



MEMORANDUM

To : Latanya Burbank, Policy Analyst
OFFICE OF LEGISLATIVE SERVICES

From : (, 711)
Tom Platero, Executive Director
OFFICE OF LEGISLATIVE SERVICES

Date : May 13, 2015

Subject : **Legislation 0056-15**

Yesterday, shortly after 12:00 noon, Delegate Jonathan Nez was sworn in as the Navajo Nation Vice President. Since Vice President Nez is no longer a Council Delegate with the 23rd Navajo Nation, he is no longer eligible to sponsor legislation.

Therefore, Legislation 0056-15 should be closed out due to no eligible legislation sponsor. Please close out Legislation 0056-15. Thank you.

LEGISLATIVE SUMMARY SHEET

Tracking No. 0056-15

DATE: February 10, 2015

TITLE OF RESOLUTION: AN ACTION RELATING TO BUDGET AND FINANCE AND NAABIK'ÍYÁTI' COMMITTEES AND THE NAVAJO NATION COUNCIL; AMENDING AND SUPPLEMENTING RESOLUTION NO. CJA-03-10 OF THE NAVAJO NATION COUNCIL; AUTHORIZING SWAP AGREEMENTS IN CONNECTION WITH SWAP TRANSACTIONS TO HEDGE ENERGY PRICES AND TO MANAGE INTEREST RATE RISK AND INVESTMENT RISKS; APPROVING A SWAP POLICY AND RELATED ACTIONS

PURPOSE: This resolution, if approved, will authorize the amendment and supplement of Resolution No. CJA-03-10 and authorize a SWAP agreement and approve the SWAP policy.

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: None
Website Posting Time/Date: 2:40 PM 2/11/15
Posting End Date: 2/16/2015
Eligible for Action: 2/17/2015

Budget & Finance Committee
THENCE
Naa'bik'íyáti' Committee
THENCE

PROPOSED NAVAJO NATION COUNCIL RESOLUTION

23rd NAVAJO NATION COUNCIL – First Year, 2015

Navajo Nation Council

INTRODUCED BY


(Prime Sponsor)

TRACKING NO. DOB4-15

AN ACTION

RELATING TO BUDGET AND FINANCE AND NAABIK'ÍYÁTI' COMMITTEES AND
THE NAVAJO NATION COUNCIL; AMENDING AND SUPPLEMENTING
RESOLUTION NO. CJA-03-10 OF THE NAVAJO NATION COUNCIL;
AUTHORIZING SWAP AGREEMENTS IN CONNECTION WITH SWAP
TRANSACTIONS TO HEDGE ENERGY PRICES AND TO MANAGE INTEREST
RATE RISK AND INVESTMENT RISKS; APPROVING A SWAP POLICY AND
RELATED ACTIONS

BE IT ENACTED:

Section One. Findings

- A. The Navajo Nation Council is the governing body of the Navajo Nation, 2 N.N.C. §102(A); and
- B. Pursuant to 2 N.N.C. § 164 (A)(9), a proposed resolution that requires final action by the Navajo Nation Council shall be assigned to the Naabik'íyáti' Committee before it is heard by the Navajo Nation Council.
- C. The Budget and Finance Committee, established as a standing committee of the Navajo Nation Council, shall exercise oversight authority including but not limited to budget, finance, investment, bonds, contracting, insurance, audits, accounting, taxes, loans, for the purpose to coordinate, oversee(,) regulate the fiscal, financial, investment, contracting and audit policies of the Navajo Nation and to recommend to

1 the Navajo Nation Council the adoption of resolutions designed to strengthen the
2 fiscal and financial position of the Navajo Nation and to promote the efficient use of
3 the fiscal and financial resources of the Navajo Nation, 2 N.N.C. §300(A), (C)(1)(3);
4 and

5 D. The Office of the Controller and the Navajo Nation Investment Committee by
6 Resolution No. NN1CJY-01-14 adopted July 23, 2014 (the “IC Swap Resolution”)
7 recommend amendment to Resolution CJA-03-10, adopted by the Navajo Nation
8 Council on January 27, 2010 and signed by the Navajo Nation President on
9 February 8, 2010, attached as **Exhibit A** (the “2010 Swap Legislation”); and

