LEGISLATIVE SUMMARY SHEET
Tracking No. 0342-19

DATE: November 18, 2019

TITLE OF RESOLUTION: PROPOSED STANDING COMMITTEE RESOLUTION; AN ACTION RELATING TO RESOURCES AND DEVELOPMENT AND BUDGET AND FINANCE COMMITTEES; APPROVING A CHANGE IN PROJECT FUNDING IN RESOLUTION CAP-35-18 EXHIBIT E NO. 5 SHIPROCK CHAPTER "WATERLINE EXTENSION/UPDATES" BY AMENDING THE PROJECT DESCRIPTION, PROJECT TYPE AND THE YEARS THE FUNDS ARE TO BE EXPENDED

PURPOSE: Approving changes to CAP-35-18 Exhibit E, Project No. 5, Shiprock Chapter changing the Project Description from "Waterline Extension/Updates" to "Shiprock South Wastewater Extension, Phase 2"; changing the Project Type from Pre-Design to Design; and changing Year 1 Funding from $100,000 to $0 and Year 3 Funding from $0 to $100,000 and other changes.

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.

5-DAY BILL HOLD PERIOD: 2355
Website Posting Time/Date:
Posting End Date: 11/24/19
Eligible for Action: 11/25/19

Resources & Development Committee
Thence
Budget & Finance Committee

PROPOSED STANDING COMMITTEE RESOLUTION

24th NAVAJO NATION COUNCIL—First Year, 2019

INTRODUCED BY

Primary Sponsor

TRACKING NO. 0342-19

AN ACTION

RELATING TO RESOURCES AND DEVELOPMENT AND BUDGET AND FINANCE COMMITTEES; APPROVING A CHANGE IN PROJECT FUNDING IN RESOLUTION CAP-35-18 EXHIBIT E NO. 5 SHIPROCK CHAPTER "WATERLINE EXTENSION/UPDATES" BY AMENDING THE PROJECT DESCRIPTION, PROJECT TYPE AND THE YEARS THE FUNDS ARE TO BE EXPENDED

BE IT ENACTED:

Section One. Authority

1. The Resources and Development Committee exercises authority over chapters of the Navajo Nation. 2 N.N.C. § 501(C)(1).
2. The Budget and Finance Committee of the Navajo Nation Council exercises authority over budgeting, appropriation, investment and management of all funds. 2 N.N.C. § 301 (B)(2).
3. Council Resolution CAP-35-18 provides, "[a] chapter project, powerline, or waterline project may be changed, including the year funded, or added to Exhibits A through E with the concurrence of the Delegate representing the chapter's Council District and the approvals of the Resources and Development Committee and Budget and Finance Committee, as long as such project has been certified as construction-ready by CPMD or NTUA and the total Síhasin

Funding for the District does not exceed $4,166,666.67." **Exhibit 2** (CAP-35-18 and its Exhibit E), Section Four, Paragraph C.

Section Two. Findings

A. The Navajo Nation Council adopted Council Resolution CAP-35-18, "Adopting the Sihasin Fund Powerline and Chapter Projects Expenditure Plan Pursuant to CD-68-14, as Amended by CJA-03-18, and 12 N.N.C. §§ 2501-2508, as Amended; Waiving 12 N.N.C. §§ 810 (F), 820 (I) and (M) and 860 (C) Relating to the Capital Budget and Capital Improvement Process" on April 17, 2018, which is attached as **Exhibit 2** (CAP-35-18 and its Exhibit E).

B. Shiprock Chapter submitted a CAP-35-18 Project Change Form, which is attached as **Exhibit 1**. The Shiprock Chapter project is included in **Exhibit 2**, Exhibit E, Project 5.

C. The CAP-35-18 Project Change Form, **Exhibit 1**, indicates the following changes to be made:

CAP-35-18 Exhibit E, Project No. 5, Shiprock Chapter changing the Project Description from "Waterline Extension/Updates" to "Shiprock South Wastewater Extension, Phase 2"; changing the Project Type from Pre-Design to Design; and changing Year 1 Funding from $100,000 to $0 and Year 3 Funding from $0 to $100,000 as shown in **Exhibit 1**.

Section Three. Approval

The Navajo Nation hereby approves the changes to CAP-35-18 Exhibit E, Project No. 5, Shiprock Chapter changing the Project Description from "Waterline Extension/Updates" to "Shiprock South Wastewater Extension, Phase 2"; changing the Project Type from Pre-Design to Design; and changing Year 1 Funding from $100,000 to $0 and Year 3 Funding from $0 to $100,000 and other changes shown in **Exhibit 1**.

