



Speaker's Report

2016 Winter Council Session

LoRenzo Bates
23rd Navajo Nation Council

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23rd Navajo Nation Council
Winter Council Session
January 2016



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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, 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 Winter Council Session!

One year ago, my colleagues and I stood before thousands of Diné Citizens to take an oath of office to serve on this Council – an honor bestowed upon each of us by our people and our communities through the casting of their ballots. As I stated on that day, it is a path filled with challenges, but also one that presents many opportunities to help our children, families, elderly, veterans, and others that seek a better life for themselves and their loved ones. The path we are on as elected leaders comes with adversity, growth, and success.

Over the course of this past year, the 23rd Navajo Nation Council has undertaken initiatives that reflect our leadership's willingness and efforts to empower our people individually and collectively. As with any profession or endeavor, there is a learning curve that must occur and that notion is true for our Nation's leaders as well – past and present. I have witnessed growth in each member of this Council within the last year, a growth in leadership, knowledge, and passion to help our people.

This growth has led this Council to address a number of challenging issues including the rehabilitation of the Former Bennett Freeze Area, water rights, Síhasin Fund, emergency services, energy initiatives, protection of sacred sites and objects, government reform initiatives, and many others.

As we move forward together, the 23rd Navajo Nation Council will navigate the complexities and challenges in a diligent manner that produces results to improve our communities and help our people. However, we cannot move forward and help our people without collaboration between the three branches of government. I call upon President Russell Begaye and Acting Chief Justice Allen Sloan to communicate and meet on a regular basis with my Council colleagues and I to move us forward together.



Thank you,

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

LoRenzo Bates, *Speaker*
23rd Navajo Nation Council



Navajo Nation Budget Formulation

As we move forward in fiscal year 2016, I am confident that the 23rd Navajo Nation Council will remain conscious and mindful of our Nation's financial state and that we will make decisions that take into account the Nation's projected revenue and royalties, as well as the global market. In fact, the Budget and Finance Committee has already called upon the three-branch chiefs to begin discussing the Nation's projected revenue, which shows that the Nation may face a decrease in its budget for due to the ongoing decline in oil prices worldwide.

Council has also met with officials with the Bureau of Indian Affairs and the Bureau of Indian Education to address budget needs, much of which centers on the nine priorities outlined within the "One Nation, One Voice" agreement.

The BIA and BIE hold budget formulation sessions with tribes within their regions every year to exchange recommendations on budget requests and to discuss how to address the departmental and tribal initiatives within the proposed budget and policies that impact direct services for the people. The Navajo Nation and our Navajo BIA Region met on December 2-3, 2015 regarding the formulation of FY2018 BIA/BIE Budgets.

The following were the outcomes of the meeting: (1) each region will submit a Region Table that outlines a proposed 8% budget increase from the FY2015 enacted budget amount. The Navajo Region enacted amount was \$152,608,000 and the 8% increase would be \$12,209,000. During the formulation meeting, the executive branch delivered the following priorities and initiatives: Natural Resources, Public Safety, Education, Human Resources, and Road Maintenance.

(2) Requirement to provide information on Unfunded Obligation or unmet needs requests to each of the line-items that the Navajo Region receives. We as a Nation must continue to advocate within the context of the "One Nation, One Voice" priorities. Timelines for this is as follows:

- January 12 – Navajo first submittal to Navajo Region BIA office
- February 19 – Region submit to Central Office
- March 22 – National Budget Meeting
- April/May 2016 – recommendation given to Assistant Secretary
- June 2016 – Department budget submission

This is the last budget submittal that President Obama and his administration will provide guidance over. Therefore, the Navajo Nation must remain mindful of the political landscape at the federal level when compiling its proposed budget needs and when advocating at the federal level.

Photo: Speaker LoRenzo Bates addressing Council members and Navajo Nation Programs at the BIA budget formulation meeting in Nov. 2015.



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Rehabilitation of the Former Bennett Freeze Area

The rehabilitation of the Former Bennett Freeze Area remains a top priority for the 23rd Navajo Nation Council. In December, the Naabik'iyáti' Committee created the Inter-Agency Task Force through the passage of Resolution NABID-86-15.

The task force membership consists of representatives from the Office of the Speaker, Office of the President and Vice President, Indian Health Services, Bureau of Indian Affairs, Navajo Tribal Utility Authority, Navajo Housing Authority and three members of the Council. The primary purpose of this task force is to coordinate rehabilitation efforts that will result in the completion of proposed projects to benefit the Former Bennett Freeze Area.

The Former Bennett Freeze Area covers over 1.5 million acres in the northeast corner of Arizona and western portion of the Navajo Nation consisting of nine chapters. More than 12,000 Navajo people residing in the area were subjected to the development freeze which contributed to poor living conditions therefore impacting the quality of life for our Navajo people living in this area. Those who could not live without the basic necessary services, especially our young people with families, were forced to make the difficult decision to leave their communities for job opportunities and better living conditions elsewhere.

In November, Council members spoke before the Tribal-Interior Budget Council and requested the U.S. Department of the Interior-Bureau of Indian Affairs and other federal agencies to create a budget line-item to rehabilitate the Former Bennett Freeze Area.

In 2012, a line-item was created in the amount of \$1.2 million for the redevelopment of the Former Bennett Freeze Area under the President's Budget-Strengthening Tribal Nation Trust Natural Resources Tribal Priority Allocation (TPA) line-item. The budget line-item was created to complete the Integrated Resource Management Plan (IRMP) and Environmental Impact Statement (EIS) currently being conducted by the BIA and Navajo Nation.

