

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

WHEREAS, the White Mountain Apache Tribal Council (by Resolution No. 79-240 of December 11, 1979) authorized the creation of the White Mountain Apache Agriculture Enterprise to operate irrigation systems and to manage a long-range agricultural development program on the Reservation, and

WHEREAS, the Tribal Council further directed the development of a Plan of Operation for the White Mountain Apache Agriculture Enterprise, to be presented to the Council for review and approval, and

WHEREAS, the required Plan of Operation has been reviewed by the Tribal Overall Economic Development Program Committee and sent forward to the Council with recommendation for approval.

BE IT RESOLVED that the Tribal Council of the White Mountain Apache Tribe hereby approves the Plan of Operation (copy attached, and made a part hereof by reference) for the White Mountain Apache Agriculture Enterprise.

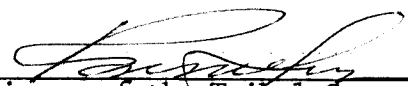
BE IT FURTHER RESOLVED that the Tribal Chairman be authorized to select immediately a slate of Directors to be submitted for Council review and approval within the next thirty (30) days.

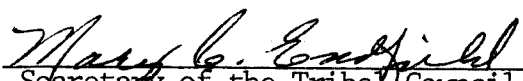
The foregoing resolution was on October 01, 1980 duly adopted by a vote of 9 for and 0 against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article V, Section 1 (i) of the Amended Constitution and By-Laws of the Tribe, ratified by the Tribe June 27, 1958 and approved by the Secretary of the Interior on May 29, 1958, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).

RECEIVED

OCT 10 1980

FORT APACHE INDIAN  
AGENCY  
WHITERIVER, ARIZ.

  
Chairman of the Tribal Council

  
Secretary of the Tribal Council

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WHITE MOUNTAIN APACHE TRIBE

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WHITE MOUNTAIN APACHE AGRICULTURE ENTERPRISE

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PLAN OF OPERATION

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# TABLE OF CONTENTS

	<u>PAGE NOS.</u>
<u>INTRODUCTION &amp; HISTORY</u>	1
<u>SECTION A - IDENTITY</u>	1&2
1. Enterprise Name	1
2. Place of Business	1
3. Definitions	2
<u>SECTION B - OBJECTS AND NATURE OF ENTERPRISE</u>	2&3
1. Purpose of Enterprise	2
2. Nature of Enterprise	3
<u>SECTION C - MANAGEMENT</u>	3 thru 8
1. Board of Directors	3 thru 7
2. Enterprise Manager	7
3. Division or Assistant Managers	7&8
4. Selection of Other Employees	8
<u>SECTION D - CAPITAL</u>	8&9
1. Source of Funds	8
2. Cash Flow Advances	8
3. Distribution of Profits	8&9
4. Grant/Loan Administration	9
<u>SECTION E - METHOD OF BUSINESS</u>	9 thru 15
1. Depository & Cash Control	9&10
2. Petty Cash Fund	10
3. Records & Accounts	10&11
4. Inventory	11
5. Audits	11
6. Purchasing	11&12
7. Leasing	12
8. Credit	12&13
9. Fiscal Year	13
10. Budgets	13&14
11. Sales & Mark-up	14
12. Insurance	14
13. Cash Register Change Funds	14
14. Property	14&15
15. Laws & Regulations	15
<u>SECTION F - APPROVALS &amp; EFFECTIVE DATE</u>	15
CERTIFICATION	15
EXHIBIT A      COUNCIL RESOLUTION NO. 79-240	16

WHITE MOUNTAIN APACHE TRIBE

WHITE MOUNTAIN APACHE AGRICULTURE ENTERPRISE

PLAN OF OPERATION

INTRODUCTION & HISTORY

Over a period of years, the White Mountain Apache Tribal Council has pursued a policy of encouraging and assisting the expansion of individual farming and food production on the Reservation. More recently, the Tribal Council has taken the initiative to institute a long-range program of full agricultural development. A major purpose of this expanded agricultural development program is to make the White Mountain Apache Tribe essentially self-sufficient in the production of supplemental livestock feeds. In turn, this self-sufficiency will support a long-term program for upgrading the Tribal Herd and for assisting in the improvement of the established cattle industry throughout the Reservation. In addition to these primary benefits, a large scale production of livestock feeds will contribute substantially to range improvement on the Reservation by reducing grazing pressure in many important watershed areas; this, in turn, will help to reduce soil erosion on the Reservation.