EXHIBIT

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CAP-35-18 PROJECT CHANGE FORM

CPMD REF#: 21

PROJECTS TO BE DELETED

Exhibit & Project No.	Project Description	CPMD Project Mgr	Funding				All Funding Deleted?
			Year 1	Year 2	Year 3	Total Funding	
E-5	Shiprock Waterline Extension/Updates	Benjamen Cowboy	$100,000.00	$0.00	$ -	$ 100,000.00	yes
					Total Deleted Funding:	$ 100,000.00	

Justification	The current Legislation for CAP-35-18 has Year 1 funding for this project allocated to NTUA. NTUA has forfieted to pursue this project. By request of the Office of the Speaker, the NN Water Management Branch (WMB) has agreed to administrate and implement these funds. Upon approval to allow WMB to administrate and implement funds, WMB will amend an existing contract with Ritoch, Powell & Associates (RPA) to perform design work for the "Shiprock South Wastewater Extension, Phase 2" project; RPA's planning activities for the "Shiprock South Wastewater Extension" project is in progress and anticipated to be completed mid 2020.	

CPMD has reviewed the CAP-35-18 Project Change Form and concurs that:

1. The total amount of funding for the added projects equals the total amount of funding for the delete project;
2. Each added project has a completed Project Check-Off List signed off by CPMD and attached to this Form; and
3. After the projects have been added and deleted, the total CAP-35-18 funding for the Council District does not exceed $4,166,666.67.
4. After review, CPMD considers and certifies the project to be construction-ready.

CPMD: James Atcitty, Dept Manager — Name & Title

Signature

Oct 3, 2019 — Date

CPMD REF#: 21

CAP-35-18 PROJECT CHANGE FORM

COUNCIL DISTRICT: Council Delegate Eugenia Charles-Newton

DELEGATE SIGNATURE: [signature]

DATE: 10/3/19

PROJECTS TO BE ADDED

Chapter	Project Description	CPMD Project Mgr	Funding				Check-Off List?
			Year 1	Year 2	Year 3	Total Funding	
Shiprock	Shiprock South Wastewater Extension, Phase 2 - Project Type: Design	Benjamen Cowboy	$0.00	$0.00	$100,000.00	$100,000	
				Total Added Funding:		$100,000	

Justification	To allow change of project type from pre-Design to Design, to allow the change of funding year, and to allow NN Water Management Branch (WMB) to administrate and implement Sihasin funds for the "Shiprock South Wastewater Extension, Phase 2" project. Upon approval, WMB will amend its contract with Ritoch, Powell & Associates (RPA) to utilize funds for design work of the referenced added project which include surveying and geotechnical services, and establishing necessary documentation for design and construction of proposed wastewater line in the south Shiprock area. Request the total $100,000.00 to be moved from Year 1 to Year 3 for RPA to do Design work. Based on RPA's proposal, the total cost of the Design work was estimated to be $360,140.00 (not including 6% Navajo Nation tax); additional funds will be required to complete the Design work.	

EXHIBIT 2

EXHIBIT: E

SIHASIN FUND POWERLINE AND CHAPTER CAPITAL PROJECTS EXPENDITURE PLAN (WATERLINES)

NO.	CHAPTER	PROJECT DESCRIPTION	PROJECT TYPE (Pre-Design, Design, Design/Construction)	PROJECT DURATION	YEAR 1 FUNDING	YEAR 2 FUNDING	YEAR 3 FUNDING	MATCHING FUNDS (LEVERAGE)	SIHASIN FUNDS REQUESTED
1	Tselani/ Cottonwood	Waterline	Construction	18-24 months	$0.00	$265,000.00	$0.00	$0.00	$265,000.00
2	Rough Rock	Low Water project	Design/ Construction	16-24 months	$0.00	$588,000.00	$0.00	$0.00	$588,000.00
3	Tohatchi	Waterline	Plan/ Design/ Construction	36 months	$200,000.00	$0.00	$633,333.33	$25,000.00	$833,333.33
4	Crystal	Green Knoll/Split Mesa Waterline and Water Storage	Plan/ Design/Construction	36 months	$100,000.00	$65,666.66	$0.00	$0.00	$165,666.66
5	Shiprock	Waterline Extension/Updates	Pre-Design (ROW, Survey, Assessment)	36 months	$100,000.00	$0.00	$0.00	$0.00	$100,000.00
6	Tolikan	Water line extenstion	Plan/ Design/ Construction	24 months	$60,557.00	$0.00	$0.00	$5,000.00	$60,557.00
7	Chinle	Waterline-SpiderRock Phase 2.5	Plan/ Design/ Construction	24 months	$50,000.00	$0.00	$1,379,636.00	$0.00	$1,429,636.00
8	Chinle	Water Well-Construction	Design/ Construction	36 months	$50,000.00	$0.00	$600,000.00	$0.00	$650,000.00
9	Cornfields	Waterline	Pre-Design (ROW)	24 months	$0.00	$150,000.00	$0.00	$0.00	$150,000.00
					$560,557.00	**$1,068,666.66**	**$2,612,969.33**	**GRAND TOTAL**	**$4,242,192.99**

RESOLUTION OF THE
NAVAJO NATION COUNCIL

23rd NAVAJO NATION COUNCIL -- Fourth Year, 2018

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 POWERLINE AND CHAPTER PROJECTS EXPENDITURE PLAN PURSUANT TO CD-68-14, AS AMENDED BY CJA-03-18, AND 12 N.N.C §§ 2501 - 2508, AS AMENDED; WAIVING 12 N.N.C. §§ 810 (F), 820 (I) AND (M) AND 860 (C) RELATING TO THE CAPITAL BUDGET AND CAPITAL IMPROVEMENT PROCESS

BE IT ENACTED:

Section One. Authority

A. The Health Education and Human Services Committee of the Navajo Nation Council is empowered to provide legislative oversight on matters involving health, social services, education, general governmental services and human services. 2 N.N.C. §400 (C) (1).

