Speaker’s Report
2016 Fall Council Session

LoRenzo Bates
23rd Navajo Nation Council

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23rd Navajo Nation Council
Fall Council Session
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Yá’át’ééh and welcome 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, to our Diné Citizens. Thank you for joining us as we welcome you to the opening of the 2016 Fall Council Session.

As the traditional Navajo New Year has begun, we must remind ourselves that with the renewal of the seasons, the presence of change remains constant, and no year is identical to any that have come before. In fact, as change occurs, new challenges arise and we must meet them with clear understanding and fortitude.

With those integral concepts in mind, the Navajo Nation will need to conform and begin shaping our planning based on developing issues that may impact our Nation and the services we provide to our Navajo people. In recognizing the challenges, the Council will need to begin planning for the Navajo Nation’s financial future before it potentially becomes a reality. The notion of “Nahat’á,” or planning and perseverance, is important during this critical time.

As you may be aware, New Mexico recently passed Senate Bill 8, which could potentially cut 23 capital outlay projects on the Navajo Nation, which totals a loss of approximately $2.3 million that belonged to our Nation’s projects. In addition, the Navajo Nation could be facing declining revenues due to the lowering cost of coal, oil, and natural gas, which has resulted in a significant impact on our Nation’s budget, and affecting direct services to our Navajo people.

The future is never certain, and as leaders of the Navajo Nation, we need to remain mindful of these impending issues and continue to work towards completing the nine priorities that Council was tasked to achieve.

I commend my Council colleagues for their hard work in bringing forth legislations that contribute to the accomplishment of the priorities, such as increasing economic development, completing capital projects, improving water and sanitation services for Navajo communities, agricultural development, and many more.

With the start of the Navajo New Year, I am confident that the 23rd Navajo Nation Council will face the challenges head-on and we will complete the priorities we have set out to do.

In the following report, I provide our Diné Citizens and Navajo Nation leaders an overview of the progress and accomplishments of this Council. On behalf of the Council, I again thank our Diné Citizens and many others for your contributions and support.

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LoRenzo Bates, Speaker
23rd Navajo Nation Council
Little Colorado River - 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 (LCR) as a top priority for each of the Nation’s three branches of government.

The Council understands that 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 including water resources.

On September 20th, members of the Navajo Nation Council and Vice President Jonathan Nez, met with Hopi Tribal Chairman Herman G. Honanie and members of the Hopi Tribal Council to further discuss a proposed LCR settlement agreement.

During the meeting, members of both councils stated that they would remain committed to engaging in further discussions in order to reach an agreement that benefits both tribes, and allows the tribes to present a unified voice when negotiating with non-Indian stakeholders at the state level. Chairman Honanie and other Hopi Tribal Council members agreed with the need to move forward in a timely manner so that the process could proceed to the state level.

Officials from both tribes have met on several occasions to begin developing the framework to guide the negotiations, however, the September 20th meeting marked the first time that members of the current Navajo Nation Council met directly with leadership from the Hopi Tribe on the matter.

In previous meetings, officials determined that the tribes would proceed with the “Two Nations, One Voice” concept, meaning that the Hopi Tribe and the Navajo Nation would develop terms of an agreement prior to beginning negotiations at the state level.

I informed President Russell Begaye that legislation would be introduced to establish an official negotiating team for the Navajo Nation that will include members of the Navajo Nation Council. I also requested President Begaye to issue recommendations regarding the membership and establishment of the negotiating team.

We have conveyed the need for a settlement to members of Congress, and they support the ongoing efforts and have expressed support for such a settlement.

Officials from both tribes are expected to meet soon to discuss specific terms of a proposed agreement that would require approvals from both tribal councils and Congress. Moving forward, we will continue meeting with the Hopi Tribe to reach an agreement that is fair and beneficial for the Navajo Nation.
Síhasin Fund Subcommittee

A. Water Projects Expenditure Plan

On August 5th, the Budget and Finance Committee unanimously passed the Water Projects Expenditure Plan. The Síhasin Subcommittee successfully completed the first phase of the Navajo Nation Water, Wastewater, and SDS Projects/Water Project Expenditure plan. Under the facilitation from the Office of the Speaker and Síhasin Subcommittee chair Council Delegate Leonard Tsosie, the Navajo Tribal Utility Authority (NTUA), Indian Health Services (IHS), Water Management Branch (WMB), Office of the Controller (OOC), Office of Management and Budget (OMB), and the Navajo Department of Justice (NDOJ), collectively completed preliminary steps to implement the Water Projects Expenditure Plan.

B. Navajo Tribal Utility Authority - Loan Agreement

The Bulk Water and Wastewater Development Expenditure Plan legislation includes funds designated for NTUA, pursuant to a loan agreement consistent with terms set forth in the legislation. A Fund Management Plan (“FMP”) is required to administer and account for the funds received by NTUA. The FMP can be attached or incorporated into the loan agreement.

As of October 7, the NTUA loan agreement is at NDOJ for review. The NTUA Loan Agreement has been submitted to the OOC by NTUA, and when an agreement has been reached between OOC and NTUA, the loan agreement will be introduced through legislation and considered for review by the Budget and Finance Committee, who serves as the final authority on the contract.

C. Phase II - Economic Development

The Síhasin Subcommittee continues to meet on a monthly basis in various Navajo communities to discuss the second phase that will address economic development and begin an overview of proposed projects that were submitted to the Office of the Speaker.

