

# Meeting Minutes

## Santa Cruz County Advisory Panel Meeting February 15, 2023

Santa Cruz Provisional Community College  
2021 N Grand Ave, Nogales

Catherine Tornbom, Facilitator, called the meeting to order at 12:05 p.m.

### 1. Welcome & Introductions

Each person introduced themselves; by stating their name, their community focus, and/or the organization that they represent.

- Melanie Lawson, South32, Community Relations
- Tomas Goode, South 32, Principal Hydrogeologist
- Michael Young, Patagonia School District, Assistant Principal
- Chris Young, Santa Cruz County School Superintendent's Office, Chief Deputy
- John Fanning, Santa Cruz Valley Unified School District 35
- Fritz Sawyer, Retired, Elgin
- Ruth Ann LeFebvre, Sonoita
- Carolyn Shafer, Patagonia Area Resource Alliance (PARA), Board Member and Town of Patagonia Flood & Flow Committee, Member
- Damien Rawoot, Nature Conservancy, Representative; other conservation partners in the area, including the Tucson Audubon Society and Board of Land Restoration
- Elizabeth (Liz) Collier, Retired, Santa Cruz County Provisional Community College District (SCCPCCD) Representative
- Linda Shore, Sky Island Tourism Association
- Olivia Ainza-Kramer, Nogales-Santa Cruz Chamber of Commerce, Board of Directors
- Marcelino Varona, Retired, serves on four boards.
- Renay Guifarro, Acorn Inc., and former meeting Recorder
- Ben Lomeli, Hydrologist, Friends of Santa Cruz River, Representative
- Guillermo Valencia, (Memo), Logistics and Trade, International Trading Industry, and numerous civic organizations representative
- Nohe Garcia, Guest, Business Owner (an industrial park on Mariposa Road); Santa Cruz County Economic Development, steering committee; Rotary Club; Friends of Santa Cruz River (FOSCR), member; and Chamber's Economic Development committee member

### 2. January Minutes

Carolyn moved to approve the minutes; seconded by Liz and passed by the Panel.

Questions and Answers:

Liz: What happened to the Question and Answer (Q&A) document? I was expecting it with the minutes.

Ranay: We have added three or four questions to the document. Some were asked at the mine tour.

Carolyn: Are they online?

Ranay: The Q&A document was sent in an email as an Excel document that is locked so you can't change it. But that's just to make sure that we have one master document. When it is updated, we will change the date.

Liz: Will it include all the previous questions? With this presentation in mind.

Melanie: Yes.

### 3. Project Updates - Melanie

3.1 Transportation/Track Out: I do not have slides today. We are going to discuss track out today. We will take your questions from the brainstorming session that will be done later in today's session to bring back responses for the next meeting.

3.2 Transportation/Cross Creek: The other topic on transportation is Cross Creek. The land transfer is still not complete. Once it is complete, that will kick off the encroachment permit, the floodplain use permit, scheduling a walk with residents and all these other to do items.

Questions and Answers:

Memo: Is this a title issue? Or Title Company issue?

Melanie: It is the documents for the property transfer.

Fritz: Have you all started your ADOT traffic study? The study must be done.

Melanie: I know it has not been submitted. Once it is submitted, then it would be publicly shared.

3.3 Name Change: We have now changed our name to South32-Hermosa, Incorporated, effective February 2. There wasn't any kind of trigger or anything that forced this change. It was just the natural evolution of the company in South32 Enterprise. It's an administrative task only, so the entities remain the same. It is not any kind of reorganization or transfer to a new company. There are no changes to the parent company or to the owner. We still have rights to the name Arizona Minerals Incorporated. All directors and officers remain the authorized signatories.

Questions and Answers:

Carolyn: South32-Hermosa Inc. is a US corporation under which state?

Melanie: The company remains incorporated in Nevada and licensed to do business in Arizona and the corporation registration numbers in Nevada and Arizona remain unchanged.

3.4 Good Neighbor Agreement (GNA): Until the Board of Directors approves the capital investment in mid-year 2023, we can do preliminary work on a GNA, but we can't begin to formally develop one and enter into an agreement before this decision point, which is the trigger point to continue to move forward.

Questions and Answers:

Ben: What would be the trigger points?

Melanie: Completion of feasibility and the board approval which should happen around June or July time.

Fritz: But can we start doing some of the groundwork?

Melanie: Yes, I think we can. I just wanted to be clear that there might be some information that we don't have until after this decision point.

Fritz: I read their pre-feasibility report. I do not know what you all need. To me the information is all there.

