

**RESOLUTION OF THE
RESOURCES AND DEVELOPMENT COMMITTEE
of the 25th NAVAJO NATION COUNCIL - First Year, 2023**

AN ACTION

RELATING TO THE RESOURCES & DEVELOPMENT COMMITTEE; APPROVING A REALLOCATION OF \$1,790,553.82 IN COST SAVINGS FROM CERTAIN NTUA POWERLINE PROJECTS IN THE TEEC NOS POS, KINŁICHEE, KLAGETOH, CHILCHINBETO, AND WIDE RUINS CHAPTERS, TO NEW NTUA PROJECTS, IN ACCORDANCE WITH SECTION FOUR(B) (3) OF CAP-35-18

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources & Development Committee ("RDC") is a standing committee of the Navajo Nation Council with oversight authority over Chapter activities. 2 N.N.C. §500(C). The RDC also has the authority to review operations of Navajo Nation Enterprises, including the Navajo Tribal Utility Authority ("NTUA"). 2 N.N.C. §501(B) (4) (e).
- B. In April of 2018 the Navajo Nation Council approved Resolution No. CAP-35-18, titled: "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 Improvement Budget and the Capital Improvement Process." Resolution No. CAP-35-18 is incorporated herein by reference.
- C. In CAP-35-18 the Navajo Nation Council approved a Síhasin Fund Expenditure Plan for NTUA, along with funding in the amount of \$18,696,787.92, for NTUA to implement numerous powerline projects to connect many Navajo homes to the electric power grid.
- D. Navajo Nation President Russell Begaye line-item vetoed CAP-35-18, but the Síhasin Fund Expenditure Plan for NTUA and the approved funding for NTUA's projects were not affected.

E. CAP-35-18, at Section FOUR(B) (3), states:

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.

F. Pursuant to this Section FOUR(B)(3), the Resources & Development Committee is solely authorized by the Navajo Nation Council to give final approval for the reallocation of cost savings on certain projects to be used on different projects, so long as such reallocations comply with the "Chapter" and "District" restrictions set forth in Section FOUR(B) (3).

SECTION TWO. FINDINGS

A. During Year 2 of the Síhasin Fund Expenditure Plan approved for NTUA in CAP-35-18, NTUA implemented 22 projects located in 8 Navajo Nation communities, and NTUA experienced significant savings with those projects. NTUA requested reallocation of the savings, and NTUA was then able to connect another 33 homes to the electric grid, with an additional 34 customers who are currently waiting for rights-of-way approvals, and others whose homesite and powerlines are in various stages of approval and construction. NTUA has up to March 8, 2024 to use the reallocated funds for these pending projects. See RDCJN-19-20; RDCN-37-21.

B. At this point, NTUA has identified an additional \$1,790,553.82 in cost savings remaining after the completion of the numerous powerline projects under its approved Síhasin Fund Expenditure Plan. These completed projects are located in the Teec Nos Pos, Kinłichee, Klagetoh, Chilchinbeto, and Wide Ruins Chapters. NTUA has provided an explanation of its project cost savings and its \$1,790,553.82 calculation.
EXHIBIT A.

C. NTUA has also provided a new report dated February 9, 2023, titled: "NTUA Síhasin Electric Projects - Legislation CAP-35-18 - Update #2" that further explains NTUA's cost savings, its completed projects, and its \$1,790,553.82 calculation.
EXHIBIT B.

- D. In accordance with Section FOUR(B)(3) of CAP-35-18, NTUA desires to use the \$1,790,553.82 in cost savings for other powerline projects that will be located either in the same Teec Nos Pos, Kinlichee, Klagetoh, Chilchinbeto, and Wide Ruins Chapters, or in other Chapters located within the Council Districts of Delegates Curtis Yanito, Vince James, Lomardo Aseret, and Shaandiin Parrish.
- E. The Resources & Development Committee has determined that approval of NTUA's requested reallocation of \$1,790,553.82 in cost savings to new NTUA projects, in accordance with Section FOUR(B)(3) of CAP-35-18, is in the best interest of the Navajo Nation and the Navajo People.

