Economic Development Committee Meeting  
October 29, 2019  
8:00 – 4:30 p.m.  
AGENDA and MINUTES


Called to Order @ 8:09 a.m. by Jason Sandel

Mr. Sandel informed the group that the purpose of these meetings is to discuss what the Energy Transition Act Committee will look like that was passed by the legislature and signed by the governor. The committee has conveners representing Department of Workforce Solutions, Economic Development, and Department of Indian Affairs. The charge for this committee is to have three meetings to have discussions about the expenditures of allocated funds, this being the first meeting.

- Total of 70 million dollars coming to the community
  - 13 million – Workforce Solutions for job training
  - 5 million – Marketing for new economic development activities
  - 2 million – Department of Indian Affairs for discretionary funding
  - 20 million – Severance training and workforce development to be determined how it is spent by PNM and Unions
  - 30 million – Mine rehabilitation and plant recommissioning

Focus of this meeting is for this committee to address the 20 million dollars of funding as these three departments are working together to understand what different types of activities are currently going on inside the community.

**Current State of PNM**

Mr. Matthew Jaramillo, Government Affairs at PNM Resources addressed the group to update the board on the implementation of the Energy Transition Act and discussed the following:

- Currently in the implementation phase of the Energy Transition Act which was filed by PNM on July 1, 2019 with the PRC and consisted of three parts:
  - Request to retire plant
  - Financing the transition and remaining costs
  - Replacement power options

- Working on developing measures that will help address some of the challenges including the critical support of coal miners and plant workers by using a large portion of the funds for training.

- Discussed how to make the inevitable transition away from coal and replace with solar, wind, battery storage, and natural gas.

- Discussed four scenarios where replacement energy could be placed from conversations over the last three years:
  - 280 megawatts in the form of a purchase power agreement
  - Put all the resources here in San Juan County to alleviate tax loss
  - No fossil fuel
  - 100% renewable energy with wind and solar power
There are challenges for each scenario, but PNM wants to do what is best for the economy and the San Juan community.

Questions revolved around decommissioning, reclamation, and total dollars spent as well as getting 450 megawatts in San Juan County.

Highland Economics
Mr. Arvin Trujillo, Chief Executive Officer for Four Corners Economic Development presented on the following:

- Teams from San Juan, McKinley, and Cibola counties attended the EDA/Coal Reliant Communities innovative Challenge work session in West Virginia in November 2015.
  - Through this work session, the idea of an assessment was developed.
  - Assessment Report was completed in February 2017 through a Power Grant from the EDA.
  - A portion of the report focused on impacts that could occur with the loss of coal-related jobs.

- Regional and community strategies to mitigate economic impact and genesis of current economic development focus include:
  - Workforce and business development
  - Quality of life
  - Partnerships and regional marketing and need for reassessment what we are doing.
  - Energy sector economic opportunities to explore opportunities that could arise with current energy sector resources in the region with coal, oil, natural gas, solar, wind, geothermal, uranium, and transmission and electrical grid.
  - Other sector economic diversification opportunities such as manufacturing, regional transportation, agricultural, tourism/outdoor recreation, and petrochemical opportunities/industrial gas development.

- 4 Corners Future Forum – From the assessment report, the idea to promote and encourage inter-regional communication and the 4-state region was further developed.
  - Initial theme areas of focus included capacity building, agriculture, creative economy, tourism, energy, heath, manufacturing and technology/neutral location neutral.
  - The initial forum held in November 2017 provided the 4-state region and the tribes to provide their issues, challenges, and priorities where common themes were identified.
  - Common themes were further explored at Forum 2.0 held in November 2018.
  - 4CED is currently working on regional development, business retention and expansion, and regional infrastructure and industry development.

- Local initiatives to diversity economy include:
  - Incubators at San Juan College, chapter houses, partner with SW Colorado with the region 9 – how do we begin to market the 4 corners area.
  - Coal transition for area – coal is one of the assets in this area – expand more on this in petrochemical presentation.
  - Looking at working with Navajo Nation and engaging with them more closely on how to develop proposals.
  - Incorporating the community in this effort and want input from retiree groups.
  - Recommendation made that 4CED work with Four Corners Economic Development to combine and be at one site.

