

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0042-21_

SPONSOR: Elmer Begay

TITLE: An Act Relating to Resources and Development, Budget and Finance, and Naa'bik'iyáti' Committees, and the Navajo Nation Council; Approving Supplemental Funding from the Unreserved, Undesignated Fund Balance in the Amount of Two Million Dollars (\$2,000,000) for the Navajo Nation Department of Justice Water Rights Litigation Unit to Continue Litigation on Behalf of the Navajo Nation and to Protect the Navajo Nation's Water Rights; Waiving 12 N.N.C. §§ 820 (E), (F), and (N)

Date posted: March 11, 2021 at 4:43PM

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Office of Legislative Services
P.O. Box 3390
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LEGISLATIVE SUMMARY SHEET

Tracking No. 0042-21

DATE: March 10, 2021

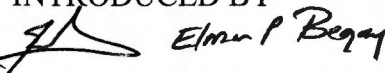
TITLE OF RESOLUTION: AN ACT RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAA'BIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; APPROVING SUPPLEMENTAL FUNDING FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE IN THE AMOUNT OF TWO MILLION DOLLARS (\$2,000,000) FOR THE NAVAJO NATION DEPARTMENT OF JUSTICE WATER RIGHTS LITIGATION UNIT TO CONTINUE LITIGATING ON BEHALF OF THE NAVAJO NATION AND TO PROTECT THE NAVAJO NATION'S WATER RIGHTS; WAIVING 12 N.N.C. §§ 820(E), (F), AND (N)

PURPOSE: The purpose of this resolution is for the Navajo Nation to approve a supplemental appropriation of \$2,000,000 out of the Unreserved Undesignated Fund Balance for the Water Rights Litigation Unit of the Navajo Nation Department of Justice,

5-DAY BILL HOLD PERIOD: VSRIANUSE
Website Posting Time/Date:
Posting End Date: 03-14-2021
Eligible for Action: 03-17-2021

Resources & Development Committee
Thence
Budget & Finance Committee
Thence
Naabik'iyáti' Committee
Thence
Navajo Nation Council

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION
2 24th NAVAJO NATION COUNCIL – Third Year, 2021

4 INTRODUCED BY
5  Elmer P. Begay

6
7 (Prime Sponsor)

8
9 TRACKING NO. 0042-21

11 AN ACT
12 RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE,
13 AND NAA'BIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL;
14 APPROVING SUPPLEMENTAL FUNDING FROM THE UNRESERVED,
15 UNDESIGNATED FUND BALANCE IN THE AMOUNT OF TWO MILLION
16 DOLLARS (\$2,000,000) FOR THE NAVAJO NATION DEPARTMENT OF JUSTICE
17 WATER RIGHTS LITIGATION UNIT TO CONTINUE LITIGATING ON BEHALF OF
18 THE NAVAJO NATION AND TO PROTECT THE NAVAJO NATION'S WATER
RIGHTS; WAIVING 12 N.N.C. §§ 820(E), (F), AND (N)

19 BE IT ENACTED:

21 SECTION 1. AUTHORITY

- 22 A. The Navajo Nation established the Resources and Development Committee (“RDC”) as a Navajo Nation Council standing committee, and as such gave RDC oversight over matters involving the Navajo Nation’s water resources. 2 N.N.C. §§ 164(A)(9), 501(C)(1).
- 26 B. The Navajo Nation established the Budget and Finance Committee (“BFC”) as a Navajo Nation Council standing committee, and as such empowered BFC to review and recommend to the Navajo Nation Council the management of all funds. 2 N.N.C. §§ 164(A)(9), 300(A), and 301(B)(2).
- 29 C. The Navajo Nation Council established the Naabik'iyáti' Committee as a Navajo

1 Nation standing committee, and proposed legislation requiring final action by the
2 Navajo Nation Council shall be assigned to the Naabik'iyáti' Committee. 2 N.N.C. §§
3 164(A)(9) and 700(A).

4 D. The Navajo Nation Council is the governing body of the Navajo Nation, with the
5 authority to approve supplemental appropriations. 2 N.N.C. § 102(A), 12 N.N.C. §
6 820(L).

