

KERR PROJECT ACQUISITION: PREPARING FOR 2015

(Volume 1, Issue 2)

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Kerr Dam is a concrete arch dam 381 feet in length and 200 feet high. It controls the elevation of the top ten feet of Flathead Lake, and has an average production of 1.1 million megawatt hours of energy per year. The Kerr Project is a valuable asset that the Tribes intend to acquire at their earliest opportunity in September of 2015.

In preparation for the conveyance of the Kerr Project to the Confederated Salish and Kootenai Tribes, the Tribes have begun implementing a systematic strategy to ensure readiness and success and to limit risks. One important action the Tribes have taken to accomplish this is the creation of a tribally owned corporation, SX^wNQÉ?ELS L SUWÉÇM / KSUKZIZMUMAZ gAdJAZMUKWAGITS, Inc., which does business as Energy Keepers, Inc.

Under section 17 of the Indian Reorganization Act, in September of 2012, the Federal Charter of Incorporation was formally approved. Today Energy Keepers, Inc. is charged with the management of the acquisition process, and ultimately with management of the operations of the dam upon acquisition.

Since revenue from the land use payment has been a major component of the annual Tribal budget, and will continue to be even after acquisition, the bylaws for the Tribally owned corporation are unique in that there is no allowance for Energy Keepers, Inc. to retain the earnings from the sale of the power from the Kerr Project. Additionally, there are provisions for the company to meet with the shareholders' representatives (i.e. Tribal Council) at least twice a year to accommodate the presentation and ratification of an annual operations plan and annual performance report.

The corporation is run by a Board of Directors that includes five members appointed by the Tribal Council. Because of the complex nature of the power industry, the unprecedented nature of the Kerr Dam conveyance process, and the challenging nature of management of a major hydropower facility, the Tribes established more specific qualifications for the Board of Directors of Energy Keepers, Inc. than for its other corporations. Three Directors are expected to be enrolled members of CSKT, with expertise in the field of energy or related matters. The remaining two Directors are expected to have knowledge and experience necessary to develop, manage, and maintain an energy-related business enterprise and/or the financial aspects of the business enterprise as a result of having attained the educational and professional background necessary to accomplish demonstrable success and leadership within the energy industry.

Currently, all five Board of Directors positions are filled. The Directors and a brief description of each Board Member's professional experience and/or other pertinent qualifications are as follows:

Thomas J. Farrell, CSKT Tribal Member and Board Chairman

- Term expires: 12-31-2015
- Certified Public Accountant
- Executive Manager at Reliant Energy/Centerpoint Energy (managed accountants and programmers in the IT Department for multi-billion dollar corporation)
- Comptroller at Houston Industries Energy (managed accounting and tax functions dealing with the acquisition and development of foreign power assets)
- Manager of Financial Reporting at Houston Industries Inc. (managed accountants responsible for consolidated general ledger)
- Accounting Manager at Houston Lighting & Power Company (managed accountants responsible for financial management reporting, SEC reporting, rate filings)

Daniel F. Decker, CSKT Tribal Member and Board Vice Chairman

- Term expires: 12-31-2013
- Attorney, Juris Doctorate from the University of Montana
- Partner Attorney at the Law Office of Decker & Desjarlais (specializing in federal Indian law on behalf of Tribes and/or Tribal businesses)
- Managing Attorney of CSKT Tribal Legal Department
- Partner at Monteau, Guenther and Decker law firm

Robert Gauthier, CSKT Tribal Member and Board Secretary

- Term expires: 12-31-2014
- Owner of Ahoy Leasing & Development (real estate and property management firm specializing in providing training and technical assistance in the area of Indian housing management and economic development)
- Managing Broker/Owner of Gauthier Agency (includes six licensed real estate sales associates as well an Information Office agreement with AMERIND Risk Management)
- Owner/Operator of Gauthier's Steak and Seafood (fine dining establishment near Polson)

- Executive Director at Salish Kootenai Housing Authority (managed all activities of the Housing Authority)
- Director of the Consumer Credit Counseling Office for CSKT (created and staffed a consumer credit counseling office sponsored by the tribal government and funded by the Administration for Native American grant)
- General Agent and Broker for Gauthier-Walters Agency (operated personal lines/ pension insurance in addition to real estate listings and sales)

Thomas A. Babineau, Board Member

- Term expires: 12-31-2014
- Senior Vice President of Business Development at Rypos, Inc. (focused on business development, sales and marketing for Rypos, Inc. which specializes in on site and distributed power generation environmental emissions control systems)
- President at Core Motion, Inc. (focused on proprietary electric motor platform technology)
- General Manager at Zurn Industries (a multi-national conglomerate operating in the Combined Cycle Power industry in addition to mechanical power transmission markets)

Lon Topaz, Board Member

- Term expires: 12-31-2015
- Energy Resource Manager at REC Silicon (responsible for all energy matters for the company whose electric load was over 130 megawatts; in addition to all the natural gas purchases and all legislative and governmental affairs statewide and federally)
- Manager of Industrial and Conservation Services for Grant County Public Utility District in Wash. (responsible for all industrial relations, new industry recruitment and energy conservation services)
- Director of Resource Management at Grant County Public Utility District in Wash. (responsible for management of fish/wildlife issues; hydroelectric relicensing efforts; power management; river dispatch and all the trading business of the PUD)
- Integrated Resource Manager for the City of Anaheim Public Utilities Department in Anaheim, Calif. (including power management; control of the city's electric generation facilities; negotiations with other utilities; energy trading; planning for new resources and all water and electric conservation efforts)

- Assistant General Manager for the Sacramento Municipal Utility District in Sacramento, Calif. (including conservation, energy planning; governmental relations; power management; permitting and construction of new power plants and all rate making for the utility)
- Founding General Manager at Emerald People's Utility District in Eugene, Ore. (ran the enterprise, handled the effort to obtain the utility territory for PacifiCorp)

Each member will be eligible for reappointment of three-year terms after the expiration of their initial term.

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