San Juan Citizens Evaluations of the Assessment
Mr. Mike Eisenfeld, Energy and Climate Program Manager for San Juan Citizens Alliance, presented on working statewide and nationally on the Energy Transition Act since San Juan Generating Station is being abandoned in 2022. Looking at report done by Kelly O’Donnell for the University of New Mexico School of Public Administration, he offered the following information:

- There is an opportunity for economic development for this area with intent of moving forward and transitioning away from coal.
- Dependence on fossil fuels looks to be problematic moving forward – need to diversify with renewable energy.
Kelley’s theme is divesting from coal due to shrinking demand, high cost, unreliability, and is unfeasible to the region at this time.

- This region has been impacted by coal-fired power plants for many years; she noted scenic beauty and outdoor recreation, and the opportunity for more recreation. Tourism and recreation were the two primary assets she identified for this area.
- Need to think of jobs that are being lost from mining. Some communities that have transitioned away from industry have gone to tourism and outdoor recreation opportunities.
- This area is well positioned for solar energy and there is land for these facilities as well as solar and cellular storage.
- Mine reclamation – lots of money associated with this.

- Local food and healthcare were also mentioned in the report.
- Tax and jobs analysis – 450 megawatts plant in region could replace all the lost revenue and generate more than 60 million dollars.
- Quality childcare and quality education at a community cost need to be included in these discussions with federal funding.
- San Juan College has an opportunity to be a leader in renewable energy since economics have changed around coal in particular.
- Have the opportunity here to work with the Navajo Nation and there is an opportunity here to rectify a wrong with them from the 1937 Act where utilities stopped on the reservations. Recommended that Kelly’s presentation be available to the Navajo Nation.

With the Energy Transition Act, we can encourage folks to be as immersed as possible to make sure replacement power comes to San Juan County. Need to think about more sustainable and holistic possibilities for this opportunity to become a world leader in renewable energy. San Juan Citizens Alliance will continue to work together with the community.

**New Mexico Building Trades Union**

Mr. Brian Condit, Executive Director of NM Building and Construction Trades Council, an organization representing unions in New Mexico including the unions that represent employees at both the San Juan Mine and the San Juan Generating Station, spoke on behalf of worker concerns and provided the following information:

- Unions are made up for the most part of minority populations – 12,000 in numbers.
- Currently there are 200 PNM and 200 San Juan Coal Mine members that will be directly affected by the closures.
- With the decision of the closures, they are working to develop new opportunities. Depending on outcome by deliberations the bill intends to provide resources to this community and workers displaced by the closure.
- There is a labor shortage in the construction industry statewide and nationwide and labor worker positions are currently in very high demand.
- The union will work to provide a bridge for the mine and power plant workers to enter the construction industry using apprenticeship programs for training.
- Severance pay as well as health care was also discussed.
- They will work for qualifying displaced workers for full pension without a penalty.
- Unions will be fighting for replacement power as well as job and apprenticeship opportunities for displaced workers.

**Navajo/Jicarillo Nations**

Mr. Carl Slater, Council Delegate from Navajo Nation, offered the following suggestions and considerations:

- Do not overly concentrate on one industry.
- Be careful how this is communicated to the people; needs to be a paradigm shift on how we power our community.
- He sees renewable energy as a positive move to reinforce traditional lifestyles and values and it could provide opportunities for some to move off the grid.
- There is vibrant tourism in the area to promote outdoor recreation especially with the mountain bike trails.
• Need to find common ground to work together and look at benefits and drawbacks.
• Get engaged with younger generation for discussions and ideas for moving forward to diversify economy.

He asked the committee to go to Window Rock, Arizona and do a presentation to the Navajo Nation Council and added that he would be happy to facilitate conversations with the Board of Navajo Nations. Everyone needs to keep in mind that it is the younger generation that will inherit this situation and deal with issues of land, economies, and the communities. He asked if the state could support independent studies of the of potential contamination at the mine and power plant sites and provide this information to lawmakers of the Navajo Nation.

