







2018 Winter Council Session

Honorable LoRenzo Bates

23rd Navajo Nation Council

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23rd Navajo Nation Council Winter Council Session January 2018





within the state of Colorado.

Message from Speaker LoRenzo Bates

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 2018 Winter Council Session.

As the 23rd Navajo Nation Council enters the final year of the current four-year term in office, I want to thank all of the various individuals and entities that continue to support my colleagues and I as we move forward with initiatives and priorities. We greatly appreciate the support we receive from our chapters, county, state, and federal officials each day.

At this time of year, one of our primary areas of focus is advocating and lobbying during the legislative sessions in the states of Utah, Arizona, and New Mexico. With the Navajo Nation's recent purchase of the Wolf Springs Ranch in Colorado, it is important that we also begin building relationships and begin educating leadership

Through the Council's State Task Force we have been able to meet with various state legislators and introduced legislation to outline the Nation's priorities for each state's legislative session. In the following report, I have provided an overview of the priorities and objectives that we along with our lobbyists will continue to promote.

At the federal level, the Office of the Speaker will continue monitoring policy and legislative changes that impact the Navajo Nation including the proposed reorganization of the U.S. Department of the Interior and the Bureau of Indian Affairs – it is imperative that our Nation's leaders have a seat at the table and voice in the discussions of this process to ensure that the proposed change are beneficial and not detrimental to our people.

As we look forward to the remainder of our current term in office, we have many issues and legislative actions that will come forth for consideration. Infrastructure development remains a top priority for this Council and we are proceeding with putting together a plan that includes funding for power lines and capital projects in each of the five agencies.

As Speaker of the Navajo Nation Council, it is my honor to serve alongside my colleagues and to offer my guidance and support. I commend my Council colleagues for their hard work in bringing forth legislations that contribute to the improvement of our communities for our youth, elderly, veterans, and many others.

Moving forward, I am confident that the 23rd Navajo Nation Council will continue to make progress on our ongoing initiatives and face challenges with diligence and prudency. On behalf of the 23rd Navajo Nation Council, I again thank our Diné Citizens and many others for your contributions and continued support.

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LoRenzo Bates, *Speaker* 23rd Navajo Nation Council



State Legislative Sessions

New Mexico

Housing and Public Facilities

- State Revenue: A current revenue report indicates that New Mexico's economy continues to expand, thanks to the recovery of the oil and gas industry, according to the federal Bureau of Economic Analysis. The state's gross domestic product, a key economic indicator, increased by 4.5 percent to \$97.8 billion in the second guarter of this year.
- Capital Outlay: Due to the above revenue report, Capital Outlay disbursements are expected this year. Projects should be vetted by the Navajo Nation Division of Community Development to make sure they are "shovel ready." It is estimated that more than \$100 million is available for capital outlay, which represents approximately \$800,000 for each state senator and approximately \$500,000 for each state representative. This legislature is not expected to revert any previously awarded capital outlay. Any projects that are not currently spending funds should possibly be considered for reauthorization.

Governance

- Tribal Infrastructure Fund: Work to add additional Navajo representation on the TIF Board.
- State/Tribal Collaboration Act: Define Navajo Nation participation. The Interim Indian Affairs Committee discussed the difficulties that the NM Indian Affairs Department has had in identifying who should attend the tribal leaders summit. The committee decided to make this topic part of their 2018 interim work plan.
- Tax Reform: A bill to reform the New Mexico Gross Receipts tax is anticipated.

Economy

- Gas Tax at the Rack: Legislation to move gasoline tax to the rack is anticipated once again this year. The removal of the tribal exemption is expected on at least one bill.
- Fantasy Gaming: This legislation, which may conflict with tribal compacts, has been presented in the past and may come up again this year.
- Gaming: Legislation to allow alcohol on the casino floor is anticipated.
- Energy: 2018 PNM Draft Legislation Energy Redevelopment Bond Act, PNM is proposing legislation that would assist in funding the redevelopment of their property after their coal fired power plant in San Juan County shuts down. Once the power plant closes, many Navajo workers will be without a job and the economy of the area will be affected.

Public Safety & Judicial

- Human Rights: Sexual assault prevention and human trafficking prevention.
- Exposure Deaths: Alcohol related exposure is a concern on the Navajo Nation.

Public Safety

• FirstNet: New Mexico has opted-in to the FirstNet initiative for providing emergency communication

- to all of New Mexico, including the areas within the Navajo Nation that does not have telephone service.
- Capital Punishment: Legislation to reinstate capital punishment in New Mexico will be presented in this session.

Education

• There has been a strong legislative response citing violations to the State Tribal Collaboration Act and NMPED's failure to meet the provisions for formal consultation with the sovereign nations.

Human Services

- Health Care
- Radiation Exposure
- Marijuana: In regards to medical marijuana, a legislation was introduced to legalize a medicinal cannabis program.
- Veterans Issues: Among other issues, a bill to reimburse state income tax held from Native American veterans will be introduced.

Natural Resources

Water rights: To meet the local obligations of all Indian Water Rights settlements the Office of State
Engineer is recommending that the State fund a total of \$18 million per year, for five (5) fiscal years
to meet the state's cost share obligation for the Aamodt and Navajo settlements.

Infrastructure

• Roads: Capital outlay as well as NMDOT funding approved during this Legislative session will affect the local and state roads to be improved within the Navajo Nation.

Arizona

State Task Force

The 2018 Arizona Legislative Session convened on January 8, and will likely run through March or April. The Naabik'íyáti Committee's State Task Force, chaired by Honorable Dwight Witherspoon has worked for the last several months to refine an agenda for the efforts of the Navajo Nation in the Arizona Legislature. During the State of the State Address, Governor Doug Ducey expressed his primary priority, which is to increase funding for K-12 education, without tax increases. While the budget seems to be reasonably stable, drought concerns may be a major issue during the session.

On January 9, the State Task Force hosted a legislative summit at the State Capitol in which several meetings were held with state leadership where chair Witherspoon and I provided them with the Nation's priorities and educated them on other Navajo issues. This allowed for meaningful discussion on Navajo Nation's priorities. Below is a list of issues and positions. In addition to the areas of focus for each state leader, each legislator was made informed on the overall Navajo agenda.

