

LEGISLATIVE SUMMARY SHEET

Tracking No. 0324-16

DATE: September 13, 2016

TITLE OF RESOLUTION: AN ACTION RELATING TO HEALTH EDUCATION AND HUMAN SERVICES, RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE AND NAABIK'ÍYÁTI' COMMITTEES AND NAVAJO NATION COUNCIL; ADOPTING THE SÍHASIN FUND CHINLE NURSING HOME COMMUNITY DEVELOPMENT & HOUSING EXPENDITURE PLAN PURSUANT TO CD-68-14 AND 12 N.N.C §§ 2501 – 2508

PURPOSE: This resolution, if approved, will approve the Chinle Nursing Home community development and expenditure plan for funding to Navajoland Nursing Home, Inc., doing business as Chinle Nursing Home, for the design, planning and construction of the Chinle Nursing Home from the Síhasin Fund; and holding the Navajoland Nursing Home, Inc. Board of Directors accountable for the expenditure of the funds.

Note: Final approval by the Navajo Nation Council requires a 2/3rds vote of all members.

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: 1 day
Website Posting Time/Date: 2:25pm 9/10/16
Posting End Date: 3/21/2016
Eligible for Action: 9/22/2016

Health, Education & Human Services Committee
THENCE
Resources & Development Committee
THENCE
Budget & Finance Committee
THENCE
Naa'bik'iyáti' Committee
THENCE
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
23rd NAVAJO NATION COUNCIL – Second Year, 2016

INTRODUCED BY


(Prime Sponsor)

TRACKING NO. 0324-16

AN ACTION

RELATING TO HEALTH EDUCATION AND HUMAN SERVICES, RESOURCES
AND DEVELOPMENT, BUDGET AND FINANCE AND NAABIK'ÍYÁTI'
COMMITTEES AND NAVAJO NATION COUNCIL; ADOPTING THE SÍHASIN
FUND CHINLE NURSING HOME COMMUNITY DEVELOPMENT & HOUSING
EXPENDITURE PLAN PURSUANT TO CD-68-14 AND 12 N.N.C §§ 2501 – 2508

BE IT ENACTED:

Section One. Authority

- A. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102 (A).
- B. The Naabik'iyati' Committee of the Navajo Nation Council is empowered to review all proposed legislation which requires final action by the Navajo Nation Council. 2 N.N.C. §164(A)(9).
- C. The Budget and Finance Committee of the Navajo Nation Council is empowered 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).
- D. The Resource Development Committee of the Navajo Nation Council is empowered to exercise oversight authority over economic and community development and housing and to establish policies to streamline procedures for

1 approval, management and enforcement to enhance the increased development of
2 the Navajo Nation. *See* 2 N.N.C. §§ 500 (C) and (C) (7).

- 3 E. The Health Education and Human Services Committee of the Navajo Nation
4 Council is empowered to provide legislative oversight on matters involving health
5 and social services and to oversee Navajo Nation policies and priorities to optimize
6 the delivery of social services and health services to the Navajo people and to
7 review and recommend resolutions relating to social services and health. *See* 2
8 N.N.C. §§400 (C)(1) and (4) and 401 (B)(6)(a).

9
10 **Section Two. Findings**

- 11 A. On May 30, 2014, the 22nd Navajo Nation Council adopted Resolution No. CMY-28-
12 14 accepting a settlement of the Navajo Nation's lawsuit, *Navajo Nation v. United*
13 *States*, No. 06-945L (United States Court of Federal Claims) against the United States
14 for its historical mismanagement of the tribe's trust assets and its failure to ensure that
15 the Navajo Nation received all funds due and owed under the United States' trust
16 obligations and fiduciary duties. Resolution No. CMY-28-14 was signed into law by
17 the President of the Navajo Nation on June 4, 2014.
- 18 B. The 22nd Navajo Nation Council recognized that during the many decades that the
19 United States was in breach of its trust obligations and fiduciary duties to the
20 Nation, the tribal government was without funds to develop the comprehensive
21 nation-wide infrastructures necessary to support and promote community growth
22 and sustainability through the expansion of economic development, as well as to
23 provide the educational opportunities, critical for the prosperity of current and
24 future generations of Diné. *See* Resolution No. CMY-28-14.
- 25 C. Between October 6, 2014 and November 8, 2014 the Office of the Speaker held
26 seven (7) Public Hearings, as directed by the Navajo Nation Council's Naabik'iyati'
27 Committee on July 10, 2014, to receive input from Navajo Nation members on how
28 the net proceeds from *Navajo Nation v. United States*' should be used. During that
29 same time period, the Office of the President & Vice-President also held five (5)
30 town hall meetings for a similar purpose.

- 1 D. On December 13, 2014, the 22nd Navajo Nation Council adopted Resolution No.
2 CD-68-14 enacting the Navajo Nation Breach of Trust Settlement Act of 2014
3 (hereinafter “2014 Act”) and establishing the Navajo Nation Síhasin Fund at 12
4 N.N.C. § 2501 et seq. The President of the Navajo Nation signed Resolution No.
5 CD-68-14 into law on December 31, 2014.
- 6 E. The 2014 Act mandated that the net proceeds and earnings thereon received by the
7 Navajo Nation from the settlement of *Navajo Nation v. United States*, No. 06-945L,
8 be deposited into the Síhasin Fund and managed and invested to provide financial
9 support and/or financing for (1) the planning and development of regional
10 infrastructure supporting economic and community development, including
11 housing, within the Navajo Nation; and/or (2) education opportunities for members
12 of the Navajo Nation. See 12 N.N.C § 2501 and § 2502 (A).
- 13 F. The 2014 Act also established that “leveraging of the [Síhasin] Fund by way of
14 guaranteeing loans, match funding, direct funding in part and other weighted uses
15 of the Fund shall be favored over direct funding in whole”. 12 N.N.C § 2502 (B).
- 16 G. The 2014 Act further established that with the exception of outstanding and accrued
17 litigation costs, Síhasin Fund Principal and Income shall only be expended pursuant
18 to a Fund Expenditure Plan consistent with the purposes set forth in the 2014 Act at
19 12 N.N.C. §2502 and adopted by a two-thirds (2/3) vote of all members of the
20 Navajo Nation Council. See 12 N.N.C. § 2505 (A).
- 21 H. The 2014 Act states that “Fund Principal” shall consist of all deposits made to the
22 Síhasin Fund and that “Fund Income” shall consist of all earnings (interest,
23 dividends, etc.) generated and realized by the Fund Principal and that Fund Income
24 shall be deposited in and added to Fund Principal until such time as a Fund
25 Expenditure Plan is duly adopted. See 12 N.N.C. §§ 2504 and 2505 (c).
- 26 I. The Office of the Controller reported that as of January 1, 2016, the amount of the
27 Síhasin Fund Principal is Four Hundred Eighty Seven million Nine Hundred Ninety
28 Thousand Eight Hundred Forty One Dollars and Ninety One Cents
29 (\$487,990,841.91) with interest earnings of Four Hundred Fifty Eight Thousand
30 Four Hundred Thirty One Dollars and Seventy Five Cents (\$458,431.75).

- 1 J. On April 9, 2015, the Naabik'íyáti' Committee adopted NABIAP-20-15
2 establishing the Naabik'íyáti' Síhasin Fund Subcommittee to “review and evaluate
3 the Public Hearing comments and recommendations from the Navajo People” and
4 “recommend to the Naabik'íyáti' Committee and Navajo Nation Council financial
5 support and/or financing plan(s) for the purposes designated in CD-68-14 [Navajo
6 Nation Breach of Trust Settlement Act of 2014, establishing the Síhasin Fund]”.
- 7 K. Between April 2015 and August 2016, the Síhasin Fund Subcommittee, assisted by
8 the Office of Legislative Services, Office of the Speaker, and Office of Legislative
9 Counsel, met on at least twenty (20) occasions in either work sessions or official
10 meetings to review and evaluate the Public Hearing comments and
11 recommendations from the Navajo People; hear proposals from Navajo Nation
12 entities, chapters, programs and officials; and develop an expenditure plan(s) for the
13 Síhasin Fund Principal and Income consistent with the purposes set forth in the
14 2014 Act.
- 15 L. The Síhasin Fund Subcommittee determined that for an expenditure plan to fully
16 meet the leveraging criteria of the 2014 Act, the expenditure plan shall not rely on
17 Síhasin Funds for full direct project funding, unless such funds are to be repaid
18 under a loan agreement, and instead must utilize the Síhasin Funds for (1) match
19 funding, joint funding, contribution funding, cost-share funding or similar weighted
20 uses of the funds; (2) reimbursement funding; and/or (3) loan or bond financing or
21 guarantee.
- 22 M. The Síhasin Fund Subcommittee also determined that the 2014 Act allowed for the
23 adoption of multiple expenditure plans and that it would be prudent for the Navajo
24 Nation to adopt integrated, yet distinct, expenditure plans for regional-level
25 infrastructure planning and development in four broad infrastructure areas or
26 categories consistent with the purposes of the 2014 Act: Water and Natural
27 Resource Infrastructure Development; Economic Development; Community
28 Development; and Housing Development.
- 29 N. After reviewing the comments submitted during the Public Hearings and town hall
30 meetings, as well as the reports and comments made during Naabik'íyáti'

1 Committee and Síhasin Fund Subcommittee meetings, the Subcommittee
2 determined that the lack of an on-reservation adult care facility meeting Center for
3 Medicare/Medicaid Services (CMS) Federal Requirements to provide Level 1, 2 &
4 3 elder health care was a long-standing detriment to the well-being of Navajo elders
5 and their families, as well as a long-standing impediment to sustainable community
6 development, as well as an overlooked economic development opportunity.

7 O. Navajoland Nursing Home, Inc., dba Chinle Nursing Home, presented the
8 Naabik'íyáti' Committee and Síhasin Fund Subcommittee with information that
9 according to the Navajo Nation Family Services FY 2000 Elders Study there are at
10 least 2,100 Navajo elders that need nursing home care or assistance.

11 P. Chinle Nursing Home also presented the Naabik'íyáti' Committee and Síhasin Fund
12 Subcommittee with information that their existing 79 bed facility, built in 1968,
13 does not meet current CMS Federal Requirements and is fined annually for lack of
14 compliance; this causes many Navajo elders to be admitted to off-reservation
15 nursing homes which causes hardships to both the elders and their families.

16 Q. Navajoland Nursing Home, Inc. and Chinle Nursing Home are both certified under
17 the Arizona Department of Health and Human Services, Center for
18 Medicare/Medicaid Services of the Federal Title XVIII (Medicare) and Federal
19 Title XIX (Medicare/AHCCCS) Program.

20 R. In December of 2015, the Navajo Housing Authority ("NHA") awarded Chinle
21 Nursing Home \$21,488,516 (75% of the total cost) to plan, design and construct a
22 new CMS Levels 1, 2 and 3 compliant 120 bed nursing home facility to replace the
23 current CMS Levels 1 and 2 only facility which is almost 50 years old.

24 S. The new facility will be CMS Level 3 (most severe care) compliant which will
25 allow many of the Navajo elders currently housed at off-reservation nursing homes
26 to transfer back to the on-reservation facility near their family, their homes and their
27 communities.

28 T. In June of 2016, the Division of Economic Development and the Chinle Nursing
29 Home presented a proposal to the Síhasin Fund Subcommittee requesting eight
30 million dollars (\$8,000,000) to construct the new 120 bed nursing home facility; the

1 \$8,000,000 is 25% of the total cost of construction and will be combined with the
2 \$21,488,516 provided by Navajo Housing Authority to complete the project.

3 U. The proposal presented to the Síhasin Fund Subcommittee was substantially similar
4 to the proposal, attached as Exhibit A, that the Chinle Nursing Home presented to
5 the Naabik'íyáti' Committee in late August of 2016.

6 V. In July of 2016, the Division of Economic Development presented a written report,
7 attached as Exhibit B, to the Síhasin Fund Subcommittee that based on Division of
8 Economic Development analysis, the Chinle Nursing Home was a well-planned
9 proposal.

10 W. The Síhasin Fund Subcommittee has determined that the Chinle Nursing Home
11 proposal, attached as Exhibit A, submitted by Navajoland Nursing Home, Inc., dba
12 Chinle Nursing Home, meets the 2014 Act requirement for the "planning and
13 development of regional infrastructure supporting economic and community
14 development, including housing, within the Navajo Nation". See 12 N.N.C. §2502
15 (A) (1).

16 X. The Síhasin Fund Subcommittee has also determined that the 75% funding
17 (\$21,488,516) the Chinle Nursing Home has already been awarded from the Navajo
18 Housing Authority satisfies the 2014 Act requirement that "leveraging of the
19 [Síhasin] Fund by way of guaranteeing loans, match funding, direct funding in part
20 and other weighted uses of the Fund shall be favored over direct funding in whole".
21 12 N.N.C § 2502 (B).

22 Y. The Síhasin Fund Subcommittee additionally determined that it was in the best
23 long-term interest of the Navajo Nation and the Navajo people to provide the
24 financial support necessary to construct the Chinle Nursing Home and recommends
25 to the Navajo Nation Standing Committees and the Navajo Nation Council that
26 25% of the construction costs (\$8,000,000) of the Chinle Nursing Home be funded
27 through the Síhasin Fund as the Síhasin Fund Chinle Nursing Home Community
28 Development & Housing Expenditure Plan under section 2505 of the 2014 Act.

29 Z. After considering the recommendations of the Síhasin Fund Subcommittee, the
30 Navajo Nation Council hereby determines that the Chinle Nursing Home fits within

1 the priorities established under the July 20, 2015 One Nation, One Voice Navajo
2 Nation Three Branch Agreement and that it is in the best interests of Navajo elders
3 and their families, as well as in the best interests of economic and community
4 development, including housing, within the Navajo Nation to fund the Síhasin Fund
5 Chinle Nursing Home Community Development & Housing Expenditure Plan,
6 attached as Exhibit A.

7
8 **Section Three. Approval and Adoption of Expenditure Plan**

- 9 A. The Navajo Nation hereby approves and adopts the Síhasin Fund Chinle Nursing
10 Home Community Development & Housing Expenditure Plan, attached and
11 incorporated herein as Exhibit A.
- 12 B. The Navajo Nation hereby approves and adopts total funding to Navajoland
13 Nursing Home, Inc., dba Chinle Nursing Home, for the Síhasin Fund Chinle
14 Nursing Home Community Development & Housing Expenditure Plan in the
15 amount of \$8,000,000.00 (eight million dollars) during Navajo Nation Fiscal Year
16 2017.
- 17 C. The Síhasin Funds allocated for the Síhasin Fund Chinle Nursing Home
18 Community Development & Housing Expenditure Plan may be further leveraged
19 by bond or loan financing pursuant to the Navajo Nation Bond Financing Act, 12
20 N.N.C. § 1300 et seq., as amended, using Síhasin Fund Earnings for repayment and
21 financing costs upon the recommendation of the Budget & Finance Committee and
22 approval by a two-thirds (2/3) vote of all members of the Navajo Nation Council.

23
24 **Section Four. Approval and Adoption of Expenditure Plan Administration**

- 25 A. The Navajo Nation hereby approves administration of the Síhasin Fund Chinle
26 Nursing Home Community Development & Housing Expenditure Plan as follows:
- 27 1. The Navajo Nation Controller shall determine whether the source of the
28 \$8,000,000.00 will be Síhasin Fund Principal or Income or a combination of
29 both;

2. The funds allocated to Navajoland Nursing Home, Inc. shall be used solely to design, plan and construct the Chinle Nursing Home as set forth in Exhibit A and Navajoland Nursing Home, Inc., shall return any and all cost-savings to the Síhasin Fund once the Chinle Nursing Home is fully constructed;
 3. The Navajo Nation Controller shall release the funds to Navajoland Nursing Home, Inc., during Navajo Nation Fiscal Year 2017 pursuant to a construction plan or other such schedule agreed to by the Office of the Controller and Navajoland Nursing Home, Inc., by no later than the end of the first quarter of Navajo Nation Fiscal Year 2017; and
 4. The funds allocated for the Chinle Nursing Home shall not lapse on an annual basis pursuant to 12 N.N.C. §820 (N) or otherwise be returned to or deposited in the Síhasin Fund principal or Navajo Nation General Fund until such time as the Chinle Nursing Home, as set forth in Exhibit A, is fully completed.
- B. The Navajoland Nursing Home, Inc. Board of Directors shall account for and be held accountable for the expenditure of Síhasin Fund funds and shall account for such funds pursuant to a Fund Management Plan approved by the Navajoland Nursing Home, Inc. Board of Directors which shall at least include provisions that:
1. The accounting and financial records for the Síhasin Fund funds, including the loan funds, shall be kept separate from other Navajoland Nursing Home, Inc. and Chinle Nursing Home funds and accounts; and
 2. The use of the Síhasin Fund funds shall be audited on an annual basis by an independent auditor with such audit report submitted to the Naabik'íyáti' Committee, Office of the Controller, and Office of the President and Vice-President.
- C. The Navajoland Nursing Home, Inc. Board of Directors shall report the status of the construction of the Chinle Nursing Home to the Naabik'íyáti' Committee and Office of the President and Vice-President on a quarterly basis.

1 **Section Five. Effective Date**

2 The Síhasin Fund Chinle Nursing Home Community Development & Housing
3 Expenditure Plan, as set forth above, shall become effective pursuant to 12 N.N.C. §
4 2505.

5
6 **Section Six. Directives**

7 A. All Navajo Nation programs, specifically including, but not limited to, the Office of
8 Controller and Office of Management & Budget, and Navajoland Nursing Home,
9 Inc. Board of Directors and Chinle Nursing Home staff shall take all steps
10 necessary to expeditiously implement the Síhasin Fund Chinle Nursing Home
11 Community Development & Housing Expenditure Plan consistent with the
12 provisions set forth above.

13 B. Navajoland Nursing Home, Inc. Board of Directors, Chinle Nursing Home staff and
14 Navajo Nation programs named in this legislation shall be held accountable for the
15 progress of tasks under their responsibility and control and shall report on a semi-
16 annual basis to the Naabik'íyáti' Committee on the progress of their respective
17 tasks.

CAPITAL IMPROVEMENT PROJECT
CHECK OFF LIST**Project Title: Navajo Land Nursing Home, Inc. - Chinle Nursing Home****A. Chapter House, Pre-school, Senior Citizens, Multi-Purpose Building and/or other Public Facilities:**

- 1 Applications for Construction: Division of Community Development Administration;
- 2 Written documentation of need by the Facilities Inventory which documents that need for replacement, renovation or repair
Chapter Resolution that indicates the need and priority of the proposed project, which is subject to the local
- 3 Land-Use Plan;
- 4 Prevent Maintenance Plan and Operating Cost Plan;
- 5 Cost Estimates of the Following:
 - a. Architect & Engineering Cost;
 - b. Construction Cost.
- 6 Written commitments and encumbrance of other source(s) of funding;
- 7 Letters of support from agencies and entities that affirm the emergency situation or need when applicable; and Documentation of the required clearances, ie., Archaeological, Environmental Assessments and Land
- 8 Withdrawals.

Sufficient	Non-Sufficient
X	
X	
X	
	X
X	
X	
X	
X	
X	

PROJECT STATUS/COMMENTS:

- 1 Nursing Home is requesting (20%) which is \$8,000,000 from Navajo Nation Sihashin Funds
- 2 Dyron Murphy - Hired for Building Assessment
A complete assessment report is included: On Structure, Mechanical, Roofing and Interior.
Recommended high a new facility to replace existing facility.
- 3 NHA approved \$28,598,002 and 890,494 for furniture and upgrade computer equipment.
- 4 Aracdia - Project Manager for this project.
- 5 Lastly, not sure if this Incorporation will allow NN DES or new CPMD to be PM over Construction Management.
- 6 Not on ICIP list for Chinle vicinity; however there is a supporting resolution attached.

10:08m
Paul 8/2/16
[Signature]

Project is ready for Construction; once funds is secured.

Project is NOT construction-ready,
still in planning & designing stage.

CBegay 8/2/16



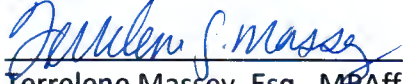


THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE-PRESIDENT

MEMORANDUM

TO: Carl Smith, MS, Division Director
Division of Community Development

FROM: 
Terrelene Massey, Esq., MP Aff, Division Director
Division of Social Services

DATE: July 28, 2016

SUBJECT: Navajo Nation Funding Request
RE: Navajoland Nursing Home, Inc., DBA-Chinle Nursing Home



Please find attached a request for Navajo Nation funding submitted by the Navajoland Nursing Home, Inc., DBA Chinle Nursing Home located in Chinle, Arizona. CNH has submitted a request for construction project match funding in the amount of \$8,000,000 for the period beginning January 1, 2016 and ending March 2018.

Originally the Navajo Nation Office of Management Budget identified the Division of Social Services as the sponsoring and oversight division in regards to CNH's funding request. However, due to the reason for the request, DSS recommended to OMB that your division would be more appropriate (see attachment) to provide oversight on a construction project. Therefore, NDSS forwards this funding request to your office. In addition, I understand OPVP supports this request.

We had printed a 164(B) coversheet (no. 6428) for the proposed funding application, copy attached. However, your office will need to go into the FMIS to make the changes to the Program/Division and contact information before proceeding with the 164 process.

Lastly, we have informed HEHSC Chairman J. Hale and he looks forward to working with your office on this funding request.

If you have any questions you may contact Ms. Michele Jones, Program Manager at (928)871-6821 or by email at michelejones@navajo-nsn.gov. Thank you.

Xc: File
HEHSC Chairman Hale
E. Francis, Budget Officer, OMB



SECTION 164 REVIEW FORMTitle of Document: Chinle Nursing Home Matching Request Contact Name: ~~JONES, MICHELE TINA~~Program/Division: ~~DIVISION OF SOCIAL SERVICES~~Email: ~~michelle.jones@navajonations.gov~~ Phone Number: ~~505/871-5557~~

Division Director Approval for 164A: _____

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 type="checkbox"/>	IGA, Budget Resolutions, Budget Reallocations or amendments: (OMB and Controller sign ONLY if document expends or receives funds)				
	1. OMB: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>	
	2. OOC: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>	
	3. OAG: _____	Date: _____	<input 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"/>	

Michele T. Jones

From: Emmett Francis <efrancis@omb.navajo-nsn.gov>
Sent: Thursday, July 28, 2016 1:27 PM
To: Michele T. Jones
Cc: Dominic Beyal; Terrelene Massey
Subject: RE: Chinle Nursing Home_Funding Request

What you recommend is the more appropriate way to handle the Chinle Nursing Home proposal. It's the construction of the facility that needs to be monitored and the expertise rests with the DCD/D&E, but the funds provided to Chinle Nursing Home after approval will be handled by OMB and D&E.

Initially, Chinle Nursing Home was going to use NN funds for startup operating costs (and NHA funds for construction), but they have changed using the NN funds for construction.

From: Michele T. Jones [mailto:michelejones@navajo-nsn.gov]
Sent: Thursday, July 28, 2016 10:54 AM
To: Emmett Francis <efrancis@omb.navajo-nsn.gov>
Cc: Terrelene Massey <tmassey@navajo-nsn.gov>; Brenda Tsosie <btsosie@navajo-nsn.gov>
Subject: Chinle Nursing Home_Funding Request
Importance: High

Good Morning Mr. Francis,

In reviewing Chinle Nursing Homes budget request for Navajo Nation funds, I have the following concerns, CNH is requesting for matching on a construction project of \$8 million. As stated in the FY 2016 BIM, page 7 "all grantees requesting funds from the Navajo Nation shall be assigned to a [NN] Branch and/or Division based on **particular area of the budget request**", given that the Division of Social Services is in the business of direct services to clients, wouldn't the Division of Community Development be the appropriate division to oversee this funding request? The reason I recommend this is the Division of Social Services would not be able to provide TA or review expenditures for construction related activities because this is not our area of expertise. We would not be able to attest to compliance on the spending of NN funds for a construction project or determine if project goals were met.

We have completed a 164 B coversheet, but we would like to discuss this matter with you before proceeding. Could you contact me at your earliest convenience. Thank you.

PS. We received notice that OPVP supports this request.

Michele Jones

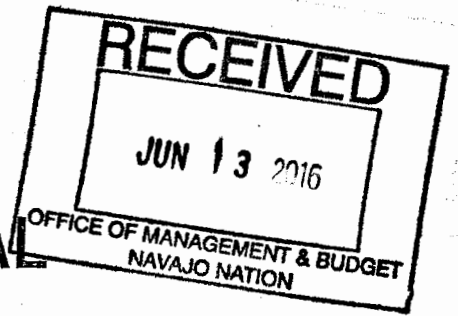
Michele Jones, MPA, Program Manager I
Division of Social Services – Executive Administration
PO Box 4590
Window Rock, Arizona 86515
Ph: (928) 871-6851
Fax: (928) 871-7372

INFRASTRUCTURE CAPITAL IMPROVEMENT PLAN 2017 - 2022

Chinle Chapter

PROJECT SUMMARY

Project Title	Rank	Category	Funding Sources	2017	2018	2019	2020	2021	2022	Total
Chinle Scattered Project	2016 - 1	Utilities--Power - Block	AML NN CIP General Funds	103,056	548,398	0	0	0	0	651,454
Spider Rock Phase II	2016 - 2	Water - Linear	CDBG NN CIP General Funds	1,622,216	9,349,784	0	0	0	0	10,972,000
Chinle Community Cemetery Access Road	2017 - 1	Transportation - Linear	NN CIP General Funds Certified Chapter Funds	15,000	218,400	0	0	0	0	233,400
Chinle Chapter Elevator	2017 - 2	Building-Government	NN CIP General Funds Certified Chapter Funds	165,000	230,000	0	0	0	0	395,000
N-7 street Light Project	2018 - 1	Utilities--Power - Linear	NN CIP General Funds	393,000	362,000	0	0	0	0	755,000
Chinle Chapter Office Complex	2018 - 2	Building-Government	NN CIP General Funds	2,125,000	18,900,000	0	0	0	0	21,025,000
Spider Rock Phase III	2018 - 3	Water - Linear	CDBG NN CIP General Funds Chapter General Funds	836,200	3,503,000	0	0	0	0	4,339,200
			TOTAL	\$5,259,472	\$33,111,582	\$0	\$0	\$0	\$0	\$38,371,054



GRANT PROPOSAL

TO

NAVAJO NATION



FOR

NEW 120 BEDS NURSING HOME FACILITY

SUBMITTED BY

NAVAJOLAND NURSING HOME, INC.

DBA-CHINLE NURSING HOME

P.O. BOX 910

CHINLE, ARIZONA 86503

TABLE OF CONTENTs

HISTORY.....	Page 1, 2 & 3
CNH ORGANIZATION CHART.....	Page 4
CNH BOARD OF DIRECTORS REQUEST.....	Page 5
RESOLUTION (S).....	Page 6
INDEPENDENT ENGINEER'S ASSESSMENT.....	Page 7
CNH FY 2013 AUDIT.....	Page 8
BUSINESS SITE LEASE.....	Page 9
NHA FUNDS RESOLUTION.....	Page 10
CNH ARTICLES OF INCORPORATION.....	Page 11
PROPOSED PROJECT COST (WELLER'S ARCHITECT).....	Page 12
NN GRANT APPLICATION.....	Page 13
HUD ENVIRONMENTAL REVIEW.....	Page 14
CNH PROPOSED SITE PLAN.....	Page 15

HISTORY OF CHINLE NURSING HOME NARRATIVE

History of Chinle Nursing Home

The Navajoland Nursing Home, Inc. (NNHI), dba-Chinle Nursing Home (CNH) was Incorporated, dedicated July 15, 1971 under the State of Arizona, the facility was actually established as Dine' Bitsiis Aha Yaa, Incorporated by the Navajo Nation in 1968 funded by the Navajo Nation Division of Health. In 1971 when the Navajo Nation Division of Health could no longer funds the nursing home, the nursing home became a non-profit 501 c 3 under the State of Arizona and started receiving reimbursement funds from Arizona Health Care Cost Containment System (AHCCCS). All resident (Elders) are placed in CNH facility by recommendation of State Long Term Care and Navajo Nation Caseworkers or Case managers and by orders of Indian Health Services Licensed Doctors. CNH facility is a level one care facility. The facility cares for 79 residents 24 hours a day and 7 days a week by State licensed Nurses, Doctors, Physicians, and staff. Center for Medicare/Medicaid Services (CMS) conducts annual survey of CNH facility to meet HIPPA requirements. The building is owed by the Navajo Nation (Tag # 2567) but maintain by CNH Maintenance staff.

NEEDS

Based on Census 2000, there are approximately 30,000 Navajos Elders living on the Navajo Nation over the age of 65+. Out of 30,000, 12,000 are in need of extended care living in nursing home or other facility. Others who may need extended care include disabled veterans, accident victims who no longer require acute care and the handicapped/ further or updated research is necessary to determine more exact number of Navajo individual in need of extended care services.

The need for nursing home care services for the Navajo people has become increasingly important during the last 20 to 30 years, as a consequence of modernization and the breakdown of the Navajo family. Formerly, elderly individuals have a secure place within the extended family; many younger members of the family are now moving away to urban areas to seek employment and other urban amenities. The increased use of motor vehicles and consequent injuries and deaths from accidents has also created a need for extended care facilities to care for elderly family survivors and those disabled.

Housing problems, lack of water, fuel (wood, natural gas, butane & electricity), poor sanitation, inadequate finances, and

lack of transportation also contributes to the placement of person in institutionalized nursing homes.

The purposes is to provide the services that is needed, the Navajos being the predominantly majority clients representation to a degree that reflects the highest optimal level of efficient nursing home services within an adequate funding sources. Also, to extend the services on the Navajo Nation for Native American to remain within the home boundaries and to preserved and promoted traditional concept and cultural heritage on a daily basis.

To the end, that the Chinle Nursing Home receives adequate nursing care and residential services.

CNH ORGANZIATION CHART

NNHI, Inc.
Board of Directors

Consultants
Nursing
Dietician
Medical Director
Pharmacist
Physical Therapist
IT
Finance Consultant

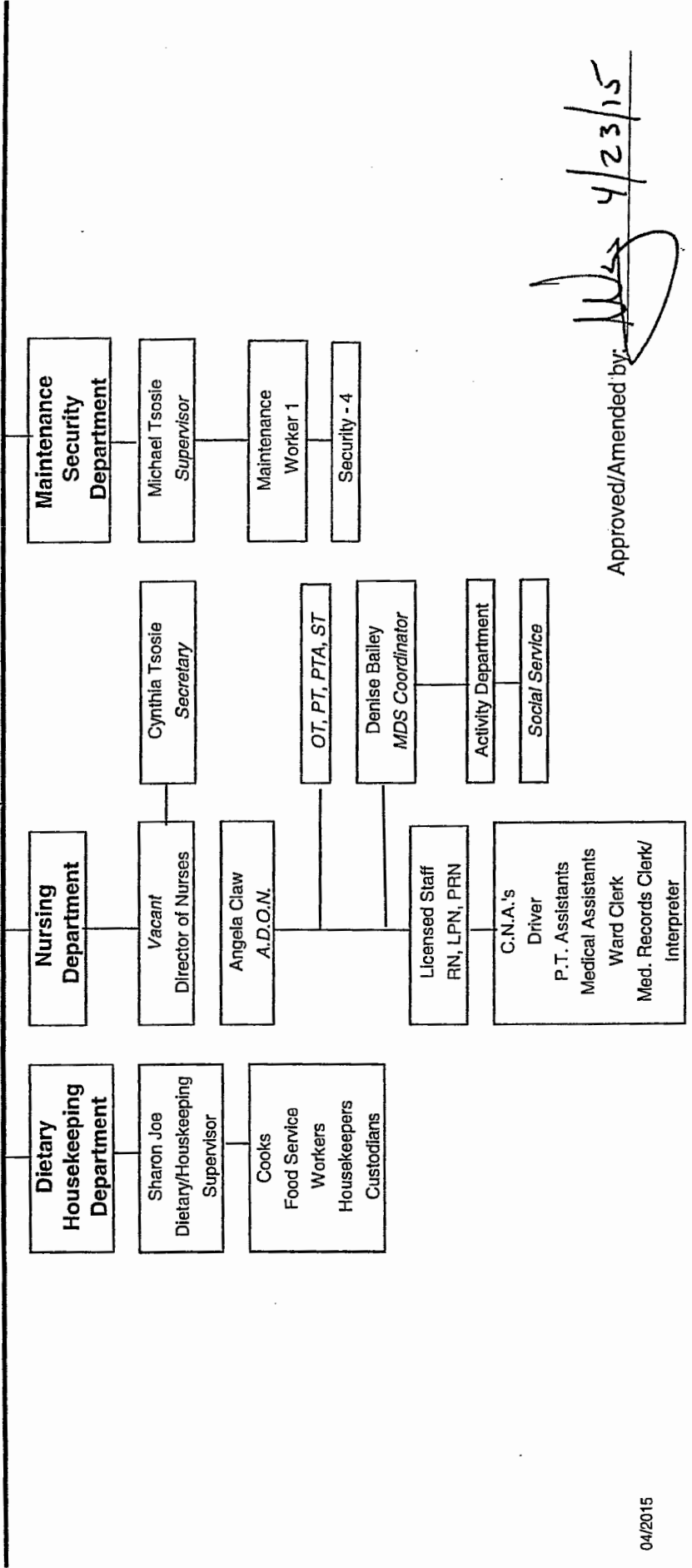
Wayne Claw
Chief Executive Officer

Rachel Martin
Receptionist

Rose Yazzie
Accounting Technician

Aili Haynes
Billing/Payroll Specialist

Barbara Curtis
HR Coordinator



Approved/Amended by: *[Signature]* 4/23/15

CHINLE NURSING HOME

REQUEST LETTER

1. Chinle Nursing Home Board of Director's Letter Requesting Funds.



Chinle Nursing Home

P.O. Box 910
Chinle, Arizona 86503

June 10,, 2016

Honorable Navajo Nation Council
NAVAJO NATION
P.O. Box
Window Rock, Arizona 86515

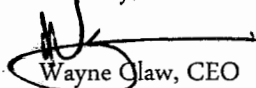
Dear Honorable Delegates:

This letter is in reference to the Navajoland Nursing Home, Inc., (NNHI), dba-Chinle Nursing Home (CNH) request for 28% (\$8,000,000.00) matching to complete the New 120 bed nursing home facility. In December 2015, Navajo Housing Authority (NHA) awarded CNH 72% (\$21,488,516.00) to start the planning, design and construction to replace the 49 years old facility. The present old 79 bed facility does not meet Center for Medicare/Medicaid Services (CMS) Federal Requirements to serve Level 1, 2 & 3 elder health care and CMS continued to fine CNH for non-compliance annually, causing many elders to be admitted to off-reservation nursing homes, which causes hardships to elders and families.

