project. This came immediately after the Jackson negotiations were completed. Sixteen companies asked for construction specifications and bids were expected to run between \$1 and \$2 million. On April 22, 1980, the Tribes awarded the construction contract to Fred Slate Company of Astoria. Preliminary work began in mid-April.

By mid-October, 1980, the Fred Slate Company began work on the coffer dam that would hold back water so the dam could be breached (cut into) in order to install the powerhouse.

construction were released March 19, 1981, and in April, ASC Constructors, Incorporated of Idaho, was selected to install the powerhouse. The bid was for approximately \$11.7 million. Work began shortly after the groundbreaking ceremonies which were on April 22. The groundbreaking ceremonies drew two television stations and many other media outlets as well.

The power sales contract was awarded to Pacific Power and Light (PP&L) on May 19, 1981. PP&L, through the contract, would be able to purchase net power output of the project and would install a 69,000-volt, three-mile transmission line to connect the new powerhouse with the existing electric system at the Warm Springs substation.

It was in June, 1981, through the new Oregon Energy Loan program, that the state advertised a bond issue that partially financed the Tribes' project.

Early in July the generator for the project arrived after a 12-hour trip from Portland. Also in July, Dibble stated that the turbine was about 95% complete except for installation. About half of the \$30 million budget for the project was to be spent by late July.

In September, Dibble estimated that the financial aspects were much better than previously thought—net return was 2.5 times greater than estimated in 1979.

Though most of the project rolled along smoothly, there were problems. In January, 1981, the original design engineering firm

services were terminated because they were unable to meet deadlines for plans as required by FERC, the board of consultants and PGE. Simultaneously, the Charles T. Main Engineering Company of Boston was retained to complete the project. Because of this failure to meet deadlines, the hydro project was delayed several months.

Another problem arose in November of the same year. The Oregon State Building and Construction Trades Council filed legal action in an attempt to stop the \$15 million state loan which the Tribes had acquired through the special bond issue. The Trades Council charged that ASC was paying \$8 to \$9 less per hour than prevailing area wage rates. The petition was thought silly, defective

and faulty by tribal attorney Dennis Karnopp. The circuit court granted a motion to dismiss due to lack of jurisdiction. The Trades council, in turn, appealed the court's decision. The matter is still being considered.

Throughout the endurance of the project, time schedules were met. As anticipated, the plant began producing electricity on July 17, 1981. The first PP&L check for purchase of the power was presented to the Tribes on July 16, following the dedication ceremonies.

The hydro project is one to be proud of...and it will produce an alternate source of revenue for the Tribes—ensuring financial stability in the years to come. In this case, foresight was much better than hindsight.