

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0039-20_____

SPONSOR: Otto Tso

TITLE: An Action Relating to the Resources and Development, Budget and Finance and Naabik'iyáti' 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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LEGISLATIVE SUMMARY SHEET
Tracking No. 0039-20

DATE: February 21, 2020

TITLE OF RESOLUTION: 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

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.

5-DAY BILL HOLD PERIOD: 2888
Website Posting Time/Date: _____
Posting End Date: 2/29/2020
Eligible for Action: 3/01/2020

Resource & Development Committee
Thence
Budget & Finance Committee
Thence
Naabik'iyáti' Committee
Thence
Navajo Nation Council

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION
2 24th NAVAJO NATION COUNCIL -- Second Year, 2020

3 INTRODUCED BY

4 
5 _____
6 (Prime Sponsor)

7
8 TRACKING NO. 0039-20

9
10 AN ACTION

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

18 §§ 2501 – 2508

19
20 BE IT ENACTED:

21
22 **Section One. Authority**

- 23 A. The Resources and Development Committee of the Navajo Nation Council is empowered
24 to exercise oversight authority over matters involving communication and utilities,
25 chapter activities, economic and community development, public utilities,
26 telecommunication and housing. 2 N.N.C. §§500 (A) and (C).
- 27 B. The Budget and Finance Committee of the Navajo Nation Council is empowered to
28 review and recommend to the Navajo Nation Council the budgeting, appropriation,
29 investment, and management of all funds and to coordinate and review all fiscal, financial
30 and investment activities of the Navajo Nation. 2 N.N.C. §301(B)(2) and (5).

1 C. The Naabik'iyati' Committee of the Navajo Nation Council is empowered to review all
2 proposed legislation which requires final action by the Navajo Nation Council. 2 N.N.C.
3 §164(A)(9).

4 D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C.
5 §102(A).

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

8 § 2502 Purpose

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

- 11 1. The planning and development of economic development and regional
12 infrastructure supporting economic development, and community
13 development, including such infrastructure as, but not limited to, housing,
14 commercial and government buildings, waterline, solid waste management
15 development, powerline projects, and transportation and communication
16 systems, within the Navajo Nation; and
- 17 2. Education opportunities for members of the Navajo Nation.

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

20 C. Leveraging the Fund by way of guaranteeing loans, match funding, direct
21 funding in part, and other weighted uses of the Fund, including loan financing
22 from the Fund, for the purposes in § 2502(A)(1), shall be favored over direct
23 funding in whole.

24 12 N.N.C. § 2502, as amended by CJA-03-18.

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

1 **Section Three. Findings**

- 2 A. Under Phase I of the Light Up Navajo Project (Light Up Navajo I), the Navajo Tribal
3 Utility Authority (NTUA) partnered with the American Public Power Association
4 (APPA) with a shared goal of connecting Navajo homes on the Navajo Nation to the
5 electric grid for the first time.
- 6 B. Between April and May 2019, over 28 utility companies and their communities from
7 across 13 states and over 138 external non-NTUA volunteers and 349 NTUA volunteers
8 came to the Navajo Nation and fulfilled the Light Up Navajo I goal by connecting 233
9 Navajo homes to the electric grid.
- 10 C. The Navajo families that benefited from Light Up Navajo I are located throughout the
11 Navajo Nation within the states of Arizona, New Mexico and Utah.
- 12 D. In August 2019, NTUA decided to initiate Phase II of Light Up Navajo (Light Up Navajo
13 II) with the goal of connecting 300 Navajo homes to the electric grid for the first time
14 and kicked off the project with a recruitment campaign in late August 2019 to enroll
15 eligible Navajo families for Light Up Navajo II.
- 16 E. Complete Light Up Navajo II applications were due no later than October 31, 2019 with
17 preference given to the disabled, elderly and veterans.
- 18 F. NTUA will assist Light Up Navajo II families with obtaining the proper field surveys,
19 easements, permits and clearances from November 1, 2019 to March 2020; the Navajo
20 families themselves may be required to install service poles, mount meter loops, and
21 complete or update house wiring.
- 22 G. As the unemployment rate on the Navajo Nation is approximately 48.5% with 38% of
23 Navajo people living below the poverty line, the cost of installing a service pole,
24 mounting a meter or wiring a house to meet safety standards is likely prohibitive for
25 many Navajo families.
- 26 H. The anticipated construction of powerlines and installation of meters is slated to begin
27 by Light Up Navajo II volunteers from April to June 2020, but if Navajo families remain
28 solely responsible for the cost of installing a service pole, mounting a meter or wiring a
29 house to meet safety standards, Navajo Light Up Navajo II may be successful.
- 30

