



Speaker's Report

2016 Spring Council Session

LoRenzo Bates
23rd Navajo Nation Council

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23rd Navajo Nation Council
Spring Council Session
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Message from Speaker LoRenzo Bates

Yá'át'ééh my colleagues of the 23rd Navajo Nation Council, President Russell Begaye, Vice President Jonathan Nez, acting Chief Justice Allen Sloan, chapter officials, federal, state, and county officials, legislative staff, and most importantly, our Diné Citizens. As Speaker of the Navajo Nation Council, it is my honor to welcome each of you to the opening day of the 2016 Spring Council Session!

Over one year ago, this Council along with the Executive Branch and Judicial Branch established the "One Nation, One Voice" agreement that outlined nine priorities for the Navajo Nation. To this day, the nine priorities continue to guide the Navajo Nation Council, Standing Committees, sub-committees, and task forces as we work to better our communities and lives of Diné Citizens.

I am pleased to report that during the previous regular session, the 23rd Navajo Nation Council approved a historic piece of legislation that provides approximately \$180 million for 60 water projects and over 50 sanitation system projects in each of the five Navajo Agencies – this marks the largest spending package ever approved by the Navajo Nation Council.

While there remains a great deal of work to be done, I want to take this opportunity to thank everyone who assisted in this successful effort including the Síhasin Fund Sub-Committee, Office of the President and Vice President, Navajo Tribal Utility Authority, Navajo Water Management Branch, Indian Health Service, and many others.

I am confident that in the coming months, this Council will continue to strategize and move forward with the many issues and initiatives that reflect the priorities of the "One Nation, One Voice" agreement. In the following report, we will outline the progress, challenges, and accomplishments of the Standing Committees, sub-committees, task forces, and the Council as whole.

In closing, I extend my greatest appreciation to all the legislative staff, Navajo youth, volunteers, and many others that contributed their time and resources to make the Spring Council Session a success. I thank you on behalf of the 23rd Navajo Nation Council.

Thank you,

A handwritten signature in black ink, appearing to read "LoRenzo Bates".

LoRenzo Bates, *Speaker*
23rd Navajo Nation Council



Síhasin Fund Sub-Committee

Phase I - Expenditure Planning

Upon the approval of the Síhasin Bulk Water/Wastewater and Sanitation Deficiency System (SDS) projects, a team of experts from Navajo Tribal Utility Authority (NTUA), Indian Health Service (IHS), Water Management Branch (WMB), Office of the Controller (OOC), Office of Management and Budget (OMB), the Department of Justice (DOJ), and Office of Legislative Counsel formed a working group to complete the preliminary requirements for the implementation of the \$180 million expenditure plan.

The Council unanimously approved the legislation in January, and the group immediately began strategizing and planning thereafter. On February 2nd and 3rd, the working group met to begin outlining timelines associated with each task and identified barriers that may cause delay.

The working group has met three times a month since February. The group has made significant strides in completing the Síhasin Water Projects Management Plan (SWPMP), the Memorandum of Agreement (MOA) between IHS and WMB for the SDS projects, and NTUA's Loan Agreement for water projects. The NTUA Loan Agreement is undergoing an internal review and will be submitted to the Office of the Controller for further review and will require the approval of the Budget and Finance Committee. The SWPMP and MOA are under review by the WMB and OMB.

Síhasin Fund Sub-Committee chairman Delegate Leonard Tsosie, vice chair Delegate Nelson S. BeGaye, and sub-committee members continue to work aggressively to complete the preliminary steps to ensure the funds are used in the most efficient manner, while ensuring accountability.

Phase II - Economic Development

On February 29th the Síhasin Fund Sub-Committee met in the community of Many Farms to discuss irrigation and agricultural projects with local Farm Board members, Many Farms Chapter officials, and Leupp Chapter officials. The sub-committee also received reports from the Navajo Nation Division of Natural Resources regarding a funding proposal and to provide a Plan of Operation for the Soil and Water Conservation District. Jason John with the Water Management Branch provided the sub-committee with an update on water studies including the benefits and impacts within each community.

The discussion of the second phase of the Síhasin funding began with an overview of the proposed economic development projects that



Photo: Síhasin Fund Sub-Committee meeting in Many Farms on Feb. 29, 2016.

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were submitted to the Office of the Speaker from various Navajo Nation divisions, departments, and independent entities that would contribute to the staggering economic needs within the Navajo Nation.

The meeting concluded with a directive for the Navajo Nation Division of Economic Development (DED) to provide the Síhasin Fund Sub-Committee with processes involved with developing economic development projects and identifying internal and external challenges within the Navajo Nation government that impact those economic projects.

Additionally, DED was also asked to provide recommendations on selecting economic development projects, administering projects from initial stages to project completion, and monitoring operations of entities that receive Síhasin funding/financing.

On March 30th and 31st the Síhasin Fund Sub-Committee met to continue discussion on implementing the initial steps to Phase II. Newly appointed Executive Director for the Division of Economic Development Crystal Deschinny, presented information on the development and start-up involved with developing projects, as well as the plans associated with site development, management, and strategies within business developments.

The information provided by DED highlighted the current challenges the Nation contends with in starting and completing projects. Some of the challenges include the lack of a comprehensive nation-wide economic development plan, regional feasibility studies, and the lack of a central clearinghouse for each of these studies.

Some preliminary recommendations include determining the total amount of Síhasin Fund dollars that will be dedicated to economic development. Other steps include the development of standardized criteria for evaluating and ranking projects, standardized application packages to ensure transparency, and last but certainly not least identifying existing Navajo Nation and federal/state economic development funding sources and providing the status of existing projects on the Navajo Nation.

Water Rights - Little Colorado River

As stated in the "One Nation, One Voice" agreement, the 23rd Navajo Nation Council has identified securing water rights as a top priority in order to advance water projects and to bring water to the many communities that currently lack basic water necessities.

