

Jefferson Local Development Corporation (JLDC)

Meeting Minutes, March 21, 2007

Present: Pat Lewis, Joe Calnan, Dick Norden, Jim Jacobson, Mike Molitor, Bob Marks, Byron Stahly, Darrell Miller, Tara Mastel, Tom Harrington, Nancy Wheeler. *Guests:* Ernie & Terrie Kenison, Commissioner Chuck Notbohm, Shawn Bryant, Barbara Reiter, Celia Wolny, Dave Kirsch, George Gadaire, and Connie Grenz.

1. Call Meeting to Order and Minutes

The meeting was called to order at 6:01 p.m. by President, Joe Calnan, at the Boulder City Hall. Joe recognized the guests present. As a quorum was present, Joe continued with the agenda.

Minutes from the February 21st meeting were adopted as written.

2. Boulder South Campus

a. Sewer Report

Tara said an insurance claim was submitted for the South Campus sewer backup that occurred last month. The bills totaled about \$12,000. An insurance claim was submitted to MACO for the costs. MACO paid the claim less the deductible, which JLDC has paid. A follow-on sewer problem occurred about a week and a half ago that has been taken care of. JLDC has not been billed yet for that follow-on work.

Related to the sewer project is the BEAP project approved by the board in November that JLDC is currently working on. A study of the sewer at the South Campus is needed for expansion to enable businesses to be able to locate across the highway from the South Campus. The Board received a white paper write-up of the project via email that was requested at last month's board meeting. Tara said the project requires a board vote based on the Articles of Incorporation regarding community funds. JLDC would assist Headwaters RC&D in applying for a grant to do a professional engineer study to determine the condition of the sewer system on the South Campus and the cost involved in upgrading the existing sewer lines on the South Campus to facilitate future expansion. The study would also determine the costs involved to extend Boulder sewer and water services west across Highway 69 which is necessary for any further development of the south campus and for business expansion across the highway. The grant needs matching funds; JLDC's portion would be between \$2,300 and \$6,900. Tara said there is a commitment from all other entities and all other land owners involved in this project.

Bob said he noticed in a newspaper article today that the City of Boulder has not stepped up. He feels JLDC should talk to the city first and try to incorporate their interest before committing. Bob said if and when the area is annexed, the city would have an interest and it might be wise, before JLDC goes ahead too far, to see if they could up their position and involvement. (*Note:* City gave their support at the 3/26/07 City Council meeting).

Mayor Craft told Tara the city is in the process of giving a Letter of Support for the project. Mike understood Mayor Craft as saying the city would have no interest in paying for the upgrades to the system.

Tom said he presented the South Campus sewer proposal at yesterday's Commission Meeting. The Commission approved spending up to \$1,950 in metal mines trust fund money toward the sewer engineering study on the Boulder South Campus. The Commission also asked for a letter from the city to make sure they are interested in the expansion. Joe asked Bob if he was also referring to a financial commitment from the city. Bob said he would like the city to make a commitment to support the project and if they could help financially to reduce JLDC's commitment, that would be good too. Joe

said the city stands to be the big gainer if development occurs there; it would help the county, but the city would be the primary beneficiary. Joe said the Executive Committee has agreed to go ahead and make a financial commitment along the lines discussed at last month's meeting; however a board commitment is needed. Pat made a motion that JLDC support the grant match for the sewer engineering study on the Boulder South Campus; that it be a supplemental financial involvement to complement a pro-rata share from the existing property owners. Byron seconded the motion. Motion passed with a vote of six (6) for and two (2) against.

Dave Kirsch understood that when the problem arose, JLDC hired an out-of-county contractor to fix the sewer problem. He's very upset over that.

Tara addressed Dave's concern. She said that whenever there is an opportunity or need to spend money, JLDC first looks to Jefferson County vendors. The sewer problem arose on a cold Friday afternoon. She received a call from AYA; toilets were not flushable and there were no showers, affecting the many people that reside there. The 12" pipe size also complicated matters; most contractors are not equipped to fix a problem with 12" pipe. Tara called everyone she could; some didn't return her call. The maintenance person at AYA was also calling people as this was an emergency situation. Someone was found that answered their phone and had the right equipment; that's who JLDC went with. The work was done on Saturday. Tom said initially they were trying to unplug what was in the sewer line, not dig up and replace pipe that was damaged or frozen. When they couldn't unplug or penetrate the blockage, they had a camera look at the situation. A decision was made late Friday/Saturday morning to go to the next level. There was damaged pipe and it was more than just a blockage. The sewer backed up and froze everything in the pipe. The City of Boulder were the first people contacted and they wouldn't take responsibility for the pipe. A heated jetter was needed; they didn't have the correct equipment to do the job.