7 E. Pursuant to 12 N.N.C. § 820(L), “[t]he Navajo Nation Council may adopt and approve
8 supplemental appropriations to the Annual Comprehensive Budget during the fiscal
9 year. Supplemental appropriations of General Funds within the current fiscal year are
10 permitted, if and when additional sources of revenues above and beyond the initial or
11 current revenue projections are projected and which are also in excess of the reserve
12 amount set forth at § 820(J).”

13 F. The Title 12 Supplemental Appropriation requirements include:

14 1. All requests for annual operating funds and supplemental funds shall be submitted
15 to the Office of Management and Budget (OMB) for budget impact analysis. 12
16 N.N.C. § 820(M).

17 2. When the Controller identifies additional sources of revenues above and beyond
18 the initial or current revenue projections, supplemental appropriations may be
19 approved by the Navajo Nation Council. 12 N.N.C. § 820(L).

20 3. Supplemental Appropriations made from non-recurring revenues shall only be
21 made for non-recurring operations or purposes, as set forth at § 820(F). The
22 Controller of the Navajo Nation shall be responsible for the designation of recurring
23 and non-recurring revenues. 12 N.N.C. § 820(L).

24 4. The Nation shall budget all recurring operating expenses, including capital
25 maintenance, from recurring revenues. Long term debt shall not be used to finance
26 recurring operating expenses. 12 N.N.C. §820(E).

27 5. The Navajo Nation Code provides, “[t]he Nation shall restrict non-recurring
28 revenues to budget non-recurring expenditures. In addition, non-recurring revenues
29 will be budgeted only after an examination by the Controller to determine whether
30 or not the revenues are subsidizing an imbalance between recurring revenues and

1 expenditures, and expenditures may be authorized only if a long-term (three-five
2 year) forecast shows that the operating deficit will not continue. Otherwise, non-
3 recurring revenues will be added to the Unreserved, Undesignated Fund balance.
4 This provision may be amended or waived by a two-thirds vote of the full Navajo
5 Nation Council.” 12 N.N.C. § 820(F).
6

7 SECTION 2. FINDINGS

- 8 A. This request for supplemental funding seeks the amount of two million dollars
9 (\$2,000,000) out of the Unreserved, Undesignated Fund Balance, to assist the Navajo
10 Nation Department of Justice Water Rights Unit in its water rights litigation efforts on
11 behalf of the Navajo Nation. The supplemental funding proposal, budget forms and
12 related documents, including Appendix K “Supplemental Funding Proposal
13 Summary,” for the Water Rights Unit are attached hereto as **Exhibit 1**. *NOTE: all*
14 *documents in Exhibit 1 have been designated CONFIDENTIAL by the Navajo Nation*
15 *Attorney General pursuant to 2 N.N.C. § 164 (A) (6).*
- 16 B. The Water Rights Unit of the Navajo Nation Department of Justice oversees the water
17 rights litigation efforts on behalf of the Navajo Nation and the Navajo People.
- 18 C. In recognition of Tó’éí’iiná (water is life), the Navajo Nation Council has determined
19 that water is essential “to provide for a permanent homeland for the Navajo People.”
20 22 N.N.C. § 1101.
- 21 D. The waters of the Navajo Nation are defined as: “(1) all waters reserved at any time
22 for any purpose to the Navajo Nation, and to Navajo Indian lands by the Navajo Nation
23 or by the United States including any waters which, in the course of nature or as the
24 result of artificial works or artificial streamflow enhancement or weather modification
25 methods, flow into or otherwise enhance such waters; (2) all waters held by the Navajo
26 Nation through prior or existing use, appropriation, purchase, contract, gift, bequest
27 or other means of acquisition; (3) all surface and groundwaters which are contained
28 within hydrologic systems located exclusively within the lands of the Navajo Nation;
29 and (4) all groundwaters located beneath the surface of the lands held in trust by the
30 United States of America for the Navajo Nation.” 22 N.N.C. § 1104.

