

**RESOLUTION OF THE  
WHITE MOUNTAIN APACHE TRIBE OF THE  
FORT APACHE INDIAN RESERVATION**

- WHEREAS,** in July, 2002 the White Mountain Apache Tribe received final notice of its allocation of federal hydroelectric power from the Colorado River Storage Project; and
- WHEREAS,** that allocation originally totaled 12,632,129 kWh/5,822 kW summer and 13,914,290kWh/5,999 kW winter, equaling approximately 55% of the total load on the Reservation; and
- WHEREAS,** Western subsequently reduced that allocation to 9,584,718 kWh/5,822 kW summer 10,557,567 kWh/5,999 kW winter because of extended drought conditions throughout the Colorado River Basin; and
- WHEREAS,** in March, 2004 the Tribe executed its Firm Electric Service contract with the Western Area Power Administration (WAPA) to guarantee its rights to this power; and
- WHEREAS,** the terms relating to delivery of the power must now be determined in order for the Tribe to obtain the benefits of its allocation; and
- WHEREAS,** delivery of power on the Tribe's behalf can commence as early as October 1, 2004 if necessary contracts are in place with Western; and
- WHEREAS,** the Tribe has met with representatives of the Navajo Tribal Utility Authority (NTUA), an enterprise of the Navajo Nation, regarding a pooling arrangement through which the Tribe can obtain the financial benefits of its allocation; and
- WHEREAS,** assuming the Western rates do not increase, this agreement offers the Tribe a fixed benefit each year for the life of the contract, payable by NTUA in monthly installments; and
- WHEREAS,** the Tribe also obtained a proposal from the Public Service Company of New Mexico (PNM) regarding a direct benefit arrangement for receipt of its allocation; and
- WHEREAS,** that agreement offers the Tribe a financial benefit that will fluctuate over time, subject to the approval of FERC and the State of New Mexico and payable by PNM in installments to be negotiated; and
- WHEREAS,** Western representatives have stated that they need the Tribe's delivery arrangements in place by September 1 to assure delivery of power to the Tribe or its designated partner by October 1; and
- WHEREAS,** if the Tribe misses this deadline, it could lose at least one month's benefit of its allocation; and

**Resolution No. 08-2004-202**

**WHEREAS,** Tribal staff therefore recommend that the Council approve completion of negotiations relating to the NTUA or PNM contract, as is identified to be in the best interest of the Tribe; and

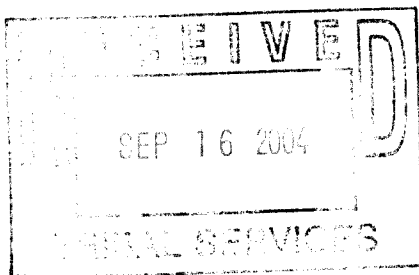
**WHEREAS,** the Tribe must decide how it wants to utilize the benefits that will flow from the contract so chosen before it can be executed; and


**WHEREAS,** these funds must be used for the benefit of the Tribe and cannot flow to individuals; and

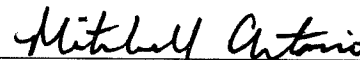
**WHEREAS,** Tribal staff recommend designating the Energy Benefit Account as the account to which benefit dollars are to be deposited until such time as the Council designates another use for the funds.

**BE IT RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that it hereby directs the Tribal Attorney and Special Counsel Amy Mignella, in consultation with the Chairman, to finalize negotiations with NTUA or PNM regarding the exact terms of its delivery benefit agreement, that the Chairman is hereby authorized to execute on the Tribe's behalf and that funds generated through the agreement executed will be deposited in the Energy Benefit Account until the Council determines otherwise.

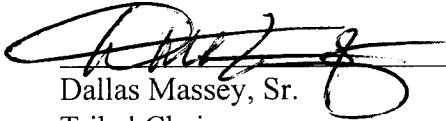
The foregoing resolution was on **August 25, 2004** duly adopted by a vote of **SIX** for and **ZERO** against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article IV, Section 1 (a), (h), (i), (s), (t), and (u) of the Constitution of the Tribe, ratified by the Tribe September 30, 1993, and approved by the Secretary of the Interior on November 12, 1993, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).

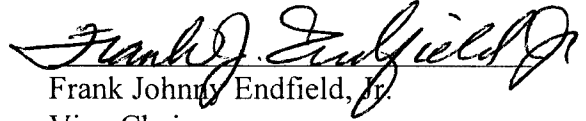


  
Chairman of the Tribal Council

**ACTING**   
Secretary of the Tribal Council

Signatures of the members of the Tribal Council represent their approval of Tribal Resolution  
No. 08-2004-202 . Dated this 25th day of August , 2004 .

  
Dallas Massey, Sr.  
Tribal Chairman


  
Frank Johnny Endfield, Jr.  
Vice-Chairman

  
Jacob Henry  
District I Council Member

  
Ronnie Lupe  
District I Council Member

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Phoebe L. Nez  
District II Council Member

  
Lafe Alaha  
District II Council Member

  
Amin DeClay  
District III Council Member


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Margaret Baha-Walker  
District III Council Member

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Mariddie J. Craig  
District IV Council Member

\_\_\_\_\_  
Reno Johnson, Sr.  
District IV Council member

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Noland Clay  
District IV Council Member

ATTEST:

**ACTING**   
\_\_\_\_\_  
Cyndy R. Harvey  
Tribal Council Secretary

## Benefit Comparison

	PNM	NTUA
CRSP MWh	20,142	20,142
Average Price	\$40.79	41.22
Total Revenue	\$821,591	830,265
Less CRSP Cost	\$(477,893)	(477,893)
Less Discount	<u>\$(140,996)</u>	<u>-</u>
<b>Net Annual Benefit</b>	<b>\$202,702</b>	<b>\$352,372</b>

## NTUA Agreement

- No administrative deduction
- Requires WAPA approval
- Fixed NTUA rate, WAPA rate is variable
- Assumes WAPA contract responsibilities including late payment provisions and IRMP requirements
- NTUA already a WAPA customer

## PNM Agreement

- Administrative deduction
- Requires WAPA, New Mexico and FERC approval to go forward
- Variable rate based on Palo Verde Index and WAPA
- Need to negotiate assumption of WAPA contract responsibilities; expressly rejects many
- PNM not a WAPA customer

## Next Steps

- Choose contracting partner
- Review benefit arrangement options and execute selected agreement
- Identify beneficiary/ies for allocation benefit payments
- Designate Tribal representative to monitor benefit transactions/act on behalf of Tribe

# Biomass Power Generation Project

- DOE Project funded fall, 2002; final results presented fall, 2003
- Results presented to Council and DOE
- Results indicated feasibility, using conservative inputs
- Implementation plan proposed Feb., 2004
- Federal thinning contract awarded to A. Sitgreaves in summer, 2004
- Renewable energy certificates offered through EPA/WAPA giving preference to Tribes
- Variety of financing options may be available
- CRSP benefit could be used to pursue project