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Looking at economic aspect of cannabis

Warm Springs Ventures met with community members on two evenings last week to discuss the economic aspect of the legalization of cannabis in Oregon.

Ventures chief executive officer Don Sampson was the facilitator of the meetings. The goal of Ventures is to create jobs and generate revenue for the tribes. Cannabis can now be seen as a potential economic development opportunity, Sampson said.

Ventures' initial research into this area, as approved by Tribal Council, shows an opportunity for significant revenue—more than \$13 million net the first year—plus good-paying jobs in the greenhouse or greenhouses.

In summary, the Ventures proposal is:

To develop a tribally owned, operated, regulated and managed tribal cannabis cultivation and extraction facility—possibly producing medical or recreational cannabis, and hemp—on the reservation with retail sales off-res-



Hemp products at community meeting regarding cannabis.

ervation with three retail stores in the Portland/Bend market. "This would be accomplished in a highly regulated, safe and controlled environment," the report says.

At the community meetings last week, Ventures gave a timeline of how the tribes have reached this point in the process. Ventures and Tribal Council initiated this project back in February.

At that time, Council approved the Cannabis Exploratory Team, a group looking at economic opportunities of the legalization of cannabis, and the legal aspects of cannabis on the reservation.

The team met with business and agriculture staff from Strainwise, based in Colorado. Strainwise is one of the largest legal marijuana cultivators and retailers in the country,

with over 130,000 square feet of cultivation, and nine retail locations.

The Warm Springs team talked with a lending company that is interested in working with the tribes and Strainwise on a development project: "The model they propose is a wholly owned tribal corporation with minority representatives from (the lending party), and the establishment of a management agreement and revenue sharing agreement with (the lender)."

Ventures and the exploratory team met with federal and state officials regarding the legality of the idea. Some basic findings are that the tribes can legally own and operate a cannabis growing facility on the reservation, and have access to the same markets as off-reservation growers.

Ventures will present the information gathered at the community meetings to Tribal Council, and they will discuss what the next steps should be.

Budget meetings in Oct.

Tribal Council has posted a proposed budget for 2016, and will hold district meetings on the proposal this month.

The Agency District meeting is scheduled for Monday, Oct. 26. The Seekseequa District meeting is scheduled for Tuesday, Oct. 27.

And the Simnasho District meeting is scheduled for Wednesday, Oct. 28. For these meetings, dinner is at 6 meetings start at 7 p.m.

Tribal members will receive a budget mailer soon, describing the details of the 2016 proposal.

There is some additional revenue in the 2016 proposal. Part of this is due to the carbon sequestration program, developed over the past year by Tribal Council, Warm Springs Ventures, and the Branch of Natural Resources.

Ventures chief executive officer Don Sampson said he is confident the carbon sequestration program will generate new revenue for the tribes in 2016.

Carbon credits can be sold to California companies that are required by law to limit the emission of carbon into the atmosphere.

The Power and Water Enterprises dividend for 2016 would be the same as for the current year, as would that of Composite Products.

The Indian Head Casino dividend would see an increase; and Credit would also provide a dividend. Reservation Timber, providing trust revenue, would see a decrease, from \$2.85 million to \$2.5 million.

The Utilities Department would see an increase in its budget under the 2016 proposal.

The Senior Pension Fund would see an increase, ensuring its stability through the following year. The 2016 proposal includes an increase to the Revenue Reserve Fund. These were priorities for Tribal Council members during the budget planning process.

While there are no reductions in workforce in the budget proposal, the Tribal Council and Committees budget would see a decrease in 2016, as would Finance. The budget for per capita would be the same as for the current year. The budget for per capita would be the same as for the current year.

New positions in the organization would be that of grant writer, and internal auditor, working through the Secretary-Treasurer's office.

Member art show opens Oct. 29

The Tribal Member Art Show at the Museum at Warm Springs will celebrate its Twenty-Second Anniversary in October. The show opens on October 29, and will run through early January in the museum Changing Exhibits gallery.

Council, WSFPI, BIA meet again on mill

The complicated matter of the Warm Springs Forest Products Industries mill was at Council twice last week.

The first Council meeting was with BIA officials, and the second was with the WSFPI management and board.

The issue is complicated because of the finances at the mill, and the jobs. No one in a decision-making capacity wants to see the mill close, as about 60 tribal members are working there.

Meanwhile, though, the BIA cannot approve timber sales unless the Confederated Tribes receive a fair value for the logs. WSFPI relies exclusively on reservation timber.

In the past, WSFPI missed some

payments to the tribes. This summer WSFPI, Tribal Council and the BIA set up a three-year repayment plan.

These back payments are in addition to payments for any new timber harvests.

The agreement is that WSFPI will make all payments to the tribes on time. A missed payment means the BIA will stop timber sales, effectively shutting down the mill.

Preparing for any worst-case scenario, the BIA last week presented Tribal Council with a plan that would apply if the mill at some point were no longer able to take tribal timber.

The plan will be incorporated into the Council resolution regarding the

future operation of the mill.

A basic element of the plan is that tribal timber would be sold on the open market at a fair price, if WSFPI cannot make payment.

John Halliday, Warm Springs BIA Agency superintendent, and Ken Borchert, from the BIA regional office, made the presentation to Council.

Timber is a trust asset of the Confederated Tribes, funding, for instance, the Senior Pension Fund. The BIA by law cannot approve the sale of a trust asset when the tribe does not receive fair market value in the transaction.

The WSFPI board and management met with Tribal Council the following day, giving a quarterly fi-

nanial report. They reviewed the level of outstanding debt, and gave projections of future revenue.

The mill has made cuts in operating expenses, laying off some employees. This has helped with the bottom line, said John Katchia Jr., mill interim general manager.

An issue that will further complicate the situation in the future is that the allowable cut of timber on the reservation will drop significantly in 2017. The tribes have owned and operated the mill for almost 40 years. Tribal Council is scheduled to meet again with the BIA on this topic on October 27.

Rise & Shine at Eagle Academy

Mornings at the Warm Springs Eagle Academy start with the Rise & Shine program. Rise & Shine is from 7:40 to 8:50 a.m., and is for all students.

Rise & Shine includes activities for students, including traditional arts and crafts with the Culture and Heritage Department.

While the students are taking part in Rise & Shine, the teachers and other staff are using the time for planning and training. School Principal Ken Parshall initiated this program as a school improvement strategy. Lana Leonard is the program coordinator. In other recent school news:

Meeting with 509-J

Tribal Council met with school district 509-J officials last week. On



Students during Rise & Shine at the Eagle Academy.

hand for the meeting were Principal Parshall, district superintendent Rick Molitor, and 509-J board vice chairwoman Laurie Danzuka.

They talked about the new grading system at the high school. The new system uses numbers: 4 for mastery; 3 for proficient; 2 for de-

veloping; 1 for beginning; and F for no effort.

For testing, if a student takes four tests, the scores are averaged, but the most weight (60 percent) is put on the last test.

Education agreement

The school district and the tribes are working toward a new long-term education agreement.

The current agreement ends next year. Council members have said they would like to see some specific items in the new agreement that can be used to measure the success of the district and the tribal member students. Tribal Council and school officials are planning to meet again in November regarding the agreement.



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