Since April, the Síhasin Subcommittee received several proposals that included the Navajo Community Development Financial Institution (NCDFI), Navajo Nation Shopping Centers, Inc. – Glittering Mountain Project, NTUA, Department of Natural Resources, District 6 – Market and Economic Feasibility Study, Chinle Nursing Home, Tuba City Elder Care Services, Tuba City Cancer Care Center, Tonalea Housing Project, Navajo Nation Airports, and the Navajo Nation Telecommunications Regulatory Office.

Council Delegate Kee Allen Begay Jr. has expressed to the subcommittee the importance of public safety and has invited individuals from Piñon/Dził Yijin Public Safety and Judiciary Complex, Kayenta Judicial Complex, Blue Gap Police Substation, and Kaibeto Police Substation, to discuss their proposed projects.

Council Delegate Jonathan Perry has also enlightened the subcommittee of the proposed Crownpoint Well-
ness Center and Crownpoint hotel projects.

The status of each proposal vary, where seven require further review and seven were requested to return when community development has been addressed. Three have been introduced through legislation:

- **On September 27th**, Síhasin Fund Navajo Community Development Financial Institute Economic Development Expenditure Plan was introduced through legislation and sponsored by Council Delegate Otto Tso. The purpose of the resolution is to approve NCDFI Expenditure Plan to assist economic development initiatives in the form of loans to businesses or non-profit organizations owned by Navajo individuals, Navajo Tribal Enterprises, or Navajo chapters. The resolution will be considered by the Resources and Development Committee, Budget and Finance Committee, Naabik’iytá’í Committee, and the Navajo Nation Council.

- **On September 30th**, the Síhasin Fund Twin Arrows – Glittering Mountain Family Entertainment Center Economic Development Expenditure Plan was introduced through legislation and sponsored by Council Delegate Jonathan Hale. The resolution would approve funding for the construction and development of a Twin Arrows – Glittering Mountain Family Entertainment Center. The resolution will be considered by the Resources and Development Committee, Budget and Finance Committee, Naabik’iytá’í Committee, and the Navajo Nation Council.

- **On October 5th**, the Síhasin Fund Pasture Range and Forage Expenditure Plan was introduced through legislation and is sponsored by subcommittee chair Delegate Tsosie. The resolution would approve an expenditure plan that includes the establishment of the Agricultural Infrastructure Fund for participation in the USDA’s Pasture Rangeland and Forage Insurance Program. The Department of Agriculture will apply on behalf of the Nation, and the subsequent crop year’s insurance premiums will be used to fund agriculture infrastructure projects, including but not limited to: range, grazing, livestock; tribal ranches infrastructure; farming and irrigation; agriculture water development; dams, reservoirs and catchments; watershed planning for agriculture; agriculture complexes; drought contingency plan; area wide fencing; branch office and Navajo partitioned lands and former Bennett Freeze Area projects and includes administration costs.

### Permanent Trust Fund Five-Year Plan


Many of the Projects funded through the Five-Year Plan contribute to economic development, water development, community development, and agriculture. The projects include: Ganado Shopping Center, Naha-tadzil Shopping Center, Shonto C-Store, Shiprock Hotel and Restaurant, Dennehotso Retail Center, Shonto Retail and Hotel, Eastern Agency Economic Development Projects, Indian Wells Economic Development Projects.
Navajo Indian Irrigation Project for Navajo Agricultural Products Industry

On behalf of the 23rd Navajo Nation Council, I would like to extend my sincere appreciation to the representatives from the United States Office of Management and Budget (OMB) - Interior Branch, for taking the time to visit with Navajo Nation leadership and Navajo Agricultural Products Industry (NAPI) officials regarding the Navajo Indian Irrigation Project (NIIP). As I mentioned in previous reports, the NIIP continues to be a priority of Council.

First, I want to commend the Resources and Development Committee (RDC) for their tremendous effort in supporting the NIIP. RDC’s participation and input has helped NAPI focus on developing short-term goals, such as the completion of Block 9. The Office of the Speaker will continue to rely on the expertise of the committee and members of the Council as we move forward.

The Navajo Nation has historically voiced concerns of inadequate funding to complete Blocks 9, 10, and 11 of the NIIP. The completion of the NIIP would allow NAPI to farm additional acreage and provide economic development for the Navajo Nation.

On September 8th, a full-day tour of NAPI facilities were conducted between NAPI and OMB officials. The purpose of the site visit was to provide OMB a visual understanding of the NIIP infrastructure so that the Navajo Nation could show the concern and need for funding of the NIIP.

NAPI emphasized that additional funding is needed to sustain Operations and Maintenance (O&M) functions for the NIIP. NAPI anticipates the O&M cost of the Gallegos Pumping Plant will be undertaken by their Public Law 93-638 contract. The annual estimated O&M cost for the pumping plant is $1.4 million. NAPI is concerned that the 638 contract funding of $3.3 million is not adequate to take on the additional responsibilities. Other pumping plants and laterals will also be transferred in the near future.
On September 9th, Navajo Nation leadership met with OMB officials to further discuss NAPI’s short-term and long-term goals in completing the NIIP and emphasized the significance of securing additional funds for the O&M program. I strongly conveyed to OMB officials that the completion of Block 9 is a priority. This is the consensus of NAPI management, Office of the President and Vice President, Office of the Speaker, RDC and the 23rd Navajo Nation Council.

Furthermore, I want to stress that the responsibility for O&M of the NIIP infrastructure rests with the Bureau of Indian Affairs (BIA). NAPI currently has a contract with BIA to provide O&M, including replacement services on the NIIP water delivery systems. However, the funding does not include emergency services, which is necessary to operate the NIIP infrastructure. NAPI does not want to experience the recent events of the siphon breach, which negatively impacts the financial position of NAPI. The current total revenue loss is estimated at $11.3 million - this is based on non-production acreage that were not planted.