B. The Resource Development Committee of the Navajo Nation Council is empowered to exercise oversight authority on matters involving roads and transportation, communications and utilities, information technology, chapter activities, economic and community development, rights-of-way, public utilities and housing. 2 N.N.C. § 500 (C).

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 and to coordinate and review all fiscal, financial and investment activities of the Navajo Nation. 2 N.N.C. §§ 301 (B) (2) and (5).

D. The Naabik'íyáti' 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).

E. The Naabik'íyáti' Committee additionally has the authority to delegate its authority as appropriate for efficiency and streamlining of government process to appropriate entities

and to establish a subcommittee that consists of committee members which the committee selects. 2 N.N.C. §§ 186 and 701 (B). The Naabik'íyáti' Committee adopted NABIAP-20-15 establishing the Naabik'íyáti' Síhasin Fund Subcommittee to "recommend to the Naabik'íyáti' Committee and Navajo Nation Council financial support and/or financing plan(s) for the purposes designated in CD-68-14 [Navajo Nation Breach of Trust Settlement Act of 2014, establishing the Síhasin Fund]".

F. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102 (A).

Section Two. Findings

A. On November 1, 2006, the 20th Navajo Nation Council unanimously passed Resolution No. CN-57-06 authorizing the Navajo Nation Attorney General to file a lawsuit against the United States for the alleged breach of its fiduciary duties to the Nation arising under treaties, executive orders, public laws, statutes, regulations and contracts due to its mismanagement of the Nation's tribal trust assets, including tribal trust funds and select tribal resources, specifically excluding water and assets held in trust for individual Navajo members. Resolution No. CN-57-06 was signed into law by the President of the Navajo Nation on November 13, 2006.

B. On September 26, 2013, the Naabik'íyáti' Committee of the Navajo Nation Council passed NABIS-42-13 creating a Trust Mismanagement Litigation Task Force ("Task Force"), composed of Council Delegates, from each agency and each standing committee, as well as Presidential appointees, to assist and consult with the Navajo Nation Office of the Attorney General, Department of Justice, outside legal counsel and the Office of the Navajo Nation President & Vice-President in evaluating whether any proposals put forth by the United States to settle the lawsuit, *Navajo Nation v. United States*, No. 06-945L, (United States Court of Federal Claims) were in the best interests of the Nation.

C. On May 16, 2014, the United States made a settlement offer that was acceptable to the Nation's Attorney General, outside legal counsel, the Task Force and the Office of the President & Vice-President as being in the best interests of the Navajo Nation and on May 30, 2014, the 22nd Navajo

Nation Council adopted Resolution No. CMY-28-14 accepting a settlement of the Navajo Nation's lawsuit, *Navajo Nation v. United States*, No. 06-945L, against the United States for its historical mismanagement of the tribe's trust assets and its failure to ensure that the Navajo Nation received all funds due and owed under the United States' trust obligations and fiduciary duties. Resolution No. CMY-28-14 was signed into law by the President of the Navajo Nation on June 4, 2014.

D. The 22nd Navajo Nation Council recognized that during the many decades that the United States was in breach of its trust obligations and fiduciary duties to the Nation and engaged in the mismanagement of the Nation's tribal trust assets and resources, the tribal government was without sufficient funds to provide basic services and amenities to the Diné of past generations. The tribal government was also without funds to develop an infrastructure within the four sacred mountains that would support the growth and development of opportunities crucial for the prosperity of future generations of Diné. *See* Resolution No. CMY-28-14.

E. Between October 6, 2014 and November 8, 2014, the Office of the Speaker held seven (7) Public Hearings, as directed by the Navajo Nation Council's Naabik'iyati' Committee, to receive input from Navajo Nation members on how the net proceeds from *Navajo Nation v. United States'* should be used. During that same time period, the Office of the President & Vice-President also held five (5) town hall meetings for a similar purpose.

F. On December 13, 2014, in the best interests of the Nation and consistent with the collective wishes expressed by its members, the 22nd Navajo Nation Council adopted Resolution No. CD-68-14 enacting the Navajo Nation Breach of Trust Settlement Act of 2014 (hereinafter "2014 Act") and establishing the Navajo Nation Síhasin Fund at 12 N.N.C. § 2501 et seq. The President of the Navajo Nation signed Resolution No. CD-68-14 into law on December 31, 2014.