Gaming

Navajo policy for gaming is overseen by the Naabik'íyáti Committee's Arizona Gaming Subcommittee, which is chaired by Honorable Alton Joe Shepherd. In the ongoing gaming compact negotiations, the Nation is seeking provisions that will lead to greater profitability, longer duration and greater security to improve and sustain the Navajo Nation's economy.

During the 2017 Arizona Legislative Session, several gaming related bills were introduced to the legislature that would trigger the poison pill – with the help of our lobbyists the bills were defeated. This year, we anticipate more gaming related bills to be introduced that may be disruptive to the compact process. Tribal gaming and tribal exclusivity for casino gaming is expected to be a significant issue in 2018 in Arizona as well. There are current ambitions by non-tribal entities to acquire casino, which has been exclusive to Arizona tribes.



PHOTO: PHOTO: Speaker LoRenzo Bates and Arizona Governor Doug Ducey following the State of the State Address during the opening day of the 2018 Arizona State Legislative Session at the Arizona State Capitol on Jan. 8, 2018.

Education

Arizona has the second largest population of Native American students in the U.S. Arizona Department of Education reports indicate Native American students have the lowest student growth percentiles than students of other races/ethnicities attending high-density Native American public schools. More support for education is essential for Navajo children.

Support for additional funding for K-12: Navajo children receive their education in traditional public schools, and charter schools have not been significant in serving Navajo children. Navajo's rural setting has made teacher recruitment and retention a significant challenge as well. Funding based on school performance is a very difficult challenge for Navajo. The policy on K-12 funding must be reexamined to highlight the impact it has on rural schools.

Prop 301 extension, includes additional funding for Tribal Community Colleges: In November 2000, Arizona voters passed Proposition 301. Prop 301 increased the state sales tax from 5.0% to 5.6%, dedicating the increased revenues to public education. To support low-income families for whom the additional sales tax would be an added burden, a tax credit was also included. The extra .6% sales tax and the associated tax credit for low-income households are set to expire at the end of 2020. Prop 301 generates over \$640M annually, with about \$500M going to K-12 education. The balance went to universities, community colleges, and other education related uses.

Expand "Native American Code Writers Education Program" for Navajo students: In April 2016, the Native American Code Writers program (NACWP) was initiated and funded by the Arizona Legislature. The Science Foundation Arizona (SFAz) was awarded a one-year pilot grant to begin the NACWP with the potential of additional legislative funding for up to four years. The funding provides training and support to teachers and Native American students in Computer Science (CS). The two main goals of the NACWP is to provide this program to 100 students yearly, and deliver a variety of skills in content areas including application (app)



PHOTO: State Task Force chair Council Delegate Dwight Witherspoon, Arizona Senate President Steve Yarbrough (Dist. 17 – R), and Speaker LoRenzo Bates on the floor of the Arizona State Senate at the Arizona State Capitol on Jan. 9, 2018.

development, gaming, website design, multimedia, cyber security, and robotics.

Advocate for Tribal College Dual Credit Program: In 2015, the legislature established the "Tribal College Dual Enrollment Program Fund." The fund is subsidized by 15% of unclaimed state lottery prize money monthly. This would allow Arizona's Tribal colleges to help offset costs for dual-enrolled students. Dual enrollment permits high school students to earn community college credit at both their high school and Tribal College. Tribal colleges are reimbursed from the Tribal College Dual Enrollment Program Fund for tuition and fees, which are waived for dual-enrolled students.

The program proves advantageous for students and allows them to ease the transition from high school to college. The program promotes high school graduation and improves student retention.

Advocate for increase in funding for Office of Indian Education: Arizona Department of Education Office of Indian Education provides techni-

cal assistance to schools and Indian nations that meets the educational needs of Native American people. Funding is needed to expand beyond the one position currently managing duties of the Office of Indian Education.

Transaction Privilege Taxes - Tribal Equity Proposal

Currently, the Navajo Nation contributes a substantial amount to Arizona's local governments with local sales tax revenues through purchases of goods and services. Estimates of Navajo Nation-generated dollars earned on the Nation, then spent off the Nation are at 65%.

The Nation is seeking a fair distribution to the Transaction Privilege Tax (TPT). Over the years, there have been a number of concepts offered for a fair share of the Transaction Privilege Tax (TPT) earned on the Navajo Nation for economic development and infrastructure.

Total TPT revenues generated on all Indian Reservations in FY 2017: \$48,473,201

Total TPT revenues generated on the Navajo Nation in 2017 \$18,491,502

TPT revenues returned to the Navajo Nation, Dine College/NTU (\$2,625,000)

Net Navajo contribution to state and local contributions in FY 2017 \$15,866,502

This legislative session the Navajo Nation is seeking a return of 5% of TPT to Arizona tribes in Year 1, with an increase of an additional 5% for years 2 and 3, totaling 15%. The 15% of TPT earned on the Navajo Nation and other tribal lands would continue in subsequent years for economic and infrastructure development. Based on 2017 TPT collected by Arizona from Navajo is \$2,700,000.

Budget Impact of the TPT Tribal Equity Proposal: Navajo Nation TPT earned on the Navajo Nation, Approximately \$18,000,000 \$15% of Navajo-generated TPT for Navajo \$2,700,000

Equity for economic development and infrastructure in Year 3:

- Year 1 \$ 900,000
- Year 2 \$ 1,800,000
- Year 3 \$ 2,700,000

Arizona Department of Water Resources (ADWR)

Navajo leadership had an open discussion with ADWR Director Tom Buschatzke regarding the State's interest in working with the Navajo Nation on a Little Colorado River (LCR) Water Rights Settlement. The Nation faces a critical lack of quality water supply and infrastructure for its delivery to our people.

Director Buschatzke was informed that if the Nation made another effort at developing a LCR settlement, that the task will be difficult, due to Hopi and other stakeholders. However, the settlement would provide both certainty in water resources, and funds for water infrastructure development. Navajo leadership asked Director Buschatzke if the State would be willing to engage in a new negotiation, assuming Hopi would be reasonable and be willing to negotiate.