NAPI will provide an update to the Navajo Nation Council regarding the impacts of the siphon breach once the crop season is complete. Although NAPI continues to face many challenges, they continue to operate and provide employment for our Diné people.

**Inter-Agency Task Force on Rehabilitating the Former Bennett Freeze Area**

On behalf of the Inter-Agency Task Force, I want to reassure the nine communities impacted by the Bennett Freeze that the task force continues to focus their efforts on the recovery of the Former Bennett Freeze Area (FBFA). I also want to encourage communities to work diligently with the core team, referred to as the Inter-Disciplinary Team (IDT), in providing the necessary data to develop a comprehensive plan.

The task force consists of representatives from the Office of the Speaker Office, Office of the President and Vice President, Indian Health Services, Bureau of Indian Affairs, Navajo Tribal Utility Authority, Navajo Housing Authority and three members from Council - Delegates Walter Phelps, Otto Tso, and Tuchoney Slim, Jr. In addition, the IDT is the core group who are involved at the local level for the FBFA communities.

On September 16, the task force provided updates and discussed housing priorities among the nine chapters based on their Community Land Use Plan (CLUP). Two chapters were identified among the nine who have completed their CLUP at one-hundred percent, which were Tonalea Lake and K’ai’biitó. The remaining seven chapters have completed eighty-five percent or more of their CLUP.

The IDT have reached out to college students from Arizona State University and Northern Arizona University, who are currently assisting with FBFA planning strategies. The next step for the IDT is to evaluate all nine chapter’s CLUP to develop a comprehensive plan in rehabilitating the FBFA.

The intent is to complete the comprehensive plan by the end of Dec. 2016, which would then be used to educate and update the incoming federal administration and to begin strategizing our lobbying efforts.
Members of the task force and the IDT continue to collaborate in accomplishing one goal - to heal the communities who were affected by the Bennett Freeze. The next meeting will focus on the following assignments as progress moves forward:

- Scheduling the next task force meeting within the FBFA
- Continue working on a draft resolution for waivers within FBFA
- Identify completed tasks from all nine chapters; CLUP were due on 09/30/16
- Continue data collection to develop a final map using Google Earth Pro as CLUP’s are completed
- IDT and Tuba City will work on an evaluation of the chapter’s progress
- IDT will prepare a presentation for the Inter-Agency Task Force once all data has been collected

Although progress is moving gradually, I am pleased to see the entities work together. Any future meetings will be announced accordingly.

**Fire and Rescue Services - San Juan County, New Mexico**

As of the last quarterly report, the 23rd Navajo Nation Council was informed of discussions and negotiations between the Navajo Nation and San Juan County, New Mexico to continue fire and rescue services for the Newcomb (Dist. 13), Shiprock (Dist. 12), and Ojo Amarillo (Dist. 14) Fire Districts. Throughout the negotiations, San Juan County would continue to provide services for the 3 Fire Districts with the understanding that the Navajo Nation would make monthly payments to San Juan County in the amount of $67,500 until the end of the Navajo Nation’s Fiscal Year 2016 Budget, which was on September 30th.

The Navajo Nation has made monthly payments for April and May, made a combined payment for June and July, and the remaining amount for the months of August and September have been paid by a budget reallocation request through Legislation No. 0285-16. The legislation was approved by the Navajo Nation Council during a Special Session on September 21st, and executed by OPVP on September 30th.

On September 20th, the San Juan County Commission met and considered a final agreement, and it was determined that effective October 4th, the transition would be completed. The agreement contained details of the transfer of the fire stations and all equipment.

The county offered to extend its service for fire and rescue to deter interruption of services during the Northern Navajo Nation Fair in Shiprock. Also included was a Mutual Aid Agreement, which specified that both parties would offer aid when requested. Aid would not be charged for the first 5 calls of each month, and any calls beyond the initial 5 would be charged at a rate of $250/call.

On October 4th, the San Juan County Commission met and approved a resolution to dissolve the Shiprock (Dist. 12), Newcomb (Dist. 13), and Ojo Amarillo (Dist. 14) Fire Stations and have turned over operations to the Navajo Nation, who have officially assumed full control over the fire and rescue services.
Sexual Harassment Awareness Training

During the 2016 Summer Council Session, a directive was made on the Council floor to hold a sexual harassment awareness training for Legislative staff and Council members. The directive has been completed and trainings were held on September 12th, September 14th, and October 7th, at the Navajo Nation Division of Transportation. Staff and delegates will receive certificates of completion by the end of October.

The Office of the Speaker collaborated and coordinated with the Sexual Assault Services of Northwest New Mexico (SASNWNM) to host the trainings. The SASNWNM developed and provided a custom training curriculum, which was presented by rural grant coordinator Shannon Hoshnic, program coordinator Wonda Johnson, and Navajo history/culture/sexual assault prevention consultant Cliff Jack.

The awareness-training curriculum, which is the first of its kind, incorporated three important aspects that addressed the concerns of Council members in regards to combating and understanding sexual harassment. The training included historical trauma, reconnecting to Diné cultural values, and reinforcing the understanding of the Navajo Nation Personnel Policy Manual (NNPPM) and Navajo Nation Ethics in Government Law (NNEGL) conduct policies.

Staff and delegates were also provided legal guidance by special legislative counsel to the Office of the Speaker, Dana Bobroff, in regards to clarifying NNPPM and NNEGL conduct policies.

