

RESOLUTION OF THE  
NAVAJO NATION COUNCIL  
24<sup>th</sup> NAVAJO NATION COUNCIL -- First Year, 2019

AN ACTION RELATING TO BUDGET AND FINANCE, RESOURCES AND DEVELOPMENT, NAABIK'ÍYÁTI' COMMITTEES, AND NAVAJO NATION COUNCIL; APPROVING AN ADVANCE OF SUPPLEMENTAL FUNDING FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE IN THE AMOUNT OF ONE MILLION NINE HUNDRED THOUSAND SIX HUNDRED NINETY-FOUR DOLLARS AND TEN CENTS (\$1,900,694.10) FOR THE 2020 TRANSMISSION CHARGE FOR THE NAVAJO NATION'S USE OF FIVE HUNDRED (500) MEGAWATTS OF ELECTRICITY PURSUANT TO THE NAVAJO GENERATING STATION EXTENSION LEASE AND UNDERLYING TRANSMISSION AGREEMENT WITH THE BUREAU OF RECLAMATION; WAIVING 12 N.N.C. §§ 820 (E) AND (F); ADOPTING THE 500 MEGAWATTS REVENUE & REPAYMENT PLAN; DESIGNATING THE REVENUES GENERATED BY THE 500 MEGAWATTS TO FUND THE 500 MEGAWATTS REVENUE & REPAYMENT PLAN

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Navajo Nation established the Budget and Finance Committee (BFC) as a standing committee of the Navajo Nation Council and empowered BFC to review and recommend to the Navajo Nation Council the management of all funds and to approve Fund Management Plans pursuant to the recommendations of the appropriate oversight committee and affected Division or Branch. 2 N.N.C. §§ 164 (A)(9), 300 (A), 301 (B)(2) and (14).
- B. The Navajo Nation established the Resources and Development Committee (RDC) as a standing committee of the Navajo Nation Council and empowered RDC with authority to establish Navajo Nation policy with respect to optimum utilization of all Navajo Nation resources and to make recommendations to the Navajo Nation Council for energy development agreements. 2 N.N.C. §§ 164 (A)(9), 500 (A) and (C)(1), 501 (B)(4)(a).

- C. The Navajo Nation established the Naabik'íyáti' Committee as a standing committee of the Navajo Nation Council and mandated that legislation requiring final action by the Navajo Nation Council shall be assigned to the Naabik'íyáti' Committee. 2 N.N.C. §§ 164 (A)(9), 700 (A).
- D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102.
- E. The Navajo Nation Appropriations Act, 12 N.N.C. et seq., requirements for Supplemental Appropriations from the Unreserved Undesignated Fund Balance include:
1. When the Controller of the Navajo Nation identifies additional sources of revenues above and beyond the initial or current revenue projections, supplemental appropriations may be allocated by the Navajo Nation Council. 12 N.N.C. § 820(L).
  2. The Controller shall be responsible for designating recurring and non-recurring revenues. 12 N.N.C. § 820(L). Supplemental appropriations made from non-recurring revenues shall only be made for non-recurring operations or purposes and the Nation shall budget all recurring operating expenses, including maintenance of capital facilities, from recurring revenues. 12 N.N.C. §§ 820 (E) and (F).
  3. All requests for supplemental funds shall be submitted to the Office of Management and Budget (OMB) for budget impact analysis. 12 N.N.C. § 820(M).
- F. The Navajo Nation Appropriations Act further states that funds received in excess of the initial or current revenue projection shall be deposited into the General Fund Unreserved Undesignated Fund Balance unless otherwise designated by Navajo Nation Council. 12 N.N.C. § 820 (K).



## SECTION TWO. FINDINGS

- A. In June 2017, the Navajo Nation Council approved a lease with Salt River Project Agricultural Improvement and Power District, Arizona Public Service Company, Tucson Electric Power Company, Nevada Power Company d/b/a Nevada Energy and the Los Angeles Department of Water and Power (the "NGS Owners") regarding the shutdown, decommissioning and remediation of the Navajo Generating Station (the "Extension Lease").
- B. As part of the Nation's compensation under the Extension Lease, the Nation received the right to use (or market) 500 Megawatts ("500MW") of electricity belonging to the Bureau of Reclamation (BOR) on the NGS transmission systems for thirty-five (35) years beginning on December 23, 2019. Extension Lease § 8(A)(i).
- C. The NGS owners agreed to cover the Nation's operation and maintenance costs related to the 500MW for ten (10) years beginning on December 23, 2019, but the Nation will be responsible for all other costs associated with the 500MW (herein referred to as "Transmission Costs" or "Capital Costs"). Extension Lease § 8(A)(ii).
- D. On December 13, 2017, the Nation entered into a separate agreement with BOR and the Western Area Power Administration further detailing the Nation's rights and obligations related to the 500MW (the "Transmission Agreement").
- E. Pursuant to the Transmission Agreement, the Nation will be billed by BOR for annual Capital Costs with payment due within thirty (30) calendar days after issuance of BOR's invoice or by December 31<sup>st</sup>, whichever is later. Transmission Agreement, Operating Procedure 3, Section 6.1.
- F. On December 4, 2019, the Nation received an invoice from BOR for the 2020 Transmission Charges (aka Capital Costs), attached as **Exhibit A**, in the amount of one million nine hundred thousand six hundred ninety four dollars and ten cents (\$1,900,694.10); payment of the bill is due January 3, 2020.

