

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0048-20_____

SPONSOR: Elmer P. Begay

TITLE: An Action Relating to Resources and Development, Budget and Finance, and Naabik'iyáti' Committees and Navajo Nation Council; Approving Supplemental Funding from the Unreserved, Undesignated Fund Balance in the amount of two million dollars (\$2,000,000.00) for the Navajo Nation's Department of Justice Water Rights Litigation Unit to continue Litigating on behalf of the Navajo Nation and to protect the Navajo Nation's Water Rights; Waiving 12 N.N.C. §§ 820 (E) and (F)

Date posted: March 6, 2020 at 4:50pm

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Office of Legislative Services
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LEGISLATIVE SUMMARY SHEET

Tracking No. 0048-20

DATE: March 4, 2020

TITLE OF RESOLUTION: AN ACTION RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES AND NAVAJO NATION COUNCIL; APPROVING SUPPLEMENTAL FUNDING FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE IN THE AMOUNT OF TWO MILLION DOLLARS (\$2,000,000.00) FOR THE NAVAJO NATION'S DEPARTMENT OF JUSTICE WATER RIGHTS LITIGATION UNIT TO CONTINUE LITIGATING ON BEHALF OF THE NAVAJO NATION AND TO PROTECT THE NAVAJO NATION'S WATER RIGHTS; WAIVING 12 N.N.C. §§ 820 (E) AND (F)

PURPOSE: This resolution, if approved, will provide a Supplemental Appropriation of \$2,000,000 from the UUFB to Department of Justice's Water Rights Unit to continue and sustain the Nation's water rights litigations.

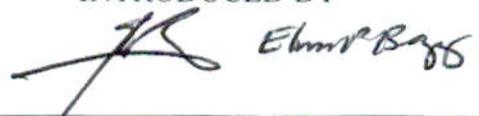
This written summary does not address recommended amendments as may be provided by the standing committee. The Office of Legislative Counsel requests each committee member to review the proposed resolution in detail.

5-DAY BILL HOLD PERIOD: SNDTAH
Website Posting Time/Date: _____
Posting End Date: 03-11-20
Eligible for Action: 03-12-20

Resources and Development Committee
Thence
Budget and Finance Committee
Thence
Naabik'iyáti' Committee
Thence
Navajo Nation Council

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

4 INTRODUCED BY

5 
6 _____
7 (Prime Sponsor)

9 TRACKING NO. 0048-20

11 AN ACTION

12 RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE,
13 AND NAABIK'ÍYÁTI' COMMITTEES AND NAVAJO NATION COUNCIL;
14 APPROVING SUPPLEMENTAL FUNDING FROM THE UNRESERVED,
15 UNDESIGNATED FUND BALANCE IN THE AMOUNT OF TWO MILLION
16 DOLLARS (\$2,000,000.00) FOR THE NAVAJO NATION'S DEPARTMENT OF
17 JUSTICE WATER RIGHTS LITIGATION UNIT TO CONTINUE LITIGATING ON
18 BEHALF OF THE NAVAJO NATION AND TO PROTECT THE NAVAJO
19 NATION'S WATER RIGHTS; WAIVING 12 N.N.C. §§ 820 (E) AND (F)

21 BE IT ENACTED:

23 SECTION ONE. AUTHORITIES

24 A. The Resources and Development Committee was established as a standing committee
25 of the Navajo Nation Council with the authority to exercise oversight over water, as
26 well as the enumerated power to review and make recommendations to the Navajo
27 Nation Council for approval of any resolution(s) requiring Navajo Nation Council
28 final approval to accomplish or impact Resources and Development Committee
29 purposes. 2 N.N.C. § § 500 (C)(1) and 501(B)(4)(f).

