

Meeting #15
February 27, 2014 Meeting
MEETING SUMMARY

Meeting Attendees*Community Working Group members present:*

George Martin – JF Ranch
Lynn Martin – JF Ranch
Fred Gaudet (for Matt Nelson) – Arizona Trail Association
Nancy Vogler – LOST Trail & Superior Copper Alliance
Bill Vogler – LOST Trail & Superior Copper Alliance
Pam Bennett - Queen Valley HOA
Cecil Fendley – Queen Valley Water Board
Bruce Wittig – Queen Valley Water Board
Pam Rabago – Superior Chamber of Commerce
Roy Chavez - Concerned Citizens and Retired Miners

Community Working Group members not present:

Jeff Bunkelmann – Central Arizona College
Mark Siegwarth – Boyce Thompson Arboretum
Steven Byrd – Superior Junior-Senior High School
Dominic Perea – Superior Junior-Senior High School
Martin Navarrette – Superior Little League

Resolution Copper:

Vicky Peacey – senior manager of approvals, communities & environment
Melissa Rabago – community outreach coordinator
Andrew Taplin – project manager

Facilitators – Godec, Randall & Associates (GRA)

John Godec
Matt Ortega

Guests:

Hank Gutierrez, Superior resident

Housekeeping

John Godec informed the group that Lynn Heglie has resigned from the CWG due to time constraints. In thinking about who might replace him from the business community, it was noted that some business people in Superior may be fearful of participating because of the perception that they are taking a position on the project. After some

discussion about this, the group felt that they would like to suggest new members who we can consider at the next meeting.

Update on Conversations with Town of Superior

Presenter: Melissa Rabago, Resolution Copper Company

Melissa Rabago informed the group that Resolution and the Town of Superior have put together a small group to discuss items of mutual benefit, saying that she wanted them to be aware that the type and level of talks with the Town at this point may not dovetail well with what this group is working on. Those discussions are more focused on financial matters, while this group is more focused on longer-term community improvement ideas. There may be a time when the two come closer together, but not at this point. She wants to make sure the group doesn't lose its momentum waiting for the Town to do something. She assured members that the Town does support the work of this group and would like to coordinate with them at some time. Vicky Peacey added that the Town is not the only mechanism for administering or managing programs suggested by this group; other options are available such as Pinal County or others.

Group members offered some questions and comments on this topic:

- At some point, will we share ideas with the Town?
 - Yes, but maybe not be as quickly as we hoped.
- Several members emphasized that it would be good if a Town representative could join our meetings on a regular basis, which the group thinks is important.
 - Resolution has talked with the Town about this, but they are not in a position to assign anyone. Council members seem to be supportive, and several have attended our meetings as they are able to do so.
- Is there any negative feeling about this group at the Town level?
 - No, the Town seems to be very supportive.

This discussion evolved into a more general exploration of the Community Working Group's function, composition, and image in the broader community. Some valuable comments included:

- A Queen Valley member noted that they (members representing Queen Valley) have been criticized by some for being on this committee, which is perceived as being under the influence of Resolution. He personally feels that this group is valuable and he has learned a lot through his participation.
 - The group discussed community perceptions, including perceived conflicts of interest, how they feel about their participation in the group, and how different people's viewpoints can and should be accommodated.

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- Godec asked the group what they thought it would take to get more people from Superior to serve on the committee. Group member responses included the following.
 - There is a perception in Superior that members of this group are ‘out of towners’, which people in the group do not believe is true.
 - Many business people don’t want to be seen to take a position on the project. In addition, they may not feel they can afford to participate if it means taking time away from their business.
 - The Chamber of Commerce relies heavily on Resolution for financial support, which may be a factor in business participation.
 - It was suggested that there should be a representative from the school district and a representative from the Town.
 - It was suggested that Superior has a “one horse town” syndrome that exists in older mining communities, where people become dependent on the mining company for jobs, economic development, and so forth.
 - One member noted that although meetings have been open to the public for the entire 8 months the CWG has been together, most people don’t come to listen or ask questions, but are willing to spread false rumors about what’s going on.

