



Resolution No. 08-2005-230A

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

**(Amending Resolution 05-2005-148 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 Tribal Council, with Resolution 05-2005-148, authorized Tribal staff to work with the Tribe's consulting hydrologist and the U.S. Indian Health Service (I H S) to develop and submit an application for funding to USDA Rural Development (RD) for the construction of a surface water diversion and water treatment plant to serve the Greater Whiteriver area; and

**WHEREAS**, a preliminary application was submitted to RD in June 2005, but engineering estimates for the cost of construction have increased sharply since that time primarily due to a modified treatment plant location and increased raw material costs; and

**WHEREAS**, RD program requirements stipulates that the ratio of grant to loan funds awarded under RD programs 1780 (Water and Waste Disposal) and 1777 (Indian Set-aside) is governed by available funding and by the applicant's ability to generate revenue from its water utility program, and that the maximum grant proportion is 75%; and

**WHEREAS**, RD 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 demonstrates 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**, a review of water rate structures for other similar communities reveals that meter-based rates are the industry standard; and

**WHEREAS**, metering is a central requirement for RD funding as well as a key element in water conservation and revenue generation for the White Mountain Apache Tribal Utility Authority (TUA), and I H S estimates that \$1 million will be required to purchase and install meters for the remaining un-metered residential hook-ups and for 15 commercial hook-ups in the TUA service area; and

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**WHEREAS**, the Tribal Council supports the development of a self-sustaining TUA; and

**WHEREAS**, the Tribe and I H S have secured \$1.65 million in federal funding for the development of this new drinking water system but the anticipated cost for construction of the system and the purchase and installation of meters now exceeds \$6.6 million.

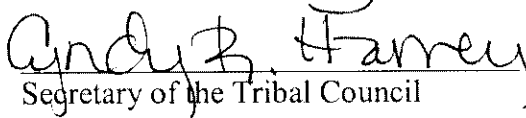
**BE IT RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that:

1. Tribal staff from the Planning, Hydrology and Water Resources, and other Tribal departments, in coordination with consulting hydrologist, Dr. Laurel Lacher, the I H S, and other cooperating federal agencies, are hereby authorized to revise the Tribe's application for funding to RD under programs 1780 and 1777 for the construction of a new surface water diversion and drinking water treatment plant and the purchase and installation of water meters to reflect the most recent cost estimates; and
2. The Tribal Council supports a meter-based water rate structure designed: a) to encourage water conservation; b) support the TUA in its progress toward a self-sustaining condition; c) avoid imposing excessive hardship on low-income TUA customers; and d) satisfy the RD requirements for conforming with rates in communities with similar economic conditions within the next four years; and
3. The Tribal Council hereby pledges that revenues generated by TUA under this rate structure will be dedicated to: a) the repayment of TUA water-system debt; and b) operation and maintenance of TUA water systems; and
4. The TUA Board of Directors, in cooperation with other Tribal staff and consultants and with the assistance of other federal and non-governmental support agencies, as needed, is hereby directed to adopt a meter-based rate schedule that will satisfy the terms of this Resolution.

**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.

The foregoing resolution was on August 10, 2005, duly adopted by a vote of FIVE for, ZERO against and TWO abstention by the Tribal Council of the White Mountain Apache Tribe, pursuant to the 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).

  
Chairman of the Tribal Council

  
Secretary of the Tribal Council