To implement the above goals, the Tribal Council on December 11, 1979, by Resolution No. 79-240, established the "White Mountain Apache Agriculture Enterprise", to operate the newly-activated large scale irrigation farming development, the first phase of which is the Canyon Day sprinkler irrigation system. A copy of Resolution No. 79-240 is attached hereto as an Exhibit and by reference is made a part of this Plan of Operation.

A successful, expanding, Agriculture Enterprise will provide permanent benefits to all Tribal members through increased employment in agricultural, retail and service industries reservation-wide; and it will be a giant step forward in Tribal self-sufficiency and control of its natural resources.

SECTION A - IDENTITY

1. The name of this enterprise shall be:

### 3. Definitions

Wherever used herein, the following terms shall have the meanings indicated, except as may be otherwise specified herein:

- (A) "Board" means the Board of Directors of the Enterprise.
- (B) "Central Tribe": means the main operations of the Tribe, including personnel, accounting, business management, government and other departments which are centralized to all Tribal operations.
- (C) "Division Manager or Assistant Manager" means such person or persons who assist the Enterprise manager in the management of various departments or divisions of the Enterprise, and who are responsible to the Enterprise manager, as herein specified.
- (D) "Enterprise" means the White Mountain Apache Agriculture Enterprise.
- (E) "Enterprise Manager" means the overall managing officer of the Enterprise.
- (F) "President" means the presiding officer of the Board of Directors.
- (G) "Superintendent" means the officer in charge of the Fort Apache Indian Agency, or his authorized representative.
- (H) "Reservation" means the Fort Apache Indian Reservation.
- (I) "Tribal Council" means the White Mountain Apache Tribal Council (governing body) elected in accordance with the provisions of the Tribe's Constitution, or its authorized representative.
- (J) "Tribe" means the White Mountain Apache Tribe of the Fort Apache Indian Reservation.

#### SECTION B - OBJECTS AND NATURE OF ENTERPRISE

##### 1. Purposes of Enterprise

- (A) This Tribal Enterprise is established and operated by the Tribe for the purpose of promoting the fullest economic development of the Tribe in such a way as to serve the best interests, health, and welfare of the people of the White Mountain Apache Tribe. Such purpose is served

## 2. Nature of Enterprise

The general nature of the enterprise business shall be the production of a variety of supplemental feeds for reservation livestock and, as supplies permit, for the off-reservation market.

In addition to this basic objective, the enterprise shall conduct activities allied to and supportive of the long-term agricultural development of reservation lands and the constructive use of water resources including, but not limited to, the following:

1. Coordination in the development of a comprehensive plan for cattle herd and range improvement;
2. Demonstration of model farming and herd improvement practices for the benefit of all Tribal members;
3. Production of food for human consumption; and
4. Coordination in the planning and development of agricultural processing industries, such as mixed livestock feeds, meat-packing, and such other related industries as may be determined feasible from time to time by the Board and the Council.

### SECTION C - MANAGEMENT

#### 1. Board of Directors

##### (A) Membership

Subject to applicable Federal and Tribal laws, regulations and ordinances, and to the provisions of this Plan, all general business management and operation policies and procedures of the Enterprise will be determined by a Board of five (5) members, who shall be selected by the Tribal Council as follows:

One (1) member for an initial term of one (1) year; two (2) members for initial terms of two (2) years; and two (2) members for initial terms of three (3) years. Three (3) of the Board members selected shall be Tribal members, not employees of the Enterprise,

serve until their successors are appointed hereunder. Board membership may be increased or decreased, on the recommendation of the Board, and subject to the approval of the Tribal Council.

(B) Record of Appointments

A record of all appointments to the Board will be furnished by the Tribal Council to the incumbent Board members, if any, and to the Superintendent.

(C) Officers

At the first Board meeting of each fiscal year, the Board membership will elect a President from among themselves and a secretary from within or without the Board membership. The President will preside at the meetings of the Board. The President and secretary will perform duties customary to their offices. In the absence of the President or secretary, the members present will select a temporary President from among themselves and a secretary from within or without the Board membership.