10 E. Waivers of the sovereign immunity of the Navajo Nation are governed by 1 N.N.C.
11 §551 *et seq.* of the Navajo Nation Code, as amended (the “Sovereign Immunity Act”),
12 which requires that a waiver of sovereign immunity be approved by a vote of two-
13 thirds (2/3) of the members of the Navajo Nation Council in the absence of a
14 recognized limited exception to sovereign immunity under the Act; The Navajo
15 Nation Council has determined that amending and supplementing the 2010 Swap
16 Legislation as recommended by the Controller, the Navajo Nation Investment
17 Committee and the Navajo Nation Budget and Finance Committee as set forth herein,
18 including the waiver of sovereign immunity as authorized below, is in the best
19 interests of the Navajo Nation.
20

21 **Section Two. Supplemental Findings.**

22 A. Pursuant to Resolution CJA-03-10, as originally adopted, the Navajo Nation (a)
23 approved the form of International Swaps and Derivatives Association, Inc. (“ISDA”)
24 Master Agreement and Schedule attached thereto between the Navajo Nation and
25 Merrill Lynch Commodities, Inc. (the “MLC Master Agreement”) to hedge the price
26 of petroleum to stabilize the Navajo Nation’s oil revenues, (b) waived the sovereign
27 immunity of the Navajo Nation in accordance with the provisions of the MLC Master
28 Agreement, (c) waived the provisions of 7 N.N.C. § 204 with regards to the
29 governing law for the MLC Master Agreement in accordance with the provisions of
30 the MLC Master Agreement and (d) authorized the President of the Navajo Nation to

1 execute the MLC Master Agreement and all other documents related to transactions
2 under the MLC Master Agreement.

3 B. Although the MLC Master Agreement with Merrill Lynch Commodities, Inc. was
4 never executed and there were no transactions executed thereunder, there is a
5 continuing need to stabilize the Navajo Nation's oil revenues.

6 C. The Office of the Controller, with the assistance of financial advisors to the Navajo
7 Nation, has received interest from certain financial institutions to hedge the price of
8 petroleum and has determined that it is in the interest of the Navajo Nation to seek
9 proposals from one or more banks or other financial institutions with a long-term,
10 senior unsecured debt rating by at least two of the rating agencies of at least "A-" by
11 S&P, "A-" by Fitch and "A3" by Moody's (each, a "Qualified Hedge Counterparty")
12 to enter into one or more swap transactions to hedge the price of petroleum to
13 stabilize the Navajo Nation's oil revenues. The Office of the Controller anticipates
14 that it may seek proposals from one or more of KeyBank National Association, The
15 Bank of New York Mellon, U.S. Bank National Association, PNC Bank, Bank of
16 America Merrill Lynch, Union Bank, JP Morgan, Goldman Sachs, Wells Fargo Bank
17 and/or their affiliates, and that one or more of such entities will be identified as a
18 Qualified Hedge Counterparty.

19 D. In addition to the need to utilize one or more swap transactions to stabilize the Navajo
20 Nation's oil revenues, the Office of the Controller has identified other opportunities
21 to utilize swaps and other derivatives to (i) hedge gas, coal and other energy prices to
22 stabilize revenues, (ii) manage interest rate risk related to bonds or other debt
23 obligations of the Navajo Nation to lower overall borrowing costs, and (iii) hedge the
24 Navajo Nation's investment portfolio to mitigate certain risks and enhance overall
25 investment returns.

26 E. The Office of the Controller has determined that it is in the interest of the Navajo
27 Nation, upon receipt of one or more favorable swap transaction proposals, to
28 negotiate the terms and conditions of and enter into one or more swap transactions
29 with one or more Qualified Hedge Counterparties and recommends that the Navajo
30 Nation Council authorize and direct the consummation of one or more such

1 transactions for the purpose of stabilizing the Navajo Nation's oil revenues,
2 stabilizing other energy related revenues, managing interest rate risk and managing
3 investment risks and returns.

4 F. The Navajo Nation is an "eligible contract participant" as such term is defined in
5 Section 1a(18) of the Commodity Exchange Act, as amended, and the applicable
6 regulations promulgated in connection therewith.

