

Meeting #57
August 30, 2017
MEETING SUMMARY

Meeting Attendees

Community Working Group members present:

George Martin – JF Ranch
Lynn Martin – JF, JI Ranch
Jeff Bunkleemann – Central Arizona College
Bruce Wittig – Queen Valley Fire Department
Jim Schenck – Rebuild Superior
Hank Gutierrez - Superior Copper Alliance
Sylvia Werre – Top of the World
Pam Bennett – Queen Valley Community Liaison
Karen Kitchayan Jones – San Carlos Apache Tribe
Fernando Shipley – Cobre Valley Regional Medical Center Board
Pamela Rabago – Superior Chamber of Commerce
Roy Chavez - Concerned Citizens and Retired Miners
Nancy Vogler – LOST Trail
Bill Vogler – Superior Copper Alliance
Tom Spridgen – Rotary Club of Superior
JoAnn Besich – Superior Optimist Club
Tiffany Rowell – Superior resident
Rick Cartier – Superior Chamber of Commerce alternate
Arlynn Godinez – Superior Unified School District Board / Maricopa County
Sy Sohmer – Boyce Thompson Arboretum

Community Working Group members not present:

Anthony Huerta – Town of Superior
Fred Gaudet – Arizona Trail Association
Cecil Fendley – Queen Valley Water Board

Resolution Copper Company: See speakers, below

Facilitators – Godec, Randall & Associates (GRA)

John Godec
Debra Duerr

Speakers:

Diego Ortega – Resolution Manager of Communities and Performance
Brian Seppala – Resolution Communities Specialist
Melissa Rabago – Resolution Communities Specialist
Casey McKeon – Resolution Permits Manager

Public Guests:

DeLores Hatfield
Richard Trowbridge

Introductions & Housekeeping

John Godec welcomed everyone, noting that almost all of the CWG members are in attendance tonight. He reminded guests to sign in, and told them there would be time at the end of the meeting for public comments.

Godec thanked everyone for coming to this extra meeting. He explained that this meeting was set up in response to CWG concerns expressed at the last meeting in June. He contacted Diego Ortega and Vicky Peacey of Resolution to explain these concerns, and Mr. Ortega offered to update the group on the company's social policies, which they have been working to finalize for most of this year. In searching for a meeting date when Ortega and Godec could attend, this date was selected. We realize that the CWG had originally planned to take the month of August off, and Godec apologized for that.

Godec welcomed Dr. Sy Sohmer from Boyce Thompson Arboretum as our newest member, replacing Mark Seigwarth. Sohmer introduced himself and said how much he and his wife are enjoying being in Superior. He said they appreciate the staff's restoration of Picket Post House at the Arboretum so they are able to live in that.

In local news, members reported that the Prickly Pear Festival went very well. Pam Bennett recalled that at the early meetings of the CWG, Resolution staff sat in the back of the room and the group invited them to sit at the table because they wanted to work as a group. She jokingly noted that tonight, because of the large crowd, Resolution representatives are again sitting in the back of the room. Hank Gutierrez told a humorous story from his visit to Monument Valley, involving a horse. Lynn Martin mentioned a horseback accident they had at their ranch while they were on vacation.

CWG Representation at USFS International Land Managers Conference, October 23

Godec explained that this is an international group of federal employees from around the world who are meeting in Phoenix on October 23, as they did last year. The Forest Service attendees were so impressed with the CWG's presentation that they have invited them back this year. Hank Gutierrez confirmed that he is planning to attend on behalf of the CWG, and he will contact the Forest Service to let them know. Karen Jones and Fernando Shipley also volunteered to attend. The group was very grateful to these volunteers.

Update and Recommendations for Well Sampling

Casey McKeon provided an update and response to some concerns that the CWG had expressed about safety at the Boyce Thompson Arboretum well. In light of this, Resolution did not want to expose the CWG to this situation if they did not want to go. If everyone wants to sample this well, Resolution will include it in the itinerary for tomorrow, August 31. The Castelberry well will also be sampled tomorrow. McKeon explained that there is a 70 gallon-per-minute pump at the Hewitt Station well now, but it's proved to be insufficient for pumping

this well. Therefore, this well can't be sampled yet. Also, the aquifer test is not yet completed. Therefore, this new well will be sampled next quarter, in November.

