

Meeting #8

September 26, 2013 Meeting

MEETING SUMMARY

Meeting Attendees

Community Working Group members present:

George Martin – JF Ranch
Lynn Martin – JF Ranch
Nancy Vogler – LOST Trail & Superior Copper Alliance
Bill Vogler – LOST Trail & Superior Copper Alliance
Roy Chavez – Concerned Citizens and Retired Miners Association
Pam Rabago – Superior Chamber of Commerce
Matt Nelson – Arizona Trail Association
Pam Bennett – Queen Valley HOA

Community Working Group members not present:

Mark Siegwarth – Boyce Thompson Arboretum
Cecil Fendley – Queen Valley Water Board
Lynn Heglie – Superior business
Martin Navarrette - Superior Little League
Leslie Bryant – Queen Valley business (resigned from CWG)
Frank Stapleton – Cobre Valley Regional Medical Center (resigned from CWG)

Resolution Copper:

Vicky Peacey - senior manager of approvals, communities & environment
Andrew Taplin – project manager

Guests:

Jeff Bunkelmann, Central Arizona College
Henry Munoz, Superior resident

Guest Presenter:

Ron Ober – Policy Development Group

Facilitators - Godec, Randall & Associates (GRA):

John Godec
Debra Duerr
Matt Ortega

Housekeeping –Ongoing New Member Recruitment Status

John Godec notified the group that a couple of members said they weren't able to come tonight. Regarding new members from the educational arena, he said that he's been invited to meet with a group of Superior High School students in two weeks to talk about the project and determine their interest in joining the group.

Resolution Letter to Town of Superior

Presenter: Vicky Peacey

Vicky Peacey said that Resolution has written a letter to the Town of Superior outlining a first cut at an agreement to work together. A copy of the letter is in the group packet for the meeting. She mentioned a few issues, assurances, and requests that the town has discussed over time with the company. The letter is meant to initiate a dialogue with the town about mitigation in the future.

Godec said that from his conversations with a couple of town council members that any formal negotiation between Resolution and the town would take place at the elected official level, but that input on mitigation provided by the CWG group's discussions will be very beneficial to both the company and the town.

- Was this letter sent prior to the council meeting last Thursday, after which they had an executive session?
 - Yes. Andrew Taplin said that the town attorney has requested copies of all correspondence between Resolution and the town so he can evaluate what's happened in the past. Taplin feels that the town will be asking for meeting in the near future.

Informal Anonymous Poll of Members

Godec introduced a set of questions asking how the group members feel about the project. This is in response to hearsay and gossip that this group is only a 'figurehead' or support group for the project. He asked each person to select one option and write it on a card. The choices are:

A - I fully support this mining project.

B – I'm interested in the project but I have concerns.

C - I'm neutral and need to know more before I can support or oppose.

D - I'm skeptical but willing to learn more.

E - I oppose this mining project.

Some members said that they need another alternative, saying that they support the project but do need additional information. Other members were evenly split between the A option, B option, and C option, with one person choosing the E option.

Members observed that if they were asked this question at the beginning of the project they would have had a different opinion; mostly, these would have been more negative D's and E's. They said that they have learned a lot through these meetings, and their level of trust in the project and in Resolution has increased. The group thought we should do this exercise again in the future, when we have more members.

Update and Status of Congressional Land Exchange Vote

Presenter: Andrew Taplin

Godec introduced this topic by saying that this group has not talked about the land exchange issue at our meetings, and since there was a Congressional vote scheduled for today, the facilitators thought it would be a topical subject. He asked Andrew Taplin, Resolution's project director, to update the group on the status of the land exchange vote.

Taplin said that in January the 113th Congress started, including Representatives Gosar and Kirkpatrick who are sponsoring the land exchange bill. There was a Congressional budget committee assessment of the bill that was completed in June, and a committee vote was taken in August. Although a full vote was scheduled for today, it was continued. Several amendments have been proposed dealing with water, jobs, and sacred sites. One issue about sacred sites is how they will be dealt with since they shouldn't be conveyed to Resolution, and in some cases their location isn't generally known. Taplin thinks there is likely to be a vote taking place next week. Resolution is hopeful that the bill will pass.

Taplin would like, in the future, to have this group meet with Congressional representatives to share our views with them, either here or in Washington.

The group had several comments and observations:

- Has the CWG helped in these discussions, and in developing the project?

- Yes, this group has helped Resolution to see a broader point of view and do things better. Peacey thinks the group also helps to make the community feel that the process is more open.
- A member said that these meetings are more productive than the large public meetings, and offer more opportunity for exchange of ideas.
 - Resolution agrees with this, but said that the town forums were also needed because there hadn't been a great deal of communication with the town for a while.
- Queen Valley noted that they are planning to have a public meeting there later in the fall when the 'snowbirds' come back.
- What if the land exchange doesn't go through? How does that change things for Resolution?
 - One impact would be that they wouldn't have access to the minerals withdrawal area, which includes a large portion of the targeted ore body. The land exchange doesn't authorize mining, however; only the NEPA process can do that.
- Will you mine with or without the land exchange?
 - It depends on whether the Forest Service approves mining through the NEPA process. Resolution can still mine without the land exchange, estimating that the accessible ore body area would last for about 40 years. The additional withdrawal area allowed by the land exchange would increase the amount of area to be mined and the term of mining for a longer period. Taplin described some specifics about the mining process and facilities that would be constructed
- Some members suggested that Resolution needs to make this clearer to the community, since many people are against the land exchange because they think this would make the mining project impossible.