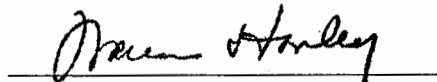
In March 2016, CNH awarded Architect/Engineering Contract to Dyron Murphy's Architect of Albuquerque, NM. The completed proposal and documentations is attached for your reviewed and approval. If approved and awarded, the total funds will be used for construction only.

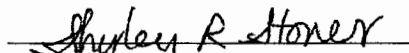
On behalf of CNH and Elders, We thank you in advance for your consideration and approval. If you have any questions, please contact me at 928-674-5216.

Sincerely,


Wayne Claw, CEO


Victor Joe, Jr, Chairman


Wallace Hanley, Secretary


Shirley R. Stoner, Vice-Chairman


Alice White, Treasurer

Cc: Honorable Russell Begay, President of Navajo Nation
: Honorable Jonathan Nez, Vice President of Navajo Nation
: CNH File

CHINLE NURSING HOME

SUPPORT RESOLUTIONS

- 1. The Chinle Nursing Home Board of Directors Resolution
NNHI-2016-004.**
- 2. The Chinle Chapter Resolution # CHIN-MAY-16-035.**



Chinle Nursing Home

P.O. Box 910
Chinle, Arizona 86503

RESOLUTION

BOARD OF DIRECTORS

NAVAJOLAND NURSING HOME, INC.

DBA-CHINLE NURSING HOME

NNHI-2016-004

**REQUEST FOR 25% (\$8,000,000.00) MATCHING FUNDS FROM THE NAVAJO NATION
LEGISLATIVE BRANCH OF THE NAVAJO NATION COUNCIL TO CONSTRUCT A NEW 120
BED NURSING HOME FACILITY TO COMPLY WITH CENTER FOR MEDICARE/MEDICAID
SERVICES (CMS) & FEDERAL REQUIREMENTS AND TO ASSURE CONTINUED SAFE
ENVIRONMENT FOR THE ELDER**

WHEREAS:

1. Navajoland Nursing Home, Inc. (NNHI), dba-Chinle Nursing Home (CNH) Board of Directors is the governing body as designated in the State of Arizona Articles of Incorporation and its By-laws; And
2. NNHI, CNH was established for the sole purpose of providing adult care services to seventy-nine (79) Navajo elders and Disabled adults who would otherwise be placed in an off-reservation facilities to receive nursing care services; And
3. NNHI, CNH is certified under the Arizona Department of Health and Human Services, Center for Medicare/Medicaid Services (CMS) of the Federal Title XVIII (Medicare) and Federal Title XIX (Medicare/AHCCCS) Program; And
4. CNH was built in 1968, CMS continues to fine CNH for building not meeting Federal Requirements and needs replace; And
5. CNH received 75% (\$21,488,516.00) of funds to construct a new 120 bed facility, but still need 25% (\$8,000,000.00) more to complete to new facility.

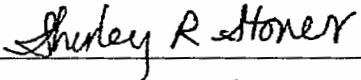
NOW THEREFORE BE IT RESOLVED THAT:

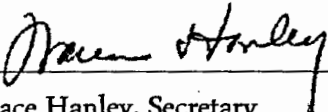
Request for 25% (\$8,000,000.00) matching funds from the Navajo Nation Legislative Branch of the Navajo Nation Council to construct a New 120 Bed Nursing Home Facility to comply with CMS & Federal Requirements and to assure continued safe environment for Elder.

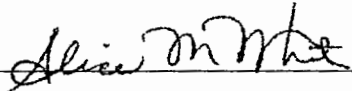
CERTIFICATION

1. We certify that the foregoing resolution was considered and approved on a Telephone Conference call on Friday, April 29, 2016 at 10AM, at which a quorum was present and that same passed by a Vote of 4 in favor and 0 opposed.


Victor Joe, Jr. Chairman


Shirley R. Stoner, V-Chairman


Wallace Hanley, Secretary


Alice White, Member

Chinle Chapter Government

THE NAVAJO NATION

Andy R. Ayze
PRESIDENT

Myron McLaughlin
VICE PRESIDENT

Cynthia Hunter
SECRETARY/TREASURER

Leonard Pete
COUNCIL DELEGATE

Eugene Tso
GRAZING COMMITTEE MEMBER

RESOLUTION OF THE CHINLE CHAPTER NAVAJO NATION CHIN-MAY-16-035

SUPPORTING THE CHINLE NURSING HOMES' (CNH) REQUEST TO THE NAVAJO NATION 24TH COUNCIL FOR 25% MATCHING FUNDS TOTALING \$8,000,000 TO COMPLETE THE CONSTRUCTION OF THE NEW ONE HUNDRED TWENTY BED NURSING HOME FACILITY.

WHEREAS:

1. Chinle Chapter, a recognized certified local government of the Navajo Nation, vested with the power and authority to advocate on behalf of its constituents for the improvement of health, education, safety, and general welfare; and
2. Navajoland Nursing Home, Inc. (NNHI), dba-Chinle Nursing Home (CNH) Board of Directors is the governing body as designed in the Arizona Articles of Corporation and it's By-Laws; and
3. NNHI, CNH was established for the sole purpose of providing adult care services to seventy-nine (79) Navajo elders and disabled adults who would otherwise be placed in off reservation facilities to receive nursing care services; and
4. NNHI, CNH is certified under the Arizona Department of Health and Human Services, Center for Medicare/Medicaid Services (CMS), Center for Medicare/Medicaid of the Federal Title XVIII (Medicare) and Federal Title XIX (Medicaid/AHCCCS) programs; and
5. In December 2015, Navajo Housing Authority (NHA) donated \$21,488,516 (75%) of Non-Program funds to construct the new one hundred-twenty (120) bed facility; and
6. NNHI, CNH realized it is critical to replace the forty-nine year old present facility because it does not meet the CMS building requirements to serve Level One, Two and Three Elder Nursing Care.

NOW, THEREFORE BE IT RESOLVED THAT:

1. The Chinle Chapter hereby supports the Chinle Nursing Homes' request to the Navajo Nation 24th Council for 25% Matching Funds (\$8,000,000) to complete the construction of the new one hundred twenty bed nursing home facility.

CERTIFICATION

We, hereby certify that the foregoing chapter resolution was duly considered by the Chinle Chapter at a duly called meeting in Chinle, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 33 in favor, 0 opposed, and 4 abstained, this 18th day of May 2016.

Motioned by: Roselyn Yazzie

Second by: Anderson Jones

Andy R. Ayze
Andy R. Ayze, President

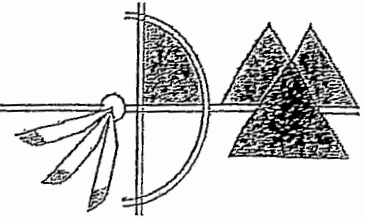
Myron McLaughlin
Myron McLaughlin, Vice President

Cynthia Hunter
Cynthia Hunter, Secretary / Treasurer

CHINLE NURSING HOME

INDEPENDENT ENGINEER'S ASSESSMENT & RECOMMENDATION REPORT (49 YEARS OLD FACILITY)

HY
DYRON MURPHY
ARCHITECTS, P.C.



September 6, 2011

Wayne Claw, Director
Navajoland Nursing Homes, Inc.
Chinle Nursing Home
P.O. Box 910
Chinle, Arizona 86503

RE: Facility Assessment and Recommendations
Existing Chinle Nursing Home - Chinle, Arizona

Dear Mr. Claw:

TH
Thank you for this opportunity to provide professional consulting services in the review of the existing Chinle Nursing Home facility at Chinle, Arizona on the Navajo Nation. Our team of professionals enjoyed your hospitality and we offer our insight into the renovation plans for the existing facility, and discussion regarding a potential facility replacement.

As we understand it, the existing facility was built in 1969 and has since undergone various physical plant modifications, ranging from interior finish renovations to mechanical upgrades/repairs, and recently, addition of a new fire alarm system. After viewing the physical conditions, it does appear this building has met its' relative performance age, and some of the suggested building additions and upgrades might be fine for another 10-15 years, but beyond that, there will be significant requirements to maintain this current facility. The costs to maintain this extended building life cycle may outweigh the benefits of constructing a new facility that meets the Navajoland Nursing Homes, Inc. plans for upgrading to a Level 3 care facility, address current building and energy codes, and overall site utilization strategies.

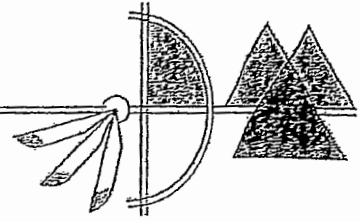
The structure of the building appears to be sound, purely from a visual aspect, however, the discussion on renovating the facility may pose significant challenges. The interior masonry walls appear to serve as load bearing walls, and any modifications are likely not feasible. Where the masonry walls are non-load bearing, they would require complete removal due to seismic codes. The wood beams appear to be structurally sound and do not exhibit signs of cracking, indistinguishable fatigue or concern for failure. There is some cracking observed in the north foundation wall, near the facilities maintenance area, which appear to have been filled over the years, nonetheless show signs of need for potential rehabilitation.

CU
The roof structure appears to be acceptable; however, the existing roof shows signs that it is time to be replaced. The roofing material is bubbling in areas, and the material is "alligatoring", which indicates patches have been performed in the past. The roof substrate felt "spongy" when walking on it, primarily over the housing wings, suggesting the substrate is also near replacement stages. The roof cants and flashings appear to be mostly acceptable; however, there are numerous areas that could potentially produce openings for leakage and moisture penetration.

The interior finishes are in dire need of upgrades. In addition, there are numerous instances of building code non-compliance, such as fixtures and equipment throughout the facility. The lighting fixtures are in need of replacement and electrical systems appear to be outdated as well.

Due to the potential factors regarding the need to seriously determine the phased stages of facility development, we have compiled a "snapshot" of budgetary scenarios to indicate a development plan

5
DYRON MURPHY
ARCHITECTS, P.C.



based on our discussions. For example, if the plan is to demolish and replace the existing facility, the construction of the new facility can occur, and when completed, the residents and staff can transfer to the new facility. These itemized options are in the attached budget worksheet and indicate proposed services attributed to new and renovation construction costs, design, testing & associated services, equipment, and related contingencies. While we have attempted to be comprehensive in our approach, these costs are meant to serve as preliminary benchmarks until such time an actual detailed study of the overall scope and service modules can be specifically identified. However, we have included costs that we feel are appropriate based on our initial investigations and reflect a conservative approach to the project development.

The costs are presented as "Options" and can be taken in differing combinations, based on availability of funding or related issues. We presented a cost for a new 120 bed Level 3 Nursing Home, as a replacement facility, and estimated costs if an additional 50 beds were added for the Veteran's Hospital. We have also provided costs for the 10 new staff quarters, including demolition of the existing housing, and an additional 10 staff quarters as well, to replace the demolished units. In addition, we provided a list of services that normally are required to undertake the planning and construction of facilities such as this one. These include geotechnical testing of soils, land surveys, landscape architecture, technology/IT services, etc. These are identified on the attached schedule of services.

3
The new facility is anticipated to be a two story building, with administrative offices, urgent type care, food services, patient activity areas, patient shared rooms, nurse's stations, public areas, mechanical/electrical spaces, support spaces and required spaces for a Level 3 facility. In addition, if the Veteran's Hospital facility is to be developed within the same site, this too is anticipated to be a 2 story structure with the same support spaces as mandated by Federal planning guidelines for hospital facilities. The plan would be to construct a new facility on the northern and eastern edge of the site, then transfer the existing patients to the new facility when completed, then demolish the existing facility and provide a parking lot area in it's place. The planning would require a "masterplan" phase for this campus of buildings, service drives, emergency access drives, potential building expansion areas, and access to housing.

We are available to support you in all aspects of this facility development. Along with our construction partner, Adolfson & Peterson Construction, we are prepared to move forward with the plans set forth by the Navajoland Nursing Homes, Inc. We look forward to working with you and your staff and can meet to discuss the content of this letter with you or members of the NNHI Board as necessary.

Please do not hesitate to call me at (505) 830-0203 if you have further questions or comments regarding this matter.

Sincerely,

3

Dyron V. Murphy, AIA, NCARB, CSI
Principal

Navajoland Nursing Home
Chinle, AZ
Mechanical, Electrical and Plumbing Narrative

General Description

Navajoland Nursing home consists of approximately 37,100 square feet of a single story building. The building is composed of three wings, including the Administration Wing, A-wing, and B-wing. Each wing is roughly one third of the total area. This narrative describes the assessment of the existing mechanical, electrical and plumbing systems and recommendations for modifications that will support a significant renovation intended to provide 20 to 25 years of useful system life.

Existing Mechanical systems

The administration wing is served by two constant volume 4-zone air handlers, with direct expansion cooling, and hot water heating. Each air handling unit has approximately 10,000 cubic feet per minute (CFM) of airflow capacity. The air handler's condensers, which uses R-22 refrigerant, are located outside the building adjacent to the northeast and southeast mechanical rooms. Each condenser unit has approximately 20 tons of cooling capacity. The hot water boiler in the northeast mechanical room has a capacity of 696 MBH and serves half of the north wing including the kitchen. The hot water boiler in the southeast mechanical room has a capacity of 348 MBH and serves half of the south wing. The kitchen is conditioned by evaporative cooling only.

B-wing air conditioning is served by a chilled water split system. The compressor unit is located indoors inside the northwest mechanical room. The associated air cooled condenser unit is located outdoors next to the northwest mechanical room. The ventilation for wing B is provided by one air handler located above ceiling next to the northwest entrance. This unit is utilized to air conditioned ventilation outside air. Patient rooms are air conditioned using fan coil units located above ceiling. A lead/standby boiler system, with an output capacity of 580MBH per boiler, provides hot water to the heating system. Centrifugal type water pumps arranged in a lead/standby configuration distribute chilled and hot water. The cooling capacity is approximately 20 tons and the heating capacity is approximately 435 MBH.

A-wing air conditioning is also served by a chilled water split system. The compressor unit is located indoors inside the southwest mechanical room. The associated air cooled condenser unit is located outdoors next to the southwest mechanical room. The ventilation for wing A is also provided by one air handler located above ceiling next to the southwest entrance. This unit is also utilized to air conditioned ventilation outside air. Patient rooms are also air conditioned using fan coil units located above ceiling. A lead/standby boiler system, with an output capacity of 580MBH per boiler, provides hot water to the heating system too. Centrifugal type water pumps arranged in a lead/standby configuration distribute chilled and hot water. The cooling capacity is approximately 20 tons and the heating capacity is approximately 435 MBH.

Mechanical Equipment Table

Item	Make	Model	Serial #	Serves
(E)Air Handlers	Carrier	39BA080A	70525286	Administration Wing
(E)Condensing Units	Carrier	38AK5028-601	3804F59778	Administration Wing
(E)Boiler Units	American Standard	G-607	2B-80-J3	Administration Wing
(E)Compressor Units	Carrier	30HWA025-D-620KA	Not Available	A and B Wings
(E)Condensing Units	Carrier	09DK-02B-601	2104F35728	A and B Wings
(E)Air Handlers	Carrier	39BA030	70C959	A and B Wing
(E)Boilers	Not Available	G-606	2B-80-J3	A and B Wings

Existing Plumbing systems

Administration Wing

Domestic water for the north side of the wing is provided by three water heaters, each with a 100 gallon storage and output capacity of 160 MBH. The employee's restrooms hot water is obtained from one 40 gal, 35 MBH water heater. The south side domestic hot water is provided by two water heaters, each with a 100 gallon storage and output capacity of 160 MBH.

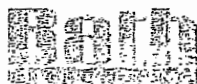
The area is equipped with portable medical gas systems.

A-wing and B-wing

The domestic hot water for each of these wings is provided by one water heater with a storage capacity of 100 gal, and a recovery rate of 193.9 gph.

Existing Fire Protection Systems

A fire protection riser is located in the Administration Wing's northeast mechanical room, and has a static pressure of 75 psi at the base. The fire sprinkler suppression system consists of a wet type for light hazard occupancy.



Plumbing Equipment Table

Item	Make	Model	Serial #	Serves
(E) Water Heater	Rheem-Ruud Universal	G100-200	URN60409600108	Administration Wing. Quantity of 3. (north side)
(E) Water Heater	Rheem-Ruud Universal	G100-200	URN60409600108	Administration Wing. Quantity of 2. (south side)
(E) Water Heater	GE (Smart Water)	GG40T06HVJ00	GELN906V00455	Administration Wing Employee Restrooms, Quantity of 1.
(E) Water Heater	SABH (US) WH Group	C931-100T-199-6N	Not Available	A-Wing
(E) Water Heater	Bradford White Magnum	D100T1993N	Not Available	B-Wing

Existing electrical and special systems

The electrical service serving the building is a 277V/480V, 3 phase, 800 amps, located in the generator building north of the main building. The main electrical panel is a General Electric fused switchboard which serves two main 400amp panels "B" and "C" in the main Admin corridor.

The facility is also served by a 60kW Onan diesel generator with a 500gal underground diesel storage tank. An existing 150amp transfer switch serves a 100amp panel "E" also in the main Admin corridor.

The 120V electrical distribution system consists of various 120/240V single phase step down transformers in various electrical rooms which serve General Electric panels "A", "BL", "CE" and "EL".

The building did not appear to be equipped with a lightning protection system nor surge suppression devices.

The lighting throughout the building utilizes prismatic lensed fixtures with T-12 lamps and local manual switching for controls.

The fire alarm system is G-Force zoned alarm panel that replaced the original Johnson Control fire alarm panel. It presently monitors pull stations, air handler duct detectors (not connected) and the fire sprinkler system and horn/strobes are distributed through the building.

The nurse call systems are self contained in each wings nurse station and monitor restroom string pull cord emergency patient stations and room patient stations.

Evaluation of Mechanical and Plumbing Systems

The air conditioning condenser units, installed outdoors, and the indoor compressor units were installed in approximately 2006 and look in fair condition. It is anticipated that their useful life can be extended 15 years if properly maintained. The air handling equipment and fan coil systems, inclusive of piping and insulation, are old and their remaining useful life is limited. The boilers look in fair condition and their useful life is estimated within 10 years if properly maintained. The current air conditioning system does not have automatic controls. Daily system operation is manually performed by maintenance personnel. The air handling system does not have the capability to utilize an air economizer cycle during the mild and cold weather seasons. The ventilation rates are likely that no longer meet current code requirements.

The domestic water heaters look in fair shape and have an approximate remaining life of 10 years. The distribution piping and fixtures have reached their life expectancy. In the kitchen area, there is no grease trap, and garbage disposal is only present on the dishwasher sinks.

The fire protection sprinkler system, in its majority, is old pipe including the sprinkler heads.

Evaluation of Electrical and Special Systems

The electrical system appears to have been installed with the original building. The wiring and devices in the building also appear to be original. Although General Electric still supports this equipment, the use of fuses to protect downstream panels must now be listed per current electrical codes. The location of the main electrical panel to the building is not located in a readily accessible location near the main building.

The capacity of 120V circuits does not appear to be adequate to accommodate a renovation. The number of receptacles and tel/data outlets appears to be sparse.

The emergency distribution system appears to be sized for minimum loads and does not appear to be adequate to support additional outlet or emergency lighting loads that would be installed in a renovation.

The existing lighting system is not efficient based on today's standards and spaces are not provided with automatic controls via occupancy sensors or daylight control devices.

The existing fire alarm system and wiring appears to have been patched together from the original system and is not addressable. The duct detectors monitoring smoke in the main air handlers are not presently functioning or connected.

The existing nurse call system is antiquated and is not able to be monitored from a central location.

Recommendations

Mechanical and Plumbing Systems

We recommend that the HVAC system be replaced with a new air cooled chiller plant; new air handlers and a variable air volume boxes (VAV) with re-heat coils for the Administration Wing and 4-pipe fan coil units for Wings A and B. Each of the air handlers at each of the mechanical rooms can be sized and selected so that outdoor air ventilation is provided at all times and at the current code requirement quantities. At the kitchen area, we suggest that the makeup air unit and exhaust systems be also upgraded to provide proper air balance. It is recommended to include a modern AC digital control system that will allow much more transparent operation and that system control sequence of operations allow better energy management.

We also recommend that the plumbing in the kitchen and restroom fixtures be upgraded with low water consumption fixtures. Domestic water lines in the buildings should also be replaced.

The portable oxygen system may be replaced with a central oxygen system connected to a main tank if it reduces the maintenance effort and local refilling services are available. Medical gas outlets could be provided in the walls for use as needed.

The fire protection sprinkler system is also recommended to be completely upgraded.

Electrical and Special Systems

We recommend a new electrical service utilizing a circuit breaker switchboard and new electrical distribution system be provided with adequate capacity for future additions. This would include upsizing the generator and fuel storage to provide a minimum of 24 hours of backup emergency power. The new electrical distribution system should utilize energy efficient three phase transformers and distributions panels. The main service disconnecting means should be located near the main building as approved by the local Fire Marshall.

It is recommended that a lightning protection system be installed with surge suppression devices installed on all new electrical panels. Most insurance companies will provide reduced rates if these systems are installed.

New energy efficient lighting utilizing T8 or T5 lamps and electronic ballasts should be provided. Occupancy sensor and daylight sensors and/or automatic lighting controls should be installed to reduce energy costs and comply with new energy codes. Adequate egress lighting should be provided throughout the facility.

The fire alarm system should be replaced with a new addressable fire alarm system that can distinguish which device was initiated instead of monitoring a zone. New addressable pull stations, room and corridors smoke detectors for early detection and horn/strobes should be provided. Monitoring of new fire sprinkler system and reporting to a central station monitoring systems should also be installed to meet current codes.

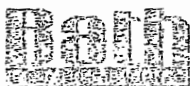
The existing nurse call system should be replaced with a new digital microprocessor controlled central system.

Probable MEP Cost Estimate

Historical data cost for recent projects indicates that the cost for this type of MEP renovation is \$3,755,500. The breakdown below by discipline provides more detail.

PRELIMINARY COST ESTIMATE		
Discipline		Notes
Square footage	37,000	
HVAC Estimate \$/SF	\$35	
HVAC Probable Cost	\$1,295,000	VAV box system, primary constant chilled water system, primary constant hot water system, air cooled chiller, boiler.
Plumbing Estimate \$/SF	\$30.00	
Plumbing Probable Cost	\$1,110,000	Complete replacement of domestic water, sewer lines and Fixtures. New water heater. Central Oxygen
Fire Pro. Estimate \$/SF	\$6.50	
Fire Protection Probable Cost	\$240,500	New system consisting of new piping and sprinkler heads, and pump.
Electrical and Special Systems Estimate \$/SF	\$30.00	
Electrical/Special Systems Probable Cost	\$1,110,000	Complete replacement of light fixtures, fire alarm system, nurse call system, distribution system, data upgrade, wiring devices receptacles and switches, lighting protection, generator.

MEP Cost Estimate \$3,755,500



CHINLE NURSING HOME
FY 2013 AUDIT REPORT

NAVAJOLAND NURSING HOMES, INC.

DBA/CHINLE NURSING HOME

FINANCIAL STATEMENTS AND

SUPPLEMENTARY INFORMATION

December 31, 2013

With

INDEPENDENT AUDITOR'S REPORT

Elizabeth G. Olivas

CERTIFIED PUBLIC ACCOUNTANT
ALBUQUERQUE, NEW MEXICO
PH (505) 797-3380

NAVAJOLAND NURSING HOMES, INC.
DBA/CHINLE NURSING HOME

TABLE OF CONTENTS

December 31, 2013

	Page
Independent Auditor's Report.....	1
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements.....	7
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10
Independent Auditor's Report on compliance with requirements that could have a direct and material effect on Each Major Program & On Internal Controls Over Compliance in Accordance With OMB Circular A-133.....	12
Schedule of Expenditures of Federal Awards	14
Notes to Schedule of Expenditures of Federal Awards.....	15
Schedule of Findings and Questioned Costs	16

MEMBER:
AMERICAN INSTITUTE
OF CERTIFIED PUBLIC
ACCOUNTANTS

Elizabeth G. Olivas
CERTIFIED PUBLIC ACCOUNTANT
5051 JOURNAL CENTER BLVD NE
STE 320
ALBUQUERQUE, NEW MEXICO 87109
(505) 797-3380
FAX (505) 288-3564

MEMBER:
NEW MEXICO SOCIETY
OF CERTIFIED PUBLIC
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Chinle Nursing Home, Inc

Report on the Financial Statements

We have audited the accompanying statement of financial position of the Navajoland Nursing Homes, Inc. dba Chinle Nursing Home (a non-profit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Navajoland Nursing Homes, Inc. dba Chinle Nursing Home (a non-profit organization) as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the

responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2015, on our consideration of Navajoland Nursing Homes, Inc. dba Chinle Nursing Home (a non-profit organization) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Navajoland Nursing Homes, Inc. dba Chinle Nursing Home (a non-profit organization) internal control over financial reporting and compliance.



Albuquerque, New Mexico
February 7, 2015

NAVAJOLAND NURSING HOME, INC.
DBA/CHINLE NURSING HOME
STATEMENT OF FINANCIAL POSITION
December 31, 2013

ASSETS

Current assets

Cash and cash equivalents	\$ 285,925
Accounts receivable	332,411
Due from employees	6,641
Prepaid insurance	11,059
Total current assets	<u>636,036</u>

Property and equipment

Property and equipment	3,855,630
Less: accumulated depreciation	<u>927,874</u>
	2,927,756

Other assets

Security deposit	<u>148</u>
------------------	------------

Total assets	<u><u>\$ 3,563,940</u></u>
--------------	----------------------------

LIABILITIES AND NET ASSETS

Liabilities

Current liabilities

Accounts payable	\$ 92,545
Accounts payable - patient funds	35,629
Accrued compensation	141,418
Accrued payroll taxes	2,885
Deferred income	2,337
Deposits	765
Current portion long-term debt	12,000
Total current liabilities	<u>287,579</u>

Long term liabilities

Notes payable	<u>37,871</u>
Total long-term liabilities	<u>37,871</u>
Total liabilities	<u>325,450</u>

Net assets

Unrestricted net assets	<u>3,077,873</u>
Total unrestricted net assets/total net assets	<u>3,238,490</u>
Total liabilities and net assets	<u><u>\$ 3,563,940</u></u>

The accompanying notes are an integral part of these financial statements.

NAVAJOLAND NURSING HOME, INC.
dba/CHINLE NURSING HOME
STATEMENT OF ACTIVITIES
For the year ended December 31, 2013

UNRESTRICTED NET ASSETS

REVENUE AND SUPPORT

Contractual revenue	\$ 4,093,976
Other Revenue	<u>27,516</u>
Total revenue and support	<u>4,121,492</u>

EXPENSES

Program services:

Personnel services	1,995,953
Payroll taxes & benefits	143,022
Travel and per diem	11,446
Consumable supplies	163,989
Food & beverage	209,135
Lease/rental/utilities	138,588
Contractual services/special transactions	354,809
Maintenance and repairs	17,295
Depreciation	65,410
Training	3,330
Other Expenses	<u>1,910</u>
Total program services	3,104,887

Supporting services:

General and administrative	<u>855,988</u>
Total expenses	<u>3,960,875</u>

Decrease in unrestricted net assets	160,617
-------------------------------------	---------

Net assets at beginning of year	<u>3,077,873</u>
Net assets at end of year (deficit)	<u>\$ 3,238,490</u>

The accompanying notes are an integral part of these financial statements.

NAVAJOLAND NURSING HOME, INC.
dba/CHINLE NURSING HOME
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2013

	Resident Services	Administrative Support Services	Total Expenses
Salaries and benefits	\$ 1,995,953	\$ 380,532	\$ 2,376,485
Travel and per diem	11,446	10,501	21,947
Consumable supplies	163,989	8,371	172,360
Leases and utilities	138,588	27,896	166,484
Contractual services	354,809	127,564	482,373
Insurance expense	-	48,399	48,399
Maintenance and repairs	17,295	30,807	48,102
Training	3,330	-	3,330
Food & beverage	209,135	-	209,135
Other expenses	1,910	15,464	17,374
NHA apartment costs	-	6,416	6,416
Penalties & int	-	2,832	2,832
Payroll taxes	143,022	27,267	170,289
Loss on sale of assets	-	6,412	6,412
Total expenses before depreciation	<u>3,039,477</u>	<u>692,461</u>	<u>3,731,938</u>
Depreciation	<u>65,410</u>	<u>98,117</u>	<u>- 228,937</u>
Total expenses	<u>\$ 3,104,887</u>	<u>\$ 790,578</u>	<u>\$ 3,960,875</u>

The accompanying notes are an integral part of these financial statements.

NAVAJOLAND NURSING HOME, INC.
dba/CHINLE NURSING HOME
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 160,617
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	228,937
Change in assets and liabilities	
Prepaid insurance	2,191
Accounts receivable	28,233
Accounts payable	(24,865)
Accrued burial fund	(10,051)
Accrued tenant deposits	310
Accrued payroll taxes	(4,532)
Deferred income	2,337
Accrued compensation	8,434
Loss from sale of assets	6,412
NET CASH PROVIDED FOR OPERATING ACTIVITIES	<u>398,023</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Equipment purchases	(241,945)
NET CASH USED FOR INVESTING ACTIVITIES	<u>(241,945)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Long term debt	49,871
NET CASH USED FOR FINANCING ACTIVITIES	<u>49,871</u>

Net increase in cash and cash equivalents	205,949
Cash and cash equivalents at beginning of year	<u>79,976</u>
Cash and cash equivalents at end of year	<u><u>\$ 285,925</u></u>

SUPPLEMENTAL DATA:

Interest paid	<u><u>\$ -</u></u>
---------------	--------------------

The accompanying notes are an integral part of these financial statements.

**NAVAJOLAND NURSING HOMES, INC.
DBA/CHINLE NURSING HOME**

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

1. Summary of Significant Accounting Policies

Navajoland Nursing Homes, Inc. was organized April 1, 1982, as a non-profit organization under the Internal Revenue Code Section 501 (c)(3) to provide nursing home services to native Americans. The Corporation currently operates one nursing home, dba Chinle Nursing Home (CNH).

CNH provides skilled intermediate and unskilled nursing home care to elderly and mentally and physically challenged Native Americans on the Navajo Reservation.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

For purposes of the statement of cash flows, Chinle Nursing Home considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The carrying amounts reported in the statement of financial position approximate fair value because of the short maturities of those instruments.

3. Revenue/Receivable and Payable - Funding Sources

Chinle Nursing Home receives the majority of its funding from Arizona Health Care Cost Containment System (AHCCCS), which provide approximately 72% of Chinle Nursing Home revenues. Losing this source of income would be detrimental to Chinle Nursing Home.

Funding from AHCCCS is also done on a reimbursement basis. Reimbursement was paid at daily rates of \$145.63 to \$188.67, depending on the level of care. Total amount billed by the Corporation to AHCCCS in 2013 amounted to \$2,969,378

The amounts receivable for services provided to residents from funding sources during 2013 are as follows

Receivable - AHCCCS	\$ 253,042
---------------------	------------

NAVAJOLAND NURSING HOMES, INC.
DBA/CHINLE NURSING HOME

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

4. Property and equipment

The building and most of the fixed assets at the facility in which the Chinle Nursing Home is housed belong to the Navajo Nation. Accordingly, these items are not shown in the financial statements. However, there are some items that have been purchased with monies received from Navajo Way, Navajo Nation grants, and other sources. These items are shown in the financial statements stated at cost. Depreciation on these items is computed on a straight-line basis over the estimated useful lives of these assets. The lives of these assets average eight years.

5. Accounts payable - vendors

The amount in this account at December 31, 2013, \$92,545, includes accounts with certain vendor creditors. This amount is owed for operating expenses and balances are due on demand.

6. Accounts Payable – Patient funds

Some of the regular social security funds received for patients are held back in special patient emergency funds to cover costs of funeral expenses, etc. As items are bought or expenditure made for these residents, this payable amount is reduced. The balance in these accounts at December 31, 2013 was \$ 35,629.

7. Accrued wages and benefits payable

Wages earned through the end of the year were paid in December 2013. Therefore wages were accrued at the end of the year in the amount of \$137,860 and accrued paid leave was recorded in the amount of \$3,558.

8. Operating leases

As of December 31, 2013, Chinle Nursing Home had two operating lease agreements.

9. Operations

In its statement of activities, Chinle Nursing Home includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Investment income, including net realized and un realized gains and losses, earned in excess of the Nursing Home's aggregate authorized spending amount, and contributions to temporarily and permanently restricted net assets are recognized as non-operating support, revenues, gains, and losses.

NAVAJOLAND NURSING HOMES, INC
DBA/CHINLE NURSING HOME

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

10. Credit risk

Chinle Nursing Home maintains cash deposits in banks that are federally insured. During the year, cash balances exceeded FDIC coverage.