**Office of Senator Tom Udall**

Mr. Greg Bloom, State Director representing the Office of Senator Tom Udall, reported on possible resources that might be available for this region through federal grants available for economic development and redevelopment and provided the following information:

• Reported this area has done well in applying for awards.
• The Delegation Office headed by Stephen Ortega, will do grant searches, not for profits, and will be glad to help bring federal agencies to the communities so they can tell everyone exactly how these grants work.
• Includes 60 grants as well as other materials. There is a link for information or folks can reach out to his office and they will be glad to send materials directly.
• Assistance to Coal Programs have been developed.
• Economic aid adjustment for a 1.4 million dollar award to economic power aids for San Juan County to diversify with distance learning, broadband, Brownfield redevelopment, regional strategies program, and local assistance programs in creating economic development plans.
• Assessing coal and uranium fields across New Mexico.
• Explained the USDA’s community facilities direct role regarding solid waste management, water and waste disposal grants for clean and reliable drinking water.
• Pre-developed grants for job core scholarship programs available to community colleges and they provide free counseling to colleges.

His office will continue to support these grant programs vigorously moving forward and will be glad to do road shows. Always willing to support coal transition programs as well. There are a lot of opportunities for this area.

Questions revolved around grant opportunities for rural communities as well as carbon and capture.

**Film Presentation**

Mr. Brent Garcia has been working with several organizations throughout the county and state for film development for economic development for San Juan County and reported the following:

• Started a non-profit organization called Film Four Corners to provide on-the-job training, education, marketing as a desirable filming location, etc.
• Information from 2017 economic data from the film industry statistics are as follows:
  o Filming industry became the largest employer for the state over the oil and mining industries
  o 17.2 billion dollars in exports generated
  o 76 billion dollars in wages – average salary is 47% higher than national average
  o Employed 297,000 people directly
  o Supports 2.6 million total jobs
  o 2.6 billion from sales tax on goods
  o 44 billion to payments of business
  o 930 businesses service the industry, 87% which are small businesses and employ less than 10 people.
  o Filming industries need ancillary services and they are willing to pay individuals for those services.
  o All of this directly benefits state and local businesses.
• New Mexico has tax incentives that are very enticing to filming companies.
• Efforts are already in place to identify areas to build potential production facilities and filming companies are investing.
Recent films include *The Mule* and *Jumanji II* and this area is on the books for several large productions to come here moving forward.

- There is skilled labor here that can be employed and this could be an option for displaced workers.
- Brent played a video to showcase this area to show that “San Juan County is Open for the Film Business”.
- Pristine landscapes, people, infrastructure, hotels, diverse landscapes, and the additional 5% tax break is becoming attractive.
- Film Festival brought in over 200 out-of-state filmmakers to the area to showcase this area – feedback was this area is sitting on a gold mine.
- Netflix is setup in Albuquerque with an agreement to spend 1 billion dollars over next 10 years.
- Many major players will be relocating to New Mexico over the next several months.
- Film industry is a good supplemental industry for San Juan County.
- Working with Luke Renner at the San Juan College to bridge gaps between education and training and are making recommendation for certificate programs.
- Would like to see collaboration between filming industry and Navajo Nation to try to figure out how all sides can benefit the most from this.
- Filming Industry and Tourism – Originally NM Film office was a branch of tourism office – there is huge link between tourism and filming industry.
- Once Jumanji is up and going folks will want to take a tour of Shiprock and the Bisti to see the filming locations. Want tourists to come here year-round.
- Film Festival wants to bring more companies here and this will be a big part of the festival. Film initiatives need to be tied into the community.
- Biggest challenge is that we are in direct competition with Las Cruces as they are a few years ahead of us – having a workforce that does not know what the workforce looks like, the film database is a big challenge.

The film industry makes a good impact community wide. Changing what this could or could not be for this area is a challenge as far a public awareness, getting database, and getting the information out, but exciting news all around. Jason encouraged Brent to put next steps down so they can put details behind what the committee needs to do to get onboard.

**Petrochemical Plant/Railroad Initiative**

Mr. Arvin Trujillo, Four Corners Economic Development Director, reported that San Juan County was approached by NM Growth Coalition to provide a proposal for an industrial development site for a Petrochemical Plant within San Juan County.

