

ORIGINAL



0000028064

108 E. Avenue I  
San Manuel, AZ 85631  
August 29, 2205

RECEIVED

28

2005 AUG 31 P 2:38

AZ CORP COMMISSION  
DOCUMENT CONTROL

Ms. Lyn Farmer  
Chief, Hearing Division  
Attn: Docket Control  
Arizona Corporation Division  
1200 West Washington Street  
Phoenix, AZ 85007

Dear Honorable Jane L. Rodda:

Docket #SW-04305A-05-0086  
#SW-04305A-05-0087

Enclosed please find THE RATEPAYERS' RESPONSE, which pertains to my husband and myself, as consumers of BHP's WWTP services. You have ordered all parties to file a legal analysis of BHP's status as a public service corporation be extended until August 31, 2005. Though telephone calls were made in an effort to secure legal council we were unfortunately, due to an affordability issue, unable to make arrangements for anyone to represent the San Manuel ratepayers as a whole. Though I am clearly not an attorney and do not represent myself in any way shape or form as one, I feel that as an affected member of the public and in my position as an Arizona State licensed Real Estate Associate Broker, it is reasonable for me to draft a response to Coronado Utilities' Response to Staff Report.

As a licensed real estate agent my argument for BHP being a public sewer utility is that BHP received and accepted sewer assessment fees having been named on Federal HUD Settlement Statements upon the sale of San Manuel homes that closed escrow. The enclosed HUD Settlement Statement shows the amount collected that was forwarded to BHP for sewer assessment fees. Prior to Pinal County going online, Pinal County would provide BHP the information from Pinal County Records in order for the mine owner to bill San Manuel property owners. An additional reason people are led to believe San Manuel has a sewer utility is because it is named that BHP is the sewer utility in the Arizona Department of Commerce Community Profile for San Manuel. Finally, sewage disposal is named most specifically in the San Manuel Valley Park Subdivision public report Reference No. 26,404--SEWAGE DISPOSAL--Developer advises that interior sewers within the development will be private. Maintenance of the interior sewer system will be the responsibility of Magma Copper Company. The State Health Department advises that sewage disposal is by San Manuel Townsite.

The private owner of the WWTP has been selling its unlicensed service to the San Manuel public for years with Pinal County Government cooperation and has also been accepted by the Arizona State Health Department as acceptable to deliver to the public.

More specifically, I have paid for public sewer service to the mine owner for its privately owned WWTP service since August of 1992, when we purchased our current residence.

There are supporting documents to my SAN MANUEL RATEPAYERS' RESPONSE that are of one nature or another that I would like to have brought into evidence. Some statements made in Coronado's response were not accurate. If I have physical evidence to the contrary of a Coronado statement, I am submitting that to you as well. After further review of all the documents that have been made available to me regarding this matter, I've included some additional concerns of mine in my RATEPAYERS' RESPONSE.

The matter of whether BHP is a utility directly affects me three-fold. It affects me through my business; and affects me through my residence; and it affects me through an investment property. For these reasons, I felt I had the right to make some requests in order for some of my concerns to be addressed at the next hearing. My concerns are likely to be the concerns of others as well.

Thank you for all of your consideration to San Manuel and especially for not rushing to judgment on this matter.

Respectfully submitted,

A handwritten signature in cursive script that reads "Julie McBirnie". The signature is written in dark ink and is positioned below the typed name.

Julie McBirnie

Enclosed: Ratepayers' Response  
Title Page for Misc. Documents  
Miscellaneous Documents

JM

**SAN MANUEL RATEPAYERS' RESPONSE**  
in response to CORONADO UTILITIES' ("Coronado")  
TO STAFF REPORT

(The Above Received By Arizona Corp. Commission Tucson, AZ JUN 13 2005)  
**Response prepared by Julie McBirnie, Licensed AZ Real Estate Associate Broker  
and Ratepayers, Charles & Julie McBirnie,  
for properties owned at 108 E Avenue I & 613 3rd Avenue,  
San Manuel AZ 85631  
Written by a Ratepayer Affected in Dual Ways According to Staff's Decision**

BHP Copper, Inc. ("BHP"), a Delaware Corporation, intends to cease providing wastewater treatment service to the San Manuel public. Whether that is BHP's legal right to do so has not yet been determined by the AZ Corp Commission. As ratepayers we have paid for our wastewater treatment service at the full rate billed to us by the mine owner, first to the mine owner/developer Magma Copper Company a Delaware Corporation, and finally and currently to BHP. It is because of the AZ Corp Commission hearing that the San Manuel ratepayers learned BHP does not possess proper licensing required by law in order for BHP to deliver and charge the San Manuel public for sewer utility service. Additionally, it is yet to be determined by Staff whether BHP is a utility. According to the SAN MANUEL Community Profile prepared by the ARIZONA DEPARTMENT OF COMMERCE, located under Utilities the Sewer utility provider is BHP Copper Company.

**BACKGROUND.** In reference to BHP having provided wastewater utility service to San Manuel over the last 50 years, that number should be changed to a mere ten (10) years. A lot of BHP's time during the past ten (10) years has been spent pushing incorporation, a sewer district, and now Coronado's applications at the ratepayers of the BHP owned WWTP. In 1995 BHP bought Magma Copper Co. for \$2.8 billion. In 1999 BHP announced that it was phasing out its mining operations, leaving open the

question of who would provide wastewater utility service in the future to San Manuel. Unless BHP can rid itself of its obligation to provide wastewater treatment to its San Manuel ratepayers, BHP shall remain obligated to continue to provide the sewer utility.