MEMBER:
AMERICAN INSTITUTE
OF CERTIFIED PUBLIC
ACCOUNTANTS

Elizabeth G. Olivas
CERTIFIED PUBLIC ACCOUNTANT
5051 JOURNAL CENTER BLVD NE
STE 320
ALBUQUERQUE, NEW MEXICO 87109
(505) 797-3380
FAX (505) 288-3564

MEMBER:
NEW MEXICO SOCIETY
OF CERTIFIED PUBLIC
ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Chinle Nursing Home, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the Navajoland Nursing Home Inc. dba Chinle Nursing Home (a non-profit organization) which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 7, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Chinle Nursing Home's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Navajoland Nursing Home Inc. dba Chinle Nursing Home (a non-profit organization)'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chinle Nursing Home's financial statements are free of material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Elizabeth A. Olivas, CPA

Albuquerque, New Mexico

February 7, 2015

MEMBER:
AMERICAN INSTITUTE
OF CERTIFIED PUBLIC
ACCOUNTANTS

Elizabeth G. Olivas
CERTIFIED PUBLIC ACCOUNTANT
5051 JOURNAL CENTER BLVD NE
STE 320
ALBUQUERQUE, NEW MEXICO 87109
(505) 797-3380
FAX (505) 288-3564

MEMBER:
NEW MEXICO SOCIETY
OF CERTIFIED PUBLIC
ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors of
Chinle Nursing Home

Report on Compliance for Each Major Federal Program

We have audited the Navajoland Nursing Home Inc. dba Chinle Nursing Home's compliance with the type of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Navajoland Nursing Home Inc. dba Chinle Nursing Home major federal programs for the year ended December 31, 2013. Navajoland Nursing Home Inc. dba Chinle Nursing Home major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Navajoland Nursing Home Inc. dba Chinle Nursing Home major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Navajoland Nursing Home Inc. dba Chinle Nursing Home compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Opinion on Each Major Federal Program

In our opinion, Navajoland Nursing Home Inc. dba Chinle Nursing Home complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance. Our opinion on each major federal program is not modified with respect to these matters.

Navajoland Nursing Home Inc. dba Chinle Nursing Home's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Navajoland Nursing Home Inc. dba Chinle Nursing Home (a non-profit organization)'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Navajoland Nursing Home Inc. dba Chinle Nursing Home is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Navajoland Nursing Home Inc. dba Chinle Nursing Home's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Navajoland Nursing Home Inc. dba Chinle Nursing Home's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Elizabeth A. Oliver, CPA
Albuquerque, NM
February 7, 2015

NAVAJOLAND NURSING HOME, INC.

dba/CHINLE NURSING HOME

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2013

<u>Federal Grantor/ Pass Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services			
Pass-through programs from:			
Department of Health & Human Services			
Medical Assistance Program	93.778	Unknown	2,969,378
U.S. Department of Interior			
Bureau of Indian Affairs			
Indian Social Services-Welfare Assistance	15.113	Unknown	567,059

See accompanying notes to schedule of expenditures of federal awards.

NAVAJOLAND NURSING HOMES, INC.

DBA/CHINLE NURSING HOME

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2013

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Chinle Nursing Home and is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NAVAJOLAND NURSING HOMES, INC.

DBA/CHINLE NURSING HOME

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Navajoland Nursing Home Inc. dba Chinle Nursing Home.
2. There were no significant deficiencies found during the audit of the financial statements are reported in the Schedule of Findings & Questioned Costs.
3. There were no instances of noncompliance material to the financial statements of Navajoland Nursing Home Inc. dba Chinle Nursing Home division.
4. There were no significant deficiencies in internal control over major federal award programs that were found during the audit.
5. The auditor's report on compliance for the major federal award programs for Navajoland Nursing Home Inc. dba Chinle Nursing Home expresses an unqualified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The program tested as major programs included: Medical Assistance Program #93.778.
8. The threshold for distinguishing types A & B programs was \$300,000.
9. Navajoland Nursing Home Inc. dba Chinle Nursing Home was determined not to be a low-risk auditee.

FINDINGS-FINANCIAL STATEMENT AUDIT

Prior year comments resolved in current year:

None

**FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

N/A

None

NON-COMPLIANCE

None

CNH BUSINESS SITE LEASE



BUREAU OF INDIAN AFFAIRS
Navajo Region Office
Division of Real Estate Services
P. O. Box 1060

IN REPLY REFER TO:
N25-Branch of Leases/Permits

Gallup, New Mexico 87305-1060

JUL 30 2007

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

Mr. Henry Saltclah
Real Estate Department
Division of Economic Development
P. O. Box 663
Window Rock, Arizona 86515

Dear Mr. Saltclah:

Enclosed for your use and distribution are five (5) sets of the approved Lease Modification of Business Lease Number CH-02-213 to Navajoland Nursing Home Inc., dba Chinle Nursing Home. The 11.25 acre business site is located in Chinle, Apache County, Arizona.

If there are any questions, please contact Ms. Dawn Cody, Realty Specialist at 928.871.5921.

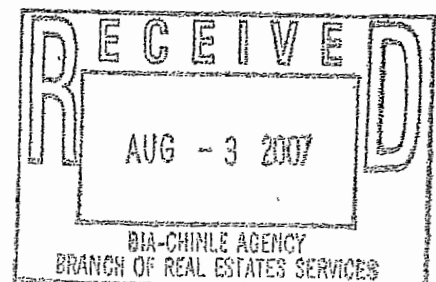
Sincerely,

/s/ Elsa J. Curley

Regional Realty Officer

Enclosure

cc: ~~Chinle Agency, Real Estate Services w/ encl.~~
~~Chinle Regional Business Development Office w/o encl.~~
Director, Financial Services w/o encl.
Director, Land Department w/o encl.



SUMMARY

AMENDMENT TO BUSINESS SITE LEASE #CH-02-213 BY ADDING 3.43 ACRES TO THE BUSINESS SITE LEASED TO NAVAJOLAND NURSING HOMES, INC.

1. The Navajo Nation leased 11.25 acres for a nursing home and appurtenant services on November 27, 1968 (CH-68-42) to Dine Bitsiis Baa Aha Yaa, Inc. (DBBAYI).
2. The Navajo Nation leased by an agreement the 11.25 acres (CH-68-42) to Navajo Health Authority replacing DBBAYI to operate a Nursing Home.
3. On January 29, 1980, by an amendment to agreement (CH-68-42), the Navajo Health Authority, Chairman of Navajo Tribal Council and the BIA Area Director gave Navajo Housing Authority 3.43 of the initial 11.25 for housing development. This left 7.82 acres for the Nursing Home. Five duplex houses were built thereafter.
4. On March 30, 2003, Business Site Lease # CH-02-213 was approved for Navajoland Nursing Homes, Inc.
5. On August 26, 2006 the Resource Committee of the Navajo Nation Council approved the termination of the 3.43 acres lease between Navajo Nation and Navajo Housing Authority to be used by Chinle Nursing Home for its staff housing purposes. The BIA Regional Director subsequently approved the termination.
6. It is necessary to amend Business Site Lease CH-02-213 to add the 3.43 acres back to the initial 11.25 acres assigned through CH-68-42 to the predecessors of Navajoland Nursing Homes, Inc: the DBBAYI and Navajo Health Authority.
7. All the required land use clearances have been done including the survey, the archaeological clearances, and environmental assessments. The Chinle Chapter support resolution CH-FEB-07-024 is included.

DWAYNE BILLSIE
PRESIDENT

DAVID YAZZIE, JR.
VICE PRESIDENT

CECELIA M. BEGAY
SECRETARY / TREASURER

ANDY R. AYZE
COUNCIL DELEGATE

HARRY CLAW
COUNCIL DELEGATE

HARRY H. CLARK
COUNCIL DELEGATE

NELSON GORMAN, JR.
COUNCIL DELEGATE

DESWOC
GRAZING REPRESENTATIVE

RESOLUTION OF THE CHINLE CHAPTER
NAVAJO NATION
CHIN-FEB-07-024

SUPPORTING CHINLE NURSING HOME IN AMENDING ITS BUSINESS SITE
LEASE # CH-02-213 BY ADDING 3.43 ACRES TO ITS ASSIGNED LAND.

WHEREAS:

1. The Chinle Chapter, a recognized local government of the Navajo Nation, vested with the power and authority to advocate on behalf of its constituents for the improvement of health, safety, and general welfare of the people; and
2. On March 11, 2002, the BIA Regional Director approved the business site lease # CH-02-213, with 7.82 acres for the Chinle Nursing / Navajo land Nursing homes, Inc.; and
3. Navajo Housing Authority's lease on 3.43 acres adjacent to the Chinle Nursing Home business site was terminated by the Resources Committee of the Navajo Nation Council on August 26, 2006 with the intent it would be used for Nursing Home staff housing; and
4. In order for the housing to be built, it is necessary to add the 3.43 acres to the Chinle Nursing Home business site.

NOW, THEREFORE BE IT RESOLVED THAT:

1. The Chinle Chapter hereby supports the Chinle Nursing Home in amending its business site lease # CH-02-213 by adding 3.43 acres to its assigned land.

CERTIFICATION

We, hereby certify that the foregoing resolution was duly considered by the Chinle Chapter at a duly called meeting in Chinle, Navajo Nation, Arizona at which a quorum was present, and that the same was passed by a vote of 37 in favor, 00 opposed, and 02 abstained, this 18th day of February, 2007.

Motion by: JOYCE V. DEZ

Second by: ERWIN WAYNE

Dwayne Billsie
Dwayne Billsie, President

Cecelia M. Begay
Cecelia M. Begay, Secretary/Treasurer

David Yazzie Jr.
David Yazzie Jr., Vice President

-

1

45

THENCE CONTINUING ALONG SAID COMMON BOUNDARY S 25°17'34" W (N25°59'26"E, 700.00', R3, R6) (S25°22'45" W, 700.00', R4), A DISTANCE OF 700.01 FEET TO THE POINT OF BEGINNING.

This modification does not change any of the terms and conditions of the base lease, or stipulations except as specifically set forth herein and nothing shall be deemed a waiver of the Navajo Nation's sovereign immunity. All other terms and conditions shall remain in force and effect.

Lessee(s) _____ Date 6-22-07
Chairman, Board of Directors

Lessee(s) _____ Date _____
Chairman, Board of Directors

Lessee(s)	Date
-----------	------

NAVAJO NATION, LESSOR

By: B. Hull JUL 05 2001
President/Vice-President

99

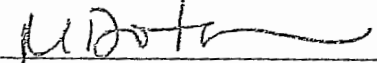
Date _____

DR. JOE SHIRLEY, JR.
President

BEN
Vice President

MEMORANDUM

TO: Karis Begay, Attorney
Department of Justice

FROM: 
Michelle Dotson, Legal Counsel
Office of the President/Vice President

DATE: May 24, 2007

SUBJECT: EDCAP-23-07

RECEIVED
MAY 24 2007
DEPARTMENT OF JUSTICE
LEGAL COUNSEL
Economic Development
Units

Attached herein is a copy of Resolution No. EDCAP-23-07, and several other documents. It appears that the Chinle Nursing Home Board of Directors obtained the Economic Development Committee's approval to expand their existing lease by 3.43 acres. The attachments however do not contain an amended lease to reflect the expansion.

Please review and prepare the amended lease in line with the Economic Development Committee's action.

Should you have any questions, please call me at extension 7812.

ATTACHMENTS

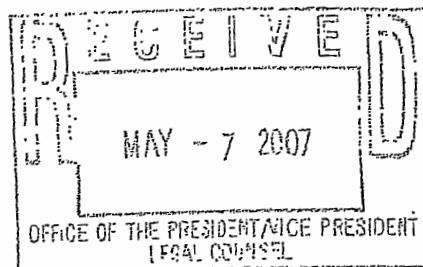
xc: Leo R. Begay, Chinle Nursing Home
file.



Chinle, Arizona 86503

May 7, 2007

Honorable Joe Shirley, Jr., President
Office of the President/Vice-President
THE NAVAJO NATION
P.O. Box #7440
Window Rock, Arizona 86515



Re: Amendment to Business Site Lease No. CH-02-213

Dear President Joe Shirley:

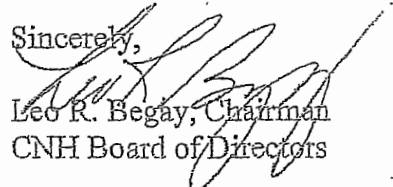
The Board of Directors of Navajoland Nursing Homes, Inc. respectfully requests your approval to effectuate the intent of resolution #EDCAP-23-07 of the Economic Development Committee of the Navajo Nation Council.

The summary sheet chronologically details the events leading to the necessity of the amendment which will increase the Chinle Nursing Home's land base to **11.25** acres. The lease will eventually be modified pursuant to the Nation's Management Plan as recommended by the Chairman of the Economic Development Committee.

With NAHASDA funds, the five (5) existing duplex houses will be renovated and a two-story apartment with ten (10) units will be constructed this summer on the **3.43** acre site which is being added by the amendment.

Furthermore, Mr. President, we have conceptional drawings of a planned addition of 100 beds to the nursing home when and if the Navajo Nation can provide the needed funds. Thank you.

Sincerely,


Leo R. Begay, Chairman
CNH Board of Directors

xc: file

Chinle, Arizona 86503



Ms. Karis Begaye, Attorney
Department of Justice
The Navajo Nation
Window Rock, Arizona 86515

RECEIVED
JUN 22 2007
DEPARTMENT OF JUSTICE
NATURAL RESOURCES
ECONOMIC DEVELOPMENT
UNIT

RE: BUSINESS SITE LEASE NO. CH-02-213

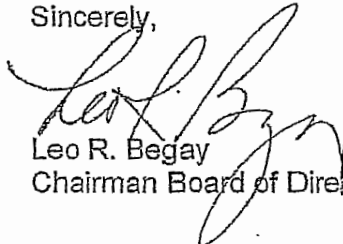
Dear Ms. Begaye:

Since you and I talked about the modification to the subject, we had a legal survey and land description re-done.

The modification will replace section 2: LAND DESCRIPTION, Part A, only the Tract Description. Therefore, the total acreage will be 11.25+-. The completed modification form and the survey plat and legal description are included herewith.

There are no other changes in the lease. If you have other concerns or questions, please call Ms. Teresa Thompson, at (928) 674-5216.

Sincerely,


Leo R. Begay
Chairman Board of Directors

LEASE MODIFICATION

NO.: _____

It is hereby agreed by and between the Navajo Nation, Lessor, and Navajoland Nursing Home Inc.,
 Lessee, and _____, Surety, that Business Site Lease No.: CH-02-213,
 be modified this 22nd day of June 2007 to provide:

1. An amendment to Paragraph 2 (A); to include:

Legal Description:

A PARCEL LAND SITUATE WITHIN SECTIONS 24, TOWNSHIP 32 NORTH, RANGE 25 EAST, GILA & SALT RIVER MERIDIAN, IN CHINLE, APACHE COUNTY, STATE OF ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 24, MARKED BY A B.L.M. BRASS CAP, FROM WHICH THE NORTHEAST CORNER OF SAID SECTION 24, ALSO MARKED BY A B.L.M. BRASS CAP LIES 0000'00" W, A DISTANCE OF 5279.76 FEET (BASIS OF BEARINGS) (NORTH, 5280.00 FEET PER B.L.M. SURVEY PLAT 1285-13 DATED JUNE 16, 1994, R1), THENCE N 77°30'24" W, A DISTANCE OF 1476.77 FEET TO A CONCRETE NAIL FOUND ON THE COMMON BOUNDARY OF THE CHINLE NURSING HOME TRACT (SURVEY PLAT OF THE CHINLE NURSING HOME TRACT BY THE NAVAJO LAND DEPARTMENT, DATED JULY 15, 1999, R2) AND PARCELS "A1" & "B1" OF THE CHINLE COMPREHENSIVE HEALTH CARE FACILITY TRACT (SURVEY PLAT OF THE AMENDED BOUNDARY OF THE CHINLE COMPREHENSIVE HEALTH CARE FACILITY TRACT BY SUN MESA ENTERPRISES INC., DATED APRIL 4, 2004, R3), SAID POINT BEING THE POINT OF BEGINNING;

THENCE ALONG SAID COMMON BOUNDARY N 64°40'05" W (N64°37'15"W, R4) (S64°58'44"E, R3 R6), A DISTANCE OF 700.00 FEET TO CONCRETE NAIL TAGGED "GPS RLS 42048" FOUND AT THE COMMON CORNER WITH THE CHINLE NURSING HOME TRACT, CHINLE VALLEY SCHOOL TRACT AND PARCEL "A1" OF THE CHINLE COMPREHENSIVE HEALTH CARE FACILITY TRACT, FROM WHICH THE SOUTHWEST CORNER OF THE CHINLE VALLEY SCHOOL TRACT MARKED BY 1-1/2" ALUMINUM CAP STAMPED "AZ 22279" BEARS N 64°40'05" W (S65°00'34"E, 775.81', R2) (N65°00'34"W, 775.81' PER LEGAL DESCRIPTION OF THE CHINLE VALLEY SCHOOL TRACT ON FILE AT THE NAVAJO LAND DEPARTMENT, WINDOW ROCK OFFICE, DATE UNKNOWN, R5) (S64°58'44"E, R3), A DISTANCE OF 775.69 FEET;

THENCE ALONG A COMMON BOUNDARY WITH SAID CHINLE VALLEY SCHOOL TRACT 25°17'34" E (N24°59'26"E, 700.00', R2) (S24°59'26"W, 700.00', R5), A DISTANCE OF 699.97 FEET TO A 1/2" REBAR WITH PLASTIC CAP STAMPED "GPS RLS 42048" FOUND AT THE COMMON CORNER WITH THE CHINLE VALLEY SCHOOL TRACT AND PARCEL "B1" OF THE CHINLE COMPREHENSIVE HEALTH CARE FACILITY TRACT FROM WHICH THE NORTHWEST CORNER OF THE CHINLE VALLEY SCHOOL TRACT MARKED BY 5/8" REBAR WITH PLASTIC CAP STAMPED "PS 11276" BEARS 25°17'34" W (S65°00'34"E, 775.81', R5) (N64°58'44"W, R3, R6), A DISTANCE OF 775.75 FEET;

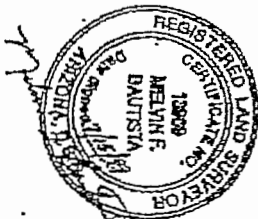
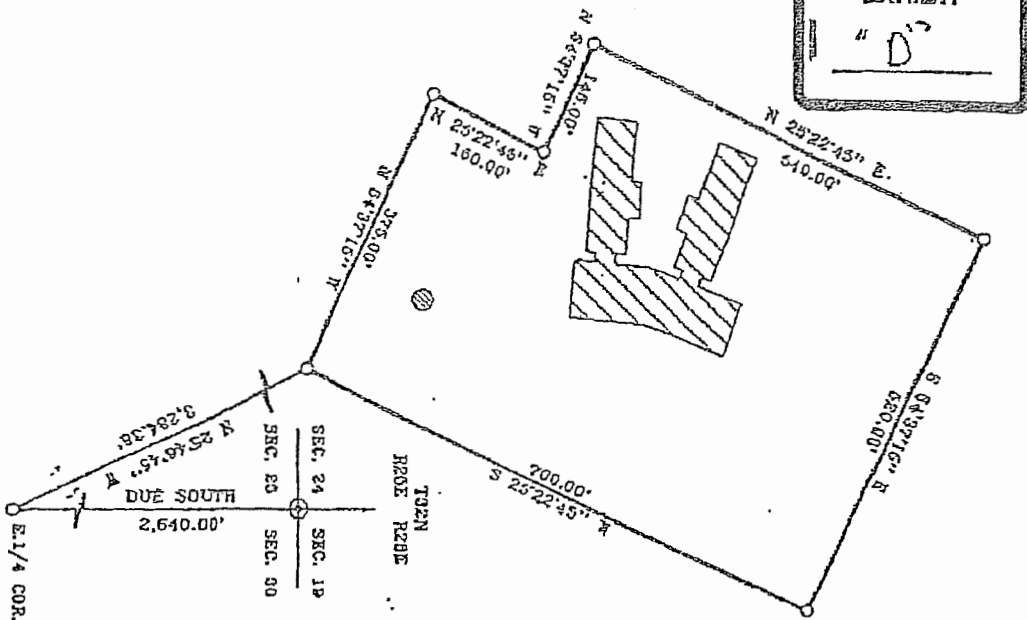
THENCE ALONG A COMMON BOUNDARY WITH PARCEL "B1" OF THE CHINLE COMPREHENSIVE HEALTH CARE FACILITY TRACT S 64°40'17" E (S65°00'34" E, R2) (N65°58'44"W, R3, R6) (D64°37'15"E, R4), A DISTANCE OF 700.00 FEET TO A 1-1/2" ALUMINUM CAP STAMPED "AZ 22279" AND TAGGED "GPS RLS 42048" FOUND AT THE COMMON WITH THE CHINLE NURSING HOME TRACT AND PARCEL "B1" OF THE CHINLE COMPREHENSIVE HEALTH CARE FACILITY TRACT;

THENCE CONTINUING ALONG SAID COMMON BOUNDARY S 25°17'34" W (N25°59'26"E, 700.00', R3, R6) (S25°22'45" W, 700.00', R4), A DISTANCE OF 700.01 FEET TO THE POINT OF BEGINNING.

SAID TRACT BEING 11.25 ACRES MORE OR LESS, AND BEING SUBJECT TO ANY AND ALL EXISTING EASEMENTS FOR UTILITIES LOCATED THEREIN.

This modification does not change any of the terms and conditions of the base lease, or stipulations except as specifically set forth herein and nothing shall be deemed a waiver of the Navajo Nation's sovereign immunity. All other terms and conditions shall remain in force and effect.

Surety_____
Date_____
Lessee(s)_____
Date_____
Chairman, Board of Directors_____
Lessee(s)_____
Date_____
NAVAJO NATION, LESSOR_____
By:_____
President/Vice-President



N.L.D.

CHINLE NURSING HOME

7.82 AC. ±

DISTRICT 10-NAVAJO INDIAN RESERVATION
SE/4 OF SEC. 24 T32N, R25E, G. & S.R.M.
CHINLE, APACHE COUNTY, ARIZONA

TRACT DESCRIPTION

A PARCEL OF LAND SITUATED WITHIN THE SOUTHWEST QUARTER (SE/4) OF SECTION 24, TOWNSHIP 32 NORTH, RANGE 25 EAST, G1A & SALT RIVER MERIDIAN, IN THE VICINITY OF CHINLE, APACHE COUNTY, STATE OF ARIZONA, AND IS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE at the Northwest Corner of Section 25 of said Township 32 North, Range 25 East, G1A and Salt River Meridian;

THENCE run DUE SOUTH, 2,640.00 feet;

THENCE run N 26° 48' 45" W, 3,284.38 feet

to the POINT OF BEGINNING of the herein described parcel of land;

THENCE N 04° 37' 10" W, 575.00 feet;

THENCE N 25° 22' 45" E, 100.00 feet;

THENCE N 04° 37' 15" W, 145.00 feet;

THENCE N 25° 22' 45" E, 640.00 feet;

THENCE S 64° 37' 15" E, 620.00 feet;

THENCE S 25° 22' 45" W, 700.00 feet

to the Point of Beginning.

Being 7.82 acre(s), more or less, in area, and being subject to any and all existing easements for underground utilities located herein.

Surveyed June 15, 1999 by the Navajo Land Department, The Navajo Nation, Window Rock, Arizona.

EXHIBIT "A"

Heard by Thomas
Advised: Clear
(928) 674-5216 (13)
928 349-0553 cell

RESOLUTION OF THE
ECONOMIC DEVELOPMENT COMMITTEE
OF THE NAVAJO NATION COUNCIL

21st NAVAJO NATION COUNCIL - First Year, 2007

AN ACTION

RELATING TO ECONOMIC DEVELOPMENT; APPROVING A LEASE
AMENDMENT BY ADDING 3.43 ACRES, MORE OR LESS, TO LEASE NO.
CH-02-213 BETWEEN THE NAVAJO NATION AND NAVAJOLAND NURSING
HOME, INC., DBA: CHINLE NURSING HOME, LOCATED WITHIN
CHINLE CHAPTER, NAVAJO NATION (ARIZONA)

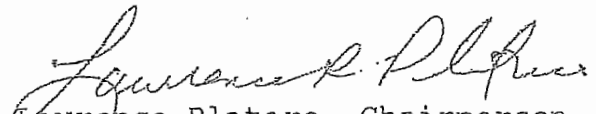
BE IT ENACTED:

1. The Navajo Nation hereby approves a lease amendment by adding 3.43 acres, more or less, to Lease No. CH-02-213 between the Navajo Nation and Navajoland Nursing Home, Inc., DBA Chinle Nursing Home, located within Chinle Chapter, Navajo Nation (Arizona), attached hereto as Exhibit "A".

2. The Navajo Nation hereby authorizes the President of the Navajo Nation to execute any and all documents necessary to effectuate the intent of this resolution.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Economic Development Committee of the Navajo Nation Council at a duly called meeting at St. Michaels, Navajo Nation (Arizona), at which a quorum was present and that same was passed by a vote of 5 in favor, 0 opposed and 0 abstained, this 26th day of April, 2007.


Lawrence Platero, Chairperson
Economic Development Committee

Motion: Tom LaPahe
Second: Tommy M. Tsosie

PROPOSED STANDING COMMITTEE RESOLUTION

COMMITTEE

21st NAVAJO NATION COUNCIL -- First Year, 2007

INTRODUCED BY

Andy R. Ayze

(Prime Sponsor)

TRACKING NO. 0319-07

AN ACTION

RELATING TO ECONOMIC DEVELOPMENT; APPROVING A LEASE
AMENDMENT BY ADDING 3.43 ACRES, MORE OR LESS, TO LEASE NO. CH-02-
213 BETWEEN THE NAVAJO NATION AND NAVAJOLAND NURSING HOME,
INC., DBA: CHINLE NURSING HOME, LOCATED WITHIN CHINLE CHAPTER,
NAVAJO NATION (ARIZONA)

BE IT ENACTED:

1. The Navajo Nation hereby approves a lease amendment by adding 3.43 acres, more or less, to Lease No. CH-02-213 between the Navajo Nation and Navajoland Nursing Home, Inc., DBA Chinle Nursing Home, located within Chinle Chapter, Navajo Nation (Arizona), attached hereto as Exhibit A.

2. The Navajo Nation hereby authorizes the President of the Navajo Nation to execute any and all documents necessary to effectuate the intent of this resolution.

5

NAVAJO HOUSING AUTHORITY
APPROVED \$21,448,516



Hooghan—Center of Family Growth, Strength and Beauty
NAVAJO HOUSING AUTHORITY

RESOLUTION NHA- 4548-2015

**RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE NAVAJO HOUSING AUTHORITY**

**Approving and Authorizing a Funding Commitment
Of \$21,448,516 of Equity Reserve Funds for the
Design and Construction of a New Nursing Home Facility**

WHEREAS:

1. Public Law 104-330, the Native American Housing Assistance and Self Determination Act of 1996 (NAHASDA), was enacted to provide housing assistance that recognizes the rights of Indian Self-determination and Self-governance through a program known as Indian Housing Block Grant (IHBG); and

2. The Navajo Housing Authority (NHA) (a) was created and established as a public body of the Navajo Nation under the laws of the Navajo Nation at 6 N.N.C. § 601 and its Plan of Operation is codified thereunder; (b) pursuant to 24 CFR 1000.206 of the NAHASDA regulations, is the Tribally Designated Housing Entity (TDHE) for the Navajo Nation and is an eligible recipient of IHBG pursuant to Navajo Nation Council (NNC) Resolution CD-82-03; and (c) is otherwise regulated by HUD NAHASDA program requirements set forth in the Code of Federal Regulations, Title 24 Housing and Urban Development, Parts 85 and 1000; and

3. Pursuant to 6 N.N.C., Sections 605 and 616(b)(3), the Board of Commissioners of the Navajo Housing Authority (NHA) is empowered with the authority to manage the affairs of the NHA with the power to do all things necessary or desirable to secure the financial aid or cooperation of the federal government in the undertaking of providing safe, decent and sanitary housing; and

4. The Navajoland Nursing Homes, Inc., DBA Chinle Nursing Home (CNH) is the only level 1 and level 2 nursing home care facility on the Navajo Nation and has operated in Chinle, Arizona for over 47 years. The CNH was a subrecipient of NAHASDA funds for the rehabilitation of 10 staff housing units and the construction of 10 new staff rental housing units. The CNH Sub Recipient Agreements were entered into before June 10, 2014; and

5. On August 6 and 7, 2015, CNH staff David Ezell and the Vice Chairperson of the CNH board, Shirley Stoner both reported to the NHA Board of Commissioners on the deteriorated 47 year old facility and pending closure of the facility because of numerous safety violations that arose because of the aging facility; and

6. Aneva Yazzie, the NHA CEO, also met with Wayne Claw, the CNH CEO on Tuesday, September 1, 2015, toured the aging CNH facility, and met with some of the residents. The NHA CEO saw first-hand the dire and immediate need for a safe and decent modern facility for elderly Navajo citizens who need a facility on the Navajo Nation so that they will not be transported off reservation for their critical medical care; and

7. The preliminary initial estimate to design and construct a new 125 bed facility would cost about \$28,598,022 and CNH would like the NHA to assist in funding part of that need; and

RESOLUTION NHA-4548-2015

September 5, 2015

Page 2

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board of Commissioners of the Navajo Housing Authority hereby approves and authorizes a funding commitment of \$21,448,516 (75%) of the total funds needed in the amount of \$28,598,022 to construct a new level 3, 120-bed, 67,800 square foot, 3-story nursing home facility in Chinle, Arizona, using the Navajo Housing Authority's Equity Funds provided that the Navajo Nation or another funding source commits funds for the remaining unmet funding need to complete construction of the new facility.

2. The Board of Commissioners of the Navajo Housing Authority hereby authorizes and directs the Chief Executive Officer and her staff to begin work on the planning and design of the new nursing home facility.

3. The Board of Commissioners of the Navajo Housing Authority challenges and requests the Navajo Nation, all of its Divisions, Departments, and any other Navajo, federal, or entity to assist in funding the design and development of a new nursing home facility that will serve as a home away from home for our Navajo elderly.

4. The Board of Commissioners of the Navajo Housing Authority hereby authorizes and directs the Chief Executive Officer to take all other necessary action to effectuate this resolution.

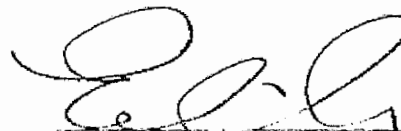
CERTIFICATION

Commissioner Ben Johnson, moved that the foregoing Resolution NHA-4548-2015 be adopted and this was seconded by Commissioner Kenneth Chester.

Same was passed by the following vote:

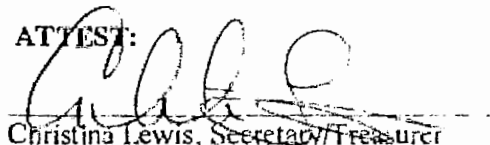
AYES: 7 NAYS: 0 ABSTAINED: 0

The Secretary, thereupon, declared said motion carried and said Resolution NHA-4548-2015 was adopted this 5th day of September, 2015.



Ervin Chavez, Chairperson
NHA BOARD OF COMMISSIONERS

ATTEST:



Christina Lewis, Secretary/Treasurer
NHA BOARD OF COMMISSIONERS

RESPECTIVE CHIEF: 

LEGAL REVIEW: 

CHIEF EXECUTIVE OFFICER: 

CNH ARTICLES OF INCORPORATION

COMMISSIONERS
KRISTINK. MAYES - Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP



ARIZONA CORPORATION COMMISSION

ERNEST G. JOHNSON
Executive Director

JEFF GRANT
Director
Corporations Division

September 11, 2009

VICTOR JOE JR
PO BOX 910
CHINLE, AZ 86503

RE: NAVAJOLAND NURSING HOMES, INC.
File Number: 01450670

We are pleased to notify you that your Amendment to Articles of Incorporation for the above-referenced corporation HAS BEEN APPROVED.

You must publish a copy of the Amendment. The publication must be in a newspaper of general circulation in the county of the known place of business in Arizona for three consecutive publications. A list of acceptable newspapers in each county is enclosed and is also posted on the Commission website. Publication must be completed WITHIN 60 DAYS after September 11, 2009, which is the date the document was approved for filing by the Commission. The corporation may be subject to administrative dissolution if it fails to publish. You will receive an Affidavit of Publication from the newspaper, and you may file it with the Commission.

We strongly recommend that you periodically monitor your corporation's record with the Commission, which can be viewed at www.azcc.gov/divisions/corporations. If you have questions or need further information, please contact us at (602) 542-3026 in Phoenix, (520) 628-6560 in Tucson, or Toll Free (Arizona residents only) at 1-800-345-5819.

Sincerely,
Linda CJohnson
Examiner, Corporations Division

RECEIVED
SEP 16 2009

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION
CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Ernest G. Johnson, Executive Director of the Arizona Corporation Commission, do hereby certify that

NAVAJOLAND NURSING HOMES, INC.

a domestic nonprofit corporation organized under the laws of the State of Arizona, did incorporate on February 18, 1982.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Nonprofit Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-3122, 10-3123, 10-3125, & 10-11622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 18th Day of August, 2010, A. D.



Executive Director

By: _____ 507190

WELLERS ARCHTIECT
PROPOSED PROJECT
BUDGETING
67,800 SQ FT.