The details of BOR's calculation of the 2020 Transmission Charge is attached as **Exhibit B** [Designated as confidential by the Navajo Nation Attorney General pursuant to 2 N.N.C. § 164 (A)(6)].

- G. Annual revenue projections for the marketing of the 500 MW in 2020 and 2021 range from \$888,000.00 for 20% of the 500 MW to \$7,230,000.00 for 100% of the 500 MW. Navajo Transmission System 500 MW Asset, attached as **Exhibit C** [Designated as confidential by the Navajo Nation Attorney General pursuant to 2 N.N.C. § 164 (A)(6)].
- H. This is a request for an advance from the Unreserved Undesignated Fund Balance to pay the 2020 Transmission Charges with the advance to be repaid with revenue generated from the use and marketing of the 500MW; the supplemental funding request forms are attached as **Exhibit D**.
- I. Pursuant to its 12 N.N.C. § 820(M) authorities and responsibilities, the Office of Management and Budget has provided a budget impact analysis dated December 10, 2019, attached as **Exhibit E**.
- J. Pursuant to the Office of the Controller's 12 N.N.C. §§ 820 (F) and (L) authorities and responsibilities, the Controller has provided a memorandum dated December 17, 2019, attached as **Exhibit F**, indicating that the balance in the Unreserved, Undesignated Fund Balance is \$16,817,205.00 and that revenues generated by the 500 MW are deemed recurring.
- K. Section 164 Review Form Document No. 013882 is attached as **Exhibit G**.

**SECTION THREE. WAIVING §§ 820(E) and (F) REGARDING THE RESTRICTION OF APPROPRIATIONS OF NON-RECURRING REVENUES TO RECURRING COSTS**

The Navajo Nation Council hereby waives 12 N.N.C. §§ 820(E) and (F) with regard to the restriction of appropriations of non-recurring revenues to recurring costs.



**SECTION FOUR. APPROVING THE SUPPLEMENTAL APPROPRIATION ADVANCE FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE IN THE AMOUNT OF ONE MILLION NINE HUNDRED THOUSAND SIX HUNDRED NINETY-FOUR DOLLARS AND TEN CENTS (\$1,900,694.10) TO PAY THE 2020 TRANSMISSION CHARGES FOR THE 500 MW**

- A. This supplemental appropriation advance of \$1,900,694.10 shall be from that amount of funds that exceeds the minimum fund balance of the Unreserved, Undesignated Fund Balance as determined by the Office of the Controller and to the Division of Natural Resource, Business Unit Number, New.
- B. The Navajo Nation hereby approves the supplemental appropriation advance from the Unreserved, Undesignated Fund Balance to the Division of Natural Resources, Business Unit Number, New, for \$1,900,694.10 to pay the 2020 Transmission Charges for the 500 MW, as set forth in **Exhibit A**.

**SECTION FIVE. APPROVAL AND ADOPTING THE 500 MW REVENUE & REPAYMENT PLAN AND FUND AND DESIGNATING REVENUES GENERATED BY THE 500 MW INTO THE REVENUE & REPAYMENT FUND**

The Navajo Nation hereby approves and adopts the 500 MW Revenue & Repayment Plan as follows:

- A. The Office of the Controller and Office of Management & Budget shall work with the Division of Natural Resources to establish a fund, hereby called the 500 MW Revenue & Repayment Fund ("500 MW Fund"), to receive and hold any and all revenue received by the Nation for the use and marketing of the 500 MW and to fund expenditures as delineated below.
- B. Any and all revenue received from the use and marketing of the 500 MW shall not be deposited in the General Fund and shall instead be designated to fund the 500 MW Fund and deposited therein.
- C. The Office of the Controller shall determine an investment program for the 500 MW Fund wherein interest earnings are reinvested in the Fund.

- D. The Division of Natural Resources shall work with the Office of the Controller and Office of Management & Budget to establish a Fund Management Plan governing the 500 MW Fund, for approval by the Budget and Finance Committee upon the recommendation of the Resources & Development Committee, that establishes, among other things, use of the 500 MW Fund in the following order and priority:
1. Repayment to the Unreserved Undesignated Fund Balance of the supplemental appropriation advance in the amount of \$1,900,694.10;
  2. Payment of the following year Transmission Charges; and
  3. Funding of energy-related projects.
- E. After the supplemental appropriation advance of \$1,900,694.10 to the Unreserved Undesignated Fund Balance has been repaid, expenditures of the 500 MW Fund shall be limited to payment of annual Transmission Charges and energy-related projects recommended by the Division of Natural Resources and Office of the President & Vice-President and approved by the Resources & Development Committee.