G. On January 31, 2018, the 23rd Navajo Nation Council adopted Resolution No. CJA-03-18 enacting amendments to CD-68-14 clarifying the intent of the 22nd Navajo Nation Council, including that Síhasin Fund infrastructure projects were not to be limited by 12 N.N.C. § 1310(F) (Navajo Nation Bond Financing Act) or by TCDCJY-77-99 (Capital Improvement Projects Guidelines Policies and Procedures).

Resolution No. CJA-03-18 was signed into law by the President of the Navajo Nation on February 8, 2018.

H. The 2014 Act, as amended by CJA-03-18, mandates that the net proceeds and earnings thereon received by the Navajo Nation from the settlement of *Navajo Nation v. United States*, No. 06-945L, be deposited into the Síhasin Fund and managed and invested to provide financial support and/or financing for (1) the planning and development of economic development and regional infrastructure supporting economic development and community development, including such infrastructure as, but not limited to, housing, commercial and government buildings, waterlines, solid waste management development, powerline projects, transportation and communication systems, within the Navajo Nation; and/or (2) education opportunities for members of the Navajo Nation. See 12 N.N.C § 2501 and § 2502 (A), as amended.

I. The 2014 Act, as amended, also established that "leveraging of the [Síhasin] Fund by way of guaranteeing loans, match funding, direct funding in part and other weighted uses of the Fund, including loan financing from the Fund for the purposes in § 2502 (A)(1), shall be favored over direct funding in whole". 12 N.N.C § 2502 (C), as amended.

J. The 2014 Act further established that with the exception of outstanding and accrued litigation costs, Síhasin Fund Principal and Income shall only be expended pursuant to a Fund Expenditure Plan consistent with the purposes set forth in the 2014 Act, as amended, at 12 N.N.C. §2502 and adopted by a two-thirds (2/3) vote of all members of the Navajo Nation Council. *See* 12 N.N.C. § 2505 (A).

K. On April 9, 2015, the Naabik'íyáti' Committee adopted NABIAP-20-15 establishing the Naabik'íyáti' Síhasin Fund Subcommittee to "recommend to the Naabik'íyáti' Committee and Navajo Nation Council financial support and/or financing plan(s) for the purposes designated in CD-68-14 [Navajo Nation Breach of Trust Settlement Act of 2014, establishing the Síhasin Fund]".

L. Between April 2015 and March 2018, the Subcommittee, assisted by the Office of Legislative Services, Office of the Speaker, Office of Legislative Counsel and outside legal counsel, met on more than thirty (30) occasions in either work sessions or official meetings to review and evaluate comments and recommendations from the Navajo

People; hear proposals from Navajo Nation entities, Chapters, programs and officials; and develop expenditure plan(s) for the Síhasin Fund Principal and Income consistent with the purposes set forth in the 2014 Act, as amended.

M. After reviewing the comments and recommendations submitted during the Public Hearings and town hall meetings, as well as the reports and comments made during Síhasin Fund Subcommittee meetings, the Subcommittee determined that powerline projects and Chapter capital and economic development projects were a high priority for Navajo communities and that the funding of such projects would afford Navajo communities the opportunity to start and complete local projects currently stalled by the lack of sufficient funds, apply for additional state and federal funds requiring an identified match, as well as support CMY-28-14's intent to expand infrastructure(s) on the Navajo Nation, spur economic development at the local level and provide amenities to Navajo communities.

N. In November of 2017, the Subcommittee issued a directive to the Speaker of the Navajo Nation Council to develop a nationwide powerline projects expenditure plan combining Undesignated Unreserved Fund Balance ("UUFB") and Síhasin Funds to total one hundred million dollars ($100,000,000.00) divided equally amongst the twenty-four Council Delegate Districts equaling $4,166,666.67 per District. On February 15, 2018, the Navajo Nation Council issued a further directive to the Speaker to have his staff meet with Navajo Nation Council Delegates and the Chapters they represent to develop a nationwide powerline and chapter projects expenditure plan for one hundred million dollars ($100,000,000.00) divided equally amongst the twenty-four Council Delegate Districts with the Síhasin Fund as the intended funding source.

O. Between March 5, 2018 and March 16, 2018, Office of the Speaker staff, contract legal counsel, Captial Projects Management Department ("CPMD") staff, and Navajo Tribal Utilities Authority ("NTUA") staff, met twice with each Council Delegate and their Chapter representatives, including but not limited to Chapter Officials, Chapter Managers and Community Service Coordinators, to review each District's proposed projects for (1) compliance with the 2014 Act's, as amended, purpose of "the planning and development of economic development and regional

infrastructure supporting economic development and community development, including such infrastructure as, but not limited to, housing, commercial and government buildings, waterlines, solid waste management development, powerline projects, transportation and communication systems, within the Navajo Nation"; and (2) readiness status, e.g., project ready, construction ready or shovel ready, as applied by CPMD.

