

Navajo Tribal Utility Authority

An Enterprise of the Navajo Nation

2011 PROGRESS REPORT



Utilities:

- Electric • Natural Gas • Water • Wastewater •
- Renewable Energy • Telecommunications •

Regions Served:

- Northern Arizona • Northwestern New Mexico • Southeastern Utah •

Service Area:

27,000 plus square miles



NTUA

Progressing Since 1959

Ya'a'teeh. At the Navajo Tribal Utility Authority progress is our priority. Each day, our employees work hard throughout the service area to keep the power on, the water and natural gas services flowing.

NTUA was established in 1959 by the Navajo Nation Council first as a tribal department, then later as a self-sustaining tribal enterprise. NTUA supplies and extends electricity, natural gas, water, wastewater treatment, renewable energy and telecommunications (including wholesale transmission of voice, data, graphics and other information) services to homes and businesses throughout the 27,000 square mile Navajo Nation and neighboring communities.

With each project, NTUA seeks to strengthen the partnership with tribal communities, the federal government and other outside agencies to create a progressive team dedicated to build a brighter future for the great Navajo Nation.

Broadband for Navajo Nation

NTUA continues to diligently work on the “Navajo Nation Middle/Last Mile Project: Quality Broadband for the Navajo People,” a major multi-million dollar initiative to bring quality broadband wireless technology to the Navajo Nation.

NTUA has demonstrated to various federal agencies that a tribal enterprise is capable of administering and managing the development of a massive broadband project that will close a major technology gap in the regional southwest.

In late March 2010, NTUA was notified that it received a grant from the U.S. Department of Commerce National Telecommunications and Information Administration (NTIA) to build a fiber and microwave infrastructure throughout the central core of the Navajo Nation.

NTUA received \$32.2 million through the American Recovery and Reinvestment Act (ARRA), which at the time was the largest broadband grant awarded in the United States.

Once established, the project will provide vital public health, education and governmental access in the tribal communities by utilizing NTUA’s existing electric line backbone and microwave system located at key points throughout the Navajo Nation.

The Navajo Nation Middle/Last Mile Project will be implemented in five (5) phases, which also amplifies NTUA’s existing microwave network to provide broadband access to 15,120 square miles of the Navajo Nation’s 27,000 square mile area.

According to Commnet Wireless, this 4G broadband network will not only provide connectivity but true high speed Internet, enabling many important and vital mobile broadband applications for the first time on Navajo Lands, consistent with similar services in urban America.

The project will initially provide fixed and mobile service to over 30,000



“While there have been similar initiatives aimed to provide broadband on the Navajo Nation, access to any such service remains almost universally absent. We are committed to bringing this high capacity wireless technology to our region. That’s our goal as well as our challenge.”

*— NTUA General Manager
Walter W. Haase*





NTUA Meter readers are installed the new digital meters which will significantly upgrade the existing metering system for electricity, natural gas and water.



The Energy Efficiency Grant includes provisions for Energy auditing. Energy audits were completed for various Navajo Nation tribal buildings, schools and Navajo Nation-owned employee housing. Weatherization recommendations will be provided upon completion of the energy audits.

households and 1,000 businesses in 15 of the largest communities on the Navajo Nation, including Window Rock, Shiprock, Kayenta, Chinle, Crownpoint, and Tuba City. In addition, the project will provide high capacity connectivity on the combined middle-mile backbone to an additional 49 tribal communities.



Navajo Nation Smart Grid Initiative

NTUA received notification on October 27, 2009, that it is the recipient of a \$4.9 million cost-share award from the US DOE Smart Grid Investment Grant program for the installation of Advanced Metering Infrastructure (AMI) into the NTUA electricity infrastructure.

The Smart Grid effort is established with the dual goal of adding intelligent technology onto the electricity grid and optimizing the supply of electricity for end-user consumption. The project allows NTUA to upgrade its metering technology from standard meters with Automated Meter Reading (AMR) to AMI meters throughout its 7,200 miles of electricity line infrastructure, which supplies power to 38,000 customers on the Navajo Nation.

Energy Efficiency and Conservation

NTUA is the recipient of a \$6.1 million award from the US DOE Energy Efficiency and Conservation Block Grant entitled the "Energy Efficiency and Conservation Program of the Navajo Nation."

NTUA and other Navajo Nation Divisions and Enterprises designed a broad range program focusing on Energy Efficiency and Conservation

The NTUA, as the largest tribal allocation awarded in the United States, was selected to be the lead agency for the Navajo Nation application. The Energy Efficiency and Conservation Program of the Navajo Nation will consist of the following activities:

1. Perform energy auditing and weatherization services at tribal-owned buildings
2. Deploy renewable energy installation at tribal owned buildings
3. Incorporate energy efficient LEED-standard design in newly-constructed tribal-owned buildings
4. Install Energy Star refrigerators for the NTUA's existing off-grid residential program customers

5. Replace standard home appliances with Energy Star appliances in tribal-owned buildings
6. Provide training opportunities in Energy Efficiency and Renewable Energy for Navajo Nation entities
7. Provide a public information print and media campaign to inform and educate the Navajo Nation about energy and water conservation.
8. Assist and support the development of a comprehensive energy policy for the Navajo Nation

NTUA Choice Wireless

In April 2011, NTUA formed a joint venture with Broadband grant co-applicant, Commnet Wireless, forming the company NTUA Choice Wireless. Commnet, owned by ATN (Atlantic Tele-Network) is the seventh largest phone company in the United States. NTUA is a 51 percent owner, with ATN signing the partnership at 49 percent. It is the first time the Navajo Nation is a majority owner in a broadband wireless and mobile phone service company. NTUA Choice Wireless is a company that has tremendous strengths in the telecommunications and utility industry, with both having the passion to succeed and drive to deliver quality wireless services to the Navajo Nation.

Renewable Energy Vision

The Navajo Nation is blessed with abundant natural resources, including coal, oil and natural gas, as well as renewable resources, such as wind and solar. While the Navajo Nation has historically focused on oil and gas operations and the sale of coal, these have resulted in limited financial income and with virtually no power availability for the Navajo people.

NTUA is taking a leadership role in the development of available renewable energy resources and embraces a vision to create an energy economy that will bring economic progress and sustainability to the Navajo Nation. These efforts will shape a long-term energy strategy for the



NTUA and ensure increased energy development for the future of the Navajo Nation for the benefit of the Navajo people for generations to come.



