

February 13, 2019
MEETING SUMMARY

Meeting Attendees

Community Working Group members present:

Pam Bennett – Queen Valley Community Liaison
Jeff Bunkleemann – Central Arizona College
Anthony Huerta – Town of Superior
Fred Gaudet – Arizona Trail Association
Arlynn Godinez – Superior Unified School District Board / Maricopa County
Rick Cartier – Superior Chamber of Commerce alternate
Todd Pryor – Town of Superior
Jim Schenck – Rebuild Superior
Sylvia Werre – Top of the World
Ricardo Provencio – United Superiorites
Tweedy Armitage – Superior Historical Society
Pamela Rabago – Superior Chamber of Commerce

Community Working Group members not present:

JoAnn Besich – Superior Optimist Club
Lynn Martin – JF, JI Ranch
George Martin – JF, JI Ranch
Richard Matthews – Queen Valley Fire Department
Cecil Fendley – Queen Valley Water Board
Karen Kitchayan Jones – San Carlos Apache Tribe
Roy Chavez - Concerned Citizens and Retired Miners
Fernando Shipley – Cobre Valley Regional Medical Center Board
Tiffany Rowell – Superior community
Mila Besich Lira – Town of Superior
Bruce Wittig – Queen Valley Fire Department
Hank Gutierrez - Superior Copper Alliance

Resolution Copper Company:

Hesston Klenk – Communities Manager
Casey McKeon – Permits Manager
Janeane Mancha – Environmental Technician

Facilitators – Godec, Randall & Associates (GRA):

John Godec, Debra Duerr

Speakers:

Kevin Hebert – Matrix New World/Southwest Groundwater Consultants
Mitchell Basefsky – Pinal County Community Relations, Central Arizona Project (CAP)

Public Guests:

Melvin Werre – Top of the World
James E. O'Donnell – Arizona Association of Real Estate Appraisers (AAREA)
David P. Herrera – Resident Superior, Kearny

Introductions & Housekeeping

John Godec asked everyone to introduce themselves. A new member, Ricardo Provencio of United Superiorites, has joined the group tonight. Other new members who have been invited and said they would be able to join are Winkelman mayor Bracamonte or town manager Sylvia Kerlock, Kearney town manager Anna Flores, and Copper Corridor Economic Development Coalition president Tino Flores. It was reported that Superior Mayor Besich-Lira is in London and will be able to have a meeting with Rio Tinto headquarter representatives.

Godec asked members to pick up their new notebooks for 2019. Jim Schenck said there's a lot going on locally in March including Mining Days and inauguration of the Legends of Superior Trail (LOST) on the 23rd. Godec reminded the group that they said they'd like to have a booth at the Apache Leap Mining Festival this year on March 16th and 17th, so that has been organized. He asked members if they could possibly volunteer to man it at times. A member suggested sending out a sign-up sheet showing time blocks, which the facilitators will do.

Godec told the group that the CWG website has been revamped and reorganized, and members may want to look at that. A member suggested that CWG might want to have a Facebook page as well as the website. The group has discussed this in the past, and can revisit the suggestion.

Community Investment Agreement Between Town of Superior and Resolution Copper

Todd Pryor reported the significant news that the Town, Resolution, School District, Rebuild Superior, and the Chamber of Commerce have agreed to a program for funding of \$5 million for community investments, including the following:

- \$1.2million for schools – \$300,000/year for infrastructure, computers, and programs
- Rebuild Superior and the Chamber funding for 4 years
- \$200,000 to the Town of Superior for the US 60 Park
- \$1.29 million to develop a business and incubation center, to support small business and attract new business
- A new multigenerational center (at existing Roosevelt School) to include a senior center, 5000-square-foot library, workout gym, basketball gym (similar to that in Apache Junction)

Pryor noted that the Town needs to come up with an additional \$2 million, but he felt that once the initial funding is in place it will be easier to get grants and obtain additional funding. These facilities will create opportunities for young people to stay in the community, people who have left to move back, and new people to come, as well as enticing businesses. He emphasized that they don't want to change the character of Superior but make Superior the best it can be. Regarding the cultural legacy project promoted by the CWG, it may or may not fit in with these proposals but has taken a back seat to these high priority projects for the moment.

Community Monitoring Task Force Report on 2018 Well Sampling

Kevin Hebert – Southwest Groundwater Consultants (now Matrix New World)

Janeane Mancha – Resolution Copper

Kevin Hebert showed a map of the wells sampled during the final quarter 2018 sampling on December 11. He noted that the Community Monitoring Task Force has sampled the Gallery well at the Arboretum and the Castleberry well every time, the lake at the Arboretum early on but not now, and the new Martin well once, but it hasn't been possible to test this well recently due to low water levels.