#### **SECTION SIX. EFFECTIVE DATE**

This legislation shall become effective in accord with 2 N.N.C. § 221(B).

**CERTIFICATION**

I hereby certify that the foregoing resolution was duly considered by the 24<sup>th</sup> Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 22 in Favor, and 00 Opposed, on this 19<sup>th</sup> day of December 2019.



Honorable Eugenia Charles-Newton, Speaker Pro Tem  
24<sup>th</sup> Navajo Nation Council

12/26/19


DATE

Motion: Honorable Paul Begay  
Second: Honorable Jamie Henio

Speaker Pro Tem Eugenia Charles-Newton not voting

## ACTION BY THE NAVAJO NATION PRESIDENT:

1. I, hereby, sign into law the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C)(10), on this 28th day of December, 2019.

  
Jonathan Nez, President  
Navajo Nation

2. I, hereby, veto the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C)(11), on this \_\_\_\_\_ day of \_\_\_\_\_, 2019 for the reason(s) expressed in the attached letter to the Speaker.

\_\_\_\_\_  
Jonathan Nez, President  
Navajo Nation

3. I, hereby, exercise line-item veto pursuant to the 2010 Certified Initiative, over the supplemental appropriations approved herein by the Navajo Nation Council; on this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Jonathan Nez, President  
Navajo Nation



UNITED STATES DEPARTMENT OF THE INTERIOR  
BILL FOR COLLECTION

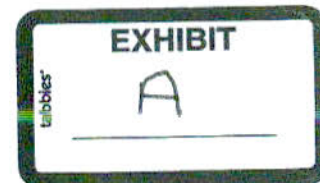
Make Remittance Payable To: Bureau of Reclamation  
Billing Contact: CINDY RICE Phone: 702-293-8031

Bill #: 1802755491  
Customer: 3000002232  
Date: 12/04/2019  
Due Date: 01/03/2020

Remit Payment To: DOI - BOR - Region: Lower Colorado  
PO Box 6200-23  
Portland, OR 97228-6200

Send Overnight Mail To:  
US Bank-Attn: Government Lockbox-DOI  
Lockbox # 6200-23  
17650 NE Sandy Blvd.  
Portland, OR 97230

Payer: NAVAJO NATION  
ATT: RUSSELL BEGAYE PRESIDENT  
PO BOX 7440  
WINDOW ROCK, NAVAJO NATION  
AZ 86515



Checks must be made payable to Bureau of Reclamation. Please detach the top portion or include bill number on all remittances.

Amount of Payment: \$ \_\_\_\_\_

Date	Description	Qty	Unit Price		Amount
			Cost	Per	
12/03/2019	CONTRACT 18-CU-30-P1227  (ADMINISTRATION OF THE U.S. ENTITLEMENT IN THE NAVAJO TRANSMISSION PROJECT) OPERATING PROCEDURE NO. 3 PAYMENT FOR 2020 ANNUAL TRANSMISSION  ESTIMATE FOR 2020 CAPITAL (SEE ATTACHED) \$1,900,694.10	1	1,900,694.10	1	1,900,694.10

Amount Due this Bill: 1,900,694.10

Pursuant to the Debt Collection Act of 1982, (codified at 31 U.S.C. 3717) Interest will be assessed at the rate of 1.00 % on any unpaid balance if full payment is not made by the date of delinquency. A penalty charge of 6.00 % per annum will be charged on the unpaid portion of the debt, which remains unpaid 90 days after the date of delinquency. Additional administrative fee(s) of \$10.00(ea) will be assessed when a dunning notice(s) is issued. See notice of actions in the event of delinquency.

## Accounting Classification:

WBS	Cost Center	Fund	Functional Area	SGL.CI
RX.12256761.5000000	RR03200000	XXRX4079V4	R12250000.000000	5900.Y00000

Customer: 3000002232  
Bill #: 1802755491  
TIN: \*\*\*\*\*2335

## BUREAU OF RECLAMATION, LOWER COLORADO REGION

### PAYMENT OPTIONS

With any type of payment, it is important for the customer to reference the following on their payment:  
(1) Contract or Agreement Number and (2) Cost Authority Number or Bill Number

#### PAYMENTS BY CHECK

Customers who would like to pay by check should mail the check to one of the following addresses:

If using USPS, checks should be mailed to:

DOI - BOR - Lower Colorado  
P.O. Box 6200-23  
Portland, OR 97228-6200

If using FedEx, checks should be mailed to:

U.S. Bank-Attn: Government Lockbox – DOI  
Bureau of Reclamation Lower Colorado #6200-23  
17650 NE Sandy Blvd.  
Portland, OR 97230

#### CREDIT CARD PAYMENTS

If the customer would like to make a payment with a Visa, Mastercard, Discover, or American Express, call Cynthia Choa at 702-293-8427 to complete this process over the phone or to request a credit card payment form, which may be printed and either faxed to 702-293-8017 or mailed to: Bureau of Reclamation, Attention: Cynthia Choa, LC-7205, P.O. BOX 61470, Boulder City, Nevada 89006-1470