With that notion in mind, President Russell Begaye and I met with Hopi Chairman Herman G. Honanie on March 16th, which resulted in each tribe establishing a negotiation team to come to terms on an agreement between the Nation and the Hopi Tribe. Resources and Development Committee chairman Alton Joe Shepherd will represent the Council on the negotiation team.

At the meeting, it was also agreed that the Navajo Nation and Hopi Tribe would initiate negotiations on

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substantive matters with the state of Arizona and the U.S. Department of the Interior only after an agreement is reached between the Nation and Hopi Tribe.

On March 30th, Delegate Shepherd, President Begaye, Chairman Honanie, and I met with state and Congressional leaders as well as Arizona non-Indian water users to discuss the preliminary steps and procedural matters that are required to initiate official negotiations.

Moving forward, I assure our Navajo people that the Council is fully aware of the many concerns and complexities that are sure to come with negotiations and we will continue to exercise enormous caution and prudence.

No one will disagree that water not only gives life to our people, but it also allows our communities to thrive economically. In order to have businesses, public safety, homes, and other components that serve as the foundation for communities, we must first have basic infrastructure in place such as electricity and water sources.

As I have previously stated, I remain confident that my Council colleagues and I will carefully evaluate our options and seek a settlement that is fair and just for our people and our communities.

Navajo Nation Budget

On April 4th, President Russell Begaye, Vice President Jonathan Nez, acting Chief Justice Allen Sloan, several of my Council colleagues and I, met to discuss the current year's budget and the FY2017 budget. Controller Jim R. Parris and Executive Director of the Navajo Tax Commission Martin Ashley were also in attendance and provided information regarding the Navajo Nation's projected revenue based on royalties from natural resources, such as coal and oil.

Due to the decline in oil prices worldwide, many states and governments including the Navajo Nation have experienced significant declines in revenue. The decline in oil prices, and tax revenue generated from oil and gas, has resulted in a projected revenue shortfall for the current fiscal year in the amount of \$5.2 million.

The outlook for FY2017 is also of great concern due to a projected shortfall of approximately \$24 million, once again due to the decline in oil prices. Although there is cause for concern, Navajo Nation leadership recognizes that we have options to consider. These options must be carefully weighed and further discussed before deciding on a course of action.

We must also take into account external funding from states and the federal government to determine the extent of those impacts. The Tribal Interior Budget Council (TIBC) met in March with Bureau of Indian Affairs officials to layout the budget priorities. I thank Delegate Kee Allen Begay, Jr. for representing the Council at the meeting and I also congratulate him for being selected to chair the Public Safety and Justice workgroup for TIBC. The Council will continue to advocate at the federal level for federal dollars to help our communities.

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Utah Education Issues

On February 8th, members of the State Task Force and I met with several top officials during the annual Utah American Indian Caucus Day. Council Delegates Davis Filfred, Nathaniel Brown, Herman Daniels, Jr., Seth Damon, and I met with Utah Senate President Wayne L. Niederhauser, Utah Speaker of the House Greg Hughes, Utah Senator David P. Hinkins, and Utah Senator Howard A. Stephenson.

Many issues were discussed including land, roads, education, water, public lands, and other issues. The meetings provided the State Task Force members the opportunity to strengthen their relations with state leadership, another priority of the 23rd Navajo Nation Council.

Most recently, State Task Force members were made aware that the Utah governor signed S.B. 14, entitled "American Indian and Alaska Native Amendments" into law. The bill sought approximately \$2 million on an ongoing basis beginning in FY2017, to implement a pilot program to fund stipends, recruitments, and retention of teachers who teach in Native American schools. However, the final bill only approved \$250,000 for the pilot program.

At the recommendation of the State Task Force chairman Kee Allen Begay, Jr., on April 11th Health, Education, and Human Services Committee chairman Jonathan Hale and I issued a letter to Utah Senator Kevin Van Tassell, expressing our disappointment with the reduced funding. However, we also conveyed our understanding and requested that Senator Tassell tour Navajo schools in the state of Utah to gain a firsthand perspective of the conditions that teachers and students contend with on a daily basis.

State Task Force members will meet with state leadership to begin the process of educating them on the needs of the schools and educators so that they have a better understanding when the legislature revisits funding for education.



Photo: Council members met with Utah Senate President Wayne L. Niederhauser to discuss Utah Navajo issues on Feb. 8, 2016.

Bluff Elementary School

Recently, the San Juan School District in southern Utah purchased land near the town of Bluff for the construction of a new elementary school. However, after land and archeological surveys were completed, it was found that there were sacred burial sites and Anasazi ruins within the area of the proposed school site. Navajo parents and community members from surrounding Utah Navajo chapters expressed tremendous concern over the proposed site and requested that the school be moved to another location.

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Parents and community members met with the school district to offer solutions, however, they did not reach an agreement. The surrounding chapters and community members requested Navajo leadership, the Navajo Nation Human Rights Commission, and the Navajo Nation Historic Preservation Department to aid them in their efforts.

According to an independent survey and analysis completed by the NNHPD, it was determined there were in fact human remains and historic artifacts present on the land area for the proposed school.

As a result, Council Delegate Jonathan Hale sponsored Legislation No. 0045-16, which seeks to establish the Navajo Nation's official position to oppose the San Juan School District's plans to construct the Bluff Elementary School on a sacred site, and urged the school district to relocate the school.

However, during a Naabik'iyátí' Committee meeting on February 19th, the legislation was tabled and a directive was issued to the Office of the Speaker to work with the Navajo Nation Department of Diné Education and the San Juan School District to develop solutions to the land issue.

All entities, including the State Task Force, are working together to address the land issue, along with the NNHRC, NNHPD, and Navajo parents. An update regarding the relocation of the elementary school will be provided at a later date, which is proving to be a lengthy process.

New Mexico Capital Outlay

The State Task Force and the Office of the Speaker were actively involved with various stakeholders concerning issues with New Mexico Capital Outlay Projects for Navajo chapters and communities in the state of New Mexico. Strategy discussions took place prior to the start of the second Legislative Session of the 52nd State Legislature on January 19th.