The training stressed the importance of K’é and the treatment of one another in a respectful and equitable manner, as interpreted in our Navajo cultural values and Fundamental Law. It also touched on indigenous history in respect to traumas experienced by Native people and the near loss of cultural values, which has contributed to contrary behaviors such as sexual harassment.

At the conclusion of the trainings, policy discrepancies and concerns arose regarding the process of reporting harassment, inconsistencies within our current laws and policies, and the lack of effective outcome results of sexual harassment complaints.

The Office of the Speaker deems these issues very important and will begin to formalize recommendations and proposed changes to the laws, policies, and processes. The safety of Navajo Nation employees and elected officials is critical, and is a priority that Council will need to address.

Navajo Nation Council Chamber

In August 2016, the Office of the Speaker submitted public advertisement publications for a Request for Proposal (RFP) to Design and Rehabilitate the Navajo Nation Council Chamber. The proposal was issued to seek professional firms qualified to rehabilitate the exterior and to design and to renovate the interior of the
Navajo Nation Land Buy-Back Program

The Land Buy-Back Program for Tribal Nations (LBBP) implements the land consolidation component of the Cobell settlement, which provided a $1.9 billion fund to purchase fractional interests in trust, or restricted land, from willing sellers at fair market value. Consolidated interests are immediately restored to tribal trust ownership for utilization to benefit the tribal nation’s community and members.

In April 2015, the Navajo Nation entered into a Cooperative Agreement (“Agreement”) with the LBBP to implement the Land Buy-Back Program on the Navajo Nation (NNLBBP). The NNLBBP was created as a result of the Agreement and charged with the task of educating landowners interested in selling their allotted land areas. The NNLBBP has provided numerous learning opportunities to thousands of Navajo landowners through hosting events, mailing literature, calling landowners, creating an educational video in Navajo and English, making home visits, and assisting landowners who visited the NNLBBP offices.

Since Summer 2015, the NNLBBP has held 557 outreach events with approximately 15,734 individuals attending. The NNLBBP mailed literature to nearly 6,800 landowners to provide LBBP information and to invite landowners to upcoming events. NNLBBP continues outreach, however, their focus has shifted to providing a summary to select communities before the LBBP discontinues, which is scheduled to end on November 30th, 2016.
The LBBP has mailed over 25,000 offers to eligible landowners since June 2016, and as of October 7, the program has approved nearly 12,000 offers and paid out over $105 million to Navajo landowners. Over 151,000-equivalent-acres has been returned to the Navajo Tribal trust.

On behalf of Council, we are pleased with NNLBBP’s efforts to reach out to Navajo communities to provide them the opportunity to consider selling land to be held into trust, which benefits the Nation as a whole for future economic and community development initiatives.

**New Mexico Capital Outlay / New Mexico Budget**

On Friday, September 30th, New Mexico Governor Susana Martinez called for a Special Legislative Session. The purpose of the special session was to balance the state’s $150 million-plus deficit for the budget year FY2016 and address potential shortfalls in New Mexico’s FY2017 budget, which started in July. The budget shortfall was caused by the decrease of oil and gas production that impacted the gross receipts tax revenue and corporate income tax revenue for the state overall.

According to the State Capital Outlay Bureau, they reviewed all state capital projects for compliance and compiled an updated list that further impacts the Navajo Nation Capital Outlay Projects. During the 2016 New Mexico Legislative Session, Senate Bill 8 (S.B. 8) was presented, relating to capital expenditures. The S.B. 8 sweeps capital project funds that have not received matching funds, do not have agreements in place or otherwise have been stalled due to no activities, and the lack of drawdowns from FY2013 – FY2014.

In addition, entities that have not encumbered at least 5-percent of the bond proceeds within six-months of bond issuance are in jeopardy. This is something that all entities certify as a prerequisite of issuance of the bonds.

Further, S.B. 8 identified 119 projects for deauthorization of funds. Of those 119 projects, 23 affected Navajo Nation Chapters (San Juan, McKinley and Socorro Counties) and roads, including U.S. HWY 491/N34 Junction. These projects totaled approximately $2.3 million.

Included in S.B. 8 is a section that further reduces the percentage to 4.5-percent. of the estimated Severance Tax bonding capacity for Tribal Infrastructure Funding (TIF) beginning in 2017. Reductions to TIF were previously approved and were scheduled to be 6.5-percent in 2016, which did occur, and 5.5-percent in 2017, resulting in a reduction of an additional 1-percent in bonding capacity. This reduces the amount of funds available for TIF.

On capital outlay reductions, N.M. Sen. George Muñoz (D, Dist. 4-Cibola, McKinley & San Juan) identified concerns that the process does not allow time for projects to go through the additional steps required by the Navajo Nation, as well as the Federal Aviation Administration (FAA).

Most importantly, S.B. 8 contains an emergency clause, which means it will become effective as soon as the Governor signs the resolution into law.
Speaker’s Report

The timeline of the S.B. 8 is as follows:

- On September 30th, S.B. 8 was introduced to the Senate and referred to the Senate Finance Committee (SFC) and passed by a vote of 9-0. There was much discussion in SFC regarding the reductions included in S.B. 8, as well as the reductions to the TIF and Colonia Severance Tax bonding capacity. The bill then passed on the Senate floor by 38-3, and was sent to the House.
- The bill was introduced on the House Floor and assigned to the House Ways and Means Committee (HWMC), thence House Appropriations and Finance Committee (HAFC). On Saturday, October 1st the bill passed 13-0 in HWMC. On Monday, October 3rd HAFC passed the bill 14-2. On Monday, October 3rd, the bill passed the House of Representatives by a vote of 50-13.

