

# Take a look at 1997

## Tribal Council Message

Tribal Council, in 1997, completed several projects that are very important for the future of the Tribe, while continuing to work on other important matters. The most significant event for the Council this past year was the completion and signing of the Water Settlement Agreement between the Tribe, the United States and the State of Oregon. The Tribe began this effort in the early 1980s and it has taken a long time and much hard work by all the parties to bring it to a successful conclusion. The Council signed the agreement because we are convinced that the unique circumstances of the Warm Springs Reservation and the Deschutes River Basin call for a unique water settlement agreement. The agreement is unlike any other water settlement in the country in that it emphasizes the importance of keeping water in the streams for fisheries, cultural purposes and other

uses important to the Tribe. The agreement gives us security in that it will provide water for our people and for our reservation and its resources for as long into the future as we can see. Because of the expense and uncertainty of litigating our water rights, especially with the U.S. Supreme Court taking an increasingly uncertain view of Indian rights, the Tribal Council believes the Water Settlement Agreement secures our future in an uncertain and changing political and legal environment.

Nineteen-ninetyseven also saw the Tribal Council continue its activity in the legislative arena where we worked hard to build strong relationships with the two new senators representing Oregon in the United States Senate as well as the other members of our Congressional delegation in Washington, D.C. Working together with other tribes

across the country, we were successful in appealing to Senator Wyden and Senator Smith to help defeat Washington Senator Slade Gorton's attempts to legislatively abolish tribal sovereign immunity through a rider on the Interior appropriations bill. We also were successful in our efforts to defeat Congressional attempts to tax tribal government income and to block the Secretary of Interior from taking land into trust for tribes. While these were significant victories in 1997, we are certain that Senator Gorton and other opponents of tribal rights in Congress will renew their efforts to legislatively attack our sovereign authority. We will have to work as hard or harder in 1998 as we did in 1997 to preserve what we have.

An extremely important project that began in earnest in 1997 and will continue for several years into the future is the decision by the Tribal Council to seek the license for operation of the Pelton-Round Butte hydroelectric project on the Deschutes River. The current license holder for those projects, Enron-Portland General Electric Company, will fight very hard to keep from losing its license when the Federal Energy Regulatory Commission decides in 2001 who will get the license to operate these projects for the



Tribal Council members were sworn in during ceremonies in early May 1995. The 20th Tribal Council has provided leadership and foresight for issues faced by the Tribe today.

## From the Chairman



Joe Moses  
Tribal Council Chairman

Dear Tribal Members,

As Chairman of the Tribal Council, I want to take this time to look back on the accomplishments of the tribal organization in 1997 and to thank the membership for your continuing support for the direction and efforts of the Tribal Council. Nineteen ninety seven saw the Tribal Council complete one very important undertaking, the Water Settlement Agreement, and begin another equally important effort, the relicensing proceeding involving the Pelton-Round Butte hydroelectric project. The Water Settlement Agreement is something that this Council and previous Tribal Councils have worked on since the early 1980s. By bringing this matter to conclusion, we believe that we have secured the future of our people and our resources for many years to come from the standpoint of insuring that the lifeblood of our way of life—our water—will always be with us. The relicensing effort is different but, in many ways, just as important as the water settlement agreement. The Tribal Council is convinced that in order to ensure the economic future of the Tribe and its members for generations to come, it is essential that the Tribe obtain ownership and operational control of the Pelton and Round Butte dam project. In order to obtain the license, we must compete with Enron-PGE, one of the world's

largest and most powerful utility companies based in Houston, Texas, in an effort that will take several years to run its course. However, if we are successful in this effort, which we believe we will, the investment in the future of the Tribe will have been well worth the effort.

The Tribal Council was also very busy in 1997 working with other tribes to defeat threatening new anti-Indian legislation proposed in the United States Congress. These legislative proposals, which would have stripped the Tribe of its sovereign immunity, imposed federal taxes on all tribal government income, and prevented the Secretary of Interior from taking land into trust for the Tribe, were beaten back only with the combined efforts of Warm Springs and other tribes across the country working together to educate the United States Congress about the unfairness and illegality of these proposed bills. Unfortunately, our opponents in Congress are still there and we expect them to renew their anti-Indian legislative proposals in 1998 and beyond. We will have to work even harder in the future to preserve what we have.

In summary, it has been a very busy year, but a gratifying one. As Chairman of your Tribal Council, it has been my pleasure to serve with a very dedicated group of men and women who make up the 20th Tribal Council of the Confederated Tribes of the Warm Springs Reservation of Oregon. The Tribal Council has worked extremely hard and tried its very best to protect the sovereign rights and resources of our tribe while building a future for our community that will ensure that the generations to come will always have a tribal homeland to call their own.

Sincerely,

*Joe Moses*

JOE MOSES,  
Chairman  
Warm Springs Tribal Council

## Secretary/Treasurer and COO message



Ray Calica  
Secretary/Treasurer

money, and in the process making them accountable, as they should be. In 1997 more than 700 budget modifications were processed by Finance.