P. Powerline, economic development and infrastructure projects were proposed at the March meetings including, but not limited to, Head Start facilities, senior and veteran centers, and road improvements. A listing of the proposed projects, including match and contribution funding, is included on attached **Exhibits A through E.**

Q. To ensure that Síhasin Funds are not prematurely withdrawn and continue to earn investment earnings for as long as possible, CPMD, with the assistance of the Office of the Speaker and NTUA, compiled the proposed projects into nationwide three-year funding plans, i.e., Chapter Projects, NTUA Powerlines, Non-NTUA Powerlines, and Waterlines, attached as **Exhibits A through E,** based on individual project readiness status.

R. On March 23, 2018, contract legal counsel and CPMD updated the Síhasin Subcommittee on the Office of the Speaker's efforts to develop the powerline and Chapter projects expenditure plan, including the identification of almost twenty million dollars ($20,000,000.00) in already secured project matching funds.

S. During the update to the Síhasin Subcommittee, the following accountability and implementation measures were discussed:

1. Due to their experience and expertise, as well as economies of scale, the funding and responsibility for implementing Chapter projects and Non-NTUA Powerline projects should be allocated to CPMD with a template in place, e.g., Memorandum of Agreement or other form of grant agreement, for CPMD to transfer the project funds and responsibilities to Local Governance Act Certified Chapters at their request;

2. Due to their experience and expertise, as well as community need to lock-in project pricing, the funding

and responsibility for NTUA Powerline and waterline projects should be allocated directly to NTUA;

3. If the funding for NTUA Powerline and Waterline projects is disbursed directly to NTUA and the funding for Chapter and non-NTUA Powerline projects is disbursed directly to CPMD, the funding for projects at Chapters sanctioned pursuant to 12 N.N.C. § 9 should not be subject to § 9 (B)'s ten percent (10%) withholding;

4. All of the proposed projects were vetted by CPMD and NTUA, respectively, for project readiness before being apportioned into the three-year plans based on project readiness status; therefore, if the funding for a project is not spent or encumbered within twenty-four (24) months of distribution, the project funds should revert to the Síhasin Fund; and

5. To support expeditious administration and implementation of the more than two hundred (200) Chapter projects, CPMD operations should be supplemented with administrative costs.

T. In addition, during the District meetings with Delegates and their Chapter officials and community representatives to select and vet powerline and Chapter projects, concerns were raised that the President's line-item veto of even a single project would disrupt the equal distribution of funds among the Districts, as well as, negate local choice in project selection and impair Chapter and community efforts to procure additional matching funds from federal and state sources.

U. The Navajo Nation Council finds that the Powerline and Chapter Projects Expenditure Plan proposal, attached as **Exhibits A through E**, meets the purposes of the 2014 Act, as amended, i.e., "the planning and development of economic development and regional infrastructure supporting economic development and community development, including such infrastructure as, but not limited to, housing, commercial and government buildings, waterlines, solid waste management development, powerline projects, transportation and communication systems, within the Navajo Nation"; as well as the leveraging preference criteria of the 2014 Act, as Síhasin Funds will only fund a portion of the overall total cost of the projects with at least $19,440,279.45, as

set forth on **Exhibits A through E**, of projects' costs covered by other Navajo Nation funds or federal, state or private entities through match funding, joint funding, contribution funding, cost-share funding or similar arrangements and agreements.

V. The Navajo Nation Council also finds that the proposed Powerline and Chapter Projects Expenditure Plan proposal, attached as **Exhibits A through E**, supports community choice and addresses CMY-28-14's intent to expand infrastructure(s) on the Navajo Nation, provide economic development at the local level and provide amenities to Navajo communities.

W. The Navajo Nation Council hereby determines that allocating Sihasin Funds to implement the Powerline and Chapter Projects Expenditure Plan, as set forth in **Exhibits A through E**, fits within the priorities established under the July 20, 2015 One Nation, One Voice Navajo Nation Three Branch Agreement and that it is in the best interests of the Navajo Nation, as well as in the best interests of community development, the expansion of infrastructure(s) on the Navajo Nation, economic development at the local level and the provision of amenities to Navajo communities, to adopt the Sihasin Fund Powerline and Chapter Projects Expenditure Plan, attached as **Exhibits A through E**.

Section Three. Approval and Adoption of Expenditure Plan

A. The Navajo Nation hereby approves and adopts the Sihasin Fund Powerline and Chapter Projects Expenditure Plan, attached and incorporated herein as **Exhibits A through E**.

B. The Navajo Nation hereby approves and adopts total funding from the Sihasin Fund in the amount of one hundred million six hundred thousand dollars ($100,600,000.00) with $18,696,787.92 allocated to Navajo Tribal Utility Authority ("NTUA") for powerline projects; $4,242,192.99 allocated to NTUA for waterline projects; $74,076,413.86 allocated to Captial Projects Management Depart ("CPMD") for Chapter projects; $3,584,605.24 allocated to CPMD for Non-NTUA powerline projects; as summarized in **Exhibit A**, to implement the Sihasin Fund Powerline and Chapter Projects Expenditure Plan as follows:

1. Year 1: The distribution of $42,294,332.87 of Sihasin Funds in Navajo Nation Fiscal Year 2018 allocated as

follows: $2,866,370.94 to NTUA for the first year of NTUA Powerline projects, as set forth in **Exhibit B**; $560,557.00 to NTUA for the first year of Waterline projects, as set forth in **Exhibit E**; $37,423,205.14 to CPMD for the first year of Chapter projects and administrative costs ($200,000.00), as set forth in **Exhibit D**; and $1,444,199.79 to CPMD for the first year of Non-NTUA Powerline projects, as set forth in **Exhibit C**.