So in conclusion, Council will need to develop a plan to begin addressing the potential loss of capital outlay projects that Navajo Nation will experience, and begin looking to our own resources to make up for the shortfall. As we all know, capital outlay projects are important for community development. The Office of the Speaker will continue to monitor the outcome of S.B. 8.

Gold King Mine

On August 9th, U.S. Rep. Ben Ray Lujan (D – N.M.) organized a roundtable discussion to allow federal, state, county, and tribal officials the opportunity to discuss the progress of recovery efforts of the Gold King Mine spill, and to address the ongoing needs of community members impacted by the contamination that occurred over a year ago.

I have, and will continue, to call on the federal government to expedite the compensation process for Navajo farmers and ranchers impacted by the spill. I also encourage my Council colleagues and other government leaders to continue to be proactive in their efforts to advocate for justice on behalf of our respective citizens.

As a farmer and livestock owner who was impacted by the spill, I fully understand the financial burden that many of our Diné Citizens continue to deal with due to the loss of crops, having to find alternative water resources for our livestock, and even being apprehensive about fishing in the river waters.

In September, the U.S. Environmental Protection Agency added the Bonita Peak Mining District to the Na-
Two of the Nation’s power plants and adjoining coalmines are in the midst of tightening regulatory injunctions and adjusting our response to the ensuing shifting market conditions. The Four Corners Power Plant is staying ahead of the curve and has begun preparing for the installation of the Best Available Retrofit Technology (BART) to meet the U.S. Environmental Protection Agency’s regulations to carry out their operations for the remainder of their lease period.

The U.S. EPA has granted an extension of the mine lease to meet the continued operation of the Navajo Mine and the Four Corners Power Plant. Several lawsuits have been filed by outside parties to challenge the decision. The Navajo Nation Department of Justice, along with the Navajo Transitional Energy Company, have filed as interveners in the suits to protect the financial interests of the Navajo Nation and to support the U.S. EPA in their decision to allow mining and power plant operations to continue.

The Navajo Nation would be significantly impacted if the U.S. EPA’s decision was overturned in court, which could result in budget cuts that could adversely affect direct services to Diné Citizens, who would see the most immediate and damaging effects. We will remain diligent in monitoring this important matter.

NTEC has completed its purchase of the Navajo Mine from BHP Billiton with a historic loan from KeyBank. NTEC was able to cover the large loan without the Navajo Nation having to waive its sovereign immunity, and KeyBank has agreed to consent to the jurisdiction of the Navajo Nation. We appreciate KeyBank for recognizing and honoring the sovereignty of our Nation.

NTEC continues to work toward completing its legislative mandate to begin investing in renewable energy when profits have become sufficient to support green energy projects.

The Navajo Generating Station and Peabody Mine have been in operation since the early 1970’s, provid-
ing thousands of our Nation’s highest paying jobs to Diné Citizens and contributing critical revenues to our Navajo Nation General Funds. Renewal of the lease is slated for 2019, and to prepare for that, the Navajo Nation approved a lease agreement that was delivered to the U.S. Secretary of the Interior for signature in 2013.

Before the document can be signed, an Environmental Impact Statement (EIS) must be completed, which began in May 2014. Several meeting must be held to gain public input before a draft of the EIS is developed, which was made public on September 30th.

Public meetings will be held from October 24, 2016 to November 29, 2016. There will be a total of 11 meetings throughout Arizona, which include the Navajo Nation, the Hopi Tribe, Page, Phoenix, and Casa Grande. Feel free to visit www.ngskmc-eis.net for more information on the public meetings, as well as information on how to submit comments.

The scope of this EIS includes the Navajo Generating Station, Kayenta Mine Complex, and three 500-kv transmission line right-of-ways extending through Arizona and Nevada. The Western Transmission line extends 365 miles from NGS to the McCullough Substation near Las Vegas, NV; and two Southern Transmission lines will extend from NGS to the Westwing Substation near Phoenix.

Peabody Energy has filed for Chapter 11 Bankruptcy protection in April 2016, which allows them to stay in business through the reorganization of their debt. This is much different than a Chapter 7 Bankruptcy, which would force a close down of their business operations.

Since filing for bankruptcy protection, Peabody has completed an updated business plan and obtained approval of numerous motions concerning the Chapter 11 process to continue to take necessary steps to strengthen operations, and to ensure employment of their Navajo workforce, future job creation, and to secure revenues.

Peabody has reported that over the past decade, they have spent approximately $185 million to restore 48,000-acres of mined land. As of June 30th, Peabody had approximately $1.14 billion of self-bonding, and $320 million of surety bonds, to support their ongoing obligation to reclaim lands to restore healthy vegetation to its natural landscape.

Although Peabody Energy is operating efficiently at our Kayenta Mine, our Nation’s revenues continue to decline due to the low cost of natural gas, which has led to low coal sales to NGS.

In terms of green energy, the Navajo-Hopi Land Commission continues to work on a proposed solar facility on Bitsi-Paragon, which is within the Former Bennett Freeze (FBF) area. The Navajo Tribal Utility Authority (NTUA) continues to work on the solar plant in Kayenta, and has begun to assess their current customer base to identify if the proposed plant is adequately sized to meet their market demand.

In an effort to promote solar-powered systems for the benefit of Navajo families and communities, Big Na-
vajo Energy and Solar ThermiX have partnered with the Office of the Speaker in donating three complete systems to families in the FBF area. The off-grid solar package provides reliable and portable solar energy to some of the homes. The units will provide 1.3 kilowatt-hours of solar powered energy with a 2,500-cycle at daily use, and will provide battery backup for power outages.