Work Session on Developing Community Investment Recommendations

Godec showed a slide summarizing the community support programs Resolution and Rio Tinto have undertaken in other communities. He summarized ideas suggested at the last CWG meeting about what to call these programs, and suggested that the term “community investment” appeared to be the most descriptive of what the CWG expressed. The group agreed.. He also noted that there may be several options about who administers these programs and how they are implemented. It was agreed that the CWG doesn’t need to decide that right away, and can discuss it in the future. The consensus of CWG members present was that it would not be appropriate to simply turn Resolution ‘community investment’ funding over to the town of Superior.

The group reviewed ideas suggested at the last meeting, which were organized into a few general descriptive categories by the facilitators. The group agreed these categories made sense to help in discussion. Another category, environmental health and safety, was added after a few more mitigation suggestions were made.

Some additional ideas included the following. A summary of these ideas is included in the attachment to these notes.

- Royalties is not the right term. The group suggested payments in lieu of taxes or royalties, or trust funds.

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- Public safety is a very big issue. There was discussion about some needs in Superior, Queen Valley, and rural Pinal County. A member noted that a trend in public safety is to “sponsor” fire equipment with some sort of advertising/sponsoring banner on the equipment or truck.
- Payments and guaranteed mitigation for negative impacts to groundwater around the tailings site need to be included somehow, since this is the most important concern for Queen Valley and western area ranchers and residents. Queen Valley Water Company has been monitoring water levels for many years. Superior does the same for the wells they use. Monitoring for quality is a different issue.
- Some in community are still concerned about health effects of the old BHP landfill site. A group member thought there is a report due out soon from AZ Department of Health Services. There are also other rumors and speculation about sources of cancer from past activities, e.g. radar testing.
- Educational, training, scholarships, and youth programs were considered important, and were added to the list.

Andrew Taplin, Resolution’s project manager, outlined some of the types of programs that the company has conducted in other communities. These include hiring local employees and training them for specific jobs. About 4,000 jobs will be available at the peak of mining, and there will be many construction jobs as well. He explained that the company is in the process of defining exactly what skills and jobs will be needed for the project. Some will be professional, which can probably be filled through the state’s universities. Most jobs will require specific vocational skills, like pipefitters. The company doesn’t know at this time how many of these may come from Superior and surrounding communities, but anticipates that there will be a gap between how many people will be available in the community versus what’s needed. Some jobs may entail skills that don’t even exist in Arizona or in the U.S.

A member noted that this speaks to the desirability of adding a campus here, and adding and supporting additional skills programs at existing schools. There is a whole array of schools in a 70-mile radius of Superior, including technical schools, community colleges, and universities. Also, Superior Junior-Senior High School is a partner with Cobre Valley Institute of Technology, so students can go to half-day vocational programs there in Globe.

In response to a question about current Resolution employment for Town of Superior residents, Vicky Peacey later supplied this information:

- Resolution Copper Employees who live in Superior – 19
- Contractors who work at Resolution Copper and live in Superior – 44

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In order to prioritize how to work on these issues, Godec asked everyone to indicate their first, second, and third choices of specific programs and investments through dot polling on the posted list. Some of the topics that many members chose were public safety, third party environmental monitoring, communications (perceptions and what the community hears, better communications between Resolution and the community), education/scholarships/training, economic diversification, grant-writing assistance, youth life-skills programs, monitoring public health, and a campground. These are summarized on the attachment.

Several members reminded the group that we represent the whole community, and need to consider what the community might want as well as what we are interested in as individuals or a group. A member wondered what the community's biggest concern about the mine is. Some of the group's observations included:

- How soon is the project going to start?
- Many people are concerned that Resolution will leave and there will be nothing, as has happened in the past.
- What's the future going to be?
- Job security.
- Long-term production and reliability.
 - Taplin offered that there is about to be a worldwide shortage of copper and relatively few large new sources.

