

Meeting #25
September 10, 2014
MEETING SUMMARY

Meeting Attendees

Community Working Group members present:

Pamela Rabago – Superior Chamber of Commerce
Pam Bennett – Queen Valley Homeowners Association
Roy Chavez - Concerned Citizens and Retired Miners
Bill Vogler – Superior Copper Alliance
Bruce Wittig – Queen Valley Fire Department
Cecil Fendley – Queen Valley Water Board
Jeff Bunkelmann – Central Arizona College
George Martin – JF Ranch
Lynn Martin – JF Ranch
JoAnn Besich – Superior Optimist Club
Michael Lira – Central Arizona College
Anthony Huerta – Town of Superior

Community Working Group members not present:

Evelyn Vargas – Cobre Valley Medical Center
Nancy Vogler – LOST Trail
Dominic Perea – Superior Junior-Senior High School
Steven Byrd – Superior Junior-Senior High School
Matt Nelson – Arizona Trail Association
Fred Gaudet – Arizona Trail Association alternate
Mark Siegwarth – Boyce Thompson Arboretum
Kiki Peralta – Superior Rotary Club
Nina Crowder – Superior Rotary Club alternate
Patrick O'Donnell – Superior Unified School District #15
Mark Nipp – Town of Superior

Resolution Copper Company:

Jim Schenck – Manager for Communities & Social Performance

Facilitator – Godec, Randall & Associates (GRA)

John Godec
Debra Duerr

Public Guests:

Hank Gutierrez
Tiffany Rowell

Introductions & Housekeeping

John Godec asked the group to introduce themselves because we have several new members joining tonight. One new member, Mr. Michael Lira, introduced himself, explaining that he took a geology course last year at Central Arizona College and was asked by the professor to represent the current class and to bring information back to them. Mr. Anthony Huerta is here as a liaison with the Town of Superior, and Mr. Rick Cartier has been appointed as an additional member from the Superior Chamber of Commerce.

Mr. Chavez informed the group that there was a mining accident last week in which a person was injured. This Superior resident had just returned from Mexico from working after he was laid off from Resolution's 10 Shaft while it was being completed earlier this year. Resolution explained that they are using a manually-operated drill (jack lathe), and that is what injured this person as he was trying to help another worker. Another previous similar near-accident was mentioned. The group agreed that underground mining is an inherently dangerous occupation, as is any kind of construction. It is believed that many accidents aren't reported because people don't want to miss work and deal with occupational safety procedures. Chavez noted that the state legislature recently changed the wording of some laws to eliminate the statement that underground mining is hazardous, which went unchallenged because there was no union presence to oppose it.

Godec talked about upcoming meetings and topics of interest to the group. For the next meeting on October 8 we will visit the San Carlos Cultural Center in the afternoon, followed by a short CWG meeting. He asked how many members can commit to going, and there were about 10, of those in attendance, who thought they could. Godec suggested that we would make arrangements for a bus or vehicle so that the group can meet in Superior. It was agreed that the group would leave Superior at 1:00 PM for the 1.5-hour drive to San Carlos. After the meeting there with Apache representatives we can leave at 4:00 to get back to Superior at 5:30. A member suggested possibly stopping in Miami for dinner, which is about half way. Specific arrangements will need to be made in the next couple of weeks, and the facilitators will inform the group of these.

Godec suggested that a meeting topic for October 8 could be project employment, should the group to choose to meet after the field trip. Ian Edgar of Resolution is available to talk with the group on that date. Several members pointed out that this would make a very long and tiring day. We will leave this option open until polling the entire group.

Update on Water Line, Rail Line, and Monitoring Well Installation

Presenter: Jim Schenck, Resolution Copper Company

In response to questions posed at the last CWG meeting, Jim Schenk reported that there haven't been any changes to the water line. Another question was about the water system that comes into town and now belongs to Resolution, and whether the town would need to provide funds to upgrade this. Schenk said that there will be new pipeline and pump stations for the

mine water system, and this will have nothing to do the old Magma water system. Resolution will fund this new system.

Several group members provided some historical background on this issue. When Magma Copper closed, water rights were sold to Arizona Water Company; the group wondered if Resolution is just a customer at this time. The Town of Superior was offered water from Magma, but Arizona Water Company wanted it back, and got it. At that time there were negotiations that stipulated water use at certain times of the day. One member noted that Magma used to allow the Town to pump water at night for its use.