Coronado's proposed initial capital structure will consist of more debt than is traditionally afforded to public service corporations. Due to the unique circumstances surrounding Coronado's acquisition of BHP's WWTP, is the precise reason why, the AZ Corp Commission should take a close look as to what the uniqueness of the situation entails. Magma Copper Company acted as mine owner/developer promising the sewer utility to original home buyers in a public report. BHP took on this responsibility as the new owner of the mine. Added to the uniqueness equation is BHP's wholly owned subsidiary, the San Manuel Railroad Company; and disclosed about the railroad in the July 20, 2005 SAN MANUEL MINER, "BHP has said repeatedly that it is looking for a buyer for the railroad, and that the abandoning of the line would be the last resort." Since the railroad owns the sewer easements, and the sewer mains, laterals, manholes and outfall pipelines and since the railroad is not included along with the sale of BHP's WWTP to Coronado, how is San Manuel going to end up with sewer delivery service regardless of whether the WWTP is located at its current location or at its proposed new location? Another unique aspect of the application pertains to the San Manuel Golf Course ("Golf Course") which is also owned by BHP, a club that has endured much pressure from BHP in order to gain the club's members' support in BHP's efforts at passing on BHP's WWTP responsibilities. A recent Golf Course rumor is that a company may be involved in the possible sale of the Golf Course. (The rumored company's name is not provided due to the possibility that the rumor may prove to be

inaccurate or false.) Should Staff favor Coronado's applications and recommend the sale of BHP's WWTP, the Golf Course becomes a key third party to both the existing and the proposed WWTP, while the Purchase Agreement clearly states No Third Party is party to the Purchase Agreement.

We object to the fact that Coronado's proposal was comprised of only one estimate. This fact denies the public and the Pinal County Bonding Authority the opportunity to make any comparison as to the accuracy of the estimate submitted.

San Manuel residents have enjoyed \$4.00 a month wastewater service rates which were billed to us annually, but the rates were never expressed as "subsidized" until Coronado's Response to Staff. We've paid the owner of the mine each time we were billed for sewer service. San Manuel ratepayers do not believe a new WWTP needs to be constructed, but that the current system design lends itself to low cost upgrades; thereby, enabling rates to be kept at a more affordable level (between the \$12 to \$18 a month range). We feel Staff should deliberate with greater consideration on behalf of our community comprised of approximately 52% retirees and a high percentage of younger San Manuel families with students who either receive free lunches or assistance in order to pay for school lunches. BHP and, more importantly, the ratepayers need to go back to square one and Staff should recommend BHP obtain a CC&N so that BHP can legally provide wastewater treatment service pursuant to rules and regulations applicable to delivery of a public service, and for Staff to approve the necessary upgrades required for BHP's current system to become CC&N compliant; the necessary upgrades BHP can readily afford. None of us likes to honor all the terms and conditions to which we may sometimes agree in order to get what we want, but intending to rid one's self of

an agreed upon obligation should cost the one who is obligated, not the parties owed the obligation. This is the only way each party involved in a transaction is able to receive its due equity under the law.

We further regard the generalization of the statement that the current WWTP is likely past its useful life as questionable, since no specifics are addressed; and the statement may be totally untrue according to what we've learned about the existing system's design ability to be readily upgraded at a low cost. We recommend Staff request BHP to provide estimates of upgrade costs in order for BHP to use BHP's current WWTP.

We applaud Staff's acknowledgement of the existing Golf Course, as well as, the fact Staff has been ordered to file by August 31, 2005 a legal analysis of whether BHP Copper, the entity that is currently providing wastewater in the affected area, is, or could be, a public service corporation and thank Staff for the work Staff will do to comply with that order. Based on the fact that government entities statewide have allowed for the mine owner to act as a utility, it seems reasonable to assume the sewer may be "grandfathered" as a public utility or at least it could be taken under consideration in order to receive a variance to become a utility if it currently cannot be one.

**POINTS TO CONSIDER.** We believe San Manuel is in the midst of experiencing a bright future. Most homes are now valued at nearly \$100K while many others when sold bring over \$100K. San Manuel has not dropped dead as a result of the mine's closure; home values in fact became stable just eighteen (18) months after the mine shut down its mining operations. Today's reality is that a properly licensed BHP can leave Pivotal Utility Management , LLC ("Pivotal"), according to a separate existing BHP and Pivotal Agreement, to operate and manage the present sewer utility. The

current WWTP design rate is 0.750 MGD while the proposed design is 0.485 MGD which staff determines is sufficient to accommodate the design flow of 0.350 MGD with current domestic wastewater flows of 0.281 MGD annual average and 0.304 MGD as average day, peak month. Room for growth in the near future is not included in the proposed plant's design which has 35% less capacity than the current WWTP. BHP is the entity which owns all of the real property components necessary to deliver sewer utility service to the San Manuel public. We ask Staff not to burden the community of San Manuel with unnecessary expense and an unsure future regarding the sewer utility.

We request that BHP, the owner of the WWTP and the owner of the RAILROAD, and the owner of the GOLF COURSE (if not already sold according to rumor) and the soon to be seller of BHP OWNED SIGNIFICANT PARCELS OF LAND and the owner of the PRIVATELY OWNED WELL WATER, provided to San Manuel through contract with Arizona Water Company, (AZ Water thus far has not provided rate and volumetric usage information. Why?) and most important to the task at hand--**the mine owner--BHP**, which ties and obligates BHP to San Manuel in its obligation to provide the sewer utility to the San Manuel public via the issuance of an Arizona Department of Real Estate public report; be ordered by Staff to continue to provide the sewer utility to San Manuel households and businesses as was provided for in the original public report issued to Magma Copper Company a mine owner/developer, and conveying to BHP in 1995 through BHP's purchase of the mine, the mine's holdings, and the mine's obligations.

