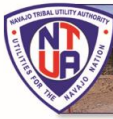


Meeting the Needs of the Navajo Nation



NTUA Update of Navajo Nation Fiscal Recovery Funds (NNFRF)
American Rescue Plan Act 2021 & Refunded Defunded CARES Act Projects

NTUA NNFRF Project Update #4 - Status of Utility Projects as of Feb. 24, 2022

This report highlights the progress of the re-funded Defunded Navajo Nation CARES Act Projects. These multi-utility projects were initially funded under the Navajo Nation CARES Act Fund but were later defunded as the Navajo Nation's deadline for the completion of these projects neared, prompting the Navajo Nation to recall the funds and reallocate the unspent funds to the Navajo Nation Hardship Assistance Expenditure Plan. The Navajo Nation has since re-funded these projects, as described below.

HISTORY: On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) was signed into law. ARPA's Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund (Fiscal Recovery Funds) are intended to build on and expand the relief provided in the 2020 CARES Act. The funds are intended to support governmental efforts to mitigate and contain the spread of COVID-19, as well as respond to the health, social and economic impacts of COVID-19 suffered by residents and businesses. Among other things, funding is intended to build and strengthen infrastructure, such as water, wastewater, and broadband utilities in unserved and underserved communities.

The U.S. Department of Treasury issued two payments to the Navajo Nation under APRA. On May 29, 2021, Treasury allocated \$1,861,554,458.43 to the Navajo Nation and, as of August 16, 2021, the Navajo Nation received a total of \$2,079,461,464.93 in federal funds.

NNFRF OFFICE ESTABLISHED: On July 23, 2021, the Navajo Nation Council (NNC) passed Resolution No. CJY-41-21, which was signed into law on August 2, 2021. The resolution established the Navajo Nation Fiscal Recovery Fund (NNFRF), which became the depository and expenditure account for ARPA funds. The NNC Resolution also included an immediate allocation of NNFRF funds to re-fund the Defunded Navajo Nation CARES Act Projects that were affected by the recall and reallocation of the Navajo Nation CARES Act Funds.

The Navajo Nation Council Budget and Finance Committee issued Resolution No. BFS-31-21 on September 1, 2021, creating application and review procedures to request NNFRF funds, including procedures for the newly re-funded, Defunded Navajo Nation CARES Act Projects. The procedures required applicants to submit expenditure plans requiring all projects to fall into one of sixty-six expenditure categories, as defined by the U.S. Department of Treasury.

NTUA SUBMITS PROJECTS PROPOSALS: On September 9, 2021, the Navajo Tribal Utility Authority (NTUA) submitted project descriptions and expenditure plans for all of its Defunded Navajo Nation CARES Act Projects to the Navajo Nation Department of Justice (DOJ). These projects address local needs for connectivity, education, and health and safety.

NTUA's Defunded Navajo Nation CARES Act Projects amounted to \$70,286,710. On September 28, 2021, the Navajo Nation DOJ found that all of NTUA's Defunded Navajo Nation CARES Act Projects are eligible for NNFRF. However, the Navajo Nation informed NTUA that it was not expending NNFRF funds for electric grid reliability projects that are not directly necessary to construct water, wastewater, or broadband projects. These eligible yet non-funded projects totaled \$4,592,646. The Navajo Nation is currently committed to funding \$65,694,064 of the \$70,286,710 Defunded Navajo Nation CARES Act Projects.

[NTUA NNFRF Project Utility Construction Update #4](#) **Data as of February 24, 2022**

NTUA Self-Funded Projects: In anticipation of NNFRF funding and to take advantage of the prime construction season to ensure that as many homes as possible receive services, NTUA self-funded the development and construction of the Defunded Navajo Nation CARES Fund Projects, which included connection of 172 homes to the electric grid.

NTUA had assumed ARPA funding would be distributed after the U.S. Department of Treasury allocated ARPA funds to the Navajo Nation in May 2021 and shortly after the NNFRF was established in August 2021.