Questions and comments included the following:

- Does Resolution have a binding contract with Arizona Water Company to get potable water?
 - The company is buying a small amount now, and this is expected to continue.
- A member feels that potable water use will increase over time. There were contingencies in previous agreements to guarantee a certain amount of water, which might be hard to honor with current drought conditions.
 - This topic should be explored further at future meetings, including learning about the provisions of the contract.

Regarding questions about the railroad tracks, local CWG members have heard comments from area residents that there has been a lot of work being done, and residents think that there may be a water line running parallel to the tracks. They asked for clarification about what this work entails and, if there is a water line, what is the location and how wide is the right-of-way. Schenck said that he believes there is a group that is evaluating using the rail line as a tourist railroad, temporarily for about 4 years. This would not interfere with Resolution's plans or timeframe. Queen Valley CWG representatives provided additional information on this subject. Apparently, there has been controversy about who owns the land along the railroad. Portions are under Forest Service management and some belongs to Rio Tinto. There has been talk about putting a tourist railroad, from the east side of Queen Valley to just below Hewitt Station. This has been discussed for 20 years and hasn't really been figured out. The surveying going on now is by the Forest Service to determine land ownership. Although Rio Tinto does not own all of the rail line, they are working on it to prevent an abandonment procedure; if they abandon it they will lose their easement. That is why residents are observing some work being done using high rails and the like.

Queen Valley Water District members provided more information about pipelines paralleling the railroad. There used to be an old water pipeline along the railroad that was eventually removed by scrappers. At this time the booster stations were also removed and the land was graded back to its original condition. A pump station and an 8-inch steel water pipeline to Superior that ran along the right-of-way of Magma Arizona Railroad was built and maintained by Magma Copper Company; it was later taken over by BHP until they closed in 1996. The pump station, pipeline, and one deep well were then sold to Arizona Water Company. Water is pumped into Superior and stored in storage tanks; it belongs to the water company. A new

Resolution-proposed slurry pipeline, to be located along the railroad, will be a 3-foot-diameter pipe. A new water line will also be constructed.

Schenck reported that the monitoring well has been operating for about 10 days. He said that, near it, you can hear traffic noise from Highway 60 over the noise of the operation, and that Resolution continually tests for sound levels. The work is going quite quickly and the crew may demobilize as soon as next week. The next well will probably be drilled at “far west”, in the vicinity of Queen Valley. Schenck will keep the group updated on progress on this. It was mentioned that a Town Council member visited the well and was impressed with the safety operations. Mr. Huerta said that he has not heard noise complaints from residents.

The group asked:

- How deep is the well?
 - 4,000 feet
- Will it be cased and sealed when it’s done?
 - Yes
- Were permits for the well taken care of through Pinal County and Town of Superior?
 - Yes

New Member Orientation

Godec opened the conversation by showing an updated list of CWG member organizations. He asked the group to help new members understand the CWG’s purpose, activities, and plans. He posed several questions to the group for discussion:

What is the purpose of the Community Working Group?

A member recalled that the first task was to assist in finding a tailings site, and this took about six months. Before this group was formed, some other local entities approached Resolution about water quantity and water quality issues. There was speculation that this might also have been an impetus for setting up the group as well. Members noted that they have learned quite a bit from this process, and suggested that Resolution has also learned a lot. Schenk mentioned that Rio Tinto has ‘community standards’ that require community engagement to understand how the projects affect the host communities and what the communities want to see happen. He feels that the CWG is a good forum for investigation of issues.

What’s the most important thing you’ve gotten out of this group?

Members generally agreed that benefits have included:

- Good answers and information from Resolution
- Increased trust of Resolution, and addressing rumors with accurate information so people can have informed opinions

Why are we still here? What do we want to accomplish?

Several ideas were expressed:

- We still need answers about the tailings.

- We still need answers about water.
- To act as a bridge between the town and the company to enhance and support the community.
- To network with the community to create a sustainable future.
- To be a credible resource / advisory group to the company and to the community.

The group wants to talk about tailings as soon as possible because some are getting a lot of questions from residents. Another field trip to look at the tailing site is needed. Some members felt that the previous trip was not very worthwhile, since participants weren't able to look at the site from many perspectives. Members would like to go out and walk the footprint, so they can answer neighbors' questions: how big is it, where is it, what will it look like? The group feels they need help from Resolution to figure out technical details. Previous visual simulations didn't describe the whole picture.

Related to this, a member said he believes that questions about the tailings exist because the Oak Flat mine site hasn't been evaluated yet, and if other alternatives are developed the tailings may not be needed. Perhaps it's premature to evaluate the tailings site before we know if the mine is needed and what the mining method will be.