2. Year 2: The distribution of $46,203,956.06 of Síhasin Funds in Navajo Nation Fiscal Year 2019 allocated as follows: $12,154,756.58 to NTUA for the second year of NTUA Powerline projects, as set forth in **Exhibit B**; $1,068,666.66 to NTUA for the second year of Waterline projects, as set forth in **Exhibit E**; $31,124,968.21 to CPMD for the second year of Chapter projects and administrative costs ($200,000.00), as set forth in **Exhibit D**; and $1,855,564.61 to CPMD for the second year of Non-NTUA Powerline projects, as set forth in **Exhibit C**.

3. Year 3: The distribution of $12,101,711.08 of Síhasin Funds in Navajo Nation Fiscal Year 2020 allocated as follows: $3,675,660.40 to NTUA for the third year of NTUA Powerline projects, as set forth in **Exhibit B**; $2,612,969.33 to NTUA for the third year of Waterline projects, as set forth in **Exhibit E**; $5,528,240.51 to CPMD for the third year of Chapter projects and administrative costs ($200,000.00), as set forth in **Exhibit D**; and $284,840.84 to CPMD for the third year of Non-NTUA Powerline projects, as set forth in **Exhibit C**.

C. The Síhasin Funds allocated for the Síhasin Fund Powerline and Chapter Projects Expenditure Plan may be further leveraged by the Navajo Nation through bond or loan financing pursuant to the Navajo Nation Bond Financing Act, 12 N.N.C. § 1300 et seq., as amended, using Síhasin Fund Earnings for repayment and financing costs upon the recommendation of the Budget & Finance Committee and approval by a two-thirds (2/3) vote of all members of the Navajo Nation Council.

Section Four. Approval and Adoption of Expenditure Plan Administration

A. The Navajo Nation hereby approves administration of the Síhasin Fund Powerline and Chapter Projects Expenditure Plan as follows:

1. The Navajo Nation Controller shall determine whether the source(s) of the annual distributions of the $100,600,000.00 will be Síhasin Fund Principal or Income or a combination of both;

2. **NTUA Powerline and Waterline Projects**. The annual distributions for NTUA Powerline and Waterline Projects, as set forth in **Exhibits B and E**, shall be released to NTUA through Grant Agreement(s), executed pursuant to 2 N.N.C. §164 (B), as amended, as follows:

   a. The First Year (Fiscal Year 2018) distributions shall be released to NTUA by no later than the end of Navajo Nation Fiscal Year 2018;

   b. The Second and Third Year (Fiscal Years 2019 and 2020) distributions shall be released to NTUA by no later than the end of the first quarter of the respective Navajo Nation Fiscal Year;

   c. NTUA shall not require the Navajo Nation, including its Chapters, nor Navajo individuals, to contribute more funding to complete any project listed in **Exhibits B and E**, regardless of year funded;

   d. Any individual Powerline or Waterline project funds that are not spent or encumbered within twenty-four (24) months of distribution to NTUA shall be returned to the Síhasin Fund; and

   e. NTUA shall account for the Síhasin Funds spent and such accounting or expenditure report, including project status, shall be submitted to CPMD, the Office of President & Vice-President, and the Resources and Development Committee on a quarterly basis.

3. **Chapter and Non-NTUA Powerline Projects**. The annual distributions for Chapter and Non-NTUA Powerline Projects, as set forth in **Exhibits C and D**, shall be released to CPMD as follows:

a. The First Year (Fiscal Year 2018) distributions, including administration costs, shall be released to CPMD by no later than the end of the third quarter of Navajo Nation Fiscal Year 2018;

b. The Second and Third Year (Fiscal Years 2019 and 2020) distributions, including administration costs, shall be released to CPMD by the end of the first quarter of the respective Navajo Nation Fiscal Year;

c. Annual distributions to CPMD for administration costs 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 all Chapter Projects listed on Exhibit C are fully completed;

d. 12 N.N.C. § 9 (B) is hereby waived and individual Chapter and non-NTUA Powerline Projects implemented and administered by CPMD shall not be subject to 12 N.N.C. § 9 (B)'s ten percent (10%) withholding;

e. Individual Chapter and non-NTUA Powerline Projects shall be implemented and administered by CPMD consistent with the Navajo Nation Budget Instruction Manual, as amended, unless inconsistent with other provisions of this resolution;

f. If requested, CPMD may transfer individual Chapter Project funds, accountability, and responsibility to a Local Governance Act ("LGA") Certified Chapter pursuant to a Memorandum of Agreement or other form of grant agreement executed pursuant to 2 N.N.C. § 164 (B), as amended;