NTUA explained it was critical that NTUA receive NNFRF funds as soon as possible because NTUA would reach its self-funding limit. As of January 31, 2022, NTUA reached that limit.

On February 07, 2022, NTUA explained to Navajo Nation leadership that it had no choice but to stop self-funding projects that have not moved into the construction phase until NTUA receives NNFRF funds. NTUA continued with project development, such as engineering and Right of Way acquisition.

As of February 24, 2022, the Navajo Nation informed NTUA that the sub-recipient agreements necessary for the release of funding have progressed through most of the administrative review stages. However, there are three stages of review yet to be completed. NTUA anticipates completion of the final stages by the first week of April, after which NTUA will be able to receive the funding and resume construction.

The progress towards approval and funding comes as welcome news, especially for the families that were advised that construction projects were stopped because of the lack of funding.

As of January 31, 2022, NTUA estimated having self-funded \$18,336,925 to develop and construct Re-Funded Defunded CARES Act Projects of which NTUA expects that \$4,807,450 will not be eligible for reimbursement. Cost incurred prior to March 3rd of 2021 and certain in-direct costs are not eligible to be funded through ARPA.

NTUA has complied with its obligations and has been transparent regarding its expenditure toward the Re-Funded Defunded Navajo Nation CARES Fund Projects. The Navajo Nation and NTUA negotiated sub-recipient agreements, and NTUA signed and sent the documents back to the Navajo Nation on December 28, 2021, to initiate the distribution of funds.



3.12 – HOUSING SUPPORT: OTHER HOUSING ASSISTANCE

The Navajo Nation approved \$28,982,874 of NNFRF for NTUA's Connecting Homes to Electricity/House Wiring Program. These projects will provide a power source for Navajo family homes on the Navajo Nation. There are two sections: NTUA electric connections and off-grid residential solar units.

NTUA Electric Connections:

With the funds designated for NTUA electric connections, NTUA estimates it can fund the extension of NTUA's existing electric distribution lines to 404 Navajo family homes. This plan also includes funding, as needed, to complete interior house wiring, pole mounted meter loops, certification and recertification of house wiring, and inspections.

Table 1: NTUA Electric Connections: Staging of 404 Homes

NTUA Electric Connections Stage (404)		Status
1	Completed Applications	90
2	Projects that are in the Engineering Stage	131
3	Projects that are at the Right-of-Way Stage	264
4	Projects with Approved Right of Way	209
5	Projects that are in Construction	2
6	Projects that are Constructed and In Service	174
Total		870

Table 1 above shows the various stages of completed electric service applications. Stages 1 through 4 are Completed applications that are under review, but some may never be constructed for a variety of reasons.

As of this Update, of the 966 projects, NTUA has connected 172 homes to the electric grid. There are 2 projects in active construction that will be completed. Until NNFRF funds are released, NTUA has no choice but to stop advancing other projects to the construction phase.

Off-Grid Residential Solar Units:

With the funds designated for the off-grid residential solar projects, NTUA estimates it can fund connection of 150 off-grid solar systems and 425 electric grid connections to Navajo family homes. The 150 off-grid residential solar systems comprise of a skid mounted solar unit, battery system, an energy efficient refrigerator, funding, as needed, to complete interior house wiring, certification and re-certification of house wiring, inspection, and a generator with an automatic transfer switch (if medically necessary).

Table 2: Off-Grid Residential Solar Units: Staging of 150 Solar Projects

Off-Grid Residential Solar Project Stage		Status
1	Completed Applications	0
2	Projects that are in the Engineering Stage	29
3	Projects that are Found to be Feasible	121
4	Projects that are in Construction	0
5	Projects that are Constructed and In Service	1
Total		151

Table 2: Once funds have been exhausted, remaining projects will be moved to a future funding source.

Cont'd Off-Grid Residential Solar Units:

The off-grid solar plan also includes funding to extend power from the existing distribution system to connect 425 Navajo family homes. This plan also includes funding, as needed, to complete the interior house wiring, pole mounted meter loops, certification and recertification of house wiring, and inspections.