JUNE 07, 2016

CHINLE NURSING HOME PROPOSED 120 BED CONSTRUCTION COST

Weller Estimated Cost to Construct 67,800 Sq. Ft. New Facility	\$28,598,022.00
Funds Approved by Navajo Housing Authority (NHA)	\$21,448,516.00
NHA funds to be use for new furniture/update Computer System	\$890,494.00
NHA Fund Balance for Construction Cost	\$20,598,022.00
Request NN for Construction Cost Only	\$8,000,000.00

Total Construction Cost to Complete 67,800 Sq. Ft. New Facility	\$28,598,022.00
---	-----------------

- \$890,494.00 of NHA non- restricted funds will be used to purchase new furniture and updated computer system for new facility.

Preliminary Project Budgeting Chinle Replacement Nursing Home

Chinle, Arizona

Date: August 24, 2014

Project No.:

1501.00

WellerArchitects

Chinle Replacement Nursing Home				
Hard Costs			COST	REMARKS
1	Proposed Building Size:	67,800 sq. ft.		
	1.a Number of Stories	3 floors		
	1.b Area per floor	22,600 sq. ft.		
	1.c Number of Beds	120 beds		
2	Opinion of Building Construction Cost:	\$288 /sq. ft.	\$19,526,400	Approximate
3	Opinion of Site Improvemt Cost:		\$1,933,113	Approximate
Opinion of Aproximate Hard Cost:			\$21,459,513	OPCC
Soft Costs				
4	Approximate Soft Costs:			
	4.a Project Management Fee	+2%	\$435,606	% of OPCC. Assumed
	4.b A/E Fee	10%	\$2,145,951	% of OPCC
	4.c Topographic Survey		\$4,500	Approximate
	4.d Geotechnical Investigation		\$6,500	Approximate
	4.e Furniture and Equipment		\$2,400,000	Approximate
Opinion of Aproximate Soft Cost:			\$4,992,557	
5	5.a Construction Contingency	10%	\$2,145,951	% of OPCC
OPINION OF PROJECT COST:			\$28,598,022	

CNH GRANT APPLICATION

The Navajo Nation Grant Application

Name of Applicant: CHINLE NURSING HOME		Telephone No.: 928-674-5216
Mailing Address: P.O. Box 2303 Chinle, Arizona 86503		Email: wynclaw@yahoo.com
Physical Address: N191 West Hospital Rd.		IRS TIN/EIN No: 860427359
NN Grant Request Amount: 8,000,000.00	Grant Start Date: Jan. 2016	Grant End Date: 1/1/2018

Brief Description of the Organization or Entity Requesting the Grant:
Chinle Nursing Home (CNH) a non-profit nursing home for 79 elders

PROBLEMS/NEEDS STATEMENT

Briefly describe the problems/needs identified based on relevant and collected data. The statement should be brief, clear and concise, including population (Navajo) to be served and location of the population.

CNH received 75% (\$21,488,516.00) of funding to replace the existing 49 years old non-compliance with Center for Medicare/Medicaid Services(CMS) facility to a new 120 bed nursing home facility. CNH is requesting the Navajo Nation for the 25% (8,000,000.00) match to complete the new facility. CNH elder clients are from the entire Navajo Nation per Navajo Nation Family Services FY 2000 elders study approximately 2,100 elders that need assistance for nursing home care. CNH hired Dyron Murphy's Architect of Albuquerque in March 2016 and presently in the design stages.

METHODOLOGY

Briefly describe the approaches, services, and/or ways the problems or needs which will be addressed with the grant.

CNH has already received 75% of the funding for the new 120 beds facility, the new facility will replace the old building which does not meet CMS requirement for a Level 3 facility (more severe care for elders), CNH is a Level 1 & 2 facility presently, the new facility will meet the requirements so majority of the elders that are at Level 3 in off reservation nursing homes will be able to be transferred back to Chinle CNH new facility, near their home. The 25% matching from the Navajo Nation will complete the cost of the construction of new facility.

To the best of my knowledge and belief, all data in this application are true and correct. The document has been duly authorized by the governing body of the applicant and the applicant will comply with the Navajo Nation terms and conditions if the grant is awarded.

Signature of Authorized Representative

Victor Joe, Jr.
Type Name of Authorized Representative

4/29/2016
Date Signed

Chairman, CNH Board of Directors
Title

[illegible]

THE NAVAJO NATION
PROJECT BUDGET AND JUSTIFICATION

BUDGET FORM 3

Page 1 of 3

PART I. Business Unit No.: <u>NEW</u>				
Project Title: <u>New Chinle Nursing Home 120 bed -Funds contributed by Navajo Nation</u>				
PART II.				
(A)	(B)	(C)	(D)	(E)
Fund Source Code	Agency Code	Object Code (LOD 6)	Object Code Description (LOD 7) & Justification	Budget TOTAL
N/A 01	2	9050	9052-Building-Construction of new nursing home faciity	\$8,000,000.00
PAGE TOTAL:				\$8,000,000.00

NAVAJO LANDS CHINLE NURSING HOME
PROPOSED PROJECT SCHEDULE

ID	Task Name	Duration	Start	Finish	Predecessor	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000	3001	3002	3003	3004	3005	3006	3007	3008	3009	3010	3011	3012	3013	3014	3015	3016	3017	3018	3019	3020	3021	3022	3023	3024	3025	3026	3027	3028	3029	3030	3031	3032	3033	3034	3035	3036	3037	3038	3039	3040	3041	3042	3043	3044	3045	3046	3047	3048	3049	3050	3051	3052	3053	3054	3055	3056	3057	3058	3059	3060	3061	3062	3063	3064	3065	3066	3067	3068	3069	3070	3071	3072	3073	3074	3075	3076	3077	3078	3079	3080	3081	3082	3083	3084	3085	3086	3087	3088	3089	3090	3091	3092	3093	3094	3095	3096	3097	3098	3099	3100	3101	3102	3103	3104	3105	3106	3107	3108	3109	3110	3111	3112	3113	3114	3115	3116	3117	3118	3119	3120	3121	3122	3123	3124	3125	3126	3127	3128	3129	3130	3131	3132	3133	3134	3135	3136	3137	3138	3139	3140	3141	3142	3143	3144	3145	3146	3147	3148	3149	3150	3151	3152	3153	3154	3155	3156	3157	3158	3159	3160	3161	3162	3163	3164	3165	3166	3167	3168	3169	3170	3171	3172	3173	3174	3175	3176	3177	3178	3179	3180	3181	3182	3183	3184	3185	3186	3187	3188	3189	3190	3191	3192	3193	3194	3195	3196	3197	3198	3199	3200	3201	3202	3203	3204	3205	3206	3207	3208	3209	3210	3211	3212	3213	3214	3215	3216	3217	3218	3219	3220	3221	3222	3223	3224	3225	3226	3227	3228	3229	3230	3231	3232	3233	3234	3235	3236	3237	3238	3239	3240	3241	3242	3243	3244	3245	3246	3247	3248	3249	3250	3251	3252	3253	3254	3255	3256	3257	3258	3259	3260	3261	3262	3263	3264	3265	3266	3267	3268	3269	3270	3271	3272	3273	3274	3275	3276	3277	3278	3279	3280	3281	3282	3283	3284	3285	3286	3287	3288	3289	3290	3291	3292	3293	3294	3295	3296	3297	3298	3299	3300	3301	3302	3303	3304	3305	3306	3307	3308	3309	3310	3311	3312	3313	3314	3315	3316	3317	3318	3319	3320	3321	3322	3323	3324	3325	3326	3327	3328	3329	3330	3331	3332	3333	3334	3335	3336	3337	3338	3339	3340	3341	3342	3343	3344	3345	3346	3347	3348	3349	3350	3351	3352	3353	3354	3355	3356	3357	3358	3359	3360	3361	3362	3363	3364	3365	3366	3367	3368	3369	3370	3371	3372	3373
----	-----------	----------	-------	--------	-------------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

NHA NAVAJO HOUSING AUTHORITY

FEDEX OVERNIGHT DELIVERY

December 30, 2011

Mr. Randall Akers, Administrator
U. S. Department of Housing and Urban Development
Northern Plains Office of Native American Programs
1670 Broadway Street
Denver, Colorado 80202-4801

*Rec'd
1/6/2012
WJ*

RE: ENVIRONMENTAL REVIEW WAIVER – Chinle Nursing Home

Dear Mr. Akers:

Pursuant to Section 105 (d) of the Native American Housing and Self Determination Act (NAHASDA) of 1996, as amended, the Navajo Housing Authority (NHA) is requesting a waiver be granted for prior expenditures incurred for five (5) existing duplexes located in Chinle, Arizona. The project was initially funded in the amount of \$132,000 under the FY 2006 Indian Housing Block Grant for the original plan awarded to the sub-recipient, Chinle Nursing Home (CNH). Initially the NHA and CNH entered into a Subrecipient Agreement on August 11, 2006. As a part the sub-recipient agreement, provisions allowed for the sub-recipient to conduct the Environmental Assessment (EA) reviews on a contracted basis when necessary; however, in this instance, the NHA issued an Exemption for Administrative Activities only on January 10, 2007 to conduct the initial planning and engineering activities (copy attached as Exhibit A).

This was communicated to CNH in 2007, however, by the end of the year there was turnover in CNH's executive management staff. Concurrently, the CNH completed land lease modifications for a portion of land following execution of the first sub-recipient agreement and pursued general project planning activities. By the fall of 2010, CNH proceeded with a renovation project and related construction activities based on their determination that the undertaking was exigent and necessary due to the deteriorating conditions of the duplexes and oncoming winter weather conditions. Towards the conclusion of the project, NHA was informed that such activities had occurred and discovered that the project required additional environmental clearances. Thereafter, on or about March 21, 2011, CNH submitted a request for reimbursement of approximately \$70,637.91 in material and labor expenses incurred. To date, no project expenses have been reimbursed by NHA to CNH pending this waiver request and final environmental clearances to be acquired. Further, the NHA has received its certified FY 2011 Indian Housing Plan (IHP) in which a total sum of \$1,105,933 has been allocated for renovation activities for the same project for which this waiver request is submitted.

As a result, NHA, through the Grants Management Department advised CNH that in order to allow reimbursement of construction related expenses, the environmental records would need to

be updated to include the potential for demolition and reconstruction of ten (10) existing units. In coordination and consultations with the CNH, NHA has requested for and obtained supporting documents for this waiver request, including recent updates to the previously approved Environmental Assessment (copy attached as Exhibit B). The NHA provides this copy for your review and any recommended changes.

We believe all necessary corrections have now been addressed. To support this request, the NHA has complied with the following requirements.

ENVIRONMENTAL COMPLIANCE - The Secretary may waive the requirements under this section if the Secretary determines that a failure on the part of a recipient to comply with the provisions of this section:

- (1) will not frustrate the goals of the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) or any other provision of law that furthers the goals of that Act;***

The NHA and Chinle Nursing Home, a Non-Profit Navajo Business, believes the goal of NEPA of 1969 has been addressed. As part of the ERR process, an Environmental Assessment (EA) will be further amended based on the proposed waiver request and any recommended changes. This shall include consultation with the Navajo Nation Water Resources, the Navajo Nation Environmental Protection Agency, and certified Environmental professionals/consultants, to comply with the requirement of the environmental review process pursuant to 24 CFR Part 58, (13) Categorical Exclusion documentation. Only prior Administrative Exemptions have been completed, reviewed and issued by the Tribally Designated Housing Entity, NHA to allow the full EA to be completed.

- (2) does not threaten the health or safety of the community involved by posing an immediate or long-term hazard to residents of that community;***

As a result of the renovation conducted by CNH in 2009 and 2010, there is no longer an imminent threat of health or safety to the local community or of any long term hazardous conditions as a result of the expenditure of NAHASDA funds or housing activities authorized pursuant to the Sub-recipient Agreement(s) between CNH and NHA. We have included pictures of the completed work (copies attached as Exhibit C).

- (3) is a result of inadvertent error, including an incorrect or incomplete certification provided under subsection (c) (1);***

The incomplete environmental requirement was not discovered by NHA Grants Management Department until June 2010 while the CNH management turnover had also occurred in the interim. Subsequently, NHA requested a review of the ERR process and related supporting documents. The ERR record was determined to be incomplete and corrective measures were undertaken immediately upon discovery including the updated Environmental Assessment.

ENVIRONMENTAL REVIEW

NAHASDA BLOCK GRANT BUDGET **FISCAL YEAR 2006 IHBG**

Proposed Activity: Deve

- ☐ New Construction
☐ Renovation/Rehabilitat
☐ Acquisition
☒ Pre-Engineering/Plan
☐ Infrastructure Planning

Name of Housing Provider: Chinle Nursing Home			Home Ownership	No. of Units	<input type="checkbox"/> Renovation/Rehabilitat <input type="checkbox"/> Acquisition <input checked="" type="checkbox"/> Pre-Engineering/Plan <input type="checkbox"/> Infrastructure Planning	
Proposed Project Location: Chinle, Arizona			Public Rental	No. of Units 10		
Line No.	Account Classification		Latest Approved Budget	Actual NAHASDA Cost Incurred	Increase(Decrease) Budget +/(-) (F)	Revised Amount
(A)	Account Number (B)	Description (C)	(D)	(E)	(F)	(G)
1	141001	Administration Salaries	25,000	-	-	
2	141009	Employee Benefit Contribution	-	-	-	
3	141010	Travel	-	-	-	
4	141011	Training Expense	1,000	-	-	
5	141012	Publications	-	-	-	
6	141013	Advertisement Expenses	400	-	-	
7	141014	Membership Dues/Subscription	-	-	-	
8	141015	Office Supplies Expense	-	-	-	
9	141016	Telephone	-	-	-	
10	141017	Postage Expense	-	-	-	
11	141018	Bank Service Charges	-	-	-	
12	141019	Miscellaneous Expense	-	-	-	
13	141020	Maintenance Agreement	-	-	-	
14	141021	Accounting & Audit Fees	-	-	-	
15	141023	Consultant Fees	-	-	-	
16	141025	Board Stipend	-	-	-	
17	141800	Counseling	-	-	-	
18	147503	Office Equipment	-	-	-	
19	TOTAL ADMINISTRATION (sum 1-18)		26,400	-	-	
20	143001	Architectural Engineering Services	95,000	-	-	
21	143006	Permit Fees	-	-	-	
22	143007	Inspection Costs	-	-	-	
23	143019	Sundry Planning Costs	5,600	-	-	
24	TOTAL PLANNING (sum 20-23)		100,600	-	-	1
25	144004	Surveys and Maps	5,000	-	-	
26	144019	Sundry Site Costs	-	-	-	
27	TOTAL SITE ACQUISITION (sum 25-26)		5,000	-	-	
28	145001	Site Improvements	-	-	-	
29	146001	Dwelling Construction	-	-	-	
30	147001	Non dwelling Construction	-	-	-	
31	148001	Contract Work in Progress	-	-	-	
32	TOTAL CONSTRUCTION (sum 28-31)		-	-	-	
33	TOTAL NAHASDA BUDGET (sum 19,24,27&32)		132,000	-	-	1

Navajo Nation Housing Provider Approval:

Ella S. Dalton, Administrator
Name/Title

Ella S. Dalton
Signature

6/29/06
Date

TRIBALLY DESIGNATED HOUSING ENTITY APPROVAL

Chesler Carl
TDHE Chief Executive Officer

[Signature]
Signature

8/11/06
Date

Financial Management Operations

[Signature] 8/18/06
TDHE Chief Financial Officer Date

[Signature] Tech...
Name/Title Date

Note: If Total Budget includes construction dollars, the sum of Line 19 & 24 should not exceed 20% of the Total Grant Proposed (Line 33)

NHA NAVAJO HOUSING AUTHORITY

MEMORANDUM

TO: Environmental Review Record

FROM: Thomascita Shorty
Thomascita Shorty, Environmental Compliance Officer

DATE: January 9, 2007

SUBJECT: Exempt Activities

HOUSING PROVIDER: Chinle Nursing Home

GRANT YEAR: 2006

The purpose of this memorandum is to document that the Navajo Housing Authority has determined, in accordance with the citation from 24 CFR 58.34(a) referenced below, that the following activities are exempt from National Environmental Policy Act requirements and other provisions of law or authorities cited in 24 CFR 58.5.

<u>Activity</u>	<u>Regulatory Citation</u>	<u>Budgeted Amount</u>
Environmental & Other Studies	Sec. 58.34 (a) (1)	\$132,000.00
Administrative & Mgmt Activities	Sec. 58.34 (a) (3)	
Inspection & Testing	Sec. 58.34 (a) (5)	
Engineering or Design Costs	Sec. 58.34 (a) (8)	

Total: \$132,000.00

Attached to this memorandum is a determination regarding compliance with the requirements of 24 CFR 58.6 for the listed activities.

Concurrence of the TDHE:

Title: Acting Chief Executive Officer Signature [Signature] Date 1/10/2007

Attachment

(4) and may be corrected through the sole action of the recipient.

The NHA has taken action to correct the lack of a complete ERR record by taking responsibility for the coordination process to ensure proper records are established and communication exists between all parties including the NHA Environmental Clearance Program, the sub-recipient and the NHA Grants Management Department.

In closing, the NHA is requesting a waiver under P.L. 107-292 Section 105, subsection (d) from HUD to resolve this matter. Your consideration is appreciated. If you should have any questions or need additional information, please feel free to contact NHA at (982) 871-2603.

Sincerely,

NAVAJO HOUSING AUTHORITY



Aneva J. Yazzie, Chief Executive Officer

xc: Marlene Lynch, CFO
Louis Shepherd, Grants Manager
Wayne Claw, Executive Director/CNH



U.S. Department of Housing
and Urban Development
Pacific/Hawaii Office of
Community Planning and Development
Environmental Branch

Environmental Assessment

(HUD recommended format per
24 CFR 58.36, revised 1/99)

Project Identification: Construction of 10 New Housing Units, & Demolish and Reconstruct 10 Existing Housing Units

Preparer: Chinle Nursing Home

Responsible Entity: Navajo Nation

Month/Year: December/2011

Environmental Assessment

Responsible Entity [24 CFR 58.2(a)(7)]: Navajo Nation

Certifying Officer [24 CFR 58.2(a)(2)]: Ben Shelly, Navajo Nation President

Project Name: Construction of Ten New Housing Units, & Demolish & Reconstruct Ten Existing Housing Units

Project Location: Chinle, Apache County, Arizona

Estimated total project cost: \$1,200,000 (FY 2004)
\$1,680,000 (FY 2006)

Grant Recipient [24 CFR 58.2(a)(5)]: Navajo Housing Authority/Chinle Nursing Home

Recipient Address: P.O. Box 4980 Window Rock, Arizona 86515

Project Representative: Ella S. Dalton, Administrator, Chinle Nursing Home

Telephone Number: 928 674-5216

Conditions for Approval: (List all mitigation measures adopted by the responsible entity to eliminate or minimize adverse environmental impacts. These conditions must be included in project contracts or other relevant documents as requirements). [24 CFR 58.40(d), 40 CFR 1505.2(c)]

1. An assessment of lead-based paint and asbestos will be conducted prior to construction activity for the demolition and reconstruction of the existing housing units.
2. Based on the Geo Tech Report, the Engineer recommends a minimum of three feet of engineered fill for the foundations.
3. Navajo Housing Authority recommends that heavy equipment operate during weekdays.
4. CNH will ensure that a storm water prevention plan is on file including the submission of the NPDES Permit.
5. Fugitive dust emissions shall be kept to a minimum by designating traffic, applying water to roads and taking other measures to minimize potential impacts during construction activity.

FINDING: [58.40(g)]

- ☒ **Finding of No Significant Impact**
(The project will not result in a significant impact on the quality of the human environment)
- ☐ **Finding of Significant Impact**
(The project may significantly affect the quality of the human environment)

Preparer Signature: Thomascita Shorty **Date:** 12/27/11
Title/Agency: Thomascita Shorty, Compliance Coordinator/NHA Operations
Branch/Environmental Clearance Program

RE Approving Official Signature: _____ **Date:** _____
Title/ Agency: Ben Shelly, Navajo Nation President

Statement of Purpose and Need for the Proposal: [40 CFR 1508.9(b)]

Chinle Nursing Home (CNH) proposes to construct ten new housing units, and demolish and reconstruct ten existing housing units.

The Chinle Nursing Home requires 24-hour staff coverage and many employees have to travel great distances to get to and from work. The housing units will enable CNH to retain valuable professional employees that are a necessary to the organization.

Description of the Proposal: Include all contemplated actions which logically are either geographically or functionally a composite part of the project, regardless of the source of funding. [24 CFR 58.32, 40 CFR 1508.25]

The new construction, and the demolition and reconstruction will take place within 3.43 acres of land situated within a fenced area adjacent to Chinle Nursing Home Facility.

The proposed action encompasses all phases of construction activities related to the construction of ten units, including extension of utilities to the housing units, ground work, street paving and landscaping.

The proposed action will be to demolish and reconstruct the housing units. The existing housing units are more than twenty years old and requires updated wiring and plumbing components that will enable units to be more energy efficient.

Existing Conditions and Trends: Describe the existing conditions of the project area and its surroundings, and trends likely to continue in the absence of the project. [24 CFR 58.40(a)]

The proposed project site is located within Navajo Tribal Trust Lands, at Chinle, Apache County, Arizona. The ten existing housing units and a 79-bed Nursing Home Facility are located within 3.43 acres. Adjacent to the CNH Compound is the Chinle Valley School, a facility for handicapped children. The area is also surrounded by housing units for essential staff who work for the Indian Health Service.

In the absence of this proposed action, CNH would not be able to retain valuable professional employees who must travel long distances to work and to keep uninterrupted 24-hour staff service to the clients. It is in the best interest of the Navajo population, the community and the Navajo Nation to build these housing units.

Statutory Checklist

[24CFR §58.5]

For each listed statute, executive order or regulation, record the determinations made. Note reviews and consultations completed as well as any applicable permits or approvals obtained. Attach evidence that all required actions have been taken. Record any conditions or mitigation measures required. Then, make a determination of compliance or consistency.

Factors	Determinations and Compliance Documentation
Historic Preservation [36 CFR 800]	As written in the archeological report, fieldwork was performed on April 24, 1997. On June 19, 1997, the Navajo Nation Historic Preservation Department (HPD-97-243) issued a Cultural Resource Compliance Form that No Properties were located. On June 23, 1997, the BIA Area Director approved and concurred to the no historic properties were located. Source: Cultural Resources Compliance Form and refer to Exhibit "A".
Floodplain Management [24 CFR 55, Executive Order 11988]	Based on the floodplain maps generated by the U.S. Corps of Engineers Los Angeles District, the project does not involve property acquisition, management, construction or improvement within a 100 year floodplain (Zones A or V) and do not involve a "critical action" (e.g., emergency facility, facility for mobility impaired persons, etc) within a 500 year floodplain (Zone B). Source: Exhibit "B"
Wetlands Protection [Executive Order 11990]	Based on a site survey and routine consultation with the NNEPA, the project will not effect wetlands or waters of the Navajo Nation related to the project. Source: Exhibit "C"
Coastal Zone Management Act [Sections 307(c),(d)]	There are no Coastal Zones near the Navajo Nation. Therefore the project will not involve the placement, or removal of materials, nor increase the intensity of use in a coastal zone. Source: NOAA Coastal Zone Management Program, see Exhibit "D"
Sole Source Aquifers [40 CFR 149]	There are two designated Sole Source Aquifers; Upper Santa Cruz & Avra Basin Aquifer and Bisbee-Naco Aquifer in the State of Arizona. These are near the border of Arizona and Mexico: therefore no effect for SSA. Source: Exhibit "E"
Endangered Species Act [50 CFR 402]	On December 21, 2011, the Navajo Nation Fish & Wildlife issued a Biological Resource Compliance Form that the proposed project is located in Area 4: Community Development. The project is located within an existing leased area therefore no effect for any federally listed species and no effect for significantly impact any tribally listed species or other species of concern. Source: Exhibit "F"
Wild and Scenic Rivers Act [Sections 7 (b), (c)]	The nearest Wild and Scenic River is the Verde River located roughly 200 miles west of the project site therefore no affect for W&SR. Source: Exhibit "G"
Air Quality [Clean Air Act, Sections 176 (c) and (d), and 40 CFR 6, 51, 93]	The project site is not located in an unclassified for the National Ambient Air Quality Standards (NAAQS) for criteria air pollutants. The unclassified areas are assumed to be in attainment. Source: Exhibit "C"

Farmland Protection Policy Act [7 CFR 658]	Based upon field observation a determination was made that the site will not include prime or unique farmland or other farmland of statewide or local importance as identified by the U.S. Department of Agriculture NRCS. Source: Exhibit "H"
Environmental Justice [Executive Order 12898]	The Navajo Housing Authority has made a determination based on research, that the project does not create any hazards nor expose anyone to adverse environmental conditions; therefore, it is in compliance with E.O. 12898. Source: Exhibit "I".

HUD Environmental Standards

Determinations and Compliance Documentation

Noise Abatement and Control [24 CFR 51 B]	The proposed project is not located within 1000 feet of a major roadway, within 3000 feet of a railway or 15 miles of an airport. Source: Exhibit "J"
Toxic or Hazardous Substances and Radioactive Materials [HUD Notice 79-33]	Based on field investigations, and research, the site was determined not to be located within one of any known or suspected areas contaminated with toxic chemicals or radioactive materials. An assessment of presence for lead-based paint and asbestos will be conducted prior to construction activity for the demolition and reconstruction of the existing housing units. If lead based paint and asbestos exist within the housing units, CNH will follow all protocols for extraction, and disposal of materials. Source: Exhibit "K"
Siting of HUD-Assisted Projects near Hazardous Operations [24 CFR 51 C]	Based upon field observation, a determination has been made that the site is not located on or near any above-ground explosive or flammable fuels or chemical containers according to Siting of HUD Assisted Projects Near Hazardous Facilities nor will the project expose neither people or buildings to such hazards. Source: Figures
Airport Clear Zones and Accident Potential Zones [24 CFR 51 D]	Project does not involve activities that place people within a runway clear zone or accident potential zone of an airport. Source: Exhibit "J".

Environmental Assessment Checklist

[Environmental Review Guide HUD CPD 782, 24 CFR 58.40; Ref. 40 CFR 1508.8 & 1508.27]

Evaluate the significance of the effects of the proposal on the character, features and resources of the project area. Enter relevant base data and verifiable source documentation to support the finding. Then enter the appropriate impact code from the following list to make a finding of impact. **Impact Codes:** (1) - No impact anticipated; (2) - Potentially beneficial; (3) - Potentially adverse; (4) - Requires mitigation; (5) - Requires project modification. Note names, dates of contact, telephone numbers and page references. Attach additional materials as needed.

Land Development	Code	Source or Documentation
Conformance with Comprehensive Plans and Zoning	1	The Chinle Chapter has not established a zoning plan. The project area has been used as residential for elderly and handicapped children. This use for the land will not change. Source: Figures
Compatibility and Urban Impact	2	There are homes within the adjacent land area. The project conforms with the surrounding activities. Source: Figures
Slope	1	The proposed site is level. The proposed project has been subject to vehicle and pedestrian traffic. Elevation of the site is approximately 5580 feet. Source: Figures
Erosion	4	Disturbance is limited to construction activities and tracks from machinery. Construction activities is more than an acre; therefore a NPDES permitting process is necessary. Contractors shall ensure that where existing roads do not exist, routes that impact the least vegetation should be chosen and all vehicles should follow the same route. Source: Project Description
Soil Suitability	4	Subsurface testings was performed by Earthworks Engineering Group, LLC for the Assisted Living Center. Soil conditions vary from very sandy clay overlying clayey and silty, fine to medium-grained sands. The test holes are within the same vicinity of the proposed action. The Engineer recommends a minimum of three feet of engineered fill for the foundations. Source: Exhibit "L"
Hazards and Nuisances including Site Safety	1	The project is not anticipated to produce any hazards or create any unsafe situations. This determination is based on the short-term duration, scale and nature of the project. Source: Project Description
Energy Consumption	1	Architectural design will emphasize the use of materials that will ensure that the building conserves energy.
Noise - Contribution to Community Noise Levels	4	During construction activities, noise levels will increase. Navajo Housing Authority recommends that heavy equipment operate during weekdays. The short-term noise increase is not expected to be significant or adverse. After construction activities, the level of noise will return to levels prior to construction. These noise levels will be below standards; therefore no mitigation measures are necessary.

		Source: Project Description
Air Quality Effects of Ambient Air Quality on Project and Contribution to Community Pollution Levels	4	Fugitive dust emissions shall be kept to a minimum by designating traffic, applying water to roads and taking other measures to minimize potential impacts during construction activity. Construction activities will be a short-term negative effect. After construction activities, a major source of emissions will be from residents and these emissions would be expected to be below air quality standards. Therefore no permits and mitigation measures are required. Source: Project Description
Environmental Design Visual Quality - Coherence, Diversity, Compatible Use and Scale	1	The proposed project remains consistent with the surrounding land uses. The project conforms with surrounding activities. Source: Figures

Socioeconomic	Code	Source or Documentation
Demographic Character Changes	2	The construction and renovation of units will accommodate employees. New construction will bring 10 additional individuals including their families. There will be no adverse impact anticipated.
Displacement	2	CNH proposes two phases of this project. First, construct the new housing units and place the existing residents from the existing housing units into the new units. Then demolish and reconstruct the existing units and place other employees into the later construction units.
Employment and Income Patterns	2	There will be a short-term benefit during the construction phases of construction, and demolition and reconstruction of the housing units. In long-term benefit, CNH will be able to retain valuable professional employees.

**Community Facilities
and Services**

	Code	Source or Documentation
Educational Facilities	2	Educational facilities are located no more than 1 mile south and east of the proposed project site. The proposed development is not expected to significantly effect local educational facilities. The potential increase of students to these facilities will not impact school population. Source: Exhibit "M".
Commercial Facilities	1	Project activities will not affect area commercial facilities based on nature of project. Source: Exhibit "M".
Health Care	2	Project activities will not affect area health care facilities. Source: Exhibit "M".
Social Services	2	Project activities will not affect area social services. Source: Exhibit "M".
Solid Waste	1	Project activities will not adversely impact solid waste within the area. CNH and its contractor will remove all debris generated by the project.
Waste Water	3	The waste water is maintained and operated by the Navajo Tribal Utility Authority. The proposed housing units will be connected to the community sewer system. This will impact the local waste water to some degree, as usage will increase by ten new homes and no additional impact for the existing units. Source: Exhibit "N"
Storm Water	4	CNH will ensure that a storm water prevention plan is on file including the submission of the NPDES Permit.
Water Supply	3	The water is maintained and operated by the Navajo Tribal Utility Authority. The proposed housing units will be connected to the community water system. This will impact the local water to some degree, as usage will increase by ten new housing units and no additional impact for the existing units. Source: Exhibit "N"
Public Safety - Police	1	Project activities will not affect police protection services. Source: Exhibit "M"
- Fire	1	Project activities will not affect fire protection services. Source: Exhibit "M"
- Emergency Medical	1	Project activities will not affect emergency medical services. Source: Exhibit "M"

Open Space and Recreation - Open Space	2	The design of the housing units will take into consideration the open space around the Facility for the occupants. There will be an area to allow for recreational activities, sitting areas and places to walk. The location is beneficial for residents, as it enables plenty of open spaces for recreation.
- Recreation	1	The project will not effect recreation within the area. Source: Exhibit "M".
- Cultural Facilities	1	The proposed project will not change current cultural usage within the project site. Source: Exhibit "M".
Transportation	1	Project activities will not affect area transportation. Source: Exhibit "M".

Natural Features**Source or Documentation**

Water Resources	1	Chinle Wash and its tributaries drain the Chinle Valley and flow on floodplain deposits, which are more than 200 feet thick locally. Water is at shallow depth in the alluvium along Chinle Wash. No effect is determined for groundwater resources. Source: Cooley, M.E., Harshbarger, J.W., Akers, J.P. and Hardt, W.F.
Surface Water	1	The nearest known drainage is the Nazlini Wash. The Nazlini Wash is located 10,000 feet east of the proposed project. No effect is determined for surface water.
Unique Natural Features and Agricultural Lands	1	The project would have no impacts on aesthetic resources nor on agricultural lands.
Vegetation and Wildlife	1	The project site is an urban community. It will be necessary to remove vegetation for the upgrade of associated utilities and demolition and reconstruction of existing units. Abiding by the set forth mitigation measures where machinery must use practices that disturb the least amount of land as possible, impacts should be minimal. No effect is determined for the impacts to sensitive species. Source: Exhibit "F".

Other Factors**Source or Documentation**

NOTE: The Responsible Entity must additionally document and ensure compliance with 24 CFR §58.6 in the ERR, particularly with the Flood Insurance requirements of the Flood Disaster Protection Act and the Buyer Disclosure requirements of the HUD Airport Runway Clear Zone/Clear Zone regulation at 24 CFR 51 Subpart D.

Summary of Findings and Conclusions

This Environmental Assessment finds that the proposed project has no significant impacts on the natural or the human environment. The undertaking includes construction of associated utilities, street, curb and gutter. This impact determination is made assuming that the recommended mitigation measures are implemented (see Mitigation Measures Recommended section below).

The proposed project complies with all NEPA and other federal statutory environmental review requirements.

ALTERNATIVES TO THE PROPOSED ACTION

Alternatives and Project Modifications Considered [24 CFR 58.40(e), Ref. 40 CFR 1508.9]
(Identify other reasonable courses of action that were considered and not selected, such as other sites, design modifications, or other uses of the subject site. Describe the benefits and adverse impacts to the human environment of each alternative and the reasons for rejecting it.)

Alternative Sites: No other sites were considered due to the locality of the Nursing Home Facility and location of the existing housing units on 3.43 acres of leased area. Due to the cost of developing infrastructure in a new location as well as getting land that is available to build these homes, this alternative was not a feasible alternative.

