

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: \_0136-24\_

SPONSOR: Danny Simpson

**TITLE: An Action Relating to the Budget and Finance Committee, The Resources and Development Committee the Naabik'iyáti' Committee, and the Navajo Nation Council; Approving \$1,000,000 from the Síhasin Fund to the Navajo Nation Department of Water Resources for the Lake Valley Water Wells Project; Approving the Related Expenditure Plan**

*Date posted:* June 26, 2024 at 6:19PM

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## SUMMARY OF PROPOSED LEGISLATION

Tracking No. 0136-24

DATE: June 26, 2024

**RE: AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE, THE BUDGET AND FINANCE COMMITTEE, THE NAABIK'ÍYÁTI' COMMITTEE, AND THE NAVAJO NATION COUNCIL; APPROVING \$1,000,000 FROM THE SÍHASIN FUND TO THE NAVAJO NATION DEPARTMENT OF WATER RESOURCES FOR THE LAKE VALLEY WATER WELLS PROJECT; APPROVING THE RELATED EXPENDITURE PLAN**

### **PURPOSE OF THIS LEGISLATION:**

to approve \$1,000,000 from the Sihasin Fund to the Dept. of Water Resources for the Lake Valley Water Wells Project.

### **FINAL AUTHORITY and VOTE REQUIREMENT:**

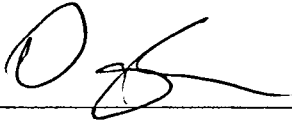
The Navajo Nation Council has final authority. A 2/3 vote is required.

5-DAY BILL HOLD PERIOD                       
Website Posting Time/Date                       
Posting End Date: 07-01-24  
Eligible for Action: 07-02-24

Budget & Finance Committee  
Thence  
Resources & Development Committee  
Thence  
Committee  
Thence  
Navajo Nation Council

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION  
2 25<sup>th</sup> NAVAJO NATION COUNCIL - Second Year, 2024

3 Introduced by:

4   
5 \_\_\_\_\_

6 (Prime Sponsor)

7  
8 Tracking No. 0136-24

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10 AN ACTION  
11 RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE,  
12 THE BUDGET AND FINANCE COMMITTEE, THE NAABIK'ÍYÁTI'  
13 COMMITTEE, AND THE NAVAJO NATION COUNCIL; APPROVING  
14 \$1,000,000 FROM THE SÍHASIN FUND TO THE NAVAJO NATION  
15 DEPARTMENT OF WATER RESOURCES FOR THE LAKE VALLEY WATER  
16 WELLS PROJECT; APPROVING THE RELATED EXPENDITURE PLAN

17  
18 BE IT ENACTED:

19  
20 SECTION ONE. AUTHORITY

- 21 A. The Resources and Development Committee was established as a standing committee of the  
22 Navajo Nation Council with oversight over Navajo Nation water matters and the authority  
23 to make recommendations to the Council regarding proposed resolutions that assist the  
24 Committee in accomplishing its duties and purposes. 2 N.N.C. §500(C)(1), §501(B)(4)(f).  
25 B. The Resources and Development Committee has oversight authority over the Navajo Nation  
26 Division of Natural Resources and its subordinate departments, including the Department of  
27 Water Resources. 2 N.N.C. §501(C)(1).  
28 C. The Budget and Finance Committee was established as a standing committee of the Navajo  
29 Nation Council with the authority to review and recommend to the Council the budgeting,  
30 appropriation, investment and management of all funds. 2 N.N.C. §300(A), §301(B)(2).

1 D. The Naabik'íyáti' Committee was established as a standing committee of the Navajo Nation  
2 Council with the authority to hear all proposed resolutions that require final action by the  
3 Navajo Nation Council. 2 N.N.C. §164 (A)(9), §700(A).

4 E. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A).  
5 As such, the Council may approve appropriations from the Navajo Nation's Síhasin Fund.

6 F. 12 N.N.C. §2502, as amended by CJA-03-18, states the purpose of the Navajo Nation Síhasin  
7 Fund ("Síhasin Fund") as follows:

8 §2502 Purpose

9 A. The purposes of this Fund are to provide financial support and/or financing for:

- 10 1. The planning and development of economic development and regional  
11 infrastructure supporting economic development and community development,  
12 including such infrastructure as, but not limited to, housing, commercial and  
13 government buildings, waterline, solid waste management development,  
14 powerline Projects, and transportation and communication systems, within the  
15 Navajo Nation; and . . .

16 B. For the Purpose in §2502(A)(1), Fund expenditures for infrastructure shall not be  
17 limited by 12 N.N.C. §1310(F) or TCDCJY-77-99.

18 C. Leveraging the Fund by way of guaranteeing loans, match funding, direct funding  
19 in part, and other weighted uses of the Fund, including loan financing from the  
20 Fund, for the purposes in §2502(A)(1), shall be favored over direct funding in  
21 whole.

22 G. The Síhasin Fund provides that "Fund Principal" shall consist of all deposits made to the  
23 Síhasin Fund and that "Fund Income" shall consist of all earnings (interest, dividends, etc.)  
24 generated and realized by the Fund Principal, and that Síhasin Fund Income shall be  
25 deposited in, and added to, the Fund Principal until such time as a Fund Expenditure Plan is  
26 duly approved. 12 N.N.C. §2504 and §2505(C).

