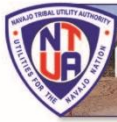


Meeting the Needs of the Navajo Nation

NNFRF Progress Report



NTUA Update of Navajo Nation Fiscal Recovery Funds American Rescue Plan Act 2021

This report is on the progress of the re-funded Defunded CARES Fund projects. These multiutility projects were initially funded in 2020 under the Navajo Nation CARES Fund but were later defunded as the deadline for project completion neared, prompting the Navajo Nation to reallocate unspent funds to the Navajo Nation Hardship Assistance Expenditure Plan. The Navajo Nation has since determined these projects eligible for funding, as discussed below.

The American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds program to build on and expand the relief provided in the 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 make necessary investments in water, wastewater, or broadband infrastructure. As of August 16, 2021, the Navajo Nation received \$2,079,461,464.93 in federal funding.

The Navajo Nation Council passed, and the Navajo Nation President signed into law, Resolution No. CJY-41-21 establishing the Navajo Nation Fiscal Recovery Funds (NNFRF) on August 2, 2021. The Resolution immediately reinstated projects that were not completed under the CARES Fund Resolution No. CJY-67-20. The Budget and Finance Committee of the Navajo Nation Council issued Resolution No. BFS-31-21 on September 1, 2021, creating procedures to request NNFRF funds, including procedures to fund the Defunded CARES Fund projects. The procedures require the applicant to submit an expenditure plan that requires all projects to fall into one of sixty-six expenditure categories as defined by the U.S. Department of Treasury. NTUA submitted expenditure plans for all of its Defunded CARES Fund projects to the Navajo Nation Department of Justice (DOJ). NTUA's Defunded CARES Fund projects amounted to \$70,286,710. The Navajo Nation DOJ found that all of NTUA's Defunded CARES Fund 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 of NTUA's CARES Fund projects that were defunded.

The Navajo Nation and NTUA are negotiating sub-recipient agreements and working with the Navajo Nation Office of the Controller to come to terms on how and when the funds will be disbursed. NTUA remains hopeful that the agreements will be signed by early December and the funds will be disbursed by the end of December. It is critical to NTUA to receive the funding as soon as possible because NTUA is reaching its self-funding limits and will have to stop constructing projects.

In an effort, to take advantage of the remaining prime construction season and to ensure as many homes as possible receive services before the holidays and winter season is upon us, NTUA self-funded these projects. As of November 29, 2021, NUTA has spent \$12,343,954.82 on Defunded CARES Fund projects. It should be noted under ARPA, funds spent prior to March 3, 2021, are not eligible for reimbursement. As a result, NTUA will not be reimbursed \$3,393,948.99 that it has spent to construct these projects.

Below are progress reports arranged by each expenditure category of the Defunded CARES Fund Projects. Attached to this report is an appendix with detailed project information arranged by expenditure category. NTUA is reaching its self-funding capacity and needs to get the funding from the Navajo Nation as soon as possible to continue working on these projects.

NTUA NNFRF Project Update #1

Utility Project Status as of November 30, 2021

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. The electric connections are separated into two sections: NTUA electric connections and off-grid solar units.

NTUA Electric Connections:

With the funds designated for the NTUA electric connections plan, NTUA estimates it can fund the extension of NTUA's existing electric distribution system to 404 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.

Off-Grid Solar Units:

With the funds designated for the off-grid solar projects, NTUA estimates it can fund the connection of 150 off-grid solar systems and 425 electric grid connections to Navajo family homes. This is how NTUA provided solar units and additional electric home connections to the electric grid under the Navajo Nation CARES Fund.

The 150 off-grid solar systems comprise of the skid mounted solar unit, battery system, and an energy efficient refrigerator, and funding as needed, to complete the interior house wiring, certification and recertification of house wiring, inspection, and a generator with an ATS switch (if medically necessary).

Depending on the location of the homes, 425 electric grid connections may be provided by Arizona Public Service, Continental Divide Electric Cooperative, the City of Farmington, the City of Gallup, Jemez Electric Cooperative, Socorro Electric, and NTUA. The off-grid solar plan includes funding to extend the electric utilities 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.

NTUA and the Navajo Nation need to enter into a sub-recipient agreement for this expenditure plan and receive funding from the Navajo Nation.