(D) Record of Meetings and Board Action

The Board Secretary shall keep, or cause to be kept, a full and complete written record of all meetings and Board action in a minute book, and shall provide copies of all Board meeting minutes to the Tribal Council and the Superintendent on or before the next subsequent regular council meeting date set for ten days or more after any Board meeting. Verbatim recordings will be made.

(E) Quorum and Voting

Three (3) members of the Board must be present at a Board meeting in order to constitute a quorum for an official meeting at which business may be lawfully conducted, except as specially authorized in sub-section (I) hereinbelow. A majority vote of the Board members present, in any event, shall be required for any Board action to be effective. All Board voting must be recorded for

review, approval, or action of the Tribal Council shall be submitted to the Tribal Council in written resolution form, indicating therein the specific directive or request of the Board, the Enterprise or Enterprise personnel to be affected, the number of Board members' votes "for", "against" or "abstaining", and the basis of Board authority under this Plan.

(F) Qualifications of Board Members

All members of the Board appointed by the Tribal Council shall have a background, knowledge or experience in business, agricultural management and production, or related fields; provided that each non-Tribal member who is appointed to the Board shall have specific training or experience and expertise in at least one of the following areas of discipline: finance or banking; agricultural management; or general business management. Board members shall have such other qualifications as the Tribal Council may from time to time establish.

(G) Suspension and Removal

The Tribal Council may remove a Board member for cause relating to the administration of such Board member's duties hereunder, and specifically including conviction of a felony, or a conflict of interest. The Board member shall be automatically removed for failure to attend three (3) consecutive meetings without a valid reason acceptable to the Tribal Council. Written notice of such removal shall be mailed to the member removed. Such Board member shall have thirty (30) days from the date of the notice to request a hearing before the Tribal Council. A hearing will be held at the next regular or special meeting of the Tribal Council after receiving request for hearing.

(H) Vacancies

Vacancies in the membership of the Board shall be filled by the Tribal Council for the unexpired term of the vacated position and in



called by the President of the Board by written notice to each member and to the Superintendent or upon written request to the Tribal Council or the Chairman of the Tribal Council. In the event that the President of the Board fails to call a meeting within ten (10) days after receipt of a written request, a majority of the Board membership may call a meeting. At least ten (10) days notice shall be given of all meetings unless the majority of the Board membership agrees to waive such notice. In the event that an emergency decision by the Board to protect life or property is required, votes may be taken by telephone or telegraph, and thereafter confirmed in writing by each member so voting. All Board meetings will be in executive session. Attendance at the meetings will be by invitation only, provided that the Tribal Chairman or his authorized representative, Tribal Council members, members of the Council Advisory Committee, and an authorized representative of the Superintendent, or the secretary of the Board, may attend any or all Board meetings.

(J) Compensation

Board members shall be compensated for each meeting attended at rates established by the Tribal Council from time to time, plus a reimbursement of all out-of-pocket expenses billed by voucher to the Tribe, including costs of travel, lodging, and meals, and for mileage at such rates as are established by the Tribal Council from time to time, in such case as a Board member may utilize his or her own personal vehicle.

(K) Authority of the Board

Subject to applicable Federal and Tribal laws, regulations, ordinances, resolutions, and the retained authority of the Tribal Council, the Board shall have such authority and responsibility for the business operations of the Enterprise.

Tribe, shall be deemed confidential and held in trust by such persons for the benefit of the Tribe. All written, recorded or tangible items so obtained in the course of such positions or employment are deemed the property of the White Mountain Apache Tribe and possession thereof shall be returned to the Tribe upon termination from any such position or employment. No information concerning the business of the Board and the Tribe shall be released to anyone, except as provided in this Plan.