Dave made a suggestion that if a problem in Boulder arises in the future, to please either call Mike or himself as he said he had a contractor on site that could have fixed the problem. He would appreciate if we use local contractors when possible.

Joe agreed this is good advice. He said it's been JLDC's policy to use local contractors before going elsewhere and feels JLDC has done this in almost every instance. This emergency happened on a Friday night, when it was freezing out, and staff had to do what they could do immediately. Joe said Dave is a good resource and JLDC should use him as he knows everyone in town.

b. Boiler Report and Discussion

Tara said she has two items for the board's consideration. Staff consulted with the Jefferson County Attorney, Mat Johnson, for his opinion on the boiler issue. Mat responded with a long list of questions from the white paper sent him. The questions predate both Tom and Tara. Tara said a lot of research is needed to answer these questions before Mat can even issue an opinion. Also, as Tom and Tara are MSU employees, they would need to consult with MSU attorneys on the boiler issue before legal action is taken.

Joe asked if there was a written contract. There was. Joe said the statutes of limitation time frame for written contracts is up to eight years so, therefore, the statute is not an issue. He said the boiler has been set aside as evidence until a course of action is decided.

George Gadaire, an AYA past employee who worked on the old boiler, was present to talk about the problems AYA had with the old boiler. Big Sky Plumbing installed the boiler in 2000-2001. George was hired when the boiler was new. He said when the boiler problems started, they thought it was because the boiler was new and were normal start up problems. He said he averaged two times per week going back to AYA at night to refire the boiler. It was an electronic type boiler and he

thought that was part of the problem. Within the first year, the boiler had flame probe failures, igniter failures, and the circuit board was replaced. He was constantly calling Big Sky Plumbing as it was beyond his knowledge. About two years into it, Gator was told the intake pipe was installed improperly for that type boiler. The boiler room, due to the boiler constantly running, was so hot the cold air coming in through the intake pipe was creating condensation that was dropping right into the burn department of the boiler frying the flame probes and igniter. Eventually, BSP refigured the air intake and redid it. George left shortly after that.

There was discussion on if the air intake was originally installed according to the design of the manufacturer. Tom found the contract showing the correct installation for the boiler in the archives this morning. George was not there when the boiler was installed, so he doesn't know if a factory representative was present at the time of installation.

Joe said he asked staff to contact the county attorney to answer fundamental questions about the statute of limitations. Mr. Johnson responded with seven questions that will require a lot of research by staff to answer. Legal action would be decided in an Executive session, which the board is not prepared to do right now as they don't have enough information. Joe said other alternatives are available and asked the board if they wanted to spend any more time on this. He read the boiler options distributed at last month's meeting.

Pat thinks we have spent too much time on this already. Joe said Tom recommended we send a letter to the contractor stating JLDC's dissatisfaction to establish a record of discontentment with their work.

Bob said the county attorney's questions will require a lot of staff time to research and answer. Boiler option #2 has a maximum \$3,000 cost recovery including court costs. JLDC would need to bring in the engineer, consultant, past architect, staff, etc. plus a lot of miscellaneous costs to make a case in small claims court. With the cost of taking the case to small claims court and a tough time guaranteeing the result, Bob suggests option #3 to be the better alternative.

Bob made a motion for staff to send a letter from JLDC to the contractor outlining history, concerns, and costs involved. The letter will establish a record of dissatisfaction with their work. He would also like the letter stating JLDC's dissatisfaction with the contractor's work included in the JLDC minutes. Darrell seconded the motion.