One of the main challenges to developing housing in the Former Bennett Freeze Area is the extension of power lines into this undeveloped part of the Navajo Nation. Each mile of power line extension is very costly and time consuming, and could take years before we see significant development. In an effort to seek alternative development of electric power generation, Council members toured an area of Camp Pendleton to see off-grid technologies capable of powering large-scale development. Officials with the Navajo Housing Authority will also tour the site to determine if this technology could be partnered with NHA's current plans for housing development.

The Office of the Speaker will continue to seek partnerships with the Nation's enterprises and subsidiaries to promote development in the Former Bennett Freeze Area.

Síhasin Fund Subcommittee

On August 28-29 the Síhasin Fund subcommittee invited several Navajo Nation Divisions and Departments to discuss the proposed expenditure/investment plan for the Síhasin Fund. It is quite apparent that the many needs of the Navajo Nation far exceed the amount of funds in the Síhasin Fund. Following numerous meetings and work sessions with Navajo Nation officials, chapter officials, and other organizations that included recommendations from seven public hearings that were held in 2014, the first phase of an expenditure plan was introduced to address crucial water and wastewater needs of the Nation.

In August, the Naabik'iyátí' Committee approved an investment policy that allowed the Nation to invest the settlement funds into a diversified portfolio that includes stocks, bonds, real estate, and other investment vehicles that have led to a return on the Nation's investment.

The Nation's investors have explained that due to the volatility of the stock market, the settlement funds have been invested in increments of \$50 million per month since the investment policy was approved in August. To date, the Nation has invested approximately \$200 million in the stock market and will continue doing so until the entire amount is invested or until an expenditure plan is approved by the Council.

The legislation puts forth an expenditure plan entitled "Bulk Water & Wastewater Development Expenditure Plan," a joint proposal submitted by the Navajo Tribal Utility Authority and the Navajo Nation Water Management Branch that lists over 40 projects that target five interrelated project categories including:

1. The establishment of bulk water capacity and the treatment and transmission of that bulk water to the delivery systems.
2. The improvement of existing water systems through renovation, upgrade, and capacity increase to accommodate the delivery of new bulk water.
3. The construction of new plants, as well as the upsizing or replacement of existing plants, to process new bulk water.
4. The development and construction of bridge water projects, such as new groundwater wells, to bridge the capacity until the larger capacity reaches certain areas that are farthest from the bulk water sources.
5. The interconnection of lines that will network water systems together to move water from system to system and eventually create the flow path to move bulk water to the farthest reaches and isolated communities.

The proposed legislation states that NTUA would receive approximately \$85 million and the WMB would receive approximately \$16 million over the five-year period to complete the projects. Additionally, the legislation states that NTUA will repay its funding to the Navajo Nation through a loan agreement that would require the approval of the Council's Budget and Finance Committee.

Some concerns have been brought forth from constituents concerning the end result of connecting homes

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to waterlines. The Indian Health Service (IHS) Sanitation Facilities Construction (SFC) Program Public Law 86-121 is partnered with tribal government to construct essential sanitation facilities. Through this program IHS identifies and reports the sanitation needs through a Sanitation Deficiency System (SDS) list. The first phase of funding will contribute to the IHS SDS list to serve homes that have not been connected to waterline system. Building a foundation is essential in getting the bulk water main transmission to fix, repair, and intertie some of the existing systems to move water across Navajo. Engineers and technical support from the Water Management Branch, Navajo Tribal Utility Authority, and Indian Health Services Sanitation Facilities Construction have developed the strategic plan.

The initial phase of the Síhasin Funds is critical for not only Navajo families who lack the basic needs such as water, but it also creates a foundation for economic development, community development, and serving the needs of hospital facilities and educational facilities at the capacity required.

Energy

The Navajo Nation, through our Carbon Team, has submitted a position statement regarding the U.S. Environmental Protection Agency's Clean Power Plan. Our Carbon Team is comprised of representatives from the Office of the Speaker, Office of the President and Vice President, Navajo Nation EPA, Navajo Nation Division of Natural Resources, Navajo Nation Department of Justice, Navajo Transitional Energy Company, LLC, Navajo Tribal Utility Authority, and others. Our position is outlined in three main focal areas.

The first of which is our preferred approach, which is to reaffirm our stance to the U.S. EPA that the federal implementation plan for the Navajo Nation is not necessary or appropriate. This has been our position throughout the public input stage and throughout our government-to-government consultations with the U.S. EPA. This position is supported by the shut down of three of five power units at the Four Corners Power Plant and plans to reduce production by one-third at the Navajo Generating Station. This reduction in power generation represents millions of dollars in revenues that the Navajo Nation utilizes in serving the critical needs of our people as well as hundreds of our Nation's highest paying jobs. By advocating to the U.S. EPA that it is not necessary or appropriate to implement this federal plan, we may also not be able to take advantage of the renewable energy incentives built into the Clean Power Plan.

The second approach is to advocate for the Navajo Nation to be able to take advantage of these renewable energy incentives and still deem the federal plan unnecessary and inappropriate. Should the U.S. EPA agree to this recommendation, it would allow the Navajo Nation to develop renewable energy projects, which would assist other jurisdictions in meeting their implementation plan. Such an approach may provide incentives for energy companies to enter into power purchase agreements with Navajo sponsored projects. Currently, the Navajo Nation is at a disadvantage when it comes to renewable energy development as witnessed by the failed power purchase negotiations we have experienced so far.

Should the U.S. EPA determine that the federal implementation plan for the Navajo Nation is necessary or appropriate, the Nation may then request the U.S. EPA to develop a plan that is tailored to the unique circumstances of the Navajo Nation. The current federal plan was drafted with the notion that all U.S. juris-

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dictions impacted by this plan should be treated equally. Due to the unique circumstances of the Navajo Nation, this notion puts us at a great disadvantage and threatens to impact our Nation to a greater degree than any other jurisdiction.

