

# Questions loom about Mill Bay Resort negotiation

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As details emerge about negotiations between the members of the Mill Bay Resort and Chief Evans Incorporated over the fate of the Mill Bay Resort, questions as to CEI's sincerity arise. Resort member's lead plaintiff Paul Grondal sums the situation up in a single sentence: "When we were negotiating in good faith, they were doing something else."

CEI has long been trying to terminate the contracts of the member of the Mill Bay Resort, claiming shutting the park down was necessary as continued operation of the park was costing CEI money. The resort members have been offering to take over the park for as long as CEI has been trying to shut it down. Over the past several months, both sides have been engaged in negotiations to reach some middle ground between the two positions without further legal wrangling. A condition of the negotiations was that the media not be informed of the ongoing developments. Now that negotiations have ended, this agreement has ended as well.

What ground the talks to a halt was a disagreement over just how much of what costs the resort members had agreed to pay. According to Grondal, the resort members agreed only to pay the utility costs. In ascertaining what that cost would be, Grondal and the members encountered controversy almost immediately. Some degree of inefficiency in the resort's plumbing systems had caused a high degree of leakage and waste, incurring considerable additional cost. Furthermore, the Mill Bay Resort shares a pipe with the MA8 Plus One golf course, located directly across the highway. It was unclear what percentage of the water bill was incurred by the park and what percentage of the bill was incurred by the golf course. The members were working



Photo by Morgan L. Picton

A closed sign is nailed into the Mill Bay Resort sign.

with utility firms to sort out the confusion and curb the waste on the Resort.

To pay the utility costs to CEI as agreed, the resort membership committee required an accurate list of all members and their account status. The committee had identified most of the resort members on its own, but did not know how much each various member owed in dues. Early in the negotiations, Grondal says that CEI's attorney Mike Arch agreed to have such a list drawn up and delivered to the members by the end of January. They never received this list. Instead, they received a letter from Arch near the end of March demanding immediate payment of \$125,350.90. Besides the agreed upon utility costs, this sum also included CEI's unpaid bills, employee wages, taxes and land lease expenses. The sum was due two days after the letter arrived. This marked the end of amicable negotiations, as it included a notice that the case was being moved to the federal court in Spokane.

This move may end up as being fortuitous to the resort members. Had CEI lost the case in state court, an appeal to federal court would have been almost certain. The federal court has jurisdiction over Indian trust land like that which the Mill Bay Casino is on. Cutting to the chase in this fashion will save both sides considerable sums in legal fees.

As this fiasco has drug on, speculation as to CEI's motives beyond fiscal insolvency have flown. The popular opinion has been the intention to move the Mill Bay Casino onto the Mill Bay Resort land. Recent developments in the Colville Tribal Council make this unlikely, as they went as far as to pass a resolution stating they would not build a casino on that land. The current rumor is that CEI intends to construct condominiums on the resort land.

Leslie Evans, former manager of the Mill Bay Resort and Jeff Webb, CEI's accountant both declined to comment. The *Mirror* was referred to Mike Arch by

both parties, but unfortunately, Mr. Arch was out of state and unavailable for comment. Richard Price, CEI's former lead attorney, remains on the case as Arch's co-council, but had very little to do with the negotiations and had no comment to offer.

The resort members have hired the Wenatchee law firm Jeffers, Danielson, Sonn and Aylward for the federal phase of this case. Franklin Smith, a resort member and attorney for the membership committee, will stay on as co-council.

Grondal says the end of the negotiations was discouraging. "We just want what we paid for. In 32 years, when our contracts are up, the members will pack up and go." On April 26, there will be a public rally in front of the park to raise awareness of this already high-profile controversy. The precedent that this case sets could have potentially devastating results. Wapato Point is on Indian trust land, just like the Mill Bay Resort. Grondal asks, "What good are their contracts if ours are not good?"