Director Buschatzke said that the State is already involved in a large complex negotiation on the probable shortage of water in the Colorado River and anticipate it to generate water flow reductions from Lake Meade in 2019. The tribes involved in the possibly new Colorado River reduction are the Colorado River Indian Tribe and Gila River. Only tribes with perfected water rights have been invited to the negotiations, Navajo as this point has not been invited.

Director Buschatzke also indicated that in spite of the Lake Meade negotiations, he would engage in a Little Colorado River Water Rights settlement negotiation, and make it a priority. There are a number of significant stakeholders to initiate a negotiation other than Hopi. There were many entities and interest groups involved in the previous negotiation and they will need to be part of the process again. The Governor is in a unique position to get various groups back to the table.

Arizona Health Care Cost Containment System (AHCCCS)

State policy changed several years ago that requires AHCCCS to ask Center for Medicare and Medicaid Services (CMS) to authorize AHCCCS to invoke work requirements through Arizona's 1115 Waiver process and to limit individuals to a 5-year limit on benefits. The work requirements and the 5-year limit would have been detrimental to many Navajos.

In 2017, Chair Jonathan Hale worked diligently on two particular AHCCCS policies that would have negatively affected Navajo members enrolled in AHCCCS. Navajo leadership's efforts made an impact on Governor Ducey. Consequently, American Indians will be part of those who will be exempted if CMS approves the AHCCCS 1115 Waiver request dealing with the state policy requests submitted CMS on December 9, 2017.

State Task Force informed Representative Heather Carter, that the Navajo people would be well served if state law was changed, based on the new AHCCCS 1115 Waiver Request from the state, to ensure this policy will continue in the future and not simply changed with new state leadership. Representative Carter agreed and will introduce legislation to support Navajo's position.

Transportation

A top priority this session is for Navajo to keep a greater share of gas tax collected on the Nation. Since October 1, 1999, the Nation has imposed and collected its own Fuel Excise Tax (FET) of \$0.18cents/gallon for all gasoline sold on the Navajo Nation. In the original Intergovernmental Agreement (IGA), the State of Arizona has accepted \$0.06cents/gallon of the \$0.18 cents/gallon, and the Nation keeps \$0.12 cents of the \$0.18 cents/gallon. With that the Navajo Nation has collected an average of \$12 million annually from FET in Arizona, resulting in over \$60M in FET since 1999.

Utah/Colorado

Utah efforts include preparation for the annual American Indian Caucus Day on Monday, February 5, 2018. Every year the Utah Division of Indian Affairs (UDIA) invites state and tribal leaders, legislators, community members and partners to attend our annual American Indian Caucus Day. Caucus Day provides an opportunity for state government to maintain and strengthen its relationship with Utah's eight sovereign tribal nations by encouraging discussions between state and tribal leaders. During American Indian Caucus Day, our lobbyist has scheduled meetings with Utah legislative leadership, in addition to members of Governor Gary Herbert's staff.

The Office of the Speaker has also been in contact with the Navajo Utah Commission, to begin discussion on important Utah policy priorities including local transportation priorities, Utah Navajo Trust Fund, Navajo Utah Water Rights Settlement Act, Bears Ears, redistricting for the San Juan County Utah Commission and the San Juan County School Board.

Colorado efforts will begin with touching base with local elected officials to insure they understand Navajo's move into Colorado. Support of local official will be helpful as Navajo moves to develop relationships with state and federal Colorado elected officials on broader Navajo policy priorities in Washington D.C. as well as Colorado.

Navajo Generating Station

The Navajo Nation Council continues to meet and discuss the challenges facing the Navajo Generating Station and Kayenta Mine. When SRP announced last year that they intended to shut down NGS operations, we went to work on solutions and that is what we continue to do. The 23rd Navajo Nation Council, with the assistance of the Navajo Joint Energy Task Force, first finalized an agreement that would keep NGS open until 2019 and then began working on solutions to keeping NGS open beyond 2019. That work continues today as we work with the Joint Energy Task Force, Peabody, Lazard, and the Council to identify potential new partners.

With much at stake, it is important that we continue to consider every option in our efforts to finding solutions to secure the jobs and revenue generated from NGS operations. Throughout this past year, we have traveled to the Navajo Generating Station and Kayenta Mine to hear directly from the families who would be impacted by the potential shut down of these facilities. These travels have reinforced in our minds and hearts the importance of working to keep this vital component of the Navajo Nation together. When our Navajo families have a good source of income, they are stronger; they are stronger for their children, for their extended families and for the communities they live in.

We as elected servants of our people gather in Council and Committee meetings to take action on behalf of our people. We are faced with many challenges such as social ills and underfunded programs, to implementing proactive measures to stimulate and diversify our economy. Amidst these challenges, I am hard pressed to think of any of our challenges that could not be fixed without strengthening the core of our Navajo families. When our families are strong, we see stronger and more vibrant communities through out the Navajo Nation.

Too often we equate the Navajo Generating Station and Kayenta Mine with only dollars and income, however, at the heart of these operations is the Navajo working family providing for themselves, their communities and their Nation. During our travels to meet with the workers and their families, we are often greeted with appreciation for helping to keep their jobs. Without their work, we would have more scarce revenues to meet essential governmental operations such as our elderly, children, and veterans programs. The hard reality we face as a Nation is that there is no program, department, branch or chapter that will not be directly impacted by the potential shutdown of the Navajo Generating Station and Kayenta Mine.

Housing Programs for the Navajo Nation

Over the years, the Navajo Nation has struggled with implementing a unique housing program to meet the growing housing needs for Navajo families throughout the Navajo Nation. Although the Navajo Nation has several housing departments/programs, members of the 23rd Navajo Nation Council have moved toward initiating discussions with numerous housing programs within the Navajo Nation, such as the Navajo Nation Veterans Administration (NNVA) in developing strategies to build quality homes.

Members of the 23rd Navajo Nation Council recently established a Housing Work Group to focus on the potential of producing quality and efficient homes for Navajo families to serve our elders, veterans, educators, and law enforcement, just to name a few. The intent of the work group is to work thoroughly with all Navajo Nation housing programs to provide feedback on various strategic, affordable, and supportive housing initiatives and to address challenges in developing these strategies to begin building quality homes.

