

# CITY OF GLOBE

## SPECIAL MEETING MINUTES

MUNICIPAL BUILDING 150 NORTH PINE STREET GLOBE, ARIZONA

April 5, 2016 5:00 P.M.

The meeting was called to order by Mayor Wheeler at: 5:00 pm

The Invocation was given by: Councilman Lerry Alderman

The Pledge of Allegiance was led by: Sandy Whitney; Freeport McMoRan Mining

### ROLL CALL

**Present:** Mayor Terence O. Wheeler (Not voting), Councilwoman Roberta Johnson, Councilman Mike Stapleton, Councilman Lerry Alderman.

**Absent/Excused:** Councilman James Haley, Councilman Mike Humphrey, Vice Mayor Eric Mariscal.

Councilman Humphrey and Vice Mayor Mariscal will join executive session and the rest of the meeting via telephone.

#### 1. NEW BUSINESS:

- A. Consideration and Discussion of Term Agreement with Freeport McMoRan regarding the Water Effluent Agreement. (Paul Jepson)

City Manager; Paul Jepson informs Council that the City of Globe has the opportunity to discuss and possibly approve a Term Agreement with Freeport McMoTan regarding the Water Effluent Agreement. This will not be the final agreement however this agreement will lock in the negotiations with terms agreed upon by the City of Globe and Freeport Mining. Mr. Jepson presents the necessity for Executive Session prior to discussion.

Mayor Wheeler calls for a motion to adjourn into Executive Session.

**Motion:** Adjourn into Executive Session at 5:05 pm., **Action:** Adjourn, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilwoman Roberta Johnson.  
Motion passed unanimously.

Regular Meeting reconvenes at 5:19 pm.

Councilman Humphrey and Vice Mayor Mariscal join the meeting via telephone.

City Manager Jepson reports to the meeting that the details of the Term Agreement have been negotiated with our friends at Freeport and that the City is very happy. This term sheet is a confirmation with both the City and Freeport with key portions that will be included in the final agreement that will hopefully come in the next two months. The terms agreed to are as follows:

1. The City of Globe agrees to supply a minimum of 500 acre feet per year of treated wastewater effluent for a 50-year period.

2. Freeport agrees to a willingness to take all the effluent produced at the wastewater plant.
3. Freeport will pay a base rate of \$180/acre foot with an adjustment every 5 years based on the consumer price index. With CPI capped at a maximum of 12.5% for the previous aggregate 5-year period for the 50 year term.
4. The City of Globe agrees for pay the cost for accurate metering and flows will be reconciled with Freeport's flows to verify water usage.
5. The City of Globe and Freeport both agree that they will take all necessary steps to sign a final agreement by June 1, 2016 or the terms of this agreement become null and void.
6. Upon signature by both parties of the final agreement, Freeport agrees to pay the City of Globe the sum of \$45,000 for the previous 6-month period.

Mayor Wheeler calls for a motion to approve the discussed Term Sheet for the Agreement for the Purchase of Effluent with Freeport McMoRan Mining.

**Motion:** To approve the term sheet and stipulation that the final agreement of purchase includes the termination of the previous agreement with the City of Globe and Freeport dated 1983 and that the Council authorize the City Manager to sign this term sheet. ,

**Action:** Approve, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilwoman Roberta Johnson.

Motion passed unanimously.

Sandy Whitney; Water Resource Director for Freeport McMoRan Mining thanks the Mayor and Council for negotiations and the approval of the term sheet and look forward to a positive relationship with the City of Globe. Ron Householder; General Manager for Administration at the Miami Mine and Brice Mayers; Environmental Manager at the operations are also present and express their commitment to the implantation of this agreement.

City Manager Jepson closes in stating that City Staff and Attorneys will work diligent in follow up for the completion of this agreement.

## 2. CALL TO THE PUBLIC:

Any citizen desiring to speak on a matter that IS NOT scheduled on this agenda may do so at this time. Comments will be limited to **three minutes per person** and shall be addressed to the City Council as a whole, and not to any individual member. **Please complete a "Request to Speak Card", located with the Agendas at the rear of the Council Chambers and turn it in to the City Clerk prior to the beginning of the meeting.** Issues raised shall be limited to those within the jurisdiction of the City Council. Pursuant to the Arizona Open Meeting Law, the City Council cannot discuss or act on items presented at this time. At the conclusion of the call to the public, individual City Council members may (1) respond to criticism made by those who have spoken, (2) ask staff to review a matter, and (3) ask that a matter be put on a future agenda.

3. **EXECUTIVE SESSION:**

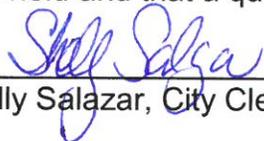
- A. Confidentiality Statement.
- B. Discussion or consultation with the attorneys of the public body for legal advice and in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation. Pursuant to A.R.S. Section 38-431.03 (a) (3), (4) & (a) (7)
  - 1. Legal advice and direction regarding Water Effluent Agreement with Inspiration Copper.

4. **ADJOURNMENT.**

**Motion:** Adjourn the Special Meeting at 5:30 pm., **Action:** Adjourn, **Moved by** Councilman Lerry Alderman, **Seconded by** Councilwoman Roberta Johnson.  
Motion passed unanimously.

**SCHEDULED MEETINGS / EVENTS:**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the City Council of the City of Globe held on the 5th day of April, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

  
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Shelly Salazar, City Clerk