Godec asked the group to discuss any concerns they may have with Casey. The manner of opening the Arboretum gallery well was noted, as was the fact that it is an open well. A CWG member observed that, while offsite testing is supposed to comply with MSHA regulations, that may not be a realistic expectation in areas such as the Arboretum. McKeon noted that Resolution does have safety protocols. Loose sample bottles were mentioned, and McKeon said they now have baskets for the water bottles. For the Castleberry well, the use of the truck battery to pump the well was thought to be peculiar. Resolution suggests adding a 12-volt plug to the truck battery, since installing a permanent generator and pump at that site is not practical.

A CWG member asked how long it will be before water is discharged to Queen Creek. McKeon didn't know, as there is a legal challenge to the surface water permit, and the groundwater permit needs to be updated. She could not provide a timeframe for this. A CWG member noted that the Concerned Citizens and Retired Miners Coalition is a plaintiff in the lawsuit. Their concern is that Queen Creek is already compromised by past years of mine water releases containing heavy metals and other constituents. The discharge water from #10 shaft is now being sent down a pipeline to the farmers around Florence Junction. The method of water flows and retention downstream in Queen Creek is also a question. McKeon offered to discuss this issue in more detail in a future CWG meeting. She said that current blending ratios have significantly lowered the total dissolved solids loading.

Updates on Resolution Copper Company Community Policies and Practices

Diego Ortega - Resolution

Godec introduced Diego Ortega to update the group on the company's community social investment policies and procedures. Ortega told the group that developing these policies was one of his primary functions when he joined Resolution. The presentation tonight is the result of the last 18-months' work. He introduced the other members of his Communities team who are here, including Bryan Seppala who is responsible for economic programs in the Globe-Miami area, Melissa Rabago who is the CWG the liaison and is responsible for educational programs, and Michael Betom who is working with Native American tribes.

Ortega showed a graphic of Rio Tinto's community social policy model. The main objective for the company is to generate value. Doing this starts with building knowledge, engaging the community, and developing partnerships. Resolution tries to do this through education, economic growth, cultural heritage support and understanding, and environmental responsibility. Partnerships are particularly important so that people know what will happen in the longer term. Building these foundations – or “pillars” - is considered a step in building trust between the community and the company. The company's Communities team is now organized so that specific staff are responsible for these pillar areas, as well as geographic locations.

Ortega emphasized that investments must be aligned with the milestones and development stages of the mine. It is important to identify and set targets for return on investment.

Throughout this process the company seeks to build a strong reputation, keep the project on schedule, and create a solid value proposition. These are the hallmarks of sustainability.

Specific examples of activities undertaken by Resolution Copper during the last six months include:

- Finalized an integrated education strategy
- Finalized a social investment policy and procedure
- Finalized a community complaint mechanism, with methods for addressing and closing cases (this will be available on the Resolution Copper website)
- Implemented Borealis Stakeholder Management Software
- Enhanced the employee volunteer program
- Finalized a Native American engagement plan
- Signed an agreement with San Carlos School District
- Launched the community water monitoring program
- Finalized a business attraction and retention agreement with Superior Chamber of Commerce
- Undertaken key engagements new Superior elected officials, White Mountain Apache, and the Yavapai Council
- Set local employment and procurement targets for work being done on the #9 Shaft
- Implemented a “social investment tracker” system
- Conducted a public opinion survey in the Copper Triangle regarding Resolution

Ortega outlined the company’s education strategy. The education strategy should align with Resolution’s ‘pillars’. Educational programs are not just focused on mining but represent other opportunities. He showed monetary investments in school districts in 2016 and 2017. Melissa Rabago explained that Resolution is working on agreements with three school districts. She said that individual projects outside of these agreements are also possible. Student site tours are given to show students the range of careers available in the industry. In addition, they have started an employee volunteer program to mentor, help with robotics, and conduct career talks with students. Part of the employee volunteer program is a partnership this year with Stantec, a Resolution consultant, to clean up a park; trail cleanup projects are also included. Another element of the education strategy is a pilot “craftsman program” to support workforce needs at the mine.

In the area of economic growth, Ortega said that a major goal is to deliver meaningful employment and local procurement at every stage of the project. The #9 Shaft local participation plan is an example of how this policy will be implemented. There is a developing Copper Communities Supplier Source database (ccsuppliersource.com) that is a collaboration between Resolution, Local First Arizona, and Southern Gila and Copper Corridor economic development councils. This includes businesses organized by Layer 1 (Copper Corridor region)

and Layer 2 (Arizona). This will become a regional resource for prime contractors doing work in the region. It will help people learn about vendor requirements and how to do business with contractors and Resolution Copper. It will provide resources for small business development. He mentioned several other individual economic development programs and support activities. Resolution also funded a regional housing study, from Gold Canyon to San Carlos, to look at future needs for affordable and workforce housing. At this time, there are about 130 Resolution Copper employees plus 60 local contractors and suppliers.