7 G. In connection with the execution of such hedges, in conformance with the
8 requirements of and market practices resulting from the Wall Street Transparency and
9 Accountability Act of 2010, as supplemented and amended (including related
10 regulations, commonly referred to as "Dodd-Frank"), the Navajo Nation must have a
11 Swap Policy, a form of which is attached as **Exhibit B** hereto, addressing certain
12 matters.

13 H. In connection with the implementation of Dodd-Frank, the Navajo Nation also must:
14 (i) obtain a "legal entity identifier number" (currently, a "Global Markets Entity
15 Identifier" or "GMEI") to maintain any existing hedges or in connection with the
16 execution of new hedges in compliance with Dodd-Frank; (ii) adhere to certain
17 existing and future industry standard documents prepared by ISDA and/or other
18 industry organizations, known as the "Dodd-Frank Protocols," which, among other
19 things, amend and supplement the Navajo Nation's hedge documents with Qualified
20 Hedge Counterparties; (iii) use the "end-user exception" (the "End-User Exception")
21 to regulatory requirements that certain hedges be exchange-traded and centrally
22 cleared, to enter into certain new over-the-counter hedges; and (iv) designate and
23 monitor the performance of a qualified independent representative (a "QIR") in
24 connection with its swaps.

25 I. The Office of the Controller, the Navajo Nation Investment Committee and the
26 Budget and Finance Committee recommend supplementing Resolution CJA-03-10 to
27 approve the negotiation, execution and delivery of one or more ISDA Master
28 Agreements, Schedules thereto, confirmations thereunder and any other documents
29 related thereto (collectively, the "Swap Agreement") in connection not only with the
30 stabilization of oil revenues, but also in connection with stabilizing other energy

1 related revenues, managing interest rate risk and managing investment risks and
2 returns by the President on terms and conditions determined by the Office of the
3 Controller, upon the recommendation of the Navajo Nation's financial advisors and
4 the advice of counsel, to be in the interest of the Navajo Nation, with one or more of
5 the banks or other financial institutions described above that is a Qualified Hedge
6 Counterparty, waiving the sovereign immunity of the Navajo Nation in accordance
7 with the provisions of the Swap Agreement, and waiving the provisions of 7 N.N.C. §
8 204 with regards to the governing law for the Swap Agreement in accordance with
9 the provisions of the Swap Agreement.

- 10 J. The Office of the Controller, the Navajo Nation Investment Committee and the
11 Budget and Finance Committee further recommend approval of the proposed Swap
12 Policy, approval of adherence to the Dodd-Frank Protocol documents, including
13 taking all actions incidental thereto, and use of the End-User Exception, if necessary.
14

15 **Section Three. Authorizations and Supplement to Resolution CJA-03-10**

- 16 A. The Navajo Nation Council, upon the recommendation of the Office of the
17 Controller, the Navajo Nation Investment Committee and the Budget and Finance
18 Committee hereby supplements Resolution CJA-03-10 as set forth below.
- 19 B. The Navajo Nation Council hereby expands the scope of authorized derivatives to
20 include energy, interest rate and investment transactions and hereby authorizes and
21 directs the negotiation, execution and delivery of one or more ISDA Master
22 Agreements, including any Schedules thereto, by the President on terms and
23 conditions and with one or more Qualified Hedge Counterparties determined by the
24 Office of the Controller to be in the interest of the Navajo Nation, based upon the
25 recommendation of the Navajo Nation's financial advisors and the advice of counsel,
26 for the purpose of hedging the price of petroleum in order to stabilize the Navajo
27 Nation's oil revenues, stabilizing other energy related revenues, managing interest
28 rate risk and managing investment portfolio risk and returns.
- 29 C. The Navajo Nation Council further authorizes and directs the President of the Navajo
30 Nation and the Controller or their respective designees (the "Authorized Persons") to

1 negotiate, execute and deliver such other documents and take any and all such other
2 actions as the Office of the Controller may determine to be necessary or appropriate
3 to enter into and maintain the hedge transactions entered into pursuant to and
4 authorized by this legislation; provided however that the Controller is hereby
5 expressly authorized and directed to (i) evaluate all swap recommendations of a
6 Qualified Hedge Counterparty regarding any swap, (ii) make trading decisions
7 regarding all swaps on behalf of the Nation and (iii) execute and deliver any Swap
8 Agreement that is a confirmation or any related document that is not an ISDA Master
9 Agreement or a Schedule thereto required to be signed by the President as provided
10 above and by the Swap Policy.