The Office of the Speaker assisted in coordinating discussions with New Mexico State Representative Sharon Clahchischilliage, Council Delegates, representatives from the Office of the President and Vice President, staff from the Division of Community Development, and various chapter officials. The focus of the discussions were based on requests for new Capital Outlay Projects, requests for Capital Outlay reauthorizations, and obtaining support for Tribal Infrastructure Fund (TIF) projects.

It was anticipated that requests for Capital Outlay Projects and Capital Outlay Project reauthorizations would be scrutinized due to budgetary constraints for the state of New Mexico based on revenue projections for FY 2017. During the Legislative Session several meetings took place to establish dialogue with representatives from the state of New Mexico.

On January 22nd State Task Force chairman Delegate Kee Allen Begay, Jr., Delegate Amber Kanazbah Crotty, and Delegate Mel R. Begay participated in a roundtable discussion with New Mexico Sen. John Pinto (D-Dist. 3), Speaker Don Tripp (R-Dist. 49), Rep. Wonda Johnson (D-Dist. 5), Rep. Sharon Clahchischilliage

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(R. Dist. 4), Sen. Benny Shendo Jr. (D-Dist 22), Sen. George Muñoz (D-Dist. 4), Rep. Patricia Lundstrom (D-Dist. 9), Rep. Eliseo Lee Alcon (D-Dist. 6), Rep. Rod Montoya (R-Dist. 1), and Sen. William Sharer (R-Dist. 1), New Mexico Indian Affairs Secretary Kelly Zuni, and various program representatives from the Navajo Nation.

The meeting established dialogue among the elected representatives and served as an opportunity for Navajo Nation representatives to educate New Mexico leadership of the needs for communities on the Navajo Nation. The meeting also allowed for a better understanding of the bureaucratic process for both governmental agencies and to recommend solutions to secure project funding.

On February 5th, Delegate Benjamin Bennett, Delegate Amber Kanazbah Crotty, Delegate Seth Damon, and Delegate Leonard Tsosie had the opportunity to meet with Governor Susana Martinez. As a delegation we were able to convey some of the many issues facing the Navajo Nation and our communities within New Mexico. The delegation again focused on the issue of Capital Outlay requests for consideration and Capital Outlay reauthorizations.

I would like to thank my colleagues, particularly State Task Force chairman Delegate Kee Allen Begay, Jr. and vice chairman Delegate Tom T. Chee and the rest of the task force members for being actively involved. I also would like to thank the various chapter officials and representatives for providing information along with the involvement of numerous Navajo Nation representatives. As a result, we were able to obtain support and approval for a majority of the Capital Outlay requests and Capital Outlay reauthorizations.

Rehabilitation of the Former Bennett Freeze Area

The Inter-Agency Task Force was established to spearhead the recovery efforts of the Former Bennet Freeze Area, in accordance with Resolution NABID-86-15. The members of the task force consists of leadership from Navajo Nation Office of the President and Vice President, Office of the Speaker, Bureau of Indian Affairs, Navajo Housing Authority, Indian Health Service, Navajo Tribal Utility Authority, and honorable members of the Navajo Nation Council who represent communities within the Former Bennett Freeze Area.

The Task Force has met on a monthly basis and at each meeting, all members were asked to provide a written report outlining their progress. Since its establishment, the task force has met three times on the following dates: January 5th, February 16th, and March 29th. At the most recent meeting, assignments were developed for individuals who are responsible for carrying out the tasks and target dates to compile information before the next scheduled meeting. The assignments include:



Photo: Council members met with New Mexico Gov. Susana Martinez to discuss Capital Outlay Requests on Feb. 5, 2016 in Santa Fe, N.M.

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- Develop a comprehensive budget report on all funds allocated to Former Bennett Freeze Area
- Compile and summarize all studies/data on the Former Bennett Freeze Area. The purpose of the issues identified in the existing completed studies on the Bennett Freeze Area will be the foundation to deal with the challenges and correlate the study results to current conditions.
- Develop a matrix on all necessary requirements and rank FBFA chapters accordingly. The Purpose is to rank chapters based on completed necessary requirements related to home site leases, land clearances, Community Land Use Plan, housing assessments, applications, boundaries, etc. Requirements should include a list of challenges on waterline, power lines, clearances, etc.
- Draft a waiver of federal policy language to expedite the development in the Former Bennett Freeze Area.

In addition, OPVP has reported that out of the nine chapters within the FBFA, two chapters will need additional assistance to update their community land use plan and other required assessments. Other challenges for chapters include lack of home site leases, cost of surveys, and archeological clearances. NHA reported that they are working directly with the nine chapters to analyze and measure the number, size, and location of the homes with related infrastructure needs. The task force continues to work effortlessly to assure progress is moving forward. The next meeting is scheduled for May 3rd.

Navajo Indian Irrigation Project - Navajo Agricultural Products Industry

Firstly, on behalf of the 23rd Navajo Nation Council, I congratulate Wilton Charley for his recent appointment as Chief Executive Officer of Navajo Agricultural Products Industry (NAPI). My colleagues and I look to continuing our partnership and dialogue in a manner that encompasses growth and prosperity for NAPI and its many employees.

On February 26th, the Office of the Speaker met with federal officials and management from NAPI to discuss the importance of securing funds for the Navajo Indian Irrigation Project (NIIP). The discussion resulted in the formation of a technical team to focus on developing a proposal that will be used to advocate for funding at the federal level. In addition, a policy team was also established to focus on developing alternative options in the event that the NIIP is not completed.

The policy team consisting of the Resources and Development Committee, Office of the President and Vice President, NAPI officials, and the Office of the Speaker met on March 31st to discuss alternative options for NIIP, which may not be completed considering factors such as infrastructure, water, power, Operations and Maintenance (O&M) costs, and farm acreage.