**CONCLUSION.** A ruling favorable to BHP and Coronado will set a precedent for Arizona mine owners and developers who intend to walk away from their obligations no matter how intricately woven to one another their obligations may be. Whether the sewer utility for San Manuel is granted or not, the best odds for the utility's chance of survival hinges upon Staff's ruling. The continuing need for wastewater treatment in San Manuel can be met by installing individual septic should BHP abandon BHP's current WWTP. Should you rule in favor of Coronado's application, Staff will deny the San Manuel property owners' of the right to install individual septic systems at a cost to property owners of approximately six (6) years' worth of payments per Staff's proposed rate schedule of \$48.63 per month for residential usage. As ratepayers we prefer a septic system as opposed to allowing BHP to sell the current BHP owned WWTP to Coronado who is grossly underfunded according to AZ Corp Commission guidelines for an existing sewer utility. Per Staff, "The proposed capital structure is more highly leveraged than is appropriate for an established utility. A new utility should have more equity in its capital structure than an established one." An inadequately funded utility is not in the public's best interest. Should Coronado somehow be able and willing to produce more funds, the funds do not deal with the fact that BHP will have been released from all environmental liabilities should any exist or be discovered in the future. It is not in the public's best interest to release BHP from BHP's obligations and/or any further liability exposure that may arise due to BHP's mining process by allowing the terms of Indemnification by Buyer as stated in the Purchase Agreement to stand when clearly the Buyer does not have any reserves available for any type of environmental

cleanup. In the public's best interest it is best to have BHP remain liable for BHP's mining process. Also, as an aside, BHP has enjoyed a great deal of freedom to draw its own soil samples for the purpose of examination.

Per Staff MEMORANDUM dated May 24, 2005 Staff expects Coronado's third year of operations to be the first full year of typical operating results with the new plant. No measure is in place to ensure what Coronado plans and what Staff expects will actually happen. What will staff do should Coronado change its plans? BHP will have been removed from the equation, the public will be left to bear the consequences. If Staff exercises no authority to prevent the heavily-asseted BHP from leaving its WWTP, are ratepayers left to believe the short-funded Company will be able to be forced to remain as the public's sewer utility? So much of the existing Purchase Agreement for BHP's WWTP is still subject-to-one-thing or another without being clearly defined in order to protect the public. An example is the excessive cost for a reclaimed water line to the transfer pond at the Golf Course, without a dollar amount assigned as to what will be reasonably paid. BHP defines whether its reasonable or not. With terms as vague as these, all the risk and expense would eventually become shouldered by the ratepayers. If this were Staff's community, would Staff embrace so much subject-to-change as exists in the current Purchase Agreement? By not addressing the what ifs, it is not conducive to the public's well being. Staff's decisions are based greatly on the numbers presented, while the San Manuel public's reality is whatever comes as a consequence of a highly open-ended Purchase Agreement. Staff should look to Pinal County for a better plan than what is being agreed to in the current Purchase Agreement. Pinal County is obligated

to us and can't walk out. We're down to this: Is it lawful for BHP to get a free pass out of San Manuel?

The mine owners (Magma & BHP) have received payment for each and every sewer utility bill we personally received. BHP has no lawful authority to collect any further payments as a non-compliant public utility. Therefore, in our opinion BHP should be fined for unlawful practices for charging the public for public utility service from the time the mine ceased its mining operations. For the public's welfare Staff should recommend that the current facility become compliant before any further billings can be sent to the public for sewer utility service. Additionally, BHP is currently delivering water to the Golf Course which is either potable or effluent, which bears investigation as well.

The proposed new facility will not require a Plan 208; however, in order to operate the existing WWTP as a compliant system the current system should be ordered to incorporate a de-nitrification upgrade which will require a Plan 208; therefore, as consumers we request Plan 208 be put in place in order for the WWTP to be able to filter the system with a secondary treatment process. If plans were to change regarding a new WWTP this safeguard would be in place for the public's well-being. On January 3, 2005, ADEQ informed Pivotal that in consultation with CAAG, the replacement wastewater treatment facility proposed for San Manuel will not require a Plan 208 amendment. ADEQ also informed Pivotal that if the plant were to require a discharge permit, increased service area, or increased treatment capacity, a Plan 208 amendment would be required.

We believe Staff should be responsible for a BHP witness to be present at the hearing to answer questions regarding the current BHP owned WWTP. Since

San Manuel is an unincorporated community, we believe Staff should be responsible for having Pinal County provide witness(es) to answer questions as our governing authority according to the insight the County has regarding the sewer utility for San Manuel. We believe Staff should be responsible for a witness representing the Arizona Water Company to address 16(c) Water Supply as it relates to Construction of Improvements in the Purchase Agreement. It references new drinking water standards effective January 1, 2006. This witness could also help us to identify what type of water is being used on the Golf Course. We believe Staff should be responsible for having a Pinal County witness with insight regarding the Pinal County Bonding Authority as it relates heavily in this matter as well as a witness from Pinal County who is able to give us answers to questions about a Pinal County Franchise. We believe Staff should be responsible for having a witness from ADEQ to answer questions pertaining to a secondary system for the existing system, the 208 Plan, and discharge permits.

The Company is proposing to collect customer deposits. In order to collect deposits and charge for delivery of service as a public utility the utility must be license compliant as required by law. Again, we recommend Staff recommend levying fines on BHP for its current unlawful sewer utility delivery. San Manuel has refused to die in the face of a decade of great obstacles. It is our hope that Staff will make its recommendations according to what is in the best interest of those who reside in our friendly rural community.

In closing, Staff did not address in its rate schedule design a rate for existing or future industrial usage. Alamo Staffing is advertising for individuals to work for a

new San Manuel plastics manufacturing company, the Republic Plastics San Manuel Foam Plant.

At the time of writing this response we have not heard about the criminal sentencing hearing for Santac, the manufacturer of the proposed wastewater treatment plant that Coronado expects to install.