The Nation urges the U.S. EPA to consider the enormous financial burden that would be placed on our Nation and invite them once again through government-to-government consultation to give true merit to our unique circumstance. It is only through thorough consultation that we can begin to implement a plan that will allow our Nation adequate time to transition to other energy sources to continue to meet the critical needs of Navajo people, while doing our fair share to cut carbon emissions.

Navajo Transitional Energy Company, LLC

The Navajo Transitional Energy Company, LLC has announced that it will proceed with an option to acquire 7% of the Four Corners Power Plant from El Paso Electric. El Paso Electric had announced in 2013 that it would be exiting the partnership of the Four Corners Power Plant to pursue other options. This opportunity further solidifies the Navajo Nation's position as a leader in Indian Country for energy development. NTEC expects to finalize this acquisition by July of 2016.

Maintaining ownership interest in the Four Corners Power Plant will allow the Navajo Nation a greater voice in the ongoing operations of the Plant, as well as to participate in ownership decisions that impact the Navajo Nation.

State Task Force

The Navajo Nation Council's State Task Force has met on numerous occasions with top officials from Utah, New Mexico, and Arizona in anticipation of our tribal consultation meetings with the governors of each state. The challenges at the state level have a common thread that includes energy, water, transportation, education and state funding. While these are broad issues, the task force has identified particular areas of focus within the education and state funding arenas.

In regards to Utah, the task force is focused on funding for Senate Bill 33,



Photo: Speaker LoRenzo Bates addressing the 52nd Arizona State Legislature at the State Capitol on January 19, 2016.

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which was passed but not funded in the last legislative session. We anticipate a couple million in funding to assist our Utah schools in hiring more teachers for our students that are falling behind the rest of the state in their core curriculum.

Our lobbying efforts in New Mexico will focus on the Capital Outlay funds, which are in jeopardy of being reverted to other tribal projects. Navajo Nation officials have met on a weekly basis to seek solutions so that collectively, we can present a strong message to the New Mexico legislators.

Arizona efforts have focused on a bill sponsored by Arizona Senator Carlyle Begay, which may outline a path forward for the Navajo Nation to receive state tax dollars generated within the territorial boundaries of the Navajo Nation through the Transaction Privilege Tax. The TPT generates millions on an annual basis that could assist with the Navajo Nation's capital projects within the Arizona portion of the Navajo Nation.

New Mexico Capital Outlay

The Office of the Speaker was made aware of possible issues with Capital Outlay appropriations from the State of New Mexico for Navajo chapters in New Mexico. Furthermore, I was made aware that such appropriations would be a matter of discussion and scrutiny during the ongoing 2016 New Mexico Legislative Session.

The cause for concern among state leaders results from uncertainty or lack of information regarding the status or activities of the Capital Outlay appropriations. Another matter surrounds the need to assist chapters and communities to fully understand the complexities of the New Mexico Capital Outlay Process.

Since June of 2015, the Office of the Speaker has reached out and worked with various stakeholders on the New Mexico Capital Outlay issue. I thank N.M. Rep. Sharon Clahchishchilliaage and Council Delegate Leonard Tsosie for coordinating meetings with elected officials at the county and state levels, chapters, communities, various NN programs, the Office of the Speaker and the Office of the President and Vice President. The meetings conducted allowed for those involved to provide input, comments, and updated information to formulate a coordinated strategy moving forward. The strategy is to identify outstanding issues with Capital Outlay projects and to address Capital Outlay priorities for the New Mexico Legislative Session.

Additionally, all entities are required to comply with New Mexico Governor Susana Martinez's Executive Order 2013-006 to gain approval for projects. The purpose of the Executive Order is to require all state/tribal agencies to have suitable accounting methods and procedures and this is determined by each entities latest version of federal annual single audit.

The Navajo Nation has submitted FY2012, FY2013 and FY2014 for its annual review by the state and it was determined that the Navajo Nation needs to implement a corrective action plan (CAP) for eight (8) material weaknesses and findings as identified by the annual audit. Having said this, it is imperative that programs and standing committees address audit issues.

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To address these issues there may be a need to amend laws or policies concerning the following: CIP Policy and Procedures, Procurement Code, Annual Budget Instruction Manual, Title 26 - Community Land Use Plan, RE-instate Navajo Nation and State Coordination Policy, Block Grant funding to Navajo Nation, Built capacity at program level for Management and Technical Assistance, Restructure or Reorganize OOC and OMB.

These are some recommendations for committees to consider. The State Task Force and other Council members will continue to meet with key state officials and continue to advocate for solutions that will secure funds for our Nation and resolve issues moving forward.

Fire and Rescue Services - San Juan County, New Mexico

Discussions continue between the Navajo Nation and San Juan County, New Mexico regarding Fire and Rescue/EMS Services with both parties participating in negotiations on a transition plan. Meanwhile, San Juan County continues to provide services for Navajo communities including Newcomb, Shiprock, and Ojo.

On October 14 -15, the Navajo Nation Fire and Rescue Department and San Juan County officials met with San Juan County Fire and Rescue volunteers in Shiprock, New Mexico. The purpose of the meeting was to provide volunteers with information on the decision made by the Navajo Nation to assume the responsibility of Fire and Rescue Services for the three communities. The Navajo Nation indicated that 15 positions had been budgeted for the three locations. In November of 2015, the 15 positions were posted on the Navajo Nation's Department of Personnel Management's website.

On November 30, both parties met to discuss details of the transition of services. San Juan County provided documents to the Navajo Nation including a task sheet developed to determine responsibilities of both parties to complete the transition. It was determined that a draft agreement would be developed which would be forwarded to the Navajo Nation in order to meet the transition date of April 1, 2016. Officials also discussed whether there would be a process to transition volunteers to serve under the Navajo Nation Fire Department from San Juan County. San Juan County indicated they would provide a complete inventory of the facilities, vehicles, radios, and equipment to the Navajo Nation.

