



Minutes of the REAL AZ Development Council Meeting

December 8, 2011 – 12:00 pm
Northern Arizona Training Center
Taylor, Arizona

Attendees: Paul Watson, Paul Esparza, Jerald Scorse, Aaron Adams, Greg Loper, Nolan Larson, Teri Walker, Bev Kay, Terrel Kay, Eric Duthie, David Tenney, Paul Wyatt, Hank Rogers, Mark Abram, Gene Hall, Bonnie Carter, Elizabeth Flake, Dustin Jones, Tom Poscharsky, Pat Avery, Charles Haussman, J.R. DeSpain, Bill Greenwood, Steve North, David Newlin, Kelly Jones

1. Welcome / introductions/guests:

David Tenney called the meeting to order at 12:20 welcoming the attendees. Introductions were made.

2. Approval of minutes from November 10, 2011

Mark Abram made a change to the REAL AZ Development Council meeting minutes of November 10, 2011. On page two, the second paragraph states “as a group they followed the demise of the White Mountain Regional Development Corporation”. This needs to be changed to “we were established after the White Mountain Regional Development Corporation disbanded in 2006.”

Hank Rogers said his name was not listed as an attendee at the November 10, 2011 meeting and asked to have this correction made also.

**A motion was made by J.R. DeSpain, seconded by Tom Poscharsky
To accept the minutes of the REAL AZ Development Council meeting held on November 10, 2011 as written with corrections.
The motion carried**

3. America West Potash - Pat Avery, Prospect Global

Pat Avery, Executive Project Manager with Prospect Global and CEO of American West Potash was present and gave a brief history of his experience in the Potash Industry. Mr. Avery said there are nine potash deposits worldwide but the potash in Eastern Arizona is unique because of the significant potash reserve at shallow depths. Other advantages of the Holbrook basin location are low land costs, favorable climate and great rail and highway access. Potash is a global commodity with 90% used in agriculture.

Mr. Avery said they studied this area for almost a year before purchasing property. They started a field program in February with 42 sections and drilled 12 holes. He explained that international standards must be met to be investable and a registered Potash geologist must be on site. Their plan is to mine 2 million tons per year for at least 40 years. Mr. Avery stated that their next step will be to file for State permits which they are planning to do in March. If they do so and obtain the permits they can start construction in January 2013. It will take one year to construct, which will require 500 – 800 construction jobs. Employment at the mine will come in 2014 and will create 300 – 400 mining/production jobs. They will train and hire local people so there will be jobs to come home to. The operation will run 24 hours per day and they will have a bus route for the workers. They will also have a range of medical services and a nurse will be on site. It will be underground mining but all safety precautions will be made. The business will create a need for other businesses in the area which will create indirect jobs. Mr. Avery went on to explain the mining process.

Mr. Avery informed the REAL AZ Development Council that there will be challenges and they can help by providing letters of support as they need the support of the communities. He opened the floor for questions.

Steve North: Asked about the salt and why there is not a market for it?

Mr. Avery: Because there is such a good supply of salt.

Paul Watson: Is there a plan for blending and mixing here?

Mr. Avery: It could happen they would love to provide this.

Bonnie: How do they get their water?

Mr. Avery: They usually drill by existing wells.

Tom Poscharsky: Is there a chance for brackish water to mix with fresh water.

Mr. Avery: They will have smaller wells and are doing a water study. They have attorneys looking at water rights and may have some water trucked in.

Jerald Scorse: What do they do to protect salt from getting into the water?

Mr. Avery: They will use dry salt between the brine and stack so it won't infiltrate.

Nolan Larson: Would it be possible to use the salt as a daily cover for landfill?

Mr. Avery: This is a very good suggestion and he will look into it.

Gene Hall: If we don't take a stand here they will destroy us. Miss-information will hurt. This group needs to support.

Mr. Avery: They don't want to hurt the environmentalists and will do things right.

David Tenney: What will the average wage be?

Mr. Avery: As low as \$20 - \$22 per hour, \$28 for "A" operators who can fix mining machines. Administration positions will be from \$50k to \$120k annually. Most mining pays benefits and they will do regular drug testing.

Eric Duthie: This group is here to promote what they are doing. What else can we do to help and what can we target?

Mr. Avery: Said he will make and present a list of what all what all they will need.

