

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0261-22_

SPONSOR: Wilson C. Stewart, Jr.

**TITLE: An Action Relating to the Resources and Development Committee;
Approving the Agriculture Infrastructure Fund Project Plan for Crop Years 2018,
2019, 2020 and 2021 Pursuant to the Síhasin Fund Pasture, Range and Forage
Expenditure Plan Enacted by CO-57-16 and Amended by CMY-54-18**

Date posted: December 19, 2022 at 9:21PM

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0261-22

DATE: December 19, 2022

TITLE OF RESOLUTION: PROPOSED STANDING COMMITTEE RESOLUTION; AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE; APPROVING THE AGRICULTURE INFRASTRUCTURE FUND PROJECT PLAN FOR CROP YEARS 2018, 2019, 2020 AND 2021 PURSUANT TO THE SÍHASIN FUND PASTURE, RANGE AND FORAGE EXPENDITURE PLAN ENACTED BY CO-57-16 AND AMENDED BY CMY-54-18

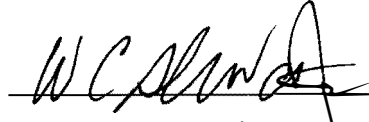
PURPOSE: The purposes of this resolution, if passed, is to approving the Agriculture Infrastructure Fund Project Plan for Crop Years 2018, 2019, 2020 and 2021 pursuant to the Síhasin Fund Pasture Range and Forage Expenditure Plan enacted by CO-57-16 and amended by CMY-54-18.

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

5-DAY BILL HOLD PERIOD: Johnson
Website Posting Time/Date: _____
Posting End Date: 12-24-22
Eligible for Action: 12-25-22

PROPOSED STANDING COMMITTEE RESOLUTION
24th NAVAJO NATION COUNCIL – Fourth Year, 2022

INTRODUCED BY


(Prime Sponsor)

TRACKING NO. 0261-22

AN ACTION

RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE;
APPROVING THE AGRICULTURE INFRASTRUCTURE FUND
PROJECT PLAN FOR CROP YEARS 2018, 2019, 2020 AND 2021 PURSUANT TO
THE SIHASIN FUND PASTURE, RANGE AND FORAGE EXPENDITURE
PLAN ENACTED BY CO-57-16 AND AMENDED BY CMY-54-18

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources and Development Committee of the Navajo Nation Council is authorized to exercise oversight authority over, among other things, water, land, grazing, agriculture, livestock, wildlife, chapter activities, and economic and community development. 2 N.N.C. § 500 (C).
- B. The Navajo Nation Council instructed the Resource and Development Committee to adopt an annual plan(s) for agriculture infrastructure projects to be funded through the Agriculture Infrastructure Fund. CO-57-16, as amended, Section Four (A) (6)(c).