In working toward a transition the Navajo Nation has to consider tasks that need to be completed. The Navajo Nation will need medical and pharmacy direction as San Juan County Fire Department will be required to pull all drug and medical supplies as they are tied to San Juan County's Pharmacy licensure. Navajo Nation will need to pursue EMS funding from the state.

All bills will need to be transferred to the Navajo Nation including electric, water, gas, phones, internet service, etc. Radio communication channels will need to be set up, or agreements need to be established by the Navajo Nation with the communications authority. The Navajo Nation will also have to consult with the Insurance Service Organization (ISO) to inform them of the change in service which will likely result in the need for a new public protection classification evaluation for the three fire stations.

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San Juan County has since provided a draft agreement for the Navajo Nation to review. The Navajo Nation Division of Public Safety indicated that the Navajo Nation Department of Justice was reviewing the document. San Juan County indicated they were near completion of the inventory list. All other tasks to be completed by both parties remain in progress and April 1, 2016 remains the target date for transition. The Office of the Speaker has been part of the discussions and will continue to monitor the issue.

Sacred Sites Task Force

The Naabik'yáti' Committee's Sacred Sites Task Force continues to meet with medicine people, attorneys, and others to address ongoing issues that are important to Diné culture and tradition.

Task force members met with the Navajo Nation Historic Preservation Department and received a report regarding the proposed construction of Bluff Elementary School on a site that may have Navajo sacred archeological items and human remains. According to Utah Indian Education Commission member Melinda Blackhorse, when the community was made aware of the issue, the Commission was directed to work with the NNHPD to gather information and data to develop recommendations regarding the site.

The first step to addressing the matter is to ensure that the construction planning process ceases until a resolution has been reached and all impacted entities are informed. HPD will also look into the school districts' process in determining land status and archeological requirements.

The current recommendations that are being considered include: 1) Excavating the site 2) Mexican Water Chapter could withdraw land for the new school or 3) Resell the current land and buy new land in the Bluff, Utah area.

The Sacred Sites Task Force is still awaiting the outcome of the investigative report from the HPD, who will be conducting a site visit to verify the results of the survey and identify possible strategies and resolutions within the next month. The Sacred Sites Task Force will continue to monitor these issues and may consider legislative action that will support rectifying this issue.

Water Rights

Since the 23rd Navajo Nation Council has taken office, members have stressed the need to secure a water rights settlement for the Little Colorado River, evident by the "One Nation, One Voice" agreement which includes water rights as a top priority for each of the Nation's three branches of government.

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.

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On several occasions, members of Council have met with state and federal officials and have conveyed our willingness to return to the negotiating table to seek a settlement that is just and equitable for the Navajo Nation and our people. The Council is fully aware of the many concerns and complexities that will be a part of such a negotiation and we continue to move forward with enormous caution and prudence.

With much work ahead of us, I remain confident that my Council colleagues and I will seek a settlement that is fair and just for our people and our communities. In doing so, I welcome the public to engage their leaders in thoughtful discussions and also to submit comments should the settlement come before the Council in the form of legislation. Through the advocacy of Council members, we will continue to seek a solution that brings prosperity to our communities through water resources.

Navajo Indian Irrigation Project for Navajo Agricultural Products Industry

In late November, Council Delegate Alton Joe Shepherd, President Russell Begaye, and acting CEO of Navajo Agricultural Products Industry Lionel Haskie, and I met with the Director of the Bureau of Indian Affairs Mike Black, to further advocate for federal funding for the completion of the Navajo Indian Irrigation Project.

The NIIP resources resulted from an exchange of 110,000 acre-feet of water from the San Juan basin for the Chama Diversion Project, which was completed in 1976 to benefit of non-Navajos while the NIIP project remains incomplete to this day. During the November meeting, Delegate Shepherd and I emphasized that annual funding for NIIP construction has declined from \$25 million, to \$12.5 million, to a current low of \$3.3 million.

To date, NIIP construction remains only 75-percent complete and it is estimated that will cost over \$700 million to complete the project, which includes Blocks 9, 10, and 11 – each consisting of 10,000 acres of land.

I thank my Council colleagues for unanimously approving Legislation No. 0382-15 in December, which officially established the Navajo Nation's support of the efforts of Navajo Agricultural Products Industry to obtain funding from the federal government for NIIP.

At the conclusion of our November meeting, it was determined that the best course of action would be to establish a NIIP technical working group. Legislation will be forthcoming to do so in the coming weeks. In February, we will once again meet with federal and NAPI officials to work toward securing funding.

Navajo Nation Council Chamber

On August 17, the Navajo Nation Design and Engineering Services (NNDES) began the process of securing a contractor to perform an assessment on the historic Navajo Nation Council Chambers.

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Upon the completion of the bidding process conducted by NNDES, Chavez-Grievies Engineering Consultants was selected to complete the initial assessment. NNDES began negotiating an engineering contract.

On January 19, a contract was drafted and is currently in the 164 review process. Upon securing all the required signatures, the consulting company will begin the assessment that is anticipated to take approximately 3 months to complete.

In regards to funding, the National Trust Preservation Funds, Federal Financial Assistance for Historic Preservation Projects and Tax Incentives for Preserving Historic Properties each have a unique set of criteria and deadlines. Federal grants are competitive and staff with the Office of the Speaker will continue to work diligently to secure such grants. Many of the grants require assessments to be completed and matching funds to be secured as well.

