



REGIONAL COALITION of LANL COMMUNITIES

City of Española – Pueblo of Jemez – Los Alamos County – Ohkay Owingeh
Rio Arriba County – Santa Fe County – City of Santa Fe – Taos County – Town of Taos

REGIONAL COALITION MEETING MINUTES

October 14, 2016 | 9:00a—11:00a

Taos Plaza Old County Courthouse

121 N Plaza, Mural Room 2nd floor, Taos, NM 87571

A. Call to Order – Chair Barney Trujillo | 9:39a-

B. Confirmation of Quorum – Chair Barney Trujillo – Approved

- a. **Attendees:** Commissioner Barney Trujillo, Mayor Javier Gonzales, Councilor Kristin Henderson, Councilor Darien Fernandez, Mayor Alice Lucero, Commissioner Mark Gallegos
- b. **Excused:** Lt. Governor Ward Yeppa, Representative Ron Lovato, Commissioner Henry Roybal

C. Approval of Agenda – Chair Barney Trujillo | 9:40a-

- a. **Approved** - Motioned by: Commissioner Mark Gallegos, Taos County; Second: Councilor Kristen Henderson, Los Alamos County

D. Approval of Meeting Minutes - Chair Barney Trujillo | 9:41a-

- a. **Approved** - Motioned by: Mayor Javier Gonzales, City of Santa Fe; Second: Councilor Darien Fernández, Town of Taos

E. Discussion/Action Items (1hr 25 min) | 9:42–11:35a

a. Honoring former Vice-Chair, Councilor Andrew Gonzales, Town of Taos

- i. Andrea Romero thanked Councilor Gonzales for his service and welcomed him to serve on the Board again in the future.
- ii. Councilor Andrew Gonzales thanked the Board for the opportunity to serve. Encouraged the Board to continue forward with dedication to the Coalition's directives and constituents.

b. Briefing from NM Congressional Delegation – Sen. Heinrich's office representative, Katie Richardson

- i. Significant improvement in final RFP due to RCLC and others' advocacy
 - a. 10% of LANL budget is environmental cleanup
 - b. 50% of major contractors at LANL are involved in environmental work
 - c. An increase in amount of small business contracting than DOE required
 - i. Normally 50% of subcontracting dollars, LANL is about 65%
 - d. Community commitment plan has been successfully implemented into M&O contracts
 - e. NNM Pricing Preference remains viable
- ii. Sen. Heinrich will be celebrating Startup Commercialization Center on October 17 at SFCC
- iii. Q: Mayor Gonzales – How is small business defined? What is the set aside for minority participation? A: The Small Business Administration determines the definition of small business as it pertains to contract set-aside. It does not need to be a New Mexico business, which is why the 5% pricing preference for local businesses is so important. Executive Director Romero commented that the pricing preference allows for NM competitive advantage. As Coalition seeks to build a pipeline of small business that can contract with LANL, we will continue to explore how local businesses and communities can respond to the needs outlined within contract.

- iv. Q: Mayor Gonzales - What is the timeline for advertisement and award? And when can we expect to see small businesses awarded these opportunities? Director Romero explained that the private sector should be submitting their RFPs by the end of October. We don't yet know when the contract will be awarded.

c. Executive Director Update

Environmental Stewardship

- I. National Cleanup Workshop
 - a. There are still questions regarding WIPP readiness but still on schedule to open in December.
 - b. The update on EM contract with regards to community commitment was of high interest at National Conferences in Washington DC and we received good feedback.
 - c. With Deputy Secretary Mark Whitney leaving EM, the Coalition will inform Board who will be hired in his place.
 - d. Lifecycle Baseline Cost Estimate - Document received while in Washington, DC
 - i. Although document is in draft form, EM-LA is working on final edits
 - e. Lifecycle Baseline does not incorporate annual budget cycles, however the Coalition is working with EM-LA to formulate annual budget cycles for FY17, FY18 and FY19.
 - f. FY17 may produce \$15 Million more than we currently receive. Will formulate FY17 after presidential election and budget release sometime in March. May collaborate with Representative Ben Luján's office.

