

Jefferson Local Development Corporation (JLDC)

Meeting Minutes, August 20, 2008

Board members present: Barbara Sunderland, Dick Norden, Byron Stahly, Tom Lythgoe, Bob Marks, Darrell Miller, Jim Jacobson, Tara Mastel, Tom Harrington, Nancy Wheeler. *Guests present:* Chere Justo, Sarah Hansen. *Board members absent:* Ed Handl, Pat Lewis, Joe Calnan. A quorum was present.

1. Call Meeting to Order

The meeting was called to order at 1:55 p.m. by President, Barbara Sunderland, at the Boulder City Hall. Tom L. made a motion to approve the meeting minutes from 7/16/08; Jim seconded the motion. Minutes were approved as published.

2. Montana Historic Preservation Alliance

There was an optional tour of the abandoned South Campus buildings prior to today's meeting. Chere Justo from the Montana Historic Preservation Alliance and Sarah Hansen from Architectural and Heritage Foundation toured the buildings with some of the JLDC members and attended today's meeting to talk about preserving the abandoned buildings and the help available from their non-profit organizations to communities that have buildings with historic significance and potential for redevelopment. Chere said they have a grant to sponsor three or four workshops, called Preservation Team Workshops, to work with communities with properties and historic sites. They help to bring people in the community together and bring in outside consultants to talk about what might be done, the resources needed and how they can benefit the community in the end. She asked if Jefferson County would like to do a workshop to work on the south campus buildings. No grant money is available, but she feels the potential to get grant money is out there. Chere and Sarah left after their presentations. After following board discussion on the south campus buildings, it was decided the JLDC staff would continue their dialogue with the Montana Preservation Alliance to see if there is an opportunity for a grant for someone to make an assessment on the buildings. The board feels it would be worthwhile to have a document with analysis projections on the costs involved in preserving the buildings and potential uses for them.

3. Montana Tunnels Advisory Group (MTAG)

Tom said Tunnels has about 200 employees. They had their quarterly board meeting last week and the manager indicated the leadership wanted to move forward with the M-pit, which is a positive and will give them an additional seven-eight years of mine life. They may run out of ore; have enough work until into December. The Record of Decision (ROD) is key right now. There are some problems with the EIS process; the announcement is not in the Federal Register and they are frustrated as they don't know who has it or where it's at. The longer it takes to get it announced in the Federal Register, the longer it takes to get a ROD. Employees have been nervous about their job security so management has been having crew meetings with them to keep them informed. Tom said Chair, Barbara Sunderland, signed letters that were sent to both Apollo Gold and Elkhorn Tunnels on the land transfer versus the lease on the property JLDC is to receive from Tunnels for a potential business park. They are also doing wetland mitigation in the Corbin Flats area that is part of M-pit. Bob said the situation with the relief the mine received on bonding for some of the buildings they don't have to destroy when the mine closes is a JLDC activity rather than MTAG and we should get some sort of a definition of what kind of real estate is involved and what the contingencies are on that such as access, etc.

Tom L. left the meeting at 2:30 p.m. as he had another meeting to attend.

4. Elkhorn Goldfields Community Group

The group had good attendance at their meeting this morning. The Elkhorn E.A. has been approved and received a Record of Decision. They need to post a \$496,000 bond on their operating permit in order to proceed and are working on capitalization right now. They have 11 employees and had two summer interns who just went back to school. They are doing testing up there and are ready to start construction as soon as they get the bonding in place. Another issue up there was the Elkhorn Road that was in litigation but has been resolved, so

they will proceed with doing the rest of the Elkhorn Road upgrades. They will take out brush along the roadway and replace fences to clear up some of the sight issues there.

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

The mine has 161 employees and about 53 contractors, which are primarily underground contractors. An extensive safety training will be held the first part of September with all the new employees. The mine is proceeding with 5-B Optimized and there is a lot of activity up there moving the mountain. They are doing remote ore processing from four different operations in Twin Bridges, Sheridan, Silver Star and Gold Hill. MSHA has a regulation that when a mine reaches a 35 underground miner threshold, they need to have mine rescue teams within a two-hour radius of them. GSM has trained two six-man teams to provide safety assistance there. The smaller mines, like Elkhorn, are having issues as it's expensive to have men trained in mine rescue. The Elkhorn mine manager will talk with GSM on the concern.