2. Enterprise Manager

A general manager for the Enterprise (the Enterprise Manager) shall be employed by a written contract with the Tribe. The qualifications for and selection of the general manager shall be the responsibility of the Board, subject to approval of the Tribal Council. In the event that the Board finds the Enterprise Manager in violation of the contract due to misfeasance, malfeasance or non-feasance, the Board may take immediate disciplinary action such as suspension or placing such manager on leave without pay status, but may not terminate the contract without the approval of the Tribal Council. Should the management contract be terminated for any reason, the Board will take timely action to appoint an acting (or temporary) Enterprise Manager to assume full charge of the Enterprise immediately on the effective date of such termination, pending implementation of a new management contract. The Board shall immediately thereafter select a manager, subject to the approval of the Tribal Council and the provisions of this Plan. The Enterprise Manager shall be responsible to the Board of Directors for the efficient operation of all phases of the Enterprise property. Specific conditions of the Enterprise Manager's employment, including the term, amount, and method of compensation, shall be included in said written contract. Copies of the management contract will be furnished the parties thereto, the Tribal Council and Superintendent. Premiums on the manager's surety bond shall be paid by the Enterprise

managers shall work under the direct supervision of the manager, unless otherwise directed in writing by the Board, and shall be fully responsible to the Enterprise Manager. Should the Enterprise Manager be absent from the Enterprise, he shall delegate, in writing, an assistant or division manager to assume all the powers, duties, and responsibilities delegated to the general manager by the Board, the Tribal Council, or this Plan of Operation, for all phases of the Enterprise.

4. Selection of Other Employees

The Enterprise Manager shall be responsible for and have complete authority for employing, directing, training, and discharging of all employees within his Enterprise, subject to all applicable Tribal or Federal laws, including the Tribal Personnel Manual. All employees shall be bonded to the Tribe through the central accounting office.

SECTION D - CAPITAL

1. Source of Funds

- The capital of the Enterprise shall be composed of any of the following:
- (A) All funds generated within the Enterprise. It is the intention of the Tribe that the Enterprise produce sufficient income to conduct the Enterprise business and fulfill the purposes of the Enterprise as hereinabove specified (Section B.1.(B) above).
  - (B) Any funds which may be acquired by grant, loan or otherwise, from any federal agency, private foundation, or lender, or any other source for construction, equipment and operations, upon application in the name of the White Mountain Apache Tribe.
  - (C) Any tribal funds advanced by the Central Tribe, for construction, equipment and operation of the Enterprise, provided that any such funding must be included in the Central Tribe Budget prior to such advance.

2. Cash Flow Advances

Any capital or operating expense cash deficiencies within the Enterprise shall be advanced by the Central Tribe.

Account for the Enterprise.

(B) A cash reserve in an amount established for the Enterprise by the Board of Directors shall be immediately funded and maintained through future earnings. Said reserve will be specifically identified and funded on the books of the Enterprise and may be utilized by said Enterprise only with the specific approval of the Board of Directors, in case it becomes necessary to utilize it at anytime. Funds in this reserve must be retained in the United States Treasury, or with the approval of the Tribal Council and the Bureau of Indian Affairs Superintendent, may be invested in U. S. Treasury Bonds or Time Certificates of Deposit. An additional amount, equal to the total of non-trade obligations of the Enterprise, shall be added to the cash reserve amount for the Enterprise, in order to arrive at the total cash reserve to be maintained by the Enterprise.

(C) Any cash surplus in excess of the above reserve requirements may, at the discretion of the Board of Directors, and at the request of the Tribal Council, be released to the Central Tribe, to be utilized in accordance with the Tribal Constitution or other applicable laws or Plans of Operation. Any release of funds must be supported by a resolution of the Board of Directors authorizing the disbursement.

#### 4. Grant/Loan Administration

Any funds acquired by grant, loan, or otherwise from any Federal or State agency, private foundation, or lender in the name of the White Mountain Apache Tribe shall be administered in accordance with the terms of the agreement covering the transaction. In cases where the terms of the agreement are less restrictive than the provisions of the Tribal Constitution, the Tribal Constitution shall apply.

### SECTION E - METHOD OF BUSINESS

#### 1. Depository and Cash Control

All receipts of the Enterprise shall be deposited intact daily

he shall require.

- (B) Immediately upon deposit of cash receipts, a check will be drawn upon the account for the amount of the deposit, presented to the Tribal Treasurer for the necessary signatures, and then deposited with the Bureau of Indian Affairs IIM account for which a receipt will be issued and retained by the Enterprise.