11 D. For purposes of this legislation and any Swap Agreement entered into by the Navajo
12 Nation pursuant hereto, the Controller shall be deemed to be acting in accordance
13 with his duties under 12 N.N.C. § 203(c) and as the designee of the President for
14 purposes of 2 N.N.C. § 222(A) in executing and delivering any documents related to
15 a Swap Agreement contemplated and authorized by this legislation and the Swap
16 Policy and such action by the Controller shall not be deemed to be a violation of 2
17 N.N.C. § 222 or other applicable laws of the Navajo Nation with respect to the
18 execution of contracts.

19 E. The Navajo Nation hereby waives the sovereign immunity of the Navajo Nation and
20 the provisions of 7 N.N.C. § 204 with regards to the governing law for a Swap
21 Agreement in accordance with the following:

22 1. The Navajo Nation Council hereby grants a limited waiver of the sovereign
23 immunity of the Navajo Nation and consents to the arbitration of disputes and to the
24 jurisdiction of the courts of the Navajo Nation, the state of New York and the federal
25 courts of the United States located in Arizona, New Mexico and New York to permit
26 the arbitration of disputes, the enforcement of an arbitration award and the
27 commencement of other actions or proceedings to resolve disputes arising under the
28 Swap Agreement and to enforce the obligations of the Navajo Nation under the Swap
29 Agreement in the event of non-payment or other default under the Swap Agreement
30 and to enforce rights and pursue remedies upon any default under the Swap

1 Agreement. Such grant and consent to arbitration, jurisdiction and suit shall apply
2 only to arbitrations, court actions and proceedings initiated consistent with the terms
3 and conditions of the Swap Agreement.

4 2. The Navajo Nation Council hereby authorizes and directs the Authorized
5 Persons, with the advice of the Navajo Nation Department of Justice and Orrick,
6 Herrington & Sutcliffe LLP as special counsel to the Navajo Nation, to negotiate the
7 terms and conditions of the limited waiver of sovereign immunity granted by this
8 legislation and to be included in the Swap Agreement, in form and substance
9 sufficient to compel the arbitration of disputes and the commencement of actions or
10 proceedings as described above to resolve disputes, waive the exhaustion of tribal
11 remedies and enforce the obligations of the parties under the Swap Agreement. This
12 grant, consent, authorization and direction are separate from and independent of the
13 Navajo Nation's Sovereign Immunity Act, the Navajo Nation's Arbitration Act and
14 other Navajo Nation laws. The final terms and conditions of such limited waiver
15 shall constitute the law of the Navajo Nation for purposes of the Swap Agreement,
16 and shall be approved by an Authorized Person and set forth in the Swap Agreement
17 as evidenced by their execution of the Swap Agreement.

18 3. The Swap Agreement shall be governed by and construed in accordance with
19 the internal laws of the state of New York applicable to agreements made and to be
20 performed in such state without regard to conflicts of law principles thereof (other
21 than Section 5-1401 of the New York General Obligations Law), except that the
22 execution and delivery of the Swap Agreement by the Navajo Nation and the
23 authority of the Navajo Nation to execute and deliver, and to perform its obligations
24 under the Swap Agreement shall be governed by the laws of the Navajo Nation and
25 applicable federal law.

26 4. The Navajo Nation Council has determined and hereby finds that the limited
27 waiver of sovereign immunity, consent to arbitration, jurisdiction, governing law and
28 suit and waiver of exhaustion of tribal remedies as authorized herein are necessary
29 for the Navajo Nation to secure market terms and conditions with respect to the
30 transactions authorized by this legislation.