g. Any individual Chapter or non-NTUA Powerline Project funds that are not spent or encumbered within twenty-four (24) months of distribution to CPMD or transfer to a LGA Certified Chapter shall be returned to the Síhasin Fund;

h. With the exception of project funds and responsibilities transferred to LGA Certified Chapters, CPMD shall account for the Sihasin Funds spent and such accounting or expenditure report shall be included as part of the Executive Branch's quarterly program report submitted to the Resources and Development Committee; and

i. LGA Certified Chapters that have been granted Sihasin Fund project funds and responsibilities, shall account for the money spent and such accounting or expenditure report, including project status, shall be submitted to CPMD, the Office of President & Vice-President, and the Resources and Development Committee on a quarterly basis.

B. NTUA, CPMD and LGA Certified Chapters shall have the authority to enter into match, funding, partnership, cooperative and other cost saving or cost sharing arrangements or leveraging agreements with Navajo Nation entities and enterprises, Navajo Nation Chapters and other political subdivisions, other Navajo Nation programs and federal and state agencies and such agreements shall not be deemed procurement contracts subject to the Navajo Nation Procurement Act, 12 N.N.C. §§ 301 - 371 or Navajo Business Opportunity Act 5 N.N.C. §§ 201 - 215.

1. Notwithstanding the above, all Chapters, working in conjunction with NTUA and/or CPMD, shall have the continuing responsibility to identify ways to further leverage the allocated Sihasin Funds;

2. NTUA and CPMD shall each present an annual leveraging report to the Resource & Development Committee and Budget & Finance Committee during the first quarter of each Navajo Nation Fiscal Year identifying the efforts and success of Chapter(s) in securing additional matching or contribution funding; and

3. With the approval of the Resources & Development Committee, any project costs saved or reduced through leveraging or otherwise shall be available for expenditure on any other project within the respective Chapter deemed construction-ready by CPMD; if there are no construction-ready projects within the respective Chapter, then, with the approval of the

Resources & Development Committee, the saved or reduced costs shall be available for expenditure on any other project within the respective District.

C. A chapter project, powerline, or waterline project may be changed, including the year funded, or added to Exhibits A through E with the concurrence of the Delegate representing the chapter's Council District and the approvals of the Resources and Development Committee and Budget and Finance Committee, as long as such project has been certified as construction-ready by CPMD or NTUA and the total Síhasin Funding for the District does not exceed $4,166,666.67.

D. NTUA, CPMD and LGA Certified Chapters shall report the status of the Síhasin Funds allocated or transferred to them to implement the Powerline and Chapter Projects Expenditure Plan, specifically including the use and status of the Síhasin Funds and the status of projects for which they are responsible, to the Resources & Development, Budget & Finance and Naabik'íyáti' Committees and Office of the President & Vice-President on a quarterly basis.

Section Five. Waiving Navajo Nation Code Provisions Regarding the Capital Budget and Capital Improvement Process Effective Date

Notwithstanding that Síhasin Fund projects are specifically *not* subject to the Capital Improvement Projects Guidelines Policies and Procedures set forth by TCDCJY-77-99, the Navajo Nation hereby waives the application of 12 N.N.C. § 810 (F), §§ 820 (I) and (M) and § 860 (C) regarding the Capital Budget and Improvement processes to the Powerline and Chapter Projects Expenditure Plan.

Section Six. Effective Date

The Síhasin Fund Powerline and Chapter Projects Expenditure Plan, as set forth above, shall become effective pursuant to 12 N.N.C. § 2505.

Section Seven. Directives

A. All Navajo Nation programs, specifically including, but not limited to, the Office of Controller, Office of Management & Budget, CPMD, and Chapters, as well as NTUA, shall take all steps necessary to expeditiously implement the Síhasin Fund Powerline and Chapter Projects Expenditure Plan.

B. All Navajo Nation programs, as well as NTUA, named in this legislation shall be held accountable for the progress of tasks under their responsibility and control and shall participate in work group meetings, if any, necessary to expeditiously implement the Sihasin Fund Powerline and Chapter Projects Expenditure Plan.

C. Office of Legislative Services will adjust all figures throughout the legislation and exhibits to reflect amendment totals, with the concurrence of the sponsor. The Navajo Nation directs the Office of Legislative Services to recalculate the final monetary totals such that the figures conform to the amendments passed by the Navajo Nation.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 21 in favor and 00 opposed, on this 17th day of April 2018.

LoRenzo C. Bates, Speaker
Navajo Nation Council

4-27-18
Date

Motion: Honorable Seth Damon
Second: Honorable Steven Begay

Speaker Bates not voting

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I hereby sign into law the foregoing legislation, pursuant to 2 N.N.C. §1005 (c)(10), on this _____ day of _____ 2018.