1 **SECTION TWO. FINDINGS**

- 2 A. On November 3, 2016, the Navajo Nation Council passed Council Resolution
3 CO-57-16 (without exhibits), attached as **Exhibit 1**, adopting the Síhasin Fund
4 Pasture, Range and Forage Expenditure Plan pursuant to CD-68-14 and 12 N.N.C.
5 §§ 2501-2508; the President of the Navajo Nation signed CO-57-16 on November
6 13, 2016.
- 7 B. Among other things, CO-57-16 reserved \$19,835,612.00 of Síhasin Funds to
8 guarantee the insurance premiums necessary for the Nation's participation in the
9 USDOA's Pasture, Rangeland, and Forage Insurance Program for the 2017 and
10 2018 Crop Years. CO-57-16, Section Three, (C) (1). CO-57-16 was subsequently
11 amended by CMY-54-18 (without exhibits), attached as **Exhibit 2**, to extend the
12 Síhasin Fund reserve and guarantee for an additional five years through the end of
13 the 2023 Crop Year.
- 14 C. CO-57-16, as amended, also requires that net insurance proceeds (aka: Indemnity
15 Payments) be deposited in an Agriculture Infrastructure Fund and used to fund
16 agriculture infrastructure projects on the Navajo Nation approved annually by the
17 Resources and Development Committee after certain conditions are met, e.g., the
18 Budget and Finance Committee enacts a fund management plan that, among other
19 things, ensures that the Síhasin Fund is reimbursed for any expenditures and that
20 annual amounts are reserved and accumulated to replace the Síhasin Fund
21 guarantee at the end of 2023. CO-57-16, Section Four (A) (6) (c).
- 22 D. CO-57-16, as amended by CMY-54-18, defines "agriculture infrastructure
23 projects" as, "including but not limited to range, grazing and livestock; tribal
24 ranches infrastructure; farming and irrigation; agricultural water development;
25 dams, reservoirs and catchments; watershed planning for agriculture; agricultural
26 complexes; drought contingency plan (mitigation measures); area wide fencing;
27 brand office and Navajo Partitioned Lands and former Bennett Freeze Area
28 projects, including administration costs." CMY-54-18 Section Two, CO-57-16
29 Section Four (A)(5)(c).
- 30

- 1 E. Resolution No. RDCAU-74-18 (with Exhibit C), attached as **Exhibit 3**, enacting
2 the Agriculture Infrastructure Fund, Fund Management Plan.
- 3 F. The USDA's Pasture, Rangeland, and Forage Insurance Program remitted net
4 indemnity payments into the Agriculture Infrastructure Fund for Crop Years 2017
5 at \$17,386,455 and 2018 at \$28,2279,209. **Exhibit 6**. The Resources and
6 Development Committee adopted Resolution No. RDCD-100-18, attached as
7 **Exhibit 4**, approving the Agriculture Infrastructure Fund Project Plan for Crop
8 Year 2017 in amount of \$17,384,159 (**Exhibit 4's** exhibit C) and for Crop Year
9 2018 in the amount of \$19,276,459 (**Exhibit 4's** exhibit D). In both Crop Year
10 Project Plans, \$2,833,659 were set aside and reserved to replenish the Síhasin
11 Fund guarantee as set forth in the Agriculture Infrastructure Fund Fund
12 Management Plan, Section IV (B)(3). A Crop Year 2018 Agriculture
13 Infrastructure Fund Project Plan for \$9,002,750 remains to be approved by the
14 Resources and Development Committee.
- 15 G. By Resolution RDCMA-07-21 and its Exhibit E, attached as **Exhibit 5**, the
16 Resources and Development Committee approved the Agriculture Infrastructure
17 Fund Project Plan for Crop Year 2021 with \$4,000,000 to be distributed to 110
18 chapters for livestock fed products for distribution to community members of the
19 Navajo Nation.
- 20 H. The Navajo Nation Department of Agriculture has provided Appendix 1, Navajo
21 Nation Síhasin Fund Pasture, Range and Forage Insurance, Historical
22 Performance, dated 8/18/2022, which is attached as **Exhibit 6**. As shown in
23 Appendix 1, **Exhibit 6**, Crop Year 2019 premium exceeded the indemnities
24 received by \$6,905,198 and, as a result, no net indemnities were deposited into
25 the Agriculture Infrastructure Fund for Crop Year 2019. In Crop Year 2020,
26 \$32,829,455 was deposited into the Agriculture Infrastructure Fund for the Crop
27 Year. In Crop Year 2021, \$17,773,911 was deposited into the Agriculture
28 Infrastructure Fund. In summary, a total of \$89,363,832 was placed into the
29 Agriculture Infrastructure Fund from its inception in 2017 through Crop Year
30 2021.