- Benefits of this economic initiative would include:
  - Collaboration efforts within the Four Corners region to bring economic-based jobs to the region.
  - Opens the door for further development.
  - Provides needed infrastructure promoting new growth and expansion.
- A successful project could create economic-based jobs, construction of a railroad connecting San Juan county to the I-40 corridor, and tribal and non-tribal communities working together for the benefit of the residents.
- Overall impact would bring close to 3.4 billion dollars to this community.
- Goal is to look at diversity, transition, value added products, etc. and to look at these possibilities for the enhancement of this area. The potential is tremendous and opens the door for the four corners area.
- Need to take a look at this from an open aspect in order to develop a plan moving forward with collaboration between San Juan County and the Navajo Nation.

Lengthy discussion occurred around this topic. 4CED wants community involvement and suggestions on how to proceed. The younger generation needs to be a part of this as well as they play a vital role and they are the ones who will have to deal with these decisions.

**Data Center Presentation**

Mr. Tim Nitti, President and CEO NM Partnership, reported on Data Center Opportunity Framework as he is looking at this region to focus on a partnership. Site selection is always complex and sophisticated decisions
regarding industry sector targeting needs to be recognized. Communities choose sectors, but they do not take stock of what they are and what it takes for them to be successful. Opportunity evaluation factors to consider include:

- Effectively targeting an industry sector.
- Specific strategies and tactics must be identified and resources available.
- Will look at permanent jobs, construction jobs, taxes, and infrastructure.
- Looking at success factors such as lack of natural disasters, cost of utilities, real estate, fiber, tax climate and incentives, proximity to key markets and customers.
- Considerations will include proximity to key suppliers and partners, electric utility generating mix, travel infrastructure, local availability of special facility construction vendors, and workforce availability.
- Biggest decision factors include workforce cost, quality of life, and existing training sources.

Questions revolved around site selection, education and training of workers, security and maintenance of data center, and fiber layout and maps.

**Outdoor Recreation**

Mr. Warren Unsicker serves as Director of ORII (Outdoor Recreation Industry Initiative and CTED (Community Transformation and Economic Development) for the City of Farmington and reported the following information:

- A lot of money is being spent on outdoor recreation throughout the nation and Farmington wants to capitalize on this industry sector where we have the most assets readily available.
- Outdoor recreation employs 6.1 million jobs compared to 2.1 million for oil and gas industry.
- Showing strong, steady growth for bicycling, camping, fishing, hunting, motorcycle riding, off-roading, snow sports, etc. We have all this here, except salt water sports.
- New Mexico is spending 9.9 billion on recreation.
- Working to create outdoor attraction amenities, become a thoughtful leader in the outdoor recreation industry, and create a landing pad for outdoor recreation outfitters, guides, and manufacturers.
- Outdoor Retailer Summer Market – Farmington was a major player at the show and we are working to attract manufacturers of outdoor goods.
- The Big IDEA Maker Space/Incubator at San Juan College is promoting individuals to make their products and can start marketing.
- Local foods form local places at a food hub – proposed at old “wet shelter”.
- “Jolt Your Journey” is Farmington’s outdoor recreation pledge, whether a resident or visitor, folks will be encouraged to take the pledge.
- Building recreation assets such as zip lines at the Lake Farmington, pavilions, cabins, road paving, bicycle trail connections, gateway park along Animas River to encourage private business, southside river trails, riverside market kiosk, North Foothills recreation area, all abilities park, pump track, destination placemaking, downtown, Totah Park, etc.

Want to attract active retirees here where everything is interconnected. Currently gathering information from other communities to see what the needs are and looking at a broader spectrum to interconnect with everyone including the Navajo Nation. This is new and exciting for the City of Farmington and the regions around us.

Questions revolved around creating joint ventures with the Navajo Nation and sustaining our natural environment.

Jason asked Warren to list examples on how this committee can put forth ideas and how this will transition this community.

**Public Input/Comments**

**Mr. Mario Atencio** – Not supportive of the act – Navajo communities were not consulted. Mentioned think tanks or incubators to think about this very incredible situation. Water, power, gas lines, and river chapters – we have an immense amount of opportunities to do something unique.
Mr. Barry Dickens – Thanked Arvin for what he is trying to do and hopes other entities get onboard and understand what is happening here. Community as a whole is being impacted. Community has to be seen as a bigger area. Hope when you have deliberations that when it comes to employee retraining that you consider the state of New Mexico. There is a process on how this money should be distributed. It takes a lot of money and land to run a heavy equipment program and there is a lot to consider when you are retraining individuals.