Depending on the location of the homes to existing power lines, electric grid connections may be provided by NTUA or non-NTUA electric providers such as: Arizona Public Service (APS), Continental Divide Electric Cooperative (CDEC), the City of Farmington, the City of Gallup, Jemez Mountains Electric Cooperative (JMEC), or Socorro Electric.

Table 3: Off-Grid Residential Solar Units: Staging of 425 Homes Connected to Electric Grid

Electric Connections Stage (425)		Status
1	Completed Applications	0
2	Projects that are in the Engineering Stage	0
3	Projects that are at the Right-of-Way Stage	0
4	Projects with Approved Right of Way	9
5	Projects that are in Construction	8
6	Projects that are Constructed and In Service	16
Total		33

Table 3: NTUA self-funded the construction of 33 electric service connections to non-NTUA electric utility providers. Fourteen (14) homes in CDEC's electric service area have been connected. Nineteen (19) homes are in JMEC's electric service area, of which 2 have been connected.

5.1 – CLEAN WATER: CENTRALIZED WASTEWATER COLLECTION & CONVEYANCE

The Navajo Nation approved \$3,200,004 of NNFRF for NTUA's Re-Funded Defunded Navajo Nation CARES Act Projects related to wastewater collection systems. With this funding NTUA estimates it can complete 9 projects. The projects will include rehabilitation and/or upgrades for lift stations. A lift station pumps wastewater from a lower elevation to higher elevation and allows the wastewater to flow into a lagoon or other wastewater treatment plants. NTUA has identified 6 lift stations in Arizona and 3 in New Mexico that may be funded from this expenditure category.

Table 4: NTUA Centralized W/W Collection and Conveyance System Projects Stage

Projects Stage		Status
1	Design and Engineering	5
2	Right of Way	0
3	In Procurement Process	4
4	Release Construction	0
5	Construction Complete and In Service	0
Total		9

Table 4 provides a status update of the nine projects. NTUA will move forward with project development in design and engineering. To advance these projects to the construction phase, NTUA will need to receive funds from the NNFRF.

5.3 – CLEAN WATER: DECENTRALIZED WASTEWATER

The Navajo Nation approved \$11,105,636 of NNFRF for NTUA's Defunded Navajo Nation CARES Act decentralized wastewater projects. With this funding, project projections indicate NTUA can complete (78) septic disposal system projects connected to homes located on the Navajo Nation that are located too far from a centralized wastewater collection system for economical connection.

These projects include the cost to construct a fully functioning septic system which includes a septic tank, a drain field, plumbing (if necessary), sink (if necessary), hot water heater system (if necessary), bathroom addition (if necessary), an energy efficient refrigerator, house wiring (if necessary), all required inspections, and the installation of any other necessary components for a functional system. For each septic system to properly operate, a power source is required.

Each project includes funding for either a solar system, connection to the electric grid or a small gas-powered electric generator. It should be noted that each project in this category has a companion project under expenditure category 5.15 which provides a water cistern system connection to the home.

NTUA will move forward with project engineering development. To advance these projects to the construction phase, NTUA will need to receive funds from the NNFRF. Once NTUA has exhausted all the funds in expenditure category 5.3, all remaining unfinished project will be eligible to be moved to a future funding source.

Table 5: Septic Systems Referral Stage

Septic Systems Referral Stage		Referral Stage Status
1	IHS or NN Active Referrals	147
2	Referrals that are in the Engineering Stage	45
3	Referrals that were Found to be Infeasible	45
4	Referrals pending a NN EPA Permit	11
5	Referrals that are in Construction	0
6	Referrals that are Constructed and In Service	0
Total		248

5.11 – DRINKING WATER: TRANSMISION AND DISTRIBUTION

The Navajo Nation approved \$2,898,372 of NNFRF for NTUA's Re-Funded Defunded Navajo Nation CARES Act drinking water transmission and distribution projects.

With this funding NTUA estimates it can complete 16 water transmission and distribution projects.

This funding category provides funds to replace 7 compromised water distribution lines and 6 compromised Pressure Reducing Valves (PRV) and provides funds to upgrade 3 existing electric distribution lines to provide power to 3 water transmission line projects.