Communications Update

- II. September was a successful month in the Press
 - a. 5 primary articles. 12 secondary articles pulled from primary articles and Associated Press. National news: The Washington Times and The Daily Progress of Charlottesville, VA. Primary articles enclosed within Meeting Packet.
- III. Board Recommendations
 - a. Mayor Gonzales – Need analysis of media coverage that is in line with RCLC messaging vs. general coverage. The Board needs reminders on key talking points on RCLC issues when engaging with media. Track efficacy of media coverage and messaging.
 - b. Commissioner Gallegos – Include success stories from contractors / business owners who are benefiting from RCLC's efforts. Director Romero mentioned that there are several stakeholder groups that track local contracting, such as Los Alamos Major Subcontractors. We will look into overall scope to help us engage with local impact of economic development.

d. Presentation: Sect. Butch Tongate & Katie Roberts NMED; Consent Order Agreement | 10:10a-

- i. Introduction: Sect. Butch Tongate
 - I. WIPP hopes to reopen, but only when facilities are determined safe.
- II. Councilor Henderson expressed her appreciation for Secretary Ryan Flynn's policy efforts to ensure WIPP and LANL work as collaborative entities.
 - ii. Public comment period was extended for 20 days and ended May 31st
 - iii. Following, several meetings occurred with DOE-EM and document was signed on June 24, 2016 by EM-LA Manager Doug Hintze and Sect. Ryan Flynn.
 - iv. Along with issuance of final document, released a comment response matrix including all comments received.
 - v. Public participation
- I. Greatest number of comments were related to public participation.
 - i. RCLC Comment: The draft Consent Order limited public participation and NMED needed to allow access to any documents related to the Consent Order. NMED holds the new Consent Order does

- not limit participation and has remained intact from the 2005 Consent Order, which provides a mechanism for the public to provide comment on remedy selection.
- II. Commissioner Trujillo Comment: NMED is employing a transparent process and there was good opportunity to impact final document.
- vi. Campaign approach
 - I. Defined as logical groupings of work such as geographical location.
 - II. Comments both supported and opposed new campaign concept and structure.
 - III. RCLC Comment to split RDX campaign was integrated into Consent Order, particularly on chromium and RDX campaigns, respectively.
 - vii. Annual Planning Process / Budget
 - I. Many comments supported flexibility of the process and how it takes federal budget constraints into account.
 - II. Many commentary raised concerns that the enforceable deadlines only occur during current fiscal year and deadlines are only driven by DOE funding.
 - i. In Section 8 of Consent Order: 'Milestones and targets in Appendix B are updated on an annual basis, that they account for such factors as actual work progress, changed conditions'. Thus, if something new is discovered in the field, changes must be made to priorities as a result of changed conditions. Language anticipates that there will be several factors in which milestones and targets would be revised / changed. Thus, funding is only one of many factors considered.
 - III. Editorial / Grammatical changes made. Along with Modifications to 'definitions section'
 - IV. 'Designated Agency Managers' – persons charged with facilitation and implementation of Consent Order.
 - viii. All comments reviewed by NMED: 'Every single comment received was considered,' however, NMED developed criteria to determine which comments would be incorporated in Consent Order
 - I. NMED taking it upon themselves to make document stronger through:
 - a. Public outreach
 - b. Enforceability
 - c. Enhanced capability of LANL to expedite cleanup
 - d. Enhanced ability to request increased cleanup funding
 - ix. Key Changes
 - I. Added provisions into Sections VIII.B5 & XXXIII
 - a. Stakeholders and Four Accord Pueblos must be involved if changes / modifications are made to campaigns or overall document.
 - II. Added provision for use of Supplemental Environmental Projects (SEPs) in lieu of stipulated penalties.
 - a. If DOE misses a milestone, NMED can enforce stipulated penalties with flexibility to direct penalties into improvement projects within community rather than just paying a fine.
 - III. Added provision requiring annual public meeting
 - a. First meeting will be a joint presentation between NMED and DOE on November 16th, 2016 at Fuller Lodge.
 - IV. Removed AG from Covenant Not to Sue section
 - a. Future contractors are not signatories to Consent Order. NMED felt the DOE would be able to hold their contractor accountable through own contracting mechanisms, hence it was not necessary to make them a signatory to Consent Order.
 - V. Annual Planning Process
 - a. The Consent Order annual work planning progress, milestone and targets are meant to be complimentary to Lifecycle Baseline Estimate.

- VI. To help with future funding requests, NMED encourages continual recommendations and feedback from RCLC. NMED will stay in contact with NM Congressional Delegation.

Q&A:

- VII. Councilor Henderson – Were the contractors / future contractors considered party to this document previously? What is the consequence of them not being a party? Roberts responded that the previous contractor (University of California) was a party within the 2005 CO. DOE has authority to ensure contractor meets milestones in CO through goal contract documents. DOE can enforce contractor milestones, NMED enforces upon DOE.
- VIII. Mayor Gonzales - The Clean Power Plan of the Obama Administration is directed towards utilities, however, the Mayor recommends that there be “opportunities to include cities or local jurisdiction participation as part of the solution set...towards green economy activities”. Has NMED decided how to implement the Plan yet? Sect. Tongate responded that there are still outstanding lawsuits surrounding the Clean Power Plan and NMED is waiting until lawsuits are resolved. NMED supports the inclusion of green economy activities.
- IX. Andrea Romero – How can we align priorities that anticipate targets, milestones, budgets for two fiscal years ahead in order to achieve the desired appropriation? Can the Coalition receive a draft Appendix B for FY17 before it is finalized? Roberts responded that the CO annual planning process cycle seeks to anticipate priorities and budgets for fiscal years. NMED’s intent is to continue the conversation to determine upcoming fiscal year milestones as well as FY18 and FY19. NMED will provide a draft Appendix B for FY17 to RCLC before it is finalized at November public meeting.
- X. Councilor Henderson – Recommendation to focus on accomplishing milestones because it generates more capital.
- XI. Mayor Gonzales - Commented that the NMED seems to have “...really listened to the community and the RCLC to allow a process that is balanced and ensures an outcome that achieves community-driven action”.
- e. **Video Conference Presentation: Richard Anklam, NM Tax Research Institute; Updates on GRT Issue | 10:46a-**
- i. Background information presented by Andrea Romero
 - I. Recent discussion with NNSA acquisition team revealed that there is still an ability to extend contract and is not clear yet if LANS will extend for another year.
 - II. Many meetings, discussions and presentations have been made to eliminate tax-exempt status and ensure GRT revenue for NM.
 - ii. Potential Pursuits presented by Richard Anklam
 - I. NM’s unique GRT was developed in 1930s as an ‘emergency school tax’ due to lack of funds, land and property taxes.
 - II. NM GRT is broader than sales tax as it includes services. In 1970s, began to use GRT to tax federal government research & development services.
 - III. Conversation will continue in January after new President takes office.
 - IV. “The RCLC’s fiscal concerns are aligned with those of the State’s...and the contribution from the Federal Government and National Laboratories is a significant part of New Mexico’s economy and tax base.”
 - V. Consider Interim Revenue Stabilization and Tax Policy Committee endorsement before entering regular sessions, which would show our legislation is vetted by a bi-partisan group.
 - VI. Consider a broader target, rather than narrow target of solely National Laboratories designated by Congress.

- a. Historically, NM has been able to tax the federal government because we have always taxed more broadly.
- b. Pay attention to Tax Quorum, which expresses concern that NM is not in a good structural and fiscal position to tax narrowly.

VII. Q&A:

- a. Councilor Henderson – Given that Oak Ridge, TN taxes ‘scientific research and development centers’, is this language or something similar appropriate for us to use in NM? Anklam responded that it may be appropriate because the language is broadened and could reduce the risk of a federal challenge. He is persuaded by the Coalition’s argument that it is the ‘status-quo’, ‘creating certainty’ and a ‘level-playing field’.
- b. Brian Bosshardt – We don’t like to target federal government for taxes, so what can we do as an alternative to targeting them for tax purposes? Anklam responded that it will serve the Coalition best to focus on our own objectives, but it may be necessary or advantageous to join efforts with hospitals or other non-profits to address the State’s fiscal scarcity in the next legislative session. Through targeting sales, R&D activities, employee base and/or assets it may be possible to include 501(c)(3) exemptions within tax base.

f. Action: Vote on Nov 11, Veteran’s Day, Meeting Canceled | 11:09a-

- i. **Motioned by:** Councilor Henderson, County of Los Alamos, Commissioner Gallegos, Taos County
- ii. The next meeting will be held on December 9th

g. Action: Vote on 2017 Board Meeting Schedule

- i. **Motioned by:** Commissioner Gallegos, Taos County; Second: Mayor Lucero, City of Española

h. Action: Board Representation at Intergovernmental Meeting in New Orleans, LA, Nov 16-18

- i. Mayor Alice Lucero, Councilor Henderson, Andrea Romero will attend meeting

i. Budget Update, Brian Bosshardt

- a. To facilitate better understanding of budget, changes were made to presentation of Coalition budget to reflect presentation of local government budget.
 - i. Includes travel, reimbursements and ECA dues.
- b. Received notification that DOE funding for FY17 is on its way.

F. Public Comment | 11:50a-

- a. Jeanne Green, citizen of Taos, reported on geothermal leasing for fracking in the Jemez Mountains. Concern was raised on the geographical proximity of proposed fracking to LANL and the PF-4 plutonium site as well as the PF-4 building’s potential vulnerability. Green asked the Coalition to provide public comment to the US Forest Service before October 28th. Commissioner Trujillo responded that the Board is interested and willing to listen to its constituents and Andrea Romero will look further into issue to determine if we can make a statement.
 - i. Commissioner Gallegos commented that due to the busy schedules of public officials, it is sometimes difficult to keep up with the myriad issues that affect our communities and the Board appreciates citizens coming forth with these issues.

G. Meeting Adjourned | -11:28p

- a. **Motioned by:** Mayor Lucero, City of Española; Second: Commissioner Mark Gallegos, Taos County