

August 12, 2020
MEETING SUMMARY

Meeting Attendees

Community Working Group members present:

Pam Bennett – Queen Valley Community Liaison
Todd Pryor – Town of Superior
Jim Schenck – Rebuild Superior and Legends of Superior Trail
Hank Gutierrez - Superior Copper Alliance
Fred Gaudet – Arizona Trail Association
Arlynn Godinez – Superior Unified School District Board / Maricopa County
Mila Besich – Town of Superior
Jeff Bunkleemann – Central Arizona College
Fernando Shipley – Cobre Valley Regional Medical Center Board
Silvia Werre – Top of the World
Bruce Wittig – Queen Valley Water District
Ricardo Provencio – United Superiorites
Mayor Bracamonte – Town of Winkelman
Gloria Ruiz – Town of Winkelman
Lynne Nemeth – Boyce Thompson Arboretum
Bruce Wittig – Queen Valley Fire Department

Community Working Group members not present:

JoAnn Besich – Superior Optimist Club
Rick Cartier – Superior Chamber of Commerce
Pamela Rabago – Superior Chamber of Commerce
Karen Kitchayan Jones – San Carlos Apache Tribe
Tino Flores – Copper Corridor Economic Development Coalition
Anna Flores – Town of Kearny (retired from Town of Kearny and CWG)
Sylvia Kerlock – Town of Winkelman
Richard Matthews – Queen Valley Water Board
Cecil Fendley – Queen Valley Water Board
Tiffany Rowell – Superior community
Lynn Martin – JF, JI Ranch
George Martin – JF, JI Ranch
Cathy Melvin – Gila County
Anthony Huerta – Town of Superior
Tweedy Armitage – Superior Historical Society
Jeff McCormick – Town of Kearny

Resolution Copper Company:

Hesston Klenk – Communities Manager
Vicky Peacey – Environmental and Permits Senior Manager

Facilitators – Godec, Randall & Associates (GRA):

John Godec, Debra Duerr

Public Visitors: The public was not able to attend this online meeting.

Housekeeping

In local news, it was reported that Superior schools will start on August 17th, when they will assess whether students can be on campus. Central Arizona College will start on the 23rd and has made the decision to be mostly virtual, except for nursing and disciplines that need to be hands-on. The Cobre Valley Medical Center is ‘hanging in there’. Pam Bennett gave an update on the potential RV park at Florence Junction. Willie Greenberg met with Pinal County and they think they can start getting permits to construct it. Regarding the COVID-19 situation, Councilmember Olga Lopez lost her son to COVID, and it is calculated that the death rate in Superior is about 10%. Queen Valley was able to have a drive-through testing and will have another on August 22nd.

CWG Tribute for Roy Chavez

John Godec asked the group if there had been a service for Roy; not yet because the family wants to wait until they can do something in person appropriately. Godec showed the group the tribute we’ve added to the CWG website to remember Roy. He asked if the group had any other suggestions. The CWG thought we should wait until the family decides what to do in the future and then consider it.

Fernando Shipley offered that he didn’t always agree with Roy, but he always appreciated that he tried to use facts and data to support his arguments, and he respected that. The Mayor said that she was able to work with Roy from a young age and she learned a lot from him. In particular, one lesson is that sometimes you need to just do things and not take too much time to think and plan. She said she appreciated that he challenged her. “If you wanted to beat him, you had to be better.”

Update on Filter Plant Location and MAARCO Railroad

Resolution has identified a couple of sites at the West Plant that could be used for a filter plant. However, for the reasons outlined below, they felt that it would be better to leave the filter plant where it was planned at Skyline near Florence Junction. Consequently, they’ve asked the Forest Service to dismiss the West Plant site as an option for the filter plant.