No Action Alternative [24 CFR 58.40(e)]

(Discuss the benefits and adverse impacts to the human environment of not implementing the preferred alternative).

No Action Alternative will have an adverse impact on the Nursing Home Facilities' goal of providing 24-hour service to its occupants and its long term goal of retaining its valuable professional employees.

Mitigation Measures Recommended [24 CFR 58.40(d), 40 CFR 1508.20]

(Recommend feasible ways in which the proposal or external factors relating to the proposal should be modified in order to eliminate or minimize adverse environmental impacts.)

1. An assessment of lead-based paint and asbestos will be conducted prior to construction activity for the demolition and reconstruction of the existing housing units.
2. Based on the Geo Tech Report, the Engineer recommends a minimum of three feet of engineered fill for the foundations.
3. Navajo Housing Authority recommends that heavy equipment operate during weekdays.
4. CNH will ensure that a storm water prevention plan is on file including the submission of the NPDES Permit.
5. Fugitive dust emissions shall be kept to a minimum by designating traffic, applying water to roads and taking other measures to minimize potential impacts during construction activity.

Additional Studies Performed

(Attach studies or summaries)

Dalgai, Melvin. An Archaeological Survey of Withdrawn Land near Chinle, Apache County, Arizona for Navajoland Nursing Homes, Inc. NN HPD Window Rock, Arizona. May 13, 1997.

Cuong, Ly. Watershed Delineation, Discharge Calculations, and Floodplain Delineations, Phase I, Navajo Nation February 11, 2010.

Liebelt, Dave, P.E. Geotechnical Investigation Group Housing Project Chinle, Arizona EEG Project No.: A02-185. Earthworks Engineering Group, LLC. January 14, 2003.

List of Sources, Agencies and Persons Consulted [40 CFR 1508.9(b)]

Wallace Yazzie, Navajo Tribal Utility Authority
Pamela A. Kysekka, Navajo Nation Fish & Wildlife Natural Heritage Program
Eugenia Quintana, Navajo Nation Environmental Protection Agency
Judy Willeto, Navajo Nation Department of Agriculture

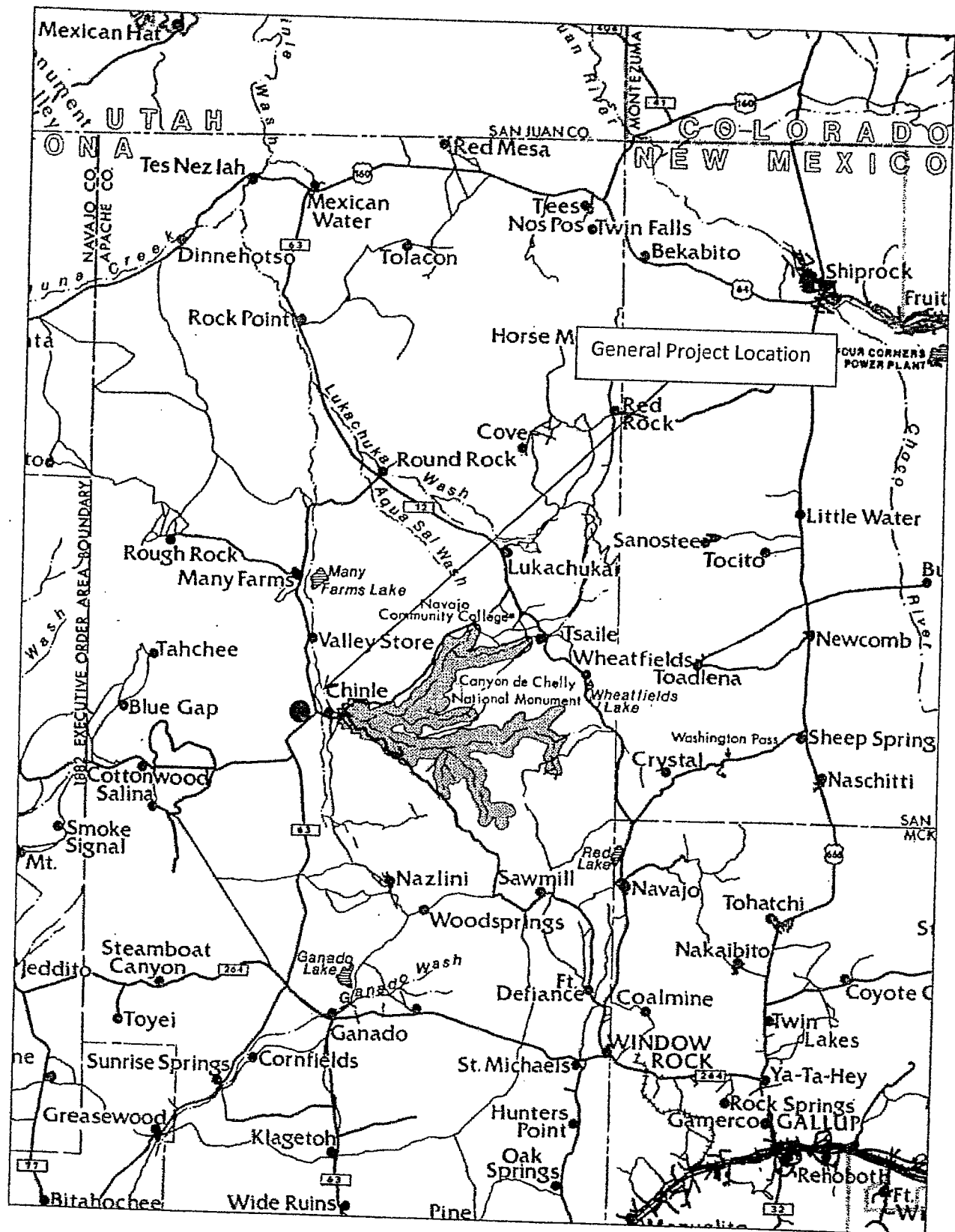


Figure 1: General Project Location

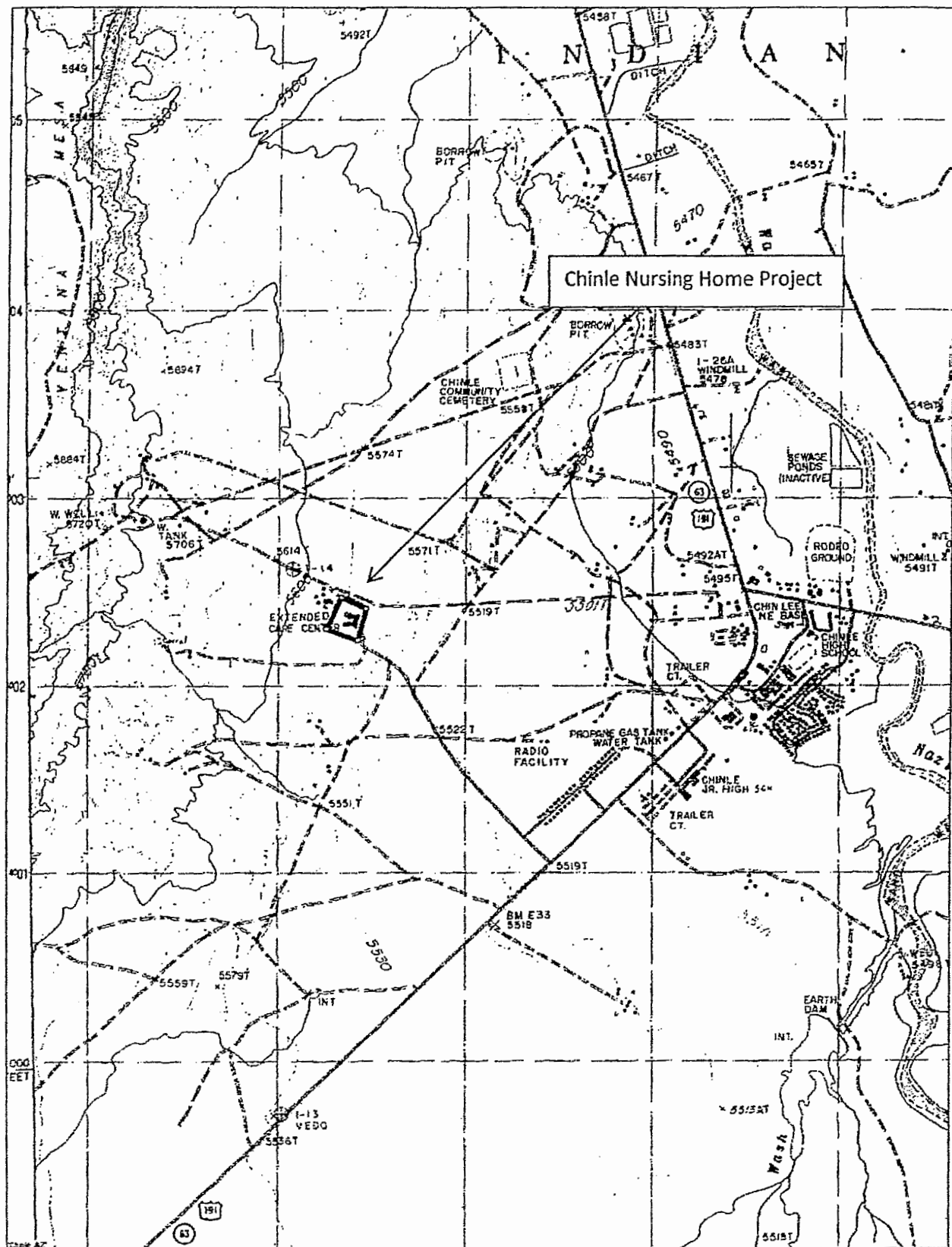


Figure 2: Project Location

CULTURAL RESOURCES COMPLIANCE FORM
HISTORIC PRESERVATION DEPARTMENT
PO BOX 4950
WINDOW ROCK, ARIZONA 86515

APPENDIX A

Handwritten signature and date: 6/25/97

ROUTING: COPIES TO

AZ SHPO
XX REAL PROPERTY MGT/BSO
XX NNAD

NNHD NO. HPO-97-243

OTHER PROJECT NO.

NNAD 97-006

PROJECT TITLE: An Archaeological Survey of Withdrawn Land near Chinle, Apache County, for Navajoland Nursing Homes, Inc.

LEAD AGENCY: BIA/NAO

SPONSOR: Franklin Goldsmith (Navajoland Nursing Homes, Inc) P.O.Box 910 Window Rock, Arizona 86503

PROJECT DESCRIPTION: The proposed undertaking will involve the construction of a Nursing Homes complex and all associated facilities within the 22.5-acre withdrawn land area. Ground disturbance will be intensive and extensive.

LAND STATUS: Tribal Trust Land

CHAPTER: Chinle

LOCATION: T 5 N, R 10 W, Section Unpatented

PROJECT ARCHAEOLOGIST: Melvin Delgai

NAVAJO ANTIQUITIES PERMIT NO.: Navajo Nation Code (19 N.N.C. 1001 § 302 et seq.)

DATE INSPECTED: 4/24/97

DATE OF REPORT: 5/13/97

TOTAL ACREAGE INSPECTED: 22.5 ac

METHOD OF INVESTIGATION: Class III pedestrian inventory with transects spaced 15 m apart

LIST OF CULTURAL RESOURCES FOUND: None

LIST OF ELIGIBLE PROPERTIES: None

LIST OF NON-ELIGIBLE PROPERTIES: None

LIST OF ARCHAEOLOGICAL RESOURCES: None

EFFECT/CONDITIONS OF COMPLIANCE: No properties were located.

In the event of a discovery ["discovery" means any previously unidentified or incorrectly identified cultural resources including but not limited to archaeological deposits, human remains, or locations reportedly associated with Native American religious/traditional beliefs or practices], all operations in the immediate vicinity of the discovery must cease and the Navajo Nation Historic Preservation Department must be notified at (520) 871-7132.

FORM PREPARED BY: Dwayne Wasata

FINALIZED: June 19, 1997

Notification to

Proceed Recommended:

Conditions:

Yes XX No

Yes 1 No XX

Handwritten signature: Allen S. Downer

Navajo Nation Historic Preservation Officer

Date

6/14/97

Agency Approval:

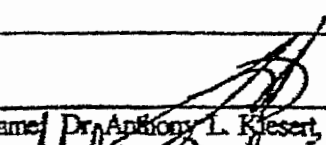
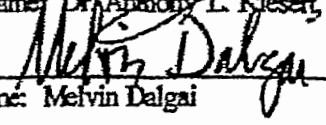
Yes 1 No

Handwritten signature: Glenni Kenetone

Acting Area Director

Date

6/23/97

1. HPD REPORT NO.	2. (FOR HPD USE ONLY)	3. RECIPIENTS ACCESSION NO.								
4. TITLE OF REPORT: An Archaeological Survey of Withdrawn Land near Chinle, Apache County, Arizona, for Navajoland Nursing Homes, Inc.		5. FIELDWORK DATES 4-24-97								
AUTHOR(S): Melvin Dalgai		6. REPORT DATE 5-13-97								
7. CONSULTANT NAME AND ADDRESS: Gen'l Charge: Dr. Anthony L. Klesert Org. Name: Navajo Nation Archaeology Department Org. Address: P. O. Box 689 Window Rock, Arizona 86515 Phone: (520) 871-6540		8. Permit No. NTC								
		9. Consultant Report No. NNAD 97-086								
10. SPONSOR NAME AND ADDRESS: Ind. Responsible: Franklin Goldtooth Org. Name: Navajoland Nursing Homes, Inc. Org. Address: P.O. Box 910 Chinle, Arizona 86503 Phone: (520) 674-5216		11. SPONSOR PROJECT NO. N/A								
		12. AREA OF EFFECT: 22.5 ac AREA SURVEYED: 22.5ac								
13. LOCATION (MAP ATTACHED): Figure 1										
<table border="0"> <tr> <td>a. Chapter: Chinle</td> <td>e. Land Status: Tribal Trust land</td> </tr> <tr> <td>b. Agency: Chinle</td> <td>f. UTM Center: Zone 12; See Supplement Sheet</td> </tr> <tr> <td>c. County: Apache</td> <td>g. Area: T.5N, R.10W, unplatted PM&B</td> </tr> <tr> <td>d. State: Arizona</td> <td>h. 7.5' Map Name(s): Chinle, Arizona, provisional edition 1982</td> </tr> </table>			a. Chapter: Chinle	e. Land Status: Tribal Trust land	b. Agency: Chinle	f. UTM Center: Zone 12; See Supplement Sheet	c. County: Apache	g. Area: T.5N, R.10W, unplatted PM&B	d. State: Arizona	h. 7.5' Map Name(s): Chinle, Arizona, provisional edition 1982
a. Chapter: Chinle	e. Land Status: Tribal Trust land									
b. Agency: Chinle	f. UTM Center: Zone 12; See Supplement Sheet									
c. County: Apache	g. Area: T.5N, R.10W, unplatted PM&B									
d. State: Arizona	h. 7.5' Map Name(s): Chinle, Arizona, provisional edition 1982									
14. REPORT /x/ OR SUMMARY (REPORT ATTACHED) / /										
a. Description of Undertaking: See Supplement Sheet										
b. Existing Data Review: See Supplement Sheet										
c. Area Environmental & Cultural Setting: See Supplement Sheet										
d. Field Methods: See Supplement Sheet										
15. CULTURAL RESOURCE FINDINGS: See Supplement Sheet										
a. Location/Identification of Each Resource: See Supplement Sheet										
b. Evaluation of Significance of Each Resource (above): See Supplement Sheet										
16. MANAGEMENT SUMMARY (RECOMMENDATIONS): Archaeological clearance is recommended for the proposed project.										
17. CERTIFICATION: SIGNATURE: 		DATE: 5/30/97								
General Charge Name: Dr. Anthony L. Klesert, Director										
SIGNATURE: 		DATE: 5/30/97								
Direct Charge Name: Melvin Dalgai										

SUPPLEMENT SHEET FOR (AIRS FROM)
Archaeological Survey of Withdrawn Land for
Navajoland Nursing Homes, Inc.
in Chinle, Apache County, Arizona.
NNAD-97-086

c. **AREA ENVIRONMENTAL AND CULTURAL SETTING:** The proposed project area is located northwest of the Chinle Community Center, Chinle, Arizona. The surrounding terrain varies from flat valley floor to the foothills of Ventana Mesa. Elevation is approximately 5560 ft (1695 m) above mean sea level. Surface sediments consist mainly of eolian sand with some clayey sand inclusions. Vegetation consists of cottonwood trees, poplars, elm trees, and short native grasses. Domesticated animals noted in the area included horses, cattle, sheep, goats, cats and dogs. The current cultural setting consists of the nursing home development, apartment housing, a hogan, cornfield, paved roads, dirt roads, powerlines, waterlines, sewerlines, and possible buried cable. The project area had been bladed at one time.

d. **FIELD METHODS:** On April 24, 1997, NNAD Staff Archaeologist Melvin Delgai conducted the requested archaeological field survey of the proposed parcel of land for Navajoland Nursing Homes, Inc. in Chinle, Apache County, Arizona (see Figure 2). After the four corners were located within the fenced area, the archaeologist surveyed the parcel by walking parallel transects spaced no more than ten meters apart. The total area surveyed therefore equaled the area of potential effect: 980,000 sq ft (91,042 sq m) or 22.5 ac (9.1 ha). During the archaeological survey, currently occupied or in-use structures and features were noted but not fully recorded. This is in keeping with the Navajo Nation's policy to respect the privacy and property rights of its people, while still allowing for the evaluation of these properties in terms of their National Register eligibility and their protection status under ARPA and AIRFA. Also as part of the archaeological inventory, an interview was conducted in English and Navajo with the project's sponsor, Franklin Goldtooth, of Navajoland Nursing Homes, Inc., regarding Traditional Cultural Properties (TCPs) in and around the project area.

15. **CULTURAL RESOURCE FINDINGS:** No archaeological sites, isolated occurrences, or Traditional Cultural Properties were identified during the NNAD-97-086 inventory, however, as mentioned earlier, there already has been substantial development within the parcel and several occupied or in-use structures and features were noted.

a. **LOCATION/IDENTIFICATION OF EACH RESOURCE:** The currently in-use properties include the nursing home, which was built in approximately 1970, the roads, in 1971, the hogan in 1972, and the apartment housing in 1976. It is uncertain how long the cornfield has been in-use.

b. **EVALUATION OF SIGNIFICANCE OF EACH RESOURCE (ABOVE):** All of the currently occupied or in-use properties are less than 50 years old and none is distinctive enough to justify waiving the 50-year guideline to the National Register. Being less than 100 years old, they do not meet the definition of an archaeological resource as required for protection under ARPA. The dwellings were most likely blessed and are therefore eligible for protection under AIRFA. However there is no indication the proposed construction will compromise any sacred qualities associated with individuals homes.

SUPPLEMENT SHEET FOR (AIRS FROM)
Archaeological Survey of Withdrawn Land for
Navajoland Nursing Homes, Inc.
in Chinle, Apache County, Arizona.
NNAD-97-086

13. LOCATION (Figure 2)

- a. UTM Coordinates for project area (Zone 12).
- a. 4002410N, 625470E
 - b. 4002280N, 625440E
 - c. 4002300N, 625300E
 - d. 4002420N, 625230E

14. REPORT

a. DESCRIPTION OF UNDERTAKING: Navajoland Nursing Homes, Inc. requested an archaeological survey of approximately 22.5 acres (9.1 ha) in Chinle, Arizona. The area is on the east side of the Chinle Comprehensive Health Care Facility. There is already substantial development within the parcel, including the nursing home, an apartment complex, a hogan, ramada, and paved roads. Ground disturbance within this area of potential effect will be intensive and extensive from the use of heavy equipment.

b. EXISTING DATA REVIEW: A check of Navajo Nation Historic Preservation Department (NNHPD) and Navajo Nation Archaeology Department (NNAD) archival files indicated that six (6) archaeological surveys were previously conducted, but no sites have been recorded, within an approximate one kilometer radius of the current project area. The first project, NABR-88-174/BOR-88-11, is a "Cultural Resources Inventory of a Proposed Right-of-Way, Chinle, Apache County, Arizona" by Phillip Stewart. The second project, NABR-88-412/BOR-88-25, is a "Cultural Resources Inventory of Additional Right-of-Way, Navajo Route N102, Chinle, Apache County, Arizona" by Phillip Stewart. The third project, NIM-88-480/NNAD-88-316, is "An Archaeological Survey of a One Acre Homestead Lease near Chinle, Arizona for Glen D. Brown" by Mark Miner. The fourth project, NIM-89-410/NNAD-89-286, is "An Archaeological Survey of 106 Acres of Land near Chinle, Arizona for the Central Navajo Nation Fair Committee" by Mark Miner, Deified Dawes, Lawrence Notah, and Melvin Dalgai. The fifth project, HPD-93-159/NNAD-92-067/IHS NA-92-769, is "An Archaeological Survey of Proposed Indian Health Service Water Lines, Connecting Taps, and 92 Homes for the Installation of Septic Tanks and Drain Fields near Chinle, Apache County, Arizona" by Reid Nelson. The final project, HPD-93-658, is "An Archaeological Survey for the Proposed Fair Grounds Wind Break in Chinle, Arizona" by Ernest Tsosie III and Edison Dooline.

For general overview of the area, the reader is referred to:

Lindsay, Alexander J.

- 1969 Proposed Building Site and Road Right-of-Way for a Nursing Home at Chinle BIA, Chinle, Arizona. Ms. on file, Department of Anthropology, Museum of Northern Arizona, Flagstaff.

Andrews, Michael J.

- 1979 Archaeological Clearance Survey for the Proposed Hospital Site at Chinle, Arizona. Ms. on file, Department of Anthropology, Northern Arizona University, Flagstaff.

Klesert, Anthony L.

- 1983 Additional Survey at Chinle Hospital. Ms. on file, Navajo Nation Cultural Resources Management Program, Window Rock, Arizona.

Stewart, Phillip

- 1983 An Archaeological Clearance Survey of a Tract of Land near the Chinle Hospital. Ms. on file, Navajo Nation Cultural Resource Management Program, Window Rock, Arizona.

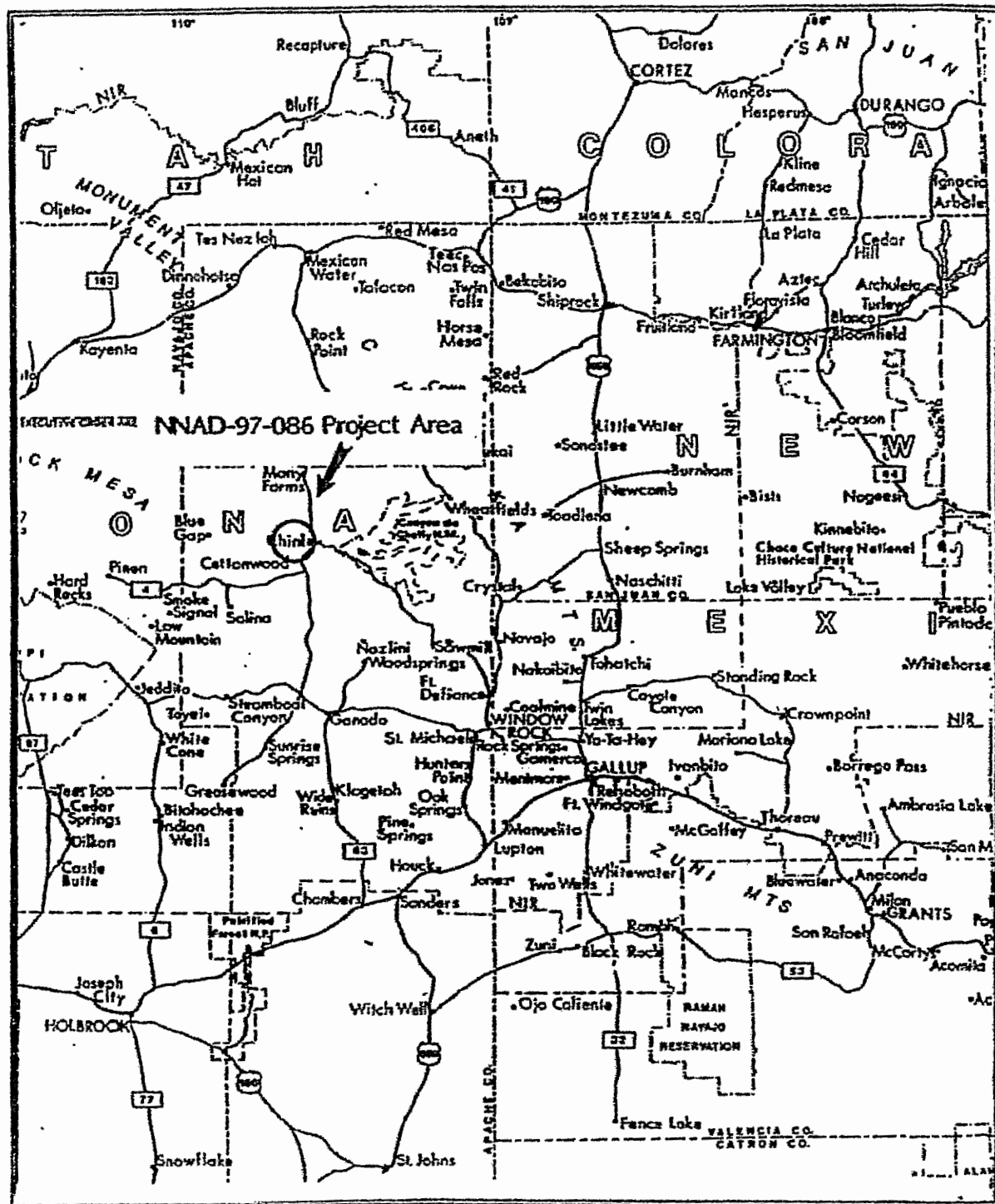


Figure 1. Sectional map of Navajo Country (Goodman 1982) showing the general NNAD-97-086 project area.

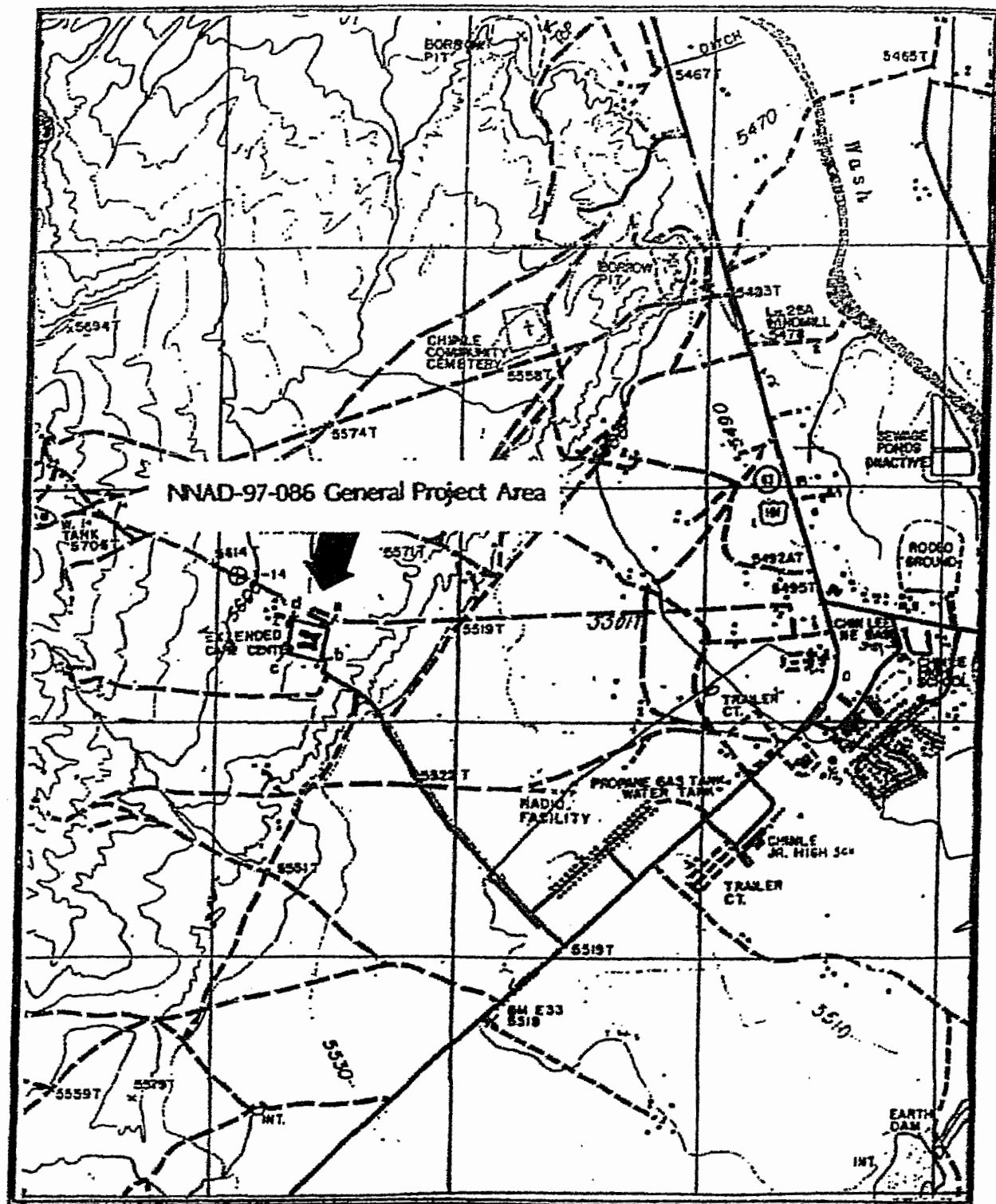
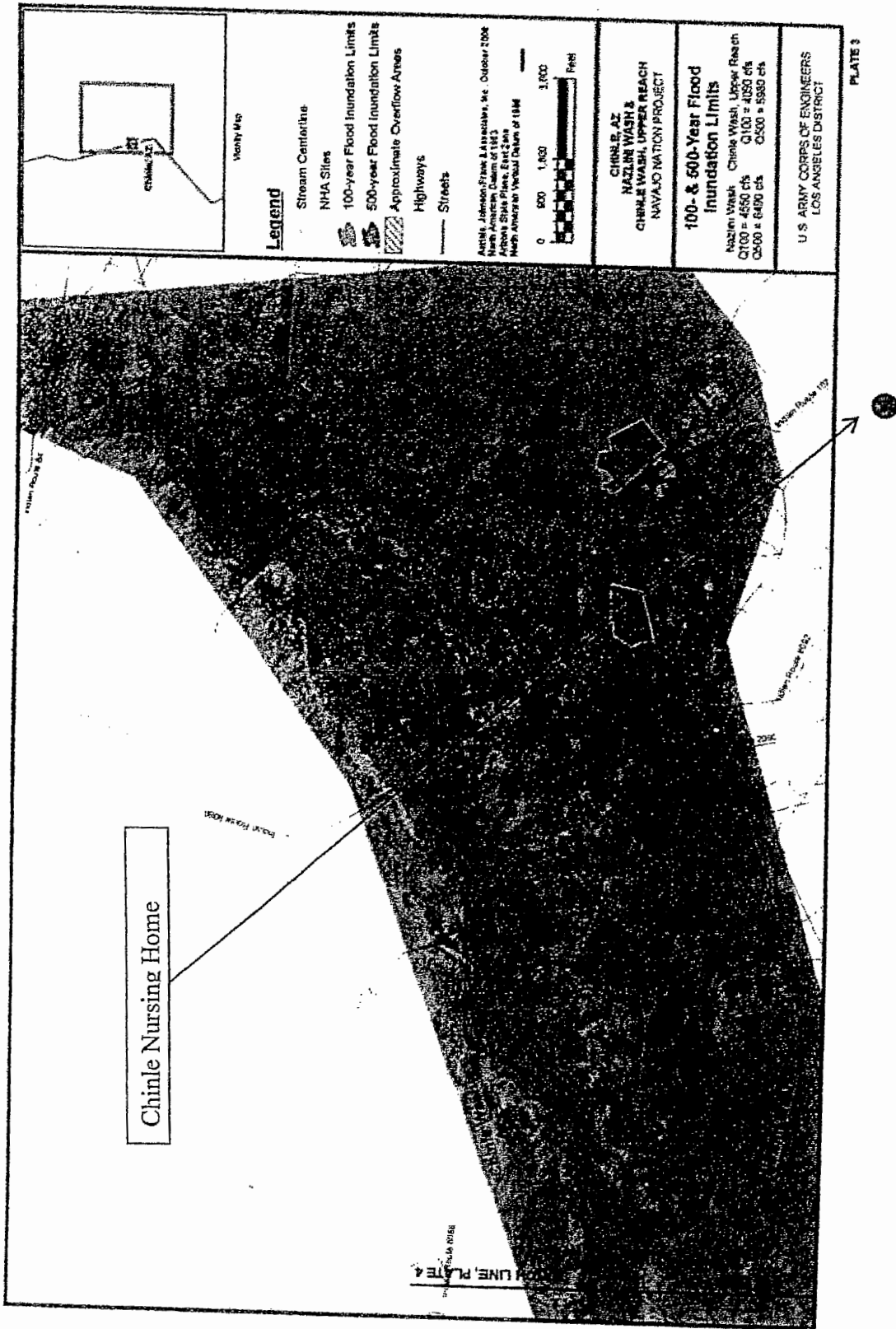


Figure 2 Location map of the proposed withdrawn land for Navajo Land Nursing Homes Inc. near Chinle, Apache County, Arizona (NNAD-97-086). USGS 7.5' series map reference: Chinle, Arizona. Provisional Edition 1982.



Ly, Cuong. Watershed Delineation, Discharge Calculations, and Floodplain Delineations, Phase I, Navajo Nation February 11, 2010.