DOCUMENT TITLE PAGE

ARIZONA DEPARTMENT OF COMMERCE SAN MANUEL PROFILE

U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT  
HUD SETTLEMENT STATEMENT

RECEIPT ATTACHED TO PUBLIC REPORT  
TOWNSITE OF SAN MANUEL PUBLIC REPORT  
REFERENCE NO. 23,571

VALLEY PARK SUBDIVISION  
REFERENCE NO. 26,404  
SAN MANUEL AZ 85631

RECORDED SAN MANUEL SEWER EASEMENTS  
DOCKET 93 PAGE 386  
BENEFITS SAN MANUEL ARIZONA RAILROAD COMPANY

WEDNESDAY, JULY 20, 2005  
SAN MANUEL ARIZONA RAILROAD COMPANY ARTICLE  
"LOOKING FOR BUYER FOR RAILROAD. . . ABANDONING . . . LAST RESORT"

08/10/92 SEWER FEE RECEIPT  
ATTACHED IS FIRST BILL ISSUED BY PIVOTAL

MAY 5 AND 6, 1992 MINE SITE VISIT  
BY U.S. ENVIRONMENTAL PROTECTION AGENCY  
ENVIRONMENTAL PERMITS CHART FOR THE SAN MANUEL FACILITY

WEDNESDAY, FEBRUARY 23, 2005  
BHP PLANT SITE ARTICLE  
"BHP CONTINUES TO BE WILLING TO ANSWER ANY QUESTIONS"  
REFERENCES (BADCT)

ENVIRONMENTAL STATUS OF SAN MANUEL, PINAL COUNTY, ARIZONA  
BY ELDON D. HELMER,  
CORPORATE DIRECTOR OF ENVIROMENTAL AFFAIRS

SAN MANUEL ARTICLES OF INTEREST  
1. HOW LONG BHP HAS OWNED THE MINE  
2 & 3. INFORMATION ON NEW PLASTICS COMPANY

# SAN MANUEL

# Community Profile

## TAXES

Property Tax Rate	1990	2000	2004
Elem/High School	6.50	7.94	9.25
City/Fire District	1.54	2.11	2.78
Countywide	7.46	7.63	7.56
<b>Total</b>	<b>\$15.50</b>	<b>\$17.68</b>	<b>\$19.59</b>

Sources: Arizona Tax Research Foundation  
 Note: Tax rate per \$100 assessed valuation.

## Sales Tax Rate

City	0.00%
County	1.00%
State	5.60%

Sources: League of Arizona Cities and Towns, Arizona Dept. of Revenue

## COMMUNITY FACILITIES

San Manuel offers a broad range of community facilities including a library, two parks, three senior citizens' organizations, an archery range, rodeo arena, one nine-hole golf course, one lighted swimming pool, two lighted ball fields, one lighted tennis court, and a BMX race track.

### Educational Institutions

	Public	Private
Community College	Y	N
Elementary	Y	N
High School	Y	N
Middle School	Y	N

### Financial

Number of Banks: 2

### Governmental Agencies

Fire Department: Volunteer

Law Enforcement: Sheriff's Office

**Airports** San Manuel Airport has a 4,300-ft. runway.

Tucson International Airport is 55 miles south of San Manuel.

### Medical

One regional medical centers available.

### Hotel and Lodging Facilities

Number of Rooms: 10

## Industrial Properties

There are 1,600 acres identified as industrial parks with all utilities, rail, highway and air access available. Contact BHP Copper Company.

## Utilities

Electricity	APS (Statewide)	800.253-9405
Natural Gas	El Paso Natural Gas (Industrial)	520.896.2601
	Southwest Gas Corp. (Statewide)	800.766.9722
Sewer	BHP Copper Company	520.385.3100
Telephone	Bell Atlantic	520.628.9541
	Qwest (statewide)	800.244.1111
Water	Arizona Water Company (San Manuel)	520.385.2226

Cable Providers: Yes Cable Internet Service Provider: No

Digital Switching Station: Yes Fiber Optics: No

Internet Service Provider: Yes

## Weather

Month	Average Temperature (°F)		Average Total Precipitation (Inches)
	Daily Minimum	Daily Maximum	
January	34.5	60.2	1.14
February	37.0	64.3	1.12
March	41.2	70.0	1.06
April	46.5	77.9	0.37
May	55.0	87.5	0.32
June	65.0	96.8	0.33
July	69.7	97.0	2.48
August	67.3	94.1	2.72
September	63.3	90.6	1.32
October	53.2	81.2	1.05
November	41.6	69.1	0.74
December	35.6	61.1	1.21

Western Regional Climate Center, wrcc@dri.edu. Period of record 1954-2004. Average total snowfall 3.0".

This profile was prepared by the Arizona Department of Commerce Communications Division in cooperation with local sources.

For further information, contact:

Pinal County Board of Supervisors  
 P.O. Box 827  
 Florence, AZ 85232  
 520.487.2331  
 San Manuel Chamber of Commerce,  
 Economic Development & Visitors Center  
 P.O. Box 155  
 San Manuel, AZ 85631  
 520.385.4360 Web: www.sanmanuelazcofc.com  
 SMOR Tri-Community Chamber of Commerce  
 P.O. Box 416  
 San Manuel, AZ 85631  
 520.385.9322 Email: smor@theriver.com

## ARIZONA DEPARTMENT OF COMMERCE

*Our Job is JOBS!*

1700 W. Washington, Suite 600  
 Phoenix, AZ 85007  
 602.771.1100 FAX: 602.771.1200  
<http://www.azcommerce.com/>

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Prepared on 7/2005

# SAN MANUEL

## Community Profile

### Prepared by the ARIZONA DEPARTMENT OF COMMERCE

San Manuel is in the broad San Pedro River Valley of southeastern Pinal County. The town is approximately 140 miles southeast of Phoenix and 45 miles northeast of Tucson at an elevation of 3,500 feet. Two other communities, Mammoth and Oracle are located within a 10 mile radius of San Manuel and make up the tri-community area.