NAPI CEO Wilton Charley highlighted some of the concerns and challenges including:

- P.L. 93-638 Funding - current funding level will not increase
- Gallegos Pumping Plant, which was built to serve Blocks 10 and 11; currently 70% is being utilized and at some point, NAPI will be paying for these costs

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- Facility Transfer of Block 8 and Gallegos Pumping Plant is scheduled to be transferred to the Bureau of Indian Affairs through the P.L. 93-638 contract. However, funding will not come with the added responsibility, which further impacts the current funding level.
- Block 5 Kutz Pumping Station could put 10,000 acres at risk if any failure occurs. O&M funds or NAPI could not afford to cover the repair cost if any failure occurs. There would be no adequate O&M funding to deliver water.

It is a priority of the 23rd Navajo Nation Council to address alternative options for the NIIP project. At a meeting held on April 12th, the discussion focused on whether the full build out of NIIP is a realistic possibility due to the current annual funding level of \$3.3 million. Federal officials, Office of the Speaker, Resources and Development Committee, Office of the President and Vice President, and NAPI officials were in attendance.

NAPI officials provided alternative options to complete Blocks 10 and 11 and addressed the financial impacts of NAPI. NAPI officials stated that operations could be sustained if Blocks 10 and 11 were to be completed, indicating a favorable financial outlook.

NAPI's primary concern is the O&M cost. Currently, NAPI is working to develop value-added-initiatives such as a Cattle Feed-Lot, Hog Farm, Meat Processing and Packing Plant, Dairy Farm, Dairy Product Manufacturing, Poultry House, Vegetable Processing, and Potato/Fry Plant. If a failure occurred in any of NIIP infrastructure NAPI may lose 10,000-acres automatically, which impacts the value added projects – a major concern for the Navajo Nation. This is one area the Navajo Nation needs to address.

With all the information provided to the federal officials, they will update and validate the data and report back to the Navajo Nation. During the meeting, I emphasized that the Navajo Nation cannot continue to drag this issue further and a decision has to be made on the position of the Navajo Nation. Once a decision is made from the Nation, it will go back to the federal government on moving forward.

The next meeting is scheduled for June 22nd. Other federal officials including the federal Office of Management and Budget will be invited to participate in future meetings.

Fire and Rescue Services - San Juan County, New Mexico

Since the most recent report in January, discussions between the Navajo Nation and San Juan County, New Mexico regarding Fire and Rescue Services for the communities of Newcomb, Shiprock, and Ojo stations have continued.

The two parties had several meetings in Window Rock to further coordinate the transition. Participants included the Office of the President and Vice President, Navajo Nation Department of Justice, Division of Public Safety, Navajo Nation Fire and Rescue Department, Emergency Medical Services, Office of Management and Budget, Office of the Controller, Navajo Nation Telecommunications Commission, Navajo Nation Risk Management, Property Management, officials from San Juan County, and the Office of the Speaker.

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The various entities had discussions regarding the April 1st target date to transition, determined by President Russell Begaye. Significant items of discussion included the transitioning of the buildings and equipment at each station. San Juan County Fire and Rescue were to provide a detailed inventory list to the Navajo Nation.

Another important item of consideration is the 9-1-1 emergency communications call center used by San Juan County. The Nation must determine whether it will establish its own call center or continue operations with San Juan Communications Authority, which will entail fees.

Discussions also include the ongoing recruitment of full-time Navajo fire fighters and volunteer fire fighters, which are a necessary component to efficiently operate each station. The consideration of pharmacy and medical direction is another issue that has drawn attention. The Nation would be required to negotiate an agreement and pay a fee to allow Navajo fire fighters, trained and certified, to provide various types of medical aid under an approved license.

In late March, it was determined that the target date of April 1st to transition could not be met due to challenges such as the recruitment of full-time fire fighters. At the time, the Department of Personnel Management and Navajo Nation Fire and Rescue indicated that 7 of the 15 total positions were filled pending completed background checks.

Another issue is the lack of applicants for potential volunteers for the three fire stations. The Nation was also facing time limitations due to the incompleteness of the transfer of capital and inventory for each of the stations. The Nation also lacks emergency communications, radio communications, or medical/pharmacy direction solidified for operations. In realizing the likelihood of not meeting the target date the Navajo Nation and San Juan County began discussion of a Memorandum of Agreement (MOA).

The MOA requests San Juan County to continue services. The agreement indicated that beginning in April, the Navajo Nation would pay an amount of \$67,500 to San Juan County through June 2016 with an option to continue through September 2016 or until such time the Navajo Nation completes transition. The San Juan County Commission approved the MOA on April 5th. Currently, the Navajo Nation is completing the process of finalizing the MOA.

Energy

Energy on the Navajo Nation continues to be a volatile and unpredictable industry with the impacts of federal regulation and extreme market conditions. The Nation continues to rely on the royalties of oil production within our lands. With the decline in oil prices the Nation anticipates budget shortfalls.

These shortfalls are compounded by the fact that our coal production is below expected levels due to the low cost of gas, driving increased energy production at gas-fired power plants. Historically, gas prices have been high and volatile leading to the preferred use of coal as the baseload source of energy for the industry.

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With low gas prices, our power plants have been utilizing more gas-fired production within their energy portfolio to maximize low cost electricity to their customer base. We will continue to monitor the market.

Four Corners Power Plant

Arizona Public Service continues to move forward with the implementation of the federally mandated Best Available Retrofit Technology (BART) to meet the clean air standards. This implementation will require one of the two remaining units to be shut down for a time while the retrofits are installed.

Changes in management at APS have occurred due to retirements. APS has made an effort to provide additional training for their Navajo workforce to assist them in qualifying for these management positions within the power plant.

Negotiations continue with the purchase of the seven-percent ownership interest left by the departure of El Paso Electric Company from the Four Corners Power Plant. The Navajo Transitional Energy Company hopes to join the partners at Four Corners Power Plant in the generation and sale of electricity to the four corners region, further diversifying our Nation's energy portfolio.

With the Navajo Transitional Energy Company's mandate to invest in alternative and renewable energy resources, the Nation will be able to further diversify our energy and economic portfolio to shore up our ability to meet our projected budget revenues necessary to further our essential governmental functions.