Bryan Seppala explained the #9 Shaft project to rehabilitate that shaft for safety measures. The contract for this work was awarded to Cementation, who has a trainee program, employs locally, and implements the craftsman program to offer apprenticeships in various crafts, with the goal of turning these contract employees into full-time Resolution employees.

Ortega explained that Resolution has established a community investment committee, headed by Diego and including other Resolution and Rio Tinto senior managers. The communities team will work with organizations to submit applications for funding. These are screened according to a set of criteria and reviewed by several internal groups for consistency with the social investment strategy. If approved, a partnership agreement would be developed outlining metrics of success, deliverables, and reporting requirements.

Some examples of Resolution's social investments in 2017 include:

- Scholarships
- Town of Superior Youth Recreation Program
- Arizona Trails Association – Seeds of Stewardship
- Superior Little League
- Superior Optimist Club
- Copper Communities Supplier Source Website
- Rotary Clubs
- City of Globe Marketing Plan
- Nature Club
- Local Food Banks
- Cultural Heritage Program with SCAT
- Social Media for Businesses Trainings
- Legends of Superior Trails

Mr. Diego offered that the Communities team could come and update the CWG about every 6 months, as these social programs are evolving.

CWG members had the following questions and comments:

- In the public opinion survey, what was the thing that needs to be worked on the most?
 - Mostly, education and providing more accurate information
- When will these polling results be shared with the public?
 - Probably in late fall. This should include solutions to addressing gaps.

- This sounds like a good business approach. Will the dollar amounts for investment be similar in future?
 - The company wants to do planning for the next 4 years, at given milestones, so it will be driven by that.
- Will you be setting goals for investment based on project milestones, at certain times, e.g. if this, then that?
 - Ortega does not believe in making promises based on assumptions. Planning and investments must be based on realistic timeframes. Once the mine permitting is done, the company will be able to make long-term commitments and investments.
- It was noted that both the Town of Superior and Resolution would like the town to be a partner with the mine, but not dependent on it.
- A CWG member said that this project has already been going on in Superior for 20 years. He wondered whether we should consider a mining tax. He recognizes that this would require changing the 1872 Mining Law and other legislation, but this would provide funds for programs without dependency on the mining company. This is a business, and most businesses are taxed. The proposal outlined tonight sounds good, but will it be “put in black and white”? The sustainability of a program like this is based on the price of copper.
 - This program attempts to be realistic about the current stage of the project. It is intended to be feasible for a 4-year timeframe.
- Another member expressed concern about giving money like taxes, should they be imposed, to the government, when it would be better managed by the community and nonprofit groups.
- Where would someone get information about the training and craftsmen program?
 - Talk with Bryan Seppala.
- A member said they are not looking for guarantees at this point, but it’s good to know there’s a solid plan for sustainability. We don’t want to be North Dakota, with boom-and-bust.
- A member commented that the excavation industry worldwide is changing very rapidly, and we need to keep up with those changes. But this project will create environmental destruction east and west of Superior. A different mining method (cut and fill versus block cave) would avoid much of these impacts.
 - Another member said she appreciates the presentation, and that these comments remind us that the social investment efforts should bring people together for healing and sharing.
- Will you continue to honor emergency services investments?
 - Yes
- At what point in the social investment program will be talking about Superior historic preservation investment, e.g. a mining museum?
 - By the end of October there will be a proposal on Superior historic preservation. Melissa Rabago will be coordinating that.

Ortega announced that he will be leaving the Resolution Copper Project and moving to another position in Rio Tinto. He will let the CWG know where he is going.

Public Comments

A visitor said he hasn’t come to a CWG meeting for some time, and wanted to catch up on what’s being discussed. Another said she appreciated the plans for investments in schools, education, and crafts.

Next Meeting

The next meeting is scheduled for:

*Wednesday, **September 13**, 2017
Superior Chamber of Commerce
6:00pm*

Godec asked the group if they would like to review the decision on the Apache Leap Special Management Area Plan and determine whether to submit an objection. They agreed this would be valuable. Nancy Vogler reminded the group that public scoping comments on the Legends of Superior Trail proposal are due to the Tonto National Forest by September 11.