- 1 F. The Navajo Nation Council, upon the recommendation of the Office of the
2 Controller, the Investment Committee and the Budget and Finance Committee,
3 hereby adopts the Swap Policy attached hereto as **Exhibit B**.
- 4 G. The Navajo Nation Council hereby authorizes and directs the Authorized Persons to
5 execute and deliver or cause to be delivered each of the Dodd-Frank Protocol
6 documents, in such form as such officers may approve, such approval to be
7 conclusively evidenced by the execution and/or delivery thereof.
- 8 H. The Navajo Nation Council hereby authorizes and directs the Authorized Persons and
9 other officers and agents of the Navajo Nation to take all other actions, including
10 without limitation, to make all filings or registrations required in connection with the
11 provisions of Dodd-Frank, including filing for a legal entity identifier (currently, a
12 GMEI, the filing for which, if it has occurred as of the date of this legislation, is
13 hereby ratified and approved) and engaging the services of a QIR, and hereby
14 approves, authorizes and directs the execution of any amendments to existing hedge
15 documentation relating to the requirements of Dodd-Frank as may be agreed to with a
16 Qualified Hedge Counterparty.
- 17 I. The Navajo Nation Council hereby approves the use of the End-User Exception in
18 connection with swap transactions subject to a mandatory clearing determination by
19 the Commodity Futures Trading Commission.
- 20 J. The President and other Authorized Persons on behalf of the Navajo Nation are
21 hereby authorized to take such additional actions and execute and deliver such
22 additional documents, certificates, consents or instruments as are necessary or
23 desirable to effectuate the purposes of this legislation.
- 24 K. The Navajo Nation Council hereby approves and states that if any section, paragraph
25 or provision of this legislation is held to be invalid or unenforceable for any reason,
26 the invalidity or unenforceability of such section, paragraph or provision will not
27 affect any of the remaining provisions of this legislation.
- 28
29
30

CJA-03-10

RESOLUTION OF THE
NAVAJO NATION COUNCIL

21st NAVAJO NATION COUNCIL - Fourth Year, 2010

AN ACTION

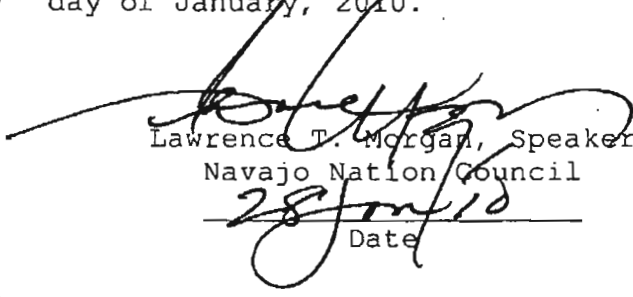
RELATING TO FINANCE; APPROVING THE INTERNATIONAL SWAP DEALERS
ASSOCIATION MASTER AGREEMENT BETWEEN NAVAJO NATION AND MERRILL
LYNCH COMMODITIES, INC. FOR PERFORMANCE OF INVESTMENT SERVICES

BE IT ENACTED:

1. The Navajo Nation, upon the recommendation of the Navajo Nation Investment Committee set forth in Resolution No. NNICO-02-09, hereto attached as Exhibit A, hereby approves the International Swap Dealers Association Master Agreement between Navajo Nation and Merrill Lynch Commodities, Inc. for performance of investment services, as set forth in the attached Exhibit B.
2. The Navajo Nation hereby waives the sovereign immunity of the Navajo Nation in accord with the provisions of Section 13 (d) of the International Swap Dealers Association Master Agreement.
3. The Navajo Nation further waives the provisions of 7 N.N.C. § 204 with regards to the governing law for the International Swap Dealers Association Master Agreement in accord with Section 13 (a) of the International Swap Dealers Association Master Agreement.
4. The Navajo Nation hereby authorizes the President of the Navajo Nation to execute the contract.

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 62 in favor and 6 opposed, this 27th day of January, 2010.

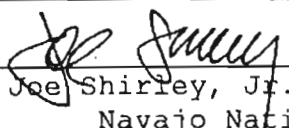

Lawrence T. Morgan, Speaker
Navajo Nation Council

28 Jan 10
Date

Motion: Roy Laughter
Second: Davis Filfred

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 **FEB 08 2010** 2010.


Dr. Joe Shirley, Jr., President
Navajo Nation

2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (11), this _____ day of _____ 2010 for the reason(s) expressed in the attached letter to the Speaker.