27 H. The Síhasin Fund also provides that "Fund Principal and Income shall not be expended  
28 except pursuant to a Fund Expenditure Plan consistent with the purposes set forth in §2502  
29 of this Chapter and adopted by a two-thirds (2/3) vote of all members of the Navajo Nation  
30 Council." 12 N.N.C. §2505(A).

1 **SECTION TWO. FINDINGS**

- 2 A. The Navajo Nation Department of Water Resources (“DWR”) is requesting \$1,000,000 from  
3 the Síhasin Fund for its proposed Lake Valley Chapter Water Wells Project (“Project”). This  
4 Project is needed because many residents of the Lake Valley Chapter must haul potable water  
5 long distances to their homes. DWR has provided a detailed description and cost estimate for  
6 this Project. **EXHIBIT A.**
- 7 B. Approving the requested \$1,000,000 for this Project satisfies the purpose of the Síhasin Fund  
8 because DWR’s proposed expenditures involve “community development” and  
9 “infrastructure” as mentioned in 12 N.N.C. §2502(A)(1).
- 10 C. Approving the \$1,000,000 for this Project satisfies the preference for leveraging of funds in  
11 12 N.N.C. §2502(C), because the DWR has secured \$250,000 in New Mexico Outlay funds  
12 and \$500,000 in ARPA funds for the Project. **EXHIBIT A.**
- 13 D. This Project will bring new potable water wells to the Lake Valley community, and reduce  
14 the long-distance driving for many families who currently haul water to their homes.
- 15 E. The Navajo Nation finds the approval of the requested Síhasin funds to be in the best interests  
16 of the Navajo Nation and the Navajo People.

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18 **SECTION THREE. APPROVING \$1,000,000 FROM THE SÍHASIN FUND FOR THE**  
19 **DEPARTMENT OF WATER RESOURCES FOR THE LAKE**  
20 **VALLEY WATER WELLS PROJECT; APPROVING THE**  
21 **RELATED EXPENDITURE PLAN**

- 22 A. Pursuant to 12 N.N.C. §2505(A), the Navajo Nation hereby approves \$1,000,000 from the  
23 Síhasin Fund for the Department of Water Resources for its proposed Lake Valley Water  
24 Wells Project.
- 25 B. The Navajo Nation hereby approves the Expenditure Plan for this Project, as shown in the  
26 attached **EXHIBIT A.**
- 27 C. The Navajo Nation Controller shall determine whether the source of the approved Síhasin  
28 funds will be from Fund Principal or Fund Income or a combination of both.
- 29 D. The Síhasin funds allocated for the Expenditure Plan approved herein may be further  
30 leveraged by bond or loan financing pursuant to the Navajo Nation Bond Financing Act, at

1 12 N.N.C. §1300 *et seq.*, as amended, using Síhasin Fund earnings for repayment and  
2 financing costs upon the recommendation of the Budget and Finance Committee and  
3 approval by a two-thirds (2/3) vote of all members of the Navajo Nation Council.

4 E. The Síhasin funds approved herein shall be provided to the Department of Water Resources  
5 immediately upon the effective date of this Action. The funds will thereafter be made  
6 available for use by the DWR for the Project described in EXHIBIT A.

7 F. The Division of Natural Resources shall have administrative oversight authority over the  
8 expenditure of the Síhasin funds approved herein, and shall monitor DWR's implementation  
9 of the approved Expenditure Plan.

10 G. The approved Síhasin funds shall not be comingled with any other funds, and shall be used  
11 by strictly for the Expenditure Plan approved herein. DWR shall be responsible for ensuring  
12 that all expenditures comply with the approved Expenditure Plan.

13 H. Unspent and unencumbered Síhasin funds shall not lapse at the end of any Navajo Nation  
14 Fiscal Year, as might otherwise occur under 12 N.N.C. §820(N), so long as all Síhasin funds  
15 are accounted for as of September 30<sup>th</sup> of every year, starting with September 30, 2024.

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17 **SECTION FOUR. DIRECTIVE**

18 As a condition of receiving the Síhasin funds approved herein, DWR shall submit written  
19 reports, and verbal reports if so requested, explaining the ongoing status of the Expenditure Plan  
20 approved herein and its expenditures of the approved \$1,000,000. Said reports shall be provided  
21 to the Budget and Finance Committee, the Resources and Development Committee, and the  
22 Naabik'íyáti' Committee by the end of each Fiscal Year Quarter until all approved Síhasin funds  
23 are exhausted.

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25 **SECTION FIVE. EFFECTIVE DATE**

26 This Action and the related Expenditure Plan shall become effective pursuant to 12 N.N.C.  
27 §2505(A) and 2 N.N.C. §221(B).

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29 **SECTION SIX. SAVING CLAUSE**

30 If any part of this Action is invalidated by the Supreme Court of the Navajo Nation, or by any

1 Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, the  
2 remainder of this Action shall be the law of the Navajo Nation.

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