Table 6: Stage of NTUA Drinking Water: Transmission and Distribution Projects

Stage of NTUA Drinking Water: Transmission and Distribution Projects		Status
1	Design and Engineering	1
2	Right-of-Way	0
3	In Procurement Process	2
4	Release Construction	4
5	Construction Complete and In-Service	9
Total		16

Table 6: Of these 16 projects, NTUA has completed the construction of 9 projects. There are 4 projects in active construction that will be completed. Until NNFRF funds are released, NTUA has no choice but to stop advancing the other projects to the construction phase.

5.14 DRINKING WATER STORAGE

The Navajo Nation approved \$755,486 of NNFRF for NTUA’s drinking water storage projects. With this funding NTUA estimates it can rehabilitate 2 existing NTUA water storage tanks. Water storage tanks serve as the main water supply for Navajo communities. It is important to keep water storage tanks maintained to provide safe and reliable drinking water for community members. NTUA will move forward with project development. To advance these projects to the construction phase, NTUA will need to receive funding from the NNFRF. The two water storage tanks serve the Gap/Bodaway and Dennehotso communities.

5.15 – DRINKING WATER: OTHER WATER INFRASTRUCTURE

The Navajo Nation approved \$3,701,879 of NNFRF for NTUA’s water cistern systems. With this funding, project projections indicate NTUA can provide connections of 78 water cistern systems to homes located on the Navajo Nation. These 78 homes are located too far from a centralized water distribution system for economical connection. These projects include the cost to provide a fully functioning cistern system which includes a cistern tank, a pump, and plumbing (if necessary), all required inspections, and any other necessary components for a functional system. NTUA will move forward with project development. To advance these projects to the construction phase, NTUA will need to receive funds from the NNFRF.

Table 7: Cistern Systems Referral Stage

Cistern Systems Referral Stage		Referral Stage Status
1	IHS or NN Active Referrals	147
2	Referrals that are in the Engineering Stage	45
3	Referrals that were Found to be Infeasible	45
4	Referrals pending a NN EPA Permit	11
5	Referrals that are in Construction	0
6	Referrals that are Constructed and In Service	0
Total		484

Table 7: It should be noted that each project in this category has a companion project under expenditure category 5.3, which provides a septic system and connection to the home. Once NTUA has exhausted all the funds in expenditure category 5.15, all remaining unfinished projects will be eligible to be moved to a future funding source.

5.16 BROADBAND – LAST MILE PROJECTS

The Navajo Nation approved \$5,370,432 of NNFRF for NTUA's Re-Funded Defunded Navajo Nation CARES Act Projects related to last mile broadband projects. With this funding NTUA estimates it can complete 18 broadcast stations that will provide wireless broadband services to unserved and underserved Navajo communities and will provide operation and maintenance expenses to continue the operation of 41 student/teacher Wi-Fi hotspots that are located throughout the Navajo Nation to support equitable and remote learning.

The 18 broadband broadcast station projects will include the cost of equipment, installation, operation, and maintenance to deliver broadband internet services to 18 Navajo communities.

To provide the broadband services to these Navajo communities, NTUA Wireless will deploy the following technologies: 600 MHz and Fixed Wireless Broadband (EBS/2.5GHz).

The projects are designed to deliver 100 Mbps download and 20 Mbps upload speeds (scalable to 100 Mbps download/upload) for users that are within a 3-mile radius of the EBS and CBRS sites assuming no interference with topography.

For users within 9 miles with line of site to tower with CBRS and EBS mid-band spectrum, the projects are designed to deliver minimum speeds of 25 Mbps download and 3 Mbps upload. NTUA Wireless will also leverage and overlay 600 MHz licensed spectrum on the sites to provide additional reach to homes beyond 9 miles (up to approximately 15 miles (with speeds of 10 Mbps/1Mbps or higher).

All three technologies, EBS, CBRS, and 600 MHz licensed spectrum, work in conjunction to maximize the range and speed for customers. NTUA will move forward with project development. To advance these projects to the construction phase, NTUA and the Navajo Nation will need to receive funds from the NNFRF.