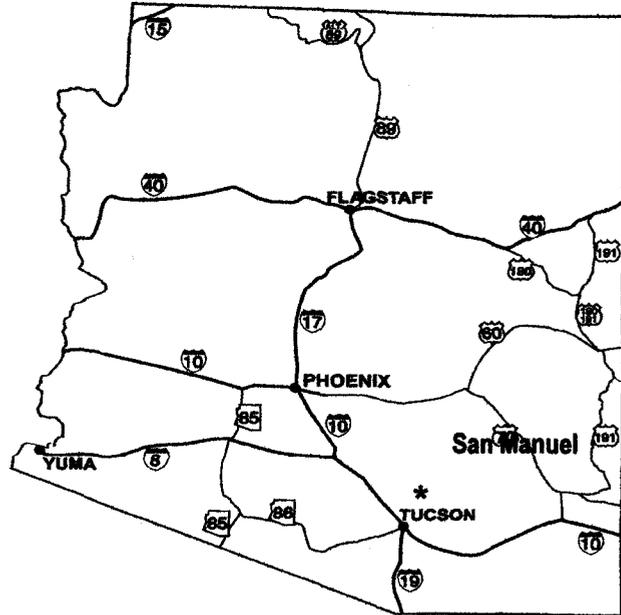
FOUNDED: 1952  
 COUNTY: Pinal County  
 DISTANCE TO PHOENIX: 140 miles  
 HIGHWAYS: I-10  
 ENTERPRISE ZONE AVAILABLE

INCORPORATED: No  
 ELEVATION: 3,500 feet  
 DISTANCE TO TUCSON: 45 miles

### POPULATION

	1990	2000	2004
San Manuel	4,009	4,375	N/A
Pinal County	116,397	179,727	218,285
Arizona	3,865,228	5,130,632	5,832,150

Sources: Arizona Department of Economic Security and U.S. Census Bureau.  
 N/A: Population estimates for this community are not available.



### PRINCIPAL ECONOMIC ACTIVITIES

There are a few retail shops operating in San Manuel and a flight school located at the airport. However, at this point, San Manuel is primarily a bedroom community.

County Employment	2004
Educational & Health Svcs	4,000
Financial Activities	875
Government	16,250
Information	300
Leisure & Hospitality	3,350
Manufacturing	2,850
Mining & Construction	2,725
Professional & Business Svcs	2,950
Trade, Transportation & Utilities	7,475

Sources: Arizona Department of Economic Security  
 Figures are organized under the North American Industrial Classification System (NAICS).

### LABOR FORCE DATA

	1990	2000	2004
Civilian Labor Force	1,704	2,572	2,921
Unemployed	77	71	112
Unemployment Rate	4.5%	2.8%	3.8%

Sources: Arizona Department of Economic Security.

Growth Indicators	1990	2000	2004
Net Assessed Valuation (\$)	2,229,022	2,139,770	6,323,892

Source: Arizona Tax Research Foundation

### SCENIC ATTRACTIONS

San Manuel enjoys a mountainous setting near the many scenic attractions in southern Arizona's Sonoran Desert. One of the more popular areas is Mt. Lemmon in the Coronado National Forest just southwest of San Manuel. The spectacular Galiuro and Catalina Mountains and rolling desert have attracted various tv and movie companies to film on location in the area.

Scenic drives in the area include Pinal Pioneer Parkway, which extends northwest to Florence, traversing a unique natural garden. Virtually all kinds of desert flora can be seen along the main route and easily accessible side roads. Mining and ranching activities in the area also provide a basic ecological system noted for its geological features. Biosphere 2 is 12 miles west.

A. Settlement Statement

AMENDED - AS OF 03/3/04

U.S. Department of Housing and Urban Development



OLD REPUBLIC TITLE AGENCY

OMB No. 2502-0265



B. TYPE OF LOAN

1. [ ] FHA 2. [ ] FmHA 3. [X] Conv. Unins. 4. [ ] VA 5. [ ] Conv. Ins. 6. File Number 7. Loan Number 8. Mortgage Insurance Case Number

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked '(p.o.c.)' were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name and Address of Borrower E. Name and Address of Seller F. Name and Address of Lender

G. Property Location H. Settlement Agent I. Settlement Date

J. SUMMARY OF BORROWER'S TRANSACTION K. SUMMARY OF SELLER'S TRANSACTION

Table with 4 columns: Item number, Description, Amount, and another Amount. Rows 100-105 and 400-405.

Table with 4 columns: Item number, Description, Amount, and another Amount. Rows 106-114 and 406-414.

Table with 4 columns: Item number, Description, Amount, and another Amount. Rows 120-129 and 420-429.

Table with 4 columns: Item number, Description, Amount, and another Amount. Rows 210-219 and 510-519.

Table with 4 columns: Item number, Description, Amount, and another Amount. Rows 220 and 520.

Table with 4 columns: Item number, Description, Amount, and another Amount. Rows 300-303 and 600-603.

REQUIRED RECEIPT FOR PUBLIC REPORT

The law and regulations of the Real Estate Commissioner require that the owner, agent or subdivider of this subdivision (or unsubdivided land) furnish you, as a prospective customer, with a copy of the public report. It is recommended that you read the report before you make any written offer to purchase or lease an interest in subdivided or unsubdivided land, and before you pay any money or other consideration toward the purchase or lease of an interest in subdivided or unsubdivided land.

FOR YOUR PROTECTION, PLEASE DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED A COPY OF THE REPORT AND HAVE HAD THE OPPORTUNITY TO READ IT.

.....  
(File No.)