NAVAJO NATION ENVIRONMENTAL PROTECTION AGENCY

Post Office Box 339

Window Rock, Arizona 86515

Telephone: (520) 871-7692

Fax: (520) 871-7996



January 9, 2003

Ms. Lydia Lee
Project Coordinator
Chinle Nursing Home
P.O. Box 910
Chinle, Arizona 86503

RE: Assisted Living Elderly Group Home, Chinle Nursing Home, Inc. – Chinle, Arizona: Determination for Wetland Protection (Executive Order 11990), Sole Source Aquifers (Safe Drinking Water Act), Clean Air Act, Toxic Chemicals and Radioactive Materials (HUD Notice 79-33)

Dear Ms. Lee:

The Navajo Nation Environmental Protection Agency (NNEPA) received a request from Chinle Nursing Home for compliance documentation in fulfilling 24 CFR §58.5 for the development of an Assisting Living Elderly Group Home in Chinle, Arizona, to be funded with Indian Housing Block funds.

The project can be spatially examined on the quadrangle map for Chinle, Arizona, Apache County.

The following are the determinations of the NNEPA:

1. Wetlands Protection. The proposed undertaking does not involve new construction within jurisdictional wetlands or adjacent drainages. It is advised that the washes and associated tributaries are not disturbed or destroyed by any construction activity and debris.
2. Sole Source Aquifers. There has not been official designation of any sole source aquifers (SSA) on the Navajo Nation by the NNEPA Public Water Systems Supervision Program (PWSSP) or the United States Environmental Protection Agency (USEPA). Currently, the Navajo Nation has not *officially* designated any aquifers as a SSA; however, as the NNEPA is further established this will change. In order for an aquifer to be considered as a designated SSA, the aquifer must meet two criteria: (1) it must supply more

than 50% of a community's drinking water; and (2) it must be the only available local or regional source of drinking water.

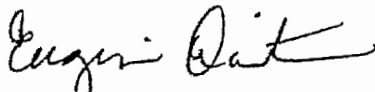
This section on Sole Source Aquifers shall not be used to fulfill the SSA requirements for other proposed RJN activities, projects or otherwise.

3. Air Quality. The project is located within the boundaries of the Navajo Nation and therefore subject to the jurisdiction of the Navajo Air Quality Control Program of the NNEPA for the purpose of air quality regulation. The proposed project is not located in areas of attainment and would not appear to significantly impact the NAAQS for the area.
4. Toxic Chemicals and Radioactive Materials. The project is not on or near any National Priority List (NPL) sites found within a one-mile radius and no Comprehensive Environmental Response Compensation and Liability Act (CERCLA) sites found within a radius of 2,000 feet.

In conjunction with the proposed undertakings, installation of any utilities that cross jurisdictional waters may require 401/404 permitting and/or certification under the Clean Water Act. The contractors and subcontractors should be advised accordingly.

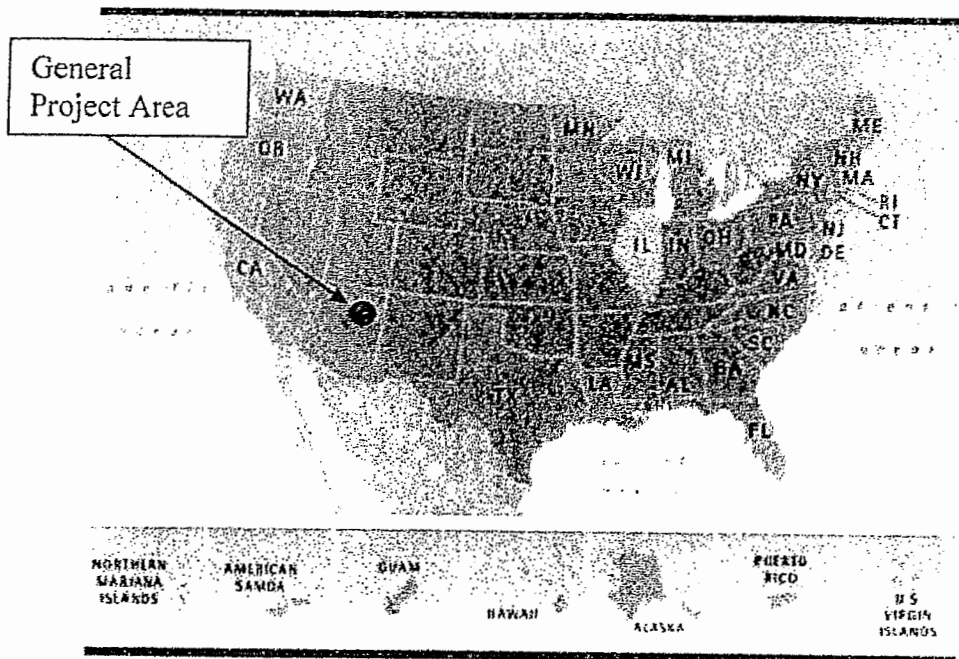
We hope this information is helpful to your organization. If you have any questions you may contact me at 928-871-7800. Thank you.

Sincerely,

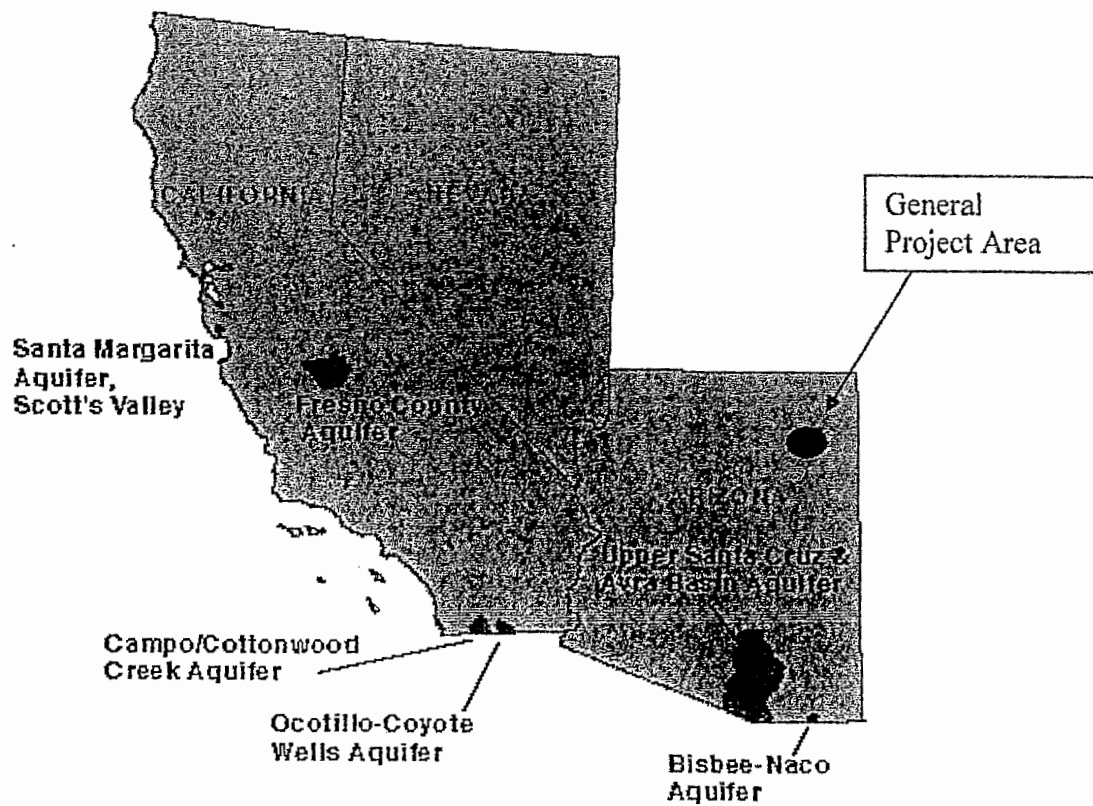


Eugenia Quintana, Senior Environmental Specialist
Navajo Nation Environmental Protection Agency

COASTAL ZONE MANAGEMENT ACT
[Section 307 (c) (d)]



SOLE SOURCE AQUIFERS
[40 CFR 149]



NNDFW Review No. 11NHA05a4

BIOLOGICAL RESOURCES COMPLIANCE FORM
NAVAJO NATION DEPARTMENT OF FISH AND WILDLIFE
P.O. BOX 1480, WINDOW ROCK, ARIZONA 86515-1480

It is the Department's opinion the project described below, with applicable conditions, is in compliance with Tribal and Federal laws protecting biological resources including the Navajo Endangered Species and Environmental Policy Codes, U.S. Endangered Species, Migratory Bird Treaty, Eagle Protection and National Environmental Policy Acts. This form does not preclude or replace consultation with the U.S. Fish and Wildlife Service if a Federally-listed species is affected.

PROJECT NAME & NO.: Chinle Nursing Home Project

DESCRIPTION: The Navajo Housing Authority proposes to renovate 10 existing units and two group home buildings, construct 10 additional units and upgrade street, utilities, and perimeter fencing.

LOCATION: Section 14, T05N, R11W, Chinle, Apache County, Arizona

REPRESENTATIVE: Thomasita Shorty, Compliance Coordinator, Navajo Housing Authority

ACTION AGENCY: Navajo Housing Authority

B.R. REPORT TITLE / DATE / PREPARER: Request for concurrence/21 NOV 2011/Thomasita Shorty

SIGNIFICANT BIOLOGICAL RESOURCES FOUND: Area 4. Project is within existing lease area.

POTENTIAL IMPACTS

NESL SPECIES POTENTIALLY IMPACTED: NA

FEDERALLY-LISTED SPECIES AFFECTED: NA

OTHER SIGNIFICANT IMPACTS TO BIOLOGICAL RESOURCES: NA

AVOIDANCE / MITIGATION MEASURES: NA

CONDITIONS OF COMPLIANCE*: NA

FORM PREPARED BY / DATE: Pamela A. Kyselka/20 DEC 2011

COPIES TO: (add categories as necessary)

☐ _____ ☐ _____

2 NTC § 164 Recommendation:

Signature

Date

☐ Approval

☐ Conditional Approval (with memo)

☐ Disapproval (with memo)

☒ Categorical Exclusion (with request letter)

☐ None (with memo)

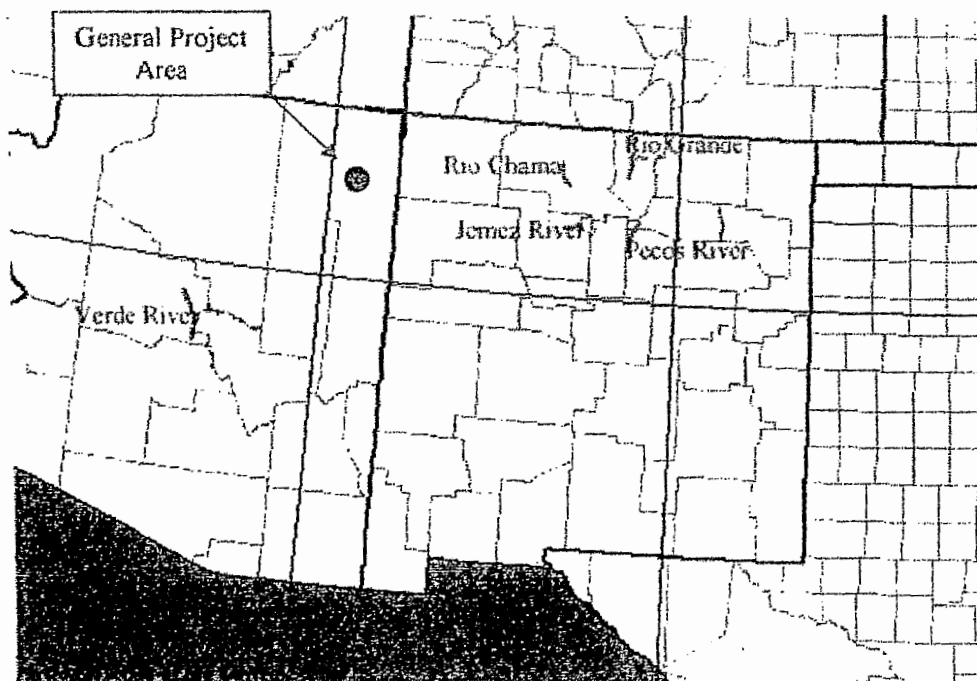
Gloria M. Tom 12/21/11
 Gloria M. Tom, Director, Navajo Nation Department of Fish and Wildlife

*I understand and accept the conditions of compliance, and acknowledge that lack of signature may be grounds for the Department not recommending the above described project for approval to the Tribal Decision-maker.

Representative's signature

Date

WILD AND SCENIC RIVERS (SECTIONS 7 (B), (C))



Map New Mexico and Arizona showing officially designated Wild and Scenic Rivers and general project area (Source: www.nationalftas.gov).



Chinle Nursing Home

P. O. Box 910
Chinle, Arizona 86503



November 12, 2002

Department of Agriculture
Ms. Judy Willetto, Range Conservationist
The Navajo Nation
P.O. Box
Window Rock, AZ 86515

Dear Ms. Willetto:

The Chinle Nursing Home is undertaking the construction of an Assisted Living Elderly Group Home in the community of Chinle, Arizona. The home is being assisted with funds from the Indian Housing Block Grant, Navajo Nation Indian Housing Plan through funding appropriation of NAHASDA, 1996, which is administered by the Navajo Housing Authority. In complying with 24 CFR, Part 58, the Chinle Nursing Home is requesting your assistance by providing compliance with regulation cited below.

Farmland Protection Act [7 CFR 658]: Upon field observation of the sites identified, a determination was made that this site will not include prime or unique farmland, or other farmland of statewide or local importance as identified by the U.S. Department of Agriculture, Natural Resources Conservation Service (NRCS).

We solicit your concurrence to our determination by signatory below. If there should be any questions pertaining to this document, please contact me at (928) 736-2561. We have attached copies of the 7.5 minute quad maps for your review.

Sincerely,

Lydia Lee, Project Coordinator

CONCURRENCE:

Judy Willetto, Range Conservationist
Department of Agriculture

Environmental justice is defined as the pursuit of equal justice and equal protection under the law without discrimination on the basis of race, ethnicity or socio-economic status. To the extent practicable and permitted by law, federal agencies are required to consider environmental justice effects by identifying and assessing, as may be appropriate, disproportionate adverse human health and environmental effects of programs, policies and activities on minority and low income populations impacted by such programs, policies and activities.

Communities with significant low income or minority populations are located within the general project area, so environmental justice concerns must be addressed for the approval of the Proposed Action. The purpose of this project is to construct ten new housing units and modernize ten existing housing units with associated utilities for Chinle Nursing Home.

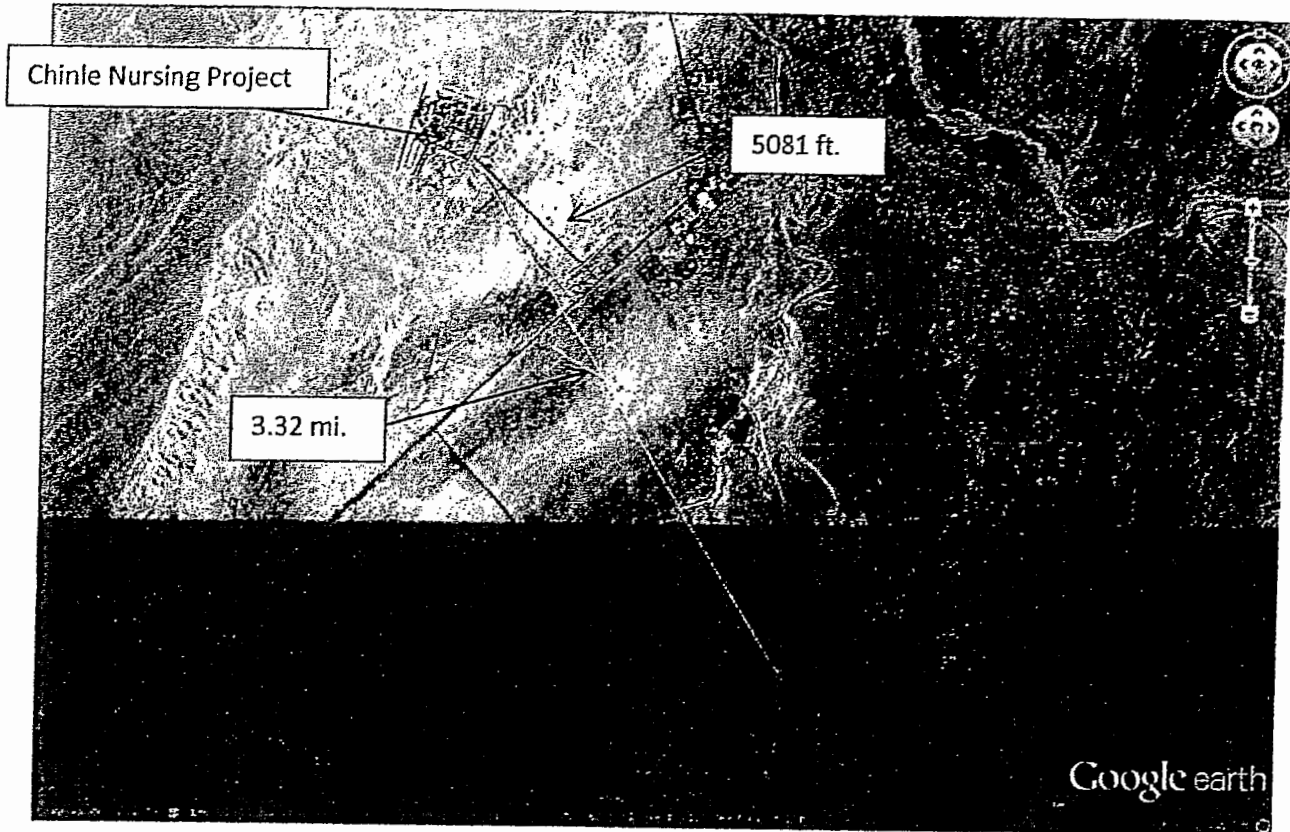
Determination. Approval of the Proposed Action will not result in any adverse human health or environmental effects to the communities within the project area.

Thomascita Shorty

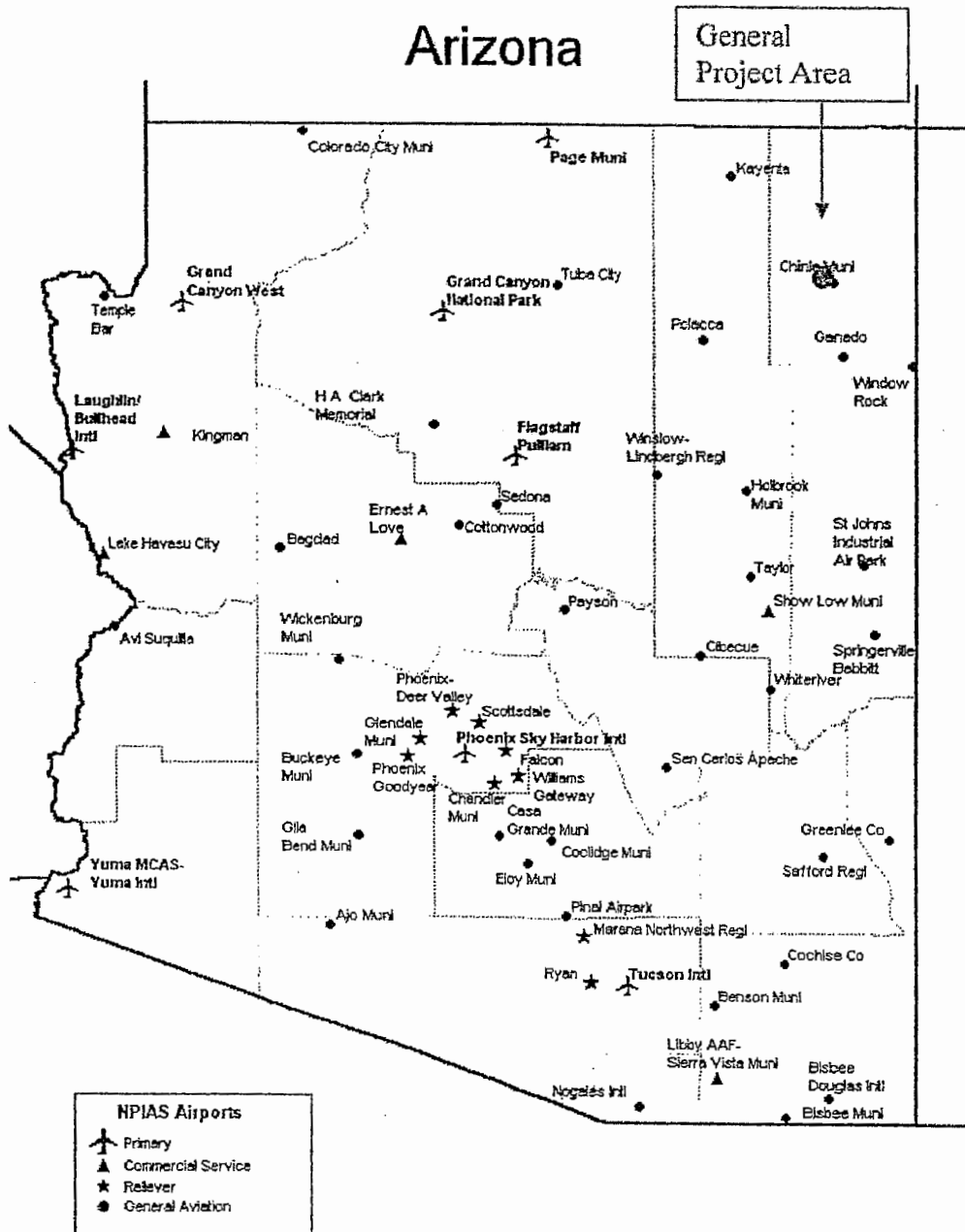
Thomascita Shorty, Compliance Coordinator

NHA/Operations Branch/Environmental Clearance Program

Noise Abatement & Control (24 CFR 51B)



AIRPORT CLEAR ZONES AND ACCIDENT POTENTIAL ZONES [24 CFR Part 51D]

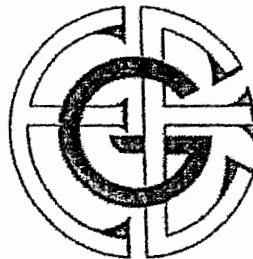


Arizona (8 Sites)				
Site Name	City	CERCLIS ID	Final Listing Date	Federal Facility Indicator
<u>APACHE POWDER CO.</u>	SAINT DAVID	AZD008399263	<u>08/30/1990</u>	No
<u>HASSAYAMPA LANDFILL</u>	HASSAYAMPA	AZD980735666	<u>07/22/1987</u>	No
<u>INDIAN BEND WASH AREA</u>	SCOTTSDALE	AZD980695969	<u>09/08/1983</u>	No
<u>MOTOROLA, INC. (52ND STREET PLANT)</u>	PHOENIX	AZD009004177	<u>10/04/1989</u>	No
<u>PHOENIX-GOODYEAR AIRPORT AREA</u>	GOODYEAR	AZD980695902	<u>09/08/1983</u>	No
<u>TUCSON INTERNATIONAL AIRPORT AREA</u>	TUCSON	AZD980737530	<u>09/08/1983</u>	No
<u>WILLIAMS AIR FORCE BASE</u>	CHANDLER	AZ7570028582	<u>11/21/1989</u>	Yes
<u>YUMA MARINE CORPS AIR STATION</u>	YUMA	AZ0971590062	<u>02/21/1990</u>	Yes

EARTHWORKS ENGINEERING GROUP, L.L.C.

314 EL PUEBLO NW • ALBUQUERQUE, NM 87114

505-899-4886 • 505-899-4861 (FAX)



GEOTECHNICAL INVESTIGATION

GROUP HOUSING PROJECT
CHINLE, ARIZONA

EEG Project No.: A02-185

Prepared for:

LAM CORPORATION

Prepared by

Dave Liebelt, P.E.

Earthworks Engineering Group, LLC.

January 14, 2003

SUMMARY

The information presented in this section is a partial summary intended for reference use only. This information is intended for use only in conjunction with the complete geotechnical investigation report. Significant information contained in the complete geotechnical investigation report may not be present here.

ON-SITE SOILS

The test holes encountered approximately four feet of very sandy clay overlying clayey and silty, fine to medium grained sands. The soils were medium moist to moist and medium dense. At greater depths the test holes encountered medium dense to dense sands derived from weathered sandstone. On-site clay soils will require blending to meet specifications for engineered fill.

FOUNDATIONS

The building may either be supported on a monolithic slab with turned down edges or on conventional spread and strip footings. Foundations should bear on a minimum of three feet of engineered fill. Engineered fill should extend a minimum of two foot laterally beyond the edges of foundations. Foundations may be designed for an allowable bearing pressure of 1500 pounds per square foot.

Slabs should bear on a minimum of two feet of engineered fill.

PAVEMENT

The following pavement sections may be utilized:

	Asphalt Concrete Pavement	Aggregate Base Course
Automobile Parking	2-inches	6-inches

	Asphalt Concrete Pavement	Aggregate Base Course
Driveways	3-inches	6-inches

EARTHWORK

Following all cut earthwork, the soils at the base of excavations should be scarified to a depth of eight inches and moisture conditioned to optimum moisture content (+/- 3%). The surface of the natural soils at the base of excavations should be compacted to 95% maximum dry density as determined by ASTM Standard D1557. All engineered fill placed below the structure should be compacted to 95% maximum dry density at optimum moisture content (+/- 3%) as determined by ASTM Standard D1557.

EARTHWORK COMPACTION TESTING

Compaction testing must be performed during earthwork construction to verify the compaction requirements outlined in this report have been met. Modified Proctor testing (ASTM D-1557) will be necessary to determine the maximum dry density and optimum moisture content of the natural soils at the base of excavations as well as on all engineered fill used below the structure. The surface of natural soils should be tested for compaction prior to placing engineered fill. Engineered fill should be placed in loose lifts a maximum of six-inches thick. Each lift of fill should be compacted prior to placing additional lifts. Compaction testing should be performed on fill at a minimum of every other lift until finished grade is reached. The base of footing excavations and finished pad grade should be tested prior to placing reinforcement and pouring concrete.

TABLE OF CONTENTS

Summary	i
Introduction	1
Project Description	2
Site Description	3
Soil Conditions	4
Laboratory Testing	5
Foundation Recommendations	6
Asphalt Pavements	8
Earthwork	11
Striping and Grubbing	11
Natural Ground Prep	11
Fill Placement and Compaction	11
Utilities	12
Foundation Excavations	12
Observation and Testing	12
Drainage, Grading, and Landscaping	14
Shoring	15
Maintenance	16
Closure	18

TABLE OF TABLES

Table 1: Pavement Design Coefficients

Table 2: Recommended Asphalt Pavement Sections

Table 3: Engineered Fill Specifications

Table 4: Laboratory Test Results Summary

TABLE OF FIGURES

Figure 1: Site Plan with Test Hole Locations

Figure 2: Log of Test Hole 1

Figure 3: Log of Test Hole 2

Figure 4: Log of Test Hole 3

Figure 5: Consolidation Test Results

Figure 6: Consolidation Test Results

Figure 7: Consolidation Test Results

INTRODUCTION

This report presents the results of our geotechnical investigation for the proposed group housing project to be located in Chinle, Arizona. The investigation was performed to determine the site subsurface conditions, and based on the conditions encountered, develop geotechnical recommendations for:

- Foundation Design
- Slabs-on-Grade
- On-Site Asphalt Pavements
- Site Grading
- Earthwork Construction

The conclusions and recommendations presented are based on information provided by the client regarding the proposed construction, subsurface conditions disclosed by the test holes, laboratory testing, and the local standards of our profession at the time this report was prepared.

PROJECT DESCRIPTION

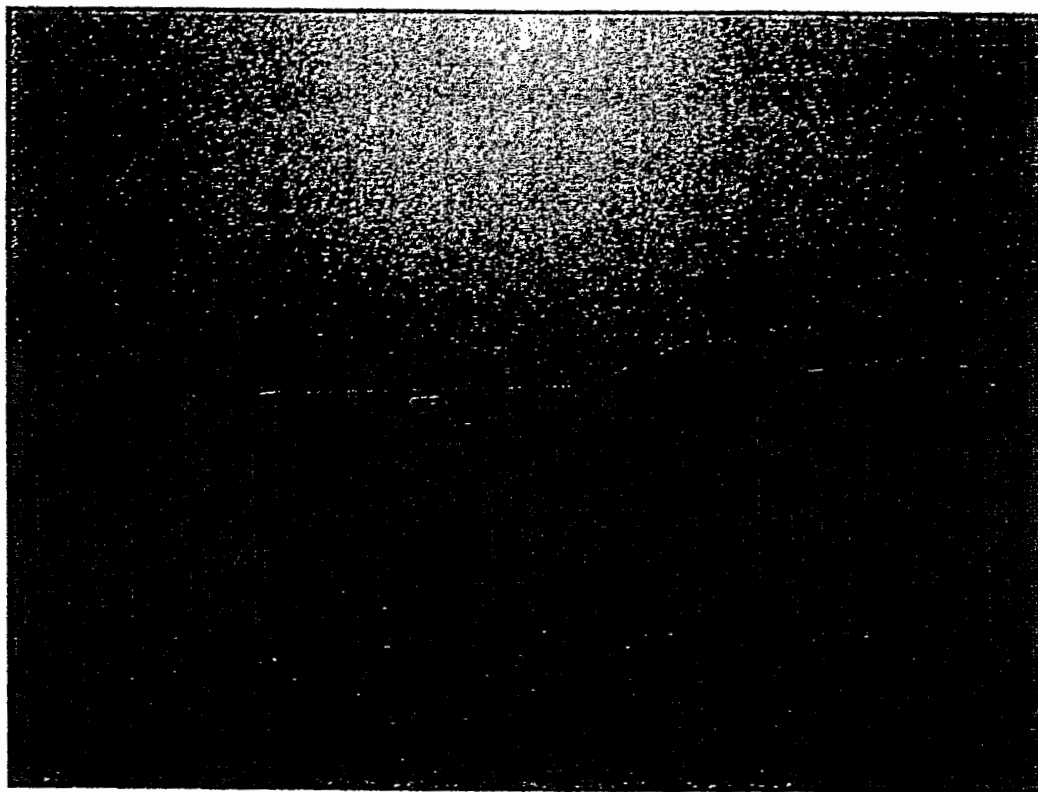
It is our understanding the housing building will be a single story structure, most likely utilizing steel frame construction with masonry accents. Building loads were not available at the time this report was prepared. For the purposes of this report, column and strip loads (dead + live) were estimated as not exceeding 25 kips and 1 kip per linear foot. If actual loads are significantly different than those assumed, this office should be contacted to verify the recommendations presented herein remain applicable.

If structure loads or configuration differ from those indicated in this report, this office should be notified.

SITE DESCRIPTION

The proposed building site is vacant land located to the west of an existing senior housing building near the Chinle Hospital. There is an existing hogan located on the site. The surface of the site is essentially flat. On-site vegetation consists of sparse weeds.

A photograph of the site is presented below.



SOIL CONDITIONS

To explore the site subsurface conditions, three test holes were excavated at the approximate locations shown on the Site Plan, Figure 1.

As shown on the Logs of the Test Holes, Figures 2 through 4, the soils encountered in the test holes consisted of approximately four feet of very sandy clay overlying clayey and silty, fine to medium-grained sands. The soils were medium moist to moist and medium dense. At greater depths the test holes encountered medium dense to dense sands derived from weathered sandstone. Neither groundwater nor competent bedrock was encountered to a depth of twenty-one, the maximum depth of exploration.

On-site clays will require some blending with a more granular material to meet specifications for engineered fill. Specifications for engineered fill are presented in the Earthworks section of this report.

The subsurface conditions presented above allow observation of a very small portion of the soils below the site. Significant variations in subsurface conditions may occur across the site that were not disclosed by the test holes.

LABORATORY TESTING

Representative soil samples were collected from the test holes at the depths indicated on the Logs of the Test Holes. Laboratory testing was performed on the samples to obtain the physical properties of the encountered soils necessary for classification and development of geotechnical recommendations.

Testing was performed to determine the Moisture Content, Dry Density, Sieve Analysis, Atterberg Limits, and Consolidation Potential of the samples collected.

The moisture content of the clay soils averaged approximately ten percent. The moisture content of the sands averaged approximately six percent. Test results are reported on the Logs of Test Holes, Figures 2 through 4, and are summarized in Table 4.

The Dry Density of the soils averaged approximately 99 pounds per cubic foot. Test results are reported on the Logs of Test Holes, Figures 2 through 4, and are summarized in Table 4.

Sieve Analysis and Atterberg Limits tests were performed to confirm field soil classifications and to provide information on general physical soil properties. Test results are presented in Table 4.

Consolidation test results are presented on Figures 5, 6, and 7. The test results indicate the soils have a slight consolidation potential under anticipated loads. Significant additional collapse occurs if the site soils are allowed to increase in moisture content.

FOUNDATION RECOMMENDATIONS

The housing building may bear either on a monolithic slab with turned down edges or on conventional spread and strip footings with a conventional slab-on-grade.

Foundations should bear on a minimum of three feet of engineered fill. Engineered fill should extend a minimum of two foot laterally beyond the edges of foundations. Foundations may be designed for an allowable bearing pressure of 1500 pounds per square foot. The allowable bearing capacity may be increased by one-third for short-term loads due to wind and earthquakes.

The base of exterior footings and turned down edges should be embedded a minimum of twenty-four inches below lowest adjacent grade. The base of interior footings should be embedded a minimum of twelve inches below finish pad grade. Turned down edges and strip footings should be a minimum of eighteen inches wide. Spread footings should be a minimum of twenty-four inches wide. Actual footing widths will be determined based on the structure design loads.