Steve North: It will be helpful to know what type of skills they will be looking for

Nolan Larson: Would he prefer to have two plants?

Mr. Avery: Most have three or four.

Tom Poscharsky: Are the plants in Canada and Russia stable?

Mr. Avery: They have good cash flow.

Jerald Scorse: What can we do to help with permitting?

Mr. Avery: Once they file with the State they will need our support at their public meetings.

Hank Rogers: Do they have the support of the Native American Tribes?

Mr. Avery: They will need to establish relationships in the New Year. They wanted to make sure they had the project first.

Eric Duthie: This group turns out well for what we need to do. Give us some lead time and we will have no problem with support.

David Tenney: The Forest Service has said the Four Forests Initiative will be issued in January, February or March. They are looking at two companies and a presentation will be made once the award is given.

4. ACA RBDAC designees

Eric Duthie reminded those in attendance that the Arizona Commerce Authority (ACA) is a privately run publicly funded State organization. They are new and are trying to make things happen for economic development in Arizona. Last year they formed a Rural Advisory Council with one representative from each County. These individuals need to be from the private sector. Travis Merrill with National Bank has agreed to be the representative for Navajo County and we anticipate he will be accepted. At this time we don't have a representative from Apache County. Bonnie Carter reported that Steve Earhart has been approached and will be submitting an application to be the Apache County representative. Eric said an understanding has been made with ACA that the REAL AZ Development Council has the authorized to speak for both counties.

5. ACA Rural ED Grant submission

Eric Duthie said this depends upon showing there is job creation as a result of this the project which if difficult to do.

6. ACA Rural Regional ED Organization TA Grant

Eric Duthie reported that a two million dollar Technical Assistance Grant through the Arizona Commerce Authority (ACA) was awarded last year but REAL AZ was not a recipient of funds. There is another grant available this year in the amount of 1.5 million since they designated \$250k for tribal use and \$250k for technical assistance for rural regional marketing. The ACA is aware of the REAL AZ Corridor and what we are doing and trying to do. They encouraged our group to focus on and apply for the technical assistance. We will know the perimeters of the grant in January and the deadline will probably be the end of January. Our consultant Lori Martinek has offered to handle the grant. Tom Poscharsky said it would be helpful to put the potash and Four Forests Initiative on it.

7. Partner updates

Eric Duthie – Town of Taylor: We subscribe to the Economic Development Directory. We had a total of 242 hits on our website from viewers in September, October, and November. Twitter is not up and running so the information is out there. There are things specific to our community that is not listed in our asset inventory on the Navajo County side and Apache County needs to be updated.

David Newlin – Little Colorado RC & D: Reported on water studies they are participating in. They have joined the AZ Corridor and are glad to be a part of this organization.

Nolan Larson – Larson Waste: They are partners with Snowflake Power and the Arizona Department of Environmental Quality for Christmas tree recycling.

Paul Esparza – Town of Pinetop-Lakeside: They are on the upswing for inquiries on vacant spaces which is a good sign for small businesses.

Paul Watson – Town of Snowflake: They are seeing the same thing in Snowflake

Steve North – City of Show Low: Their retail is picking up.

Charles Hauseman – City of Holbrook: Holbrook had to cancel the Parade of Lights but it has been rescheduled for next Saturday.

Tom Poscharsky – Town of Snowflake: They have seen lots of progress in the last 6 months.

Elizabeth Flake – Northland Pioneer College: Reported there is data available through SBDC.

Bonnie Carter – Apache County: The burned tree was taken to the capitol and has had lots of publicity. Apache County is cutting 18% in each department.

Hank Rogers - EDAC: Sunrise Ski Resort opens tomorrow. The Board of Supervisors met and passed a Resolution to remove the metal gates on forest roads that were proposed to be closed which is good news.

David Tenney – Navajo County: There will be a redistricting meeting in Tempe on tomorrow. He said it would be good to get 8 – 10 people from our area to attend. He believes we are making progress with redistricting. Hopeful they will freeze Highway User Funds.

8. Future Agenda requests

9. Next meeting: January 12, 2012 12 noon @ NATC
 Lunch host: the Town of Snowflake

10. Adjourn:

The meeting was adjourned at 2:20.

Minutes taken by: Kelly Jones, Taylor Town Clerk