Community Outreach

During the 2015 holiday season, the Office of the Speaker participated in several community outreach activities on behalf of the Navajo Nation Council, such as donating frozen turkeys, fruits, and ribbon candy bags to senior centers, sending care packages to Navajo men and women, and collaborating with the Red Nation organization to collect winter clothing items for homeless Navajo people in the Gallup, New Mexico area.

In November, with the assistance of personnel from the Navajo Area Agency on Aging, the Navajo Nation Council donated turkeys to senior centers across the Navajo Nation for the Thanksgiving holiday. During the week of Thanksgiving, NAAA staff coordinated with the Office of the Speaker to deliver the turkeys.

In late November, the Legislative Branch sent care packages to over 50 Navajo men and women serving overseas in the Armed Forces. We were pleased to be notified that the packages, which included essential hygiene items as well as treats such as popcorn balls and pinons, began arriving overseas in December.

In the spirit of the holidays, members of the Navajo Nation Council delivered over 3,000 "goody bags" to senior centers across the Navajo Nation in December. Each center received approximately 50 bags for senior citizens, which contained apples, oranges, peanuts, and ribbon candy.

Members of Council, including the chairs of each Standing Committee, issued holiday messages in December to wish the public a safe and enjoyable holiday season and to ask the public to check on their elderly parents and grandparents during the winter season. The messages aired on local radio stations throughout



Photo: Council Delegate Otto Tso passes out "goody bags" to Navajo elderly at the Tó Nanees Dizi Chapter in Dec. 2015.

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the Christmas season.

In January 2015, the Office of the Speaker began working with the "Red Nation" organization and community members to combat violence, discrimination, and exploitation of Native American people in the community of Gallup through an initiative known as "No Dead Natives." This season alone, six Native Americans have died of exposure in the Gallup area.

The group collaborates with the Immediate Action Group in Gallup to provide necessities to homeless individuals such as winter clothing and non-perishable food items.

The Navajo Nation Human Rights Commission has worked with the "Red Nation" organization to bring awareness of homelessness to the Navajo Nation. NNHRC commissioner Dr. Jennifer Denetdale provided information from her research regarding violence, discrimination, and homelessness of Navajo people in Gallup.

According to the report, the city of Gallup has 39 active liquor licenses that generate approximately \$35-40 million in liquor sales each year. Sales derive primarily from customers that are Native American. The report also states that pawnshops regularly participate in unfair payout and financing practices, and operate high-interest predatory lending schemes that specifically target Native Americans.

The Office of the Speaker continues to aid the organization with the winter clothing drive, and have set up drop-off locations at the Legislative Branch. Meetings between the group and Council members have been scheduled to begin developing solutions to end homelessness and prevent future exposure deaths.

The Red Nation and Immediate Action Group provided a report on the "No Dead Natives" initiative to the Naabik'iyáti' Committee on Jan. 21 to further educate Council members regarding homeless issues affecting Navajo people in Gallup.



Photo: Red Nation co-founder Melanie Yazzie presenting the "No Dead Natives" report to the Naabik'iyáti' Committee on Jan. 21, 2016.



Photo: Tyler Woody, originally from Rock Springs, New Mexico, receiving his care package while serving his one-year tour of duty in Iraq with the U.S. Army.

For more information on participating in the "No Dead Natives" campaign, you may contact The Red Nation organization at contact@therednation.org or you can visit the website at www.therednation.org.

The Council and public is encouraged to donate winter clothing and non-perishable food items, which can be dropped off at the Office of the Speaker or the Navajo Nation Museum in Window Rock, Arizona.

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Bond Financing Agreement

In November of 2015, officials with the Navajo Nation finalized a historic bond financing agreement that took decades to develop. Members of the Navajo Nation Council were in attendance as Navajo officials and KeyBanc Capital Markets signed the agreement that allows the Nation to authorize the issuance of bonds on the open market for the first time in history.



Photo: Members of the Navajo Nation Council, Acting Controller Robert Willie, and officials from KeyBanc Capital Markets following the signing of a bond financing agreement on Nov. 16, 2015.

I thank members of the Bond Negotiating Team – Delegates Tom T. Chee, Benjamin Bennett, Nelson S. Begaye, and Raymond Smith, Jr. – for negotiating on behalf of the Nation, along with members from the Budget and Finance Committee and our Nation's investors. I also extend my appreciation to the Navajo Nation Council for approving the measure through legislation sponsored by Delegate Alton Joe Shepherd.

The Bond Negotiating Team met with KeyBanc officials on numerous occasions over several months to negotiate and develop the final terms of the agreement. The terms of the agreement were carefully evaluated prior to the finalization.

For years and decades, our Nation's leaders have discussed ways of financing critical projects within our communities and by finalizing the bond financing agreement, it creates another avenue and additional financial leverage to fund such projects.

The finalized deal will allow the Navajo Nation to refinance a \$60 million loan, which was used along with stimulus funds from the American Recovery and Reinvestment Act in 2010 for the construction of public safety and judicial complex facilities across the Nation including the communities of Kayenta, Tuba City, Crownpoint, Ramah, and others.

Those who support the initiative agree that the issuance of bonds on the world market diversifies the Nation's financial portfolio. Bond financing has become a topic of discussion and consideration for the Síhasin Fund subcommittee members as they continue to determine how best to fund potential projects that will grow our communities.

On November 5, KeyBanc Capital Markets priced the Nation's General Obligation Refunding Bonds totaling \$52.9 million, carrying a BBB+ credit rating from the S&P. According to KeyBanc officials, the bonds were "well received" by investors. The Navajo Nation currently carries an overall "A" credit rating and by diversifying the Nation's financial portfolio it creates opportunity to improve the rating.

This landmark agreement will provide options for our Nation's leaders for years to come and it is our hope that it will develop into a stronger tool to build our communities for decades to come.