We have tried to demonstrate the importance of the community and the need to provide the quality and quantity of service that our tribal members are expecting and deserve. Our concern has been that our people be given the opportunity to succeed. We say we want to be the healthiest Indian community by the year 2,000. What does that really mean? Our people need to be healthy in mind, body, and soul. They need to be self confident, providing for their families. This comes through employment, housing, and education. The Organization must assist and support in these opportunities to the people.

In 1997, Norma Smith became the Chief Financial Officer. Norma is a tribal member who has spent most of her life working for the Tribe. It is important for our people to succeed, and Norma Smith demonstrates that dedication, hard work, and education brings success. Congratulations to Norma; she earned her opportunity to be CFO.

The Internal Audit/Compliance function was moved out from the Finance Branch in 1997. This was done to place more emphasis on being accountable, and was an extension of the "line item budgeting" policy. This has made a big difference but it is nothing we invented. We just moved it out from under the Finance Branch, directly under the Secretary-Treasurer to further assure accountability.

Nineteen-ninety-seven was a year when our water negotiations were completed with the State and Federal Governments. We signed the agreement in October. It was also the year when we began working on our relicensing of the Pelton and Round Butte projects in earnest. We are competing against one of the world's largest corporations in Enron, headquartered in Texas. Unlike Enron, this is our homeland where our parents, aunts, uncles, and grandparents

next 50 years. The Tribal Council is convinced that the economic future of the Tribe is best served by seeking and obtaining the license to operate these projects. This will be a difficult undertaking and we know that Enron-PGE will fight us every step of the way. The Council believes the relationships it is establishing with Oregon's Congressional delegation will help to ensure that our application for this license is contested on even terms with the application of Enron-PGE.

In 1997 the Tribal Council also worked closely with the tribal enterprises to help ensure that these enterprises are operated successfully

both to generate income for our tribal governmental operations and to provide employment to tribal members and their families on the reservation. We believe that the tribal enterprises have shown continuing improvement in reaching both of these goals. In particular, the DE project shows tremendous potential for future development based on new technology and new products using diatomaceous earth. Indian Head Casino also has shown tremendous improvement in its profitability, and demonstrated that success by repaying a portion of the loan it received from the Tribe to

build the casino. We expect the future of Indian Head Casino to be very bright and we will continue to work with the casino to plan for its future and include those plans in our negotiations with the State of Oregon for extension of our gaming compact. Kah-Nee-Ta Resort also began to rebound in 1997 from the devastating floods of February, 1996, that almost completely destroyed the Village complex. The pool and other portions of the rebuilt Village were reopened in 1997 and we expect a new and much improved Kah-Nee-Ta Village to be fully operational for the tourist season in 1998.

Dear Tribal Members,

Three years ago, when we were appointed Secretary-Treasurer and Chief Operations Officer, we had some specific goals in mind. We wanted the Organization to be responsive and accountable to the people. We believe there have been definite accomplishments in these areas.

In 1997 the "line item budgeting" policy was initiated. This was needed to make general managers and directors aware of where they were spending tribal

grew up. We care about the land and the people, and we feel we will do a better job than a company based 1,500-2,000 miles away.

The Tribe's Managed Care Program made a decision to no longer use Mountain View Hospital in Madras in 1997. The decision came after two-and-one-half years of negotiations failed in regards to Mountain View Hospital's billing practices. Mountain View Hospital is currently being audited by the Inspector General of the U.S. Department of Health and Human Services. Meanwhile, our people are being treated very well at Central Oregon District Hospital in Redmond and Saint Charles Medical Center in Bend. Hopefully in the very near future we can re-new our relationship with Mountain View Hospital.

Most of the 1996 Flood damage has been repaired at Kah-Nee-Ta. This has been a major project that cost the Tribe a lot of money in repairs and new construction and lost revenue during the time the construction has taken place. We are thankful that there were other agencies available to help take some of the financial burden. The flood generated 53 FEMA Damage Survey Reports reservation wide.

Everyone is aware we reduced our annual timber harvest the past few years. Timber has always been our largest revenue producer. With the decrease in the timber harvest we need to get better at finding ways to generate new revenues. In an effort to provide jobs and income, we built Indian Head Casino and started Warm Springs Composite Products. After a rocky start, Indian Head Casino appears to be doing well. Net income in 1997 exceeded \$2 million. Warm Springs Composite Products also had early challenges, but has the potential to provide significant income. However, with our growing population we must find viable enterprises that allow our forest to regenerate.

Because of shrinking revenues, our tribal budget has been reduced the last couple of years. This has forced us to ask the Organization to do more with less. Most of the general managers and directors have risen to the occasion. We thank those who have.

Sincerely submitted,

*Raymond S. Calica* *Michael K. Clements*



Mike Clements  
Chief Operations Officer