_____
Russell Begaye, President
Navajo Nation

2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. §1005 (c)(11), on this _____ day of _____ 2018 for reason(s) expressed in the attached letter to the Speaker

_____
Russell Begaye, President
Navajo Nation

3. I hereby exercise line item veto pursuant to the 2010, certified Initiative, over the supplemental appropriations approved herein by the Navajo Nation Council; on this 7th day of May 2018.

Russell Begaye
Russell Begaye, President
Navajo Nation

THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT

MEMORANDUM

TO: Honorable LoRenzo Bates, Speaker
Navajo Nation Council

FROM: Russell Begaye, *President*
THE NAVAJO NATION

DATE: May 7, 2018

SUBJECT: **Resolution No. CAP-35-18: RELATING TO HEALTH EDUCATION AND HUMAN SERVICES, RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, NABIK'ÍYÁTI' COMMITTEES AND NAVAJO NATION COUNCIL; ADOPTING THE SISHASIN FUND POWERLINE AND CHAPTER PROJECTS EXPENDITURE PLAN PURSUANT TO CD-68-14, AS AMENDED BY CJA-03-18 AND 12 N.N.C. 2501-2508, AS AMENDED; WAIVING 12 N.N.C. 810 (F), 820(I) AND (M) AND 860(C) RELATING TO THE CAPITAL BUDGET AND CAPITAL IMPROVEMENT PROCESS**

Pursuant to 2 N.N.C. 1005 (C)(10), action for Resolution No. CAP-35-18 is being submitted to the Navajo Nation Council, through the Office of the Speaker within the ten (10) days requirement. Furthermore, the Navajo Nation President has line item veto authority for budget items within the Supplemental Appropriations, which are not subject to override by the Navajo Nation Council. 2 N.N.C. 164 (A)(17).

After review of **Resolution No. CAP-35-18,** I hereby exercise my line-veto to:

1. **Section Three. Approval and Adoption of Expenditure Plan.**
2. **Section Four. Approval and Adoption of Expenditure Plan Administration.**
3. **EXHIBIT D. SISHASIN FUND POWERLINE AND CHAPTER CAPITAL PROJECTS EXPENDITURE PLAN**

a. **NO. 42 YEAR 1 Funding $46,100.00, YEAR 2 Funding $143,250.00, YEAR 3 Funding $643,983.00, SIHASIN FUNDS REQUESTED in the total amount of $833,333.00.**

b. **NO. 70 YEAR 1 Funding $350,000.00, SIHASIN FUNDS REQUESTED in the total amount of $350,000.00**

After consultation with the impacted Divisions, I have decided to exercise my line-item veto authority. The justification and details for use of the President's line-item veto is set forth below.

a. **NO. 42 YEAR 1 Funding $46,100.00, YEAR 2 Funding $143,250.00, YEAR 3 Funding $643,983.00, SIHASIN FUNDS REQUESTED in the total amount of $833,333.00.**

b. **NO. 70 YEAR 1 Funding $350,000.00, SIHASIN FUNDS REQUESTED in the total amount of $350,000.00**

First, the 110 Chapters have millions in unexpended dollars and should expend these fund for the many uses and projects on this Sihasin project listing. There are still many people that need water and electricity and these dollars should be priority for these funds. Second, the two projects vetoed are Bureau of Indian Affairs (BIA) projects and should remain under the BIA funding. Third, I support these appropriations as they also fulfill our four (4) pillars for Veterans, Youth and Elders, Jobs and Infrastructure.

I am pleased to sign this legislation into law as it will stimulate our economy by creating much needed jobs and bringing in infrastructure for our People.

Therefore, I will exercise my line-item veto authority to only two (2) items.

Office of Legislative Counsel
Telephone: (928) 871-7166
Fax # (928) 871-7576



Honorable Seth Damon
Speaker
24th Navajo Nation Council

MEMORANDUM

TO: Honorable Eugenia Charles-Newton
Shiprock Chapter

FROM: Mariana Kahn
Mariana Kahn, Attorney
Office of Legislative Counsel

DATE: November 18, 2019

SUBJECT: PROPOSED STANDING COMMITTEE RESOLUTION; AN ACTION RELATING TO RESOURCES AND DEVELOPMENT AND BUDGET AND FINANCE COMMITTEES; APPROVING A CHANGE IN PROJECT FUNDING IN RESOLUTION CAP-35-18 EXHIBIT E NO. 5 SHIPROCK CHAPTER "WATERLINE EXTENSION/UPDATES" BY AMENDING THE PROJECT DESCRIPTION, PROJECT TYPE AND THE YEARS THE FUNDS ARE TO BE EXPENDED

I have prepared the above-referenced proposed resolution and associated legislative summary sheet pursuant to your request for legislative drafting.

Based on existing law and review of documents submitted, the resolution as drafted is legally sufficient. As with any action of government however, it can be subject to review by the courts in the event of proper challenge. The Office of Legislative Counsel confirms the appropriate standing committee(s) 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 ensure that his particular resolution request is precisely what you want. You are encouraged to review the proposed resolution to ensure that it is drafted to your satisfaction.