On April 1, 2011, NTUA Choice Wireless was created. The partnership gives Navajo Nation, through NTUA, a 51 percent majority ownership. This is the first time the Navajo Nation holds majority ownership in an internet and mobile telecommunications company.



In October 2011, NTUA hosted a grand opening celebration for the new Chinle District Office. This is the first time in over ten years NTUA has built a new administrative building.





Above is an example of a wind turbine expected to be built at the Boquillas Wind farm.



The construction of the broadband project includes the building of a microwave tower which will strengthen the wireless signal.



Throughout 2011, NTUA welcomed smiles from many happy faces from those who received electricity for the very first time.

Boquillas Wind Project

Work continues developing the plan which is to build and operate a Wind Farm to generate and sell electricity. The best part of this plan is that the Navajo Nation, through NTUA, would be a 51 percent owner. This means that for once, the Navajo Nation would directly benefit from energy produced on its own land, while using clean resources.

Solar Energy Development

The Navajo Nation is extremely attractive geologically for solar generation development. To accelerate solar deployment, NTUA is partnering with the U.S. Environmental Protection Agency to identify and prioritize sites for solar developments. To date, NTUA has installed the two largest solar panels on the Navajo Nation. Construction is underway for two more in the Eastern Navajo agency. With the Energy Efficiency grant, 65 of our Solar/Wind combo units qualified for an upgrade to feature refrigeration.

Navajo Electrification Demonstration Project

Approximately 16,000 homes on the Navajo reservation still do not have access to basic electricity—contributing to the 75% of all Native American households in the U.S. that are without utility service.

The “Navajo Electrification Demonstration Project” (NEDP) was created by the U.S. Congress under Public Law 106-511 and extended by Public Law 108-59 to provide funding for rural electrification of homes on the Navajo Nation.

The NEDP funding program has ended and NTUA is meeting with key Congressional leaders to introduce legislation to reauthorize legislation in hopes of securing more matching grant dollars to serve more homes.

To date, NEDP funding has provided first-time electricity service to more than 2,000 homes on the Navajo Nation with dozens of homes to be connected as the program comes to an end in 2012.

The NEDP initiative provided incremental line extensions to families throughout the Navajo Nation. The NTUA is striving to find better ways to deliver new services to new customers and to make available funding stretch further. As an example, NTUA established the Electric Construction Department to assign NTUA crews and staff to prepare and extend electrical services on a non-stop year-round project schedule.

Community Development Block Grant

The Community Development Block Grant program is another valuable resource for NTUA. It provides additional funds so we can provide electric service to more families of the Great Navajo Nation. NTUA works closely with the tribal departments and tribal communities to ensure each project is construction ready.

NTUA Customer Numbers

December 2011

Electric	39,761
Gas	7,937
Water	38,761
Wastewater.....	13,759
Solar Electricity	221

NTUA & Community Service

NTUA is often requested to support individuals or schools and communities with event sponsorship. NTUA considers the requests and donates, depending on the budget. Specialty advertising is also considered, such as school calendars, sports programming, and other charitable events.

Employees do not hesitate to be a part of community events, including runs, walks, and other fund-raising activities. Sometimes, employees take information from the fund-raising event to share with co-workers, whereby consideration includes the donation of time, money and or supplies to the event.

Community Education

NTUA offers a customer educational program to generate and foster a better understanding of NTUA operations, including programs that will be of long-term financial benefit to the customer. Programs include short workshops to further educate customers, such as energy and water conservation, and utility safety, especially for children and the elderly.

NTUA employees often accept school invitations to share information about the utility industry. Engineers, linemen, and chemists are among the presenters. They talk about their career choice, their education, and



Every year, NTUA employees travel to various events to provide information about NTUA services to thousands, as part of our extensive community education program.





In October 2012 a Ground Breaking Ceremony was held at the site of the new Crownpoint Sub-office



their daily achievements and challenges. At health fairs, our employees present information related to conservation and the utility industry in general. At regional tribal fairs, customer Information booths are set up to generate understanding and support of NTUA programs.

Customer Appreciation

Each year, NTUA districts host a day-long open house, inviting customers to learn more about NTUA. A variety of booths are set up, including how to read your bills, how to apply for electrical service, how to set up a solar energy panel, how electricity works, how to safe proof your homes, and how meters work. The districts also cook hamburgers and hotdogs for guests.

Holiday Military Care Packages

What started out as a small fund-raising effort has turned into an annual project. Each holiday season, the Human Resources Division organizes the campaign, and fill the packages of non-perishable supplies to send to military personnel stationed throughout the world. Names are submitted to the department and the packages are sent out during the Holiday Season. In 2009, 140 packages were sent out.

High school Sportsmanship Awards

NTUA districts continue to spell out the meaning of Sportsmanship by honoring regional athletes during the district and regional basketball playoffs. The goal of the NTUA Sportsmanship Award is to enrich athletes, encouraging them to place academics high and be role models on and off the court. Selections are based on teacher/coach nominations. Students must maintain a 3.0 GPA and must demonstrate integrity in their schools and communities. The awards are presented at regional and district playoffs before thousands of basketball fans.

Memorial Scholarship Program

As a lasting tribute, NTUA employees have raised thousands of dollars to set aside for the young children of their former co-workers. The memorial scholarship program will be maintained by NTUA and given to the young children should they decide to pursue college studies. In the past two years, three campaigns raised more than \$75,000. Employees hosted luncheons, tournaments, and raffles, including the regional



motorcycle run Red Thunder Rolling, an annual bike run from Gallup to Albuquerque during the Gathering of Nations Powwow. Proceeds from the event were given to one of the memorial educational funds.

Higher Education Scholarship Program

It has been a long-standing policy for NTUA to encourage and support the higher education of individuals who reside on the Navajo Nation, leading to a bachelor's or master's degree in fields related to the utility industry. With these scholarships, NTUA is fulfilling its obligation to community service and higher education – at the same time, increasing the pool of professional recruit prospects for NTUA.

NTUA hosts Santa Visits

Every holiday season, each NTUA district makes room for Santa. Each district opens its doors to the public inviting them to pick up a bag of 'oldtime' Keshmish goodies (hard candy, fruit, and nuts). Santa and helpers meet customers and pose for pictures.

Upon request, NTUA takes photos with Santa, asking for a one dollar fee. Any proceeds are turned over to a charitable organization. The elders enjoy this day considerably because it allows them to take a picture with Hosteen Santa.