For water issues, several members suggested inviting professionals who are not associated with either Resolution or the State of Arizona. A member observed that third-party monitoring is what will be needed. The University of Arizona was suggested as a good resource; a member believed there is a particular professor there who is expert in this topic but did not know his name. The Queen Valley Water District mentioned that they hired a third-party specialist to do an independent water quantity study, which directly mirrored what Resolution's hydrologists showed (well levels depend on precipitation, generally).

Several members noted that the NEPA (National Environmental Policy Act) process will explore many of the issues that are of interest to this group. The facilitator suggested that the group may want to think about how their issues and concerns can be integrated into the NEPA process, perhaps through articulating them during the scoping process for the Environmental Impact Statement when it begins.

Community investments are of continued interest. The group would like to hear from people who know how to set up a foundation, perhaps a lawyer. Setting up such an organization may take some time. These investments are something that this group can deal with outside of the NEPA process or any other technical or permitting studies, as they involve conversations with Resolution about social impacts and 'community standards' that the company would undertake in any event.

Another topic of interest is to better understand the opposition to the project, for example the San Carlos tribe and the Retired Miners. Roy Chavez announced that there will be a public meeting in Gold Canyon at the Best Western at 6:30 on October 16; the Association for Development of a Better Environment (ADOBE) and Superstition Area Land Trust (SALT)

organizations are sponsoring it. He emphasized that this is a national issue, and not only a local or regional one. The group noted that they would like to hear facts from opponents, as they have asked for facts from Resolution. They asked the facilitator to continue trying to find a San Carlos representative to speak to the group.

In summary, the group's priorities include:

- Tailings Site – better understanding of what will happen, getting questions answered, learning more about Pinal County's position and explanation of issues related to the State Land parcel.
- Third-party monitoring program – They noted that they may not need to discuss it now, but something needs to be in place when the project begins. This initiative could be part of the community investment program.
- Water quantity, availability, and uses
- Water quality – What would a "What If" scenario look like? What happens? Who cleans it up? What's the emergency/cleanup plan? Mitigation needs to be in place in advance.
- Evaluating options for nonprofit organizations to manage community mitigation funds
- Exploring and developing recommendations for Superior and regional community investments

Godec asked the new members if they have questions for the group. One asked what happens with other mine sites with tailings and water. The group mentioned some things that have been discussed here in talking about the magnitude and diversity of the project, including "greed", "economics", "environmental impacts", and the "lack of true concern of mines for this area historically".

Another member said that his primary concern is to help Superior become a better place for the next generation, and to avoid the mistakes of the past. Another felt that keeping lines of communication open between Resolution and the community is an important function. She would like to see Town representation at the various public meetings sponsored by Resolution, as well.

Public Comments

A visitor disagrees with some of the previous discussion about the town; he feels that it has improved greatly. This may be a national issue, but it's a local issue here. No one here can represent the Native American community, and we should continue to pursue their involvement. He feels this group is maturing, as evidenced by their interest in more "nitty-gritty" concerns, and they will be effective in their work. He observed that we educate ourselves by being here, and by looking at other information outside of this process. Regarding the land exchange, he feels the mine plan of operations and the land exchange are separate issues; this mine is going forward with or without the land exchange. He believes that the Town Council does not represent the community as a whole, but this group does.

Final CWG Comments and Future Meeting Planning

A member observed that Resolution hasn't been as engaged with the group for the last few meetings, and so the group's questions haven't been answered very thoroughly. Another member said he thought that the company was occupied with the land exchange legislation, so that not much will happen until after the election; he wondered if filing the Mine Plan of Operations was to some extent a political move to show the need for the land exchange. Some members felt that part of the explanation may be that Jim Schenk is new and so doesn't know all the answers yet, as Vicky Peacey tended to do. The company pledges to research answers they don't know at a meeting. Schenck observed that this group is not afraid to say what they think or to ask questions. He hopes that members will continue to seek information from Resolution, and will evaluate how it does business here and in other locations.

Some members wondered how much has Resolution spent already on community enhancements. There was discussion about some things members know have been done. The group agreed to explore this further with Ian Edgar when he comes to speak with us. Related to property tax income, a member mentioned that Grupo Mexico has devalued their property in Hayden from \$10 million to \$3 million, thus reducing the basis for assessing property tax.

Next Meeting:

*1:00 PM – Meet in Superior for field trip to San Carlos
(more details to follow)
Wednesday, October 8, 2014*

Field Trip Location

*San Carlos Cultural Center
Highway 70
Peridot, AZ*