Navajo Tribal Utility Authority – Solar Utility Facility

Navajo Tribal Utility Authority (NTUA) is due to break ground on April 23rd on the Navajo Nation's first commercial scale solar utility facility in Kayenta, Arizona.

This is a project that required creative problem solving, out of the box thinking and support from NTUA's planners, engineers and leadership, as well as lobbying and support from Navajo Nation leadership to make this happen. NTUA has worked long and hard over the years to move the Navajo Nation towards renewable energy resources despite the many challenges.

This project marks an important milestone in the Navajo Nation's efforts to break through the renewable energy project barrier and we hope to witness many more renewable energy projects in the future. On behalf of the Council, I extend my appreciation to the Kayenta Chapter and local community members who supported this project with the approval of land necessary for this successful project.

Energy Task Force

The inaugural meeting of the Navajo Nation Energy Task force took place at the beginning of the Navajo Nation's Energy Summit. This was an organizational meeting to set the Task Force in place and to begin to discuss the critical energy matters of the Navajo Nation. Both the Legislative Branch and Executive Branch

hold important responsibilities in ensuring that our energy resources are maximized for the benefit of our people in terms of jobs and revenues, so it is important that we are able to sit together on this Task Force and communicate the needs of our people.

Through the passage of the Navajo Nation Energy Act of 2013, the groundwork for this Task Force was created. Two main responsibilities rest with the Task Force; first to plan and implement the creation of a Navajo Nation Department of Energy, and second to receive and act on energy projects on the Navajo Nation.

Gold King Mine Spill

On March 28th, the U.S. Senate Committee on Indian Affairs issued an invitation to testify before the committee on April 22nd for an oversight hearing entitled, "Examining EPA's Unacceptable Response to Indian Tribes."

Unfortunately, the oversight hearing will not be held on the Navajo Nation despite numerous chapter resolutions requesting the hearing to be held within or near the impacted communities. Resources and Development Committee chairman Alton Joe Shepherd and I issued two separate letters to President Russell Begaye requesting his assistance in advocating for the hearing to be held on the Navajo Nation. Despite these efforts, the hearing has been scheduled to take place at Phoenix City Hall in Phoenix, Arizona.

As a delegate that represents several chapters that were impacted by the spill that occurred in August 2015, I will provide testimony on behalf of the chapters that I represent and also as an impacted farmer and livestock owner. I look forward to providing testimony on behalf of our Navajo people. I respectfully ask for Council's support and also the support of all of Diné Citizens as we go before the U.S. Senate Committee on Indian Affairs.

Navajo Nation Council Chambers

On February 18th, Chavez-Grievess Consulting Engineers, Inc. conducted a structural investigation of the Navajo Nation Council Chambers. The findings were conveyed in a report outlining the structural conditions of the roof, floor, and framing of the historic Navajo Nation Council Chambers. The report is limited to the structure of the facility and was not intended to address other areas such as architectural, mechanical, or electrical aspects.

The findings within the report were compared to previous investigation completed by Rick Lewis Architect in the fall of 2003. Rick Lewis Architect reported scaled drawing, and historic nature of the chambers but did not address the structural conditions.

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Structural Investigation

Roofing: As reported by Chavez-Grievies the roof structure is based on conservative designs with a well thought out system. Field measurements were conducted to analyze the stress levels using a thirty-pound square-foot snow load and the existing dead loads. Results of the analysis show a very stable roof and the stresses in the high roof beams at the wall are relatively low.

The deteriorated beams outside of the high roof wall also show acceptable stress levels. If preferred, it would be possible to remove the damaged beam beyond the high wall and the increase in stress level will be acceptable. However, the work should be carefully monitored to maintain the integrity of the bearing portion of the beam in and on the wall.

The rotted portions of the beams were reported to be as deep as six-inches. While repairs are being implemented, temporary support will be required. Chavez-Grievies provided several references, which may assist in the design of future repairs and will require the involvement of wood preservation experts.

The stress level in the exposed beams does not require immediate replacement, however, to preserve the historic appearance of the chamber a significant portion of the exposed beams should be replaced. More specifically, all cantilevered portions will need to be removed and replaced while other exposed portions can be repaired and retained.

Flooring: The floor was inspected through the crawl space. There is a concrete slab over the crawl space, which was noted to be in excellent condition with no remedial action required.

Walls: Upon further inspection, one stone in the high wall has some deterioration and can be solidified using epoxy injections. Several stones have some surface erosion and will need to be sealed to prevent further erosion. The crack above the east entrance can be repaired, while the vast majority of the exposed sandstone wall surface is still in very good condition, there are limited repairs required.

Lastly, the structural investigation is the initial phase and addresses some of the concerns regarding the buildings safety. As stated in the report, the Council Chambers was well designed and is safe for continued use by the Council and the public. The Office of the Speaker will discuss the next phase and will require the involvement of the Navajo Nation Historic Preservation Department to assist and provide guidance in ensuring all protocol compliance. In addition, Chavez-Grievies Consultants will provide scenarios for alternative repair options to the roof, flooring and walls. Design and Engineering will continue to be involved and provide technical support.

Second Quarterly Report Program Summaries Fiscal Year 2016

Office of the Auditor General

The Office of the Auditor General conducts internal audits of Navajo Nation programs, departments, chapters, entities and vendors in conjunction with the "One Nation, One Voice" governance priority of the Navajo Nation.