First Quarterly Report Program Summaries Fiscal Year 2016

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 three branch chiefs. As a part of the governance, the major accomplishments of ONGD are listed below.
- The ONGD and the Commission on Navajo Government Development (CNGD) hosted 17 listening sessions in fiscal year 2015. There was public input and recommendations from the Navajo people on the current Navajo government structure, and initiatives were gathered during the listening sessions. Public comments were analyzed and presented to the ONGD.
- 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 will gather information surveys and comments on the proposed regions. In December 2015, the ONGD hosted public education sessions at 11 chapters/communities.
- 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 nine chapters. The chapters requested ONGD's 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 will request for supplemental funds.

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Office of the Auditor General

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The Office of the Auditor General is responsible for conducting internal audits of Navajo Nation programs, departments, chapters, entities and vendors in accordance with the "One Nation, One Voice" governance priorities of the Navajo Nation.

Accomplishments - Completed nine (9) internal audits, LGA review, corrective action plan follow-up review and investigation as follows:

- Report 16-01 Fort Defiance Chapter LGA Review
- Report 16-02 Ramah Navajo Utility Authority Cash Receipts Special Review
- Report 16-03 Naa'tsis'aan Chapter Corrective Action Plan Follow-up Review
- Report 16-04 St. Michaels Chapter Corrective Action Plan Follow-up Review
- Report 16-05 Rock Springs Chapter Corrective Action Plan Follow-up Review
- Report 16-06 Low Mountain Chapter Corrective Action Plan Follow-up Review
- Report 16-07 Mexican Springs Chapter Corrective Action Plan Follow-up Review
- Report 16-08 Kaibeto Chapter Corrective Action Plan Follow-up Review
- Report 16-09 Oak Springs Chapter (former employee) Fraud Investigation

Goals (2nd Quarter ongoing projects and activities):

- Whitecone Chapter Cash Receipts Special Review
- Becenti Chapter Corrective Action Plan Follow-up Review
- Whitehorse Lake Chapter Corrective Action Plan Follow-up Review
- Mariano Lake Chapter Corrective Action Plan Follow-up Review
- Dilkon Chapter Finances Special Review
- Upper Fruitland Chapter Finances Special Review
- Accounts Payable Duplicate Payment Special Review
- Contingency Management Fund Special Review
- Tribal Parks Special Review
- Water Resources Special Review
- Parks and Recreation Department Corrective Action Plan Follow-up Review
- Tribal Ranch Program Corrective Action Plan Follow-up Review
- Ramah Navajo Utility Authority Corrective Action Follow-up Review
- Fraud Investigations of two chapters
- Revisits of six sanctioned programs/ chapters: Navajo Area Agency on Aging, Workforce Development, Sawmill Chapter, Red Valley Chapter, Shiprock Chapter, Teec Nos Pos Chapter

Issues

- Lack of auditors to conduct surprise audit of chapters

- Lack of auditors to conduct performance audit of Navajo Nation programs and departments
- Lack of auditors to conduct follow-up reviews of programs and chapters corrective action plan implementation

Navajo Nation Ethics and Rules Office

Contact Person: Vernon J. Roanhorse, *Executive Director*

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Section One: Accomplishments from 1st Quarter FY-2016

- Started work sessions to authorize the revision of Title 2 N.N.C. §§ 3741-3793 of the Navajo Nation Ethics in Government Law to revamp the existing law and update all statutes and reorganize the Standards of Conduct for elected officials of the Navajo Nation.
- Started corroboration to work and develop legislation and law with the Center for Public Integrity with Columbia Law School, to work on certain issues related to the Navajo Nation Ethics in Government Law.
- Started to work with Executive Director of New York City Conflicts of Interest Board to develop new plans and to implement new changes in the Navajo Nation Ethics in Government Law and Standards of Conduct for Navajo government officials.
- Started a working relationship with Arizona State University Law School to revise and update the Professional rules of Conduct for the Navajo Nation Bar Association and the Navajo Nation Ethics and Rules Office.
- Prosecution of fraud, embezzlement and theft cases referred to the ERO from chapters and Navajo Nation Government entities on file with the Office of Hearing and Appeals.

Section Two: Goals for 2nd Quarter

- To continue to revise and establish new Title 2 laws pertaining to the Ethics and Rules Office.
- Title Two of the Navajo Nation Code at 2 N.N.C. §§ 3741-3793 and the Regulations and Standards of Conduct is being overhauled and amended at this time through the Law and Order Committee and the Resources and Development Committee.
- Transfer the Navajo Nation White Collar Unit to be placed under the Ethics and Rules office to exercise criminal prosecution, and to revamp and develop that authority under Title II in the next quarter with work sessions to be held with the Law and Order Committee and the Resources and Development Committee

Section Three: Issues/Recommendations

- Continue to utilize the authority of the ERO to call upon the Navajo Nation Law Enforcement, Division of Criminal investigations, The Navajo Nation Prosecutor, The Navajo Nation Special Prosecutor, The Navajo Nation Department of Justice, The Navajo Nation Judicial Branch, and other essential divisions of the Navajo Nation for assistance, information, records, reports to assist in investigations to civilly prosecute and collect on existing judgments and orders involving existing money owed to

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the Navajo Nation.

- Continue to submit referrals for prosecutorial assistance and or prosecution to the United States Governmental offices: The Federal Bureau of Investigations the Office of the Inspector General, Internal Revenue Service, The United States Attorney's Office, and other applicable agencies including state governmental offices.
- Continue to seek out all additional resources to prosecute case within the authority of ERO from educational institutions, governmental institutions and private organizations to provide training, assistance and expertise in prosecuting civil and criminal cases, and the collection of outstanding judgements.