#### ELECTRONIC FUND TRANSFER (EFT) PAYMENTS

Customers who would like to make a payment via EFT should provide the following information to their bank:

**ABA NUMBER # 021030004**

**ACCOUNT NUMBER # 14060905**

The customer's bank may request the address for the Federal Reserve Bank. Please use the following:

Federal Reserve Bank  
33 Liberty Street  
Federal Reserve Post Office Station  
New York, New York 10045

#### AUTOMATED CLEARING HOUSE (ACH) ELECTRONIC TRANSFER PAYMENTS

Customers who would like to make a payment to the Federal Reserve Bank (which represents the Department of the Treasury) using ACH should provide following information to their bank:

**ABA NUMBER: 051036706**

**ACCOUNT NUMBER: 312018**

The customer's bank may request the address for the Federal Reserve Bank. Please use the following:

Federal Reserve Bank  
701 East Byrd Street  
Richmond, Virginia 23219

#### PREAUTHORIZED PAYMENT PROGRAM

For customers who are on a monthly billing cycle, the Department of the Treasury and Reclamation strongly encourages the use of the Preauthorized Payment Program. This program allows customers to make payments on predetermined dates through an electronic transfer of funds from their bank account to Reclamation. The customer must complete and sign SF-5510, Authorization Agreement for Preauthorized Payments. To receive this form, or for additional information, please call Cynthia Choa at 702-293-8427.



NOTIFICATION OF ACTIONS IN CASE OF NON-PAYMENT AND NOTICE OF RIGHTS

Federal debt management procedures require agencies to notify debtors when their debts become delinquent. These procedures also require agencies to provide notification to delinquent debtors of the collection actions that may be initiated by agencies to collect delinquent debts. Such notification is provided herein.

If you have submitted payment or otherwise settled this debt, please disregard this notification.

Payment of the referenced bill issued to you by the DOI - BOR - Region: Lower Colorado has not been received, and is delinquent, In accordance with Government regulations, you are hereby notified:

- 1) that any or all of the following actions may be initiated against you in order to collect this debt,
- 2) of your rights pertaining to this debt.

. Referral of the debt to the Department of Treasury: The debt may be referred to Treasury in order to initiate additional collection action. Referral will also result in additional fees added to your debt.

. Offset to reduce Federal payment, including your tax refund: Certain payments from the U.S. government may be reduced by the amount of your debt. Federal payments subject to reduction include your Federal salary or retirement pay, IRS tax refunds, contractor/vendor payment, and certain Federal benefit payments. If you are entitled to receive payment that may legally be offset, we intend to reduce your payment to collect your debt.

. Refer your debt to a private collection agency: Your delinquent debt may be referred to a private collection agency for collection, resulting in increasing costs to you.

. Litigation: The debt may be referred to the DOI Office of the Solicitor or to the Department of Justice, which may result in legal action against you.

. Credit reporting: Your delinquent debt may be reported to national credit bureaus. We intend to disclose to a consumer reporting agency, within 60 days from the date of the attached letter, that you are responsible for this debt. A credit report showing poor payment history may seriously impair your ability to obtain credit.

Your delinquent business debt may be reported immediately to a commercial reporting agency without notice.

. Investigation: The U.S. Treasury may order an investigation of your assets to determine your ability to pay your debt.

. Report your debt to the Internal Revenue Service (IRS): If your debt is determined to be uncollectible, the U.S. Treasury may report your debt to the IRS as income to you (Form 1099). You may owe taxes on this income.

See the next page for notification of rights regarding this debt.



## NOTICE OF RIGHTS

1. **Administrative Offset.** If you are entitled to receive a Federal payment that may be legally offset, we intend to have your debt collected through administrative offset. You have the following rights:

- . You may inspect and copy DOI - BOR - Region: Lower Colorado records related to this debt.

- . You may request a waiver of DOI - BOR - Region: Lower Colorado determination that you owe a debt or request a waiver of the debt if the law provides for a waiver.

- . You may be entitled to an oral hearing if required by statute or if the agency determines that a determination of the validity of your debt cannot be resolved by a review of the documentary evidence.

- . You may enter into a written agreement with the DOI - BOR - Region: Lower Colorado (or with the Department of Treasury if the debt is referred to Treasury for collection) to pay the debt.

2. **Credit Bureau Reporting.** In case of non-payment, your debt may be reported to national credit bureaus. The information to be disclosed to consumer reporting agencies will include your name, address, taxpayer identification number, the amount, status and history of your debt, and the name of the agency or program under which the debt arose.

You have the following rights with respect to the debts to be reported to consumer reporting agencies:

- . You may conduct a complete examination of your debt.

- . You may dispute information in the DOI - BOR - Region: Lower Colorado records about your debt.