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Accomplishments from 2nd Quarter: Issued 10 reports:

- Report 16-10 FY2015 3rd Quarter Unspent Chapter Funds
- Report 16-11 Oaksprings Chapter Official (former) Investigation
- Report 16-12 FY2015 4th Quarter Unspent Chapter Funds
- Report 16-13 Dilkon Chapter Internal Audit
- Report 16-14 Oaksprings Chapter Official (current) Investigation
- Report 16-15 Tribal Ranch Program Follow-up
- Report 16-16 Becenti Chapter Corrective Action Plan Follow-up Review
- Report 16-17 Chapter Positions Job Classification and Compensation Study
- Report 16-18 Red Valley Chapter Corrective Action Plan Follow-up Review
- Report 16-19 Inscription House LGA Review

Goals for 3rd Quarter (ongoing projects and activities)

- Whitecone Chapter Cash Receipts Special Review
- Whitehorse Lake Chapter Corrective Action Plan Follow-up Review
- Sawmill Chapter Corrective Action Plan Follow-up Review
- Mariano Lake Chapter Corrective Action Plan Follow-up Review
- Upper Fruitland Chapter Finances Special Review
- Many Farms Corrective Action Plan Follow-up Review
- Accounts Payable Duplicate Payment Special Review
- Contingency Management Fund Special Review
- Tribal Parks Special Review
- Water Resources Internal Audit
- FMIS Disaster Recovery Corrective Action Plan Follow-up Review
- Tonalea Chapter LGA Follow-up Review
- Parks and Recreation Department Corrective Action Plan Follow-up Review

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- Fraud Investigations of two chapters
- Revisits of sanctioned programs/chapters:
- Navajo Area Agency on Aging
- Workforce Development
- Shiprock Chapter
- Teec Nos Pos Chapter

Issues/Recommendations

- Lack of auditors to conduct surprise audit of chapters. Recommend funding additional five (5) auditors to do surprise audits at each agency.
- Lack of auditors to conduct performance audit of Navajo Nation programs and departments. Recommend funding additional five (5) auditors to be assigned at the division.
- Lack of auditors to conduct follow-up reviews of programs and chapters corrective action plan implementation. Recommend funding additional three (3) auditors to do follow-up.
- Lack of funding to pay for the risk assessment of Executive Branch departments and programs costing approximately \$100,000.

Black Mesa Review Board

Section One: Accomplishments from 2nd quarter

- Sent resolution requesting funds for Many Mules Waterline Project. From Sihasin Trust Fund to our Council Delegates
- Navajo Nation President signed off on 1.1 million from Sihasin Trust Fund for Many Mules Waterline Project
- Encourage our Infrastructure committee to designate 1.5 million from Peabody Funds for FY 2016 to go to Many Mules Waterline so they agreed
- Many Mules Waterline Project was moved up on IHS's project listing
- Funds have been identified for Phase 1
- Coordinated public information in coordination with Peabody Western Coal Company (PWCC)
- Helping with Solar Project and Scattered Power Line for the impacted area
- Communicating with PWCC and community about Coal and Wood Grub

Section Two: Goals for 3rd quarter

- Monitor the construction of the Many Mules Waterline Project for Phase 1
- Continue to seek funds for the waterline project
- Advocate for local people to be employed during construction
- Encourage Infrastructure Committee to seek funds for the waterline
- Work on chapter resolution if necessary
- Monitor solar and scattered power line to completion
- Provided community education by presenters about issues
- Continue to meet with PWCC about community outreach and mining issues

Section Three: Issues/Recommendations

- Grazing, erosions, invasive plants growing, broken fencing. BMRB will schedule a meeting with Maria Shepherd from PWCC
- Lacking funds for Many Mules Waterline Project. BMRB will continue looking for Infrastructure funds and try to seek matching funds
- Wild horses in Reclamation Area. BMRB will assist PWCC, NN ranger and Dept of Agriculture
- Lacking a representative from Kayenta Chapter. BMRB will to contact the chapter for a representative

Eastern Navajo Land Commission

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Section One: Accomplishments from 2nd quarter:

- Commission's top priorities (1: NELI/NIIP Project; 2: Resolving FWAD; 3: Oversight of Navajo Land Buy-Back Program; 4) New land purchase opportunities).
- The Commission supported the Speaker conclude final revisions of the FWAD land division as Directed by the Naabi Committee. The Commission passed its resolution with new recommendations and a finalized map based on the Speaker-Zuni Governor talks.
- Conducted one Govt-to-Govt (G2G) meeting with USDOJ in implementing the Navajo LBBP that: Resolved "structures" on and homesite lease matters on allotments – The RDC approved an amendment to the current NN Homesite regulations to honor all homesite leases that maybe part of full sold allotments through the Buy-Back Program.
- The Navajo BBP sponsored more than 350 outreach meetings providing information to over 10,000 people since August. The Navajo BBP continues to employ 14 temporary Navajo staff providing outreach educational and information meetings through the NN and four-state metro areas.

Section Two: Goals for 3rd Quarter:

- Resume talks on the NELI/NIIP Project with the New Mexico Congressional Delegation.
- Conclude final input to the NM Congressional regard the federal FWAD land division legislation.
- Continue oversight of the Navajo BBP. The Pre-Offer phase concludes the month of April and new outreach on Offer packages will be the next educational activities through August. There will be increased informative outreach effort by radio, print media, and social media. The Office of ENLC was successful in obtaining \$470,050 for the continuation of the Navajo BBP through September 30, 2016.

Section Three: Issues/Recommendations:

- The additional funds received from the Federal LBBP will need to be acknowledged by the NN as

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soon as possible so not to interrupt the Navajo program operations. Some of the funds are effective May while most of the funding is effective July to September.

Navajo Nation Ethics and Rules Office

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Section One: Accomplishments from 1st Quarter

- Initiated process to amend Statute of Limitations amendments as first priority to complete and present to Navajo Nation Council Law and Order and standing Committee
- Working with Columbia Law School NALSA, Arizona State University Law School and New York Ethics Commission director in amending the Navajo Nation Ethics in Government Law/Navajo Nation Standards of Conduct as comprehensive legislative initiative to update and change the existing Navajo Nation Law.

Section Two: Goals for 3rd Quarter

- Create permanent positions for Ethics and Rules Office to include; a Forensic Auditor, Investigator or an Administrative Legal Assistant temporarily for 60 to 90 days.
- Shall continue to seek out additional funds to hire additional staff; 2 Presenting Officer, 4 Investigator/Forensic Auditors.
- Submit the revised Ethics and Rules Administrative Hearing Rules as revised by the Office of Hearings and Appeals and Ethics in Government Laws to the Navajo Nation Council Law and Order Committee for final approval.
- To continue to work with Respondents on the collection of restitution payments; Order to Show Cause cases with OHA and filing for garnishment of wages per the Garnishment Act in Navajo Nation District Court.