We now have two years of complete sampling data. He showed a table with the cumulative sampling data for the Gallery well. For the most part, constituent levels are similar across time, but some changes have been seen in a few parameters; for example, nitrates have fluctuated but this is not a concern and concentrations are still low. It does, however, indicate that something is going on. The water quality in general is good, and there are no concerns about poor quality. Data for the sampling at the lake was shown, and Kevin confirmed with the group that there is no reason to continue sampling this location. For the Castleberry well, arsenic is above drinking water standards but this is a function of background levels in Arizona and not a health concern. Most other constituent levels are low also compared to Primary and Secondary Maximum Contaminant Levels (MCLs). The Martin well was only sampled effectively in the fourth quarter of 2017, and the next time it took a very long time to purge and obtain a sufficient sample. The Task Force has not been able to sample it since. The water quality looks good here, and hopefully with the wet winter there will be opportunities to sample this well again soon. Casey McKeon clarified that these wells are very shallow even at normal times, but it's important to establish a baseline before permitted discharges begin.

Hebert suggested that it might be helpful to plot all Resolution's and the CWG's data on a hydrograph to see patterns over the past. The group agreed this would be a helpful tool. A member emphasized that it's important to compare Resolution sampling results to Southwest Groundwater's. Casey McKeon reminded the group that Resolution is guided by drinking water standards, whereas the CWG data are compared to non-potable water standards.

In response to a question, it was explained that these wells were selected to be able to monitor future discharges from mining operations, particularly in Queen Creek and downstream. At this time, the data gathered represents background levels. Godec explained that Southwest Groundwater works for the CWG to provide independent review.

It was noted that groundwater levels at some locations in Arizona are going up due to retirement of agricultural withdrawals.

Janeane Mancha of Resolution Copper reviewed things that have changed in the last two years in response to Community Monitoring Task Force suggestions. A guard around the open hole at the Gallery well was added. Power for the sampling pump was changed from using a 12 volt car

battery to using a separate portable generator. She showed a graphic illustrating water elevations over the sampling period, and mentioned that Resolution uses SVL Analytical Lab.

Arizona Drought Contingency Plan 2019

Mitchell Basefsky – Central Arizona Project

Mitch Basefsky described his background, saying that he's always been concerned about water in the Southwest. He gave a broad overview of the Colorado River and its uses and allocations, where most of the water is taken off the river before it gets to Mexico. The river is divided into two basins. There are 7 states in the Upper Basin including Colorado, New Mexico, Wyoming, and Utah, who together receive 7.5 million acre feet (maf) of water per year. The Lower Basin comprises Arizona, California, and Nevada (also 7.5 maf) as well as Mexico's treaty allocation (1.5 maf). Basefsky reviewed the allocations for each state (stemming from the 1922 compact), of which Nevada has by far the smallest allocation of 300,000 af annually.

Arizona's share is 2.8 maf, but until the Central Arizona Project (CAP) system was built, only those directly connected to the Colorado River could use it. The CAP was built to allow Arizona to use the remaining portion of its water by providing a physical connection between the Colorado River and communities in the state. There are 14 pumping stations to lift the water 2800 feet from the river to users. People have asked why the CAP is an open canal rather than a pipeline. Basefsky said it was mainly a matter of cost. The CAP cost \$4 billion to build from 1973 to 1993, and a pipeline would have quadrupled the cost. Only about .5% of water is lost to evaporation. Lake Pleasant was built to store and regulate the CAP water.

The CAP service area includes 3 counties cooperating as the Central Arizona Water Conservation District, serving 11 Native American tribes and about 5 million non-Indian people, approximately 80% of the state population. About 33% of CAP water goes to municipal and industrial (M&I) users, 35% to Native American communities, 26% to agriculture, and 6% is recharged for "banking" (as a result of having excess water many years).

In Pinal County, CAP water is used primarily for agriculture. There is a recharge basin near the Superstition Mountains where water is stored on behalf of 9 municipal and agricultural entities. A CWG member asked how much water is lost from reclaiming this stored water. Basefsky said it's about 1.5% plus a 'cut to the aquifer' of 5% that must be left in place.

Basefsky reported on the status of Lake Mead and Lake Powell water levels as of this week:

- Lake Powell sits at only 39% of its capacity, down 44 feet from last year, at elevation 3575
- Lake Mead is 40.6% full (10.5 million af) at elevation 1086. Note that elevation 925 is considered "dead pool", at which electricity cannot be generated or withdrawals made.

He said that the entire Colorado River system is only about 50% full systemwide.