Additionally, members of the 23rd Navajo Nation Council have set forth on a tremendous effort in establishing a housing work group that will help implement strategies to align with the Nation's plan to ensure resources are available to maximize the number of people that can be served. The Navajo Nation faces many challenges, however, members of the 23rd Navajo Nation Council will continue to work diligently and cohesively with tribal leadership and Navajo communities in order to serve the overwhelming housing needs of Navajo families.

Naabik'íyáti' Sexual Assault Prevention Subcommittee

The Naabik'íyáti' Committee's Sexual Assault Prevention Subcommittee is developing the Navajo Nation's first Human Trafficking "White Paper," which is a researched-based document that will allow the Nation to begin understanding human trafficking from a comprehensive and analytical perspective. Upon completion of the White Paper, a strategic plan would be developed to begin addressing human trafficking policies, laws, and post-vention protocols on the Navajo Nation.

PHOTO: Council Delegates Nathanial Brown and Amber Kanazbah Crotty began outlining the Navajo Nation's first Human Trafficking "White Paper," at the beginning of Dec. 2017. They continue to hold strategic planning sessions as the document develops.

Leading the project, subcommittee member Council Delegate Nathaniel Brown, sponsored legislation which

ultimately led to the passage of the 2017 Navajo Nation Law Against Human Trafficking that was enacted in Aug. 2017. He is also a member of the Arizona Human Trafficking Council, which has worked diligently to address human and sex trafficking in the state of Arizona, and Delegate Brown has served as a vital voice for the Navajo Nation and Native Americans within Arizona.

To complete the White Paper, Delegate Brown has developed partnerships with Casey Family Programs and the University of Colorado-Boulder Indian Law Clinic to aid in completing the Nation's white paper. Also aiding with the project is the Navajo Nation Department of Family Services - Strengthening Families Program, the Navajo Nation Sexual Violence Prevention Work Group, and the Navajo Nation Missing Persons Update Group.

As some of my colleagues may be aware, the month of April is Human Trafficking Awareness Month, and during the Winter Council Session we will be recognizing this important issue. Delegate Brown and subcommittee chair Council Delegate Amber Kanazbah Crotty coordinated with the Office of the Speaker and the Strengthening Families Program to hold a "Blue Campaign" Awareness Walk, in which members of the community have walked to the Council Chamber today to bring this important message to their leaders and Navajo citizens.

The SAP Subcommittee continues to coordinate Sexual Assault Response Trainings to identify processes, protocols, resources, and gaps in services on the Navajo Nation to aid victims of sexual violence. The next training will focus on the Utah Navajo Area and is tentatively scheduled for March 28-29, 2018.

As the New Year begins, the SAP Subcommittee continues to focus on the priorities they set out to complete and I commend the members for the positive progress they have made in the last year and a half since the inception of the subcommittee.

Groundbreaking – Former Bennett Freeze Area

On behalf of the Council, I thank Honorable Walter Phelps and Otto Tso for their advocacy and support in securing funding in the amount of \$3 million to begin developing 36 new homes within the Former Bennett Freeze Area.

As chair of the Navajo-Hopi Land Commission, Honorable Phelps initiated the funding request and played a vital role in coordinating with the Office of the President and Vice President, Navajo-Hopi Land Commission office, and Navajo Housing Authority to secure the funding as part of the Fiscal Year 2017 Comprehensive Budget that was ultimately approved by the Council and President.



PHOTO: Council Delegates Walter Phelps and Otto Tso with NHA officials and staff with the Office of the President and Vice President during a groundbreaking ceremony in Tuba City, Ariz. on Dec. 19, 2017.

In late December, Honorable Phelps and Honorable Tso joined three families in the community of Tuba City for a groundbreaking ceremony hosted by Navajo Housing Authority to mark the start of development of the new homes.

Every member of the Council understands the great need for infrastructure development, housing, and economic stimulation for the Former Bennett Freeze Area, and through the combined efforts of these various individuals and entities, these families will soon have homes in an area that went undeveloped for decades due to the freeze imposed by the federal government in 1966.

Again, I want to thank my colleagues for their support and all of the entities that are making this initiative a success. This project can also serve as a model for future projects as we continue to pursue initiatives to help the families within the Former Bennett Freeze Area.

Navajo Indian Irrigation Project

The Navajo Indian Irrigation Project (NIIP) Negotiation Subcommittee continues to advocate for the funding and completion of the NIIP in a joint effort with the Resources and Development Committee, Office of the President and Vice President, Navajo Agricultural Products Industry Board of Directors and Management, former NAPI legal counsel, and other entities.

On November 13 and 14, 2017, members of the NIIP Negotiation Subcommittee met with Congressional members, White House Officials, Officials of the U.S. Department of the Interior, and Congressional staff members. Subcommittee members in attendance included Honorable Steven Begay, Honorable Kee Allen Begay, Jr., Wilton Charley, NAPI CEO, Lionel Haskie, NAPI O&M Manager, and I. The purpose of the visit was to brief congressional and federal leaders on the Navajo Nation's top priority, which is to complete Block 9,

in addition to securing adequate federal funding to carry out maintenance, repair, and replace components of the NIIP.

Congressional and federal leaders were provided a thirty-eight-page report on NIIP funding, prioritizing the remaining authorization to construct the NIIP. The report highlighted the available NIIP Authorization, Current Allocation, Requirements to Complete NIIP, NIIP Block 10 & 11 foundation, On-Farm Development, Deferred Maintenance Projects, NIIP Block 9 Benefit-Cost Ratio, Optional Projects Benefit-Cost Ratio, Current Operations, Maintenance and Replacement (OM&R) Funding, and the Water Infrastructure and Improvements for the Nation Act (WIIN) Projects.