In anticipation of receiving the funds from the Navajo Nation, at the time of this reporting NTUA has self-funded the development of 944 projects. Of the 944 projects, NTUA has completed the construction of 100 projects and another 7 projects are in construction.

NTUA Electric Connections Stage (404)		Status
1	Completed Applications	242
2	Projects that are in the Engineering Stage	111
3	Projects that are at the Right-of-Way Stage	278
4	Projects with Approved Right of Way	206
5	Projects that are in Construction	7
6	Projects that are Constructed and In Service	100
Total		944

Table 1: NTUA Electric Connections Staging (404)

The **table 1** above shows the various stages of active completed electric service application. Stages 1 through 4 are completed applications that are under review, but some may never be constructed for a variety of reasons. All electrical connections provided by other electric utility providers (non-NTUA) will appear on the Electric Connections Stage (425) **table 2** below. In addition, when NTUA has connected 404 Navajo homes to its electric distribution system, all of the remaining unfinished projects will be moved to the **table 2** below.

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	4
4	Projects with Approved Right of Way	25
5	Projects that are in Construction	2
6	Projects that are Constructed and In Service	2
Total		33

Table 2: Electric Connections Staging (425)

NTUA has self-funded the construction of 33 electric service connections to other electric utility providers. 14 homes are in CDEC's electric service area, and 19 homes are in JMEC's electric service area.

Once NTUA has exhausted all the funds in expenditure category 3.12, all remaining unfinished projects will be eligible to be moved to a future funding source.

Solar Project Stage		Status
1	Completed Applications	618
2	Projects that are in the Engineering Stage	28
3	Projects that were Found not Feasible	0
4	Projects that are Found to be Feasible	123
5	Projects that are in Construction	1
6	Projects that are Constructed and In Service	0
Total		770

Table 3: Solar Project Stage

Once NTUA has constructed the 150 off-grid solar systems, all remaining projects will be eligible to be moved to a future funding source.

5.1 – CLEAN WATER: CENTRALIZED WASTEWATER COLLECTION & CONVEYANCE

The Navajo Nation approved \$3,200,004 of NNFRF for NTUA’s Defunded CARES Fund projects related to wastewater collection systems. With this funding our project estimates indicate we can complete nine 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 six lift stations in Arizona and three in New Mexico that may be funded from this expenditure category. The following **table 4** provides a status update of these nine projects.

NTUA and the Navajo Nation need to enter into a sub-recipient agreement for this expenditure plan and receive funding from the Navajo Nation.

In anticipation of receiving the funds from the Navajo Nation, at the time of this reporting NTUA has self-funded the development of all nine projects.

NTUA Centralized Wastewater Collection and Conveyance System 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: NTUA Centralized W/W Collection and Conveyance System Projects Stage

5.3 – CLEAN WATER: DECENTRALIZED WASTEWATER

The Navajo Nation approved \$11,105,636 of NNFRF for NTUA's Defunded CARES Fund decentralized wastewater projects. With this funding our project estimates indicate we can complete seventy-eight septic disposal system projects connected to homes located on the Navajo Nation. These seventy-eight homes are too far from a centralized wastewater collection system to be economically connected to it. 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 to make a complete working system. For each septic system to 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.

To advance these projects to the construction phase, NTUA and the Navajo Nation need to enter into a sub-recipient agreement for these projects' expenditure plan and to receive funding from the Navajo Nation.

In anticipation of receiving the funds from the Navajo Nation, at the time of this reporting NTUA has self-funded the development of all 78 projects.

Once NTUA has exhausted all the funds in expenditure category 5.3, all remaining unfinished projects will be eligible to be moved to a future funding source.

Septic Systems Referral Stage		Referral Stage Status
1	IHS or NN Active Referrals	148
2	Referrals that are in the Engineering Stage	209
3	Referrals that were Found to be Infeasible	114
4	Referrals pending a NN EPA Permit	66
5	Referrals that are in Construction	0
6	Referrals that are Constructed and In Service	0
Total		537

Table 5: Septic Systems Referral Stage

5.11 – DRINKING WATER: TRANSMISION AND DISTRIBUTION

The Navajo Nation approved \$2,898,372 of NNFRF for NTUA's Defunded CARES Fund drinking water transmission and distribution projects. With this funding our project estimates indicate NTUA can complete sixteen water transmission and distribution projects. This funding category provides funds to replace seven existing compromised water distribution lines, six existing compromised Pressure Reducing Valves (PRV), and provides funding to upgrade three existing electric distribution lines to provide power to three water transmission line projects.

