

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: \_0209-21\_

SPONSOR: Amber Kanazbah Crotty

**TITLE: An Action Relating to the Budget and Finance, Resources and Development, and Naabik'iyáti' Committees, and the Navajo Nation Council; Allocating \$68,025,000 in Síhasin Funds for the Navajo Nation Department of Water Resources to Complete Twelve (12) Water Connection Projects Across the Navajo Nation; and Approving the "2021 Water Connection Projects Expenditure Plan" Pursuant to 12 N.N.C §§2501-2508**

*Date posted:* October 06, 2021 at 5:05 PM

Digital comments may be e-mailed to [comments@navajo-nsn.gov](mailto:comments@navajo-nsn.gov)

Written comments may be mailed to:

Executive Director  
Office of Legislative Services  
P.O. Box 3390  
Window Rock, AZ 86515  
(928) 871-7586

**Comments may be made in the form of chapter resolutions, letters, position papers, etc. Please include your name, position title, address for written comments; a valid e-mail address is required. Anonymous comments will not be included in the Legislation packet.**

**Please note:** This digital copy is being provided for the benefit of the Navajo Nation chapters and public use. Any political use is prohibited. All written comments received become the property of the Navajo Nation and will be forwarded to the assigned Navajo Nation Council standing committee(s) and/or the Navajo Nation Council for review. Any tampering with public records are punishable by Navajo Nation law pursuant to 17 N.N.C. §374 *et. seq.*

LEGISLATIVE SUMMARY SHEET  
Tracking No. 0209-21

**DATE:** October 5, 2021

**TITLE OF RESOLUTION:** AN ACTION RELATING TO THE BUDGET AND FINANCE, RESOURCES AND DEVELOPMENT, AND NAABIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; ALLOCATING \$68,025,000 IN SÍHASIN FUNDS FOR THE NAVAJO NATION DEPARTMENT OF WATER RESOURCES TO COMPLETE TWELVE (12) WATER CONNECTION PROJECTS ACROSS THE NAVAJO NATION; AND APPROVING THE "2021 WATER CONNECTION PROJECTS EXPENDITURE PLAN" PURSUANT TO 12 N.N.C §§2501 – 2508

**PURPOSE:** This resolution, if approved, will allocate \$68,025,000 in Sihasin Funds to the Department of Water Resources to complete 12 water connection projects.

**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: VSPedhorse  
Website Posting Time/Date:  
Posting End Date: October 11, 2021  
Eligible for Action: October 12, 2021

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30

PROPOSED NAVAJO NATION COUNCIL RESOLUTION  
24<sup>th</sup> NAVAJO NATION COUNCIL – Third Year, 2021  
INTRODUCED BY

(Prime Sponsor)  
  
TRACKING NO. 0219-21

AN ACTION  
RELATING TO THE BUDGET AND FINANCE, RESOURCES AND  
DEVELOPMENT, AND NAABIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO  
NATION COUNCIL; ALLOCATING \$68,025,000 IN SÍHASIN FUNDS FOR THE  
NAVAJO NATION DEPARTMENT OF WATER RESOURCES TO COMPLETE  
TWELVE (12) WATER CONNECTION PROJECTS ACROSS THE NAVAJO  
NATION; AND APPROVING THE "2021 WATER CONNECTION PROJECTS  
EXPENDITURE PLAN" PURSUANT TO 12 N.N.C §§2501 – 2508

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Budget and Finance Committee is a standing committee of the Navajo Nation Council with the responsibility to "review and recommend to the Navajo Nation Council the budgeting, appropriation, investment and management of all funds." 2 N.N.C. §301(B)(2).
- B. The Resources and Development Committee is a standing committee of the Navajo Nation Council with the authority to oversee all matters involving water, land, the environment, community development, and public utilities. 2 N.N.C. §500(C).
- C. The Naabik'iyáti' Committee is a standing committee of the Navajo Nation Council that considers all proposed final actions 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.

1 §102(A).

2 E. The Navajo Nation Code (at 12 N.N.C. §2502, as amended by Resolution No. CJA-03-18)  
3 provides that the purpose of the Navajo Nation Síhasin Fund (“Síhasin Fund”) is as follows:

4 **§2502 Purpose**

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

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

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

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

18 F. The Síhasin Fund provides that “Fund Principal” shall consist of all deposits made to the  
19 Síhasin Fund and that “Fund Income” shall consist of all earnings (interest, dividends, etc.)  
20 generated and realized by the Fund Principal, and that Síhasin Fund Income shall be deposited  
21 in, and added to, the Fund Principal until such time as a Fund Expenditure Plan is duly  
22 approved. 12 N.N.C. §2504 and §2505(C).

23 G. The Síhasin Fund provides that “Fund Principal and Income shall not be expended except  
24 pursuant to a Fund Expenditure Plan consistent with the purposes set forth in §2502 of this  
25 Chapter and adopted by a two-thirds (2/3) vote of all members of the Navajo Nation Council.”  
26 12 N.N.C. §2505(A).