PHOTO: The NIIP Negotiation Subcommittee held a meeting on Jan. 12, 2018. In attendance at the meeting included Council Delegates Leonard Tsosie, Tuchoney Slim, Jr., Speaker Bates, Kee Allen Begay, Jr., Benjamin Bennett, Leonard Pete, NAPI management, and other Navajo Nation program representatives

The report was introduced to congressional and federal officials and emphasized the need for adequate funding to be restored for NIIP new construction based on the NIIP Priorities. These priorities include the following:

- 1. Adequate funding to complete NIIP Block 9 (10,000 acres)
- 2. Increased 638 contract for an additional \$6 million for NAPI to provide adequate O&M of NIIP
- 3. Eligibility for funding appropriation under Water Infrastructure Improvements for the Nation Act. The completion of the project would include On-Farm Development (OFD) functions to develop new irrigable land; sustain Operations, Maintenance, and Repair (OM&R) functions for the NIIP under the P.L. 93-638 contract; and to address the backlog of deferred maintenance concerns of Blocks 1 7 within the NIIP.

In addition, the NIIP Negotiation Subcommittee informed congressional and federal officials that NAPI is not able to reach its full capacity in terms of revenue, production, and job creation due to the funding deficiencies. It was further emphasized that the estimated service life of the NIIP infrastructure is 45-50 years and the project is reaching this limit. It will be important for the NIIP Negotiation Subcommittee to continue their strategy in educating congressional officials on the history and importance of the NIIP to the Navajo Nation and food security for future generations.

Moving forward, the NIIP Negotiation Subcommittee will continue to collaborate with Navajo Nation leadership in identifying strategies in addressing the funding needs of the project. The next NIIP Negotiation Subcommittee will continue working with federal officials to further discuss the completion of Block 9 for the NIIP.

Through the efforts of the Subcommittee, the U.S. Senate Committee on Indian Affairs invited Navajo Agricultural Products Industry (NAPI) to an Oversight Hearing entitled, "Breaking New Ground in Agribusiness Opportunities in Indian Country." The hearing was held on Jan. 17, 2018 in Washington, D.C. where Lionel Haskie, O&M Manager for the P.L. 93-638 programs at NAPI, provided testimony. His testimony provided the committee an overview of the challenges for NIIP and identified ways to include the vitality of agribusiness on Indian country as part of the 2018 Farm Bill.

Community Outreach

Turkey Donations to Senior Centers

I extend my appreciation to my colleagues of the Navajo Nation Council for taking time in December to distribute turkeys to feed Navajo elders at 80 senior centers across the Navajo Nation during the recent holiday season.

As stated by Honorable Steven Begay, the turkey distribution was our way of showing our appreciation to our elders during the holiday season. We are very grateful to our mothers, fathers, and grandparents for their teachings and guidance each and every day.



PHOTO: Council Delegates Steven Begay and Nathaniel Brown with NAAA staff members in Window Rock, Ariz. on Dec. 14, 2017.

Honorable Herman Daniels, Jr., Raymond

Smith, Jr., and Nathaniel Brown also helped the Navajo Area Agency on Aging staff members distribute nearly 300 turkeys. In coordination with the NAAA, the donations were delivered to senior centers.

On behalf of the Navajo Nation Council, I extend my greatest appreciation to Navajo Agricultural Products Industry, Navajo Transitional Energy Company, Navajo Tribal Utility Authority, Navajo Nation Gaming Enterprise, Navajo Nation Oil and Gas Co., Arizona Public Service, and Peabody Western Coal Co. for their contributions to make the donation initiative a success.

Winter Clothing Drive

For nearly three years, the Office of the Speaker has been aiding the Gallup Immediate Action Group in collecting donations of winter clothing, non-perishable food items, and personal hygiene products to give to our homeless relatives in the city of Gallup.

PHOTO: Office of the Speaker staff Curtis Berry and Jolene Holgate dropped off winter clothing donations to the Gallup Immediation Action Group founder, Bill Camarota on Jan. 3, 2018 in Gallup, N.M.

As one of the most overlooked populations that include nearly 90-percent of Navajo people, our office took the initiative to hold a winter clothing drive at the beginning of December and will conclude on February 28, or until the winter weather has ended. Staff set up drop-off locations at Fort Defiance Chapter, St. Michaels Chapter, Navajo Nation Museum, and our office.

Understanding that our office has limited manpower, inquiries that were received regarding donating to other border town communities were directed to shelters in those areas. In fact, I was pleased to hear that our winter clothing drive encouraged Navajo community members to drop off their own donations to other border town shelters. My staff compiled shelter information to provide to the public who wanted to donate near their areas.



PHOTO: Office of the Speaker staff dropped off a truck load of winter clothing donations to the Immediate Action Group on

With many resources aiding our people on the Navajo Nation who are in the same disadvantaged situations, we want

to send the message that the spirit of K'é knows no borders and that it is important that we extend a helping hand to our homeless relatives on the outskirts of our Nation.

I would like to commend my Council colleagues who have participated in this ongoing drive, and I want to recognize and give special thanks to our Navajo citizens and outside entities – without their help we would not have had another successful winter clothing drive. For more information regarding the drive, please see my staff and they will provide you with the necessary information.

Encouraging Navajo Veterans to Submit Claims to Recover Income Taxes

The Navajo Nation Council is encouraging Navajo veterans to submit claims to the states of Arizona and New Mexico to recover income taxes that were unlawfully withheld on military wages for certain periods of time, in violation of the Soldiers and Sailors Civil Relief Act (SSCRA), which was passed by congress in 1940 to prohibit states from taxing the income of military service members.

In Arizona, the U.S. Department of Defense began withholding taxes on active duty military income in late 2003 and this continued until the end of 2005. In July 2016, the state legislators established the Native American Veterans Income Tax Settlement Fund and set aside \$2 million to refund veterans who were wrongfully taxed. Veterans have until the end of 2019 to file a claim through the Arizona Department of Revenue.

In 2008, the state of New Mexico also created a fund through legislation sponsored by Sen. John Pinto for the purpose of issuing settlement payments to Native American veterans who had their taxes withheld. There may be thousands of Navajo veterans that have yet to file claims with the states. We want our veterans to be well aware of this opportunity to submit a claim to the states to recover what is rightfully theirs.

Council is encouraging Navajo veterans that reside in Arizona to visit the Arizona Department of Veterans Services website at www.dvs.az.gov, or contact Scott Fincher by e-mail at nasf@azdvs.gov or by phone at (602) 234-8432. For Navajo veterans residing in New Mexico, please visit the New Mexico Taxation and Revenue Department's website at www.tax.newmexico.gov, or contact Alan Martinez by phone at 1-866-433-8387.

