

Jefferson Local Development Corporation

Meeting Minutes, March 8, 2006

Present: Bob Marks, Jan Speirer, Joe Calnan, Ed Handl, Darrell Miller, Pat Lewis, Barbara Sunderland, Byron Stahly, Mike Molitor, Tom Lythgoe, Tom Harrington, Tara Mastel, Nancy Wheeler. *Guests:* Terry Dimock, Dee Anna, Kenda Erickson, Dick Norden, Shari Morin, Jamie Grossberg.

1. The meeting was called to order at 2:00 p.m. by President, Joe Calnan, in the Jury Room of the Boulder Courthouse. Ed made a motion to approve the February 9th meeting minutes, Pat seconded the motion. Motion passed.

Joe welcomed Tara Mastel, the new Jefferson County Economic Development Agent and JLDC Manager, who began her duties February 13th.

2. Meth Treatment Center Update

Tara reported the Department of Correction's (DOC) decision regarding the meth treatment center was postponed for further evaluation. Four proposals from three entities were received. The decision may be made next week and Tara/Tom will email the selection to the JLDC board members.

3. Future of Boulder

Dee Anna, from the Boulder community, presented a letter to the JLDC from Concerned Citizens of Boulder. They would like to better educate themselves on the Boulder community and are requesting specific information on Jefferson Local Development Corporation (JLDC), Montana Developmental Center (MDC), Youth Dynamics, Inc. (YDI), Riverside, Boyd Andrew and the proposed meth treatment facility.

Joe commented that some of the questions will require research. He informed them the JLDC meetings are open to the public. Pat asked if it would be possible for JLDC to obtain a list of persons involved in the Concerned Citizens group. Dee said some citizens wish to remain anonymous; she could give a list of those willing to have their names released. Tom H. suggested they visit our website where JLDC minutes are posted and give him a call if they have questions. Pat said another good resource for details on JLDC's programs is the fall JLDC Annual Meeting, which is well advertised. Bob suggested other resources for community information are the Chamber of Commerce meetings and Business Roundtables. Ed said memberships to the JLDC are open. Joe asked if there was a timeline for responding to the questions as some will need research. Dee said there is no timeline. JLDC staff will give an initial written response within a month to some of the questions and respond later to the more in-depth questions.

4. Boulder South Campus

a. Building 8 Roof / Boiler

Tara reported JLDC received the work specifications for Building 8's new roof and boiler. Tom H. requested some board members with expertise review the drafts before bids are sent out. The roof will be a basic design, standard asphalt roof with 24" insulation. Ed, Byron and Bob will review the drafts. The boiler and roof are two separate bids. Pat Devine, CMS engineer, has a list of qualified persons to send bids to.

The board briefly informed guests of the ongoing problems AYA has had with the current boiler for the last two-three years and the roof leaks and repair needed at AYA. The boiler system will be replaced with a better functioning boiler and the roof replaced.

Joe informed Tara of the boiler issue and the possible legal litigation JLDC may pursue after the installation of the new boiler. The old boiler and components will be stored in case of litigation.

Joe asked if JLDC staff has a system to track pending items; Tom H. replied that pending tasks are listed on a board in the office.

b. AYA Maintenance Agreement

In a letter to JLDC, Peter Degel prioritized items that need immediate attention at AYA for relicensing. He feels the \$300/month maintenance allowance JLDC proposed is not adequate to keep Dave, the maintenance

person, at AYA full-time; Dave is working at other YDI facilities in addition to AYA. \$300 will also not cover expenses for the considerable amount of painting the interior needs.

Shari Morin, YDI, said there will be mainly routine expenses after painting is completed and carpeting replaced. In addition, she said, AYA will take care of incidents that happen due to the clients.

Bob asked if \$300/month will be sufficient for routine maintenance once the "one-time" items are taken care of. He suggested to start with the \$300/monthly maintenance allowance, have AYA track expenses for a couple months, and bring costs back to the JLDC.

Barbara feels JLDC should pay for painting the interior due to the licensing issue and neglect of painting in the past and not include the painting cost against the \$300/monthly maintenance allowance. Shari said Dave, the maintenance person at AYA, will do research and present cost proposals to JLDC before doing work/maintenance on large cost items.

