



REAL Opportunity in Northeast Arizona. Right Now.

Real Arizona Development Council

May 9, 2013 Meeting Minutes

Snowflake Heritage Hall

123 North Main Street

Snowflake, Arizona

Present: Gus Lundberg, Lori Martinek, David Tenney, Paul Watson, Sylvia Allen, Sterling Solomon, Paul Ferris, Jim Ferguson, David Newlin, Shawn Nau, Karalea Cox, Bill Greenwood, Delwyn Wengert, Tracy Mancuso, Elizabeth Flake, Steve North, Paul Esparza, Ken Bond, Ben File, Robbie Loudon, Karl Webster, John Eckersley, Dustin Jones, Sharon Adams

1. Welcome: Chairman David Tenney called the meeting to order at 12:15 p.m.

2. Approval of Minutes: The meetings from the April 2013 meeting will be approved at the June 13, 2013 meeting.

3. Passport Potash Update, Ken Bond - The representatives from Passport Potash asked to present their update early in the agenda, due to a meeting conflict. Passport has finished drilling test holes on the Hopi lands and has been meeting with potential strategic partners in India and China to source financing for its Holbrook Basin project. Financing remains the biggest challenge, reported Bond. During questions, Bond was asked whether a merger or acquisition of Potash by a larger venture was possible. Bond responded that any larger company that would be considering an acquisition would want the entire Basin. The \$1.9 billion that Potash will spend and the 12.5 million tons of product that it will mine are 'small' by most larger-mining companies' standards.

3. Marketing Update, Lori Martinek of ED/c Partners - Lori was present and provided an update on the ACA Vision Grant, which is on schedule, with all projects expected to be completed within the grant timeframe. The RADC e-newsletter went out on April 22 and the next issue will be in July, if RADC decides to continue and fund that program. The new Potash Sector website went live on April 19 at www.azpotash.com and a page was added to the Real AZ Corridor website. There are three areas that RADC can impact in the Potash Sector: Marketing, Workforce Development and Business Development/Lead Tracking. Committees were formed at the April meeting for Workforce Development (Judy Bratcher and Tracy Mancuso) and Lead Tracking (Steve North and Tracy Mancuso). ED/c Partners created a Future Forestry/Forest Management Sector Profile, which has been distributed to the Managers and Executive Committee for comment. It will be added to the RADC website. Lori will then create a site plan for the Future Forestry expansion of the website, which will have its

own domain and also be featured on a separate page of the RADC website. Lori advised the group to start thinking about next steps, after the grant ends, and how ongoing implementation will happen and be funded.

Tracy Mancuso reported for the Lead Tracking Committee. She had a phone conversation with Keith Watkins of ACA, who reported that they use InfusionSoft software to track their leads. It is very costly (\$199/month) and the group discussed other options, including Salesforce. Steve North and Tracy will research other options and report back in June. Building a database in Excel or some other program with an ageing function could be a good way to get started.

4. 4FRI Update - David Tenney said that 'there is not a lot of good news to report' regarding 4FRI. It has been one year since the 4FRI contract has been awarded and the financing is still not in place. The USFS might allow the contract to be transferred, but there is no other group that appears to be interested or that has the capacity to handle that many acres. The first task order has been let, but has a one year period attached to it. If Pioneer fails to meet that and the USFS decides to re-bid the contract, it could be 3 to 4 years before anything takes place. The region is now facing another fire season and nothing is getting done. "The bad news is that we're not cutting trees", he said. Navajo County is staying on top of the issue. In response to questions, Dave noted that the forest service roads had been fixed and were open again. (Apache County was recognized for their role in this later in the meeting.) Dave does not expect the delay in Phase 1 to delay the letting of Phase 2, which would cover about 20,000 trees.

5. 501(c)(3) Status - Attorney Sterling Solomon reported that he drafted the Articles of Incorporation for RADC to become a 501(c)(3) and needed some information to complete the filing process. The paperwork will be filed for Real AZ Development Council, operating as the Real AZ Corridor. Sterling read a 'purpose' that he had drafted, which was approved by the membership. A Board of Directors is also needed. After discussion, a motion was made by Jim Ferguson and seconded by Paul Watson to nominate Steve North to serve on the Executive Committee. The motion was then amended by Jim Ferguson and seconded by Paul Watson to also appoint Steve North Vice Chair of the Board. The vote was unanimous, in favor of the amended motion. RADC officers are now: David Tenney, Chair; Steve North, Vice Chair; Nolan Larson, Secretary. Sterling advised that RADC should expect to have 501(c)(3) status by Friday, May 17.

6. Community Reports:

- **Steve North, Show Low** – Panda Express is coming to Show Low.
- **Paul Esparza, Pinetop/Lakeside** – They are looking for a new Town Manager.
- **Liz Flake, NAU** - NAU is offering a new online program for Law Enforcement and Intelligence Studies.
- **Karalea Cox, American West Potash** – Seeking additional funding. They need the funds by September 10, 2013. They have a new CEO and will start drilling again this summer.
- **David Newlin, Little Colorado RC&D** - They received a water quality improvement grant. He will send future potash-related releases and news to Lori Martinek to post on the RADC potash website.
- **Steve Nau, Eagar** - Recognized Apache County for its role in getting the forest roads re-opened.
- **Bill Greenwood, NAWPA** - The Eagar logging mill will be open in May. It has the capacity to mill 12 logs/minute. They need the road open to keep it running. There will be a video that RADC can post on its website.
- **Jim Ferguson, Winslow** – Is retiring as Winslow's Town Manager but will continue to be involved in economic development and will attend RADC meetings. He introduced Paul Ferris, who is the Community Development Director for Winslow and who will be the city's new representative for RADC.
- **Paul Watson, Snowflake** – The tomato/cucumber farm has been acquired by another company. The project to save the Apache Railway is still 'on track' and the group is focused on 1) building new busi-

ness for the railway, and 2) finding permanent financing to keep it going.

The next RADC meeting will be held on June 13, 2013.

The meeting adjourned at 1:38 p.m.