SECTION THREE. APPROVAL OF REALLOCATION

- A. The Resources & Development Committee of the Navajo Nation Council hereby approves the reallocation of \$1,790,553.82 in cost savings available after the completion of numerous powerline projects under NTUA's approved Sihasin Fund Expenditure Plan, which completed projects are located in the Teec Nos Pos, Kinlichee, Klagetoh, Chilchinbeto, and Wide Ruins Chapters, as shown in **EXHIBIT A** and **EXHIBIT B**.
- B. The Resources & Development Committee of the Navajo Nation Council further approves use of the reallocated \$1,790,553.82 by NTUA for new powerline projects located within the same 5 Chapters listed above, or within other Chapters in the Council Districts of Delegates Curtis Yanito, Vince James, Lomardo Aseret, and Shaandiin Parrish.

SECTION FOUR. DIRECTIVE

- A. As a condition of the approval of the \$1,790,553.82 reallocation in this Action, no later than 90 calendar days after the effective date of this Action, NTUA shall present a verbal and written report to the Resources & Development Committee. Said report shall describe all of NTUA's new projects to be implemented with the \$1,790,553.82 reallocation of cost savings.
- B. NTUA's new projects, if construction ready, must be located within the same Teec Nos Pos, Kinlichee, Klagetoh, Chilchinbeto, and Wide Ruins Chapters; and if not construction ready, NTUA's new projects must be located within other Chapters in the Council Districts of Delegates Curtis Yanito, Vince James, Lomardo Aseret, and Shaandiin Parrish. Such restrictions are necessary for NTUA to comply with Section FOUR(B)(3) of CAP-35-18.

SECTION FIVE. EFFECTIVE DATE

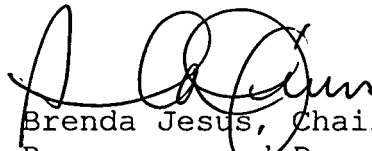
This Action shall become effective pursuant to Section FOUR(B) (3) of CAP-35-18, and 2 N.N.C. §221(C).

SECTION SIX. SAVING CLAUSE

If any provision of this Action is determined invalid by the Supreme Court of the Navajo Nation, or by a Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, the provision(s) not determined invalid shall remain the law of the Navajo Nation.

CERTIFICATION

I, hereby, certify that the following resolution was duly considered by the Resources and Development Committee of the 25th Navajo Nation Council at a duly called meeting at St. Michaels, (Navajo Nation) Arizona, at which quorum was present and that same was passed by a vote of 5 in favor, 0 opposed, on this 5th day of April 2023.



Brenda Jesus, Chairperson
Resources and Development Committee
Of the 25th Navajo Nation Council

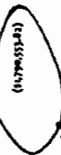
Motion: Honorable Danny Simpson
Second: Honorable Shawna Ann Claw