The solar package also includes a solar-powered heating system, which is a STX 7000 Solar Air Heater that will mitigate approximately one-ton of carbon each year, and will heat up to 1,000-square-feet of space with an output as high as 7,000 BTUs/hour.

The Office of the Speaker along with the 23rd Navajo Nation Council continue to work towards providing measurable development to the FBF area to improve the quality of life through energy initiatives to aid in delivering basic infrastructural needs.

**NTEC Reclamation Award**

At the annual U.S. Department of Interior’s Award Luncheon, NTEC and its mine operator BHP Billiton Mine Management Company received the 2016 Western Regional Excellence in Surface Coal Mining Reclamation Award for the work completed on the Chinde Reclamation Project, from the U.S. Office of Surface Mining Reclamation and Enforcement (OSMRE). NTEC chief executive officer, Clark Moseley, accepted the award on behalf of the company and the Navajo Nation.

The award recognizes the Chinde Project at our Navajo Mine as the very best in sustainable mining techniques and practices. Navajo reclamation crews at our Navajo Mine are to be commended for leading the Nation in environmental sustainability through the restoration of our mining lands, and have returned them to conditions that are above and beyond current federal mandated regulations.

NTEC’s leadership is to be commended for living up to its promise to protect and restore our lands, as well as providing jobs and revenue through sustainable mining practices.
Office of the Auditor General

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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. For FY2016, the Office of the Auditor General issued a total of 30 reports.

Accomplishments from FY2016 4th Quarter, Issued (4) reports:

- Report 16-27  Alamo Chapter Corrective Action Plan Follow-up Review
- Report 16-28  Whitecone Chapter Cash Receipts Special Review
- Report 16-29  FY 2016 Unspent Chapter Funds (as of March 31, 2016)

Goals for FY 2017 1st Quarter (ongoing projects and activities)

- Shiprock Chapter 3rd Corrective Action Follow-up Review
- Mexican Springs Chapter 2nd Corrective Action Follow-up Review
- Many Farms Chapter Corrective Action Plan Follow-up Review
- Navajo Mountain Chapter 2nd Corrective Action Follow-up Review
- Tuba City Chapter Follow-up Review
- Tsaile Wheatfields Chapter Special Review
- Coyote Canyon Chapter Corrective Action Follow-up Review
- Accounts Payable Duplicate Payment Special Review
- Contingency Management Fund Special Review
- Navajo Veterans Housing Project Internal Audit
- Navajo Division of Transportation Corrective Action Follow-up Review
- Tribal Parks Special Review
- FMIS Disaster Recovery Corrective Action Plan Follow-up Review
- Fraud Investigations of chapters
- Revisits of sanctioned programs: Capital Improvement Office (CIO), Department of Information Technology (DIT), Navajo Department of Workforce Development (NDWD)
Speaker’s Report

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 level.
- 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 reviews.
- Lack of funding to pay for the risk assessment of Executive Branch departments and programs costing approximately $100,000. The risk assessment will help identify the high risk or non-performing departments/programs that should be scheduled for performance audit.

Black Mesa Review Board

Contact Person: Anna Sullivan, Board Member
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Accomplishments from FY2016 4th quarter:

- Collaborate with Peabody and Community about Manymules Waterline Project
- Advocate for local residents to be employed by NECA
- Present resolution for NPL residents at the Chapter and inform the Council Delegates
- Monthly meetings with Peabody and residents
- Present monthly reports to the Chapter Officials and community
- Construction is progress for Phase 1 Manymules Waterline
- Invited Jarvis Williams, Peabody Liaison, to each five chapters for a presentation about Wood Grub and Coal Loading.

Goals for FY2017 1st Quarter:

- Monitor the construction of the Manymules Waterline Project for Phase 1
- Future meeting for Manymules Waterline with OEH, IHS, BIA, 3 Council Delegates and Chapter Officials
- Meet with Evalena Claw, the new Navajo County Road Liaison
- Select a BMRB representative for Kayenta Chapter
- Monitor solar and scattered power line to completion for residents and relocates
- Continue to meet with PWCC about community outreach and mining issues

Issues/Recommendations:

- Grazing, erosions, invasive plants growing, broken fencing. BMRB will continue to meet with 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 Council Herman Daniels, Jr. to
Eastern Navajo Land Commission

Accomplishments for the FY2017 4th 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 met only in the month of July, two members serve on the B&FC and were consumed by the FY-17 NN Budgetary process.
• The NavajoBBP was extended by two more months for October & November with additional funding of $106,734.
• The Federal Land Buy-Back Program sent offers to over 27,000 landowners with allotments. As of mid-September approximately 11,146 landowners sold their interests at a value of $103 million, representing about 40% of all interest or equivalent of 147,457 acres of land entrusted to the Navajo Nation. The Navajo Nation now has ownership in all but 302 allotment lands. Twenty-nine (29) allotments were 100% sold which are fully turned into Navajo Trust land. The goal of exceeding the total purchase estimate of $102 million has been achieved.

Goals for the FY2017 1st Quarter:

• Resume dialogue with Farmington and ABQ BLM District offices to consider best alternative to the Customary Land Users situation of occupying BLM lands.
• Complete the close-out of the Navajo Land Buy-Back Progrm (NavajoBBP);
• The NavajoBBP ends November 30th.

Issues/Recommendations:

• There needs to be positive closure to the Fort Wingate land matter before full work on the NELI initiative can be pursued.