It was decided AYA will track monthly maintenance costs and submit an invoice to JLDC for consideration if costs exceed the \$300/monthly maintenance allowance.

JLDC authorized AYA to have the painting done. AYA is to bring a proposal for carpet costs to JLDC for approval prior to authorizing work to be completed.

Shari introduced Jamie Grossberg, AYA's new Program Manager for the day treatment program. Shari reported everything is going well at AYA; all beds are full. AYA is still gathering information on the back country program.

Bob suggested AYA form an advisory committee for a community information resource and/or a community contact.

Pat offered to host an informational meeting with the Concerned Citizens Community Group. Bob agrees with Pat's suggestion. JLDC would like to give the group both a written and a personal response to the questions addressed in their letter. Tom H. agrees as other projects are being brought into Boulder from the State that JLDC has no control over. Bob says it would be interesting to gather information of what the economics of social services are in Boulder.

c. Appraisal

Tom and Tara met with the appraisers and discussed finalizing the report to reflect the building 8 boiler and roof upgrades.

d. Land Plan

Tara and Tom reported plans are to move forward on this.

5. Montana Tunnels Advisory Group (MTAG)

Darrell gave a report on the February MTAG meeting. Montana Tunnels will keep the mill in operation through March. They continue testing waste dumps for more ore to process. A Job Fair initiated by Montana Tunnels was held Feb. 28th at the Red Lion in Helena to provide opportunities for their employees to look at other job offers. Tunnels is still in the process of looking for investors and is also exploring public/state funds available. The Facility Assessment RFP was advertised in the local papers. The DEQ continues working on the draft EIS with no date for the final draft. The Hard Rock Mine Trust Account was discussed at length. Some MTAG members will arrange a meeting with the Helena I.R. editorial board. The idea of a county resource officer for Jefferson County was discussed. Detailed minutes were provided to the JLDC board members.

Tom L. said the Commission feels mining regulations are too restrictive and plan to become aggressive in contracting with someone to look at mining regulations. The Commission will take a pro-active stand with the legislature. The Commission will also talk with Ed H. regarding his contract with the Commission.

Bob feels it's important for JLDC to write a follow-up letter to DEQ based on the meeting with the Governor's Office of Economic Opportunity addressing some of the mining issues and problems and include suggestions in areas they may be able to help that would benefit the mining industry.

The Commission is writing a letter to the Governor's office regarding issues that should be looked at regarding problems for the mining industry; it will reinforce Jefferson County's stand. Tom L. said the Governor has stated he wants to increase natural resource production by 50 percent in Montana. Tom L. would like him to look at everything, not just coal.

6. Montana Tunnels Mining Inc. (MTMI)

RFP Selection - Tom H. reported JLDC received five requests for informational material in response to the RFP but only one proposal, from Montana Economic Revitalization and Development Institute (MERDI), was submitted. After discussion, Darrell made a motion to award the contract to MERDI. Byron seconded the motion. Motion passed. Darrell, Byron, Ed, Jeff Levell, Tara, and Tom will meet with MERDI to discuss the project in detail.

7. Golden Sunlight Mine (GSM) / Community Transition Advisory Committee (CTAC)

Tom H. reported on the CTAC meeting held yesterday. Employment is at 159 employees and 20 contractors. GSM is still working on responses to comments on the SEIS and anticipate the Record of Decision this summer. GSM will submit a permit application for underground mining after the SEIS. The Barrick transition is underway and going well. The small slide on the northwest pit corner has been corrected. There is continued interest in remote ore processing. Barrick routinely does this at their Nevada operation and have given the go ahead to GSM.

GSM is preparing a letter to the Board of Environment Review on the proposed amendments that were changed. GSM is concerned with the modified language as there is no legislative authority with an ARM and could easily be changed. GSM commissioned a technical study of the Zortman Mine to look at the reclamation and bonding that occurred at the site. The report will look at the changes that have occurred in the bonding process that should show that laws have been changed to prevent what happened there from ever being an issue with current mining operations. GSM is willing to share the information with JLDC.

Wind developer has two anemometer wind towers erected at GSM. The contract to transfer Whitehall Wind to the JLDC is still pending a signature at the Gamesa office in Spain. Mark will contact Barrick's Spanish-speaking attorney in Denver to make a phone call to Gamesa to try to expedite getting the wind data.