Mr. Ernest Hubble – Resident of Farmington and San Juan County and has lived here off and on for 25 years. He is a self-employed artist. As a painter, the landscape has had a great influence on him as an artist and as a person. As part of this community, he thinks it is time for a change from the oil and gas businesses and coal mines are closing down all across the nation. He does not feel that coal mining is sustainable here and is damaging the land. He likes the idea of solar energy. He thinks we need to transition into a new direction. He likes the outdoor initiative. Not everyone works for the oil and gas industry. Thanked everyone and brought home the importance of their decisions to come.

Ms. Sandra Wheeler – She is more optimistic after all the presentations. Hopes they take Mother Earth seriously, quality of life, but primarily in terms of economics. In terms of quality of life, we need to investigate the high rates of childhood cancer (rare cancers) from fracking. Anything that keeps this going is not going to beneficial. Timeliness of transition – climate change report – we have until 2030 to make the changes and get them done. That date is turning out to be questionable because of processes. Scientists are very conservative and do not want to claim what they are not positive about and not setting deadlines. Greenland iceberg predicted for 2070 – 2030 may be arriving a lot sooner than calendar date. New Mexico is the only one rated by world resources institute as extremely stressed for water. New Mexico is in trouble and we are contributing to our own problems because we are so dependent on oil and gas. Please decide to go with as much non-fossil fuel as you can. Say ‘no’ to Petrochemical and plastic.

Ms. Maxie Lewis – In regard to the Energy Transition Act, most of the indigenous people impacted have not been consulted in any way about this. PNM to this day has not fulfilled their obligations to charter houses. Presentation from PNM only lasted 10 minutes – it takes time to read it and analyze it. There is limited time and no questions. PNM issued a $1,000.00 check as a form of bribery as well as scholarships. Not one time, did they record responses for community concerns or demands. Various health issues are affecting these people. Coal ash, white ash being exposed to these and clean-up of the mine and clean-up of contaminants and poison. Must have corporate accountability of land and people.

Ms. Michele Shellmire – Education is a huge issue – CCSD is an area of impact for education system as far as tax revenue comes from the power plant. ETA says there will be a replacement power system in that district so that tax revenue is still in place for this school district. Natural gas plant being obsolete by 2045 – short term and short sited solution. Why do they want to use natural gas? San Juan College had a world-class Renewable Energy Program – what happened to that? She talked to the Dean and they responded that it would be education malpractice to continue with the program. These issues need to be looked at – bring back renewable energy to bring in workers to replace the oil and gas. Get educated and reintroduce the Renewable Energy Program at San Juan College.

Board Discussion – Future Work Plan

Glo Jean Todacheene – Will take into consideration what everyone has said. Thanked young people who attended this meeting and what they said is going to be considered. Big business wants to profit, this is what we deal with as community members. Affordable childcare are issues we have to think about. This is a struggle for all of us as humans – overpopulation, resources going down, climate change, the earth is in trouble. We are all here for our survival and what keeps coming up is quality of life. Other struggles like water, fracking, and methane are issues as well.

Joseph Hernandez – This is an historic opportunity and folks in the future will be looking at what this group will be doing and the decisions they will make. Thanked everyone for this opportunity to be a representative on this committee. Indigenous people need a healthier, cleaner community to live in.
Warren Unsicker – Talked about the benefit of having the college as a training partner to help with skill sets for jobs. Critical to have folks in career paths before they are laid off. Native concerns over transparency is important as well.

Conclusion:
Jason Sandel stated the board has constituted and had the first meeting pursuant to Energy Transition Act. Thanked everyone for participating. Moving forward, this group will be working with the Indian Affairs Office and the College. Meetings will take place in Farmington, Kirtland, and Shiprock. Asked everyone to list their contact information for each of the board members to communicate for next steps. Public can forward their requests as well.

Next Meeting: March or April will be scheduled for second meeting. No preset agenda at this time – will base that on what happened today.

Links and information will be available on the website for all of these presentations per Jason Sandel as well as minutes and meeting documents at the DWSSTATENMUS/Eta website.

Adjourned @ 4:20 p.m.