In summary, he said, Arizona is facing a water shortage, since there is not enough water going into the river compared to what's being taken out. Even in 'normal' runoff years, Lake Mead levels have been going down. Historically, the Colorado River allocations were based on

unusually wet years, but the reality is that flows have been much less since the original allocations were made decades ago. Today, the mean flow is 10.73 maf per year, compared to 16.5 maf that was estimated in 1922. The structural deficit is about 1.2 maf per year, which is about as much as CAP delivers in total.

In 2007, interim guidelines were agreed among states saying that if Lake Mead goes below 1075 feet elevation, Arizona, Nevada and Mexico take less water. Within CAP, Native American and M&I uses have the highest priority, followed by non-Indian agriculture users who have negotiated reduction agreements. Excess for banking is the lowest priority. To address this situation, Arizona has taken proactive measures including storage of nearly 4 million af by CAP through the Arizona Water Banking Authority.

The probability of shortage without action is estimated by state water experts to be 57% in 2020, while shortages are not expected in 2019. That is why this Drought Contingency Plan is being developed. This is a collaborative process between the Lower Basin states, key water management agencies, and the U.S. Bureau of Reclamation. All the states and Reclamation will make voluntary reductions. CAP would lose about 1/3 of the water it delivers if the lake elevation goes below 1075. Although California doesn't have to take reductions under the compact agreement, they will do so voluntarily if the water level goes below 1045 feet because of the impact on electric generation from Hoover Dam on which Los Angeles depends.

The Arizona Steering Committee developed the Drought Contingency Plan (DCP) by discussing and recommending how to adopt and implement supply reductions in a way that is acceptable to Arizona water users. This committee included all major users and stakeholders. The Arizona Drought Contingency Plan was passed by the Legislature on January 31, 2019. Loss of agricultural water is the biggest issue, so some mitigation measures have been developed including donations from CAP, Salt River Project and Gila River Indian Community during Tier 1 or Tier 2 shortages. Funding for agriculture to reconstruct their groundwater systems in Tier 2 or beyond 2023 would come from CAP and the state and federal governments. Colorado River Indian Tribes and other on-river entities will also leave additional water in Lake Mead, and changes will be made to the groundwater storage regulations to provide added flexibility.

Additional agreements will be needed to implement this plan and develop federal oversight to ensure that water left in Lake Mead is saved for the entities who banked it.

CWG members had the following comments and questions:

- What's the implication for Resolution Copper and the Town of Superior?
 - Hesston Klenk said that all industry would be impacted under significant shortage conditions. But the water that Resolution has banked belongs to them and they won't lose it, and this represents about 70% of the water they will need for the project based on current plans and usage. New technologies in mining are always being developed that may cut Resolution's water demand in future. The water in the aquifer where Resolution is banking has gone up about 300 feet due to changes in agricultural uses.

- Do the discussions include consideration of what kinds of agriculture should be prioritized or cut more or less?
 - Farmers do talk about this because water is their biggest cost, so it's to their advantage to reduce use. This has resulted in conversion to drip irrigation and to less water-intensive crops. There are assistance programs to encourage conversion of irrigation and for municipal conservation assistance.
- Is wastewater viable as an additional water source?
 - There is a lot of discussion about this. Right now, wastewater treatment plants do not treat to the level of drinking water, generally. Yes, you could use it if additional treatment is applied, and it's being done in places now. The biggest public perception problem is the "yuck factor".
- How about desalination?
 - There is an idle desalination plant in Mexico and talks are going on about reopening this. Currently, treating seawater in California costs about \$1500/af, which is about 3 times more expensive than traditional water treatment. Israel is building a desalination plant, but details of this were not available.
- Why doesn't California have to take cuts?
 - Because they were "there first", and got water appropriated to them first because of this priority. Arizona agreed to take junior priority in the 1960s as a compromise to get the CAP legislation and funding passed in Congress, which had about 40 California Representatives to Arizona's 3.
- Is Tucson still pumping groundwater?
 - No, now they use CAP delivered water, so groundwater levels have gone up about 70 feet in that aquifer.
- Hesston Klenk said that Kearney will have a very real water crisis this year, since their availability of Gila River water will be reduced from 198 af last year to 50 af this year.
- It was observed that in the current situation, "the Native Americans at long last have the upper hand" in water.

Public Comments

There were no public comments.

Next Meeting

The next CWG meeting is scheduled for:

Wednesday, March 13

5:30 pm

Superior Chamber of Commerce

The Forest Service will present a summary of the Draft Environmental Impact Statement (EIS) for the Resolution Copper Project and Land Exchange.

Hesston offered to inquire whether the cultural resource monitors and archaeologists would be able to come visit with the CWG in April; the group thought this would be an excellent discussion.