EXHIBIT A

SHASIN PROJECT LIST BY YEARS FUNDED

Delegates	NO.	CHAPTER	PROJECT DESCRIPTION	# of Customers	SOW	Year Funded	SHASIN Funds Allocated	Chapter Payments	Total Payment from Columns J & K	Total Estimate Cost	Actual Cost to date	SHASIN CONTRIBUTION	CHAPTER CONTRIBUTION	CARES ACT CONTRIBUTION	NTUA CONTRIBUTION	Chapter Projected Cost Saving	Shasin Cost Saving Approved by RDC	UPDATE	
Year 2 - Construction completed																			
Curtis Yanco	14	Techniques	Premature - North Phase 3	16	HOW & Const.	Year 2	\$2,233,813.51		\$2,233,813.51	\$753,344.44	\$1,344,677.27	\$2,233,813.51	\$0.00	\$0.00					Construction completed 5/2/21
Vince & Jamie	20	Handicraft	Upper Wood Springs MAIN	8	Const.	Year 2	\$2,233,813.51	\$6.00	\$2,233,819.51	\$753,344.44	\$1,344,677.27	\$2,233,813.51	\$0.00	\$0.00					Rec'd at Records, request reallocation
Lamarde Acres	24	Claytech	South Springs E&E	7	Const.	Year 2	\$344,873.00	\$15,400.00	\$360,273.00	\$44,344.44	\$15,400.00	\$360,273.00	\$0.00	\$0.00					Construction completed 4/27/2021
Shanden Parish	6	Chickadee	Premature-Assess 2nd phase	16	Const.	Year 2	\$344,873.00	\$15,400.00	\$360,273.00	\$44,344.44	\$15,400.00	\$360,273.00	\$0.00	\$0.00					Rec'd at Records, request reallocation
Lamarde Acres	27	Wet Ruins	Biggest Lake/Turner Springs	6	Const.	Year 2	\$442,709.00		\$442,709.00	\$435,199.97	\$40,509.00	\$442,709.00	\$0.00	\$0.00					Construction completed 8/26/21
							\$435,209.00	\$6.00	\$435,215.00	\$435,199.97	\$40,509.00	\$435,209.00	\$0.00	\$0.00					Pending Reallocation
							\$1,077,765.53		\$1,077,765.53	\$351,999.93	\$40,715.00	\$1,077,765.53	\$0.00	\$0.00					Construction completed 12/23/2021
							\$1,077,765.53	\$6.00	\$1,077,771.53	\$351,999.93	\$40,715.00	\$1,077,765.53	\$0.00	\$0.00					Pending Reallocation
							\$1,077,765.53	\$6.00	\$1,077,771.53	\$351,999.93	\$40,715.00	\$1,077,765.53	\$0.00	\$0.00					Construction completed 12/23/2021
							\$1,077,765.53	\$6.00	\$1,077,771.53	\$351,999.93	\$40,715.00	\$1,077,765.53	\$0.00	\$0.00					Pending Reallocation
							\$1,077,765.53	\$6.00	\$1,077,771.53	\$351,999.93	\$40,715.00	\$1,077,765.53	\$0.00	\$0.00					Construction completed 12/23/2021
							\$1,077,765.53	\$6.00	\$1,077,771.53	\$351,999.93	\$40,715.00	\$1,077,765.53	\$0.00	\$0.00					Pending Reallocation

Year 1 Allocation



 \$1,790,553.82



NTUA Sihasin Electric Projects Legislation CAP-35-18 – Update #2

Submitted: February 9, 2023

In 2018, through Legislation No. CAP-35-18, the Navajo Nation awarded \$18,696,787.92 over three years of Sihasin funds to NTUA for various stages of development for Community Powerline projects. The Scope of Work funded for these Community Powerline projects are broken down into three types: Pre-Design, Design, Design/Construction.

The Pre-Design stage consists of preliminary design including all the work necessary to acquire the ROW for each part of the project. The Design stage consists of finalizing the staking sheets, service line drawings, pole numbering and finalizing the firm construction cost.

The last item Design/Construction stage consists of all the necessary components so that the project can be released for construction, which includes all applicable permits (i.e., tree cutting, crossing permits), clearing of ROW, and includes the construction of the project. Six (6) Chapters provided funds so NTUA could complete the Pre-Design stage for seven (7) Community Powerline Projects, by doing so these projects were made eligible to apply for future grant opportunities. This is one of the reasons these projects were chosen to receive Sihasin funding.

NTUA created a strategy to utilize other sources of funding such as Chapters, the CARES Act funding, the Light Up Navajo Initiative, the Mutual Aid Training Program, and NTUA Contributions, to create cost savings so that those savings could be utilized to fund the connections of additional homes to the electric grid.

The Navajo Nation Council Resources and Development Committee approved this strategy and passed three Resolutions that allowed these projects savings to be reallocated to connect additional homes to the electric grid within the same Delegate region where project savings occurred.

Year One - allocated funding was \$2,866,370.94

Fifteen (15) Community Powerline projects received Sihasin Year One funding on July 19, 2019, the deadline to expend the money is July 18, 2023. Twelve (12) of the projects received funding to complete the Pre-Design stage. Two (2) projects received funding to complete Design/Construction stage. One (1) project received funding for all three stages. Each of the projects under Year One funding has been completed per their Scope of Work.