NTUA employees donate personal time and efforts

Every winter season, groups of NTUA district employees volunteer their weekends to chop and haul wood to elderly customers, especially to the elders who live alone. Other employees have organized food drives resulting in food baskets to take to families in need. More than 20 baskets have been delivered each holiday season, including delivering items to elderly living in regional nursing homes.





During the 2011 APPA Convention, General Manager Walter Haase accepted the Community Service Award on behalf of NTUA employees.

In 2011

– Mr. Haase was also voted to the national American Public Power Association Board of Directors, representing the southwest/west region. He is one of 35 members who represent 2,000 public power utility companies in the United States.



NTUA General Manager Walter Haase (R) accepts the James D. Donovan Award from APPA Board Chairman Lonnie Carter.

NTUA Gains National Recognition from the American Public Power Association in 2011

Hard work and daily commitment earned NTUA national honors from the American Public Power Association (APPA).

NTUA was named as one of 82 public power utilities in the country to earn Platinum RP3 status as a national Reliable Public Power Provider. NTUA was the only utility in Arizona to earn the recognition and no New Mexico utilities were named to the list.

This is the first time in NTUA 53-year history to earn this distinction. NTUA was among 2,000 public power utilities considered in 2011, and is a three-year designation.

NTUA General Manager Receives National Award

General Manager Walter Haase accepted the James D. Donovan Individual Achievement award from the APPA. The award recognizes public power executives who have made substantial contributions to the electric utility industry, with a special commitment to public power.

When Haase accepted the job as NTUA General Manager in 2008, he said that he was honored to be part of an ongoing mission to provide quality utility services to the region, adding that he accepted the opportunity to do what he can to make a positive impact that will truly make a difference. Haase was one of two utility executives in the United States to receive the award in 2011.

NTUA named as Community Service Award winner

In 2011, the NTUA employee work force was honored as a “good neighbor” and received the APPA Community Service Award for extending a helping hand. NTUA refers to community service as a K’e project, illustrating the traditional Navajo concept of being a ‘good neighbor’. K’e is about caring, kindness, compassion, generosity, and support – basically going the extra mile. NTUA has more than 600 employees and each district practices K’e in many forms. Employees either contribute personal time or money supporting community events and activities.

Navajo Tribal Utility Authority

Utility Construction Projects





Navajo Electrification Demonstration Project #6



Electric Initial Target - 284 Families and 88.62 miles of line

(Current - 301 Families and 109.25 miles of line)

Photovoltaic Initial Target - 40 Families (Current - 65 Families)

Total Budget of \$5,665,761

(\$1,903,000 DOE Grant and 3,762,761 Matching Contribution (\$1,078,533 NTUA Contribution))

KAYENTA - NEDP #6

Location:	Families:
Oljato.....	15

TOTAL FAMILIES: 15

SHIPROCK - NEDP #6

Location:	Families:	Location:	Families:
Nenahnezad.....	2	Sanostee.....	19
Newcomb.....	25	Shiprock.....	5
Red Mesa.....	11	Sweetwater.....	2
Red Valley.....	11	Teec Nos Pos.....	2
San Juan.....	2	Two Grey Hills.....	1

TOTAL FAMILIES: 80

TUBA CITY - NEDP #6

Location:	Families:
Coppermine.....	6
Gap.....	6
Lechee.....	1
Kaibeto.....	2
Tonalea.....	5
Tuba City.....	3

TOTAL FAMILIES: 23

FORT DEFIANCE - NEDP #6

Location:	Families:	Location:	Families:
Crownpoint.....	1	Sawmill.....	2
Houck.....	1	St. Michaels.....	4
Nahodishgish.....	1	Standing Rock.....	5
Naschitti.....	6	Tohatchi.....	23
Navajo.....	1	Twin Lakes.....	3
Oaksprings.....	2	White Rock.....	19

TOTAL FAMILIES: 68

DILKON - NEDP #6

Location:	Families:
Dilkon.....	6
Ganado.....	3
Indian Wells.....	8
Klagetoh.....	10
Leupp.....	6
Steamboat.....	8
Teesto.....	1
Wide Ruins.....	2

TOTAL FAMILIES: 44

CHINLE - NEDP #6

Location:	Families:	Location:	Families:
Blue Gap.....	4	Nazlini.....	8
Chinle.....	2	Rough Rock.....	2
Cottonwood.....	6	Round Rock.....	6
Kinlichee.....	16	Steamboat.....	24
Manyfarms.....	2	Wheatfields.....	1

TOTAL FAMILIES: 71

301 ELECTRIC PROJECTS

296 - Completed
5 - Pending close-out

65 PV PROJECTS (PV unit and refrigerator)

65 - Completed



Navajo Electrification Demonstration Project #7



Initial Target - 177 Families and 59.70 miles of line
(Current - 197 Families and 78.03 miles of line)

Total Budget of \$3,568,985

(\$1,750,000 DOE Grant and 1,818,985 Matching Contribution (\$268,262 NTUA Contribution))

KAYENTA - NEDP #7			
Location:	Families:	Location:	Families:
Chilchinbeto.....	8	Kayenta.....	3
Dennehotso.....	18	Navajo Mountain.....	1
Inscription House.....	1	Oljato.....	12
Kayenta -Horse Hop.....	13	Shonto.....	3
TOTAL FAMILIES: 59			