- 1 B. The Budget and Finance Committee was established as a standing committee of the
2 Navajo Nation Council with the enumerated power to review and recommend the
3 budgeting, appropriation, investment and management of all funds to the Navajo
4 Nation Council. 2 N.N.C. §§ 300(A) and 301(B)(2).
- 5 C. The Naabik'iyát'i' Committee was established as a standing committee of the Navajo
6 Nation Council with authority to hear all proposed resolutions that require final action
7 by the Navajo Nation Council. 2 N.N.C. §§ 164 (A)(9) and 700(A).
- 8 D. The Navajo Nation Council is the governing body of the Navajo Nation and has the
9 authority to approve Supplemental Appropriations. 2 N.N.C. § 102(A) and 12 N.N.C.
10 § 820 (L).
- 11 F. Title 12 N.N.C. §§ 800 et seq., outlines the requirements for Supplemental
12 Appropriations to the Annual Comprehensive Budget as follows:
- 13 1. All requests for annual operating funds and supplemental funds shall be
14 submitted to the Office of Management and Budget for budget impact
15 analysis. 12 N.N.C. § 820(M).
 - 16 2. When the Controller identifies additional sources of revenues above and
17 beyond the initial or current revenue projections, supplemental
18 appropriations may be allocated by the Navajo Nation Council. 12 N.N.C.
19 § 820(L).
 - 20 3. Supplemental appropriations made from non-recurring revenues shall only
21 be made for non-recurring operations or purposes, as set forth at § 820(F).
22 The Controller of the Navajo Nation shall be responsible for designating
23 recurring and non-recurring revenues and purposes. 12 N.N.C. § 820(L).
 - 24 4. The Nation shall budget all recurring operating expenses, including capital
25 maintenance, from recurring revenues. Long term debt shall not be used to
26 finance recurring expenses. 12 N.N.C. § 820 (E).
 - 27 5. The Navajo Nation Code provides, "[t]he Nation shall restrict non-
28 recurring revenues to budget non-recurring expenditures. In addition, non-
29 recurring revenues will be budgeted only after an examination by the
30 Controller to determine whether or not the revenues are subsidizing an

1 imbalance between recurring revenues and expenditures, and expenditures
2 may be authorized only if a long-term (three-five year) forecast shows that
3 the operating deficit will not continue. Otherwise, non-recurring revenues
4 will be added to the Unreserved, Undesignated Fund balance. This
5 provision may be amended or waived by a two-thirds vote of the full
6 Navajo Nation Council.” 12 N.N.C. § 820 (F).

7
8 **SECTION TWO. FINDINGS.**

- 9 A. This request for supplemental funding request seeks a Supplemental Appropriation
10 from the Unreserved, Undesignated Fund Balance in the amount of two million
11 dollars (\$2,000,000.00) to assist the Navajo Nation Department of Justice Water
12 Rights Unit in its water rights litigation efforts. The supplemental funding proposal
13 and budget documents are attached as **Exhibit A** [Classified as Confidential by the
14 Attorney General pursuant to 2 N.N.C. § 164 (A)(6)].
- 15 B. The Water Rights Unit (“WRU”) of the Navajo Nation Department of Justice
16 oversees the water rights litigation efforts on behalf of the Navajo Nation.
- 17 C. In recognition of Tó’éí’iiná (water is life), the Navajo Nation Council has determined
18 that water is essential “to provide for a permanent homeland for the Navajo People.”
19 22 N.N.C. § 1101.
- 20 D. The waters of the Navajo Nation are defined as: “(1) all waters reserved at any time
21 for any purpose to the Navajo Nation, and to Navajo Indian lands by the Navajo
22 Nation or by the United States including any waters which, in the course of nature or
23 as the result of artificial works or artificial streamflow enhancement or weather
24 modification methods, flow into or otherwise enhance such waters; (2) all waters held
25 by the Navajo Nation through prior or existing use, appropriation, purchase, contract,
26 gift, bequest, or other means of acquisition; (3) all surface and groundwaters which
27 are contained within hydrologic systems located exclusively within the lands of the
28 Navajo Nation; and (4) all groundwaters located beneath the surface of the lands held
29 in trust by the United States of America for the Navajo Nation.” 22 N.N.C. § 1104.
- 30

