

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0138-24_

SPONSOR: Rickie Nez

TITLE: An Action Relating to the Resources and Development, Budget and Finance, and Naabik'iyáti' Committees, and the Navajo Nation Council; Approving \$4,897,200 from the Unreserved, Undesignated Fund Balance ("UUFB") to the Navajo Nation Department of Water Resources for the Hogback Pumping Station Rebuild Project

Date posted: July 01, 2024 at 5:14PM

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0138-24

DATE: July 1, 2024

TITLE OF RESOLUTION: AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; APPROVING \$4,897,200 FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE ("UUFb") TO THE NAVAJO NATION DEPARTMENT OF WATER RESOURCES FOR THE HOGBACK PUMPING STATION REBUILD PROJECT

PURPOSE: This legislation, if approved, will allocate \$4,897,200 from the Unreserved, Undesignated Fund Balance ("UUFb") to the Navajo Nation Department of Water Resources for the Hogback Pumping Station Rebuild Project.

FINAL AUTHORITY: Navajo Nation Council

VOTE REQUIRED: 2/3 Vote

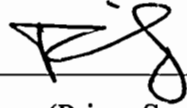
This written summary does not address recommended amendments as may be provided by the standing committee. The Office of Legislative Counsel requests each Council Delegate to review the proposed resolution in detail.

5-DAY BILL HOLD PERIOD At Mkt III
Website Posting Time/Date _____
Posting End Date: 07/06/24
Eligible for Action: 07/07/24

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

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION Naabik'iyáti'
2 25th NAVAJO NATION COUNCIL - Second Year, 2024

3 Introduced by:

4 
5 _____ (Rick Nez)
6 (Prime Sponsor)

7
8 Tracking No. 0138-24

9
10 AN ACTION
11 RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET
12 AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND THE
13 NAVAJO NATION COUNCIL; APPROVING \$4,897,200 FROM THE
14 UNRESERVED, UNDESIGNATED FUND BALANCE ("UUFb") TO
15 THE NAVAJO NATION DEPARTMENT OF WATER RESOURCES
16 FOR THE HOGBACK PUMPING STATION REBUILD PROJECT

17
18 BE IT ENACTED:

19
20 SECTION ONE. AUTHORITY

21 A. The Resources and Development Committee was established as a standing committee of
22 the Navajo Nation Council with oversight over Navajo Nation water matters and the
23 authority to make recommendations to the Council regarding proposed resolutions that
24 assist the Committee in accomplishing its duties and purposes. 2 N.N.C. §500(C)(1),
25 §501(B)(4)(f).

26 B. The Resources and Development Committee has oversight authority over the Navajo
27 Nation Division of Natural Resources and its subordinate departments, including the
28 Department of Water Resources. 2 N.N.C. §501(C)(1).

29 C. The Budget and Finance Committee was established as a standing committee of the Navajo
30 Nation Council with the authority to review and recommend to the Council the budgeting,

1 appropriation, investment and management of all funds. 2 N.N.C. §300(A), §301(B)(2).

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

5 E. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A).
6 As such, the Council “. . . may adopt and approve supplemental appropriations to the
7 Annual Comprehensive Budget during the fiscal year. Supplemental appropriations of
8 General Funds within the current fiscal year are permitted, if and when additional sources
9 of revenues above and beyond the initial or current revenue projections are projected and
10 which are also in excess of the reserve amount set forth at §820(J).” 12 N.N.C. §820(L).

11 F. The restrictions on supplemental appropriations, including all amounts from the UUFB,
12 include:

13 1. Payment of recurring government operating expenses shall be from recurring revenues,
14 and payment of nonrecurring expenses shall be from nonrecurring revenues such as
15 UUFB funds. 12 N.N.C. §820(E), §820(F).

16 2. Specifically, the UUFB shall not be used for recurring government expenditures or
17 operations. 12 N.N.C. §820(J), §820(L).

18 3. Nonrecurring revenues such as UUFB funds may be used only after the Controller
19 determines whether or not such revenues are subsidizing an imbalance between the
20 Navajo Nation's recurring revenues and expenditures, and government expenditures
21 shall only be authorized if a long-term (3-year to 5-year year) forecast shows that the
22 operating deficit will not continue; otherwise, nonrecurring revenues will be added to
23 the Unreserved, Undesignated Fund Balance. 12 N.N.C. §820(F).