Responses to Questions from the Last Meeting & Other Updates

- What is the status of starting up #10 Shaft?
 - Taplin explained that the shaft is currently at 6,700 feet. Last year it was shut down because there was water coming in and the ventilation system didn't have the capacity to manage the heat produced by the water. A plan has been developed for bulkhead chillers to be used to do this. A procurement contract for these will be let shortly, emphasizing local procurement and employment. The work will start in March and the ventilation and cooling should be done in early July. The shaft should be finished by the end of this year, down to the bottom depth.
- What about #9 Shaft?
 - There are dewatering pumps there to manage flow. The 5-year underground plan includes an assumption that the federal Record of Decision on the project Environmental Impact Statement will be issued and Resolution can begin mining.
 - To prepare for this, Resolution wants to get better information about the ore body. The shaft will be at 7,000 feet, with pressure and incoming water that is not yet well-understood. The company needs to test laterally through the ore body to find out how it works. Once #10 is done there will be temporary pump stations, fiber optics, and other expensive sensitive equipment installed. A permanent pump station will be installed to protect

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these assets. No. 9 will be drilled and tested after #10 is done. Mining will begin at the furthest edge of the ore body, to evaluate subsidence, water flows, and other performance measures.

- This should all be done by December 2018, assuming that's when the Record of Decision will be issued. If permitting takes longer, the characterization work will be extended. If it is issued sooner, the timeframe will be compressed.
- What is happening with removal of contaminated soils from historic spill sites?
 - An arsenic bioavailability study is being done by ADEQ; this will determine the level of arsenic removal needed. Then a contractor can start cleanup and reclamation work.
- Has Resolution decided to do anything with the old power house?
 - No, but the company has sampled the materials, and brought in a consultant to see what it would take to save those buildings.

Public Comments

Job opportunities are very important. We shouldn't refer to job security, which is not a realistic concept to teach our children. There is no such thing as a guaranteed job.

The trend is going to broadband access; so, we need broadband access in Superior through a major provider like Century Link (with 40-60 megabytes capability). In essence, the town needs "world class access" to communications.

Final CWG Comments and Next Meeting

Due to conflicts that the facilitators have with the next scheduled meeting, we agreed on an alternate date for a combined field trip and meeting.

Wednesday, March 12

- Field trip at 1:00 PM, with dinner and a short meeting afterward (at approximately 5:00 PM)
- Members will meet at Resolution's Main Street office. Dress casually and wear good shoes.

Two additional future meeting topics were suggested as well:

- Remediation - current process and progress
- Inviting a representative from Arizona Game and Fish Department to talk about wildlife concerns.

Peacey told the group about Resolution's schedule of upcoming community meetings:
Queen Valley – March 13 at 7:00 PM, at the Recreation Hall
Town of Superior – March 27 at 6:00 PM, Superior Junior-Senior High School
(tentative) Hewitt Station – March 24 at 6:00 PM, Resolution Main Street office

Community Investment Ideas & Work Program Priorities

Note on Individual Rankings:

First choice = ●

Second choice = ●

Third choice = ●

Communications	Community Enhancements	Economic Development	Employee & Individual Support	Environmental Health & Safety
Communication ● ● ● ● ●	Public Safety Capacity	Economic Diversification ● ● ●	Youth Life-Skill Programs ●	Fund 3 rd -Party Environmental Sampling ● ● ● ● ●
Community Group	Central AZ College Satellite Campus	Grant-Writing Assistance ●	Housing Stock Rehabilitation	Monitoring Public Health ●
Newsletter	Transportation	Long Term Economic Development Process, possibly including a Consultant	Education – Scholarships – Training ● ● ●	Public Safety Capacity / Emergency Services ● ● ● ● ● ● ●
Social Media	Campground ●	Royalties	Weatherization	
	Town Cleanup	Eco-Tourism	Local Hires & Vendors	
	Parks & Recreation	Golf Course	Counseling	
	Land Acquisition	Mining Museum		
		In-Lieu \$\$ or Trust Fund		

Based on these priorities, a proposed work program, in order of discussion, might be:

1. Public safety capacity & emergency services
2. Economic diversification
3. Communication
4. Youth life-skill programs
5. Monitoring public health
6. Fund 3rd-party environmental sampling
7. Education, scholarships, training
8. Campground
9. Grant-writing assistance