The CWG has expressed interest in coupling a tourist train with a West Plant filter plant location, and members asked whether Resolution had analyzed this. Vicky Peacey said this would require a sizeable upgrade. A train would run through Hewitt Station Road where there are residences, as well as across many trails and recreational use areas including the Arizona Trail. The State Land Department is concerned about having a railroad/linear corridor going through their Superstition Vistas development area. Peacey felt that these issues could present some conflicts and needed much more evaluation and risk assessment. Rio Tinto has had several incidents with trains. The Town Manager endorsed this safety concerns, saying that his opinion on this issue was modified by some conversations with Bruce Wittig about the impacts and challenges of train traffic, frequency, and operational characteristics including noise and congestion, as well as having mixed use types of freight and passenger.

The Mayor said that Pinal County is looking at the railroad as part of tourism development ideas. She thinks that because of this we all should continue to keep it in mind for future options and study. Vicky assured everyone that they haven't dropped consideration of the tourist train concept, but wants to decouple it from the mine. She said there is a broader spectrum of stakeholders who need to be involved and coordinated with.

She clarified that Resolution has right-of-way (ROW) ownership but State Land asserts ownership of some portions. CWG members pointed out that the rail line has been there for 100 years, and Superstition Vistas is a new concept; they hope Resolution won't give up their rights because access must be protected for the future. Vicky assured them that Resolution isn't giving up their rights. She just feels that the discussion should be about a tourist train, not combined with the mine.

It was suggested that, as a pre-territorial asset, the state may be able to enforce ownership of the rail line; there's a lot of law around this. And if the filter plant isn't in town, it's harder to justify keeping the rail ROW. The biggest issue is the cost of rehabilitating the railroad, which is estimated at \$15-20 million. Wittig disagrees that State Land owns any part of the MAARCO right of way. He feels that if they claim ownership they will use it to charge a fee for others to use the line. Before the line closed, ADOT was going to put in a new bridge road crossing. Regarding danger at crossings, he only had two or three accidents (SR 60 and Florence crossing) in 24 years he was at the rail company, and none at the secondary crossings. Peacey repeated that in their larger business they've had some serious accidents, so it's a significant concern for Resolution – "one is too many". It was also pointed out that there are increasing numbers of people using the Arizona Trail, and that's a concern for hikers, equestrians, and bikers who may not be totally attuned to a rail line in the area.

Godec asked how material will be transported to the filter plant from Superior. Buried pipelines will be used, including an 8" underground gravity pipe to delivery slurry to the filter plant and a 36" pressurized return water line. There will be no truck transport. A rail line will be needed from the filter plant to Magma Junction and beyond to the Union Pacific Railroad system.

CWG members had the following questions and comments:

- How many miles is it from the filter plant to Magma Junction?
 - 3-4 miles
- Isn't that also planned to be high-density residential area?
 - Yes, it's just outside Santan Valley.
- Why isn't State Land Department against the pipeline as well as the railroad?
 - Because it's buried, and they are mainly concerned about visual impacts. Peacey pointed out that State Lands is also an important stakeholder for the Skunk Camp site.
- Are there any impacts or benefits to the local area from the filter plant?
 - Todd Pryor said there is usually a .01% tax at the point of production where the mine is located and also at the smelting location, which is why many companies ship their ore overseas for smelting. Peacey pointed out that there are only 3 smelters left in the U.S., one of which is owned by Rio Tinto at Kennecott in Salt Lake City. Rio owns 55% of

product and BHP owns 45%. Because of legal 'firewalls' between the joint venture companies, any discussion about sales of product cannot be discussed between BHP and Rio Tinto at any time. Each company needs to send its concentrate to separate sites (or at least they do not know where each other is sending their concentrate).

- The state gets a 3.5% royalty, so the towns would get some small part of the state share, but this doesn't really affect Superior. The distribution is very complicated and we'll probably never understand it.
- CWG members wondered if BHP would be willing to talk with the group if Resolution was not in attendance. The challenge would be in finding the appropriate people at BHP. All the local BHP folks are dealing with property issues, not mining operations.