Section Three: Issues/Recommendations

- Develop legislation to transfer the Navajo Nation Prosecutor White Collar Unit under the Ethics and Rules Office to prosecute cases criminally in addition to existing civil prosecution of cases as set under Title 2
- Set up work sessions and professional staff development for NNERO staff in next quarter including the Law and Order Committee and the Resources and Development Committee to implement transfer of Navajo Nation Prosecutor White Collar Unit under the Navajo Nation Ethics and Rules Office

Office of Navajo Government Development

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Accomplishments

The Office of Navajo Government Development (ONGD) is part of the governance priority of the nine priorities which were set by the Navajo Nation Government. As a part of the governance, the major accomplishments of ONGD are listed below.

- On January 14, 2016, the ONGD and the Commission on Navajo Government Development (CNGD) were directed by the Naabik'yati' Committee of the Navajo Nation Council to study the effectiveness of the reduced Navajo Nation Council. ONGD did not get a finalized copy until mid February 2016. The ONGD has been surveying people and chapter officials since March 2016. A thorough study will require more time.
- The ONGD is a part of the Task Force created by the Resources and Development Committee of the Navajo Nation Council to review Title 26, the Local Governance Act for amendments. The Task Force recommended to implement a proposed major reform to Title 26 that will initiate a regional form of government. Chapters will be consolidated into regions. The ONGD staff is gathering comments on the proposed regional government. In this quarter, the ONGD hosted public education sessions at 47 chapters/communities, organizations, tribal departments and high schools (Flagstaff, Wingate and Shiprock).
- ONGD staff also provided technical assistance in community land use plans and pre-LGA and post-LGA certification, Title 26 and alternative forms of government to three chapters. Chapters requested ONGD services in these areas.

Goals

- Nation building-review all aspects of the existing government structure at the local level through public hearings, listening sessions, etc. to get recommendations from the Navajo people.
- Local government empowerment-provide technical assistance to non-LGA and LGA certified chapters so they can be self-sufficient.
- Public education-Educate the Navajo people on government development using educational curricula such as brochures, published reports and the internet.

Issues/Recommendations

- ONGD has limited funds for program goals and activities. ONGD requested for supplemental funds.

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Navajo Nation Human Rights Commission

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Section One: Accomplishments from 2nd Quarter

- Public Hearing on Bordertown Employment Issues: Conducted a public hearing at Leupp Chapter House on March 9, 2016. The purpose of the public hearings was to assess employment issues in Flagstaff, Winslow, Holbrook and Page areas. However, no one presented to the commission.
- Navajo Consumer Credit Seminar: Arranged and facilitated Navajo consumer credit seminar at Navajo Technical University ("NTU") in Crownpoint. Students at NTU and community member participated in the seminar.
- Solicited data from bordertowns: The commission selected four bordertowns to assess employment issues. Continued to probe data from Blanding, Utah, with the assistance of United States Department of Justice.
- Work on International Human Rights Issues: Staff accompanied members of the Subcommittee on Sacred Sites to meet with United States Department of State. The issue principally addressed is the international repatriation of sacred objects and continued desecration of the San Francisco Peaks.
- Reviewed Citizen Complaints: The office received new complaints during the second quarter of FY16. Proper intake meetings were conducted and majority of the complaints were staffed for investigations; issues include predatory auto sales, employee issues, and mistreatment by law enforcement. In addition, the office continued the efforts to work with the City of Albuquerque regarding Navajo persons that are homeless.
- Pool potential plaintiffs: The commission is working with Navajo Department of Justice to assess Navajo consumer concerns and develop plan(s) to bring action against lenders; in light of the issues, the office is working with Arizona Attorney General's office to formulate strategies to address predatory auto lending.
- Ensure San Juan County Utah voting rights is addressed: The federal district court noted in February 2016 to appoint a special master to address the redistricting maps for San Juan County Utah school board and commission election districts. In addition, the office along with named Navajo plaintiffs filed a complaint in federal district court pertaining to mail-in voting.

Section Two: Goals for 3rd Quarter

- Consumer Credit Seminar: Navajo citizens continue to request seminar on consumer credit and predatory auto sales and small loans.
- Conduct Seminar on LGBTQ: Anticipating the final report to be adopted by the Commission on violence against Navajo women and gender violence, Diné Life Way principles will be considered which will serve as a guide to addressing gender violence and discrimination. These principles will be presented at a seminar.
- Conduct Public Hearing: Conduct the second public hearing on assessing employment issues in the

bordertowns.

- Continue Assessment Data: Continue to collect data from border towns in preparation for the Farmington public hearing.
- Continue Receive Complaints: Navajo citizens file complaint about race discrimination and human rights violations.

Section Three: Issues/Recommendations

- Subcommittee on Sacred Sites: Several internal Navajo sacred site issues come to the commission. While the office is required to coordinate with other Navajo government programs, it continues to be a concern that Navajo individuals raise concerns on sacred sites with commission while Navajo Historic Preservation Department ("HPD") statutorily protects all Navajo cultural resources. It is necessary to streamline now both commission and HPD would respond to cultural properties issues.
- OAS Draft Declaration: The Organization of American States ("OAS") is re-initiating the working group on indigenous rights to draft the OAS declaration on rights of indigenous peoples. It is important that Navajo Nation participate in these meeting in light of United States' role in the drafting of the declaration and how Navajo Nation should advance the protection of its people's human rights.
- Consumer Advocacy: The Navajo people significantly depend on the goods and services provided in the border towns. Many Navajos also move to the border towns for better education and jobs while they continue to maintain strong connection with their traditions, culture and values. It is essential that Navajo Nation advocate for advancement in assuring that these Navajo individuals have an opportunity to become leaders in these border towns, too.