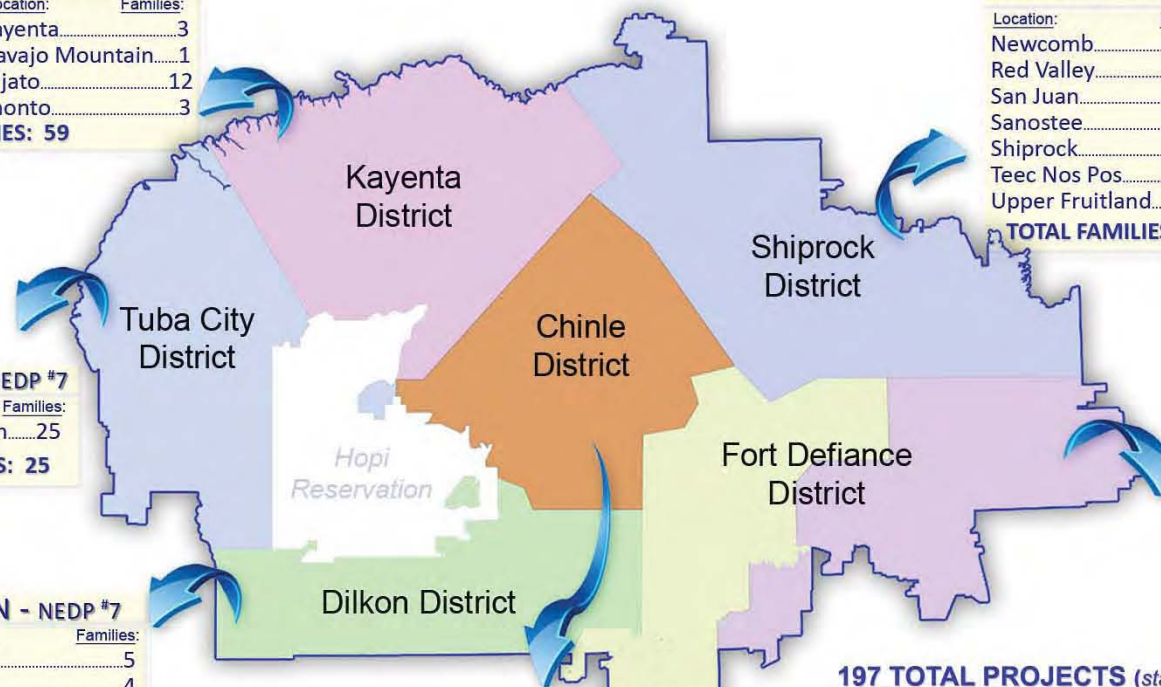
SHIPROCK - NEDP #7	
Location:	Families:
Newcomb.....	4
Red Valley.....	8
San Juan.....	1
Sanostee.....	1
Shiprock.....	11
Tec Nos Pos.....	4
Upper Fruitland.....	1
TOTAL FAMILIES: 30	

TUBA CITY - NEDP #7	
Location:	Families:
Shadow Mountain.....	25
TOTAL FAMILIES: 25	

FORT DEFIANCE NEDP #7	
Location:	Families:
Crownpoint.....	2
Naschitti.....	8
Sawmill.....	1
Twin Lakes.....	2
TOTAL FAMILIES: 13	

DILKON - NEDP #7	
Location:	Families:
Cornfields.....	5
Dilkon.....	4
Teestoh.....	2
Tolani Lake.....	4
White Cone.....	5
Wide Ruins.....	8
TOTAL FAMILIES: 28	

CHINLE - NEDP #7	
Location:	Families:
Cottonwood.....	12
Ganado.....	1
Lukachukai.....	24
Tsaile.....	5
TOTAL FAMILIES: 42	



197 TOTAL PROJECTS (started October 1, 2010)

- 68 - Construction complete
- 37 - Construction in progress
- 74 - Construction completed, close out in process
- 3 - Project with approved ROW, pending construction
- 2 - Pending SLA approval (no HSL)
- 13 - Projects received by the ROW Department

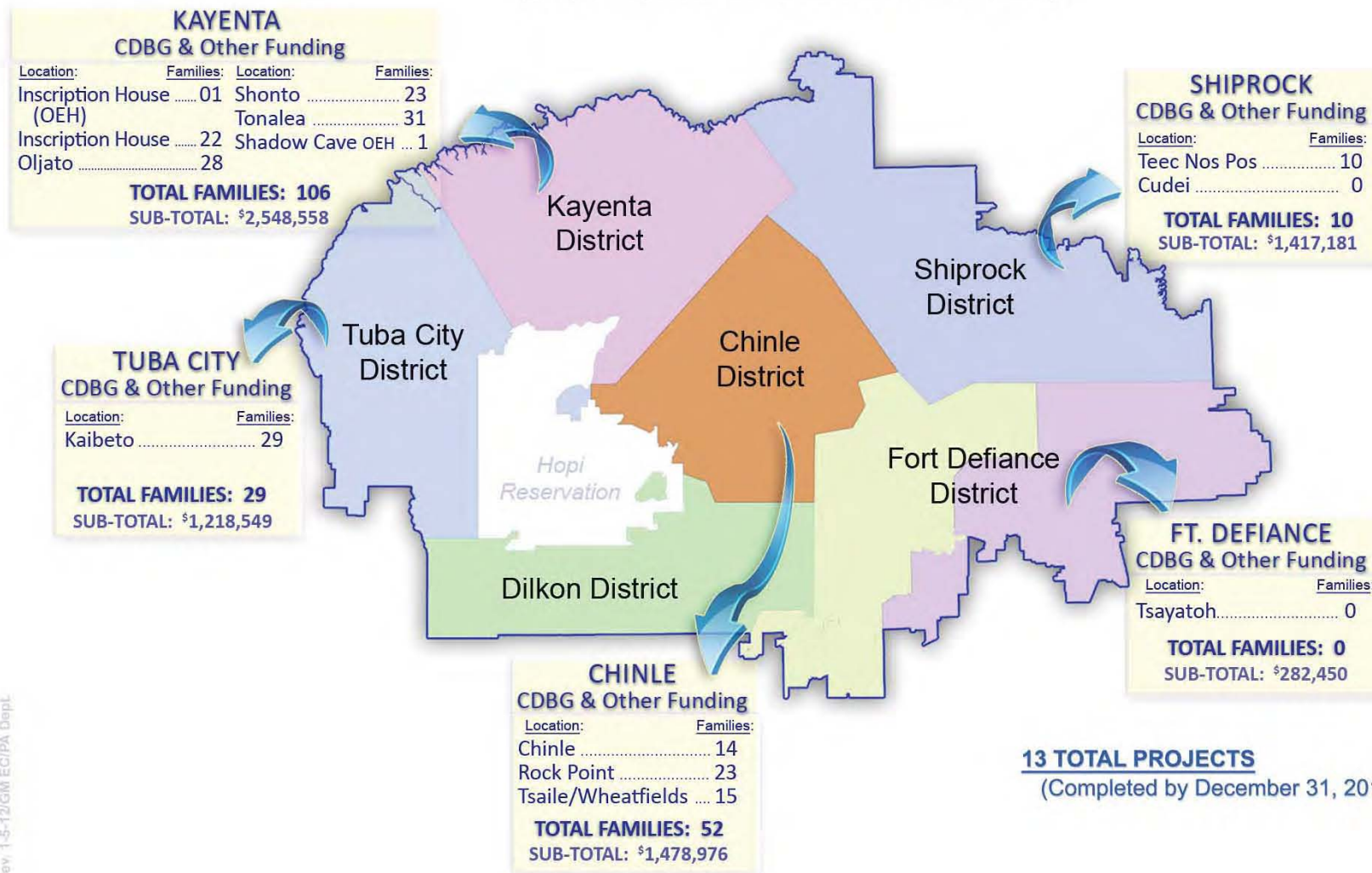


2011 Community Power Line Projects

Target - 197 Families and 125.73 miles of line

Proposed Budget: \$6,945,714

(\$1,375,869 NTUA Contribution)