All disbursements of funds of the Enterprise shall be by check through the Tribal Central Accounting Office only upon the written authorization of the Enterprise Manager or other individual whom the Manager may designate in writing, with the exception of petty cash, as specified in Section 2 hereinbelow. All disbursement of funds authorized by the Enterprise Manager must be accompanied by appropriate invoices for the goods or services and shall be in accordance with an approved budget for the Enterprise. The Tribal Treasurer is empowered to withdraw funds from the Enterprise on deposit in the IIM Account at such times as necessary to cover expenditures made through Central Accounting on behalf of the Enterprise. Funds of the Enterprise in excess of that necessary to meet current operating expenses may be retained in the IIM Account or may be invested in Time Certificates of Deposit of banks which are approved by the Tribal Council, so as to maximize interest earnings.

## 2. Petty Cash Fund

A petty cash fund is authorized for use by the Manager of the Enterprise, in an amount to be established by the Board in writing. This fund may be used to pay for small obligations in order to facilitate the business of the Enterprise and only in situations where payment by check cannot be made. This fund may be reimbursed periodically and must be reimbursed on the last working day of each month. Vouchers for reimbursement of the fund must contain satisfactory proof of expenditures in the form of receipts or signed vouchers. The request for reimbursement must be signed by the Enter-

as it is received by him monthly, in order to ascertain the validity of income and expense accounts. Any questions or corrections must be reported to the Central Accounting Office immediately on a form to be provided from Central Accounting. Records of cash receipts and accounts receivable must be maintained by the Enterprise for a period of three (3) years. Any other records necessary for adequate financial and operational control of the Enterprise shall be established as the Manager determines is necessary or as directed by the Board.

4. Inventory

It shall be the responsibility of the Manager of the Enterprise to provide the controls necessary for the safekeeping of inventory of the Enterprise. Further, he shall be responsible to assure that adequate inventories are on hand, but that they are not excessive. Central Accounting will revalue inventories monthly on a sales-markup percentage based on sales (unless actual inventories are taken) and their value given to Central Accounting within ten (10) working days after the end of the month. At the end of each quarter, a physical inventory must be taken in a manner acceptable to Central Accounting, utilizing the retail-price-method of costing. At fiscal year end, inventories shall be based on calculated cost, utilizing the FIFO method.

5. Audits

An audit of the financial accounts and books of the Enterprise will be conducted at the end of each fiscal year by independent Certified Public Accountants selected by the Tribal Council. The Enterprise will be responsible for the costs involved in the audit. Audits may be required at such other times as requested by the Board or the Tribal Council, at the expense of the Enterprise. Copies of such audit reports shall be provided to the Tribal Council, the Board of Directors, the Enterprise Manager, and the Bureau of Indian Affairs Superintendent.

6. Purchasing

- acquired under procedures to be established by the Board.
- (B) Payments for purchases shall always be made so as to take advantage of trade discounts offered by vendors.
  - (C) Authorization for all purchases shall be based upon specific line items in a budget approved by the Board.
  - (D) All purchasing actions shall be documented on numbered and controlled purchase orders having an authorized supervisory signature.
  - (E) A written receiving report shall be made on all deliveries of goods and services and shall indicate thereon the approved purchase order number for such goods and services, except as provided in sub-section F below.
  - (F) Purchases may be made through a petty cash fund, as provided in Section E (2) herein.
  - (G) Purchases not provided for in the approved budget of the Enterprise are unauthorized. Purchases in excess of cash flow are authorized only as provided in Section D (2) herein.
  - (H) Purchases of Capital items in excess of \$500.00 shall be subject to competitive bids by qualified vendors.
  - (I) Purchasing procedures developed by the Enterprise Manager pursuant to these policies shall be reviewed by the Board annually.

7. Leasing

Leasing of tribal equipment or other personal property held by the Enterprise shall be in writing and subject to approval of the Board. Leasing of tribal facilities or real property under the control of the Enterprise shall be in writing and subject to approval of the Board, the Tribal Council and the Bureau of Indian Affairs Superintendent. Any non-lease agreement for the use of Tribal facilities or real property under the control of the Enterprise - except in regular day-to-day business transactions - shall be in writing and subject to approval of the Board and the Council. The definition of the term "regular day-to-day business transactions" shall be

of credit to other Enterprises, the Central Tribe, agencies of the Federal Government, and Cattle Associations, provided that any credit extended shall not exceed sixty (60) days. Should such accounts become delinquent, further credit shall be denied and interest on the unpaid balance shall be assessed at the rate of one percent per month on any unpaid balance. The Enterprise shall be responsible for maintaining a subsidiary ledger of accounts receivable, which must be balanced to the accounts receivable balance in the general ledger on a monthly basis. Any discrepancy between these balances must be resolved by the Enterprise Manager prior to the end of every month.

