



23RD NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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NTUA Emergency Reserve Fund and Replacement Reserve Fund supported by the Council

WINDOW ROCK – During this week’s Fall Council Session, the Navajo Nation Council approved Legislation No. 0136-17, amending Title 24 of the Navajo Nation Code § 620 of the Navajo Nation Sales Tax to allow the Navajo Tribal Utility Authority to establish an emergency reserve fund and a replacement reserve fund. The bill would also amend the Navajo Nation tax code to set aside tax revenue to fund the emergency and replacement reserve funds, if signed into law.

Legislation sponsor Council Delegate Alton Joe Shepherd (Jeddito, Cornfields, Ganado, Kin Dah Lichíí, Steamboat) was joined by NTUA deputy general manager Rex Kontz, NTUA general counsel Arash N. Moalemi, and Water Management Branch manager Jason John as he requested the Council’s support to create the two funds in order to help NTUA respond to emergency situations such as winter weather conditions, and to help the Nation meet its obligations under the New Mexico water rights settlement, which was finalized in 2005.

Moalemi stated that NTUA has over 5,800 miles of water lines and over 100 water systems throughout the Navajo Nation. He added that when the Navajo Nation negotiated the water settlement there was language included that requires the Nation to establish an emergency reserve fund and a replacement reserve fund in order to transfer the operation, maintenance, and repair of the Navajo Gallup Water Supply Project to the Navajo Nation in the coming years.

He also added that the replacement reserve fund would provide financing for NTUA to repair and/or replace existing deteriorating water lines and water systems that serve over 130,000 people across the Nation.

Delegate Shepherd recalled that in 2012 the Navajo Nation commenced “Operation Winter Freeze” as a result of extreme freezing temperatures that froze many water lines and left many families without running water for weeks. He said the emergency reserve fund would provide readily available funds for NTUA to respond to such emergencies.

“We’re asking for your leadership to start putting some of these plans together so that over time this 23rd Navajo Nation Council will leave that legacy moving forward to have these funds in place for years down the road,” stated Delegate Shepherd.

The legislation states that 60-percent of the revenue collected from the sales tax revenue associated with the construction of public water and wastewater systems shall be deposited into the NTUA emergency reserve fund and the NTUA replacement reserve fund, in accordance with a fund management plan approved by the Council's Budget and Finance Committee.

At the conclusion of Tuesday's discussion, the Navajo Nation Council voted 11-3 to approve Legislation No. 0136-17. The President will have 10 calendar days to consider the resolution once it is delivered to the Office of the President and Vice President.

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