

**RESOLUTION OF THE  
WHITE MOUNTAIN APACHE TRIBE OF THE  
FORT APACHE INDIAN RESERVATION**

**(Approving application for U.S.D.A. Rural Development Grant/Loan funds  
for the purpose of constructing a drinking water system for the Greater  
Whiteriver Area and authorizing a utility service rate increase)**

**WHEREAS,** the Miner Flat well field, which is the primary drinking water system for the Greater Whiteriver area, including the communities of Canyon Day, East Fork, and Cedar Creek, continues rapidly to lose its capacity to yield water since its initial development in the late 1990's; and

**WHEREAS,** other known sources of groundwater on the Fort Apache Indian Reservation are very limited, are subject to long-term productivity declines, and are cost prohibitive for delivery to the majority of the Tribal population which lies south of the Miner Flat well field; and

**WHEREAS,** the water that flows freely as baseflow in the North Fork of the White River represents the most reliable long-term source of water for the Tribal population which is in imminent danger of having insufficient drinking water as soon as this summer; and

**WHEREAS,** the Tribal Council has approved the development of a system to divert, treat, and deliver water from the North Fork of the White River for the potable water needs of the Greater Whiteriver area, including East Fork and Canyon Day, as well as Cedar Creek, Carrizo, and possibly other communities in the future; and

**WHEREAS,** the Tribe and IHS have secured \$1.65 million in federal funding for the development of this new drinking water system but the anticipated cost for completion of the system is now \$4.65 million; and

**WHEREAS,** the US Department of Agriculture - Rural Development (RD) FY2005 "Water and Waste Disposal Loans and Grants" (7 CFR §1780) program has grant/loan packages available to tribes for the development of drinking water systems "to alleviate a significant decline in water quantity or quality of water available from the water supplies in rural areas," with the maximum grant amount being 75% and the minimum loan being 25% of the total award amount; and

**WHEREAS,** for a 75% grant/25% loan package totaling \$3million, \$2.25 million in grant funds would require an associated \$750,000 in loan funds; and

**WHEREAS,** additional Rural Development grant funds for tribal water-related projects are available under 7 CFR § 1777; and

**WHEREAS,** these Rural Development funds are awarded on a competitive first-come, first-served basis and are anticipated to be significantly reduced or eliminated in FY2006; and

**WHEREAS,** the Tribe and IHS have exhausted other avenues for recruiting federal funds for completion of this critical drinking water project, including a request for a direct Congressional appropriation; and

**WHEREAS,** among other conditions for funding of this project, Rural Development requires that: a) that the Tribal utility rates be consistent with those of other communities with "similar economic conditions" (§1780.3 (a) and §1780.35 (b)) (eg, \$30 per month per household for domestic users), b) the project "... must be based on taxes, assessments, income, fees, or other satisfactory sources of revenues in an amount sufficient to provide for facility operation and maintenance, reasonable reserves, and debt payment" (§1780.7 (c)), and c) that the Tribe demonstrate that it "...is unable to finance the proposed project from their own resources or through commercial credit at reasonable rates and terms" (§1780.7 (d)); and

**WHEREAS,** the Tribal Utility Authority currently charges approximately 1682 domestic users \$20 per month, so that an increase of \$10 per month per household, levied gradually by increasing rates \$2.50 per month each year for the next four years, would generate approximately \$50,460, \$102,720, \$158,580, and \$229,440 in additional revenues in years 1, 2, 3, and 4, respectively, given a modest anticipated increase in the number of service connections of 50 per year and not including any revenues generated from increased rates for commercial users; and

**WHEREAS,** the White Mountain Apache Tribe would qualify for Rural Development's lowest loan interest rate of 4.5% with a maximum repayment period of 40 years, such that payments would be \$3371.72 per month for a total of \$40,461 per year; and

**WHEREAS,** with the proposed rate increase for domestic service connections outlined above, the additional revenue to the Tribal Utility Authority would exceed the required debt repayment on a 40-year RD loan of \$750,000 by \$10,000 in the first year and by at least \$188,979 in 4 years, and should provide sufficient funds for the operation and maintenance of the new treatment facility as well as reasonable reserves.

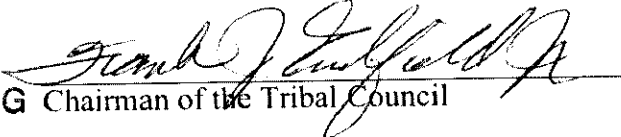
**BE IT RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that:

1. Tribal staff from the Planning, Hydrology and Water Resources, and other Tribal departments, in coordination with consulting hydrologist, Dr. Laurel Lacher and the U.S. Indian Health Service, are hereby authorized to develop and submit an application for \$3,000,000, structured as \$2,250,000 in grant funds and \$750,000 in loan funds, to RD under the Water and Waste Disposal Grants and Loans program (7 CFR §1780 and §1777) and for FY2005 in order to complete the diversion and drinking water treatment facility on the North Fork of the White River; and
2. The Tribal Council hereby pledges that revenues generated by a slow but systematic rate increase to bring monthly rates for domestic utility users up to \$30 per month over the next four years will be dedicated to the repayment of debt and operation and maintenance related to the North Fork drinking water project; and

3. That the Tribal Utility Authority, in cooperation with the U.S. Indian Health Service and other government agencies and programs, is directed to initiate a program of water meter installation on commercial and domestic hook-ups to aid in the Tribe's long-term effort to reduce costs and encourage water conservation throughout the Fort Apache Indian Reservation.

**BE IT FURTHER RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that it hereby authorizes the Tribal Chairman, and in his absence, the Vice Chairman, to sign any applications or documents required to carry out the purposes of this Resolution, subject to review by the Legal Department.

The foregoing ordinance was on MAY 17, 2005 duly enacted by a vote of EIGHT for and ZERO against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article IV, Section 1 (a), (b), (f), (h), (i), (j), (k), (l), (o), (s), (t) and (u) of the Constitution of the Tribe, ratified by the Tribe September 30, 1993, and approved by the Secretary of the Interior on November 12, 1993, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).

  
ACTING Chairman of the Tribal Council

  
Secretary of the Tribal Council