- . You may request administrative review of the debt or appeal, unless all administrative appeals have been exhausted.

- . You may be entitled to an oral hearing if required by statute or if the DOI - BOR - Region: Lower Colorado determines that the question of the validity of your debt cannot be resolved by review of the documentary evidence.

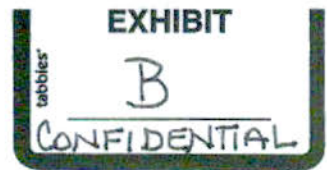
You may contact Zachary Waters regarding this bill at 702-293-8138 or via Email address:



**NAVAJO NATION DEPARTMENT OF JUSTICE**  
**OFFICE OF THE ATTORNEY GENERAL**

DOREEN N. MCPAUL  
Attorney General

KIMBERLY A. DUTCHER  
Deputy Attorney General



**MEMORANDUM**

**TO:** Dana Bobroff, Chief Legislative Counsel  
Office of Legislative Counsel

**FROM:** Doreen N. McPaul  
Doreen N. McPaul, Attorney General

**DATE:** December 10, 2019

**SUBJECT:** **UUFBLegislation for \$1.9 Million to the Bureau of Reclamation (BOR) re:  
Navajo Generating Station (NGS) Extension Lease & Transmission  
Agreement – Confidential Exhibit**

In accordance with the terms of the NGS Extension Lease and a Transmission Agreement entered into with BOR, the Navajo Nation owes annual capital costs for the use of 500MW along the NGS transmission systems. It is DOJ's understanding that next year's annual capital costs are approximately \$1.9 million and that legislation is being developed regarding the same. It is also our understanding that BOR's invoice provided to the Navajo Nation will be attached to the legislation.

Pursuant to 2 N.N.C. § 164(A)(6), DOJ has the authority to deem any exhibit to a piece of legislation as confidential. In accordance with that authority, I deem the last page of the BOR invoice entitled "2020 Navajo Transmission Charge" as confidential and request that the exhibit be treated as such. The Division of Natural Resources has requested that this page be kept confidential, as it may negatively impact the Nation's ability to negotiate potential agreements or transactions related to the 500MW. This document is therefore a "protected record" under the Navajo Nation Privacy Act, 2 N.N.C. § 85(A)(12), as it relates to "information contained within or related to a contract, lease or other agreement which is proprietary in nature or otherwise to remain confidential at the request of any party to the contract, lease or other agreement."

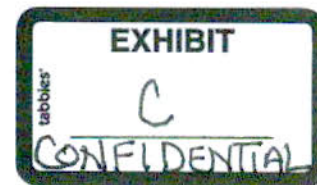




**NAVAJO NATION DEPARTMENT OF JUSTICE**  
**OFFICE OF THE ATTORNEY GENERAL**

DOREEN N. MCPAUL  
Attorney General

KIMBERLY A. DUTCHER  
Deputy Attorney General



**MEMORANDUM**

**TO:** Dana Bobroff, Chief Legislative Counsel  
Office of Legislative Counsel

**FROM:** *Doreen N. McPaul*  
Doreen N. McPaul, Attorney General

**DATE:** December 6, 2019

**SUBJECT:** **UUFB Legislation for \$1.9 Million to the Bureau of Reclamation (BOR) re:  
Navajo Generating Station (NGS) Extension Lease & Transmission  
Agreement – Confidential Exhibit**

In accordance with the terms of the NGS Extension Lease and a Transmission Agreement entered into with BOR, the Navajo Nation owes annual capital costs for the use of 500MW along the NGS transmission systems. It is DOJ's understanding that next year's annual capital costs are approximately \$1.9 million and that legislation is being developed regarding the same. It is also our understanding that your office has requested documentation regarding the Navajo Nation's projected revenues with respect to the 500MW for the upcoming year. The only documentation the Nation has in its possession regarding potential revenue was prepared by a company that DOJ is currently in contract negotiations with to assist the Nation in managing and marketing the 500MW next year.

Pursuant to 2 N.N.C. § 164(A)(6), DOJ has the authority to deem any exhibit to a piece of legislation as confidential. In accordance with that authority, I deem the exhibit that is tentatively referred to as the "Navajo Transmission System 500MW Asset", which contains revenue projections for the 500MW, as confidential and request that the exhibit be treated as such. This exhibit is a "protected record" under the Navajo Nation Privacy Act, 2 N.N.C. § 85(A)(6), since it relates to "the negotiating position of the Navajo Nation before a contract, lease, or other agreement is entered into."



**THE NAVAJO NATION  
SUPPLEMENTAL FUNDING PROPOSAL SUMMARY**

PART I. Business Unit No.: New Program Title: Division of Natural Resources Administration Office  
Division/Branch: Natural Resources/Executive Amount Requested: \$1,900,694.10 Phone No.: (928) 871-6593  
Prepared By: Michelle A. Henry Email Address: michellehenry@navajo-nsn.gov

**PART II. REASON FOR REQUEST AND STATEMENT OF NEED:**

As part of the Navajo Generating Station Extension Lease agreement, the Navajo Nation will be assigned 500MW from the US Bureau of Reclamation beginning December 23, 2019 for 35 years.

