



REAL AZ Development Council Minutes of Meeting

August 9, 2012 – 12 PM

Heritage Hall

123 North Main Street, Snowflake

1. Welcome / Introductions:

Eric Duthie welcomed the attendees and asked for a moment of silence in honor of Lewis Tenney who passed away last night. Introductions were made.

Attendees: Dusty Parsons, Ferrin Crosby, Delwin Wengert, Milton Ollerton, Jeanne Swarthout, Lisa Jayne, Jason Whiting, Paul Ramsey, Bonnie Stallings-Carter, Tom Poscharsky, Bonnie Adams, Ben File, Steve North, Ed Muder, Bill Greenwood, Travis Merrell, Eric Duthie, Hunter Moore, Paul Watson, Keith Watkins, Nolan Larson, Mark Abram, Paul Ferris, Jim Ferguson, Naomi Hatch, Charlotte Hatch, JoAnne Guderian, Senator Sylvia Allen, Mary Miller, Sharon Needham, Elizabeth Flake, Tracy Mancuso, Ann Hilliard, J.R. DeSpain, Stu Spaulding, Karalea Cox, Andrew Bond, John Eckersley, Joshua Bleak, Ken Bond, Trent Larson, Teri Walker, Matt Monte, Sharon Adams, Steve Brophy, Josh Gray, Kelly Jones

2. Approval of May 10, 2012 and June 14, 2012 minutes:

**A motion was made by J. R. DeSpain, seconded by Jim Ferguson
To approve the minutes of May 10, 2012 and June 14, 2012 Real AZ Development
Council meetings as written
The vote was unanimous**

3. ACA Vision grant submission update

Keith Watkins with the Arizona Commerce Authority reported that 13 applications were submitted for the Vision Grant. Real AZ's application was well done and thought out. A panel will review the applications next Monday.

4. Catalyst Paper Mill closure update:

Eric Duthie said that efforts have been made both regionally and State wide to prevent the closure of Catalyst Paper Mill in Snowflake which is scheduled to close on September 30th 2012.

Hunter Moore, Navajo Counties Government Affairs Director reported on a meeting held this morning in Holbrook where this topic was discussed. He said that the paper mill has been running for over 50 years and has been a major component of our economy. Hunter said the mill employees 308 full time positions. The total number of individuals that will lose their jobs when the mill closes, including Apache Railway and Snowflake Power who work in relationship with the mill is over 400. Hunter said that the county has done what they can to resolve this situation and will continue with possible solutions. There will be future impact since the tax revenue generated by the paper mill has been \$568,678.56 annually. Tax revenue from the paper mill gave the Snowflake School District approximately \$343,024.41 annually and \$7,846.89 to Northland Pioneer College (NPC). Hunter said the Arizona Commerce Authority (ACA) has been good in helping to find potential buyers of the mill and there has been good outreach from State leadership. He went on to say that this is a good area and with 4FRI and Potash in the works it gives us lots of positives to build on.

Paul Watson reported that he has been in contact with the Industrial Development Authority. He said Catalyst is currently under the authority of a Canadian Bankruptcy Court but there are lots of key players who are trying to keep the mill open. Newsprint is going away but salvaging the mill could make for a better operation. JR DeSpain added that there are lots of things going on but there are also lots of unanswered questions.

Keith Watkins said the ACA has been in contact with the Workforce Investment Act (WIA) who is working with individuals that will be affected by the mills closure to help them with resumes for future job opportunities. Keith said the ACA is continuing to look for qualified buyers.

Senator Sylvia Allen said she has spoken with Catalyst's CEO and Senator Kyle who is willing to assist with this process.

Eric Duthie said there are opportunities and he encouraged everyone to support and work with each other during this transition.

5. EPA hearings concerning power plants August 14, 2012 in Holbrook

Senator Sylvia Allen reported on the Environmental Protection Agency (EPA) hearing to be held in Holbrook on August 14th regarding action involving coal burning power plants. She said this is a critical issue for our area and the more people we can get to attend this hearing for support the better. She said they have a template letter in opposition of EPA action that anyone can sign. Action will affect the Cholla Power Plant, the Coronado Generating Station and Arizona Electric Power Cooperative (AEPCO). Senator Allen said these plants are economic engines to us providing lots of revenue. This EPA movement has been ongoing for 20 years regarding regional haze which she said is not harmful to individuals or the environment and does not affect visibility. Arizona Public Service (APS) has already spent 350 million in an effort to reduce regional haze and Coronado is in the process of spending 500 million yet they have been told

that what they are doing is not enough. These companies have had to increase their rates to cover these costs. If passed, portions of these plants will need to be closed. The State can appeal if it is passed but passage will require these companies to make some crucial decisions. She said this is an attack on coal plants to get rid of them. The Arizona Department of Environmental Quality (ADEQ) is working overtime on this matter. She said the deadline to receive letters of support is the end of October but the public hearing will allow an opportunity to voice concerns.

J. R. DeSpain also encouraged attendance at the public hearing and said that this will affect all coal mines but the affect will trickle down. This is another attack on rural America and their survival.

Eric Duthie said EPA's plan is to eliminate regional haze by 2065. Hunter Moore said that Navajo County will be drafting a template resolution and those interested can use it.

6. 4FRI update

Jim Ferguson reported that 4FRI has been going on for seven plus years but the Forest Service finally awarded the bid to Pioneer Products. They will have 30,000 acres of forest to clear each year for ten years. Pioneer Products has selected Winslow for a 1 million square foot plant that will make laminated wood products which can be used for a variety of purposes. The total number of people hired for this project will be 1000 scattered throughout the region. This includes 250 for thinning and 200 for trucking. Pioneer Products has six months to prove to the Forest Service that they are ready to move forward. If this does happen they can start thinning in January. Pioneer has lots of work to do, financing is underway and Winslow's engineer has been contacted. Hunter Moore reported that the protest against this project has been dropped.

7. Potash update

Ken with Passport Potash reported they continue to work hard and have drilled their 53rd hole. He said they continue to be supporting in the area and will attend the EPA meeting.

Carol Lee with American West Potash reported that they have submitted their permits. They are concerned about the closure of Catalyst.

8. Committee reports (postponed)

At this time Eric Duthie reported that there are conflicts with next month's meeting since it is scheduled during the Governor's Economic Development Conference. Following brief discussion it was decided to hold the September RADC meeting on September 20th.

9. Next meeting:

Eric Duthie reported that there are conflicts with next month's meeting since it is scheduled during the Governor's Economic Development Conference. Following brief discussion it was decided to hold the September RADA meeting on September 20th at 12:00 noon at the Heritage Inn in Snowflake

10. Adjourn

The meeting adjourned at 2:00

Minutes taken by:

Kelly Jones
Town Clerk
Town of Taylor