27  
28 **SECTION TWO. FINDINGS**

29 A. The Navajo Nation Department of Water Resources is requesting funding assistance of  
30 sixty-eight million, and twenty-five thousand dollars (\$68,025,000) from the Síhasin Fund

1 for twelve (12) water connection projects throughout the Navajo Nation. Summary  
2 project information is provided in the project list attached as **Exhibit A**. The list of  
3 water connection projects are as follows:

- 4 1. Sanostee Connection Phase 1
- 5 2. Rock Ridge/Mitten Rock (Sanostee) Connection Phase 2
- 6 3. Newcomb Connection Phase 1
- 7 4. Two Grey Hills Connection Phase 2
- 8 5. Sheep Springs Connecton Phase 1
- 9 6. Narbona Pass (Sheep Springs) Connection Phase 2
- 10 7. Naschitti Connection
- 11 8. Tohatchi Connection Phase 1
- 12 9. Mexican Springs Connection 2
- 13 10. Rock Springs/Tsayatoh Connection
- 14 11. Standing Rock Connection
- 15 12. Tohajiilee – Albuquerque Project and 10-year Assistance

16 B. The water connection projects will provide much needed water to the Navajo Chapters and  
17 communities and are in the best interest of the Navajo Nation.

18  
19 **SECTION THREE. ALLOCATION OF SÍHASIN FUNDING AND APPROVAL OF**  
20 **EXPENDITURE PLAN**

- 21 A. In accordance with 12 N.N.C. §2505(A), the Navajo Nation hereby allocates **\$68,025,000**  
22 in Síhasin funds for the twelve (12) water connection projects as explained and proposed  
23 herein.
- 24 B. The Navajo Nation hereby approves the “2021 Water Connection Expenditure Plan”  
25 attached hereto as **Exhibit B**.
- 26 C. The Síhasin Funds allocated for the “2021 Water Connection Expenditure Plan” may be  
27 further leveraged by bond or loan financing pursuant to the Navajo Nation Bond Financing  
28 Act (12 N.N.C. §1300 *et seq.*, as amended) using Síhasin Fund earnings for repayment and  
29 financing costs, upon approval of the Budget and Finance Committee and further approval  
30 by a two-thirds (2/3) vote of all members of the Navajo Nation Council.

1 **SECTION FOUR. APPROVAL OF EXPENDITURE PLAN ADMINISTRATION**

2 The Navajo Nation hereby approves the implementation and administration of the “2021 Water  
3 Connection Projects Expenditure Plan” with certain provisos and restrictions, as follows:

4 A. The Navajo Nation Controller shall determine whether the source of the annual allocations  
5 for the total amount of **\$68,025,000** approved herein will be Síhasin Fund Principal or  
6 Síhasin Fund Income, or a combination of both.

7 B. The Síhasin funding for the “2021 Water Connection Projects Expenditure Plan” shall be  
8 disbursed to the Navajo Nation Division of Natural Resources, Department of Water  
9 Resources (“DWR”) within thirty (30) days after the effective date of this legislation. The  
10 DWR shall then disburse the Síhasin Funds according to specific drawdown requests and  
11 instructions submitted to DWR.

12 C. DWR shall be responsible for carrying out and implementing its proposed twelve (12)  
13 water connection projects, in accordance with its Expenditure Plan approved herein. The  
14 Síhasin funding shall be used solely to design, plan, construct, install, or purchase  
15 equipment for the twelve (12) water connections projects, as described in **Exhibit B**,  
16 attached hereto.

17 D. Any and all savings of funds shall be returned to the Síhasin Fund Principal once all twelve  
18 (12) water connection projects have been completed or upon the reversion deadline in  
19 Section 4(E) below.

20 E. The Síhasin funding allocated for the twelve (12) water connection projects shall not lapse  
21 on an annual basis pursuant to 12 N.N.C. §820(N); however, any Síhasin funds not spent  
22 or encumbered within thirty-six (36) months of the date that funds are provided to DWR  
23 shall revert to the Síhasin Fund Principal, unless otherwise approved by both the Resources  
24 and Development and the Naabik’íyáti’ Committees of the Navajo Nation Council.

25 F. The twelve (12) water connection projects shall be designed, planned, constructed,  
26 installed, or purchased by DWR, and continuously thereafter the operation, maintenance,  
27 and repairs for the twelve (12) water connection projects shall be performed by DWR,  
28 except for certain equipment that will become the property and responsibility of the  
29 homeowner once construction or installation is completed.

30 G. A utility right-of-way may be necessary for some of the twelve (12) water connection

1 projects. In such cases, the applicable responsible party will apply for and hold the right-  
2 of-way, which will be granted by the Navajo Nation in accordance with all applicable laws  
3 and regulations pertaining thereto.  
4

5 **SECTION FIVE. DIRECTIVES**

- 6 A. At least once per Navajo Nation Fiscal Year quarter, DWR in cooperation with the Navajo  
7 Nation Division of Natural Resources (DNR) shall provide a written report (with an oral  
8 presentation, if requested) to both the Resources and Development and Naabik'íyáti'  
9 Committees, explaining the current status of all activities pursuant to the "2021 Water  
10 Connection Projects Expenditure Plan" and the responsibilities of DWR and DNR as  
11 authorized and directed in this legislation.
- 12 B. The Síhasin Fund shall be reimbursed, in the \$68,025,000 amount allocated in this  
13 legislation, from prospective funds available to the Navajo Nation from any and all state  
14 and federal sources, including Congressional appropriations under the American Rescue  
15 Plan Act of 2021, other COVID-19 related relief and other applicable federal laws or  
16 appropriations.  
17

18 **SECTION SIX. EFFECTIVE DATE**

19 This legislation and the "2021 Water Connection Projects Expenditure Plan" approved herein  
20 shall become effective pursuant to 12 N.N.C. §2505.  
21

22 **SECTION SEVEN. SAVINGS CLAUSE**

23 If any provision of this legislation is determined invalid by the Supreme Court of the Navajo  
24 Nation or by any Navajo Nation District Court, without appeal to the Navajo Nation Supreme  
25 Court, the remainder of this legislation shall remain valid as the law of the Navajo Nation.  
26  
27  
28  
29  
30