NTUA and the Navajo Nation need to enter into a sub-recipient agreement for this expenditure plan and to receive funding from the Navajo Nation.

In anticipation of receiving the funds from the Navajo Nation, at the time of this reporting NTUA has self-funded the development of all 16 projects. Of these 16 projects, NTUA has completed the construction of 7 projects and another 4 projects are in construction.

Stage of NTUA Drinking Water: Transmission and Distribution Projects		Status
1	Design and Engineering	1
2	Right of Way	0
3	In Procurement Process	4
4	Release Construction	4
5	Construction Complete and In Service	7
Total		16

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

5.14 – DRINKING WATER STORAGE

The Navajo Nation approved \$755,486 of NNFRF for NTUA's drinking water storage projects. With this funding, project estimates indicate NTUA can rehabilitate two 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 and the Navajo Nation need to enter into a sub-recipient agreement for this expenditure plan and to receive funding from the Navajo Nation.

In anticipation of receiving the funds from the Navajo Nation, NTUA has self-funded and completed the construction of both projects. 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 estimates indicate NTUA can provide seventy-eight water cistern system projects connected to homes located on the Navajo Nation. These 78 homes are too far from a centralized water distribution system to be economically connected to it. 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 to make a complete working system.

To advance these projects to the construction phase, NTUA and the Navajo Nation need to enter into a sub-recipient agreement for the expenditure plan and to receive funding from the Navajo Nation.

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.

In anticipation of receiving the funds from the Navajo Nation, at the time of this reporting NTUA has self-funded the development of all 78 projects.

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.

Cistern Systems Referral Stage		Referral Stage Status
1	IHS or NN Active Referrals	148
2	Referrals that are in the Engineering Stage	209
3	Referrals that were Found to be Infeasible	114
4	Referrals pending a NN EPA Permit	66
5	Referrals that are in Construction	0
6	Referrals that are Constructed and In Service	0
Total		537

Table 7: Cistern Systems Referral Stage

5.16 – BROADBAND – LAST MILE PROJECTS

The Navajo Nation approved \$5,370,432 of NNFRF for NTUA's Defunded CARES Fund 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 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. The 18 broadband broadcast station projects will include the cost of equipment, installation, operation, and maintenance to deliver broadband internet services to eighteen Navajo communities.

To provide the broadband services to these Navajo communities, NTUA Wireless will deploy the following technologies: 600Mhz 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. Minimum speeds of 25 Mbps download and 3 Mbps upload for users within 9 miles with line of site to the tower with CBRS and EBS mid-band spectrum. NTUA Wireless will also leverage and overlay 600MHz 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 600MHz licensed spectrum, work in conjunction to maximize the range and speed for customers.

NTUA and the Navajo Nation need to enter into a sub-recipient agreement for the expenditure plan and to receive funding from the Navajo Nation. NTUA and NTUA Wireless then need to enter into a sub-recipient agreement.

In anticipation of receiving the funds from the Navajo Nation, at the time of this reporting NTUA has self-funded the development of all 18 projects.

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

Table 8: NTUA Broadband Last Mile Projects Stage

5.17 – BROADBAND: OTHER PROJECTS

The Navajo Nation approved \$9,679,381 of NNFRF for NTUA’s Defunded CARES fund middle mile projects. 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 wouldn’t work.

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

NTUA and the Navajo Nation need to enter into a sub-recipient agreement for the expenditure plan and to receive funding from the Navajo Nation.

In anticipation of receiving the funds from the Navajo Nation, at the time of this reporting NTUA has self-funded the development of all 12 projects. Of these 12 projects, NTUA has completed the construction of 7 projects, 2 projects are waiting for funding to start construction, and 3 projects are in the right-of-way process.

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

Table 9: NTUA Broadband Middle Mile Projects Stage