The first ten years the Navajo Nation is responsible for the capital cost for the use of the assigned 500MW. Beginning year 11 to year 35 the NN will be responsible for the Capital Cost and the Operation & Maintenance expenses. Payment is due 30 days from the date of the invoice which is generally at the end of the calendar year.

**PART III. LIST ALTERNATIVE FUNDING SOURCES BEING PURSUED AND CONTINGENCY PLAN IF REQUEST IS NOT FUNDED:**

To seek Undesignated Unreserved Fund Balance or the Shihasin Funds as an alternative to fund Capital Cost for 500MW Transmisison.

**PART IV. AFFIRMATION IS PROVIDED THAT THE PROPOSAL INFORMATION IS COMPLETE AND ACCURATE AND THE APPROPRIATE  
BRANCH CHIEF RECOMMENDS APPROVAL.**

225 12/6/2019  
Dr. Rudolph R. Shebala, Division Director

REVIEWED BY: Division Director's Signature / Date

[Signature]  
Chief of Staff, Office of the President and Vice-President

RECOMMEND APPROVAL: Branch Chief's Signature / Date

THE NAVAJO NATION  
PROGRAM BUDGET SUMMARY

FY 2020

PART I Business Unit No.:		New		Program Title:		Administration Office		Division/Branch: Natural Resources/Executive	
Prepared By:		Michelle A. Henry		Phone No.:		(928) 871-6593		Email Address: michellehenry@navajo-nsn.gov	
PART II. FUNDING SOURCE(S)		Fiscal Year	Amount	PART III. BUDGET SUMMARY		Fund Type Code	(A) NNC Approved Original Budget	(B) Proposed Budget	(C) Difference (Column B - A)
UJFB		10/1/19-9/30/20	1,900,694.10	2001 Personnel Expenses					
				3000 Travel Expenses					
				3500 Meeting Expenses					
				4000 Supplies					
				5000 Lease and Rental					
				5500 Communications and Utilities					
				6000 Repairs and Maintenance					
				6500 Contractual Services		1	1,900,694.10	1,900,694	
				7000 Special Transactions					
				8000 Public Assistance					
				9000 Capital Outlay					
				9500 Matching Funds					
				9500 Indirect Cost					
				TOTAL			\$0.00	1,900,694.10	1,900,694
				PART IV. POSITIONS AND VEHICLES		(D)	(E)		
				Total # of Positions Budgeted:		0	0		
				Total # of Permanently Assigned Vehicles:		0	0		
TOTAL:			\$1,900,694.10	100%					
PART V. I HEREBY ACKNOWLEDGE THAT THE INFORMATION CONTAINED IN THIS BUDGET PACKAGE IS COMPLETE AND ACCURATE.									
Dr. Rudolph R. Shebala, Division Director				Paulson Chaco, Chief of Staff, Office of the President/Vice President					
SUBMITTED BY: Program Manager's Printed Name				APPROVED BY: Division Director/Branch Chief's Signature and Date					
257				12/17/2019					
SUBMITTED BY: Program Manager's Signature and Date				APPROVED BY: Division Director/Branch Chief's Signature and Date					



THE NAVAJO NATION  
PROGRAM PERFORMANCE CRITERIA

FY 2020

PART I. PROGRAM INFORMATION:		Business Unit No.: _____		New		Program Name/Title: _____		Administration Office	
PART II. PLAN OF OPERATION/RESOLUTION NUMBER/PURPOSE OF PROGRAM:									
RDCO-79-16 A. To provide for the protection, restoration, conservation, management, and sustainable development of Navajo natural resources under the guidance and direction of the people of the Navajo Nation and the Navajo Nation Council and of the President and Vice President. B. To ensure the highest quality of natural resources are available for the enjoyment and use of present and future generations of the Navajo people. C. To comprehensively manage the multiple uses of Navajo natural resources and to preserve the Nation's cultural resources.									
PART III. PROGRAM PERFORMANCE CRITERIA:									
		1st QTR		2nd QTR		3rd QTR		4th QTR	
		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
1. Goal Statement:									
Payment of the capital cost per the Extension Lease agreement for the use of the assigned 500MW Transmission									
Program Performance Measure:									
Complete payment for the use of the transmission from USBOR		1		N/A		N/A		N/A	
2. Goal Statement:									
Program Performance Measure:									
3. Goal Statement:									
Program Performance Measure:									
4. Goal Statement:									
Program Performance Measure:									
5. Goal Statement:									
Program Performance Measure:									
PART IV. I HEREBY ACKNOWLEDGE THAT THE ABOVE INFORMATION HAS BEEN THOROUGHLY REVIEWED.									
Dr. Rudolph R. Shebala, Division Director				Chief of Staff, Office of President and Vice President					
Program Manager's Printed Name				Division Director/Branch Chief's Printed Name					
255 12/17/2019				[Signature]					
Program Manager's Signature and Date				Division Director/Branch Chief's Signature and Date					



