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OFFICE OF SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

NAVAJO TRIBAL UTILITY AUTHORITY
AN ENTERPRISE OF THE NAVAJO NATION

December 23, 1997

SERVED JAN - 5 1998

Office of the Secretary
Attn: Rulemaking and Adjudications Staff
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Re: Docket No. 40-8968-ML

Dear Sir or Madam:

This is to advise the Nuclear Regulatory Commission that the Navajo Tribal Utility Authority Management Board has enacted Resolution NTUA-11-97 (copy enclosed), opposing the proposed in situ leach mining of uranium by Hydro Resources, Inc., at Crownpoint, New Mexico.

Sincerely yours,

Malcolm P. Dalton
General Manager

MPD/lmb
Enclosure

Home Office:	KAYENTA	TUBA CITY	SHIPROCK	CHINLE	FORT DEFIANCE	DILCON	CROWNPOINT
P.O. BOX 170	P.O. BOX 37	P.O. BOX 398	P.O. BOX 1206	P.O. BOX 549	P.O. BOX 587	HC 63 BOX D	P.O. BOX 1825
FT. DEFIANCE, AZ 86504	KAYENTA, AZ 86033	TUBA CITY, AZ 86045	SHIPROCK, NM 87420	CHINLE, AZ 86503	FT. DEFIANCE, AZ 86504	WINSLOW, AZ 86047	CROWNPOINT, NM 87313
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RESOLUTION OF THE
MANAGEMENT BOARD OF THE
NAVAJO TRIBAL UTILITY AUTHORITY

NTUA-11-97

Stating the Position of Navajo Tribal Utility Authority on Proposed Uranium Solution Mining in Eastern Navajo Agency by Hydro-Resources, Inc.

WHEREAS:

1. The Management Board of the Navajo Tribal Utility Authority ("NTUA") is delegated authority and responsibility for the management and operation of the Authority, 21 N.T.C. §7(a)(1); and

2. The mission of NTUA pursuant to its Plan of Operation is to provide electric, gas and water utility services to the Navajo Indian reservation where such service is economically feasible; and

3. NTUA has two operating wells in the vicinity of Crownpoint, New Mexico, which provide water to a consumer population of approximately 10,000 in Crownpoint, New Mexico, and surrounding Navajo communities; and

4. Hydro-Resources, Inc., a New Mexico subsidiary of Uranium Resources, Inc., a Texas corporation, has filed for a license with the Nuclear Regulatory Commission to mine uranium at Crownpoint and Churchrock, New Mexico, using an in situ process; and

5. Previously, NTUA has provided comment in response to an Environmental Impact Statement on the proposed solution mines and stated a concern that its wells and parts of its distribution system will have to be replaced if HRI is granted a license to proceed with mining; and

6. The Nuclear Regulatory Commission is proposing in the Final Environmental Impact Statement to require HRI to plug and abandon NTUA's Crownpoint wells and to drill and equip new wells to be located farther from the mining areas, and to replace NTUA's affected water distribution system; and

7. The Nuclear Regulatory Commission's proposal does not address future operation and maintenance expenses that NTUA may incur due to calcification of its water distribution system, nor does it address future water quality and quantity concerns in connection with the relocated water supply wells and restoration of ground-water after mining; and

8. The Management Board of NTUA deems the response of the Nuclear Regulatory Commission to be inadequate and not responsive to the needs of NTUA with respect to its water system and the community of Crownpoint to maintain its existing high quality water supply and to allow growth in its use; and

9. It is in the best interest of NTUA and its customers that the Management Board state a position on the Nuclear Regulatory Commission's requirement that HRI plug and abandon NTUA's Crownpoint wells and replace its water supply wells and parts of its distribution system affected by solution mining.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Management Board of the Navajo Tribal Utility Authority states its opposition to the proposed in situ leach mining by Hydro-Resources, Inc., in Eastern Navajo Agency at Crownpoint.

2. The Management Board directs NTUA management to inform HRI and the Nuclear Regulatory Commission that it will not agree to plug and abandon its Crownpoint wells.

C E R T I F I C A T I O N

I hereby certify that the foregoing Resolution was duly considered by the Management Board of the Navajo Tribal Utility Authority at a duly called meeting at Tucson, Arizona, at which a quorum was present, and that same was passed by a vote of 7 in favor and 0 opposed, this 11th day of December, 1997.

Benjamin Hanley

Benjamin Hanley
Assistant Secretary, NTUA

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of

HYDRO RESOURCES, INC.

Docket No.(s) 40-8968-ML

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing NTUA RESOLUTION ENACTED 12/11 have been served upon the following persons by U.S. mail, first class, except as otherwise noted and in accordance with the requirements of 10 CFR Sec. 2.712.

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Washington, DC 20555

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Docket No.(s)40-8968-ML
NTUA RESOLUTION ENACTED 12/11

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Dated at Rockville, Md. this
5 day of January 1998

Adria T. Byrdsong
Office of the Secretary of the Commission