Table 8: NTUA Broadband Last Mile Projects Stage

NTUA Broadband Last Mile Projects Stage		Status
1	Engineering Design Stage	0
2	Procurement Stage	18
3	Released for Construction Stage	0
4	Testing and Commissioning Stage	0
5	Constructed and In Service Stage	0
Total		18

5.17 BROADBAND: OTHER PROJECTS

The Navajo Nation approved \$9,679,381 of NNFRF for NTUA's Re-Funded Defunded Navajo Nation CARES Act middle mile projects completing mid-section infrastructure to enable internet connectivity in communities.

With this funding NTUA estimates it can complete 12 middle mile projects, which include 2 towers, 2 microwave links, 2 fiber lines, and 6 fiber line make-ready projects.

The microwave links and fiber lines provide transport for the NTUA Wireless broadcast stations, enabling them to provide wireless broadband services.

The microwave links and fiberoptic lines can provide transport at gigabit speeds which meet and exceed the 100 Mbps download and 100 Mbps upload speeds that are required by the U.S. Department of Treasury. Without the middle mile projects, the last mile projects to users cannot work.

NTUA's 6 fiber line make-ready projects will upgrade the electrical infrastructure to enable fiber line attachments which provides broadband services.

Of these 12 projects, NTUA has completed the construction of 7 projects. There are 5 projects in the development stage.

To advance these projects to the construction phase, NTUA and the Navajo Nation will need to receive funds from the NNFRF.



Table 9: NTUA Broadband Middle Mile Projects Stage

NTUA Broadband Middle Mile Projects Stage		Status
1	Engineering Design Stage	0
2	Right-of-Way Stage	3
3	Procurement Stage	2
4	Released for Construction Stage	0
5	Testing and Commissioning Stage	0
6	Constructed and In-Service Stage	7
Total		12

Information for you to Share with Chapters and Chapter Residents **Seeking New Utility Service**

1.**Chapter Powerline Projects:** If your Chapter is interested in seeking funding from the ARPA for a chapter powerline project, please refer to NTUA's website under "ARPA Projects" to see if the Chapter's powerline project is already on NTUA's ARPA list. If the proposed projects are not on the list or if your chapter needs further assistance, please contact Shannon Burnette at shannonb@ntua.com.

2.**Seeking Residential Electric Connection:** If community members need residential electric service and believe they are within two miles of an NTUA Electric distribution line, please encourage community members to visit their local NTUA District Office and apply for Light Up Navajo III (LUN III). Please understand it is not guaranteed that the applicant will qualify or receive electric connection through LUN III. If and when NTUA receives ARPA funding, LUN III applications will automatically convert to ARPA funded projects.

3.**Seeking Residential Waterline Extensions:** If Community members need water service to their homes and they believe they are within ½ mile from an NTUA water line, please encourage community members to visit their local NTUA District Office and apply for the ARPA Water Service Project. Please understand it is not guaranteed that the applicant will qualify or receive water service.

4.**Seeking Off-Grid Solar:** If community members need residential electric service and cannot be connected to a powerline, they may qualify for an off grid solar unit. Please encourage community members to visit a local NTUA District Office to submit application for an off grid solar unit. The off grid solar program is available in all 110 chapters.

5.**Seeking Broadband Service:** If a Chapter is seeking additional or expanded Broadband service for their communities, please contact Monroe Keedo at monroek@ntua.com. Mr. Keedo will provide information on existing and proposed new service locations including new towers and fiber optic buildouts.

6. Seeking Residential Broadband Service:

Community members and small businesses seeking broadband services can contact Choice NTUA Wireless for information on new residential and small business services. Choice NTUA Wireless also offers Wi-Fi hotspots free of charge in key locations to assist with combatting the pandemic. Lastly, community members currently enrolled in the Choice Lifeline or Choice Tribal Lifeline plan may also qualify for the Affordable Connectivity Program (ACP). For further information, please call 928-730-2273.