First Quarterly Report Program Summaries Fiscal Year 2018

Office of the Auditor General

Contact Person: Elizabeth Begay, Auditor General

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Accomplishments from FY2018 1st Quarter: Issued 7 reports

Program/Chapter audits - 2 reports

- 18-01 Board of Education Performance Evaluation
- 18-06 Unspent Chapter Funds as of September 30, 2017

Follow-up on Corrective Action Plan Implementation - 5 reports

- 18-02 Navajo Occupation Safety and Health Administration P-card Activities Corrective Action Plan Follow-up
- 18-03 Jeddito Chapter Corrective Action Plan Follow-up
- 18-04 Navajo Division of Transportation Corrective Action Plan Second Follow-up
- 18-05 Division of Economic Development P-card Activities Correction Action Plan Follow-up
- 18-07 Coalmine Canyon Chapter Corrective Action Plan Follow-up

Goals for FY 2018 2nd Quarter (ongoing projects and activities)

- Tribal Parks Special Review (Monument Valley, Lake Powell, Little Colorado and Four Corners)
- Water Rights Commission Special Review
- Parks and Recreation Corrective Action Plan Follow-up
- Division of Public Safety P-card Activities Corrective Action Plan Follow-up
- Veterans Administration Fort Defiance Agency Corrective Action Plan 2nd Follow-up
- Navajo Housing Authority Forensic Audit of Non-Program Funds
- Hardrock Chapter Special Review
- Tsayatoh Chapter Special Review
- Tohajiilee Chapter Special Review
- Pueblo Pintado Special Review
- Crystal Chapter Corrective Action Plan Follow-up
- Fraud Investigations of chapters/staff
- Revisits of sanctioned programs and chapters

Issues/Recommendations

Recommendation to establish a Fraud Hotline to report suspicious activities by Navajo Nation employees and elected officials

Eastern Navajo Land Commission

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Commission's top priorities:

- 1. NELI-NIIP Project;
- 2. FWAD Parcel Transfers, Railroad attention, and future use planning;
- 3. Feedback to Navajo Communities regarding Land Buy-Back Program Results;
- 4. New land purchase opportunities;
- 5. Tracking two Land Exchanges: a) NN-State; b) BLM-State

Section One: Accomplishments from 1st Quarter in FY2018

- The Commission Feedback: Presented LBBP Results report at three Agency Council meetings, two more to go, also provide to four (4) CLUP Committees;
- Fort Wingate Army Depot Land Division: Conveyed Commission's selection of two Parcels for Restricted Fee status to BIA; Participated in tour of metal and soil separation operation in Parcel 3
- NELI-NIIP Project: Commission updated the RDC about the Project; a work session schedule in January 2018 to make certain resolves. The Nabi NIIP Subcommittee current priority but disregarding the NELI project.

Section Two: Goals for 2nd Quarter in FY2018

- Re-new talks with Congressional member on the NELI-NIIP Project;
- Begin looking into preparing a new plan for Navajo BBP-II;
- · Continue any work under the Fort Wingate Army Depot, including conceptual land use planning
- Resume land purchase talks

Section Three: Issues/Recommendations

- Standby for federal LBBP announcement as to the degree of Navajo involvement under Round-II.
- The NELI-NIIP Project needs to be clarified by the Office of the Speaker as to where the "NELI" part of the project fits in.
- ENLC will re-focus on proposed ranch purchases in NM.

Navajo Election Administration

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Section One: Accomplishments from 1st Quarter in FY2018

- Election Board members conducted six (6) regular meetings and one (1) work session.
- Election Board approved 13 resolutions during their regular meetings
- Recommended three amendments to the Navajo Nation Council to Title 11 and only one of the
 amendment is moving forward; Legislation No. 0335-17, An Act Relating to Law and Order, Budget
 and Finance, Naabik'iyati' and the Navajo Nation Council; Amending Per Diem Provision of 2 N.N.C.
 § 874(F).
- Conducted 1 Special Elections to fill 17 elected Positions, 3 chapter referendum elections, and 1
 Navajo Nation Wide Referendum Elections.
- Program Project Specialist position vacant for Navajo Election Administration
- Selection was made for the Sr. Tribal Court Advocate, but the position is on hold, because one of the applicants filed a grievance with the Department of Personnel Management.
- Initiated the 2017 purge on November 28, 2017, sent pink postcards to all registered non-voters and the deadline for the return of all pink cards from non-voters is December 29, 2017.

Section Two: Goals for 2nd Quarter in FY2018

- Work with Navajo Nation Council on Transportation Stimulus Referendum Election on October 24, 2017.
- Continue working on amending Election Laws
- NEA's vacant positions are; Program Project Specialist position will be filled or filled base on the applicant's background check- in the process of hiring.
- Enforcement of Policies.
- Continue other Goals and Objectives of the Election Administration/Board; implement directives

Section Three: Issues/Recommendations

- Election Administration needs funding for a new office building, new voting equipment, upgrade office equipment, funds for operations and funds for 2018 primary elections.
- Recommend: Fixed cost for all elections in the coming years and in anticipation of 10% budget shortfall for FY 2018/2019 and to upgraded NEA technology relating to data collection and elections.
- Hire a Legal Counsel.
- Selection was made; but one of the applicants for the Sr. Tribal Court Advocate filed a grievance against the NEA for non-selection.
- Establish Board and Administration as an independent entity.