GSM had a fine levied on them from an incident regarding a wet scrubber malfunction on the discharge for their mill back in August, 2007. The fine was almost \$20,000 for a three-day incident. Talked about how it occurred and the details at the recent CTAC meeting. There was a breakdown of communications on how important it was to get the wet scrubber fixed right away. The mine will research this with DEQ as it wasn't a big incident at the time in the inspector's opinion but somehow escalated into an enforcement action and penalty. The mine also had a tailing slurring release at their tailings stem; one of the pipes had a hole in it and part of the slurry leaked and went into containment. DEQ came out and was happy with the way it worked with the secondary backup system on there.

The mine would like to effectively address all public concerns brought to their attention and would like it done in as much of a public manner and process as possible and asked if CTAC would be the mechanism for this. Tom said one of the intents when CTAC was formed was for the group to help disseminate the information flow coming from the mine to the public. The mine will set up a policy for public concerns to be handled through CTAC.

6. Annual Planning Session Review

a. Governance schedule and meeting location

The facilitator at our annual planning meeting suggested we have a Governance Calendar and gave us a draft of different items a board would work on throughout the year. Barbara and Tara sketched out a calendar for JLDC that was distributed for consideration and approval. It lists the location of monthly meetings and key tasks that the board would tackle each month. Tara explained the Confidentiality and Conflict of Interest policies. The Board Governance Committee would be the one to review and modify the draft Conflict of Interest policy the facilitator gave the board at the planning meeting. The policy needs to be reviewed at the end of each year and each board member needs to sign it annually. Barbara said the Governance Calendar distributed will direct the year; however, changes could occur.

b. Committee review

Barbara said JLDC already has an Executive Committee and an Audit Committee but the suggestions from the annual planning meeting were that it be called a Finance and Audit Committee. The Treasurer, Dick Norden, and Joe were on last year's Audit Committee and it was decided to have three people on the committee in the future. JLDC also has a Nominating Committee that consists of the President, Vice President, and Manager and looks similar to the Governance and Board Development Committee. If the board wants to look at establishing these committees from the planning session, possibly a couple volunteers versus the whole board could look at the committee charters and modify them to meet JLDC's needs and bring them back to the board for approval. There was discussion on reviewing the bylaws, if they should be changed or just updated and organized by reconstructing them to incorporate the resolutions. Barbara said it would be helpful for each committee to have a document that specifies what their duties are and what they need to do. Barbara asked Dick if he would review the charter for the Audit and Finance Committee, Byron to review the Governance and Board Development Committee charter, and Barbara will review the Executive Committee charter. Barbara

asked staff to update the bylaws; Tara said she will prepare a draft where the changes can be viewed.

c. Proposed Policies

Tara will prepare the Confidentiality and Conflict of Interest policies that need to be signed by law and send them to the board members via email so they can be approved and signed at the October meeting.

7. Annual Membership Meeting Review

a. Select presenters and award recipients

JLDC's annual meeting will be held Tuesday, September 16, at the Whitehall Community Center. Tara emailed board members an Annual Meeting Concept Plan and the details of the event were reviewed by the board at the meeting. In lieu of having a speaker at the meeting, individual board members will give updates on current and emerging economic development projects in their area of the county and will present awards. Cost to attend the event is \$10.00; JLDC individual members receive one free admission and JLDC business members and above receive two free admissions.

Ballots were distributed for board nominations for the awards to be presented at the annual meeting and award recipients were decided upon.

8. Vacant JLDC Board Seats

Staff received three Board of Director's applications for the two vacancies created by the resignations of Mike Molitor and Janet Speirer (two-year terms). Board discussion followed. Dick Norden made a motion to appoint Barbara Reiter to the position vacated by Mike Molitor (two-year term). Byron seconded the motion, motion carried. Bob Marks made a motion to appoint Sheila Hogan to the position vacated by Janet Speirer (two-year term). Darrell seconded the motion, motion carried. Tara said the Nomination Committee is to present a slate of nominees to fill board positions to the board two weeks prior to the event to be voted on at the annual meeting by the JLDC members. The third applicant's name received will be included in that slate of nominees.