Discussion followed. Motion passed with a vote of seven (7) for and one (1) against.

c. AYA Renovation

Tara said a lot of renovations have taken place at AYA over the past year and the JLDC board has voted at different meetings to fund part of the renovations. AYA has submitted all their bills and costs for payment. Tara said at the November, 2006, meeting, JLDC agreed to pay 90 percent of the flooring cost which amounts to \$18,132.30. At the March, 2006, meeting JLDC agreed to pay for interior painting of the buildings and to pay \$5,000 toward the repairs required to prepare it for painting. The total amount for the painting supplies and materials is \$1,548.79 and \$5,121.00 labor for repair and painting. Also at the March, 2006, meeting, the board agreed to pay AYA \$300 each month toward maintenance costs; this has not yet started. AYA billed JLDC but did not keep track of actual time involved as was agreed upon as the maintenance person spent most of his time during the past year doing renovations. AYA has submitted costs totaling \$24,801. AYA said if JLDC pays these invoices, which have previously been agreed upon, they will consider JLDC square with AYA. The \$300 maintenance agreement will then begin April 1st to offset AYA's maintenance costs. AYA will track maintenance hours and each following month, AYA will adjust the \$300 accordingly. Tara said the money to bill these invoices could come from the JLDC operating expenses or, as expenses result

from South Campus renovation, they could be paid from the RLF account. Tara would like the board's approval to pay the \$24,801. She said the renovation was within IRS guidelines for landlords replacing flooring and painting. Pat made a motion to pay the invoices totaling \$24,801; Jim seconded the motion. If paid from the RLF account, will need to go through the Executive Board. Motion passed.

3. Montana Tunnels Mine/Montana Tunnels Advisory Group (MTAG)

There has been no MTAG meeting since last month's JLDC meeting, so no update. Montana Tunnels is having an Open House tomorrow from 1:00-3:00 p.m. Joe will attend and represent JLDC. Joe will talk with Tim Smith about getting a coalition of mining people to meet periodically to compare notes on mining in Jefferson County.

MTAG's future is shaky; Joe will talk with Tim about meeting regularly again. Darrell sensed from the last meeting that Tunnels is amenable to getting MTAG going again; a strong commitment is needed to do this.

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

a. CTAC Meeting Update

Tom gave an update of the CTAC meeting held March 8th. The mine currently has 150 employees with 40 subcontractors on site. The underground mine operation is up and running. Mine life is still projected for mining through the first quarter of 2008 with the mill running until the third quarter of 2008. An engineering team is looking at a possible layback of some lower grade ore that could extend mine life maybe a year and one-half. They will know this summer if this is feasible. The difference in the two business park appraisals is about \$15,000. Comparing the two appraisals, the water rights issue was not included as part of the lease agreement on the appraisal JLDC had done as it was on the appraisal the mine had done. The mine is comfortable with that and will move forward with an MOU or something that will be attached to the lease that establishes the market value. A meeting was scheduled based on talking about some land use post-mine closure at the CTAC meeting, in particular the Candlestick Ranch, which is about 3,000 acres. The mine is in the process of getting an appraisal on this prime land. As a result of the meeting and the community's desire to keep the land in recreation, Glenn Marx was asked to come and talk with staff and the mine people. Glenn is representing seven different land trusts right now. The mine is open to doing some kind of conservation easement, putting that land in some kind of a post-mine closure. A committee will probably talk about that land plus the Piedmont area land, which is approximately 7,000 acres. A land plan will need to be done for post-mine closure. This is a real positive step as there was concern the land would be sold and subdivided and will probably go the other way now.

Discussions continue on developing a gun range at the old JVP site at GSM. The NRA report recently received was favorable. Staff and the mine manager will now look at the property and how to realign for a pistol and high power rifle range and indoor shooting range.

The finalization of the A&E on the business park is near. When staff receives final costs from the contractor in writing, they will get on Headwaters' work plan. Headwaters RC&D will assist with the Phase 2 EDA grant. Due to Federal budget constraints additional sources of funding, in addition to the EDA grant, will be needed for the infrastructure.

The Elkhorn Gold Fields Project Manager has been attending the CTAC meetings. They like the process and when they get further along with their operation, they would like to do something similar to CTAC, perhaps in the Boulder area.

Ernie said he didn't know how viable the Montana Mining Association is but, from what he's looked into on the Internet, GSM, Montana Tunnels, OT Mining, Elkhorn Mining and many other mining interests throughout the state are part of some type of organization. He asked if JLDC has given any thought to joining that organization. Tom said the Montana Mining Association has a new Executive Director, Debbie Shea, who has legislative experience. She's been working on some of the bills and legislative actions on the Environmental Review Board and some of the legislation that was up there. She has a good understanding of mining issues and we will see a more involved association. Tom said the Western Environment Trade Association (WETA) legislative reception he attended had a good turnout with quite a few mining entities from the state represented.