San Manuel Townsite  
(Tract No. or Name)

I understand the report is not a recommendation or endorsement of the subdivision, but is for information only.

Julie A. McBirnie  
Charles E. McBirnie  
(Name)

1548 6th St.  
(Address)

5-27-92  
(Date)

Boone, IA 50036

State of Arizona  
DEPARTMENT OF REAL ESTATE

FINAL  
SUBDIVISION PUBLIC REPORT  
ON  
TOWNSITE OF SAN MANUEL

REFERENCE NO. 23,571

THE COMMISSIONER  
OF THE ARIZONA DEPARTMENT OF REAL ESTATE  
REQUIRES THAT:

1. The purchaser or lessee BE GIVEN this Subdivision report;
2. YOU SIGN A RECEIPT indicating that you received this report;

AND RECOMMENDS:

1. You DO NOT SIGN ANY AGREEMENT before you have read this report;
2. You see the EXACT PROPERTY you are interested in BEFORE SIGNING any document for lease or purchase.

ARIZONA LAW STATES:

1. Any sale or lease of subdivided land prior to issuance of this report shall be voidable. Action to void must be brought within 3 years from date of execution of Purchase Agreement.

# ARIZONA

## SUBDIVISION PUBLIC REPORT

For  
TOWNSITE OF SAN MANUEL  
A SUBDIVISION OF PORTIONS OF SECTIONS 31 AND 32, T9S, R17E,  
AND SECTION 5 AND 6, T10S, R17E, AS RECORDED IN BOOK 7, PAGE 21  
OF AMENDED PLAT OF ORIGINAL TOWNSITE OF SAN MANUEL, BOOK 7,  
PAGE 46 REPLAT OF BLOCKS 33 AND 34, BOOK 9, PAGE 24 REPLAT OF  
BLOCKS 33 AND 34 AND BOOK 15, PAGE 13 REPLAT OF  
BLOCKS 33 AND 34, G. & S. R. & M.  
PINAL COUNTY, ARIZONA  
REFERENCE NO. 23,571  
DEVELOPER

MAGMA COPPER COMPANY  
A DELAWARE CORPORATION  
P.O. BOX M  
SAN MANUEL, ARIZONA 85631

FEBRUARY 12, 1988  
Effective Date

### STATE PROPERTY REPORT DISCLAIMER

This report is NOT A RECOMMENDATION NOR AN ENDORSEMENT by the State of Arizona of this land.

This report reflects information provided by the developer and obtained by the department in its review process in accordance with the provisions of Title 32, Chapter 20, Article 4, of the Arizona Revised Statutes, as amended.

### SPECIAL NOTES:

1. MAP OF THIS DEVELOPMENT IS RECORDED IN BOOK 7 OF MAPS, PAGE 21 OF AMENDED PLAT OF ORIGINAL TOWNSITE OF SAN MANUEL, BOOK 7, PAGE 46 REPLAT OF BLOCKS 33 AND 34, BOOK 9, PAGE 24 REPLAT OF BLOCKS 33 AND 34 AND IN BOOK 15, PAGE 13 REPLAT OF BLOCKS 33 AND 34, RECORDS OF PINAL COUNTY, ARIZONA. YOU ARE ADVISED TO OBTAIN A COPY OF SAID MAP AND NOTE ALL EASEMENTS, RESTRICTIONS AND STATEMENTS CONTAINED THEREON.
2. THIS REPORT INCLUDES BLOCK 1, LOTS 2, 4 THRU 11, INCLUSIVE, 13 THRU 19, INCLUSIVE, 21, 23, 25, 26, 27, 29, 30, 33, 34, 35, 36, 37, 40, 41, 42, 44, 45, 46, 47, 49, 51, 52 AND 53;  
  
BLOCK 2, LOTS 2 THRU 40, INCLUSIVE AND 43 THRU 51, INCLUSIVE;  
  
BLOCK 3, LOTS 1, 2, 3, 6, 7, 9, 10, 11, 12, 13 AND 15 THRU 32, INCLUSIVE;  
  
BLOCK 4, LOTS 1 THRU 7, INCLUSIVE, 9 THRU 14, INCLUSIVE, 16, 17, 18, 20, 21, 22, 23, 24, 26, 27, 28 AND 29;  
  
BLOCK 5, LOTS 1 THRU 20, INCLUSIVE, 22, 24 THRU 39, INCLUSIVE, AND 41 THRU 47, INCLUSIVE;  
  
BLOCK 6, LOTS 2 THRU 27, INCLUSIVE;  
  
BLOCK 7, LOTS 5 THRU 23, INCLUSIVE;

PARCEL 6:

BLOCK 45, LOTS 9 THRU 17, INCLUSIVE;  
BLOCK 46, LOTS 1 THRU 20, INCLUSIVE;  
BLOCK 47, LOTS 1 THRU 17, INCLUSIVE;  
BLOCK 48, LOTS 1 THRU 15, INCLUSIVE;  
BLOCK 49, LOTS 1 THRU 20, INCLUSIVE;  
BLOCK 50, LOTS 1 THRU 19, INCLUSIVE;  
BLOCK 51, LOTS 1 THRU 15, INCLUSIVE;  
BLOCK 52, LOTS 1 THRU 12, INCLUSIVE;  
BLOCK 53, LOTS 5 THRU 12, INCLUSIVE;  
BLOCK 54, LOTS 1 THRU 16, INCLUSIVE;  
BLOCK 55, LOTS 1 THRU 16, INCLUSIVE;  
BLOCK 56, LOTS 1 THRU 16, INCLUSIVE; AND  
BLOCK 57, LOTS 1 THRU 22, INCLUSIVE, AND ALL OF TRACTS 12 AND 22, ACCORDING TO PLAT ENTITLED SAN MANUEL TOWNSITE EXPANSION NO. 2, FILED JUNE 19, 1970, IN BOOK 15 OF MAPS, PAGE 14, RECORDS OF PINAL COUNTY, ARIZONA.

