TITLE: An Action Relating to Resources and Development; Approving a Lease for the Navajo Tribal Utility Authority to Construct, Maintain and Operate a Maintenance Yard for the Shiprock Compressor Station Located in the Shiprock Chapter, Navajo Nation (San Juan County, New Mexico)

Date posted: __September 09, 2021 at 3:34PM

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DATE: September 4, 2021

TITLE OF RESOLUTION: PROPOSED STANDING COMMITTEE RESOLUTION; AN ACTION RELATING TO RESOURCES AND DEVELOPMENT; APPROVING A LEASE FOR THE NAVAJO TRIBAL UTILITY AUTHORITY TO CONSTRUCT, MAINTAIN AND OPERATE A MAINTENANCE YARD FOR THE SHIPROCK COMPRESSOR STATION LOCATED IN THE SHIPROCK CHAPTER, NAVAJO NATION (SAN JUAN COUNTY, NEW MEXICO)

PURPOSE: The purpose of this legislation is to approve lease between the Navajo Nation and the Navajo Tribal Utility Authority for the purpose of constructing, maintaining and operating a maintenance yard for the Shiprock Compressor Station.

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 to review each proposed resolution in detail.
PROPOSED STANDING COMMITTEE RESOLUTION

24th NAVAJO NATION COUNCIL -- Third Year, 2021

INTRODUCED BY

(Prime Sponsor)

TRACKING NO. 0192-21

AN ACTION

RELATING TO RESOURCES AND DEVELOPMENT; APPROVING A LEASE FOR
THE NAVAJO TRIBAL UTILITY AUTHORITY TO CONSTRUCT, MAINTAIN
AND OPERATE A MAINTENANCE YARD FOR THE SHIPROCK COMPRESSOR
STATION LOCATED IN THE SHIPROCK CHAPTER, NAVAJO NATION (SAN
JUAN COUNTY, NEW MEXICO)

BE IT ENACTED:

SECTION ONE. AUTHORITY

Pursuant to 2 N.N.C. Section §501 (B)(2), the Resources and Development Committee
of the Navajo Nation Council has the authority to grant final approval for all land
withdrawals, non-mineral leases, permits, licenses, rights-of-way, surface easements
and bonding requirements on Navajo Nation lands and unrestricted (fee) land. This
authority shall include subleases, modifications, assignments, leasehold encumbrances,
transfers, renewals, and terminations.

SECTION TWO. FINDINGS

A. The Navajo Tribal Utility Authority seeks approval of a lease for a maintenance yard
for the Shiprock Compressor Station located in Shiprock Chapter vicinity, Navajo
Nation (San Juan County, New Mexico). The lease is attached as Exhibit A.
B. The lease covers two (2) acres, more or less, as described in Exhibit B, a survey map.

C. In a letter dated February 3, 2020, the Navajo Tribal Utility Authority (NTUA) Deputy General Manager requests the 2.0 acres, more or less, for the Shiprock Compressor Station—Materials and Equipment Yard Project. He states that “NTUA will take over the Questar/Southern Trail Pipeline Compressor Station operations and needs a nearby material and equipment yard near the site. This will reduce the cost and time to transport equipment and materials from another area in case of emergency maintenance.” A copy of the Grant of Easement for Right-of-Way to Questar Southern Tails, Reference No. UT/AZ/NM-02-01 and the NTUA Deputy General Manager letter are attached as Exhibit C.

D. The Shiprock Grazing Committee Member’s letter dated September 24, 2019 states that one grazing permittee has been identified “but he has not been in compliance due to no livestock to date to complete a tally count, therefore… signature is no longer necessary for this project. There will be no other permittees affected by the undertaking and to the best of my knowledge there are no land disputes at the location of the project area.” The Shiprock Grazing Committee Member’s letter is attached as Exhibit D.

E. The Biological Resources Compliance Form is attached Exhibit E and the Cultural Resources Compliance Form is attached Exhibit F.

F. A letter dated June 3, 2019 from a Ecosphere Environmental Services biologist regarding “Species—Specific Surveys at Shiprock Compressor Site is attached as Exhibit G.

G. A July 2019 ETD, Inc. Environmental Assessment, Shiprock Compressor Station Materials and Equipment Yard is attached as Exhibit H.

H. A memorandum dated March 23, 2021 from the Navajo Minerals Department Principal Petroleum Engineer stating “Please be aware that the Minerals Department has calculated the consideration for the subject lease request from Navajo Tribal Utility Authority (NTUA). The calculations are based on our standard rates for this type of rental property and the annual consideration has been set at $1,442.21 which will be updated annually using Consumer Price Index (CPI) for All Urban Consumers using the January 2021 rates as the basis for each year’s update. If NTUA chooses to pay the
consideration for the entire 20-year lease, they would be allowed to pay $28,844.29 upfront.” The March 23, 2021 Minerals Department memorandum is attached as Exhibit I.

I. 16 N.N.C. § 2334 (F) states that “[t]he Navajo Nation may waive the rent, for ... (ii) leases for use of Navajo Nation trust land by federal, state and local governments, non-profits, public projects and public utilities, where such entities or projects are providing essential governmental or utility services to Navajo people... .”

J. The Resources and Development Committee, pursuant to 2 N.N.C. Section §501 (B)(2), is authorized to set the lease payment for the lease to be approved through this resolution.

K. The Executive Official Review Document Number 015724 which has been reviewed by the Department of Water Resources, Fish and Wildlife, Navajo Nation Minerals Management, Historic Preservation Department, Division of Natural Resources Administration, Navajo Land Department, Navajo Nation Environmental Protection Agency, the Office of the President and Vice-President and a Navajo Nation Environmental Protection Agency memorandum dated September 2, 2021 are attached as Exhibit J.

SECTION THREE. APPROVAL

A. The Resources and Development Committee of the Navajo Nation Council hereby approves the lease, attached as Exhibit A, to the Navajo Tribal Utility Authority for the purpose of constructing, maintaining and operating a maintenance yard for the Shiprock Compressor Station. The location is more particularly described in legal description and map attached hereto as Exhibit B.

B. The Resources and Development Committee of the Navajo Nation Council hereby approves the annual rental rate at __________. This amount is to be inserted in the lease, attached as Exhibit A.

C. The Resources and Development Committee of the Navajo Nation Council hereby authorizes the President of the Navajo Nation to execute any and all documents necessary to affect the intent and purpose of this resolution.