Resolution Copper Updates

Hayden Smelter Rumors

Hesston Klenk said he gets several calls per week asking if Rio Tinto is interested in purchasing the closing Hayden Smelter. He is not aware of this at all and could not say so publicly even if he did know. On a personal level, both he and Vicky think this would be a great opportunity and option for Resolution.

Mayor Bracamonte of Winkelman said that Asarco will be closing the smelter on September 23 and disbanding the union in October. (This will affect about 400-500 people.) They can still ship their concentrate to smelters they own in Mexico, and will keep production going from the Ray Pit. It would take about \$15 million to get the smelter started again. A CWG member theorized that they could just shut it down for a year and then reopen, to get around the unions. The Mayor joked that he was hoping Rio Tinto would buy the pit for the tailings.

Elim Mining Purchase of Sacaton Mine

Resolution reported that they don't know anything about this. Since the Elim pit is not on federal land, they were able to get their permits in about 13 months.

Rio Tinto Energy Issues

Rio Tinto has just signed a deal with SRP to purchase about 5 MW (of total 80MW for project) from one of SRP's planned solar farms. This will cover 25% of Resolution's needs for the next 5 years. They will probably expand this in future.

Klenk said that the company policy is that all Rio Tinto projects will have a net-carbon-zero footprint by the time they get to production.

Rio Tinto is putting out a call for anyone with ideas on how to generate electricity from mine heat (see article distributed to CWG). This heat-to-energy concept presents challenges for underground mining since, for example, a unit the size of a train engine would be needed in #10 shaft to generate a few kilowatts.

Recreation User Group Update

Godec said that the RUG had met this morning, and membership in the group is growing. Fred Gaudet and Jim Schenck provided an update. There is no further news on approval of the RUG trail plan until sometime in October when the Final Environmental Impact Statement (FEIS) is completed. The Forest Service has received a \$250,000 grant to build a staging area for OHV use near the golf course, as well as some signage at Picketpost. Tom Hawk from Imerys joined the group to talk about their concerns with the location of the proposed Castleberry Campground, which they say they weren't aware of and with which they have safety and trespass concerns relative to their mine and property. The RUG felt that the recreation development taking place at the Arboretum and west of the campground could help to direct visitors to that area instead of the Imerys mine. Mitigations discussed were fencing the south side of the campground, fencing the Imerys property, stationing a guard at the campground, installation of directional and informational signage, providing alternative access to Castleberry from where it used to be off SR60, making blasting safe, and preventing people from collecting Apache tears and rockhounding on Imerys property. It will be important to keep the conversations going, and Imerys has agreed to join the RUG on a regular basis.

It was pointed out that there are people living within the Imerys blast area currently. It was felt that campers would help to buffer them from trespass. There were also observations that trespass for rockhounding has been happening for some time, long before this campground concept was proposed, and it is up to Imerys to secure their property.

Community Monitoring Task Force Update

Members of the task force suggested that the next well sampling should include monitoring at the Skunk Camp tailings site. Resolution outlined some thoughts about this and suggested that offline conversations be scheduled with the Community Monitoring Task Force, their consultant, and Resolution to discuss this further. The facilitators will try to set this up for next week.

CWG Meeting Planning

Godec showed an updated list of topics that the CWG has said they're interested in exploring. Members offered that it's very important to keep meeting frequently, particularly since people aren't running into each other in person. One of the topics was Resolution's final mitigation plans. Klenk said that the final mitigation plans are very complicated and are not resolved; therefore, he was hesitant to commit to a timeframe to discuss them. The Forest Service must evaluate Resolution's proposals and then turn those into requirements. As Vicky Peacey said, "there are a lot of balls in the air". The FEIS has committed to be done in December, and some CWG members thought this would pressure on Resolution to finalize mitigation soon. Klenk noted that mitigations will be designed / detailed at varying levels, with some details to be worked out over time.

Public Questions & Comments

Due to restrictions for online meetings, the public was not able to attend this meeting.

Next Meeting

Wednesday, September 9, 2020
6:00pm