NOTE: This report covers the above mentioned lots and coincides with the Arizona Department of Environmental Quality Health Certificate issued February 2, 1988, Exhibit "A".

3. PROSPECTIVE PURCHASERS ARE ADVISED TO READ THE WATER NOTE.
4. PURCHASERS ARE ADVISED THAT THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THIS SUBDIVISION PROVIDE FOR AN ARCHITECTURAL CONTROL COMMITTEE.
5. DEVELOPER HAS ADVISED OF THE FOLLOWING LAND USES WITHIN THE VICINITY OF THE TOWN. SEWER PLANT - APPROXIMATELY 1.5 MILES, AIRPORT LANDING STRIP - 2 MILES, SAN MANUEL ARIZONA RAILROAD - APPROXIMATELY 1.4 MILES, AND SMELTER - APPROXIMATELY 1.1 MILES FROM TOWN.
6. THE COVENANTS, CONDITIONS AND RESTRICTIONS STATE, IN PART:  
  
SHOPPING AREAS ARE LOCATED IN TRACTS 1, 3 AND 10. PARK AREAS ARE LOCATED IN TRACTS 5, 6 AND 9. CHURCH OR PARK AREAS ARE LOCATED IN TRACT 7, SCHOOL OR PARK AREAS ARE LOCATED IN TRACT 8. NO BUILDINGS SHALL BE ERECTED ON TRACT 4. TRAILER PARK AREA IN TRACT 2 MAY BE USED AS A TRAILER PARK OR MOTOR COURT, OR FOR RETAIL BUSINESS AND SERVICE ESTABLISHMENTS, OR BOTH.
7. A LETTER FROM MR. ALEX ACOSTA, MAGMA COPPER, DATED OCTOBER 28, 1987 STATES, IN PART:  
  
"MOST OF THE LOTS WHICH ARE THE SUBJECT OF THAT FILING ARE IMPROVED WITH RESIDENCES AND RELATED STRUCTURES WHICH WERE CONSTRUCTED IN THE 1950'S. RECENTLY, IN PREPARING THESE LOTS FOR SALE, MAGMA COPPER COMPANY (MAGMA) DISCOVERED THAT ~~THESE~~ ARE A NUMBER OF STRUCTURES WHICH ENCROACH ONTO

ADJACENT LOTS. FOR EXAMPLE, IN SEVERAL INSTANCES FENCES FROM ONE LOT ENCROACH ONTO THE ADJOINING LOT.

IN MOST CASES, THE ENCROACHING STRUCTURES HAVE BEEN IN EXISTENCE FOR MANY YEARS, AND MAGMA DOES NOT FEEL THAT IT WOULD BE APPROPRIATE TO CAUSE THE STRUCTURES TO BE REMOVED PRIOR TO ANY SALE OF THE SUBJECT LOT. ACCORDINGLY, MAGMA PROPOSES TO HAVE ALL OF THE LOTS SURVEYED IN ORDER TO IDENTIFY ANY SUCH ENCROACHMENTS, AND TO CONVEY THE PROPERTY WHICH IS SUBJECT TO ANY SUCH ENCROACHMENT TO THE ADJACENT LAND OWNER. FOR EXAMPLE, IF A FENCE FROM LOT 1 ENCROACHES ONTO THE WEST TWO (2) FEET OF LOT 2 OF THE SAN MANUEL TOWNSITE, MAGMA WOULD CONVEY TO THE PURCHASER OF LOT 1, "LOT 1 TOGETHER WITH THE WEST TWO (2) FEET OF LOT 2" AND TO THE PURCHASER OF LOT 2, "LOT 2 EXCEPT THE WEST TWO (2) FEET THEREOF."

AT THE PRESENT MAGMA CANNOT SPECIFICALLY IDENTIFY THE LOTS WHICH WOULD BE AFFECTED BY THIS PROCEDURE."

**LOCATION AND SIZE:** Highway 76 - approximately 6 miles southeast from intersection of Highways 76 and 77, San Manuel, Arizona.

This development is located on a parcel of land approximately 749 acres in size. It has been divided into 1057 lots in the entire subdivision.

**TOPOGRAPHY:** The land on which this development is located is gentle slopes between the San Pedro River and the foothills of the Santa Catalina Mountains.

**PROPERTY BOUNDARY LINES:** Developer advises lots will be staked.

**RESTRICTIONS AND OTHER MATTERS OF RECORD:** Conditions, reservations and restrictions that may run with the land including City or County zoning restrictions should be investigated by you. Copies of those items which are recorded may be inspected at the office of the Pinal County Recorder. Information about zoning may be obtained at the office of the County Planning and Zoning Commission. Restrictions are recorded in Docket 81, Page 518; and as amended in Docket 90, Page 48 and in Docket 120, Page 144.

**TITLE:**

Title to this development is vested in Magma Copper Company, a Delaware corporation.

Title is subject, among other things, to all taxes, assessments, covenants, conditions, restrictions, limitations, reservations, rights, obligations, powers, easements, rights of way, liens and charges of record. YOU SHOULD INVESTIGATE THE TITLE AND SATISFY YOURSELF AS TO WHAT EFFECT, IF ANY, THESE MATTERS MAY HAVE ON THE USE OF THE LAND. Title exceptions affecting the condition of your title are listed in a Preliminary Title Report dated September 8, 1987 issued by First American Title Insurance Company of Arizona. As a prospective purchaser, you should understand the effect of the listed exceptions.

The following liens and obligations encumber the development:

1. A Deed of Trust given to secure an indebtedness in the original principal amount of \$225,000,000.00, together with any and all other obligations secured thereby, dated July 22, 1987, recorded July 24, 1987, in Docket 1460, Page 001.