Office of Ethics and Rules

Contact Person: Stacy Allison, Executive Director

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Section One: Accomplishments from 1st Quarter FY18

• Interviews for Presenting Officer candidates took place on October 6, 2017 and the new Ethics Presenting Officer started on November 13, 2017. The Presenting Officer, who is a certified trainer in law enforcement investigations, conducted an in-service training with the current Ethics Investigators to standardize our investigations at Ethics and Rules, to ensure uniform reports, and lead to more efficient filing of complaints with the Office of Hearings and Appeals. In collaboration with the Division of Community Development, DOJ, Office of the Auditor General, the Ethics and Rules Office provided training to the western agency chapters at Twin Arrows Casino. The Ethics and Rules Office also worked collaboratively with the Division of Community Development to plan a Chapter Official Summit, which was scheduled for January 2018, however, it had to be postponed. Ronald Largo, Ethics Investigator, retired on December 29, 2017, after serving this office for 20 years; he worked with the Navajo Nation for 30 years overall. The Ethics and Rules Office selected an individual to fill a vacant Ethics and Rules Investigator position who will start with this office on January 22, 2018. The Ethics and Rules Office continues to be a part of the Title 26 Task Force and the Public Corruption Prevention Task Force and attends monthly meetings.

Section Two: Goals for 2nd Quarter FY2018

• Fill the Ethics Investigator position that was vacated by retired investigator Ronald Largo, bringing the number of Ethics Investigators to four (4). Hire an Office Aide to cover the front office and assist the Senior Office Specialist. Create a more efficient system of tracking unpaid restitution and bringing OSC or garnishment actions in a timely manner. Draft a new plan of operation and a Memorandum of Agreement for more efficient work flow with the Office of the Auditor General, Office of the Attorney General/Chief Prosecutor, Navajo Government Development and Division of Community Development.

Section Three: Issues/Recommendations

 Develop changes to the either the Ethics Plan of Operation or OHA Rules to allow the Ethics and Rules Office to place officials on temporary leave or suspension, during active investigations if there is evidence of financial misuse of funds.

Office of Navajo Government Development

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Section One: Accomplishments from 1st Quarter in FY2018

- Research four current Navajo government issues and provide recommendations. The Office of
 Navajo Government Development (ONGD) is currently evaluating the Navajo Nation Government
 in a comprehensive mode with a comparison of the central government to its local governments
 to determine if the current governmental configuration will be sustainable for the next 50 years and
 beyond.
- ONGD collected more than 520 survey questionnaires on Navajo Nation Chapter Governance Systems. The data is currently being analyzed and a report will be forthcoming.
- ONGD is currently working on a Sustainability Policy & Practices in Governance across multiple
 domains in economics, environment, climate change, renewable energy, etc. This document is in a
 concept proposal is undergoing review by sustainability scholars at Arizona State University's School
 of Sustainability. Once the review is complete it will be introduced to the Navajo people and government officials, e.g., Navajo Nation Council committees for consideration as part of Title 26 revision
 as it relates to Chapter Land Use Planning update and at the central government as it relates to
 programs, department and offices.
- Sponsor five meetings at agencies on tribal government issues to get input from the Navajo People. The Office of Navajo Government Development has completed a series of public education sessions throughout the Nation. Public outreach and contact were held in Shiprock, NM, Tuba City, Bluff, UT and Twin Arrows Casino, AZ. The purpose of these public education is for the Office to provide information to Navajo People on two fronts: (1) The Dynamics of the Navajo Chapter Governance system since its inception from 1935 to its current state, so to gauge its transition based on multiple variables, e.g. population, participation, revenues, quorum, projects, certification and non-certification, etc.; and (2) Sustainable Governance Policy & Procedures where Navajo citizens will have the opportunity to actively express their input on the need for chapters to transition toward sustainable governance and society.

Section Two: Goals for 2nd Quarter in FY2018

- The Office, directed by the "Commission" to begin working on a Hogan Project, which will be used for Diné philosophy Nitsákákees, Nahat'á, liná, and Sihasin for its visioning, planning, leadership and model in an effort to rejuvenate Hogan philosophy in Navajo governance.
- ONGD partnered with the Navajo Nation Department of Health, the Navajo Nation Human Research Review Board (NNHRRB) and University of Washington, Navajo scholars (Dr. Nanibaa' Garrison, Dr. Clarita Lefthand-Begay, and Dr. Katrina Claw), in an effort to remediate the lifting of the moratorium on genetic research in 2002, while concurrently assisting in the development of a genetic research "policy."

• The revision of 2 NNC Article 3 – Plan of Operation, is a critical component for both the Office and Commission that will be completed along with a sponsor for legislation.

Section Three: Issues/Recommendations

- The Commission is quite concern about Fundamental laws of Diné appears to be absent from current debate in Navajo government, but they intend to reinvigorate this topic as part of "government reform" initiative moving forward.
- ONGD and the Commission in FY2018 is operating on \$10,888 less than FY2017, which poses immediate concerns given the amount of projects the Office is working on and delegated.
- ONGD in consultation with the Commission has repeatedly reached out in inviting members of the Navajo Nation Council to its regular meetings and "lunch and learn and collaborate" meetings to no avail. ONGD will continue to send out invites to Navajo lawmakers.

Navajo Nation Human Rights Commission

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Section One: Accomplishments from 1st Quarter in FY2018

- Ensure San Juan County Utah Voting Rights is Address: 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.
- Hate Crimes Training and Seminar. The Office continues to work hate crimes and what is racial
 discrimination, which is a partnership with the Lawyers Committee for Civil Rights Under Law from
 Washington, D.C. The next hate crime training and seminar will be a training and will be for prosecutors, investigators, and law enforcement officers.
- Fifth Annual Mayors' Summit. The summit was facilitated by Mayor Robert "Bobby" Tyler, and addressed "Community Action: A Response to Hate Incidents" and "Economic Development: Efforts to Enhance Community Relationships and Improvements." The Office was able to have the Lawyers Committee for Civil Rights Under Law present on hate crimes.
- Study into the Death of Loreal Tsingine: The Commission, in partnership with University of New
 Mexico Institute for American Indian Research, convened a panel to inquiry into the death of Loreal
 Tsingine, the human rights challenges to police, and border town violence against Indigenous women and peoples.
- Reviewed Citizen Complaints: The Office received new complaints during the second quarter. Intake
 meetings were conducted and majority of the complaints were staffed for investigations. Majority of
 issues include predatory automobile sales and employment issues.

Section Two: Goals for 2nd Quarter in FY2018

- Conduct Public Seminar: Development of advertisement and educational materials on funerary issues and hate crimes. The funerary seminar will be held in Chinle and Shiprock. The hate crime seminar will be a training and will be for prosecutors, investigators, and law enforcement officers.
- Continue Receive Complaints: Navajo citizens file complaint about discrimination and human rights violations. Will continue to assess and investigate filed complaints.