Mike asked if JLDC should consider becoming a member of the Montana Mining Association. Tom said staff has close ties with them and both Tim (Montana Tunnels Manager) and Tim (Golden Sunlight Mine Manager) are active in the Association. Joe asked staff to explore membership details for the board's consideration.

5. Community Development/Human Service

a. Horizons Study Circles & Action Forums

Tara reported Whitehall wrapped up their Study Circles and held their Community Action Forum last night. The ideas that evolved from the Study Circles to make Whitehall a more vital community were presented at the Action Forum. About 100 people were in attendance. MSU filmed the Forum as Horizons is a statewide program and Whitehall has been chosen as one of the case studies. The local Whitehall Public Broadcasting Station also filmed the Forum. Boulder's Community Action Forum is scheduled for Tuesday, March 27th, 7:00-9:00 p.m. at the Catholic Church Hall. Barbara Reiter said they will also have media coverage and invited all to come.

Pat asked for highlights on issues at the Whitehall Action Forum. Tara said some of the issues that surfaced included affordable housing, adult skills, life skills, youth mentoring, community garden, resource guide, beautification, web page, child care, early childhood program, having Candlestick Ranch available for recreation, and a walking path.

Jim said at the conclusion of the presentations, the audience was given stickers to put on posters they viewed as important topics and sign up for committees. From the Chamber of Commerce's point of view, Horizons has been a tremendous success. A few months back, it was decided the Chamber office should be moved to a more visible location, but thought that a dream. Some property has now been donated for the Chamber program as a product of the Study Circles; the property being exactly where the choice location was to have the Chamber housed. A historical building is now needed to put on the site.

Joe asked Tara the timeline on the Horizons Program. Tara said the Horizons Program is an 18-month program they are in to about seven months; they have about a year remaining. Leadership Plenty is the next step. Twenty-five people are needed from each community to continue on with the program. The program training starts April 14th.

b. Boulder Housing Task Force

Dick said he's comfortable with the progress being made. He said the property is still in negotiations and a new buy-sell agreement is in the process of being developed as the other one expired last week. He said the affordable housing is moving forward. Senior housing is a slower process as they need to find out what the people want. There are not a lot of senior surveys back and the survey has not been sent out yet.

Tara said two public meetings were held on March 1st to inform the public on the housing opportunities available. The afternoon meeting had 35 attendees and the evening meeting had 27 in attendance. There are 33 completed applications for five single family homes. A diverse group of people attended both meetings. The land deal is not finalized; the land has not been officially purchased. However, both parties are moving forward in good faith.

Connie Grenz said Habitat for Humanity is also developing right alongside with the affordable housing project and is another component of the program.

c. Human Service Committee

Tara said the committee met last week. All five of the major employers were in attendance. This was their third meeting. There are major developments at three of the five organizations. Kathy Zeeck, MDC, talked about the new facility building. She clarified the clients, the history, and what's happening with the buildings. Due to public concerns and newspaper articles, she has held public meetings to talk about the changes. The Elkhorn Treatment Center will have an Open House April 9th from 8-5, with a ceremony at 10:00 a.m. Tara will speak at the event. As of last week, they have hired 19 people; 9 from Boulder and 3 others from Jefferson County. The people hired are currently in training. AYA is moving forward on their expansion. There are six residents in each of the three group homes; they are ready to move up to eight but more staffing is needed first. Riverside is watching legislative issues regarding funding. Bob Klein, Superintendent of Boulder & Clancy Schools, was also in attendance.

6. Staff Annual Review

Joe said he emailed the interactive form to the board members yesterday. The application will need refining and will be considered a work in progress. Joe is asking board members to fill out this first trial form and email it back to him. Darrell said he filled his out today and it worked pretty well. He felt it was a good place to start and the form offers an opportunity for comments. Tara will email her job description to the board members.

7. Jefferson County – JLDC Ad Hoc Working Group

Mike said staff have worked up a very rough draft of a potential agreement and have been working with Mat on the format and language. The plan is to set up a committee meeting within the next week. When the committee comes up with a draft workable for the committee, it will be brought to the JLDC board, the Commission, and MSU. The committee would like to finish the draft by the April meeting and ratify it by the May meeting. Celia asked if this would be a public meeting. Chuck said yes; it would be published in the paper.

8. Staff Reports

Tom commented on the Safety & Health Fair held in Whitehall on March 10th. It was a great success. Various agencies did demonstrations, free EKG's, blood sugar tests, blood pressure tests, hearing tests, and there were over 20 good safety and health displays. There was a nice turnout and good comments from the general public. The event was sponsored by GSM. The plan is to have this become an annual event. Bob suggested JLDC write a letter of support to GSM complimenting them for their efforts.