The Land Exchange Story

Presenter: Ron Ober, Policy Development Group

Godec introduced Ron Ober of Policy Development Group, one of the state's most respected government relations firms. Ron has been working on this project since the beginning in 2002. Ober told the group a bit about his background and relationship to the Superior area. He invited the group to ask any questions they like, and his presentation will be very informal.

Ober explained about the history of how Resolution Copper came about when Rio Tinto took over the Magma Mine from BHP Billiton. He noted that current mining companies and efforts suffer from the poor practices and impacts of historic mining, in the public opinion. Early concerns in Superior included the desire that Resolution become a partner with the community. A public process was initiated that included interviews, community meetings, and an advisory group early on, and the company worked with the city manager and council to discuss the major issues of diversification and sustainability. A council subcommittee was established to talk about land exchange, Superior lands, water, the campground, economic benefits, the environment, and a process for town approval of the plan.

Ober described several of the land parcels that were identified for exchange and are included in the exchange legislation; these were identified collaboratively with the community and several non-governmental organizations. He described some of the discussions and negotiations about Apache Leap involving the tribe and politicians.

He gave an overview of the history of the land exchange proposals, starting in 2005 with sponsorship by Senator Kyl and Congressman Renzi, and four following iterations from 2007 to the present. He explained the process in Congress for developing and passing legislation, and some of the challenges of that.

The appraisal process is governed by the Justice Department. The government needs to do this to determine the value of the exchanged lands and minerals, and how much compensation will be needed. The bill also includes a 'bonanza royalty' rate that Resolution would pay if they extract more ore than originally valued in the appraisal. (The project would pay a royalty to the State of Arizona.) There was some discussion of the Mining Act of 1872 and what it requires for royalty payments (none for copper). Ober compared the exchange to a local zoning action, while the NEPA process is like obtaining planning approvals and building permits – both are needed to complete the project.

Comments and questions from the group included the following:

- A member wondered why the land exchange is even needed, since it is so much trouble and cost, given that Resolution can still mine most of the area without it.
 - Peacey said that Resolution would like to have the longest mining opportunity they can.

- A member noted the difficulty of local and US government officials trying to determine the value of areas that contain sacred sites, since non-native people have no basis for determining this.
 - We try to address this issue through government-to-government consultations.
- There was discussion of the Oak Flat Campground, its value, condition, and history of these withdrawal areas under the Eisenhower administration. Exchanging and using the campground would require reversing a Presidential Order, and this would set a major precedent.

Ober noted that stumbling blocks to passage of the bill include Congressional politics and differences between the Senate and House. He gave an example of Congressional indecision, saying that the last time the government passed a comprehensive budget was in 1994; everything since then has been done through continuing resolutions. Also, the Town of Superior needs to decide how they feel about the project and how they want to proceed.

Godec offered to invite Mr. Ober to come back at a later date as the land exchange process goes forward. Members said they would be interested in doing this.

Revisit Tailings Site Discussion

The Martins said they had been talking to some neighbors along Hewitt Station Road. They said that some of their neighbors were not aware of the possibility of the tailings location 'in their back yards', and they are wondering what the tailings facility would do to their property values. As a realtor, Pam Rabago said she thought the value would be greatly reduced, and said she would advise her clients to take the option offered by Resolution. Rabago noted that perception is important in property valuation. Members observed that we focused on the visual impacts of the tailings pile in our previous discussions, not on some other issues like property values. A member wondered if the tailings alternative would need to be disclosed to prospective buyers, and Rabago said probably not, under the law, but it would be ethical to do so.

The Martins suggested that Resolution should be talking with property owners on Hewitt Station Road. Peacey said that Resolution will try to do a better job with communication with Hewitt Station residents in future. Taplin said that perhaps a study of property values would be warranted as part of future studies.

Public Comments

Henry Munoz, former miner and community elected official, is interested in the project, has some concerns, and thinks he could contribute to the thinking of this group. He mentioned some research that he's done in Safford about mining effects. He wondered why the NEPA process wasn't undertaken at the beginning of the project, which he feels would have avoided much of the controversy that is now occurring in the Superior community. He is skeptical about Resolution's estimates of the length of mining, based on past mines and experiences. Water is a great concern to him as well. He has questions and concerns, although he isn't necessarily opposed to this project, but does continue to have questions.

Jeff Bunkelmann introduced himself as a teacher at Central Arizona College. He's interested in joining this group, and the group invited him to do so.

Final CWG Comments and Next Meeting Agenda

Godec asked the group if they'd like to continue to meet every two weeks, or would like to go to once per month, or some combination of these. Some members thought we still had a lot to do, and would prefer to continue on this schedule for the time being. Of most importance is the issue of water, and they felt that it's critical to address this before the winter visitors return so information is available to them.

Due to some scheduling conflicts, it was decided to meet on MONDAY, October 7, from 6:00 to 8:00 PM instead of Thursday, October 10.

Mr. Chavez invited everyone for a meeting of the Retired Miners and Concerned Citizens on Wednesday, October 2 from 6:30 to 8:30 PM for a discussion of "the other side of the story". Also, he noted that on Saturday, October 5 at noon, there will be an Oak Flat Festival to include food, social and outdoor activities.

Future meeting topics that were previously suggested include:

- Water issues
- Cultural resources
- What's the next step, if a tailings site is picked to go into the mine plan, and the timeline for that?