- 1 I. The set aside and reserved amounts for Crop Years 2019, 2020 and 2021, or a
2 total of \$8,500,977 have not been approved in annual project plans by the
3 Resources and Development Committee.
- 4 J. Since the Síhasin Fund Pasture, Range and Forage Expenditure Plan inception in
5 2017, the Síhasin Premium Reserve was used on three occasions to pay a total of
6 \$22,001,802 in annual premiums due by October 1 of the respective Crop Years
7 as follows:
- 8 1. In Crop Year 2017, the insurance indemnity payments were short of the
9 annual premium; therefore, the Síhasin Premium Reserve was used to pay
10 \$9,655,131 on September 29, 2017.
 - 11 2. In Crop Year 2019, the insurance indemnity payments were short of the
12 annual premium; therefore, the Síhasin Premium Reserve was used to pay
13 \$12,156,434 on September 13, 2019.
 - 14 3. In Crop Year 2021, the insurance indemnity payments were short of the
15 annual premium for six (6) tribal ranch lessees who enrolled in the Síhasin
16 Fund Pasture, Range and Forage Expenditure Plan; therefore, the Síhasin
17 Premium Reserve was used to pay \$190,237 on November 8, 2021.
- 18 K. The Navajo Nation Department of Agriculture has provided Appendix 2,
19 Proposed Year 2022 Agriculture Infrastructure Fund Program Budget (Thru Crop
20 Year 2021) (As of 08/18/2022), which is attached as **Exhibit 7**. The Appendix 2,
21 **Exhibit 7**, is a compilation of annual project plans for approval by the Resources
22 and Development Committee including: (1) the unallocated Crop Year 2018
23 Project Plan amount of \$9,002,750 in Paragraph F above; (2) the set aside and
24 reserved amounts for Crop Year 2019, 2020 and 2021 to replenish the Síhasin
25 Fund guarantee in the amount of \$8,500,977 in Paragraph I above; and (3) an
26 amount of \$4,000,000 to account for the Livestock Feed Distribution allocation
27 approved by the Resources and Development Committee in Paragraph G above
28 and Exhibit 7, Table 1.
- 29 L. The project amounts in Appendix 2, **Exhibit 7**, are estimates, subject to change as
30 a result of fluctuations in market conditions for parts, supplies, equipment, raw

1 materials, freight, contract services and actual costs incurred in project
2 implementation and construction.

3 M. As set forth in **Exhibit 8**, the Navajo Nation Office of the Controller in a
4 memorandum dated September 22, 2022 has provided an unaudited Income
5 Statement and Balance Sheet for the Navajo Nation's Agriculture Infrastructure
6 Fund and identified the unaudited, unappropriated balance of the Agriculture
7 Infrastructure Fund as \$59,830,541 of August 31, 2022.

8 N. The Department of Agriculture has provided an Executive Summary dated
9 08/18/2022 which is attached as **Exhibit 9**.

10 O. The Executive Official Review is attached as **Exhibit 10**.

11
12 **SECTION THREE. APPROVAL OF AGRICULTURE INFRASTRUCTURE FUND**
13 **PROJECT PLAN FOR CROP YEARS 2018, 2019, 2020 and 2021**

14 The Navajo Nation hereby approves and adopts the Crop Years 2018, 2019, 2020
15 and 2021 Agriculture Infrastructure Fund Project Plan as set forth in Appendix 2,
16 **Exhibit 7**.

17
18 **SECTION FOUR. ADMINISTRATION OF AGRICULTURE INFRASTRUCTURE**
19 **FUND PROJECT PLAN**

20 The Agriculture Infrastructure Fund Project Plan Project Plans adopted herein
21 shall be administered pursuant to the Agriculture Infrastructure Fund, Fund
22 Management Plan enacted by RDCAU-74-18.

23
24 **SECTION FIVE. AMENDMENTS**

25 The Agriculture Infrastructure Fund Project Plan for Crop Year 2018, 2019, 2020 and
26 2021, adopted herein as **Exhibit 7**, may be amended by the Resources and
27 Development Committee from time to time as necessary to fulfill the mandates of
28 CO-57-16 upon the recommendation of the Division of Natural Resources and
29 Department of Agriculture.