Dr. Joe Shirley, Jr., President
Navajo Nation

**RESOLUTION OF
THE NAVAJO NATION INVESTMENT COMMITTEE**

Recommending to the Budget and Finance Committee of the Navajo Nation Council and the Navajo Nation Council (1) the adoption of a resolution amending and supplementing Resolution CJA-03-10, authorizing swap transactions to hedge oil, gas and other energy prices, to manage interest rate risk related to bonds or other debt obligations of the Navajo Nation and to hedge certain investment risks in connection with the Navajo Nation's investment portfolio and (2) the approval of a Swap Policy and certain other actions relating to the Dodd-Frank Act.

WHEREAS:

1. Pursuant to Budget and Finance Committee Resolution BFJY-114-03 as amended by Budget and Finance Committee Resolution No. BFJA-01-08, adopted on January 24, 2008, the Navajo Nation Investment Committee has been delegated authority to approve and recommend investments to the Budget and Finance Committee.

2. Pursuant to Resolution CJA-03-10 adopted by the Navajo Nation Council on January 27, 2010 and signed by the President of the Navajo Nation on February 8, 2010 ("Resolution CJA-03-10"), the Navajo Nation (a) approved the form of International Swaps and Derivatives Association, Inc. Master Agreement and Schedule attached thereto between the Navajo Nation and Merrill Lynch Commodities, Inc. (the "MLC Master Agreement") to hedge the price of petroleum to stabilize the Navajo Nation's oil revenues, (b) waived the sovereign immunity of the Navajo Nation in accordance with the provisions of the MLC Master Agreement, (c) waived the provisions of 7 N.N.C. § 204 with regards to the governing law for the MLC Master Agreement in accordance with the provisions of the MLC Master Agreement and (d) authorized the President of the Navajo Nation to execute the MLC Master Agreement and all other documents related to transactions under the MLC Master Agreement.

3. Although the MLC Master Agreement with Merrill Lynch Commodities, Inc. was never executed and there were no transactions executed thereunder, there is a continuing need to stabilize the Navajo Nation's oil revenues. The Office of the Controller has, additionally, identified opportunities to (i) hedge gas, coal and other energy prices to stabilize the Navajo Nation's revenues, (ii) manage interest rate risk related to bonds or other debt obligations of the Navajo Nation to lower overall borrowing costs, and (iii) hedge the Navajo Nation's investment portfolio to mitigate certain risks and enhance overall investment returns.

4. The Office of the Controller anticipates that it may seek proposals from one or more banks or other financial institutions with a long-term, senior unsecured debt rating by at least two of the rating agencies of at least "A-" by S&P, "A-" by Fitch and "A3" by Moody's (each, a "Qualified Hedge Counterparty") to enter into one more or swap transactions. The Office of the Controller anticipates that it may seek proposals from one or more of KeyBank National Association, The Bank of New York Mellon, U.S. Bank National Association, PNC Bank, Bank of America Merrill Lynch, Union Bank, JP Morgan, Goldman Sachs, Wells Fargo Bank and/or their affiliates, and that one or more of such entities will be identified as a Qualified Hedge Counterparty.

5. In connection with the execution of such hedges, in conformance with the requirements of and market practices resulting from the Wall Street Transparency and Accountability Act of 2010, as supplemented and amended, the Navajo Nation must have a Swap Policy, addressing certain matters (the "Swap Policy").

NOW THEREFORE BE IT RESOLVED THAT:

1. The Investment Committee recommends to the Budget and Finance Committee that the Budget and Finance Committee approve and recommend to the Navajo Nation Council the adoption of a resolution amending and supplementing Resolution CJA-03-10 in substantially the form attached hereto as **Exhibit A** (the "Council Resolution") to authorize certain Swap Agreements and related matters as set forth therein.

2. The Investment Committee further recommends to the Budget and Finance Committee that the Budget and Finance Committee approve and recommend to the Navajo Nation Council the approval of the Swap Policy, in substantially the form attached to the Council Resolution as **Exhibit B**.

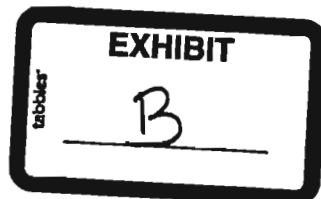
CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Investment Committee, at a duly called special meeting at Window Rock, AZ at which a quorum was present and that same was passed by a vote of 4 in favor and 0 opposed, this 23rd day of July, 2014.