Navajo Nation Labor Commission

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Section One: Accomplishments from 2nd quarter:

- Efficient use of allocated funds, NNLC held fifteen (18) evidentiary hearings
- NNLC and program timely processed two (2) appealed NNLC cases to Navajo Nation Supreme Court
- NNLC program timely processed one (12) formally filed complaint
- NNLC timely adjudicated fifteen (18) NPEA cases
- NNLC and program timely closed and issued eight (10) orders
- NNLC & program timely issued and mailed eight hundred (900) subpoenas and notice of hearings by first class, facsimile and email to counsels of record or parties
- NNLC will continue to adjudicate one hundred thirty five (110) pending NPEA cases
- NNLC program made five (3) audio copies at parties' request

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Section Two: Goals for 3rd Quarter:

- Efficient use of allocated funds and timely processed appealed NNLC case(s)
- NNLC & program will timely adjudicate NPEA cases
- NNLC & program will timely process formally filed NPEA complaint(s) and/or petition(s)
- NNLC & program will timely issue and close out NPEA cases
- NNLC & program will continue review and amend NNLC Ruled of Procedure
- NNLC & program will continue to preserve substantial rights of all employees and employers in accordance to Navajo Law

Section Three: Issues/Recommendation(s):

- NNLC only received funding for 62 hearings for FY 2016. Additional funds will be needed to adjudicate pending NPEA cases during FY2016. In FY 2015, NNLC conducted 121 evidentiary hearings. Additional funds were provided by Office of the Speaker.

Navajo Nation Election Administration

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Section One: Accomplishments from 2nd Quarter

- Continue Filling Vacancies
- Completed School Board Apportionment
- Continuing 2016 Navajo Nation Chapter Election
- Streamlining Election Day activities with Navajo County
- Established Voting Rights Coordinator position with Cibola County at Ramah Navajo Chapter
- Filling State Wide Voting Rights Coordinator with New Mexico Secretary of State
- Conduct Tri-County meeting with Apache, Navajo and Coconino Countys
- Conducted New Mexico Native American Election Information Program Meeting with New Mexico Counties
- Continuing Election Code Amendments
- Developed 2018 Navajo Nation Election Calendar
- Continuing Navajo Nation and States Voter Registration Drives
- Continuing to Meet Navajo Board of Election Supervisors Goals and Objectives

Section Two: Goals for 2nd Quarter

- 2016 Navajo Nation Chapter Election
- Begin the Cycle 1 of Navajo Nation Council Reapportionment
- Public Education for 2016 Navajo Nation and State Elections
- Enforce Election Laws and Policies
- Amend Election Laws

- Fill Existing Elected Position Vacancies within Navajo Nation

Section Three: Issues/Recommendations

- Election Administration needs Office and Storage Space
- Obtain Independent Legal Counsel
- Establish Board and Administration as Independent Entity
- Navajo Nation Election Needs New Voting Equipment

Navajo Utah Commission

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Section One: Accomplishments from 2nd quarter

- The Navajo Utah Commission obtained \$100,000 in FY2016 non-chapter Utah Navajo Revitalization Fund (NRF) appropriations for construction of the Aneth Chapter Warehouse & Bus Storage Facility Project. The Navajo Utah Commission, the Utah Navajo Trust Fund, and the Aneth Chapter have established a project planning team to facilitate completion of proposed capital project.
- The Navajo Utah Commission worked with the Utah Native American Legislative Liaison Committee (NALLC) and sponsor Sen. Kevin Van Tassell to obtain enactment of S.B. 14 (American Indian-Alaskan Native Education Amendments) during the 2016 Utah Legislature. S.B. 14 will appropriate \$250,000 annually for a five-year pilot period to address recruitment and retention of efficient teachers for Native American – concentrated schools including five San Juan School District schools on the Navajo Nation in Utah.
- The Navajo Utah Commission, the Utah Navajo Trust Fund, and the Navajo Nation Department of Design & Engineering Services (DES) have initiated monthly project coordination meetings with Red Mesa Chapter, Teec Nos Pos Chapter, and Oljato Chapter. Technical assistance provided by service providers have advanced capital projects considerably including Administration Building Project at Red Mesa, Chapter Renovation Project at Teec Nos Pos, and preliminary planning for new chapter at Oljato.
- The Navajo Utah Commission (NUC) assisted the Navajo Nation Contracts Accounting Department in securing contract reimbursements in the amount of \$128,110.29 pursuant to the NUC's housing contract from the Utah Olene Walker Housing Loan Fund (K124006). NUC is currently seeking another reimbursement amount of \$10,646.70 from the OWHLF contract.

Section Two: Goals for 3rd Quarter

- The Navajo Utah Commission and assembled project planning team will conduct monthly project coordination meetings with Red Mesa, Teec Nos Pos, Oljato, and Aneth chapters in developing their capital projects. Red Mesa will execute contract with architect for A&E services, Teec Nos Pos will be seeking general contractor, and A&E procurement activities will be conducted for projects at Oljato

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and Aneth chapters.

- The Navajo Utah Commission will work with the San Juan School District (SJSD) and the Navajo representatives on the SJSD School Board to ensure SJSD schools located on the Navajo Nation prepare and submit competitive funding applications to the Utah State Office of Education to address low academic performance at school serving Navajo students.
- The Navajo Utah Commission will assist the Teec Nos Pos and Aneth chapters in fulfilling contractual obligations for housing projects appropriated by the Utah Olene Walker Housing Loan Fund (OW-HLF). The Teec Nos Pos and Aneth chapters will each initiate construction of one housing unit in their respective communities.
- The Navajo Utah Commission will assist Utah chapters with funding applications for submittal to the Utah Navajo Trust Fund in July 2016 for capital projects nearing project readiness including completion of preliminary planning.

Section Three: Issues/Recommendations (list using bullet points)

- The Navajo Nation Council hired a legislative lobbyist for the 2016 Utah Legislature. There was limited interaction and communications with the Utah chapters. The Utah legislative interim committee process begins in the spring and extends into early fall. Legislative priorities and funding priorities are determined during this period. The Navajo Utah Commission and the Utah chapters are seeking a more proactive and interactive association with the Utah lobbyist to take full advantage of the opportunities made available by the Utah Legislative process.