LEGISLATION NO: _0039-20_____ SPONSOR: Otto Tso

TITLE: An Action Relating to the Resources and Development, Budget and Finance and Naabik'íyáti' Committee and the Navajo Nation Council; Allocating one million dollars ($1,000,000) to the Navajo Tribal Utility Authority from the Síhasin Fund to assist in funding materials to connect Navajo homes to the electric grid under Light Up Navajo II; Approving and adopting the NTUA Material Fund Expenditure Plan pursuant to 12 N.N.C. §§ 2501 – 2508

Date posted: February 24, 2020 at 4:12pm

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Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, AZ 86515
(928) 871-7590

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DATE: February 21, 2020

TITLE OF RESOLUTION: AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE AND NAABIK'ÍYATI' COMMITTEE AND THE NAVAJO NATION COUNCIL; ALLOCATING ONE MILLION DOLLARS ($1,000,000) TO THE NAVAJO TRIBAL UTILITY AUTHORITY FROM THE SIHASIN FUND TO ASSIST IN FUNDING MATERIALS TO CONNECT NAVAJO HOMES TO THE ELECTRIC GRID UNDER LIGHT UP NAVAJO II; APPROVING AND ADOPTING THE NTUA MATERIAL FUND EXPENDITURE PLAN PURSUANT TO 12 N.N.C. §§ 2501 – 2508

PURPOSE: This resolution, if approved, will allocate Sihasin Funds to NTUA to assist Navajo families’ connection to the electric grid through the Light Up Navajo II project.

This written summary does not address recommended amendments as may be provided by the standing committee. The Office of Legislative Counsel requests each committee member to review the proposed resolution in detail.
PROPOSED NAVAJO NATION COUNCIL RESOLUTION

24th NAVAJO NATION COUNCIL -- Second Year, 2020

INTRODUCED BY

[Signature]
(Prime Sponsor)

TRACKING NO. 0039-20

AN ACTION

RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE AND NAABIK'ÍYÁTI' COMMITTEE AND THE NAVAJO NATION COUNCIL; ALLOCATING ONE MILLION DOLLARS ($1,000,000) TO THE NAVAJO TRIBAL UTILITY AUTHORITY FROM THE SIHASIN FUND TO ASSIST IN FUNDING MATERIALS TO CONNECT NAVAJO HOMES TO THE ELECTRIC GRID UNDER LIGHT UP NAVAJO II; APPROVING AND ADOPTING THE NTUA MATERIAL FUND EXPENDITURE PLAN PURSUANT TO 12 N.N.C. §§ 2501 – 2508

BE IT ENACTED:

Section One. Authority

A. The Resources and Development Committee of the Navajo Nation Council is empowered to exercise oversight authority over matters involving communication and utilities, chapter activities, economic and community development, public utilities, telecommunication and housing. 2 N.N.C. §§500 (A) and (C).

B. The Budget and Finance Committee of the Navajo Nation Council is empowered to review and recommend to the Navajo Nation Council the budgeting, appropriation, investment, and management of all funds and to coordinate and review all fiscal, financial and investment activities of the Navajo Nation. 2 N.N.C. §301(B)(2) and (5).
C. The Naabik’iyati’ Committee of the Navajo Nation Council is empowered to review all proposed legislation which requires final action by the Navajo Nation Council. 2 N.N.C. §164(A)(9).

D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A).

E. The Navajo Nation Code provides that the purpose of the Navajo Nation Sihasin Fund ("Sihasin Fund") is as follows:

§ 2502 Purpose

A. The purposes of this Fund are to provide financial support and/or financing for:

1. The planning and development of economic development and regional infrastructure supporting economic development, and community development, including such infrastructure as, but not limited to, housing, commercial and government buildings, waterline, solid waste management development, powerline projects, and transportation and communication systems, within the Navajo Nation; and

2. Education opportunities for members of the Navajo Nation.

B. For the Purpose in § 2502(A)(1), Fund expenditures for infrastructure shall not be limited by 12 NNC § 1310(F) or TCDCJY-77-99.

C. Leveraging the Fund by way of guaranteeing loans, match funding, direct funding in part, and other weighted uses of the Fund, including loan financing from the Fund, for the purposes in § 2502(A)(1), shall be favored over direct funding in whole. 12 N.N.C. § 2502, as amended by CJA-03-18.

F. The Sihasin Fund provides that "Fund Principal" shall consist of all deposits made to the Sihasin Fund and that "Fund Income" shall consist of all earnings (interest, dividends, etc.) generated and realized by the Fund Principal, and that Fund Income shall be deposited in and added to Fund Principal until such time as a Fund Expenditure Plan is duly adopted. 12 N.N.C. §§ 2504 and 2505 (C).
Section Three. Findings

A. Under Phase I of the Light Up Navajo Project (Light Up Navajo I), the Navajo Tribal Utility Authority (NTUA) partnered with the American Public Power Association (APPA) with a shared goal of connecting Navajo homes on the Navajo Nation to the electric grid for the first time.