Turned down edges and strip footings should not be placed longitudinally over or adjacent to utility lines. Spread footings should not be placed over utility trenches.

Lateral foundation loads will be resisted by a combination of passive soil pressure against the sides of foundations and friction along the base. A passive soil resistance of 300 pounds per cubic foot may be utilized for design. Frictional resistance may be determined by multiplying foundation dead load by a coefficient of friction of 0.40.

Slabs should bear on a minimum of two feet of engineered fill. Monolithic slabs should be isolated from all utilities. Conventional slabs should be isolated from all foundations and utilities. Frequent control joints should be cut into the slab to prevent random shrinkage cracking. The slab should be underlain by a moisture barrier to prevent damp slab.

Foundations designed and constructed as described herein are not anticipated to experience settlement of more than one-inch. The majority of this settlement should occur during construction. Differential settlement between adjacent column footings should not exceed one-half of the above value. The above settlement estimates are based

on the assumption the site soils will not be allowed to increase in moisture content and that all recommendations presented in this report will be fully implemented. Additional movement and distress may occur if the soils are allowed to increase in moisture content or if the recommendations presented herein are not followed.

Foundations should be designed and constructed to tolerate the above settlement. It is recommended a qualified structural engineer design all foundations.

ASPHALT PAVEMENTS

The pavement sections presented below are based on NMSHD pavement design procedures.

Based on the conditions encountered in the test holes, on-site surface soils are classified as AASHTO A-6 soils. These soils typically have poor support values, especially when moist. Based on NMSHD design charts these soils have an R-Value of 15.

On-site traffic is anticipated to consist primarily of automobiles. Daily Equivalent 18-kip Equivalent Single Axle Loads (ESALs) of 0.2 and 1.0 were assumed for parking lots and driveways, respectively.

The following other design values were utilized:

Design Life	20-Years
Serviceability Index	1.5
Regional Factor	2.0
Asphalt Structural Coefficient	0.4
Aggregate Base Course Structural Coefficient	0.1

Table 1: Asphalt Pavement Design Coefficients

Based on the above criteria, the following asphalt pavement sections are recommended:

	Asphaltic Concrete	Aggregate Base Course
Automobile Parking	2-inches	6-inches
Driveways	3-inches	6-inches

Table 2: Recommended Asphalt Pavement Sections

The area in front of dumpsters should be paved with Portland Cement Concrete.

The site should be graded to prevent saturation of pavement subgrade soils. The soils ability to support pavement is significantly reduced when the soils increase in moisture content.

The ground surface below pavement sections should be compacted to a minimum of 95% Maximum Dry Density at Optimum Moisture Content (+/-3%) as determined by ASTM D1557.

All imported fill below pavements should meet specification for engineered fill and exhibit a minimum R-value of 40. All imported fill should be prepared and compacted as outlined in the Earthworks Section of this report.

Prior to placing Aggregate Base Course or Asphaltic Concrete a soil sterilant may be applied. The sterilant should be applied as per the manufacturer's recommendations

Aggregate Base course should be compacted to a minimum of 95% of maximum density as determined by ASTM D-1557.

Asphaltic Concrete should exhibit a minimum Marshall stability of 1800 pounds and should be compacted to a minimum of 96% of maximum Marshall Density.

Periodic pavement maintenance will be required over the design life. Required maintenance for pavements constructed on the uncontrolled fill may be above that required for normal pavements. Crack cleaning and sealing should be performed to extend pavement life. Seal coating may also be desired after the pavement has been in service for several years to improve appearances and increase pavement life.

EARTHWORK

STRIPING AND GRUBBING

Prior to performing earthwork, all borrow and fill areas should be stripped of vegetation and deleterious materials. All strippings should be hauled offsite or utilized in landscaped areas.

All existing uncontrolled fill, utilities, debris, and disturbed soil should be removed from below the proposed structures.

NATURAL GROUND PREP

We anticipate the site soils may be excavated with conventional earthwork equipment.

Following all cut earthwork, the natural soils should be scarified to a depth of eight inches and moisture conditioned to optimum moisture content (+/- 3%). The surface of the natural soils should then be compacted to a minimum of 95% of maximum dry density as determined by ASTM D-1557.

FILL PLACEMENT AND COMPACTION

Structural fill should be placed in horizontal lifts a maximum of six-inches in loose thickness, moisture conditioned to optimum moisture content (+/- 3%), and mechanically compacted. Lift thickness may need to be reduced based on the size of the compaction equipment utilized. Fill below footings and slabs should be compacted to a minimum of 95% of maximum dry density as determined by ASTM D-1557. Engineered fill should meet the specifications listed in Table 3:

U.S. SIEVE SIZE	%-PASSING
1-1/2"	100
NO. 4	70-100
NO. 200	12-49

Table 3: Fill Specifications

Engineered fill soils should have a Plasticity Index of eighteen or less.

No organic, frozen, or decomposable material should be placed in the fill.

Cobbles and boulders should not be placed within structural fills.

UTILITIES

Care should be taken when installing utilities that the prepared building pad is not overly disturbed. Trenches should be no wider than is necessary for proper installation of utilities.

If water or sewer line leaks occur, differential movement of the structure may result. Prior to backfilling utility line trenches, all water and sewer lines should be pressure checked for leaks. Any leaks found should be repaired.

To reduce the possibility of breaking utility lines, compaction should be performed with light, hand-operated equipment. In order to achieve compaction, it will be necessary to place backfill in thinner lifts than would normally be necessary. The fill soils in trenches should be compacted to a minimum of 90% of maximum dry density as determined by ASTM D-1557. Fill soils in the upper six inches of trenches should be compacted to 95% of maximum dry density as determined by ASTM D-1557.

FOUNDATION EXCAVATIONS

Prior to pouring concrete, foundation excavations should be cleaned of any slough, loose soil, or debris. Footing excavations should be scarified and moisture conditioned to optimum moisture content (+/- 3%). Foundation excavations should be compacted to a minimum of 95% of maximum dry density as determined by ASTM D-1557.

OBSERVATION AND TESTING

Compaction testing must be performed by this office during earthwork construction to verify the compaction requirements outlined in this report have been met.

Modified Proctor testing (ASTM D-1557) will be necessary to determine the maximum dry density and optimum moisture content of the natural soils at the base of excavations.

The surface of natural soils should be tested for compaction prior to placing engineered fill.

Engineered fill material should be approved by this office prior to use. Following acceptance of the fill material, Modified Proctor testing (ASTM D-1557) will be necessary to determine the maximum dry density and optimum moisture content. Compaction testing should be performed on engineered fill at a minimum of every other lift until finished grade is reached.

Testing of utility line trenches for compaction should be performed at a minimum of every foot of compacted backfill thickness.

The base of footing excavations and finished pad grade should be tested prior to placing reinforcement and pouring concrete.

DRAINAGE, GRADING, AND LANDSCAPING

To reduce the risk of moisture induced movement the site should be graded to rapidly drain away from structures. We suggest a minimum four percent gradient within at least the first ten feet away from structures in areas not protected by sidewalks and pavement.

If ponding areas are required, they should be located as far away from structures as possible, a minimum of twenty feet.

Roof gutters and downspouts should be utilized. Down spouts should discharge down slope and well away from the structures. Splash blocks should be utilized below down spouts. Surface water should run off rapidly.

Landscaping adjacent to structures should be designed and constructed to minimize the potential for wetting of soils supporting the proposed facilities. It is not recommended that landscaping requiring irrigation be installed closer than five feet of structures. Trees and shrubs should be hand watered or watered using controlled drip irrigation. If drip irrigation is used, emitters should discharge no more than one gallon per hour. Watering should be carefully controlled to prevent over watering. Grassed areas adjacent to structures should be sloped so that excess irrigation water will run off promptly. Sprinkler lines and drip irrigation mains should be located a minimum of five feet away from foundations. Mowing strips, planters and sidewalks should not "dam" water adjacent to structures.

This office should review site grading and drainage plans to evaluate conformance with the recommendations presented herein.

SHORING

All trenches greater than four feet in depth must be sloped, shored or braced or otherwise supported according to OSHA Construction and Safety Standards. Material excavated from the trench or spoil must be placed away from the edge of the excavation. The spoil should be retained in an effective manner such that no loose material can fall into the excavation.

Temporary construction excavations less than eight feet deep should be sloped no steeper than 1½:1 (horizontal: vertical). If deeper excavations are required, this office should be contacted for supplemental recommendations. Limited raveling of slopes will occur particularly as the exposed soils dry out. Heavy equipment and material stockpiles should be located a minimum of five feet from the top of slope.

MAINTENANCE

Performance of structures depends not only on proper design and construction, but also on an ongoing foundation maintenance program. A properly designed foundation may still experience distress from incorrectly controlled water sources, improper drainage, and landscaping. The owner should perform a yearly inspection to observe for necessary maintenance and repair.

Positive drainage should be provided away from the structure over the life of the building. A minimum slope of five percent within the ten feet of the structure should be maintained. Flowerbeds and landscaping that requires irrigation should not be installed adjacent to structures. Walkways and borders that dam water adjacent to foundations should be eliminated.

Depressions and excavations should be backfilled with compacted, non-swelling, relatively impervious soils such as clayey sands.

Gutters and downspouts should be installed to control roof drainage. Downspouts should discharge a minimum of ten feet away from structures. Area drains may be installed around structures to improve drainage. Discharge pipes should slope a minimum of $1/8^{\text{th}}$ inch vertical per foot of horizontal pipe. Drainage sewers and discharge channels should be kept free of debris.

Water bills should be monitored for unexplained increases in usage. Higher than normal water usage may indicate a leaking utility line. If a leaking line is suspected, utility lines should be pressure checked for leaks.

Expansion joints within exterior concrete flatwork should be filled with a flexible joint sealer to minimize water infiltration.

Some minor cracking of new concrete foundations, concrete flatwork, and interior dry wall is normal. This is a result of concrete shrinkage as it cures, "settling in" of the new structure, drying of timbers used in construction, etc. Normally the majority of this movement should cease within the first year following construction. However, depending on the structure and site conditions, movement may continue at a slow rate for several years. If cracks tend to open and close, increase significantly within a short

period of time, or resume after a period of relative inactivity, it is recommended that this office be contacted to review the situation.

CLOSURE

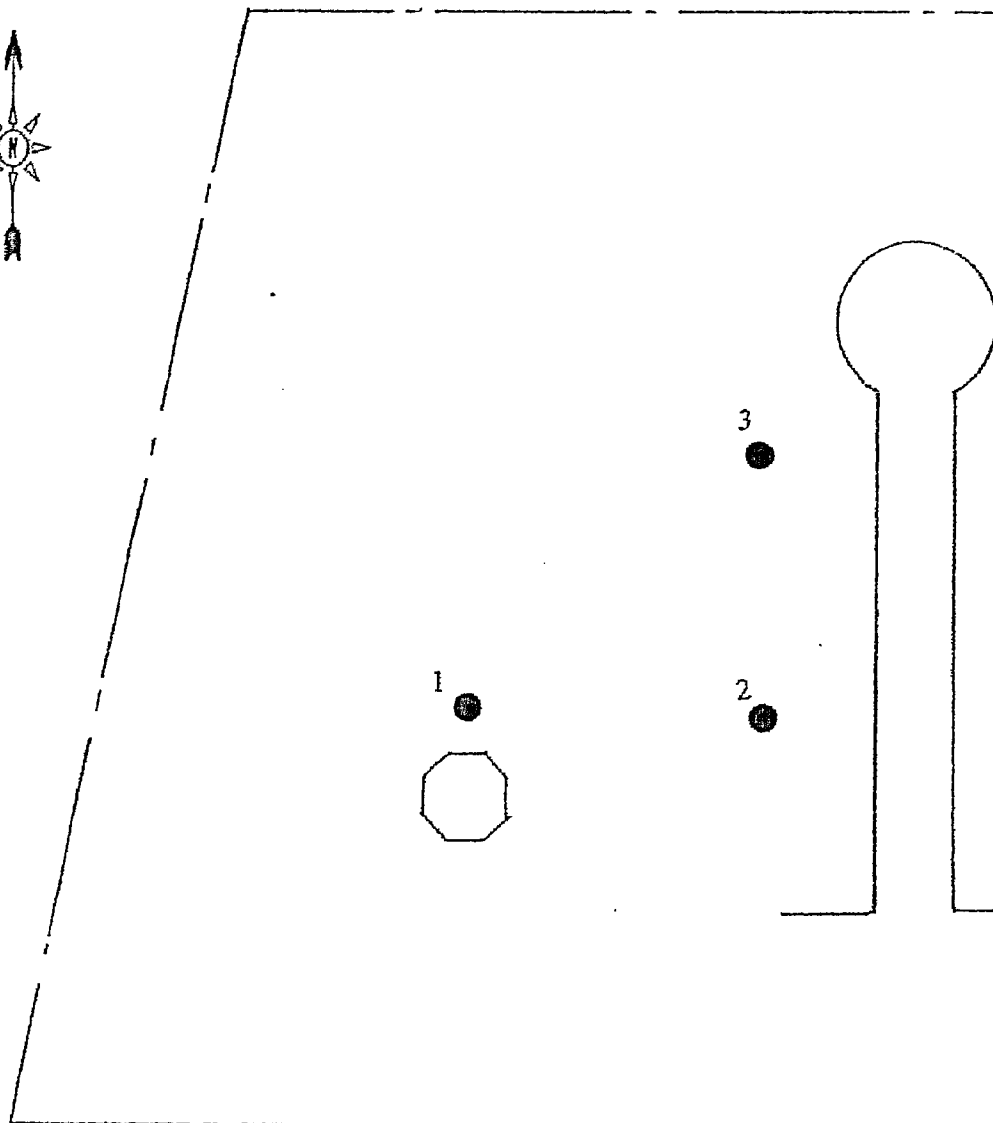
The recommendations presented in this report are based upon the subsurface conditions disclosed by the test holes. Soil and groundwater conditions may vary between test holes and with time. This office may change the recommendations presented herein based on the conditions encountered during construction.

Prior to performing earthwork, a meeting between the client, this office, and the earthwork contractor should be performed to discuss the earthwork and foundation recommendations and testing requirements of this project. The purpose of this meeting is to assure that recommendations and requirements are implemented and to minimize delays and expenses during construction.

In order to verify the recommendations presented herein are followed this office must perform field inspections and earthwork Proctor and compaction testing. If this office is not utilized to perform these services the client agrees to assume all risk for post-construction movement and distress.

This report reflects our interpretation of the site subsurface conditions. We strongly recommend that prior to bidding all contractors perform their own subsurface investigation to form their own opinion of the site soil, rock and groundwater conditions. Should contractors elect to use this report for construction, bidding or estimating purposes, they do so at their own risk.

The staff of Earthworks Engineering Group, LLC is available for supplemental consultation as necessary at (505) 899-4886.



NOT TO SCALE

SITE PLAN

● TEST HOLE LOCATION

LOG OF TEST HOLE NO.: 1

Project: Chinle
 Date Drilled: 12/2/2002
 Drilling Method: 7" Hollow Stem Auger
 Surface Elevation: Not Available
 Depth to Groundwater: Not Encountered
 Bottom of Hole: 21.5 ft

Depth (feet)	N-Value (blows/ft)	Sample Type	Unified Class.	Description	Dry Density (pcf)	Moisture Content (%)
2	25	R	CL	CLAY, very sandy, fine grained, very stiff, medium moist, brown -calcareous	98	7.7
5	60	R	SM	SAND, silty, fine to medium grained, dense, medium moist, light brown	106	4.2
10	29	R		SANDSTONE, heavily weathered to sand, silty, fine to medium grained, medium dense, moist, light brown	104	10.4
15	24	S		-thin clay lenses, medium moist		4.7
20	27	S				4.5
25				Bottom of Hole at 21.5 ft		

LOG OF TEST HOLE NO.: 2

Project:	Chinle
Date Drilled:	12/2/2002
Drilling Method:	7" Hollow Stem Auger
Surface Elevation:	Not Available
Depth to Groundwater:	Not Encountered
Bottom of Hole:	21.5 ft

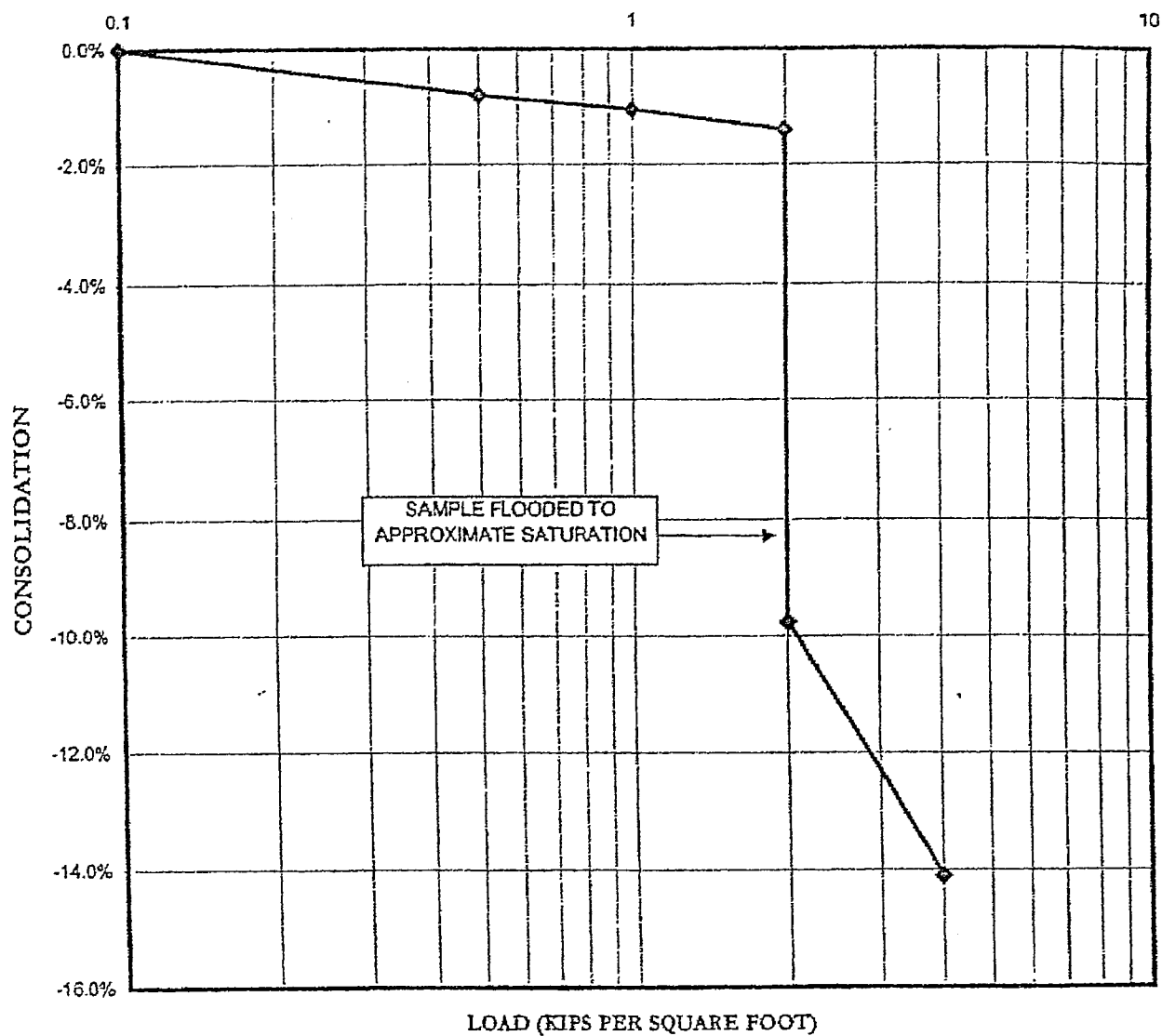
Depth (feet)	N-Value (blows/ft)	Sample Type	Unified Class.	Description	Dry Density (pcf)	Moisture Content (%)
2	16	R	CL	CLAY, very sandy, fine grained, very stiff, medium moist, light red-brown	88	11.9
5	24	R	SC	SAND, clayey, fine to medium grained, medium dense, moist, brown	98	7.5
10	17	S	SM	SAND, silty, fine to medium grained, medium dense, medium moist, brown		4.9
15	51	S		SANDSTONE, heavily weathered to sand, silty, fine to medium grained, dense, moist, light brown		2.5
20	47	S				4.5
25				Bottom of Hole at 21.5 ft		

LOG OF TEST HOLE NO.: 3

Project: Chinle
 Date Drilled: 12/2/2002
 Drilling Method: 7" Hollow Stem Auger
 Surface Elevation: Not Available
 Depth to Groundwater: Not Encountered
 Bottom of Hole: 21.5 ft

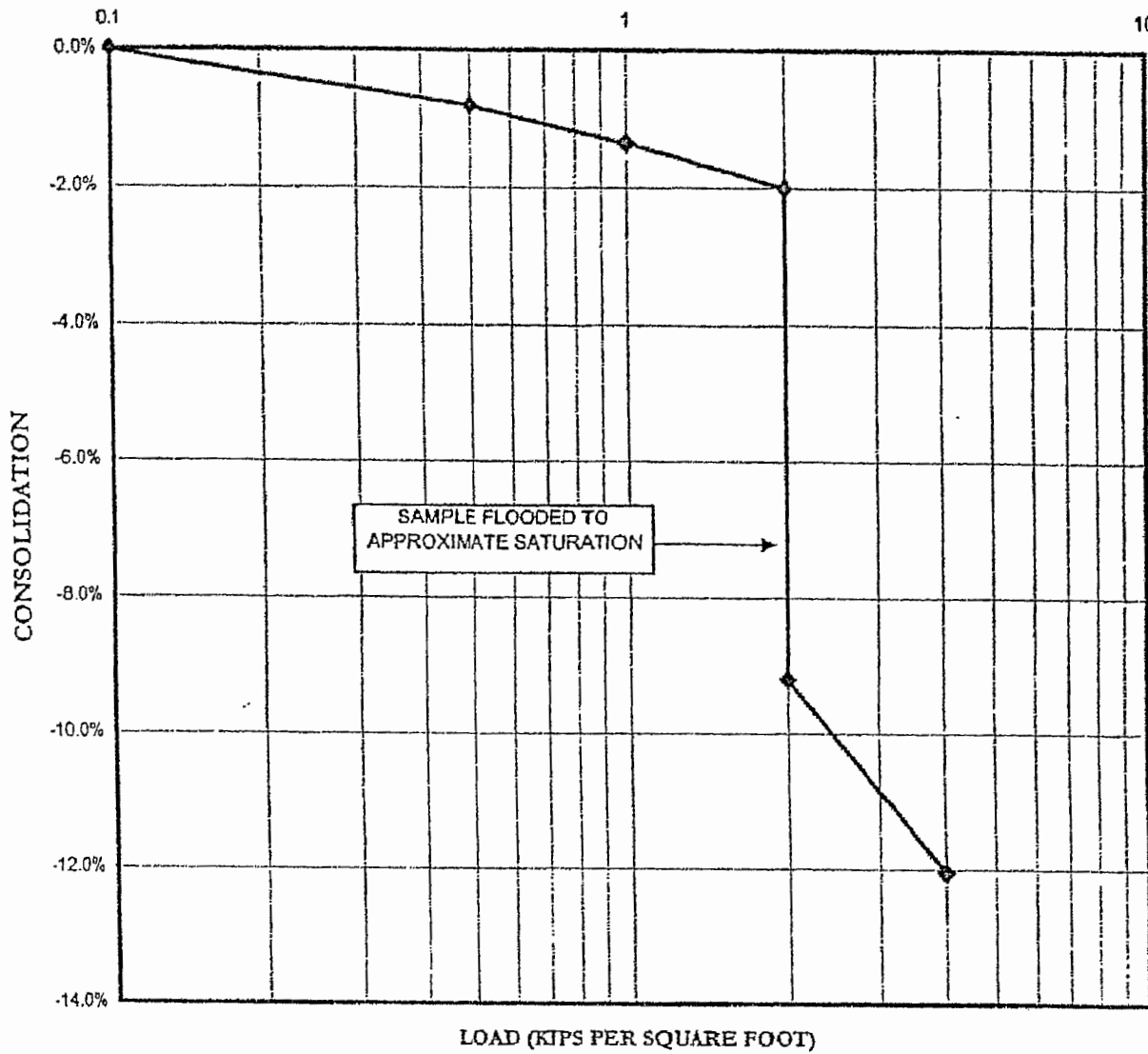
Depth (feet)	N-Value (blows/ft)	Sample Type	Unified Class.	Description	Dry Density (pcf)	Moisture Content (%)
2	30		CL	CLAY, very sandy, fine grained, hard, medium moist light red-brown	97	10.7
		R				
5	26		SC	SAND, clayey, fine to medium grained, medium dense, moist, brown	102	5.6
		R				
	39		SM	SAND, silty, fine to medium grained, dense moist, brown		9.8
10		S				
15	21			SANDSTONE, heavily weathered to sand, silty, fine to medium grained, medium dense, moist, light brown		7.9
		S				
20	33			-dense		3.4
		S				
25				Bottom of Hole at 21.5 ft		

CONSOLIDATION TEST RESULTS



TEST HOLE NO.:1
DEPTH: 2 ft
UNIFIED CLASSIFICATION:CL
DENSITY:98 pcf
MOISTURE CONTENT: 7.7%

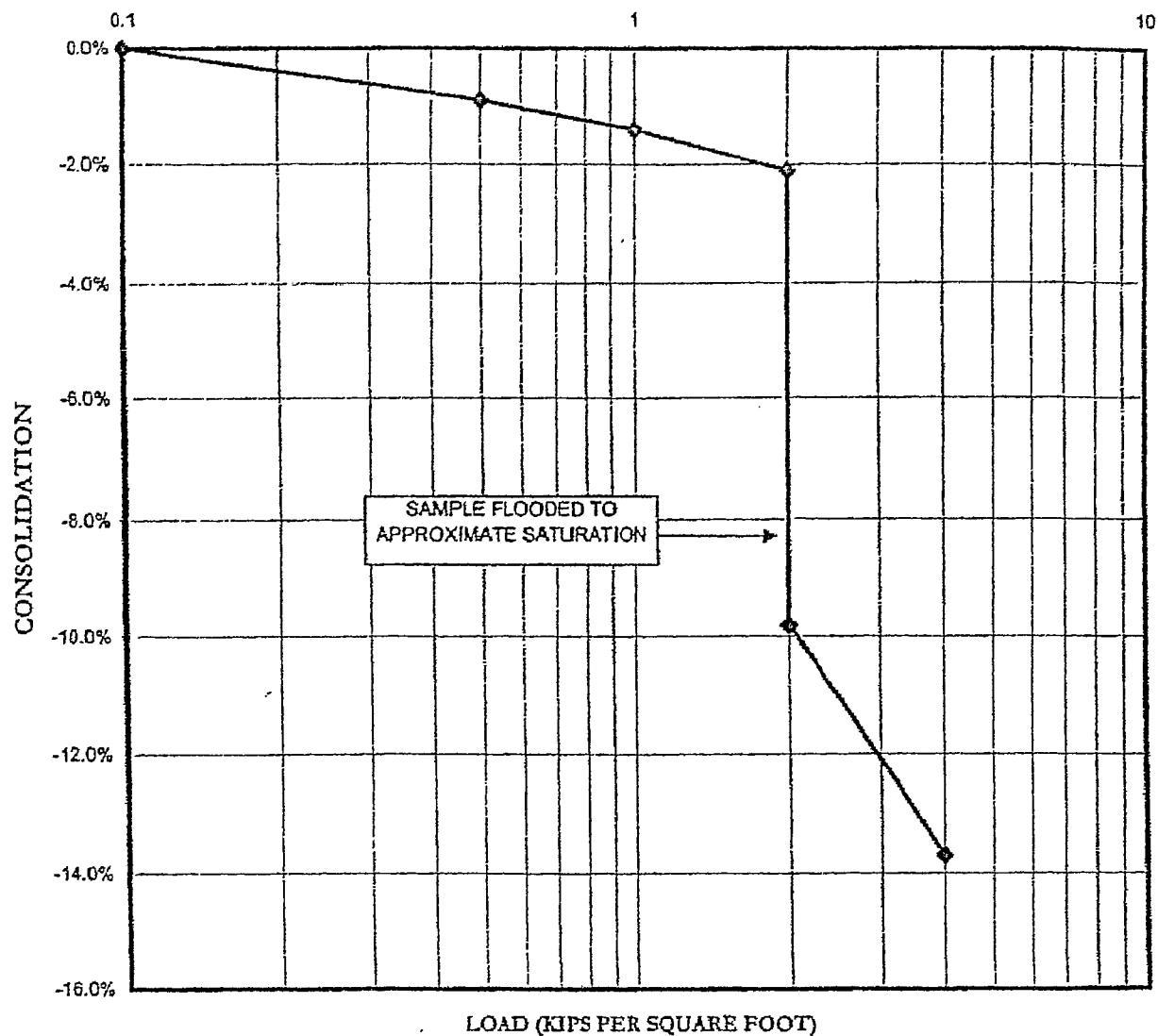
CONSOLIDATION TEST RESULTS



TEST HOLE NO.:1
DEPTH: 5 ft
UNIFIED CLASSIFICATION: SM
DENSITY: 106 pcf
MOISTURE CONTENT: 4.2%

FIGURE 6.

CONSOLIDATION TEST RESULTS



TEST HOLE NO.:3
DEPTH: 5 ft
UNIFIED CLASSIFICATION:SC
DENSITY:102 pcf
MOISTURE CONTENT: 5.6%

FIGURE 7

LABORATORY TEST RESULTS

APPENDIX L

[illegible]

Table 4. - Summary of Laboratory Test Results

Home

Gallery

FAQ

Calendar

Profile

Links

Aerial Photo

Chapter Data

Chinle Chapter

Chapter Images

CHINLE CHAPTER

Navajo name: Ch'7n718

Interpretation: Flowing out (inference to stream from mouth of canyon)

Indian Population: 1980 Census: 4,893

1990 Census: 7,000

2000 Census: 8,294

Estimated land size: 114,655.60 Acres

Land Management District: 10

GOVERNMENT

Number of Chapter NNC delegate(s): 3

Number of police officers for whole dist.: 44

Other police personnel: 22

Navajo Police district office covering Chapter:
Chinle District

Tribal offices providing services in Chapter:

Dept of Head Start Veterans Administration
Women, Infants & Children Land Administration
Community Health Rep Water & Sanitation
Division of Social Services Americorp Prog
Dept of Behavioral Health Youth Dev Svcs
Senior Citizens Center Head Start
Foster Grandparents Program New Dawn
Dept. of Employment and Training NTUA
Chinle Agency Chapter Support Services NHA
Regional Business Development Office

MEDICAL

Hospital(s) & clinic(s) where most Chapter people go:

Hospital	Town
Chinle Indian Hospital	Chinle, AZ
Sage Memorial Hospital	Ganado, AZ

Clinic	Town
Many Farms Health Station	Many Farms, AZ
Tsaile Health Center	Tsaile, AZ

Other Clinics in Chinle:

Long-Term Health Care
Allied Medical Supplies
Dialysis Unit Total Renal Care
Chiropractic Clinic

EDUCATION

Total enrollment by school (Fall of 2003):

School Enrolled

Pre-School and Kindergarten 60

Chinle Junior High School 580
Chinle High School 1,240

COMMUNICATIONS*Regular TV reception; stations received:*Call Letters Town

KOAT Albuquerque, NM
KOBF Farmington, NM
KRQE Albuquerque, NM
KASA Santa Fe, NM

*Clear AM radio stations received:*Call Letters Town

KTNN Window Rock, AZ
KGAK Gallup, NM
KNDN Farmington, NM
KHAC Tse Bonito, NM

*Clear FM radio stations received:*Call Letters Town

KISZ Cortez, CO
KVNA Flagstaff, AZ
KRZE Farmington, NM
KKOR Gallup, NM
KFXR (KGLX) Chinle, AZ (Gallup, NM)

Newspaper received within the Chapter :

Name of Paper	Town
The Independent	Gallup, NM
Navajo Times	Window Rock, AZ
Arizona Republic	Phoenix, AZ

CIVIC*Churches:*

Name of Church	Est'd Membership
Catholic Church	200
Presbyterian Church	60
Church of Latter Day Saints	800
Seventh Day Adventist	50
Potter's House	45

Indigenous:

Traditional Navajo Religion	
Native American Church	200

Active community organizations:

Canyon De Chelly Artists Association

COMMERCIAL*Available establishments in the Chapter :*

Restaurants, regular	3
Fast Food Restaurants	6
Motels; with 400 total rooms	3
Gas Stations	4
Convenient Stores	4
Super Markets	2
General Store	1
Arts and Crafts Store	2
Video Shops	4
Laundromats	3
Horseback Riding Stables	1
Insurance	1

CHINLE CHAPTER (Continued)

Septic Services	1	
Cellular Phone Services		1

TRANSPORTATION*Paved roads through the chapter area:*

US Route 191
Navajo Route 64
Navajo Route 7

TRANSPORTATION (Continued)*Distances to:*

Agency: Chinle 0 miles
Window Rock (Via Ganado) 68 miles
(Via Tsaile) 76 miles
Gallup, NM 91 miles

MAJOR EMPLOYERS

No. of		Employees
Name of Employer		
Park Services	29	
Bureau of Indian Affairs		150
Public Schools	527	
Navajo Nation	600	
NTUA44		
Navajo Communications Co	9	
Apache County (St.)	20	
Motels (3)	120	
IHS409		
Tsegi Shopping Center		155

LOCAL NATURAL RESOURCES

Canyon De Chelly and other nearby scenic areas; water run-off.

COMMUNITY/COOPERATIVE FARMING*Name of farm project:* Chinle Valley Project*Year farm was established:* 1964*Approximate size of farm:* 1,000 Acres

The farm project is currently active and it has a farm board.