24 4. The above provisions in Title 12 may be amended or waived by a two-thirds vote of the
25 full Navajo Nation Council. 12 N.N.C. §820(F).

26 5. In compliance with 12 N.N.C. §820(F), all UUFB funding requests must be reviewed by
27 the Controller. Such review is also required because the Controller determines which
28 revenues and expenses are recurring and which are non-recurring. 12 N.N.C. §820(L).

29 6. In compliance with 12 N.N.C. §820(M) all UUFB funding requests must be submitted to
30 the Office of Management and Budget (“OMB”) for a budget impact analysis.

1 7. Pursuant to 12 N.N.C. §820(N), UUFB appropriations revert to the General Fund at the
2 end of the fiscal year unless the Navajo Nation Council decides otherwise by a 7/8 vote.

3
4 **SECTION TWO. FINDINGS.**

5 A. The Department of Water Resources (“DWR”) under the Navajo Nation Division of
6 Natural Resources is requesting \$4,897,200 from the UUFB to fund its proposed project to
7 rebuild the Hogback Pumping Station (“Project”). A detailed description of this Project,
8 including a line-item Cost Summary, is attached hereto as **EXHIBIT A.**

9 B. DWR explains that the Hogback Pumping Station is “severely deficient” and provides
10 “unreliable pumping” for the Hogback Chapter community and especially farmers and
11 agricultural permittees in the area. **EXHIBIT A.**

12 C. DWR has provided the required Navajo Nation budget forms, along with the Appendix J -
13 Supplemental Funding Proposal Summary. **EXHIBIT B.**

14 D. The Navajo Nation Council has long recognized that water infrastructure deficiencies
15 negatively impact the Navajo Nation’s economy and the health and well-being of the
16 Navajo people.

17 E. The Office of the Controller has provided a memorandum as required by 12 N.N.C.
18 §820(L), indicating that the proposed expenditures are *nonrecurring*. **EXHIBIT C.**

19 F. The Office of Management and Budget has provided its memorandum as required by 12
20 N.N.C. §820(M). **EXHIBIT D.**

21 G. The Navajo Nation finds it in the best interest of the Navajo Nation to approve DWR’s
22 UUFB supplemental funding request for its proposed Hogback Pumping Station rebuild
23 project, as shown in EXHIBIT A and EXHIBIT B.

24
25 **SECTION THREE. APPROVAL OF \$4,897,200 FROM THE UUFB TO THE**
26 **DEPARTMENT OF WATER RESOURCES FOR THE**
27 **HOGBACK PUMPING STATION REBUILD PROJECT**

28 A. The Navajo Nation hereby approves \$4,897,200 from the Unreserved, Undesignated Fund
29 Balance to the Navajo Nation Department of Water Resources, as shown in the attached
30 **EXHIBIT B.**

1 B. This supplemental appropriation shall be from those funds that exceed the minimum fund
2 reserve balance in the UUFB required by 12 N.N.C. §820(J), as determined by the
3 Controller.

4 C. Upon the effective date of this Action, the approved UUFB funds shall be promptly
5 transferred into those budget line items listed in the attached **EXHIBIT B**.

6 D. Pursuant to 12 N.N.C. §820(N), any of the \$4,897,200 approved herein that remains
7 unspent or unencumbered at the end of FY2024 shall revert to the General Fund, unless
8 prior to such reversion date the Council determines otherwise by a 7/8 vote.

9
10 **SECTION FOUR. EFFECTIVE DATE**

11 This Action shall become effective in accordance with 2 N.N.C. §221(B), 2 N.N.C.
12 §1005(C)(10), and 2 N.N.C. §164(A)(17).

13
14 **SECTION FIVE. SAVING CLAUSE**

15 If any portion of this Action is determined invalid by the Navajo Nation Supreme Court, or by
16 a District Court of the Navajo Nation without appeal to the Navajo Nation Supreme Court, the
17 remainder of this Action shall be the law of the Navajo Nation.