Tara said Headwaters RC&D is working on their five-year economic development strategy. For any project to be funded by EDA in the next five years, the project needs to be included in the plan. Staff will list some projects to start with and email to the board members for approval. She would like the board to start thinking of the big picture, a wish list, for the next five years.

The Boulder Area Chamber of Commerce is having their annual dinner tomorrow evening at the Catholic Church Hall. The event starts at 6:00 with wine and cheese followed by an Italian dinner at 7:00 p.m.

Joe asked about the Web Site and Logo redesign. Tara said this is one of the many projects on the back burner with no time for it. She said it's really becoming more of an issue, especially as the business park becomes a reality. Joe asked about getting some outside help for this project. Jim said he may be able to help with the web site if he understood what was wanted. Joe said he liked the one-page brochure with the aerial shot that was distributed at the GSM Business Park lease signing event.

9. Comments & Questions

Bob would like to compliment the staff on doing something he didn't think would work and that's the organization of the people in the community.

Pat said regarding Headwaters' five-year economic development strategy, she would like to have included further projects in housing and affordable housing; different phases of housing.

Tara said Kevin Maki of Montana Public Radio is doing a two-year project study on poverty in Whitehall. He will be interviewing Tara tomorrow.

Jim said the Executive Assistant for the Whitehall Chamber of Commerce has given her letter of resignation due to health reasons.

Byron said it would be good idea to follow up on a couple items discussed earlier. JLDC should get advice from someone knowledgeable on if provisions for low bidding of construction workers is a requirement or not and also information on rejecting bids.

Shawn Bryant, representing an engineering firm, was present. He said he read the article in today's newspaper on the South Campus sewer expansion. His firm has a high success rate with their grant loan process and wondered if their firm could be of help. Shawn would like to give JLDC a brochure detailing his firm's services. Tara said Headwaters is our grant writer for projects such as this. Joe said anything his firm sends JLDC would be welcome. Shawn said he will give the information to Joe to give to the JLDC.

Dave has a concern. The State awarded Boulder a group home. The clients' families are in Boulder and group homes are usually put where the parents or relatives are. Dave said the group home may be moved to Butte or maybe it's already been moved to Butte. Dave is asking if JLDC can do anything to help keep the group home in Boulder. Bob said the best contact would be the contract administrator. Joe will ask Legislator Scott Mendenhall about the situation.

Celia said she had some concerns and questions at the Commission meeting yesterday. She knows it's not always popular to ask those questions, but feels they are questions that need to be asked. This doesn't mean that when she asks questions she's completely against what is happening or what's going on but, in her personal opinion, she doesn't feel it's gone forward in a manner she would like.

Barbara extended an invite to the Boulder Area Chamber of Commerce's annual dinner tomorrow evening and to the Community Action Forum next Tuesday evening.

Ernie thanked Nancy for her meeting minutes over the years and Tom for his contributions.

Terrie reinforced what Dave was saying about the group home and why it fell through. She said the asking price for a potential home in Boulder to use as the group home was more than what

AWARE was willing to pay. The youth are being moved out of the third group home in Butte, a former children youth group home, in preparation to move the rest of the clients into the group home in Butte. She said this is against the guardians' wishes as they were hoping the clients could be placed in Boulder.

Chuck commented on what Tom spoke of earlier in the meeting regarding the engineering study on the sewer line. Chuck said he would much prefer if Boulder was a part of it. He's not sure of their finances, but needs to know up front if they have a problem with it as the east side of project is not in city limits; the west side is. If and when the area is annexed, the city stands to gain by the project getting done. Mike felt the mayor was supportive of the project, even the annex question was asked and he was supportive of that if the infrastructure was fixed. Mike said he was supportive but stopped short of offering any financial support. The city is in the process of getting a Letter or Resolution of Support.

Connie attended a meeting this afternoon. People in the community are working with the City Council for "Cleaning Up Boulder" the week of April 22-28. It's a "21st Century After School Program". There are good ideas; would like to clean up Boulder and make Boulder look good for springtime.

10. Next meeting will be Wednesday, April 18th, **7:00 p.m.** at the Boulder City Hall. Meeting adjourned at 8:05 p.m.

Respectfully submitted,

Nancy Wheeler
Notetaker