2011 NATURAL GAS CONSTRUCTION



Target - 65 Commercial

**Proposed Budget
\$3,623,000**

KY-Commercial NG

location:	commercial:	location:	commercial:
Kayenta:		Sonic	1
Amigo Cafe	1	Seven to Eleven	1
Burger King	1	Speedy's	1
Golden Sands	1	Wells Fargo	1
Hampton Inn	1	IHS Access Rd -ph.III	1
Native Technical	1		
NHA Admin.	2		
NN Shopping Center	12		
Public Safety	2		

TOTAL CUSTOMERS: 26

SR-Commercial NG

location:	commercial:
Upper Fruitland	
Phase I	0
Phase II - Steel	1
Phase III - 4" Steel extension	0

TOTAL CUSTOMERS: 1

TC-Commercial NG

location:	commercial:
Tuba City:	
BIA Government Bldg.	1
Fire Station	1
Police Department Main	0
Tuba City Main	0
Sonic	1
St. Jude - Conversion & Road Crossing	7
Moenkopi Denny's	1
Gray Hills Academy	1

TOTAL CUSTOMERS: 12

DK-Commercial NG

location:	commercial:
Dilkon- Police Department	1
Dilkon NTUA Vehicle Shop	1
Leupp Community	0

TOTAL CUSTOMERS: 2

CH-Commercial NG

location:	commercial:
Ganado Burnside	2
Chinle NTUA Dist Office	4

TOTAL CUSTOMERS: 6

FD-Commercial NG

location:	commercial:
Crownpoint NN Shopping Center	9
Hunters Point Boarding School Service Ext.	1
Navajo Transit System	1
Tohatchi 491 Road Crossing Reroute	0
Tohatchi 491 Road Crossing	0
Tohatchi 491 Road Crossing Regulator	0
Shi Heart	1
Window Rock United Way	1

TOTAL CUSTOMERS: 13

37 TOTAL PROJECTS

- 21 - Completed
- 23 - In Construction
- ◆ 2 - Pending Construction
- ▶ 5 - Funding
- △ 14 - ROW



2011 NATURAL GAS CONSTRUCTION



Target - 445 Families
Proposed Budget \$352,357

KAYENTA - NG

location:	families:
▶ KUSD Apartments	20
▶ N.H.A.	20
▶ B.I.A.	45

TOTAL CUSTOMERS: 85

CHINLE - NG

location:	families:
■ Coolfields	11
■ NTUA Trailer Court	5
■ NTUA Housing	2

TOTAL CUSTOMERS: 18

TUBA CITY - NG

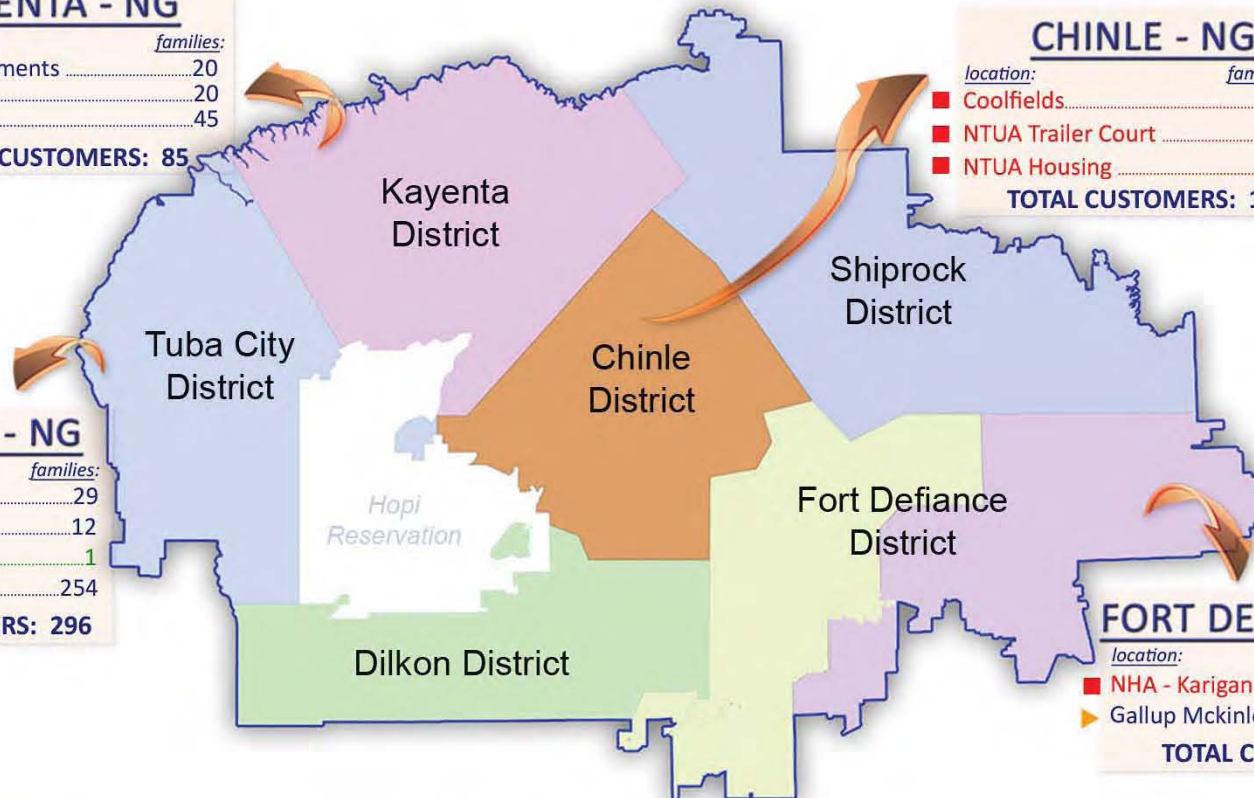
location:	families:
▶ I.H.S.	29
△ Hopi Trailer Court	12
● Dale Luna	1
▶ BIA	254

TOTAL CUSTOMERS: 296

FORT DEFIANCE - NG

location:	families:
■ NHA - Karigan Estates	23
▶ Gallup McKinley County	23

TOTAL CUSTOMERS: 46



12 TOTAL PROJECTS

- 41 - Completed
- 1 - In Construction
- ▶ 0 - Pending Construction
- ▶ 391 - Funding
- △ 52 - ROW