9. Fiscal Year

The fiscal year of the Enterprise shall be May 1st through April 30th.

10. Budgets

The annual operating budget of the Enterprise for the upcoming fiscal year, and a separate budget for capital improvements and additions, shall be prepared by the Enterprise Manager, working with the Department of Assistant Managers, and presented to the Board of Directors on or before the end of February each year at a special or regular Board meeting. The Board shall review such Enterprise budget, make amendments if necessary, and approve a budget for the Enterprise. This budget is to be presented by the Enterprise Manager to the Tribal Finance Committee on or before the first week of March each year, and to the Tribal Council prior to the beginning of the new fiscal year. All Enterprise budgets are effective only upon the approval of the Tribal Council and the Bureau of Indian Affairs Superintendent. Upon such approval, the Enterprise budget shall govern expenditures for operations and capital improvements for the applicable fiscal year.

The operating budget for purchase of resale goods or property shall be flexible within a percent, rather than an amount limitation, subject to the approval of the Enterprise Manager prior to the purchase of resale goods within the percent limitation. No expenditures in excess of the percent limitation in the approved budget for purchase of resale goods or



Enterprise budgets shall be prepared in the same format as the approved tribal accounting system. Budget amendments and modifications will require the same approval procedures as original fiscal year budgets.

11. Sales and Mark-up

Modern cost-and-pricing methods will be utilized by the Enterprise Manager for all departments of the Enterprise, so as to obtain maximum profits for the Enterprise. All retail sales shall be for cash except as provided in Section 8 hereinabove. Based on the above, the Enterprise Manager shall be responsible for the proper mark-ups on all sales.

12. Insurance

The Central Accounting Office shall be responsible for assuring that adequate insurance is maintained on all Enterprise operations, including but not limited to the following:

1. Public liability and property damage.
2. Vehicle coverage.
3. Fire and extended damage.
4. Theft and burglary.
5. Workmen's compensation.
6. Employee fraud or dishonesty.
7. Such other coverage as is directed by the Tribal Council from time to time.

13. Cash Register Change Funds

In addition to the petty cash funds, additional monies are authorized in amounts to be established in writing by the Board for use by cashiers to make change. Petty cash and cash register funds shall not be commingled.

14. Property

All fixed assets, equipment, furniture (and other property not for resale) purchased or acquired by an Enterprise shall be taken in the name of the White Mountain Apache Tribe. Detailed property records shall

equipment, furniture, and other accountable property.

15. Laws and Regulations


The Enterprise shall comply with all federal and Tribal laws as may be applicable to it, including all provisions of the Tribal Personnel Manual and employee benefits under the Tribal Health Plan and Tribal Retirement Plan. Any deviations proposed by the Enterprise in the application of the Tribal Personnel Manual must be approved by the Board, and then included in the Tribal Personnel Manual by adoption of the Tribal Council before becoming effective.

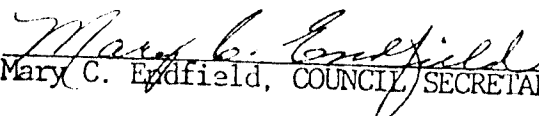
Also, all Enterprise Operations are subject to applicable instructions in Volume 4, Part 7 of the Indian Affairs Manual. In case of any conflict between the Manual and the Plan of Operation, the provisions of this Plan of Operation shall govern.

SECTION F - APPROVALS AND EFFECTIVE DATE

This Plan of Operation shall become effective upon the date of approval of the Tribal Council and the Secretary of the Interior, or his authorized representative. Modification of this Plan may be made as conditions warrant subject to the same approval procedures contained herein. Copies of said approvals shall be attached hereto and by reference incorporated herein. All tribal actions heretofore enacted which are inconsistent with any provision of this Plan are hereby rescinded as of the effective date of this Plan.

APPROVED THIS 1st DAY OF October 1980 PURSUANT TO RESOLUTION NO. 80-272 OF THE WHITE MOUNTAIN APACHE TRIBE.

BY:   
Ronnie Lupe, CHAIRMAN

ATTEST:   
Mary C. Eganfield, COUNCIL SECRETARY

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 1980