- 1 E. Navajo communities have severe water infrastructure deficiencies that impact the
2 health, economy, and welfare of the Navajo people.
- 3 F. Pursuant to Resolution CMY-47-02, the Navajo Nation Council determined that
4 “water rights claims of the Navajo Nation must be placed as a top priority of the
5 Navajo government. Water is one of the fundamental aspects of Navajo customs and
6 must be protected. Without the assurance that Navajo water rights claims is a top
7 priority, the Navajo Nation stands to lose its rightful claim to the allocation of wet
8 water from the Little Colorado River...” and further found that “it is in the best
9 interest of the Navajo Nation that funding for the pursuit of Navajo Nation Water
10 Rights should be afforded the highest priority in future budget development actions
11 by the Navajo Nation and therefore believes such funding should be made available
12 to pursue Water Rights Claims in a special fund.”
- 13 G. To comply and sustain CMY-47-02’s mandate, the Navajo Nation Council enacted
14 the Navajo Nation Water Rights Claims Fund and appropriated a minimum of
15 \$2,000,000.00 (two million dollars) into the Fund for the purpose of providing annual
16 funding for the protection of the Nation’s water rights in the States of Arizona, Utah,
17 and New Mexico and delegated authority to the Navajo Nation Water Rights
18 Commission to approve the Fund’s budget.
- 19 H. The Water Rights Claims Fund’s annual budget consists of allocations to the Navajo
20 Nation Department of Water Resources-Water Management Branch, which provides
21 technical work regarding the Nation’s water rights; the Navajo Nation Water Rights
22 Commission, which provides public education regarding the Nation’s water rights
23 efforts; and the Water Rights Unit, which provides legal representation for the
24 Nation’s water rights claims. Due to the increased litigation costs, the reserves within
25 the Water Rights Claims Fund, specifically reserved for outside counsel and expert
26 witnesses, will be fully depleted in Fiscal Year 2020.
- 27 I. If Water Rights Unit funds are exhausted, the Navajo Nation will be forced to rely on
28 the United States, as trustee, to protect Navajo Nation interests; this could be severely
29 detrimental to the Navajo Nation’s interests as the United States is also currently
30 serving as trustee for other tribes for commonly held water resources.

- 1 J. The Executive Branch has completed its Section 164 Review of the Supplemental
2 Appropriation request; the Review is attached as **Exhibit B** [Classified as
3 Confidential by the Attorney General pursuant to 2 N.N.C. § 164 (A)(6)].
- 4 K. The Office of Budget and Management issued a Memorandum, dated December 02,
5 2019, RE: Y2020 Supplemental Funding Request for DOJ/Water Rights Litigation
6 for \$2,000,000 from the Undesignated, Unreserved Fund Balance, that satisfies the
7 budget impact analysis required by 12 N.N.C. 820 (M), which is included with
8 **Exhibit B** [Classified as Confidential by the Attorney General pursuant to 2 N.N.C. §
9 164 (A)(6)].
- 10 L. The Office of the Controller issued a Memorandum, dated December 26, 2019, RE:
11 UUFB – WRU Request for Supplemental Funds, indicates this request for funds is
12 recurring, and also satisfies the requirements provided in 12 N.N.C. § 820 (L), which
13 is included with **Exhibit B** [Classified as Confidential by the Attorney General
14 pursuant to 2 N.N.C. § 164 (A)(6)].

15
16 **SECTION THREE. WAIVING 12 N.N.C. § 820 (E) AND (F)**

17 For the purposes of this Supplemental Appropriation, the Navajo Nation Council
18 hereby waives 12 N.N.C. § 820 (E) and (F) with regard to the restriction on matching
19 recurring revenues with recurring expenditures.

20
21 **SECTION FOUR. APPROVAL OF SUPPLEMENTAL FUNDING FROM THE**
22 **UNRESERVED, UNDESIGNATED FUND BALANCE**

- 23 A. The Navajo Nation hereby approves a Supplemental Appropriation of two million
24 dollars (\$2,000,000.00), as set forth in **Exhibit A**, from the Unreserved, Undesignated
25 Fund Balance to the Navajo Nation’s Department of Justice, Water Rights Litigation
26 Unit, WRU Business Unit N01372, to fund the litigation costs necessary to further
27 protect and secure the Navajo Nation’s water rights.
- 28 B. This Supplemental Appropriation of \$2,000,000.00 shall be from that amount of
29 funds that exceed the minimum fund balance of the Unreserved, Undesignated Fund
30 Balance.

1 **SECTION FIVE. EFFECTIVE DATE**

2 The provisions of this resolution shall become effective in accord with 2 N.N.C. §
3 221(A).

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