Water Construction Department



2011 Water Construction - NTUA Construction Team

Total Budget \$2,562,087

KAYENTA - WATER

location:

- ◀ Kayenta NTUA - Watering Point, Phase I

SHIPROCK - WATER

location:

- ◀ Red Mesa Sub - Watering Point, Phase I
- ◀ Shiprock NTUA - Watering Point, Phase I
- Sweetwater - Road crossing

TUBA CITY - WATER

location:

- ◀ Tuba City NTUA - Watering Point, Phase I
- ◆ Colamine Mesa - Watering Point, Phase I
- ▶ Gap Chapter - Watering Point, Phase II

DILKON - WATER

location:

- ◆ Dilkon NTUA - Watering Point, Phase I
- ▶ Greaswood - Watering Point, Phase II
- ▶ Spider Mountain - Watering Point, Phase II
- ▶ Tolani Lake - Watering Point, Phase II
- ◀ Jeddito - Well #1 upgrade - Water STWPPS

CHINLE - WATER

location:

- Chinle Admin. Building - Water
- Chinle Admin. Building - Sewer
- Blue Gap - Water
- Dine College - Water Relocation, 9 Road Crossings
- Ganado - Sewer Upgrade

FT. DEFIANCE - WATER

location:

- ▶ Crownpoint NTUA - Watering Point, Phase II
- ◀ Fort Defiance NTUA - Watering Point, Phase I
- Thompson Tank - Water STWPP

20 TOTAL PROJECTS

- 7 - Completed
- ◆ 2 - In Construction
- 14 - Pending
- ◀ 5 - NEPA Compliance
- ▶ 5 - Move to 2012
- △ 0 - ROW

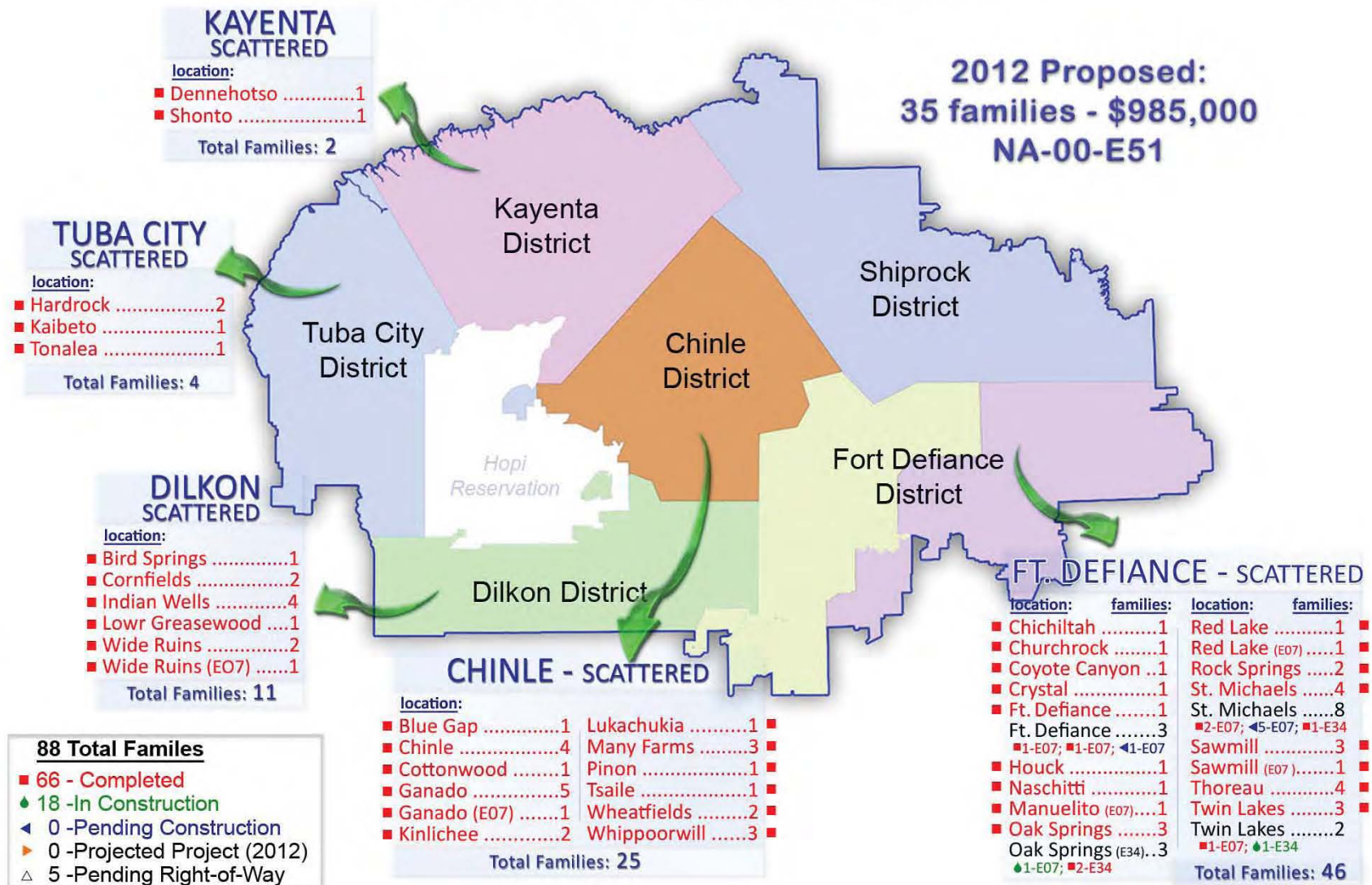


Scattered Projects Department



2011 Scattered Projects - 88 Families

Proposed Budget \$3,981,000





ETS Division - Civil Engineering Department



2011 Capital Projects

KAYENTA - WATER

location:

- Kayenta - Residential meter change out -AMI,
- △ Kayenta - Upgrade 6" W/L, Road Crossing
- △ Kayenta - ADOT Upgrade 8" S/L Road Crossing
- ◀ Kayenta - WW Treatment Plant Upgrade

SHIPROCK - WATER

location:

- ◀ Hogback - Relocate & Install new WL Road Crossing
- Shiprock - Residential meter change out -AMI
- Sweetwater - Relocate & Install New WL
- Upper Fruitland - WL, Booster Pump & Tank
- Upper Fruitland - Install new WW TP & facilities

TUBA CITY - WATER

location:

- ◀ Kaibeto - Relocate & Install new WL
- ◀ Kaibeto - Relocate & Install new SL
- ◀ Red Lake - Relocate & Install new WL
- ◀ Tuba City - Residential meter change out -AMI, Spring 2012

DILKON - WATER

location:

- ◀ Dilkon - Residential meter change out -AMI, Fall 2011/Spring 2012
- ◀ Jeddito - Well No. 1 - Wash/Wellhead protection
- ◀ Steamboat - Relocate & Install new WL Road Crossing
- ◀ Twin Arrows - WL, Booster Pumps, Tank & Well
- ◀ Twin Arrows - SL & WW Treatment Plant

CHINLE - WATER

location:

- ◀ Chinle - Residential water meter change out -AMI, Summer/Fall 2012
- ◀ Chinle - WTP - Install Iron/Manganese Removal Plant
- Dine College - Relocate/Install 10" WL Road Crossing
- ◀ Ganado - WW Treatment Plant upgrade
- ◀ Pinon - WW Treatment Plant upgrade
- ◀ Rock Point - Relocate/Install 6" WL Road Crossing

FT. DEFIANCE - WATER

location:

- ◀ Coalmine - Relocate & Install new WL Road Crossing
- ◀ Crownpoint - Residential water meter change out -AMI, Spring 2012
- ◀ Crystal - Relocate & Install new WL Road Crossing
- ◀ Fort Defiance - Residential water meter change out -AMI, Fall 2011/Spring 2012
- ◀ Navajo, AZ - Relocate & Install new WL Road Crossing
- ◀ Navajo, NM - Wash crossing, Relocate 16" CSP
- ◀ Window Rock - Upgrade WW Treatment Plant

31 TOTAL PROJECTS

- 6 - Completed
- 0 - In Construction
- ◀ 25 - Pending Construction
- △ 2 - ROW

Navajo Tribal Utility Authority 2012 Programs

22nd Navajo Nation Council

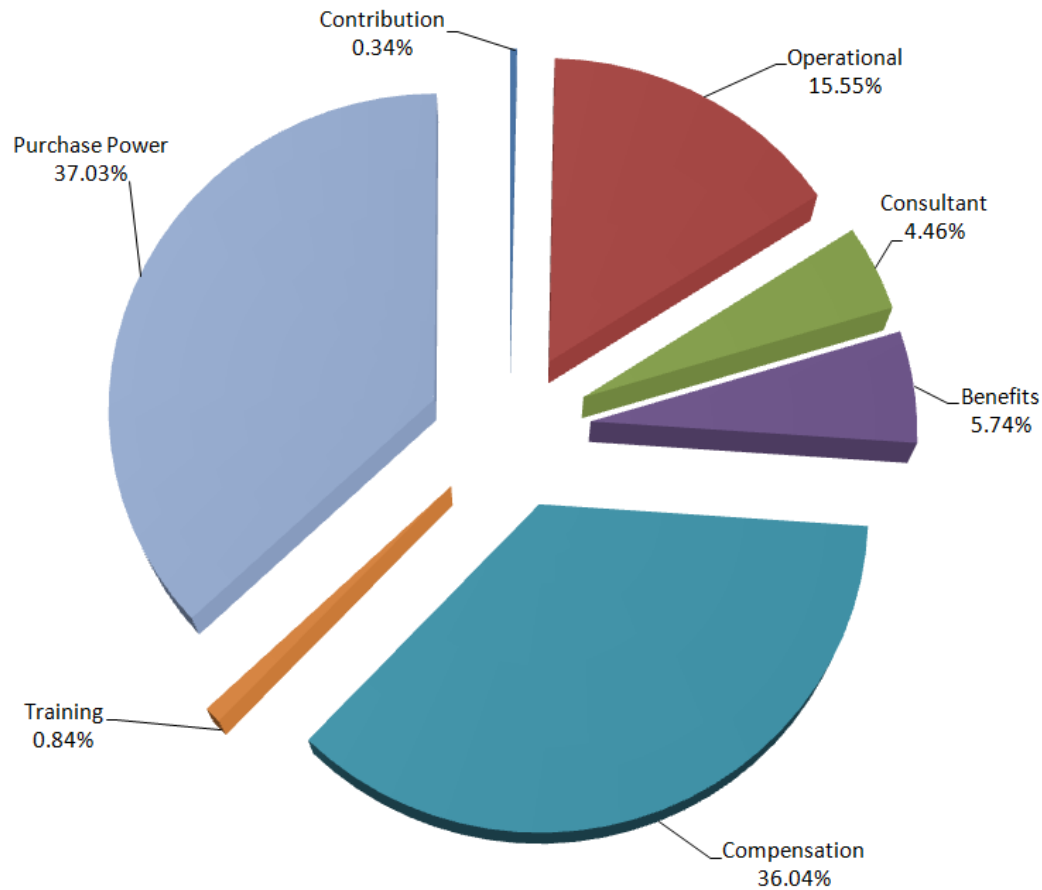
2012 Financial Forecast Separation of Services

	Electric	Gas	Water	Wastewater	Photovoltaic	Total
Operating Revenues						
Electric	\$ 64,434,000					\$ 64,434,000
Gas		12,598,000				12,598,000
Water			16,335,000			16,335,000
Wastewater				3,810,000		3,810,000
Photovoltaic					181,800	181,800
Total operating revenues, net	64,434,000	12,598,000	16,335,000	3,810,000	181,800	97,358,800
Operating Expenses						
Electricity, gas, and water purchased for resale	30,693,000	8,460,000	1,346,000	-	-	40,499,000
Operation and maintenance	4,810,627	694,346	2,380,334	576,125	51,075	8,512,508
Customer accounts and sales	4,392,311	633,969	2,173,348	526,027	46,634	7,772,290
Administrative and general	11,712,830	1,690,583	5,795,595	1,402,740	124,357	20,726,106
Depreciation and amortization	8,276,317	604,861	2,890,085	786,773	179,220	12,737,256
Total operating expenses	59,885,086	12,083,759	14,585,362	3,291,666	401,287	90,247,160
Operating Income (Loss)	4,548,914	514,241	1,749,638	518,334	(219,487)	7,111,640
Nonoperating Revenues (Expenses)						
Allowance for funds used during construction	40,152	4,190	4,576	1,338	177	50,433
Investment and interest income	1,106,285	86,612	157,472	372,869	5,778	1,729,015
Interest expense	(1,311,884)	(11,650)	(1,138,307)	(734,388)	(1,544)	(3,197,772)
Fair value of investments	(61,252)	59,890	60,254	69	505	59,466
Jobbing, net	397,153	51,789	192,195	62,464	6,057	709,657
Other	1,510,492	(122,966)	(327,359)	(78,583)	(11,132)	970,451
Total nonoperating revenues (expenses)	1,680,945	67,864	(1,051,170)	(376,230)	(159)	321,250
Change in Net Assets	<u>\$ 6,229,860</u>	<u>\$ 582,105</u>	<u>\$ 698,468</u>	<u>\$ 142,104</u>	<u>\$ (219,647)</u>	<u>\$ 7,432,890</u>