THE NAVAJO NATION  
DETAILED BUDGET AND JUSTIFICATION

FY 2020

PART I. PROGRAM INFORMATION:		Business Unit No.:		New
Program Name/Title:		Administration Office		
PART II. DETAILED BUDGET:				
(A)	(B)	(C)	(D)	
Object Code (LOD 6)	Object Code Description and Justification (LOD 7)	Total by DETAILED Object Code (LOD 6)	Total by MAJOR Object Code (LOD 4)	
6910	<b>6500 CONTRACTUAL SERVICES</b> <i>(Costs associated for the assignment of the 500MW Transmission through the NGS Extension Lease</i> Other Contractual Services .6921 Other Services \$1,900,694.10	1,900,694.10	1,900,694.10	
TOTAL		1,900,694	1,900,694	

# THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT



October 1, 2019

## MEMORANDUM

TO: ALL Department Managers  
DIVISION OF NATURAL RESOURCES

FROM: Rudolph R. Shebala  
Rudolph R. Shebala, Division Director  
Division of Natural Resources

SUBJECT: DELEGATION OF AUTHORITY FOR FISCAL YEAR 2020

Please be advised that in the event that either I, Division Director of the Division of Natural Resources, or Ms. Evangeline Curley-Thomas, Deputy Director, Division of Natural Resources, are not in the office or otherwise unavailable, Mr. Robert O. Allan, Principal Attorney, Division of Natural Resources, shall be delegated authority as the Acting Division Director of the Division of Natural Resources. This is a standing delegation of authority until further notice.

Please cooperate with Mr. Allan in this standing delegation of authority. Should you have any questions, please contact me.

### ACKNOWLEDGED:

Evangeline Curley-Thomas  
Evangeline Curley-Thomas, Deputy Director  
Division of Natural Resources

### ACKNOWLEDGED:

Robert O. Allan  
Robert O. Allan, Principal Attorney  
Division of Natural Resources



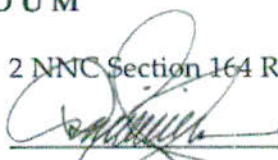
# THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT   MYRON LIZER | VICE PRESIDENT



## MEMORANDUM

TO : 2 NNC Section 164 Reviewers

FROM :   
Dominic Beyer, Executive Director  
Office of Management and Budget

DATE : December 10, 2019

SUBJECT : **Review of Draft Legislation:** Approving an Advance of Supplemental Funding from the Undesignated, Unreserved Fund Balance (UUFb) for \$1,900,694.10 for the 2020 Transmission Charge For Use of 500 MW of Electricity Per NGS Extension Lease, etc, and Adopting the Revenue and Repayment Plan.

The Office of Management and Budget (OMB) reviewed the proposed document in accordance with 12 NNC Section 820 (B) and (M) for budget impact analysis and provides the following:

1. Per FY 2020 Budget Instructions Manual, Section XII, A., all requests for supplemental funding requests shall be submitted through the Navajo Nation official administrative review process prior to consideration by the appropriate legislative bodies. This proposal was not reviewed through the Executive Branch review process for proper review.
2. By memorandum dated November 19, 2019, OMB informed the Divisions, Branch Chiefs and Navajo Nation Council of the FY 2020 Unmet Needs that were identified during the recent FY'20 budget process which is in excess of \$92 million. This proposal is part of the FY'20 Unmet Needs with an initial amount of \$2.5 million. OMB worked with the Division of Natural Resources to revise the budget for the current amount of \$1.9 million.
  - a. The proper business unit should be NEW since it is a one-time payment outside the recurring operating budget approved in BU No. 115039 for an Energy Office.
  - b. Budget Form 2, Part II, statutory reference of RDCO-79-16 is incorrect. The Energy Office currently does not have an approved plan of operation. Legislation No. 0273-19 was tabled during the NNCouncil Fall Session which would amend CO-50-13, the Energy Policy, allowing for the Energy Office to be created under DNR. That has not occurred.
  - c. The Supplemental Funding Proposal Summary form, Part I, Program Title has Division of Natural Resources Administration while the budget forms has NN Energy Office. OMB recommends DNR Administration as explained in the prior "b." above.



Page Two (02)

Memo to 2 NNC 164 Reviewers

Re: UUFB Request for \$1.9 Mil for 2020 Transmission Costs

December 10, 2019

3. The FY 2020 Budget Resolution, CS-30-19, paragraph N (Section 2) directs the Branch Chiefs to prioritize the unmet needs for the respective Branches for potential supplemental appropriations in accordance with 12 NNC Section 820 (L). Comprehensive planning and the setting of priorities is essential so that limited funds are allocated to the most pressing and urgent Navajo Nation needs.
4. The Appropriations Act requires that non-recurring funds be used for non-recurring purposes (12 NNC Section 820 (E), (F), (J), and (L). The Controller needs to make this determination.
5. The Energy Office's initial appropriation was \$100,000 in FY 2019 via resolution CO-78-18. The 2019 Year End expenditure rate is 12%. The FY 2020 appropriation is \$663,988. Thus far, the expenditure rate is 1.51% with end of 1<sup>st</sup> quarter nearing. One position was budgeted in both fiscal years, there is no indication the position is filled so far. There is minimal budget activity for the Energy Office.