Navajo Election Administration

Contact Person: Edison J. Wauneka, *Executive Director*

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Contact Email Address: navajoelections@navajo-nsn.gov

Section One: Accomplishments from 1st Quarter

- Established Early Voting Sites in New Mexico for Navajo Nation voters
- Established Filing Deadlines For Existing Elected Position Vacancies
- Approved Policy against the Use of Voter Registration Lists for Purposes other than Voting; Voter Registration shall not be a requirement for Student Financial Assistance and Scholarship Awards and Other Public Entitlement
- Conducted Voter Registration and Education Drives at Northern and Western Agency Fairs
- Testified at New Mexico Secretary of State Public Hearing regarding State Laws Affecting Native American Voters
- Working on the next phase of Navajo Nation Voter Registration Database
- Prepare for 2016 State Elections with Arizona and New Mexico counties
- Working on Navajo Nation School Board Apportionment
- Providing Assistance to Chapter regionalization Task Force

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 Nation Labor Commission

Contact Person: Anslem Bitsoi, *Executive Director*

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Contact Email Address: art_bitsoi@yahoo.com

Section One: Accomplishments from 1st quarter

- Efficient use of allocated funds, NNLC held fifteen (15) evidentiary hearings
- NNLC and program timely processed two (2) appealed NNLC cases to Navajo Nation Supreme Court
- NNLC program timely processed one (01) formally filed complaint
- NNLC timely adjudicated fifteen (15) NPEA cases
- NNLC and program timely closed and issued eight (8) orders
- NNLC and program timely issued and mailed eight hundred (800) 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 (135) pending NPEA cases
- NNLC program made five (5) audio copies at parties' request

Section Two: Goals for 2nd Quarter

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

Section Three: Issues/Recommendation(s)

- 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 Human Rights Commission

Contact Person: Leonard Gorman, *Executive Director*

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Section One: Accomplishments from 1st quarter

- Public Hearing on Border Town Employment Issues: Conducted public hearing at Gallup, NM on

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- December 9, 2015. The purpose of the public hearings was to assess employment issues in Gallup.
- Conducted Interviews with USDOJ: Visited the Navajo Utah chapters and assisted U.S. Department of Justice to interview 91 individuals regarding San Juan County implementing mail-in balloting. NNHRC requests San Juan County to withdraw the mail-in balloting system because it discriminates against Navajos that require assistance casting a ballot.
 - Conducted Radio Forums: In an effort to educate Navajo citizens on their human rights, radio forums were held at Gallup's KGAK and Navajo Nation's KTNN. The topics addressed were employment issues in border towns and consumer protection.
 - Solicited data from border towns: The commission selected four border towns to assess employment issues. Data collection involves number of positions available and the current demographics of employees.
 - Presented before Inter-American Commission on Human Rights: Navajo delegation consisting of Navajo Human Rights Commission, Navajo Historic Preservation Department, and University of Arizona, presented to the Inter-American Commission on Human Rights regarding the protection of the San Francisco Peaks. San Carlos Apache and Laguna Acoma presented on Oak Flats and Mount Taylor, respectively.
 - Reviewed Citizen Complaints: The office received 12 new complaints during the first quarter of FY2016. 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.

Section Two: Goals for 2nd Quarter

- Consumer Credit Seminar: Navajo citizens continue to request seminar on consumer credit and predatory auto sales and small loans.
- Pool potential plaintiffs: The commission is working with Navajo DOJ to assess Navajo consumer concerns and develop plan(s) to bring action against lenders.
- Conduct Seminar on LGBTQ: The commission will approve its report on violence against Navajo women and gender violence. Life way principles will be adopted, 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 border towns.
- Continue Assessment Data: Continue to collect data from border towns.
- Continue Receive Complaints: Navajo citizens file complaint about race discrimination and human rights violations.
- Ensure San Juan County voting rights is addressed: The school board and county commission redistricting plans are adopted for use in 2016 elections.

Section Three: Issues/Recommendations

- Subcommittee on Sacred Sites: There are several issues requiring attention by the subcommittee, specifically the international repatriation of Navajo sacred objects. There is strong need to work with U.S. Department of State and Interior, international bodies and organizations to initiate prohibit the sale of Navajo sacred objects in other countries.

- Consumer Protection: Navajos are preyed on by certain auto dealers in the border towns. Unfortunately, certain Navajo agencies are engaged in working with these auto dealers by advertising for them and/or use them as sponsors of Navajo entity events; in turn, the auto dealers express to Navajo consumers that they help the Navajo agencies and Navajo people, while in reality they are perpetuating poverty among Navajo families.

Eastern Navajo Land Commission

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Section One: Accomplishments from 1st quarter

- Commission planning work session identify top priorities (1: NELI/NIIP Project; 2: Resolving FWAD; 3: Oversight of Navajo Land Buy-Back Program).
- Conducted two Govt-to-Govt (G2G) meetings with USDOJ on efficient implementation of the Navajo BBP to: Resolve "structures" on allotments to be included; resolve 45-Day offer period by doing two "waves" of offers, instead of one wave; take action with a resolution requesting RDC to allow for amendments to the NN Homesite Leasing Policy the treatment of existing homesites on allotment lands converted to tribal trust after the sales.
- The Navajo BBP sponsored more than 50 outreach meetings providing information to nearly 7,000 attendees. 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 2nd Quarter

- Resume talks on the NELI/NIIP Project with the New Mexico Congressional Delegation.
- Open discussion with the U.S. DOD regarding future use of the FWAD for missile launches.
- Continue oversight of the Navajo BBP to conclude the Pre-Offer outreach activities and gear up for the Offer packages in the mail that maybe be sent to 20,000 plus allotment owners. Increase a greater informative outreach effort by radio, print media, and social media.

