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SW-04305A-05-0086

SW-04305A-05-0087

Arizona Corporation Commission

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Mr. & Mrs. Duane Rhodes
630 Webb Drive
San Manuel, Az 85631-1036

SW-04305A-05-0086
SW-04305A-05-0087

Dear Honorable Jane L. Rodda:

We are writing you in reference to a meeting that was held in Tucson June 29, 2005. We had a notification but were unable to attend.

Both of us, Duane & Gwenith retired from Magma Copper Company ten years ago, and have lived in San Manuel forty-nine years. Currently, San Manuel is populated with about fifty percent with retired people, with fixed incomes. The idea of us signing off on a \$3.3 million bond in order to build a new sewage processing plant is absolutely ridiculous! B. H. P. Billiton should provide a facility that has a C. C. & N licensed system to turn over to a private company to run and own, so service will be provided for a reasonable rate per month, less that \$20.00.

The inequity of asking the current people of San Manuel Town Site to fund this is especially due to the fact that in the near future, there is already plans to build upscale homes on, around the golf course and will include the areas currently being used by the horse owners, the rodeo arena, and the original trailer park. These homes will be selling for AT LEAST \$200,000 - \$300,00. Since they are not here now, and are not signing off on the proposed bond, they will be able to come in, and not pay anything for the use of the new proposed sewage treatment plant, except for their monthly cost. And, the effluent from the sewage will be sold to the golf course for water. I know for a fact that there is currently being built a pipe line from the mine to the golf course for water. I do not know the details on the provision of pumping the water from underground, although this was done for as many years as there was a golf course in town, by Magma and later B.H.P. Billiton and the cost was minimal, or non-existent.

As to the monthly cost, the other towns in the San Pedro Valley, are paying less that \$25.00 per month for WATER, GARBAGE REMOVAL AND SEWER FEES. However, if this proposed bond goes through, in the San Manuel area we will be paying AT LEAST \$48.00 a month for sewer fees alone. Waste management is charging \$30.00 a month, and the water fees here are ridiculously high, (our last months bill was over \$62.00!) especially due to the fact we have our own wells, which Arizona water has here-to-fore bought from the current Copper Company and resold to the users.

Another concern, the percent of monies that are assets, to the percent of debts. I believe I understood that less than 25% of this company has, and the amount of debts over 75%. Yet these are the firms that are intending to put us in debt for \$3.3 million, (AND the pay the taxes on this money), are not in good financial standing themselves. Who is to say that shortly after even getting started building this facility, or when in operation, they go bankrupt, and we are left standing with either no facility, or no one to operate said facility? I believe in the non-corporate world, no one would loan anyone \$3.3 million dollars to this kind of debt/asset ratio. Why would the citizens of San Manuel be any different? Their track record is not impressive with those stats.

The difficulty the retirees face with our out of control medical expenses, including the necessity, and always higher cost of gas, to travel back and forth to Tucson to see a Doctor, and upward spiraling utility costs, is: "Can we afford to live in San Manuel any more?" We personally have been notified by the Electric Company that our monthly cost was going up \$40.00 a month. When Copper was one of the main sources of income not only in Pinal County but one of the 3 C's in the state, funds were available for whatever was generally needed. It is obvious that we are not going back to the days of Copper, Cattle and Cotton for state-wide tax base, but surely there is some common sense about putting a heavy burden on people who DO NOT HAVE it to fund such an unneeded and unwanted facility.

Recently, the current sewer lines, and processing facility was evaluated, and it was found to be in good shape, even though it has been in operation for at least 50 years. B. H. P. Billiton promised many things when they took over Magma—which they did because they wanted our world market, without the competition—and proceeded to shut us down, putting over 3500 workers out of a job, in San Manuel alone, not to mention all the other mines in the United States and overseas that Magma owned. They, and they alone should have to stand up and pay for all costs to enlarge current facilities or funding if a new facility is needed. They alone are responsible if the current facility is not up to par, and needs to be replaced, they have had six years since the shut down to take care of this problem.

Sincerely,

Duane & Gwenith Rhodes