Navajo Nation Ethics and Rules Office

Contact Person: Tom Platero, Acting Executive Director
Contact Phone Number: (928) 871-6369
Accomplishments from FY2016 4th Quarter:

- ERO completed 419 Ethical Clearances; 513 Consultations by telephone or office visits; 28 Effectuation of Service of Process; 13 Investigations; 6 Completed and Closed Investigations.
- ERO held 6 Administrative Hearings
- ERO provided 3 Ethics Presentations to various communities
- ERO staff increased knowledge from various topics by attending trainings which included topics on technology, computer software, background checks, and sexual harassment awareness.

Immediate Goals for FY2017 1st Quarter:

- Hire new Executive Director for the Ethics & Rules Office.
- Continue to work with the Office of the Auditor General to file and close out cases referred to the NNERO.
- Shall continue to seek out additional funds to hire additional staff; 2 Presenting Officer, 5 Investigator/Forensic Auditors.
- Set up work session with the Law & Order Committee: Ethics and Rules Administrative Hearing Rules as revised by the Office of Hearings and Appeals and Ethics in Government Laws.

Issues/Recommendation(s):

- Set up work sessions and professional staff development for NNERO staff in the next fiscal year 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

Contact Person: Lillie Roanhorse, Executive Director
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Contact Email Address: lillieroanhorse@navajo-nsn.gov

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 as follows.

Accomplishments from FY2016 4th Quarter:

- The ONGD is a part of the Title 26 Task Force created by the Resources and Development Commit-
Te of the Navajo Nation Council to review Title 26, the Local Governance Act for amendments. The Task Force recommended to major reform to Title 26 that will create regional form of governments. Chapters will be consolidated into regions. On August 8, 2016, the Navajo Nation Council approved the legislation for a referendum on regionalization. On August 19, 2016, Navajo Nation President Russell Begaye vetoed the legislation.

- 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 chapters. Chapters requested ONGD services in these areas.

Goals for FY2017 1st Quarter:
- By approving the 2017 Navajo Nation Comprehensive Budget, the Navajo Nation Council also approved the conditions of appropriations. One of the conditions of appropriations states “all Divisions, Departments, Offices and Programs, by the end of the third quarter, shall bring their respective plans of operation up to date if the plan of operation is unchanged within the past eight (8) years or later and shall present, to their respective oversight committees, amendments to their respective plans of operation up to date. The Conditions of Appropriations shall extend to each of the three (3) Branches. The ONGD has an approved plan of operation dated 1994. The ONGD and the Commission on Navajo Government Development will update their plan of operation.
- Local government empowerment-provide technical assistance to non-LGA and LGA certified chapters so they can be self-sufficient.
- The ONGD will continue to work on the effectiveness of the reduced Navajo Nation Council study.

Issues/Recommendations:
- Three members of the Commission on Navajo Government Development will not be returning due to personal decision not to run for Chapter official positions. As a result, the Commission may not have a quorum to hold meetings. We will work with the Agency Councils to nominate candidates for representatives of their respective Agency Councils.

Navajo Nation Human Rights Commission

Contact Person: Leonard Gorman, Executive Director
Contact Phone Number: (928) 871-7436
Contact Email Address: leonardgorman@navajo-nsn.gov

Accomplishments from FY2016 4th Quarter:
- Navajo Consumer Credit Seminar: Arranged and facilitated a Navajo consumer credit seminar at Shiprock Chapter House in September 2016.
- Status of Navajo Women and Gender Violence; Conversations with Diné Traditional Medicine People and a Dialogue with the People: The commission completed its public hearing report on the Status of Navajo Women and Gender Violence in July 2016, and is now available for public dissemination.
• Consumer Rights: The office is working with the Federal Trade Commission on assessing Navajo consumer concerns who fall victim to predatory auto lending and possible bring action against a border town automobile dealer lenders.

• Reviewed Citizen Complaints: The office received new complaints during the fourth quarter. Intake meetings were conducted and majority of the complaints were staffed for investigations. Majority of issues include predatory auto sales and employment issues. In addition, the office continues to work with the City of Winslow regarding conciliation measures after the death of Loreal Tsingine.

• Ensure San Juan County Utah voting rights is addressed: The office continues to work on voting rights issues for the State of Utah San Juan County. Currently, the Commission is a complaining party in the matter of Navajo Nation Human Rights Commission et al v. San Juan County et al and Navajo Nation v. San Juan County. Both cases surround redistricting the county and school board, and the mail-in ballot issue.

Goals for FY2017 1st Quarter:

• Conduct Seminar: Conduct seminars to educate the public on the Commission public hearing report on violence against Navajo women and gender violence. The Diné Life Way principles are incorporated and will serve as a guide to addressing gender violence and discrimination at the seminar.

• Conduct Public Hearing: Conduct new fiscal year public hearing on assessing the race relations between Navajos and non-Navajos in the border towns. This public hearing will be a revisit.

• Continue Receive Complaints: Navajo citizens file complaint about discrimination and human rights violations. Will continue to assess and investigate filed complaints.

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 the commission while the Navajo Historic Preservation Department (“HPD”) statutorily protects all Navajo cultural resources. It is necessary to streamline how the commission and HPD would respond to cultural properties issues.

• 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.

• Orientation for the Incoming Commission: The Naabik’íyáti’ Committee of the Navajo Nation Council confirmed a majority of the 2016-2020 commissioners in September. The office will provide an orientation to the new commissioners on the on-going activities and seek their input and recommendation.