Section Three: Issues/Recommendations

- Subcommittee on Sacred Sites: Several internal Navajo sacred site issues come to the commission. While the office is required to coordinate with other Navajo government programs, it continues to be a concern that Navajo individuals raise concerns on sacred sites with 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.
- Navajo Voting Rights Lawsuits: The office will continue to monitor and assist the attorneys who filed
 the lawsuit in Navajo Nation Human Rights Commission et al v. San Juan County et al and Navajo
 Nation v. San Juan County by providing needed information, and keep the plaintiffs updated as they
 are stakeholders in the lawsuit.

Navajo Nation Labor Commission

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Section One: Accomplishments from 1st quarter in FY 2018

- Efficient use of allocated funds, NNLC held (00) evidentiary hearings due to no duly NNLC appointment.
- NNLC and program timely processed three (3) appealed NNLC cases to Navajo Nation Supreme Court
- NNLC program timely processed fifth teen (17) formally filed complaint
- NNLC timely adjudicated (00) NPEA cases but no duly NNLC appointments
- NNLC and program timely closed and issued (00) orders due to no duly appointment of NNLC
- NNLC & program timely issued and mailed seven hundred (650) subpoenas and notice of hearings &
 NNLC Rules by certified mail, first class, facsimile and email to counsels of record or parties
- NNLC will continue to adjudicate forty (60) pending NPEA cases
- NNLC program made three (3) audio copies at parties' request

Section Two: Goals for 2nd Quarter in FY 2018

 NN Presidential & NNC Health, Education and Human Services appointments of NNLC membership per CJY-42-16

- 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
- Closure of NNLC cases heard by current sitting NNLC members

Section Three: Issues/Recommendation(s)

NNLC only received funding for 40 hearings for FY 2018. Additional funds will be needed to adjudicate pending NPEA cases during FY2018. Due to no NNLC appointments, all hearings for October, November December, 2017 and January, 2018 were vacated and hearings maybe continued again if there are non by February, 2018.

Navajo Utah Commission

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Section One: Accomplishments from 1st Quarter in FY2018

- The combined efforts of Utah chapters, Navajo Nation Department of Justice, contract attorneys, Navajo Nation Human Rights Commission, and Navajo Utah Commission have resulted in court victory for the Navajo Nation v. San Juan County legislative redistricting lawsuit, and implementation of Utah chapters voter mobilization efforts, including planning for voter registration drives, identification of Navajo candidates, and strategy to get out the vote for 2018 elections.
- The Navajo Utah Commission secured \$100,000 in non-chapter FY2018 Utah Navajo Revitalization Fund (NRF) appropriations for project construction matching funds needed for the Aneth Chapter Phase II Powerline Extension Project.
- The Navajo Utah Commission acquired \$250,000 in non-chapter FY2018 Utah Navajo Revitalization Fund (NRF) appropriations for the Red Mesa North East River Waterline Extension Project.
- The Navajo Utah Commission and Utah chapters made substantial progress in resolving the archaeological issues associated with the proposed new Bluff Elementary School by offering the UNTF fairgrounds as an alternate site for the elementary school serving predominately Navajo students.

Section Two: Goals for 2nd Quarter in FY2018

- Prepare CDBG funding application for the Aneth Chapter Phase II Powerline Extension Project serving 28 families.
- Participate to extent possible in the 2018 Utah Legislature including tribal caucus, dialogue with the governor, collaboration with Navajo Nation-contracted Utah lobbyist, and representation of Utah

- chapter interest and concerns.
- Qualify seven (07) housing grant recipients from the Utah chapters for housing assistance from the Utah Olene Walker Housing Loan Fund (OWHLF) and Utah Navajo Revitalization Fund (NRF).
- Work with the Utah chapters in identifying Navajo candidates for San Juan County Commission, school board, and other county offices by filing date in mid-March and support thereafter.

Section Three: Issues/Recommendations

• The Navajo Utah Commission conducts 12 monthly meetings per fiscal year and rotates meetings between Window Rock and Utah chapter locations. The commission addresses numerous issues on a regular basis, and often enacts resolution. Legal guidance is sometimes necessary. The Navajo Utah Commission is requesting appointment of an attorney from the Office of Legislative Counsel, and attendance at NUC meetings.

Black Mesa Review Board

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Section One: Accomplishment from 1st Quarter FY2018

- Monitored completion of Phase #1 Many Mules Water Project
- Initiated and continuing the development of transition plan for community self-government proposed to be implemented before or upon Peabody WCC's departure from Black Mesa when the mining ends.
- Monthly meeting with Peabody WCC on Many Mules Waterline Project, Phase #1 is about 98%complete.
- Continue to work with Peabody on reseeding project and inspect the same.

Section Two: Goal for 2nd Quarter in FY2018

- Plan and host a general strategy plan meeting with the Navajo Nation officials from various departments pertaining to economic development, environmental issues, post mining land use plan, etc.
- Involve the Office of the Navajo Nation President for the support on self-government plan and request the assignment of a representative from the Office of the President to work with Black Mesa Review Board.
- Schedule a meeting with the Speaker in February to provide update on Many Mules Waterline Project and to discuss required funding for completion of Phase 3 Many Mules waterline project.
- Review a settlement agreement between Navajo Nation and Peabody to verify if the residents have been fairly compensated for their grazing lands as agreed.
- Submit BMRB resolution requesting Infrastructure Committee to obligate the full \$1.5 million Peabody's annual contribution to Many Mules Waterline Project.

Section Three: Issues/ Recommendations

- Develop strategy for revision /amendment to Resource and Development Committee's legislation/ regulations which are contrary to Navajo Nation laws.
- Assist Peabody Coal in their effort to rid of feral horses damaging reseeded areas.
- Assist Peabody Coal to stop/prevent illegal fence cutting by certain residents grazing their livestock in reseeded area thus destroying reseeded vegetation.
- Request Peabody and I HS not to delete families that were listed on the original plan to receive water through Phase 2 Many Mules waterline project.