The Sunlight Business Park lease is being reviewed by Barrick attorneys. Mark thinks the lease will be ready to be signed in April. The meeting scheduled with the Architect and Engineer has been rescheduled again due to their workload. Tom H. may need to contact EDA in Denver for another extension to April.

The Jefferson County Commission and JLDC staff met with the BLM to discuss GSM's SEIS and where they're at in the process. BLM's portion will be done the end of March.

8. JLDC Meeting Date / Location Change

Joe suggested JLDC monthly meetings be held at different locations throughout the county to make attending the meeting more accessible for the general public in the different county areas.

9. Staff Reports

a. Tara and Tom met with Senator Burns and Commissioner Weber on the proposed closure of the Forest Service Office in Whitehall and impacts this will have. Tara and Tom thanked the Senator for projects he has helped allow happen in Jefferson County.

b. Tara and Tom attended the County Commission meeting for the meth treatment facility in Boulder. The meeting was positive and Mike Ruppert answered questions that were presented. The Commission will write letters of support to the Department of Corrections and the Governor.

c. Tom met with seven seniors enrolled in the Entrepreneurial Class at Montana Tech and provided them with additional information on the Sunlight Business Park. The students will look into the management structure and potential businesses for the business park.

d. Tara and Tom met with Steve Siegelin, Western Regional Department Head for MSU Extension. Issues affecting the area and administrative details were discussed.

e. Tom provided input on the Whitehall Skateboard Park Metal Mines grant application and wrote a letter of support. Tara also attended the North County Business Roundtable in Montana City on the roundabout.

f. Tara attended an AERO statewide meeting at the Boulder Hot Springs. Tara said this was a good opportunity as she is interested in the availability of locally grown meat and produce for the local people. A Jefferson County grower who has 20 acres is contemplating going full time with this type business.

g. Mike Waite, a new field staff for Congressman Denny Rehberg contacted the JLDC office for a meeting to hear about local issues. JLDC contacted Senator Burns and Senator Baucus field staff to set up similar meetings. Tara and Tom met with Errol Rice from Senator Burns' Helena office earlier today.

h. Tom attended an Economic Development Seminar in Butte last month. The UM Bureau of Business & Economic Research conducted a study on Montana's economy and Tom gave an overview of the seminar and discussed some of the top issues resulting from the study. The seminar addressed the overall challenges in Montana and presented only the data collected from the study. A report was provided to board members with more detailed information.

i. Tom also attended Leadership Montana in Great Falls recently and learned about the military impact on Montana economy. He toured and learned about Pasta Montana and the International Malting Company facilities. Taylor Brown hosted an agriculture session and talked about the impact agriculture has on Montana and the challenges facing agriculture. There was also a presentation on bio-diesel and how it is produced. Leadership Montana is in a new application cycle for their next session and Tom recommends the board have Tara submit an application. Application deadline is March 31st; Tara will submit an application. A detailed report on the session was provided to the board.

10. General Comments & Questions

a. Terry Dimock reported the Department of Commerce has two new programs; the Workforce Training Grant and the Big Sky Economic Development Trust Fund; three projects have already been awarded. The Big Sky Trust Fund is for projects that would help with business expansion projects (grant or loan). The fund is also for planning and marketing projects. Tara and Tom will meet with Terry for more information. The Department of Commerce is taking CDBG applications in April for regular programs and applications in May for planning grants.

b. Tom L. stated Helena will bring sewer and water lines to the Jefferson County line. The Commission is meeting tomorrow with the Helena City Manager. Jefferson County has to come up with a strategy to keep north Jefferson County from being annexed into Helena. The Commission will be proactive in keeping this from happening. If this occurs, Montana City residents would have to pay both county and city taxes, the zoning goes away and property could be broken into whatever parcel size Helena allows. Joe suggested the Commission or JLDC find a specialist who can analyze the issue. Tom L. said this will need to be done quickly. Joe asked the JLDC to consider what role JLDC wants to play in this and engage in getting some expertise. Next meeting is scheduled for Wednesday, April 12th, 2:00 p.m. at the Elkhorn Mountain Inn (Gallery Room), Montana City. Meeting adjourned at 4:15 p.m.

Respectfully Submitted,

Nancy Wheeler
Notetaker