Pre-Design Stage

- | | |
|--|--|
| 1. Wide Ruins Tanner Springs/Boggy Lake Phase II | 7. Chilchinbeto Assayi / Down Trail Phase II |
| 2. Sawmill Scattered | 8. Whitecone Scattered |
| 3. Dilkon John's Draw | 9. Birdsprings Phase III |
| 4. Lupton (Tse'Si'Ani) Scattered Phase II | 10. Kaibeto Scattered No. 1 |
| 5. Many Farms (Phase II / III Scattered) | 11. Klagetoh Salt Springs South |
| 6. Dennehotso Scattered | 12. LeChee Scattered |

Cont'd Year One - allocated funding was \$2,866,370.94

Design/Construction Stage

1. Indian Wells Salt Seep Springs
2. Houck Scattered

Pre-Design, Design/Construction Stage

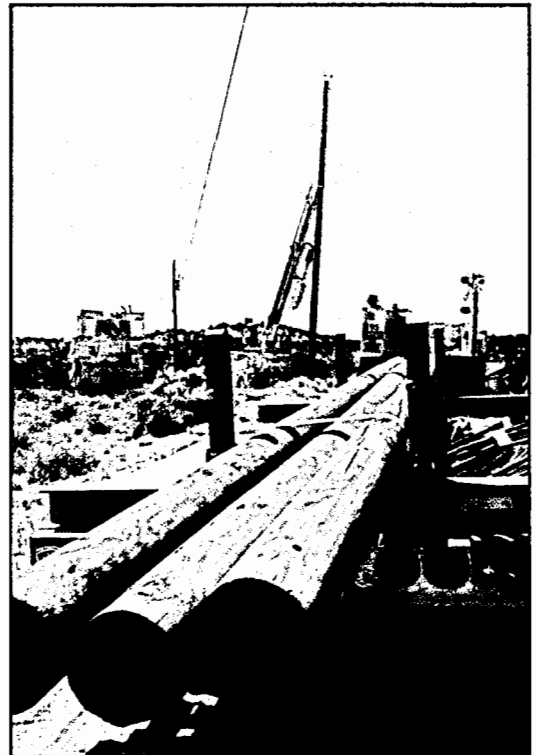
1. Black Mesa North Valley

Below is the overall breakdown of various funds for Year One.

Sihasin Allocation:	\$2,866,370.94
Chapter Contribution:	\$96,695.24
CARES Contribution:	\$45,595.77
NTUA Contribution:	<u>\$7,903.84</u>
Total Contribution:	\$3,016,565.79

Overall Year One Expenses:	<u>\$2,747,677.69</u>
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Sihasin Year One Reallocation:	\$268,888.10
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Year One Sihasin Re-allocation

The NNC Resources and Development Committee approved a request to re-allocate cost savings of \$268,888.10 under RDC Resolution No. RDCJY-24-20 for Black Mesa Chapter which includes all three stages to connect nine (9) additional families to the electric grid, and a Pre-Design plan for a Navajo veteran's powerline project, which is currently in the process of ROW approval. The deadline to use the re-allocation funds is July 18, 2023.

Black Mesa Chapter, RDC Resolution No. RDCJY-24-20	\$268,888.10
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Nine families connected to electric grid:	\$229,405.66
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One home Pre-Design only, pending ROW approval:	<u>\$53,102.96</u>
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Total amount over by:	-\$13,620.52
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NTUA has spent all of Year One funding. The scope of work was all completed ahead of time and NTUA will be covering the overage amount and any remaining costs to acquire ROW for the Navajo Veteran's electric connection project.

Year Two - allocated funding was \$12,796,423.24

Twenty-two (22) power line projects received Sihasin Year Two Funding on March 9, 2020, the deadline to expend the money is March 8, 2024. One (1) project received funding to complete the Pre-Design stage. Two (2) projects received funding to complete Design stage.

Nineteen (19) projects received funding to complete Design/Construction stage. Eighteen (18) projects have been completed per their Scope of Work and connecting 188 families to the electric grid. Three (3) projects are in process of being completed.

