MINUTES OF THE SPECIAL WORK SESSION OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, HELD JULY 8, 2010, AT 3:00 P.M., AT THE CITY COUNCIL CHAMBERS BUILDING, 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

CALL TO ORDER AND ROLL CALL

Mayor Joens called the special work session to order at 3:00 p.m. Roll call was taken as follows:

COUNCIL MEMBERS PRESENT

Diane Joens, Mayor
Karen Pfeifer, Vice Mayor
Duane Kirby, Council Member
Linda Norman, Council Member
Darold Smith, Council Member

COUNCIL MEMBERS ABSENT

Tim Elinski, Council Member
Terence Pratt, Council Member

STAFF MEMBERS PRESENT

Doug Bartosh, City Manager
Casey Rooney, Economic Development Director
Kyla Allen, Executive Assistant to the City Manager
Steve Horton, City Attorney
Marianne Jiménez, City Clerk

TOWN OF CLARKDALE COUNCIL MEMBERS PRESENT

Doug Von Gausig, Mayor
Sherry Bailey, Economic Development Director
Janet Perry, Human Resources Director

ITEMS FOR DISCUSSION

PRESENTATION/UPDATE ON THE CLARKDALE SUSTAINABILITY PARK BY REPRESENTATIVES FROM THE TOWN OF CLARKDALE.

Mayor Von Gausig stated his presentation reflected an evolving process for this concept of a Sustainability Park, which represented an opportunity for all in the Verde Valley to get a distributed generation of renewable electrical power produced locally. It was an economic development model and the way of the future. The idea was to produce more energy than the town consumed in an environmentally friendly way.

The goal was to create a distributed generation facility of about 50 megawatts. Clarkdale currently used about 8 megawatts, the cement plant between 2 and 21 megawatts, and Cottonwood 30 megawatts. The 50 megawatts would be about a third of what the Verde Valley needed.

The project could be the sustainable economic development plan for Clarkdale and would

include educational facilities as well as a research component centralized in a single location. That research would help coordinate all those kinds of things for different locales in the country. People could come from anywhere in the world and learn here about how to coordinate for their own community.

Educational facilities were already being arranged with the three state universities and Yavapai College which would act as coordinator for most of the educational efforts. The universities would take on those things they were particularly good at. ASU was the premiere institution for algae farms and photo-bio reactors which produced liquid fuel from sunlight. They would be heavily invested in that part of the operation and send students here. The U of A had a good rural and urban development program and would handle systems analysis.

It was anticipated that the Verde Valley's ground water demand would be decreased. Population growth would in the future exceed local supply capacity. The Bureau of Reclamation estimated a Valley population of 250,000 by 2050 for which water sources would need to be found and conservation technologies instituted. The sustainable energy facility could be used to improve the current efficiency of water and wastewater and to produce potable quality water from wastewater effluent. To do that required energy coming from the sustainable part. Most of these facilities could be solar powered and receive grant funding. It was anticipated 200-250 high paying jobs would be created on-site and 400-600 off-site. The energy created would be low carbon emitting. There would be internship programs and seminars to teach other communities.

It would be an industrial, commercial, and nature park devoted to sustainable industries demonstrating energy, water, and cultural sustainability. Its cultural and historic sustainability meant it would not have an adverse impact on Clarkdale or the Verde Valley. Facilities in the park would be privately owned but integrated with others. That atmosphere of working together would produce the answers to a lot of questions in the future as to how we would power towns and fund them. It would be a vibrant setting for producers providing a flexible and resilient organic organization. Everybody in the park had to understand there would be new challenges and new opportunities every day and they had to meet and adapt to those challenges and opportunities as the park continued to evolve.

He had no idea what it would look like in ten years but they had the basic precepts of what kind of performance they would require from it, what the parameters were as far as protection of cultural and environment. It would evolve into whatever worked best for itself to provide sustainable energy and water.