An update was given on the door prize status with discussion following.

9. JLDC Activities on North End

Bob said the North End Business Roundtable was well attended with 25-30 people. It was held at Gruber Excavating's new facility with the two county commission candidates as speakers. The next meeting will be held at the Elkhorn Mountain Inn October 8th with the Montana City Grill hosting the event. The bug situation will be discussed at the meeting as there is a lot of interest on this topic. Tara needs to talk with Bob and Darrell about the meeting program. Darrell said there was quite a bit of interest, especially from the new business owners, in getting more involved. There were new attendees who were interested in what JLDC is about. JLDC's presence in the north end should expand once the Roundtable goes forward and more ideas given for what could be done for that area. Tara said JLDC staff has also talked about doing a survey, perhaps a telephone survey, of residents on the north end on a number of public issues, including economic development related issues that would be helpful to JLDC and the county government and they have a draft of issues for the survey.

10. Update on Business Inquiry in Whitehall Area

Mike McGinley, Beaverhead County Commissioner, joined the meeting about 3:45 p.m. Tara emailed board members an information sheet giving details on a state of the art pork processing facility. JLDC staff was contacted by a business in Butte that has an idea to build a \$20 million state of the art pork processing facility with 95 jobs starting at about \$13/hour with benefits. However, they have a short timeline due to agreement with investors and are shopping around for a location. They require 20 acres and are talking with Whitehall and Dillon. Staff will talk with Commissioner McGinley after today's meeting on the facility. Tara said JLDC is in the investigation period with them and will keep the board apprised. Questions and discussion followed.

11. Comments and Questions (public, board and staff)

a. A board member asked staff if there was any discussion when they met with the County Commission about the use of metal mines funds being used to support their general funds budget and asked staff to check into this as he has a concern. Tara said the county will present their preliminary budget at the Commission meeting on September 9th.

b. Tara said the audit is near completion; they are writing their report. At some point the Finance Committee will need to meet to review their draft management letter.

c. Steve Siegelin, MSU Extension, Tara, Tom and some other folks that work in economic development met with the Governor's Office of Economic Opportunity in May. MSU is putting together a proposal on how Extension could be expanded to include more people like Tom and herself around the state to do economic and community development on a local level.

d. Tara reported the Horizons program with MSU was approved for another round and our office has been approached to be the community coordinator for three towns in Madison County (Ennis, Sheridan and Twin Bridges) to do Horizons. Staff met with Steve Siegelin, MSU, on what and how much time would be involved and how it would impact our office and are in discussions with MSU.

e. Tara said staff was approached by AYA again regarding carpet replacement in building 7 and they invited JLDC to have a meeting there. Tara said we will schedule our October board meeting at AYA and tour the building.

f. Tom talked about the notice from the county regarding NorthWestern Energy coming in with a new electrical line (Mountain States Transmission line). Comments are due by October 10th and Tom will draft some comments. Tom encouraged the board to look at the Montana state website for more information and maps (click on Mountain States Transmission Line). Tom said it's a 400 kw line going through Jefferson County that follows an existing power line and there would be quite a jump in taxes. He said it's a major transmission line and would be an enhancement to Jefferson County to have upgraded transmission capability going through the county. Discussion followed.

g. Tom reminded the board that the National Summit of Mining Communities will be held in Butte September 7-11. A list of topics and presentations are listed on the website www.miningsummit.com Tim D. and Tom will do a joint presentation on GSM and community sustainability scheduled for September 8th at 2:10 p.m. Tom & Tara will lead a panel discussion September 9th at 4:00 p.m. with six participants, talking primarily about Jefferson County and its three mines, Golden Sunlight, Montana Tunnels and Elkhorn Goldfields.

12. Adjourn

The JLDC Annual Meeting will be held Tuesday, September 16th, at the Whitehall Community Center with social time starting at 6:00 p.m./program at 6:30 p.m. and will be in lieu of the regular September meeting. The following month's regular meeting will be Wednesday, October 15th, 2:00 p.m. at AYA in Boulder. Bob made a motion to adjourn the meeting. Darrell seconded the motion, motion carried. Meeting adjourned at 4:15 p.m.

Respectfully submitted,

Nancy Wheeler, Notetaker