- 1 I. The electric power lines and infrastructure that will be built within these rights of way
2 and service lines by NTUA will serve future generations and NTUA will be able to
3 extend power lines to serve additional Navajo homes off of the power lines and
4 infrastructure that will be built within the rights of way and service lines.
- 5 J. The Navajo Nation finds that the allocation of one million dollars (\$1,000,000) from the
6 Sihasin Fund to the NTUA to assist Navajo families by providing funding of materials is
7 within the best interest of the Navajo Nation and Navajo families.
- 8 K. The Navajo Nation further finds that the allocation of \$1,000,000 to NTUA to address
9 the need for electrical powerline extensions is an economic and community development
10 and regional infrastructure and therefore meets the requirements for “planning and
11 development of regional infrastructure supporting economic and community
12 development, including housing, within the Navajo Nation,” as required by 12 N.N.C.
13 2502(A).
- 14

15 **Section Four. Approval and Adoption of Expenditure Plan**

- 16 A. The Navajo Nation hereby approves the allocation of one million dollars (\$1,000,000)
17 from the Sihasin Fund to the Navajo Tribal Utility Authority to assist in funding materials
18 to connect Navajo homes to the electric grid.
- 19 B. The Navajo Nation hereby approves and adopts the Sihasin Fund NTUA Materials
20 Expenditure Plan (Materials Expenditure Plan) to support the electrification of Navajo
21 homes through Light Up Navajo II and future similar initiatives as follows:
- 22 1. The Material Expenditure Plan funds may only be expended to reduce the costs
23 to Navajo families of connecting their homes to the electric grid.
- 24 2. The Materials Expenditure Plan funds may only be expended pursuant to Rules
25 and Procedures recommended by the Navajo Tribal Utility Authority and
26 approved by the Resources and Development Committee.
- 27 C. The Sihasin Funds allocated for the Materials Expenditure Plan may be further leveraged
28 by bond or loan financing pursuant to the Navajo Nation Bond Financing Act, 12 N.N.C.
29 §§ 1300 et seq., as amended, using Sihasin Fund earnings for repayment and financing
30

1 costs upon the recommendation of the Budget and Finance Committee and approval by
2 a two-thirds (2/3) vote of all members of the Navajo Nation Council.

3
4 **Section Five. Approval and Adoption of Expenditure Plan Administration**

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

- 7 A. The Navajo Nation Controller shall determine whether the source of the one million
8 dollars (\$1,000,000.00) will be Sihasin Fund Principal or Income or a combination of
9 both.
- 10 B. The \$1,000,000 shall be in the form of a direct payment and dispersed to NTUA within
11 thirty (30) days of the Resources and Development Committees approval of the Rules
12 and Procedures set forth at Section Four (D) above.
- 13 C. Any funds not spent or encumbered within three (3) years of the date funds are dispersed
14 to NTUA shall revert back to the Sihasin Fund principal, unless otherwise approved by
15 the Naabik'iyati Committee.
- 16 D. The NTUA General Manager and Management Board shall report the status of the
17 allocated Sihasin Funds and the Materials Expenditure Plan on a semi-annual basis to the
18 Resources and Development Committee, Naabik'iyati' Committee and the Office of the
19 President & Vice President on the

20
21 **Section Six. Effective Date**

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

24
25 **Section Seven. Directives**

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