Mark Grant
Presiding Chairman
Navajo Nation Investment Committee

Motion: Nelson Begaye
Second: Lorenzo Bates
Vote: 4-0



THE NAVAJO NATION

SWAP POLICY

July 23, 2014

1. Definitions

For purposes of this swap policy (the "Policy") of the Navajo Nation (the "Nation"), the following terms shall have the following meanings:

"Authorized Persons" means, (i) with respect to the execution of any Swap Agreement other than a confirmation (including any amendments thereto), the President of the Nation, or his or her designee and (ii) in connection with the evaluation of all swap recommendations of a Swap Counterparty regarding a swap and the making of trading decisions regarding swaps on behalf of the Nation (in each such case, in consultation with its swap advisor) and the execution of any Swap Agreement that is a confirmation (including in connection with a new swap or the novation or termination of an existing swap), the Controller of the Nation, or his or her designee;

"CFTC" means the U.S. Commodity Futures Trading Commission;

"Dodd-Frank" means Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, including any regulations promulgated thereunder or in connection therewith;

"Fitch" means Fitch Ratings (or any successor);

"Minimum Ratings" means a long-term senior unsecured debt rating of at least "BBB-" by S&P, "BBB-" by Fitch and "Baa3" by Moody's;

"Moody's" means Moody's Investor Services, Inc. (or any successor);

"Rating Agencies" means S&P, Moody's and Fitch.

"Required Ratings" means a long-term senior unsecured debt rating by at least two of the Rating Agencies of at least "A-" by S&P, "A-" by Fitch and "A3" by Moody's;

"S&P" means Standard and Poor's Ratings Group (or any successor);

"swap" and **"recommendation"** have the meanings set forth in Dodd-Frank;

"Swap Agreement" means an agreement governing swaps in the form of an International Swaps and Derivatives Association, Inc. master agreement, including any schedules thereto and confirmations thereunder, as approved by one of the Authorized Persons; and

"Swap Counterparty" means a major financial institution having its head office in the United States which, at the time of execution of a swap, (a) has (or is unconditionally guaranteed by an entity that has) the Required Ratings; and (b) is registered with the

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW SUMMARY

LEGISLATION NO.: 0056-15

SPONSOR: Honorable Jonathan Nez

TITLE: Relating to Budget and Finance and Naabik'iyati' Committees and the Navajo Nation Council; Amending and Supplementing Resolution No. CJA-03-10 of the Navajo Nation Council; Authorizing SWAP Agreements in Connection with SWAP Transactions to Hedge Energy Prices and to Manage Interest Rate Risk and Investment Risks; Approving a SWAP Policy and Related Actions

Posted: February 11, 2015 at 2:10 PM

5 DAY Comment Period Ended: February 16, 2015

Digital Comments received: No comments received



Executive Director
Office of Legislative Services

2/17/2015 - 10:22 Am

Date/Time

23rd NAVAJO NATION COUNCIL

First Year 2015

Mr. Speaker:

The **BUDGET & FINANCE COMMITTEE** to whom has been assigned

NAVAJO LEGISLATIVE BILL # 0056-15:

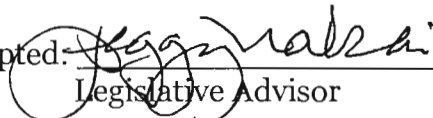
An Action Relating to Budget and Finance and Naabikiyati Committees and the Navajo Nation Council; Amending and Supplementing Resolution No. CJA-03-10 of the Navajo Nation Council; Authorizing SWAP Agreements in Connection with SWAP Transactions to Hedge Energy Prices and to Manage Interest Rate Risk and Investment Risks; Approving a SWAP Policy and Related Actions *Sponsored by Jonathan Nez, Council Delegate*

has had it under consideration and reports the same with the recommendation that It **Do Pass** without amendment.

And therefore, referred to the **NAABIKIYATI** Committee

Respectfully submitted,


Dwight Witherspoon, Vice Chairman

Adopted: 
Legislative Advisor

Not Adopted: _____
Legislative Advisor

17 February 2015

The vote was **4** in favor **0** opposed

Excused:

Absent: Mel R. Begay;