

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0044-19__

SPONSOR: Rickie Nez

TITLE: An Action Relating To The Resources And Development Committee And The NAABIK'IYATI' Committee; Supporting Navajo Transitional Energy Company's Independent Acquisition Of Navajo Generating Station And Kaventa Mine; Statement Of Policy Regarding Refusal To Financially Guarantee Or Provide Waivers Or Releases Of Claims By The Navajo Nation Pertaining To That Acquisition

Date posted: March 07, 2019 at 8:02 PM

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LEGISLATIVE SUMMARY SHEET
Tracking No. 0044-19

DATE: March 7, 2019

AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE AND THE NAABIK'ÍYÁTÍ COMMITTEE; SUPPORTING NAVAJO TRANSITIONAL ENERGY COMPANY'S INDEPENDENT ACQUISITION OF NAVAJO GENERATING STATION AND KAYENTA MINE; STATEMENT OF POLICY REGARDING REFUSAL TO FINANCIALLY GUARANTEE OR PROVIDE WAIVERS OR RELEASES OF CLAIMS BY THE NAVAJO NATION PERTAINING TO THAT ACQUISITION

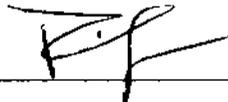
PURPOSE: The purpose of this legislation is to support the Navajo Transitional Energy Company's independent acquisition of Navajo Generating Station and Kayenta Mine and state the Navajo Nation position that no financial guarantees, waivers or releases of claims by the Navajo Nation releases shall be provided pursuant to this acquisition.

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate review the proposed resolution in detail.

5-DAY BILL HOLD PERIOD: 2019
Website Posting Time/Date: _____
Posting End Date: 3/12/19
Eligible for Action: 3/13/19

1 PROPOSED NAVAJO NATION COMMITTEE RESOLUTION
2 24th NAVAJO NATION COUNCIL – First Year, 2019

3
4 INTRODUCED BY

5 
6 _____
7 (Prime Sponsor)

8
9 TRACKING NO. 0044-19

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11 AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE
12 AND THE NAABIK'ÍYÁTÍ COMMITTEE;
13 SUPPORTING NAVAJO TRANSITIONAL ENERGY COMPANY'S INDEPENDENT
14 ACQUISITION OF NAVAJO GENERATING STATION AND KAYENTA MINE;
15 STATEMENT OF POLICY REGARDING REFUSAL TO FINANCIALLY
16 GUARANTEE OR PROVIDE WAIVERS OR RELEASES OF CLAIMS BY THE
17 NAVAJO NATION PERTAINING TO THAT ACQUISITION

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20 WHEREAS:

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22 A. The Resources and Development Committee of the Navajo Nation Council exercises
23 oversight authority over water, land, grazing, environment, economic and community
24 development. 2 N.N.C. §500 (C).
25 B. The Naabik'iyáti Committee of the Navajo Nation Council is the standing committee
26 empowered to coordinate and pronounce the official position of the Navajo Nation
27 before non-Navajo government federal, state or other entities. 2 N.N.C. § 700 (A).
28 C. This legislation is a necessary response to current developments involving Navajo
29 Transitional Energy Company's (NTEC) independent acquisition of Navajo
30 Generating Station (NGS) and Kayenta Mine.

- 1 D. NTEC is a limited liability company organized pursuant to the Navajo Nation Limited
2 Liability Company Act, 5 N.N.C. § 3600 *et seq.*, created and enabled by Navajo
3 Nation Council Resolution No. CAP-20-13. See Exhibit A.
- 4 E. NTEC was created “to strictly limit the Navajo Nation’s and [NTEC’s] liabilities and
5 exposures...and to promote the development of the Navajo Nation’s resources...”
6 See *Id.* Section A (5).
- 7 F. Following the Navajo Nation leadership’s request that NTEC evaluate acquisition of
8 NGS and Kayenta Mine, NTEC undertook good faith negotiations with the NGS
9 Owners.
- 10 G. NTEC’s negotiations with the NGS Owners have stalled due to the demand by the
11 NGS Owners that the Nation itself provide back-up financial guarantees pursuant to
12 the purchase and assume and guaranty all liabilities associated with NGS, including
13 liabilities associated with the NGS Owners’ operation of NGS.
- 14 H. The Navajo Nation, through separate agreements with the NGS Owners, have already
15 limited the Navajo Nation’s risk and liabilities as a government.
- 16 I. The negotiations between the NGS Owners and NTEC are between separate business
17 entities and as such the Navajo Nation is not a party to these negotiations.
- 18 J. Given the importance of this issue to the Navajo Nation, the 24th Navajo Nation
19 hereby issues this Statement of Policy in support of NTEC’s independent acquisition
20 of NGS and Kayenta Mine.

21
22 **THEREFORE, BE IT RESOLVED:**

- 23
24 A. The Navajo Nation fully supports NTEC’s independent acquisition of NGS and the
25 Kayenta Mine, subject to the finalization of the necessary agreements.
- 26 B. The Navajo Nation shall not provide any financial guarantees pertaining to NTEC’s
27 acquisition of NGS and Kayenta Mine.
- 28 C. The Navajo Nation will not grant any waivers or release of claims to the NGS Owners or
29 NTEC pertaining to NTEC’s acquisition of NGS and Kayenta Mine.
30