2012 Financial Forecast Capital Budget

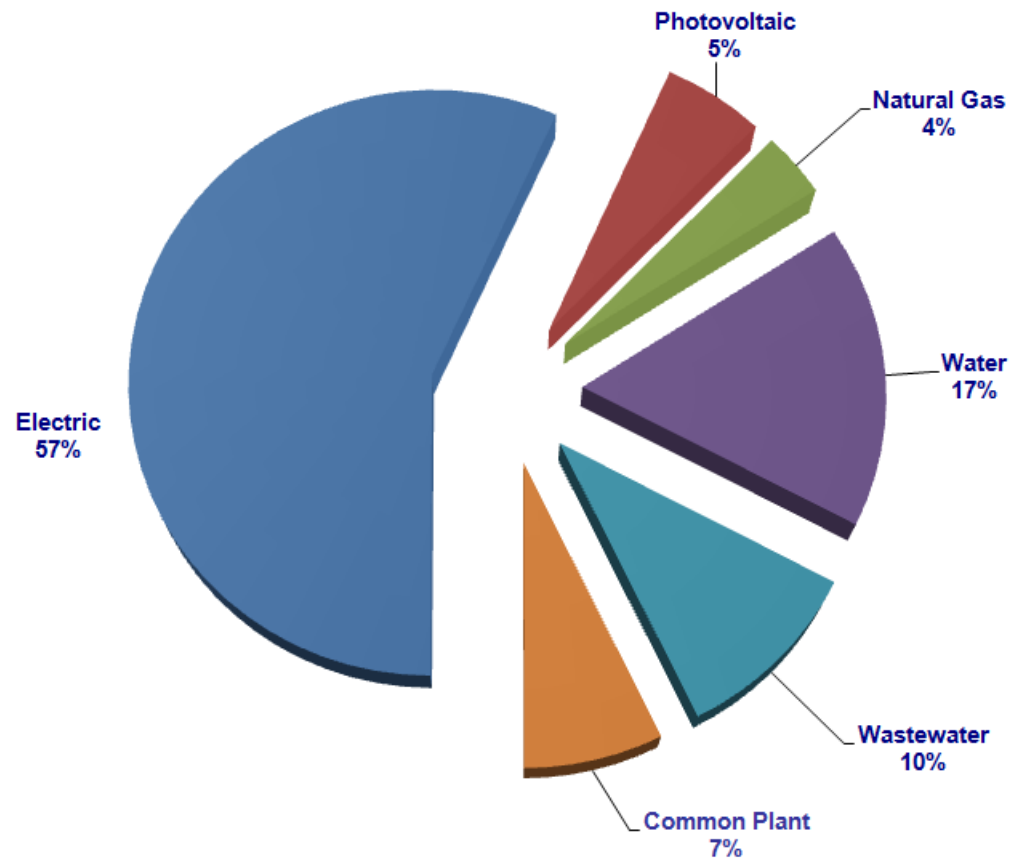
	Electric	Gas	Water	Wastewater	Photovoltaic	Total
Available Funds						
Add: Change in Net Assets	\$ 6,229,860	\$ 582,105	\$ 698,468	\$ 142,104	\$ (219,647)	\$ 7,432,890
Add: Depreciation Expense	8,276,317	604,861	2,890,085	786,773	179,220	12,737,256
Add: Cash	1,822,621	262,720	900,473	263,377	34,810	3,284,001
Add: Unrestricted Investments	3,220,496	1,147,881	2,250,371	808,663	58,453	7,485,864
Less: Principal Payments	(2,104,181)	-	(62,018)	(68,349)	-	(2,234,548)
Total Available Funds	17,445,113	2,597,567	6,677,379	1,932,568	52,837	28,705,463
Available Financing & Contributions						
RUS Financing	36,740,277	-	-	-	300,000	37,040,277
NN Bond Financing	-	9,500,000	12,350,000	14,150,000	-	36,000,000
Utility Specific Contributions	31,204,987	2,040,726	2,970,191	6,491,692	6,819,400	49,526,996
Common Contributions	1,443,000	208,000	712,920	208,520	27,560	2,600,000
Total Financing & Contributions	69,388,264	11,748,726	16,033,111	20,850,212	7,146,960	125,167,273
						-
Total Funds Available for Capital Budget	86,833,376	14,346,293	22,710,489	22,782,780	7,199,797	153,872,736
Total Capital Budget						
Utility Capital Budget	77,705,293	4,966,372	22,852,479	13,874,503	7,619,400	127,018,047
Common Budget	5,471,598	788,699	2,703,265	790,671	104,503	9,858,736
Total Capital Budget	83,176,891	5,755,071	25,555,745	14,665,174	7,723,903	136,876,783

2012 Approved O&M Budget



BUDGET CATEGORIES	TOTAL
Contribution	\$ 373,500
Operational	17,002,263
Consultant	4,875,800
Benefits	6,277,437
Compensation	39,413,190
Training	916,600
Purchase Power	40,499,000
	<u>\$109,357,790</u>

2012 Approved Capital Budget



Budget Code	Total
Electric	\$77,705,293
Photovoltaic	\$7,619,400
Natural Gas	4,966,372
Water	22,852,479
Wastewater	13,874,503
Common Plant	9,858,736
Total	<u>\$136,876,783</u>

PROJECTIONS

- **2012 Focus**

- Continued System Reliability Improvements
- Use of Federal Funding
 - Navajo Electrification Demonstration Projects (NEDP)
 - Broadband/Fiber Optic Installation
 - Smart Grid – AMI Meter Installations
 - Energy Efficiency Programs
 - Improvements to Water/Wastewater Treatment Plants

- **Focus Beyond 2012**

- Continued Increases in New Customer Hook Ups
- Wind Generation Projects
- Telecommunication Utility
 - Expansion of Capabilities of the Fiber Optic System
- Continued Improvements in Customer Service