B. Between April and May 2019, over 28 utility companies and their communities from across 13 states and over 138 external non-NTUA volunteers and 349 NTUA volunteers came to the Navajo Nation and fulfilled the Light Up Navajo I goal by connecting 233 Navajo homes to the electric grid.

C. The Navajo families that benefited from Light Up Navajo I are located throughout the Navajo Nation within the states of Arizona, New Mexico and Utah.

D. In August 2019, NTUA decided to initiate Phase II of Light Up Navajo (Light Up Navajo II) with the goal of connecting 300 Navajo homes to the electric grid for the first time and kicked off the project with a recruitment campaign in late August 2019 to enroll eligible Navajo families for Light Up Navajo II.

E. Complete Light Up Navajo II applications were due no later than October 31, 2019 with preference given to the disabled, elderly and veterans.

F. NTUA will assist Light Up Navajo II families with obtaining the proper field surveys, easements, permits and clearances from November 1, 2019 to March 2020; the Navajo families themselves may be required to install service poles, mount meter loops, and complete or update house wiring.

G. As the unemployment rate on the Navajo Nation is approximately 48.5% with 38% of Navajo people living below the poverty line, the cost of installing a service pole, mounting a meter or wiring a house to meet safety standards is likely prohibitive for many Navajo families.

H. The anticipated construction of powerlines and installation of meters is slated to begin by Light Up Navajo II volunteers from April to June 2020, but if Navajo families remain solely responsible for the cost of installing a service pole, mounting a meter or wiring a house to meet safety standards, Navajo Light Up Navajo II may be successful.
I. The electric power lines and infrastructure that will be built within these rights of way and service lines by NTUA will serve future generations and NTUA will be able to extend power lines to serve additional Navajo homes off of the power lines and infrastructure that will be built within the rights of way and service lines.

J. The Navajo Nation finds that the allocation of one million dollars ($1,000,000) from the Sihasin Fund to the NTUA to assist Navajo families by providing funding of materials is within the best interest of the Navajo Nation and Navajo families.

K. The Navajo Nation further finds that the allocation of $1,000,000 to NTUA to address the need for electrical powerline extensions is an economic and community development and regional infrastructure and therefore meets the requirements for “planning and development of regional infrastructure supporting economic and community development, including housing, within the Navajo Nation,” as required by 12 N.N.C. 2502(A).

Section Four. Approval and Adoption of Expenditure Plan

A. The Navajo Nation hereby approves the allocation of one million dollars ($1,000,000) from the Sihasin Fund to the Navajo Tribal Utility Authority to assist in funding materials to connect Navajo homes to the electric grid.

B. The Navajo Nation hereby approves and adopts the Sihasin Fund NTUA Materials Expenditure Plan (Materials Expenditure Plan) to support the electrification of Navajo homes through Light Up Navajo II and future similar initiatives as follows:

1. The Material Expenditure Plan funds may only be expended to reduce the costs to Navajo families of connecting their homes to the electric grid.

2. The Materials Expenditure Plan funds may only be expended pursuant to Rules and Procedures recommended by the Navajo Tribal Utility Authority and approved by the Resources and Development Committee.

C. The Sihasin Funds allocated for the Materials Expenditure Plan may be further leveraged by bond or loan financing pursuant to the Navajo Nation Bond Financing Act, 12 N.N.C. §§ 1300 et seq., as amended, using Sihasin Fund earnings for repayment and financing.
costs upon the recommendation of the Budget and Finance Committee and approval by a two-thirds (2/3) vote of all members of the Navajo Nation Council.

Section Five. Approval and Adoption of Expenditure Plan Administration

The Navajo Nation hereby approves administration of the Sihasin Fund NTUA Materials Expenditure Plan as follows:

A. The Navajo Nation Controller shall determine whether the source of the one million dollars ($1,000,000.00) will be Sihasin Fund Principal or Income or a combination of both.

B. The $1,000,000 shall be in the form of a direct payment and dispersed to NTUA within thirty (30) days of the Resources and Development Committees approval of the Rules and Procedures set forth at Section Four (D) above.

C. Any funds not spent or encumbered within three (3) years of the date funds are dispersed to NTUA shall revert back to the Sihasin Fund principal, unless otherwise approved by the Naabik’iyati’ Committee.

D. The NTUA General Manager and Management Board shall report the status of the allocated Sihasin Funds and the Materials Expenditure Plan on a semi-annual basis to the Resources and Development Committee, Naabik’iyati’ Committee and the Office of the President & Vice President on the

Section Six. Effective Date

The Sihasin Fund NTUA Materials Expenditure Plan, as set forth above, shall become effective pursuant to 12 N.N.C. §2505.

Section Seven. Directives

All Navajo Nation programs, specifically including, but not limited to, the Office of Controller and Office of Management & Budget, and NTUA staff and Management Board, shall take all steps necessary to expeditiously implement the Materials Expenditure Plan consistent with the provisions set forth above.