Section Three: Issues/Recommendations

- Continue to work with the Office of the Controller in resolving constraints on the "temporary" nature of the Navajo BBP so operations can be conducted more efficiently.

Navajo Utah Commission

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Section One: Accomplishments from 1st quarter

- The Navajo Utah Commission obtained \$245,000 in FY2016 non-chapter Utah Navajo Revitalization Fund (NRF) appropriations to finance labor cost for housing projects at the seven Utah chapters.
- The Navajo Utah Commission secured \$100,000 in FY2016 non-chapter Utah Navajo Revitalization Fund (NRF) appropriations to serve as matching funds for the \$500,000 in UUFB allocated for the Teec Nos Pos Chapter Renovation Project. NUC is also contributing an additional \$61,800 for the project from a previous NRF grant.
- The Navajo Utah Commission (NUC) and the Aneth Chapter worked with the Navajo Housing Authority to complete construction of subdivision streets for the NUC-sponsored and NAHASDA-financed Aneth "23 Units" Housing Project.
- The Navajo Utah Commission completed five housing units financed by the Utah Olene Walker Housing Loan Fund (OWHLF) at five chapters during the 1st quarter. The project provided a new housing unit for five families and employment for 31 individuals.
- The Navajo Utah Commission worked successfully with the Utah American Indian-Alaskan Native Education Commission and Utah Native American Legislative Liaison Committee (NALLC) in identifying issues, proposing recommendations, and crafting legislation to address the achievement gap in education for Native Americans. Proposed legislation will appropriate \$2 million to recruit/retain good teachers and establish administrative service centers for Utah schools serving Native Americans.

Section Two: Goals for 2nd Quarter

- The Navajo Utah Commission will work with the seven Utah chapters, the Navajo Nation, and the Utah Tribal Leaders Council in lobbying the Utah Legislature and Office of the Governor in seeking support and passage of legislation addressing the Native American education achievement gap during the 2016 Utah Legislature.
- The Navajo Utah Commission will work with new Utah lobbyist hired by the Navajo Nation in addressing other legislative issues including education, transportation, public lands, Bluff Elementary School site issue, and tribal-state consultation.
- The Navajo Utah Commission will work with Utah chapters in seeking labor reimbursements for housing projects completed at Utah chapters from the Utah Navajo Revitalization Fund grant appropriated for this purpose.
- The Navajo Utah Commission will be requesting \$100,000 from the 2016 non-chapter Utah Navajo Revitalization Fund (NRF) appropriations for the Aneth Chapter Warehouse & Transit Bus Storage Facility Project.

Section Three: Issues/Recommendations

- The Navajo Utah Commission has a limited operating budget that sometimes impact productivity and responsiveness. Additional meetings, work sessions, and training are sometimes necessary to address significant issues impacting Utah chapters. The Navajo Utah Commission is also dependent on external funding to keep NUC Office properly equipped and supplied. A supplemental allocation is recommended to keep the NUC properly engaged and attentive to matters important to Utah chapters.

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23rd Navajo Nation Council Standing Committees, Subcommittees, Task Forces, and Commissions

Council Standing Committees

Resources and Development Committee

Alton Joe Shepherd Leonard H. Pete
Benjamin L. Bennett Walter Phelps
Davis Filfred Leonard Tsosie

Law and Order Committee

Edmund Yazzie Otto Tso
Raymond Smith, Jr. Jonathan Perry
Kee Allen Begay, Jr.

Health, Education, and Human Services Committee

Jonathan Hale Nathaniel Brown
Norman M. Begay Amber Kanazbah Crotty
Nelson S. BeGaye Herman Daniels, Jr.

Budget and Finance Committee

Seth Damon Tom T. Chee
Dwight Witherspoon Tuchoney Slim, Jr.
Mel R. Begay Lee Jack, Sr.

Subcommittees and Task Forces

Naabik'iyáti' Committee - Arizona Gaming Subcommittee

Alton Joe Shepherd Tuchoney Slim, Jr.
Jonathan Hale Otto Tso
Walter Phelps Dwight Witherspoon

Naabik'iyáti' Committee – Sacred Sites Task Force

LoRenzo Bates Jonathan Perry
Davis Filfred Otto Tso
Jonathan Hale Dwight Witherspoon

Naabik'iyáti' Committee – State Task Force

Kee Allen Begay, Jr. Herman Daniels, Jr.
Mel R. Begay Davis Filfred
Nathaniel Brown Jonathan Hale
Tom T. Chee Walter Phelps
Seth Damon

Naabik'iyáti' Committee – Title II Reform Subcommittee

Alton Joe Shepherd Davis Filfred
Norman M. Begay Jonathan Perry
Tom T. Chee Tuchoney Slim, Jr.
Amber Kanazbah Crotty Otto Tso
Seth Damon

Naabik'iyáti' Committee – Síhasin Fund Subcommittee

Leonard Tsosie	Mel R. Begay	Seth Damon	Jonathan Perry
Nelson S. BeGaye	Nathaniel Brown	Davis Filfred	Walter Phelps
Kee Allen Begay, Jr.	Tom T. Chee	Lee Jack, Sr.	Otto Tso

Commissions

Eastern Navajo Land Commission

Leonard Tsosie
Norman M. Begay
Seth Damon
Jonathan Perry
Edmund Yazzie

Utah Navajo Commission

Nathaniel Brown
Herman Daniels, Jr.
Davis Filfred

Navajo-Hopi Land Commission

Walter Phelps
Kee Allen Begay, Jr.
Lee Jack, Sr.
Alton Joe Shepherd
Tuchoney Slim, Jr.
Raymond Smith, Jr.
Otto Tso
Dwight Witherspoon