- 1 E. Navajo Nation communities have severe water infrastructure deficiencies that impact
2 the health, economy, and welfare of the Navajo people.
- 3 F. In Resolution No. CMY-47-02, the Navajo Nation Council determined that “water
4 rights claims of the Navajo Nation must be placed as a top priority of the Navajo
5 government. Water is one of the fundamental aspects of Navajo customs and must be
6 protected. Without the assurance that Navajo water rights claims is a top priority, the
7 Navajo Nation stands to lose its rightful claim to the allocation of wet water from the
8 Little Colorado River . . .” and further found that “it is in the best interest of the Navajo
9 Nation that funding for the pursuit of Navajo Nation Water Rights should be afforded
10 the highest priority in future budget development actions by the Navajo Nation and
11 therefore believes such funding should be made available to pursue Water Rights
12 Claims in a special fund.”
- 13 G. To comply and sustain the mandate in Resolution No. CMY-47-02, the Navajo Nation
14 Council enacted the Navajo Nation Water Rights Claim Fund and appropriated a
15 minimum of two million dollars (\$2,000,000) into the Fund for the purpose of
16 providing annual funding for the protection of the Nation’s water rights in the states
17 of Arizona, Utah, and New Mexico, and delegated to the Water Rights Commission
18 the authority to approve the Fund’s budget.
- 19 H. The annual budget for the Water Rights Claim Fund consists of allocations to the
20 Navajo Nation Department of Water Resources – Water Management Branch, which
21 provides technical work regarding the Nation’s water rights; to the Water Rights
22 Commission, which provides public education regarding the Nation’s water rights
23 efforts; and to the Water Rights Unit of the Department of Justice, which provides
24 legal representation for the Nation’s water rights claims. Due to the increased
25 litigation costs, the reserves within the Water Rights Claims Fund, specifically
26 reserved for outside counsel and expert witnesses, will be fully depleted in Fiscal Year
27 2021.
- 28 I. If Water Rights Unit funds are exhausted, the Navajo Nation will be forced to rely on
29 the United States, as trustee, to protect Navajo Nation interests; this could be severely
30 detrimental to the Nation’s best interest as the United States is also currently serving

1 as trustee for other tribes for commonly held water resources.

2 J. The Executive Branch has completed its Section 164 review of the supplemental
3 appropriation request; the review is attached hereto as **Exhibit 2**. *NOTE: all*
4 *documents in Exhibit 2 have been designated CONFIDENTIAL by the Navajo Nation*
5 *Attorney General pursuant to 2 N.N.C. § 164 (A) (6).*

6 K. The Office of the Controller issued a memorandum dated February 8, 2021, to satisfy
7 the requirements in 12 N.N.C. § 820 (L), attached as **Exhibit 3**. *NOTE: all documents*
8 *in Exhibit 3 have been designated CONFIDENTIAL by the Navajo Nation Attorney*
9 *General pursuant to 2 N.N.C. § 164 (A) (6).*

10 L. The Office of Management and Budget issued a memorandum dated February 18,
11 2021, to satisfy the requirements in 12 N.N.C. § 820 (M), attached as **Exhibit 4**.
12 *NOTE: all documents in Exhibit 4 have been designated CONFIDENTIAL by the*
13 *Navajo Nation Attorney General pursuant to 2 N.N.C. § 164 (A) (6).*

14
15 **SECTION 3. APPROVING SUPPLEMENTAL FUNDING FROM THE**
16 **UNRESERVED, UNDESIGNATED FUND BALANCE**

17 A. The Navajo Nation hereby approves supplemental funding from the Unreserved,
18 Undesignated Fund Balance in the amount of two million dollars (\$2,000,000) for the
19 Water Rights Litigation Unit of the Navajo Nation Department of Justice, Business
20 Unit No. N01372, to fund the litigation costs necessary to further protect and secure
21 the Navajo Nation's water rights.

22 B. This supplemental appropriation of \$2,000,000 shall be from that amount of funds that
23 exceeds the minimum fund balance of the Unreserved, Undesignated Fund Balance as
24 determined by the Office of the Controller.

25
26 **SECTION 4. WAIVING 12 N.N.C. §§ 820(E), (F), AND (N)**

27 The Navajo Nation Council hereby waives 12 N.N.C. §§ 820 (E), (F) and (N) in order to
28 allow UUFB funds to be used for recurring expenditures and government operations.
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SECTION 5. SAVING CLAUSE

Should any provision(s) of this Act be determined invalid by the Navajo Nation Supreme Court or the District Courts of the Navajo Nation, without appeal to the Navajo Nation Supreme Court, the remainder of the Act shall remain the law of the Navajo Nation.

SECTION 6. EFFECTIVE DATE

The provisions of this Act shall become effective in accordance with 2 N.N.C. § 221(A).