Pre-Design Stage

1. Lupton (Tse'Si'Ani) Scattered Phase II

Design Stage

1. Tselani/Cottonwood (Phase I, Phase II and Scattered)
2. Tsaille/Wheatfields (Horseshoe Canyon)

Design/Construction Stage

- | | |
|--|--|
| 1. Houck Scattered | 9. Kindahlichii Upper Wood Springs |
| 2. Many Farms (Phase II / III Scattered) | 10. Teesto Scattered |
| 3. Dennehotso Scattered | 11. Kindahlichii (Da' Ni' Zhil Gai) Phase II |
| 4. Chilchinbeto Assayi/Down Trail Phase II | 12. Leupp Northwest Grand Falls |
| 5. Birdsprings Phase III | 13. Pinon Scattered |
| 6. Kaibeto Scattered No. 1 | 14. Teec Nos Pos North Phase II |
| 7. Wide Ruins Tanner Springs/Boggy Lake Phase II | 15. Coppermine Phase IV |
| 8. Klagnetoh Salt Springs South | 16. Navajo Mountain Rainbow Plateau |
| | 17. Oljato Halgaitoh Wash |
| | 18. Shonto South Phase II |
| | 19. Mexican Water (3-Phase) |

Below is the overall breakdown of various funds utilized for Year Two:

Sihasin Allocation:	\$12,796,423.24
Chapter Contribution:	\$855,212.90
CARES Contribution:	\$1,569,279.62
NTUA Contribution:	\$1,420,680.94
Total Contribution:	\$16,641,596.70

Overall Year Two Expenses:	\$11,283,257.03
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Sihasin Year Two Reallocation:	\$2,346,708.91
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Year Two Sihasin Re-allocation

The NNC Resources and Development Committee approved a request to re-allocate cost savings of \$2,346,708.91 under RDC Resolution No. RDCN-37-21 for seven (7) Chapters and Legislation No. RDCJY-110-20 for Teesto Chapter for all three stages to connect additional families to the electric grid.

To date, we have connected thirty-eight (38) families to the electric grid, twenty-nine (29) are pending ROW (SLA) approval, one (1) pending homesite lease, one (1) home is in construction, one (1) home is vacant and the homes of fourteen (14) families are still to be determined. The deadline to use the re-allocation funds is March 8, 2024. We have added eighteen (18) additional families since we have funds left.

Teesto Chapter, RDC Resolution No. RDCJY-0110-20	\$189,777.12
Seven families connected to electric grid:	\$156,564.03
Two homes for all three stages, pending ROW approval:	<u>\$15,098.92</u>
Remaining funds to be spent:	\$18,114.17
Many Farms Chapter, RDC Resolution No. RDCN-37-21	\$204,772.89
Nine families connected to electric grid:	\$155,351.94
Two homes for all three stages, pending ROW approval:	\$13,596.33
Added three homes for all three stages:	<u>36,173.41</u>
Total amount over by:	-\$3,48.79
Kindahlichii Chapter, RDC Resolution No. RDCN-37-21	\$213,630.52
Five families connected to electric grid:	\$70,263.92
Three homes for all three stages, pending ROW approval:	\$21,704.31
Added five homes for all three stages:	<u>\$31,702.36</u>
Remaining funds to be spent:	\$89,959.93
Houck Chapter, RDC Resolution No. RDCN-37-21	\$165,820.09
One family connected to electric grid:	\$11,898.45
One home for all three stages, pending ROW approval:	\$4,711.87
One person does not have an approved home site lease:	
Added eight homes for all three stages:	<u>\$49,845.27</u>
Remaining funds to be spent:	\$99,364.50
Coppermine Chapter, RDC Resolution No. RDCN-37-21	\$261,397.45
Five families connected to electric grid:	<u>\$394,579.48</u>
One home interior is incomplete	
Total amount over by:	-\$133,182.03

Cont'd Year Two Sihasin Re-allocation

Kaibeto Chapter, RDC Resolution No. RDCN-37-21	\$441,155.54
Four families connected to electric grid:	\$47,787.59
One house is incomplete (interior):	
One home is vacant, will follow-up w/ Chapter:	
Added one home for all three stages, construction completed:	<u>\$12,041.15</u>
Six additional homes are to be determined:	
Remaining funds to be spent:	\$316,536.67
Navajo Mountain, RDC Resolution No. RDCN-37-21	\$440,374.61
Four families connected to electric grid:	\$102,074.81
Two homes for all three stages, pending ROW approval:	<u>21,763.13</u>
Eight additional homes are to be determined:	
Remaining funds to be spent:	\$316,536.67
Birdsprings Chapter, RDC Resolution No. RDCN-37-21	\$429,780.69
One family connected to electric grid:	\$12,184.51
One home in construction:	\$6,901.74
Two homes for all three stages, pending ROW approval:	<u>\$67,546.51</u>
Remaining funds to be spent:	\$343,147.93

In addition, the following five (5) projects have cost savings that have not been reallocated. These projects are financially closed out and NTUA will be requesting NNC Resources and Development Committee to have these re-allocations from project savings to be used in the Delegate regions for future home connections.