Ben: Not enough to answer all the questions.

Marcelino: I think we still have not established that the Panel can have a legal document for the agreement.

Ben: Transparency is one of the criteria for a Good Neighbor Agreement.

Fritz: That could be something that we start now, right? Or must we wait?

Ben: We should be able to start whenever we wish.

Fritz: Can we start moving forward with someone to discuss the more general stuff?

Marcelino: Several months ago, a graduate student, David spoke with us and indicated there were legal hurdles to the establishment of a good neighbor agreement. And he said he would be back in a month, he had to do some more research, and he never came back. I just want to know if we know what one party is? Is it South32-Hermosa Inc, who is the other legal establishment party to the agreement?

Ranay: It depends on the concerns the community has. For example, if you're concerned with track out, one of your parties could be the Department of Transportation. Another example, if there's a park nearby that will be impacted, there might be an agreement between the Parks & Recreation Department. Depending on what your GNA entails, will determine who you will include in and be part of the agreement.

Melanie: Ty let us know in December that David had shared what he knew and would not be returning. Dean and Ranay have done this a lot and are an excellent resource that can be used with the technical assistance budget.

Liz: Melanie, are you the one watching that money now?

Melanie: Previously, Angie kept track of the money and now I am the one doing it. There's an original allocation of \$150,000 or \$175,000 annually. I will verify the amount.

Damian: I suggest that we vote on the concept to go ahead, and then between now and the next meeting, we can have Catherine create a draft that we can give feedback via email. After approval, it'll be advertised for 30 days and then we can get started.

The following motion was proposed: The Panel authorizes Catherine to draft and send out a request for proposals (RFP) to implement a Good Neighbor Agreement from multiple companies with fractured rock and mining operations experience. The Panel unanimously approved this motion.

Comment:

Olivia: I will share the Good Neighbor Agreement created for the proposed Resolution Copper Mining Project, near the town of Superior, Arizona with Catherine. It was created by the Superior Community Working Group. Also, I will share information on the group that has been involved with Sibanye-Stillwater Mining Company. They have had a 20-year legally binding agreement.

3.5 Dewatering: Tomas was going to answer questions but given that we are 15 minutes beyond our time limit, we want to save it for March. So, we can be sure to update the Q&A document and have more time free to have Ty on as a part of the agenda, subject to his availability.

Question and answers:

Fritz: I've sent out another email containing questions that we as a group have come up with and were on the Excel spreadsheet. There seemed to be a lot of editing of those questions.

Tomas: You are correct. Ty and I did, in fact, consolidate some of the questions. Part of the value of consolidating was to help clarify the questions themselves because there are many questions that can be asked but can't be

answered because they're not phrased correctly. My suggestion is to do a thorough evaluation of the questions that have been recorded to this point within the spreadsheet. And if there are remaining questions that didn't get answered, we will address those. As opposed to trying to go backwards through this process. I think it would be more effective for you as a group to do that if there are lingering questions.

Ranay: Catherine has the most recent copy that was distributed to the Panel in December.

Catherine: The Q&A document will be reviewed by Fritz, myself and any other Panel member who wishes to have input and then it will be distributed to the Panel members as soon as the review has been completed.

4. Track Out Considerations – Fritz: I have provided you with a handout (Attachment 1) which shows the track out. The definition of track out is: Any type of mud and mineralization that is tracked out with equipment, shoes, and clothing. There are grey areas in mine operations due to soil crushing. The vehicles will haul it out and track out will start to show up everywhere. I don't know what minerals are going to be tracked out nor do I know what reactive minerals are going to be coming out of this mining operation which will go on for 25 years.

The Panel was put into small groups and were tasked to identify key questions for inclusion in the Q & A document and for presentation by South32-Hermosa at the March meeting. The following are the questions brainstormed by the Panel members:

- What actions have other locations taken to manage/mitigate track out?
- What substances are of concern on the mine site- entering or leaving?
- What plans do South32 have to manage/mitigate track out?
- How can track out issues be monitored and publicly reported to the community?
- Is South32 monitoring and sampling the water along Harshaw Creek?
- Will South32 implement a Storm Water Pollution Prevention Plan (SWPPP) with track out [not washout] including Egress/Ingress?
- Is track out limited to "Mine Mud"?
- How will cleanup be handled?
- How is track out identified?
- Who has jurisdiction (of what)?
- Will South32 provide mitigation for all track out?
- Will South32 consult with/hire an industrial hygienist?
- How will South 32 prevent track out from entering water ways?
- What minerals leaving the mine site will be of concern if ingested or inhaled?