Estimated number of family farms: 50**BRIEF OVERVIEW OF CHAPTER**

In 1864, the infamous Kit Carson crusade assured the Navajo stronghold communities of Chinle and Tsegi were destroyed. Resisting groups of Navajos were massacred. Livestock were slaughtered. Hogans, orchards and fields were burned. Using these brutal methods, Carson and the U. S. Cavalry had Navajos succumb to the devastation and surrendering. After four years of captivity at Fort Sumner, New Mexico, the Navajo people were allowed to return back to a confined part of the original Navajo land.

One of the first trading posts in Chinle was established in 1882 by a Spanish American, named *Nakai Yazhi* by the local Navajos.

Chinle was noted for agriculture and grazing in the late 1800s and early 1900s; these trades are still practiced by the local Navajo farmers, influencing nearby areas such as Many Farms and the Chinle Valley. A bill authorizing the establishment of Canyon de Chelly as a National Monument was signed by President Herbert Hoover on February 14, 1931. The *Tsegi* (canyon) has several Anasazi ruins, notably the *White House*, *Mummy*, and *Massacre Cave* ruins. These and other ruins are protected by the National Park Service. *Spider Rock* is an attraction within the canyon. Most of the park area is within the boundaries of the Chinle Chapter, but is operated by the National Park Service.

The Chinle Health Care Facility was opened in August of 1983. Other facilities include the Navajo Land Nursing Home for adults and Chinle Valley School for exceptional children. The Chinle community hosts numerous Tribal, Federal, and State offices to operate programs and provide services. As a primary

APPENDIX M

The 65,000 square-foot Tseyi' Shopping Center has expanded three times since it opened in 1981 and has the largest sales volume of any of the Navajo Nation shopping centers. This commercial complex is owned and operated by DCI Shopping Center, Inc., a subsidiary of Dineh Cooperatives, Inc. Further expansion of the center would provide for additional space for Navajo-owned businesses. Due to its unique master lease, DCI is able to process leases with tenants more quickly than is possible elsewhere within the Navajo Nation.

Chinle Chapter is now the second largest Navajo Nation population after Shiprock Chapter according to Census 2000.

This Chapter information was updated by:

	Name	Telephone No.
'92 & '96	Timothy Begay, CSC	520/674-2054
'92	Jon Colvin, Pres./CEO of DCI	



May 11, 2006

Chinle Nursing Home

P. O. Box 910
Chinle, Arizona 86503

Navajo Tribal Utility Authority
P.O. Box 549
Chinle, Arizona 86503

ATTN: Wallace Yazzie

Enclosed for your review is copy of site plan and per our telephone discussion, CNH is proposing to build housing units within tract of land where existing housing units exist. Accordingly, all utilities are on site and require only tie ins. We are requesting for a commitment letter from NTUA and to insure that NTUA will be able to serve these homes with water, sewer, gas and electrical services. We are requesting for a cost estimate for any connection cost, or any upgrades that would be needed to insure that considerations are made with budget and proposal requests.

The planning activities for the proposed project are winding down, with completion of all studies, such as archaeological, environmental assessments, and request for proposals for the design/build concept of new facilities. Therefore, in consideration of this schedule, we are requesting your assistance with a commitment letter, which is one of the last few item that is necessary to complete planning activities.

We are therefore requesting your assistance, and if you should have any questions regarding this project or data needed, please contact myself at (928) 674-5216 or the Project Manager, Lydia Lee at (928) 736-2561.

Sincerely,

Chinle Nursing Home

Ella S. Dalton
Administrator

ACKNOWLEDGED RECEIPT:

Wallace Yazzie

Field Inspection and Field Evaluation Conducted on May 11, 2006.

Natural Gas Connection

Comment: 2" PG onsite

Electrical Connection

Comment: 3 Phase

Water/Waste Water Connection

Comment: Up-grade 3/4" - 1" line on existing houseOther Exist 6" PVC w/ 1" line cut / install (1) F.H. on South end.

EXHIBIT C

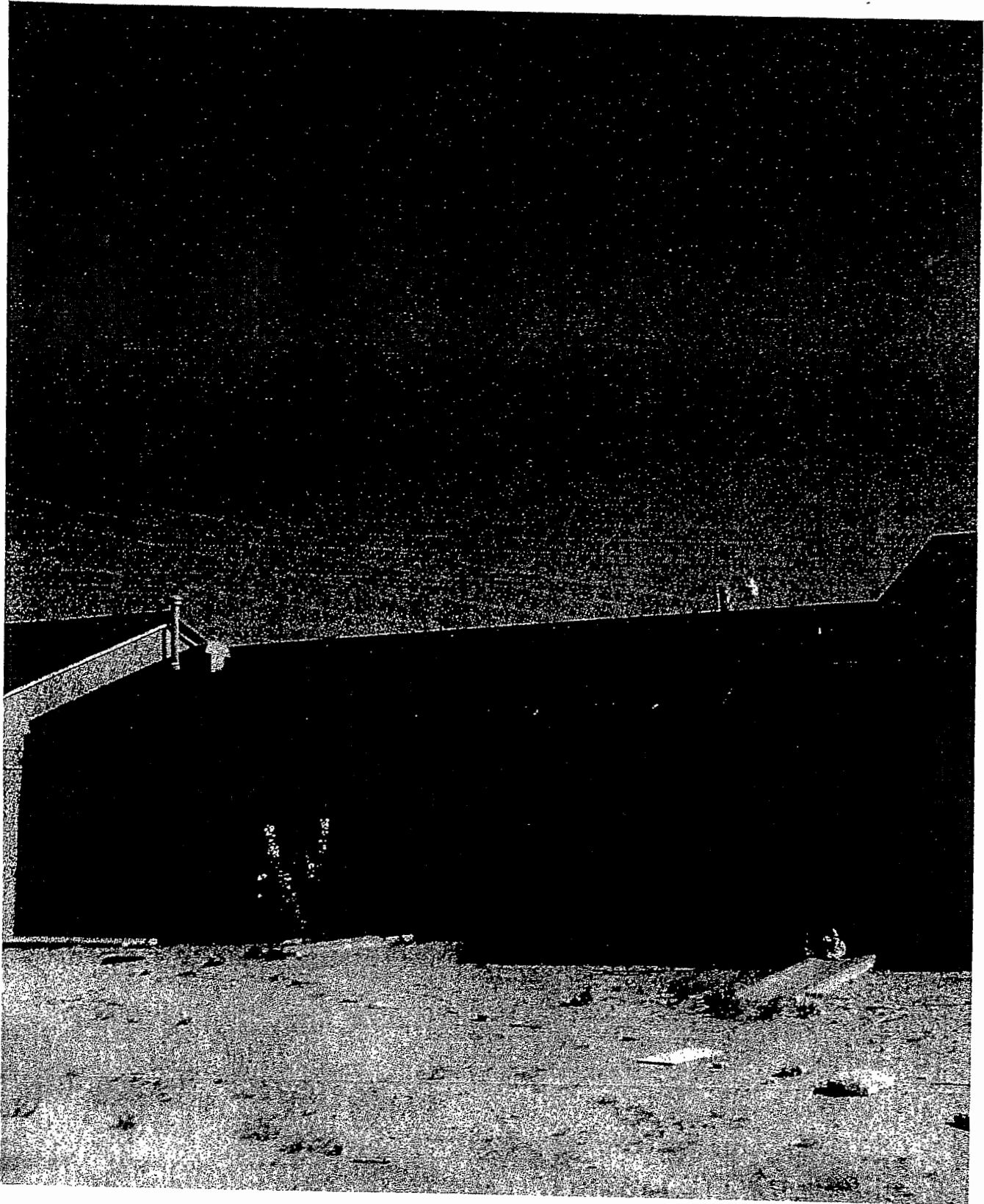


EXHIBIT C

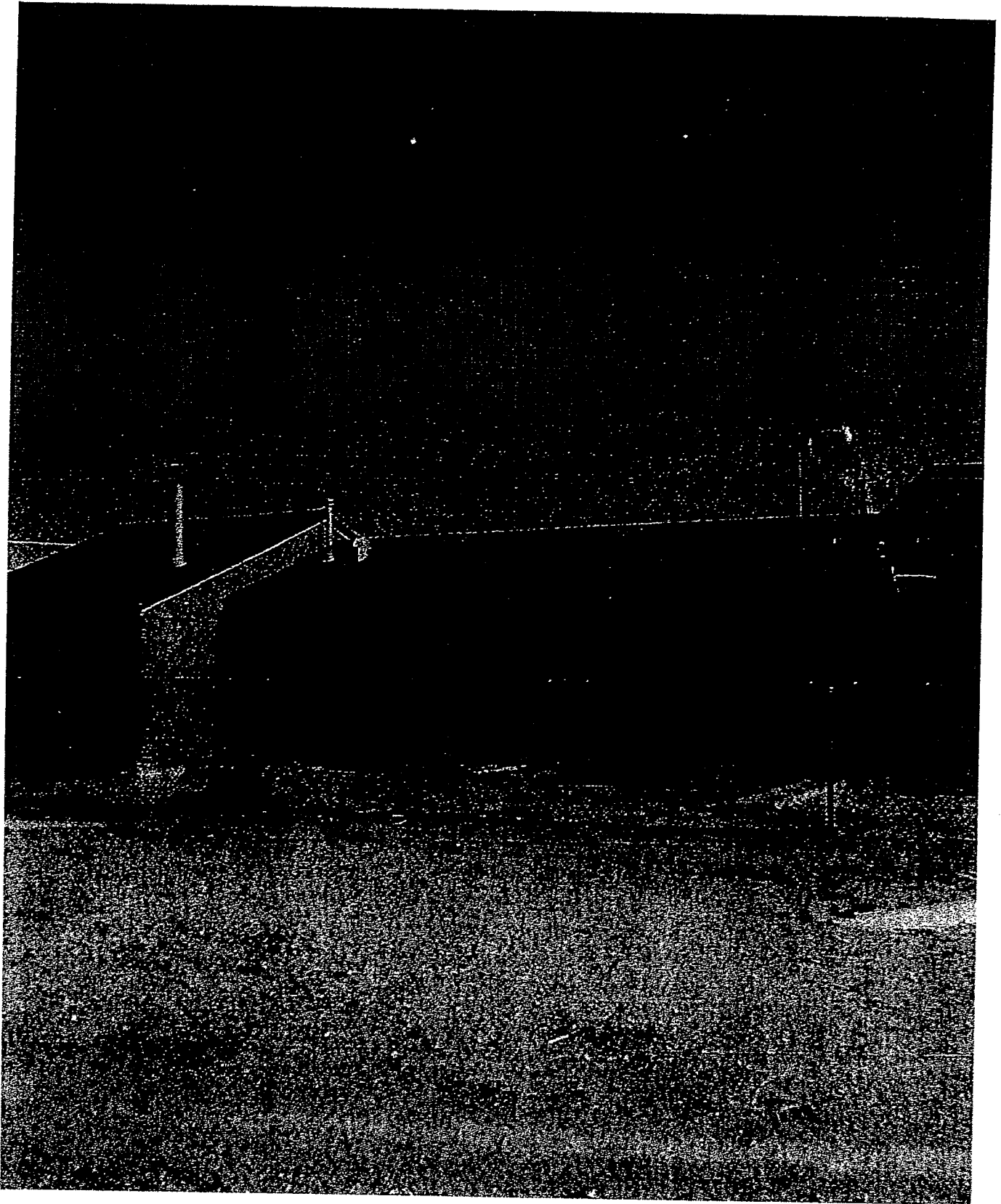
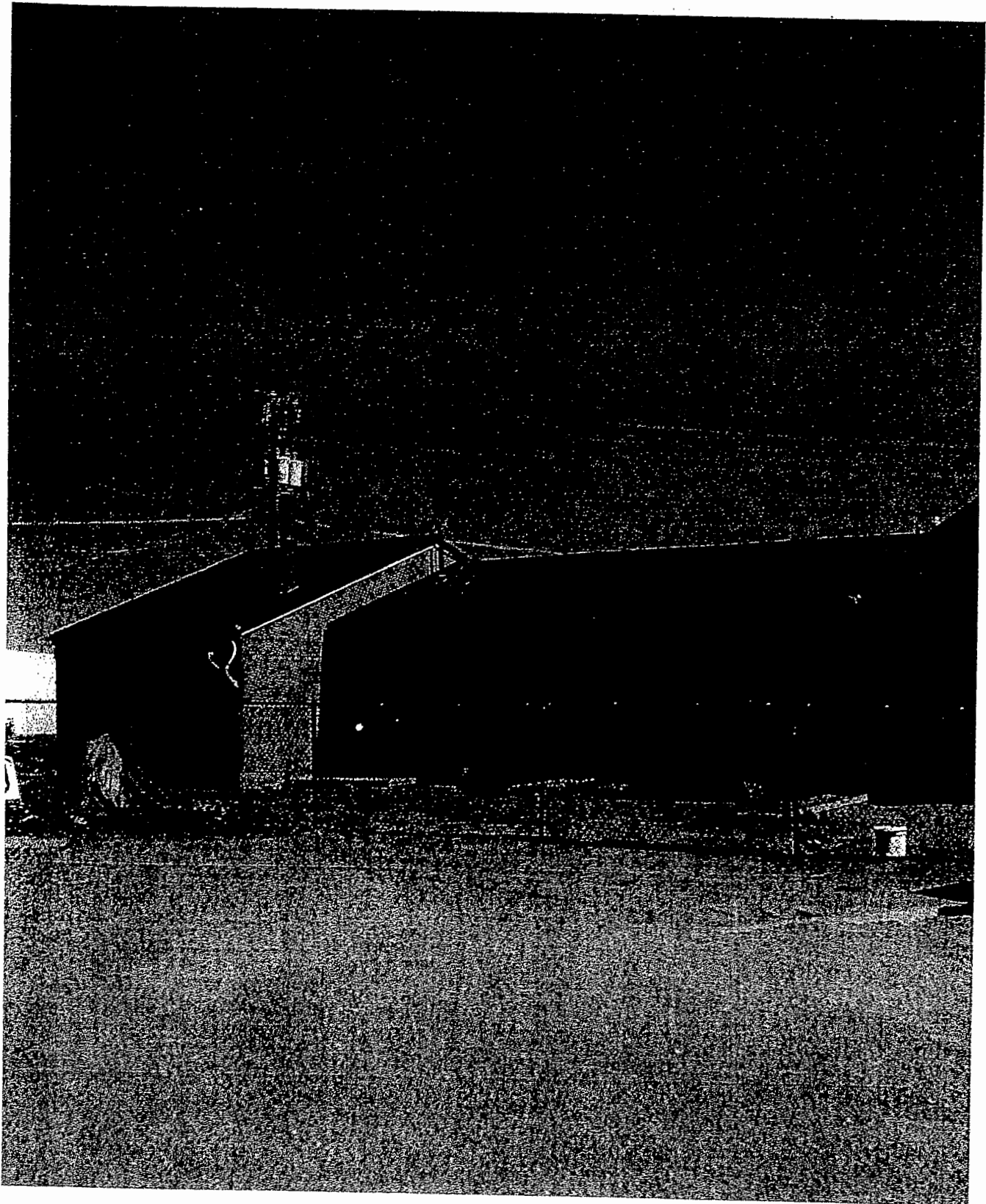


EXHIBIT C



Chinle Nursing Home Site Plan

New 120 beds

EXHIBIT V

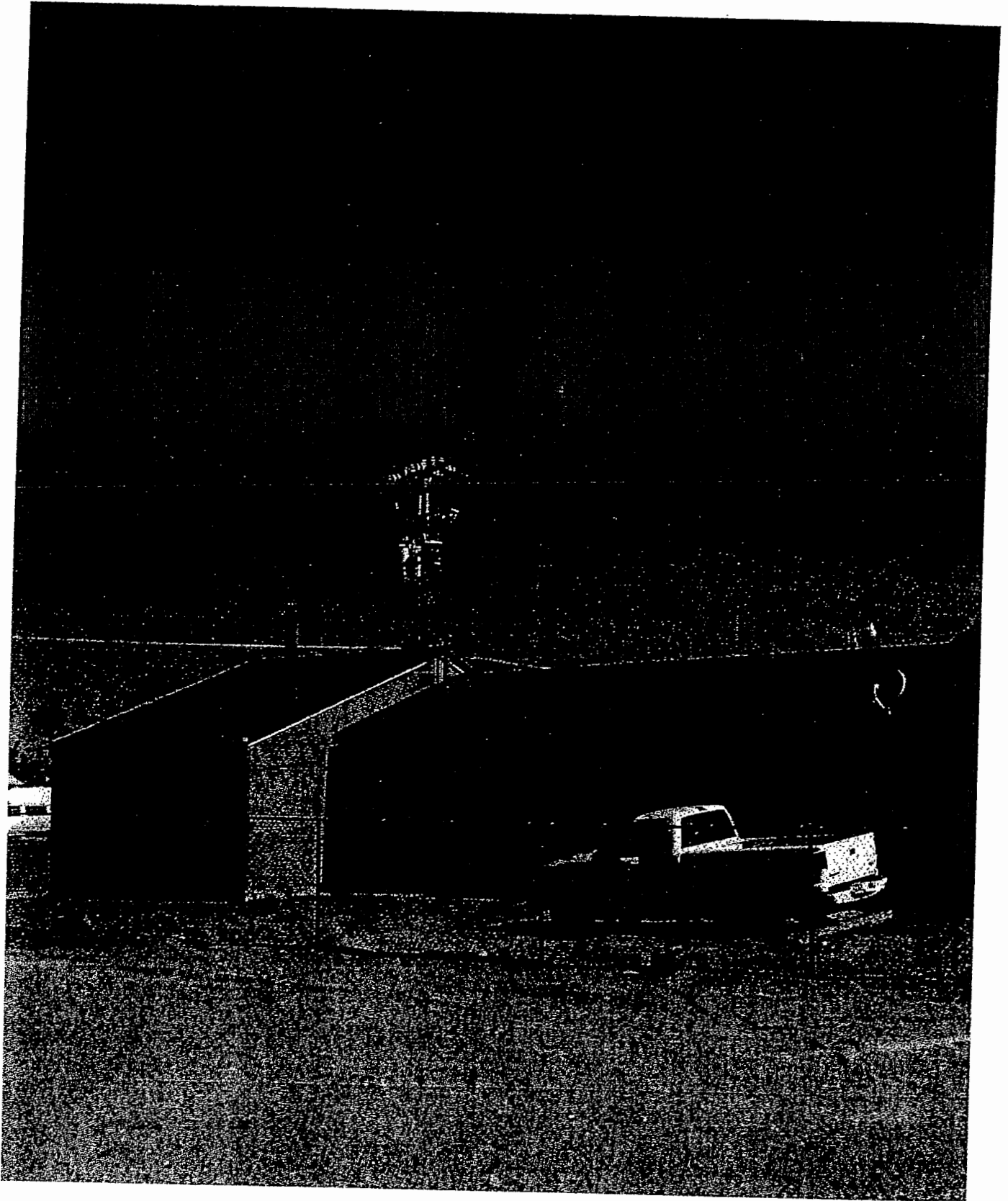
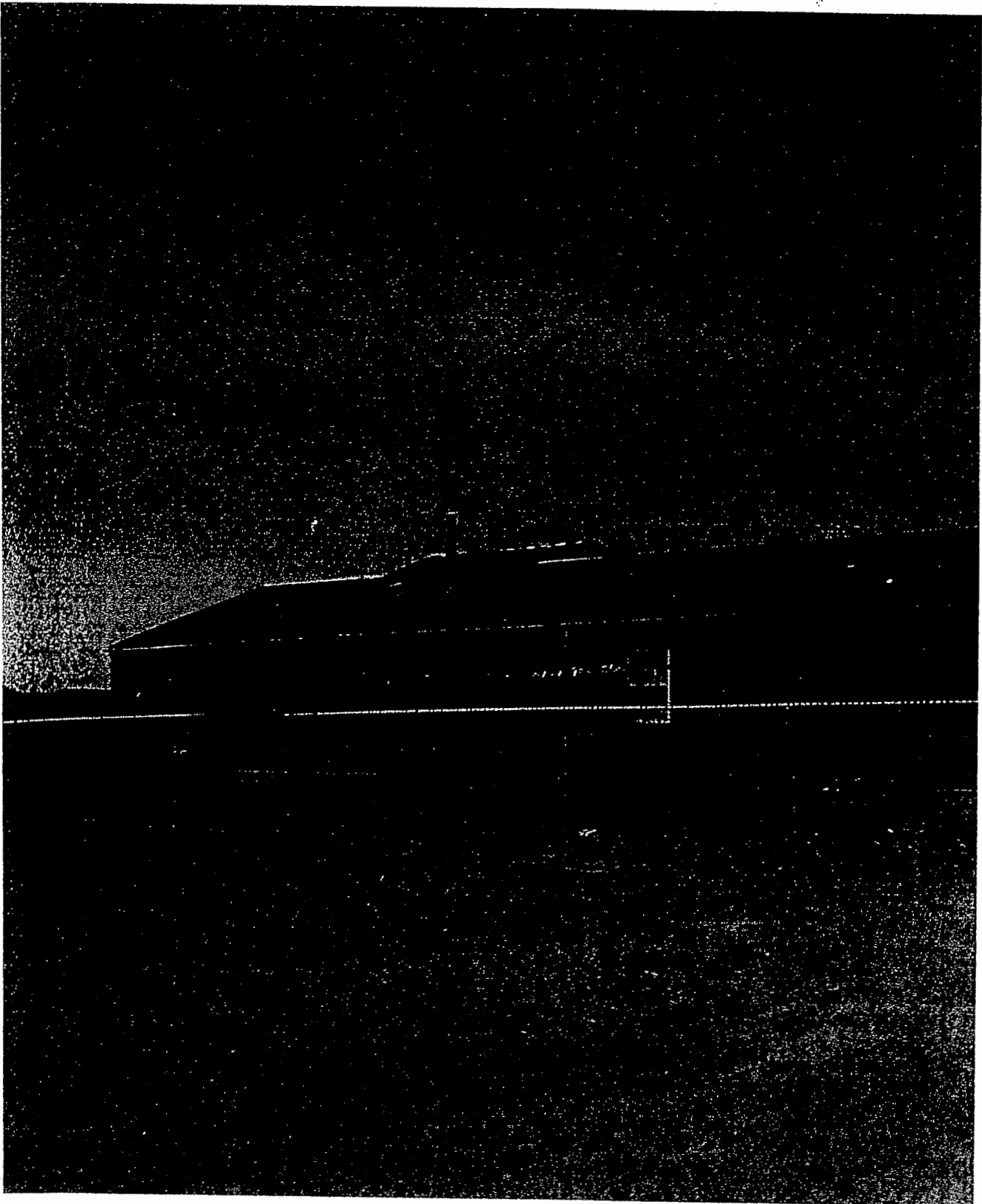


EXHIBIT C



NEW NURSING HOME:
3 STORY, +67,800 SF
120 BED NURSING HOME

3 STORY, +67,800 SF
120 BED NURSING HOME
MALE:
56 DOUBLE OCCUPANCY
4 SINGLE OCCUPANCY
FEMALE:
56 DOUBLE OCCUPANCY
4 SINGLE OCCUPANCY

PROPOSED PARKING:	59 SPACES	ST
NEW CAVA NURSING HOME:	2 STORY, 47,244 SF	
	60 BED NURSING HOME	

PROPOSED PARKING: 82 SPACES

NEW CAVA STAFF HOUSING: 18 DWELLING UNIT
2 STORY, 2 BEDROOM
APARTMENTS

PROPOSED PARKING: 20 SPACES

PARKING AREAS

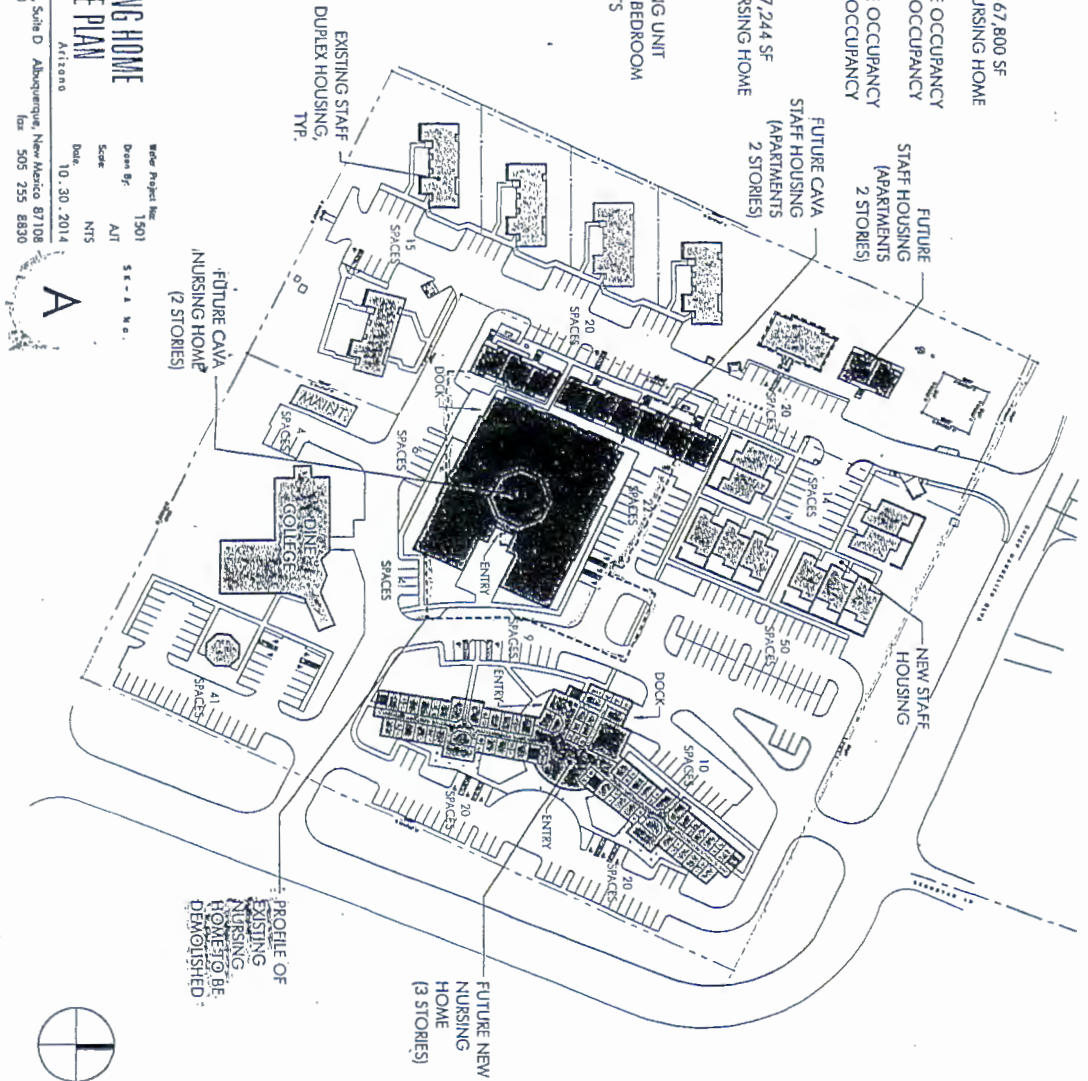
ROADWAYS/DRIVES

NEW CHINESE NURSING HOME CONCEPTUAL SITE PLAN

Chine	Arizona
-------	---------

Weller Architects
401 Alvarado Drive SE,
tel 505 255 8270

Water Project No: 1501
Drawn By: AIT
Scale: NTS
Date: 10-30-2014



Sihasin Sub Committee

SUBMITTED BY DIVISION OF ECONOMIC DEVELOPMENT

JULY 29, 2016



Chinle – 120 Bed Nursing Home

Well Planned Proposal in the 164 Process

- – 27,800 sq ft. 3 floors, 120 Beds

Site Inspections – complete

Business Site Lease needs a modification due to the amount of construction cost.

Seeking additional funds for construction costs only

Confirmation of \$21,448,516 of commitment of NHA funds.

- Total project request is: \$8,000,000

Chinle – 120 Bed Nursing Home

Financial Performance

Improved Financial Strength since 2012

Debt to Equity is currently 9% - down from 17%. Possibly lower due to increased accrued compensation which impacts total liabilities.

Return on Assets is improving as Net Income improves.

Statement of Cash Flows – overall better usage of cash flow

Accounts Payable – Improved by 27% since 2012 indicating better management of payables/bills

Accounts Receivable – considerable improvement from 2012-2015. Need to stay on the same trajectory of improvement



Chinle – 120 Bed Nursing Home

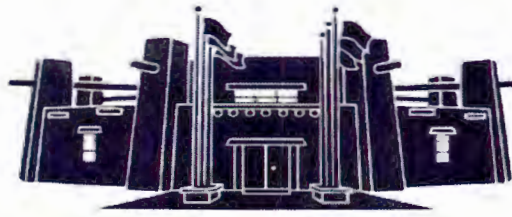
Financial Performance

Current Liabilities – have fallen repeatedly reflecting positive management

Fixed Assets Increased due to new construction

2015 Unaudited financial statements reveal a continued positive financial movement. The Net Income has improved by 67% but still negative.





MEMORANDUM

TO: Hon. Jonathan Hale
23rd Navajo Nation Council

FROM: 
Levon B. Henry, Chief Legislative Counsel
Office of Legislative Counsel

DATE: September 13, 2016

SUBJECT: AN ACTION RELATING TO HEALTH EDUCATION AND HUMAN SERVICES, RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE AND NAABIK'ÍYÁTI' COMMITTEES AND NAVAJO NATION COUNCIL; ADOPTING THE SÍHASIN FUND CHINLE NURSING HOME COMMUNITY DEVELOPMENT & HOUSING EXPENDITURE PLAN PURSUANT TO CD-68-14 AND 12 N.N.C §§ 2501 – 2508

Pursuant to your request, attached is the above-referenced proposed resolution and associated legislative summary sheet. Based on existing law, the resolution as drafted is legally sufficient. However, as with all legislation, it is subject to review by the courts in the event of a challenge.

The Office of Legislative Council confirms the appropriate standing committee(s) reviews based on the standing committees powers outlined in 2 N.N.C. §§ 301, 401, 501, 601 and 701. Nevertheless, "the Speaker of the Navajo Nation Council shall introduce [the proposed resolution] into the legislative process by assigning it to the respective oversight committee(s) of the Navajo Nation Council having authority over the matters for proper consideration." 2 N.N.C. § 164(A)(5).

Please review the proposed resolution to ensure it is drafted to your satisfaction. If this proposed resolution is acceptable to you, please sign it where it indicates "Prime Sponsor", and submit it to the Office of Legislative Services for the assignment of a tracking number and referral to the Speaker.

If the proposed resolution is unacceptable to you, or if you have further questions, please contact me at the Office of Legislative Counsel and advise me of changes you would like made to the proposed resolution. You may contact me at (928) 871-7166. Thank you.

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0324-16__

SPONSOR: Jonathan L. Hale

TITLE: An Action Relating To Health, Education And Human Services, Resources And Development, Budget And Finance And NAABIK'IYATI' Committees And Navajo Nation Council; Adopting The Sihasin Fund Chinle Nursing Home Community Development & Housing Expenditure Plan Pursuant To CD-68-14 And 12 N.N.C. §§ 2501 - 2508

Date posted: September 16, 2016 at 2:25 PM

Digital comments may be e-mailed to 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.*

**THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW SUMMARY**

LEGISLATION NO.: 0324-16

SPONSOR: Honorable Jonathan L. Hale


TITLE: An Action Relating To Health, Education And Human Services, Resources And Development, Budget And Finance And Naabik'iyati' Committees And Navajo Nation Council; Adopting The Sihasin Fund Chinle Nursing Home Community Development & Housing Expenditure Plan Pursuant To Cd-68-14 And 12 N.N.C. §§ 2501 - 2508.

Posted: September 16, 2016 at 2:25 PM

5 DAY Comment Period Ended: September 21, 2016

Digital Comments received:

Comments Supporting	<i>None</i>
Comments Opposing	<i>None</i>
Inclusive Comments	<i>None</i>



Policy Analyst
Office of Legislative Services

9/22/16 8:08am
Date/Time

Committee Report

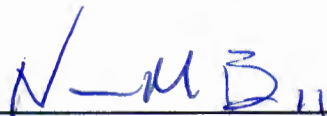
THE HEALTH, EDUCATION AND HUMAN SERVICES COMMITTEE OF THE NAVAJO
NATION COUNCIL to who has been assigned;

LEGISLATION NO. 0324-16

AN ACTION RELATING TO HEALTH, EDUCATION AND HUMAN SERVICES, RESOURCES
AND DEVELOPMENT, BUDGET AND FINANCE AND NAABIK'IYATI' COMMITTEES AND
NAVAJO NATION COUNCIL; ADOPTING THE SIHASIN FUND CHINLE NURSING HOME
COMMUNITY DEVELOPMENT & HOUSING EXPENDITURE PLAN PURSUANT TO CD-68-14
AND 12 N.N.C. §§ 2501 - 2508 Sponsor: Honorable Jonathan L. Hale;
Co-Sponsor: Honorable Nathaniel Brown

Has had under consideration and report the same with the
recommendation that Legislation 0324-16 PASS with no amendment and no
directive; And therefore referred the same to the RESOURCES AND
DEVELOPMENT COMMITTEE OF THE NAVAJO NATION COUNCIL

Respectfully Submitted,



Norman M. Begay, Vice-Chairperson
Health, Education and Human Services Committee

Dated: September 26, 2016

Main Motion

Motion by: Honorable Nathaniel Brown

Seconded by: Honorable Peterson B. Yazzie

Vote: 5 in favor; 0 Opposed and 1 Abstain;

Vice-Chairperson Not Voting