Estimated cost saving for Re-allocation:

\$1,790,553.82

NNC Delegate Curtis Yanito Teec Nos Pos Chapter	\$889,136.24	✓
NNC Delegate Vince James Kinlichee Chapter	\$9,923.48	✓
NNC Delegate Lomardo Aseret Klagetoh Chapter	\$18,218.96	✓
Wide Ruins Chapter	\$275,648.61	✓
NNC Delegate Shaandiin Parrish Chilchinbeto Chapter	\$597,626.53	✓

matches
EXHIBIT A
\$1,790,553.82

Year Three - allocated funding was \$3,033,993.74

Five (5) power line projects received Sihasin Year Three Funding on May 28, 2021, the deadline to expend the money is May 27, 2025. All five (5) projects received funding to compete in the Design/Construction stage. So far, three (3) projects are completed per the Scope of Work and connecting thirty-nine (39) families to the electric grid. Two (2) projects are still in the progress to be completed.

Design/Construction

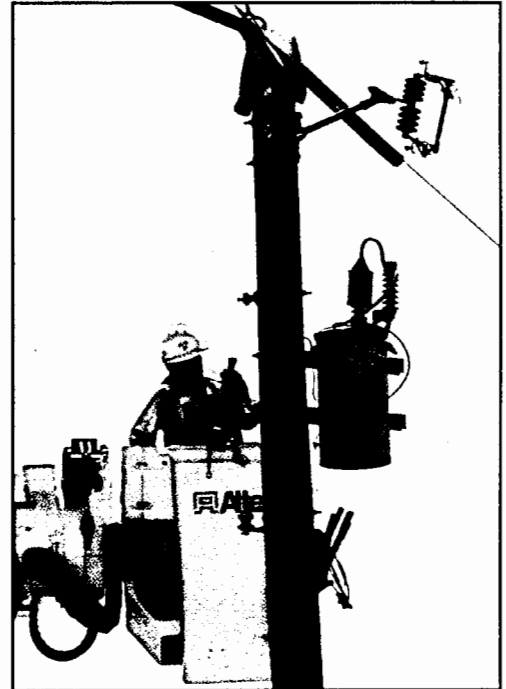
1. Whitecone Scattered
2. Oljato Halgaitoh Wash
3. Shonto South Phase II
4. Inscription House (Ts'ah Bii Kin) Electrification
5. LeChee Scattered

Below is the overall breakdown of various funds used for Year Three.

Sihasin Allocation:	\$3,033,993.74
Chapter Contribution:	\$00.00
CARES Contribution:	\$57,800.54
NTUA Contribution:	<u>\$5,164.15</u>
Total Contribution:	\$3,096,958.43

Overall Year Three Expenses:	<u>\$700,283.12</u>
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Sihasin Year Three Reallocation:	\$160,188.63
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Year Three Sihasin Re-allocation

The NNC Resources and Development Committee approved a request to re-allocate cost savings of \$160,188.63 under RDC Resolution No. RDCN-37-21 for Whitecone Chapter for all stages to connect additional families to the electric grid. Three (3) homes have been connected, one (1) person has deceased, one (1) home is pending ROW approval and the projects of two (2) additional homes are to be determined. The deadline to use the re-allocation funds is May 27, 2025. The amounts will change as the projects progress through the work stage to completion.

Whitecone Chapter, RDC Resolution No. RDCN-37-21	\$160,188.63
Three families connected to electric grid:	\$59,505.30
One person has deceased/project removed:	
Added one home for all three stages, pending ROW approval:	\$1,598.28
Two more homes are to be determined:	
 Remaining funds to be spent:	 \$99,085.05

Rodney L. Tahe
Rodney L. Tahe, *Legislative Advisor*
Office of Legislative Services