There were four possible sites. Around 350-500 acres would be needed. The preferred site was 977 acres around Peck's Lake which had a 50-year development agreement with a 50-year extension on it, allowing 900 homes to be built on it owned by Freeport-McMoRan Copper & Gold. The facilities would sit half a mile or more from Tuzigoot National Monument. Photovoltaic could be put on the tailings. The lake was in terrible condition now but could be reclaimed with waste renewable energy.

Another site would be the city's industrial area from the slag pile to the cement plant. A third site could be from the cement plant to Highway 89A on Verde Exploration Mining Company property. A fourth possibility would be dispersal of these facilities in various sites around the town. Types of facilities would be photovoltaic or solar concentrators such as sterling engine generators. Algae and photo-bioreactors (which used blue-green bacteria), utilized sunlight to grow plants producing lipids (oil) which would be extracted to make liquid fuels like bio-diesel. Projected possibilities were to produce 25,000 gallons of fuel per acre per year, though current production techniques yielded 5,000. Production removed carbon dioxide from the air. It would be released when the fuel was burned, but no new carbon dioxide was being added to the air.

It was anticipated the Sustainability Park would be a partner in the process of identifying improved transportation corridors in the Verde Valley including rail connections through Drake.

The Park would use the best possible sustainable practices and technologies and be ultra-green and ultra-efficient. Buildings would be underground as much as possible using the least amount of water and affect the night sky minimally. Practices would be low impact. Recycling would continue as today and provide raw material for power generation and be a model for other communities to emulate.

The project would provide economic development while maintaining the quality of life that residents valued. The location was good with the river, railroad, Salt River Materials, and Clarkdale metals adjacent to many of these sites. There was a good industrial zone where they could put other types of facilities relying on renewable energy. The populace was supportive of the project and had helped it to evolve. Municipalities had a lot of leeway to generate and distribute power.

They were designing their feasibility study for which NACOG had approved a grant from the U.S. Department of Commerce in the amount of approximately $750,000. Its two phases would take several years to complete. The first phase looked at potential sites and impacts. The second phase, after selection, looked at management, organization, and operations. The study was expected to start at the end of the year.

The first step would be to create a professionally staffed managerial framework. The Walton Family Foundation had funded $224,250 to hire one and a half full time employees and cover administrative expenses. The primary funding would be for people who would continue the planning of the park, manage the feasibility study, and do outreach, grant funding, and technical coordination of the educational facilities and energy producers. They would have a technical advisory group from universities, business, and government. The next step would be the design and implementation of a wastewater purification system that would produce potable, quality water.

Mayor Joens expressed concern about the traffic that would be going through Old Town in Cottonwood.

Mayor Van Gausig stated a feasibility study would have to take a look at that and he did not anticipate huge amounts of traffic other than at construction times.

Mayor Van Gausig then stated that supporters of the project included Senator Steve Pierce, Representatives Andy Tobin and Lucy Mason, County Supervisor Chip Davis, the Yavapai-Apache Nation, Yavapai College, Arizona State University Ira Fulton School of Engineering, City of Sedona, Town of Jerome, Clarkdale Chamber of Commerce, NACOG, Salt River Materials, and the Association of Energy Engineers in Arizona. The ways they could help Cottonwood were if it became an active participant by sharing its expertise, concerns, and visions for the Verde Valley. A letter of support from the city would be appreciated.

Mayor Joens stated a lot of the meetings that she and Mayor Van Gausig attended were attended by people that did not want to see any growth in the Verde Valley. She questioned if he felt there was any way to keep them out.

Mayor Van Gausig stated you can limit it. We were going to have a tremendous amount of growth and there were ways to do it intelligently.

ADJOURNMENT

Council Member Kirby moved to adjourn. The motion was seconded by Vice Mayor Pfeifer. The special work session adjourned at 4:22 p.m.

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Diane Joens, Mayor

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Marianne Jiménez, City Clerk

CERTIFICATION OF MINUTES

I hereby certify that the attached is a true and correct copy of the minutes of a special work session of the City Council of the City of Cottonwood held on July 8, 2010. I further certify that the meeting was duly called, and that a quorum was present.

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Marianne Jiménez, City Clerk Date