• Strategy Session for the New Commissioners: With one remaining commissioner awaiting confirmation this October, the office will be setting aside at least two-days to map out the 2016-2020 four-year strategy plan for the new commissioners.
Speaker’s Report

Navajo Nation Labor Commission

Contact Person: Anslem Bitsoi, Executive Director
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Contact Email Address: art_bitsoi@yahoo.com

Accomplishments from 4TH quarter:

• Efficient use of allocated funds, NNLC held fifteen (15) evidentiary hearings
• NNLC timely processed two (2) appealed NNLC cases to Navajo Nation Supreme Court
• NNLC program timely processed one (1) formally filed complaint
• NNLC timely adjudicated fifteen (15) NPEA cases
• NNLC and program timely closed and issued eight (8) orders
• NNLC & 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 seventy five (75) pending NPEA cases
• NNLC program made five (5) audio copies at parties’ request

Goals for 1st Quarter of FY 2017:

• 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

Issues/Recommendation(s):

• NNLC only received funding for 40 hearings for FY 2017. Additional funds will be needed to adjudicate pending NPEA cases during FY2017. In FY 2016, NNLC conducted 79 evidentiary hearings.

Navajo Nation Election Administration

Contact Person: Edison J. Wauneka, Executive Director
Contact Phone Number: (928) 871-6367
Contact Email Address: navajoelections@navajo-nsn.gov

Accomplishments from FY2016 4th Quarter:
• Election Board members conducted six regular meetings and one work session
• Election Board approved eight (8) resolutions during their regular meetings
• Election Administration conducted 2016 Chapter Primary Election on August 30, 2016
• Election Administration worked with Navajo County to combine poll workers
• Prepare for 2016 State Elections with Arizona Counties
• Assisting Counties and States with interpretation and translation of ballot questions/election material
• Recommended five (5) amendments to the Navajo Nation Council to Title 11 – Election Code

Goals for FY2017 1st Quarter:
• 2016 Navajo Nation Chapter General Election
• Public Education for 2016 Navajo Nation and State General Elections
• Enforce Election Laws and Policies
• Amend Election Laws
• Fill Existing Elected Position Vacancies within Navajo Nation
• Conduct voter registration drives
• Continue working on Navajo Nation Voter Registration Database
• Increase and maintain Annual Funding
• Enforcement of Policies
• Secure Office Buildings/Equipment
• Attend Sexual Harassment Training as mandated by Office of the Speaker

Issues/Recommendations:
• Election Administration needs Office and Storage Space
• Obtain Independent Legal Counsel
• Establish Board and Administration as Independent Entity
• Navajo Nation Election Need New Voting Equipment

Navajo Utah Commission

Contact Person: Clarence Rockwell, Executive Director
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Contact Email Address: crockwell@navajo-nsn.gov

Accomplishments from FY2016 4th Quarter:
• The Navajo Utah Commission assisted the Red Mesa Chapter in securing $500,000 from the Utah Navajo Trust Fund for the Red Mesa Chapter Administration Building Project contingent on acquisition of remaining project cost from other sources. A total of $1.3 million have been leveraged for this $2 million project.
• The Navajo Utah Commission assisted the Teecnospos Chapter in securing $132,630 from the Utah Navajo Trust Fund for the Teecnospos Chapter Renovation Project contingent on acquisition of
matching funds from other services. Project has $908,333 accumulated including $294,430 from the state of Utah and $500,000 from Navajo Nation UUF.

- The Navajo Utah Commission assisted the Aneth Chapter in securing $221,000 from the Utah Navajo Trust Fund for the Aneth Chapter Scattered-sites Powerline Extension Project contingent on acquisition of matching funds from other sources.
- The Navajo Utah Commission secured $150,000 in FY2017 non-chapter Utah Navajo Revitalization Fund (NRF) appropriations for the Aneth Chapter Scattered-sites Powerline Extension Project. Sufficient funds have been leveraged to initiate construction of this $774,161 project.
- The Navajo Utah Commission was successful in bringing the Native American Legislative Liaison Committee (NALLC) of the Utah Legislature to the Navajo Nation in San Juan County to conduct committee business. Secured the commitment of Rep. Mike Noel and the support of NALLC to sponsor legislation seeking $500,000 for Navajo students in the San Juan School District during the 2017 Utah Legislature.

Goals for FY2017 1st Quarter:

- Complete construction of last two units for the NUC-Olene Walker Housing Loan Fund (OWHLF) Housing Project and began preparations for submittal of a new applications seeking appropriations for housing development at the seven Utah chapters.
- Work with Rep. Mike Noel and the Utah Native American Legislative Liaison Committee in seeking legislative appropriations for Navajo educational needs, and seek the active support of the Navajo Nation Health, Education, & Human Services (HEHS) Committee and the Department of Dine’ Education.
- Provide technical assistance and project collaboration with Utah chapters including the Teecnospos Chapter Renovation Project, Aneth Scattered-Sites Powerline Extension Project, and the Red Mesa Chapter Administration Building Project.
- Plan, organize, and conduct capacity-building training for Utah chapters in strategic planning and project management utilizing Navajo expertise and paid consultants where necessary.

Issues/Recommendations:

- The Navajo Nation Council established the Navajo Nation Capital Outlay Special Revenues Fund in FY2000 for purposes of maintaining a fund balance to match funds for capital projects appropriated by the three states encompassing the Navajo Nation. The Navajo Utah Commission and the Utah chapters understands there’s currently balance in the Capital Outlay Special Revenues Fund but is not being appropriated. The Utah Navajo Trust Fund and the Utah Navajo Revitalization Fund have appropriated significant Capital Project funding for Utah chapters and is awaiting Navajo Nation matching as intended by the Capital Outlay Special Revenues Fund. The Navajo Utah Commission recommends a timely allocation of Navajo Nation matching funds from the Capital Outlay Special Revenues Fund for construction ready state-appropriated capital projects prioritized by Utah chapters.