Contact OMB at (928) 871-6470 if there are any questions and/or concerns regarding this memorandum.

xc: Rudy Shebala, Div of Natural Resources  
Jana Werner, Department of Justice





Exh. F


# THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT



## Memorandum:

To: 2 NNC § 164 Reviewers  
Delegates & 2 NNC '164 Reviewers  
Navajo Nation Government

From:   
Pearlina Kirk, Controller  
Office of the Controller

Date: December 17, 2019

Subject: 0164-01382- Request UUFB Funds \$1.9 Capital Cost Payment  
Re: UUFB- \$1,900,694 to BOR re NGS Extension Lease

The Office of the Controller has reviewed the above referenced 164 document.

1. The balance of the UUFB is \$16,817,205 as of December 17, 2019.
2. This is clarifying our previous memorandum dated December 5, 2019 regarding this UUFB request to pay \$1,900,694 to the Bureau of Reclamation. The Nation does have the right to utilize 500 Megawatts through this extension lease. The power is available for marketing; and therefore, will be generating revenues. The program would need to set up a Proprietary Fund in order to secure these revenues once they are collected to pay for these costs throughout the life of this right. The program is currently working on a fund management plan to set this up.
3. This request would be paid by a new business unit from the General Fund. Once revenues are realized as above in #2 then the amount \$1,900,694 from this UUFB amount would be returned to the General Fund. Any future Capital Cost Payment will be paid from this Proprietary Fund set up in #2. The assumption currently is this marketing revenue will support its cost per setting up this Proprietary Fund.
4. As stated before in the December 5, 2019 memo this UUFB request would be considered RECURRING for operational expenses because it will be covering the next 10 years. NGS agreed to pay the O & M for the next 10 years.

If you should have any questions you can contact me at tribal extension X6125

# Exh. G

Document No. 013882Date Issued: 12/16/2019

## SECTION 164 REVIEW FORM

Title of Document: RequestUUFBFundsFor\$1.9MCapitalCostPmt Contact Name: HENRY, MICHELLE AProgram/Division: DIVISION OF NATURAL RESOURCESEmail: michellehenry@navajo-nsn.gov Phone Number: 928-871-6593Division Director Approval for 164A: [Signature]

**Check document category: only submit to category reviewers. Each reviewer has a maximum 7 working days** except Business Regulatory Department which has 2 days, to review and determine whether the document(s) are sufficient or insufficient. If deemed insufficient, a memorandum explaining the insufficiency of the document(s) is required.

### Section 164(A) Final approval rests with Legislative Standing Committee(s) or Council

<input type="checkbox"/>	Statement of Policy or Positive Law:		Sufficient	Insufficient
	1. OAG: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	IGA, Budget Resolutions, Budget Reallocations or amendments: (OMB and Controller sign ONLY if document expends or receives funds)			
	1. OMB: <u>[Signature]</u>	Date: <u>12-17-19</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	2. OOC: <u>[Signature]</u>	Date: <u>12/17/19</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	3. OAG: <u>[Signature]</u>	Date: <u>12/17/19</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Section 164(B) Final approval rests with the President of the Navajo Nation

<input type="checkbox"/>	Grant/Funding Agreement or amendment:			
	1. Division: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. OMB: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	3. OOC: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	4. OAG: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Subcontract/Contract expending or receiving funds or amendment:			
	1. Division: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. BRD: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	3. OMB: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	4. OOC: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	5. OAG: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Letter of Assurance/M.O.A./M.O.U./Other agreement not expending funds or amendment:			
	1. Division: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. OAG: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	M.O.A. or Letter of Assurance expending or receiving funds or amendment:			
	1. Division: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. OMB: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	3. OOC: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	4. OAG: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>



## NAVAJO NATION

12/19/2019

## SPECIAL SESSION

03:22:38 PM

Amd# to Amd#	Legislation No. 0373-19	PASSED
MOT Begay, P	Approving an Advance of Supp.	
SEC Henio, J	Funding from UUFB in the amount of \$1,900,694.10	

Yea : 22

Nay : 0

Excused : 0

Not Voting : 1

## Yea : 22

Begay, E	Daniels	Slater, C	Tso, D
Begay, K	Freeland, M	Smith	Tso, E
Begay, P	Halona, P	Stewart, W	Walker, T
Brown	Henio, J	Tso	Wauneka, E
Crotty	James, V	Tso, C	Yellowhair
Damon	Nez, R		

## Nay : 0

## Excused : 0

## Not Voting : 1

Yazzie

Presiding Speaker: Charles-Newton