If there are additional questions that come up later, email them to Joanne and Catherine and they will be added to the list.

5. Workforce Presentation Follow-up – Catherine: At the February meeting, Skylic Estep, Human Resources Manager, South32, asked the Panel for feedback on her workforce presentation. I created a form (Attachment 2) which can be used by

the Panel to collect feedback from your specific communities and bring that feedback to the Panel.

Linda: This is an excellent idea because I was sitting right across from Skylie, and I did not leave knowing I had an action item. I think using this form to collect feedback is an innovative idea if it is optional.

Catherine: Yes, the form is optional and is designed to help you to be more effective as a Panel member and within the communities you represent. The Charter says that Panel members are to provide two-way communication. If you have any additional feedback on the form, please share it with me. Also, if you have any feedback for Skylie, complete the form and leave it with us before you leave today.

## 6. Community Group Updates

6.1 Flood & Flow (F&F) – Carolyn: I provided a handout with the updates (Attachment 3). Here are some highlights. It's very exciting what is happening with the University of Arizona Water Resources Center. They are having a March 22<sup>nd</sup> workshop for people involved with water. I'm happy to share the info with you. The committee did vote to go to the Forest Service with a focus of the Harshaw Creek sub watershed as the focus for our first process in writing a watershed restoration action plan.

6.2 Patagonia Area Resource Alliance (PARA) – Carolyn: I provided you with a handout with the updates (Attachment 4). There is no real update on the Arizona Pollutant Discharge Elimination System. That permit officially expired January 7, but state statutes allow them to continue to operate under the original permit, while the questions are outstanding. I'll highlight one other item – the film *Biodiversity in the Heart of the Sky Islands*. The film illustrates the unique biodiversity and the challenge of species extinction. The film will be shown March 24 at the Tin Shed Theater in Patagonia and March 26 at the Loft in Tucson. And there will be additional shows in May with dates to be arranged.

6.3 The Nature Conservancy (TNC) – Damian: We continue to work on the continuous flow monitoring station. I'm not sure of the timeline, but we have our own complex bureaucracy to navigate. We have an internal risk assessment process and corporate engagement process when working in collaboration with a company. We are working through that. Also, we have a lot of conservation projects in the works, particularly eight miles north of Patagonia with two large springs, Cottonwood Spring and Monkey Spring. We're trying to put together a plan to protect those and hope to pursue some money from the Fish and Wildlife Service for endangered species because the springs provide habitat for multiple endangered species.

## Questions and Answers:

Ranay: Does South32 own Monkey Spring?

Damian: No. Hudbay, the mining company that's developing Rosemont owns a property that they have thought about doing a mitigation project on and they own roughly 75% of the water coming out of Monkey Spring. But they do not own the spring.

Damian: The city bought the rights and then they sold their rights to Central Arizona Project. They sold it to the city of Scottsdale because we could not afford to pump the water up and they purchased more water to make sure they we have a 100-year guarantee of water for building purposes. Now, I am not sure about the exact area. If we start taking more of this water out, let us just say for the 5.3 million gallons for the mine. Does that hurt? Yes, that is a concern. I think that's part of our strategy. Our thought is trying to protect the area surrounding these springs.

7. **Communication Brainstorm Follow-up – Melanie:** One of the things that came out of the communication brainstorm session during the February meeting was that the Panel mentioned having a separate website. South32 is more than happy to have a website developed and provide its funding. However, after further discussion, the Panel made a unanimous decision to not waste time or money on a separate website.

## 8. Wrap Up - Catherine

8.1 Meeting agenda: The March meeting agenda items will include, in addition to the normal agenda items: A thirty-minute meeting with the Panel Members, Catherine and Joanne only; a discussion of hydrology with Ty; and follow up on the Track out by a South32-Hermosa representative.

8.2 Meeting time: The meeting will start at 11:30 a.m. to accommodate the addition of the 30-minute meeting with the Panel, Catherine, and Joanne.

8.3 Meeting location: Motion: Proposed that the meeting location alternate between Patagonia and Nogales each month. Vote: Yes: seven; No: 4; Abstain: 2. The Charter requires a two-thirds affirmative vote of Panel members present on a motion for the motion to pass. The motion does not pass. The next meeting will be on March 15 in Patagonia.

The meeting adjourned at 2:07 pm.

## 4 Attachments:

- 1 – Track Out Information
- 2 – Workforce Presentation Form
- 3 – Flood & Flow Update
- 4 – PARA Update