Trustor : Magma Copper Corporation, a Delaware corporation

Trustee : Transamerica Title Insurance Company, a California corporation

Beneficiary: Chemical Bank, a New York banking corporation as agent (the "Agent") for the banks (the "Banks") which are parties to that certain Credit Agreement, dated as of March 10, 1987 (the "Credit Agreement"), by and among the Trustor, Newmont Mining Corporation (the "Guarantor"), the Banks and the Agent

(Affects all parcels, and covers more property)

2. Some of the lots in this report are leased and sub-leased and any sale will be subject to these leases. Purchaser should determine the situation of the lot he may be interested in.

A portion of Tract 10 is leased to the following:

- a. Clovis Wayne Halcomb and Grace May Halcomb, husband and wife, DBA/Halcomb Inc. - a wholesale storage and supply outlet. The term of this lease shall be for ten (10) years and shall commence on March 1, 1987, and shall continue to and including February 28, 1997.
- b. Gordon Reay and Lois Reay, husband and wife, for the purposes of a grocery store. The terms of this lease shall be for a period of five (5) years and shall commence on September 1, 1986 and shall continue thereafter to and including August 31, 1991. Lessee shall have the option to renew this lease for a similar additional term of five years provided such option is exercised in writing no later than July 31, 1991.
- c. Copper Hill Post, Number 48, American Legion. The term of this lease shall be for a period of thirty years (30) and shall commence on August 1, 1977, and shall continue hereafter to and including July 31, 2007.
- d. Fritts and Sons, Inc., an Arizona corporation, for the purposes of a "Western Auto" store. The term of this lease shall be for a period of five (5) years and shall commence on September 1, 1984, and terminate on August 31, 1989.
- e. Colin Ward, dba/Cinema De San Manuel, Inc. The term of this lease shall be for a period of twenty-one (21) years ten (10) months.

**NOTE:** DEVELOPER HAS ADVISED THAT ARRANGEMENTS HAVE BEEN MADE WITH THE LENDER IN THE AFOREMENTIONED DEED OF TRUST FOR RELEASE OF INDIVIDUAL LOTS. DEVELOPER IS ALSO REQUIRED TO NOTIFY THE DEPARTMENT OF REAL ESTATE OF ANY FUTURE PLACEMENTS OF LIENS OR ENCUMBRANCES TO ENSURE COMPLIANCE WITH A.R.S. 32-2181, ET SEQ.

PURCHASE CONTRACT:

NOTE: THE PURCHASE CONTRACT IS A BINDING AGREEMENT. READ THOROUGHLY BEFORE SIGNING. IF NOT UNDERSTOOD, SEEK COMPETENT ADVICE PRIOR TO SIGNING. THE PURCHASE CONTRACT GIVES YOU CERTAIN RIGHTS AND REMEDIES. IN ADDITION, THE CONTRACT MAY CONTAIN CERTAIN WAIVERS, DISCLAIMERS AND/OR LIMITATIONS TO YOUR RIGHTS, REMEDIES AND WARRANTIES. CONTRARY TO THE TERMS AND PROVISIONS OF THE CONTRACT YOU MAY HAVE ADDITIONAL RIGHTS, REMEDIES AND WARRANTIES.

SALES:

DEED: Your vested interest/ownership interest in the property will be evidenced by the owner delivering a recorded deed to you and by your signing a Promissory Note and Mortgage or Deed of Trust for the unpaid balance, if any. You should read these documents before signing them.

X UTILITIES: Developer advises that these services are available as follows:

ELECTRICITY:

SUPPLIER: Arizona Public Service Company

GAS: NATURAL GAS

SUPPLIER: Southwest Gas Corporation

TELEPHONE:

SUPPLIER: Mountain Bell

WATER:

SUPPLIER: Arizona Water Company

Developer advises that above services are completed.

NOTE: CONTACT THE ABOVE UTILITIES REGARDING EXTENSION RULES AND REGULATIONS, SERVICE CONNECTIONS AND COSTS INVOLVED.

WATER: The Arizona Department of Water Resources in its report of July 6, 1988 states:

"Water for domestic use will be provided to each of the 1050 lots in the subdivision by the Arizona Water Company from wells owned by Magma Copper Company.

Adequacy of the water supply was reviewed by the Department with regard to the quantity, quality and dependability. The subdivision is located in the town of San Manuel. The water supply wells are located along the San Pedro River and receive water from the older basin fill sediments which form a confined aquifer. Depth to water in the supply wells range from 0 to 250 feet below the land surface. The available information indicates that there is sufficient quantity of groundwater of acceptable quality to supply the needs of the subdivision for a long period of time.

The Department of Water Resources, therefore, finds the water supply to be adequate to meet the subdivision's projected needs. Any change to the subdivision or its water supply plan may invalidate this decision."



**STATE OF ARIZONA**  
**DEPARTMENT OF REAL ESTATE**

JANE F. NAPOLITANO  
GOVERNOR

ELAINE RICHARDSON  
COMMISSIONER  
DESIGNATE

2910 NORTH 44<sup>TH</sup> STREET, SUITE 100 • PHOENIX, ARIZONA 85018  
TELEPHONE: (602) 468-1414 • FACSIMILE: (602) 468-0562

400 WEST CONGRESS STREET, SUITE 100 • TUCSON, ARIZONA 85701  
TELEPHONE: (520) 628-0740 • FACSIMILE: (520) 628-0941

Phoenix, Arizona  
April 22, 2003

Henry Vazquez  
920 6<sup>th</sup> Avenue  
San Manuel, Arizona 85031

RE: Request for information

Dear Mr. Vazquez,

We are in receipt of your request for information that was forwarded from the office of Representative Ernest Bustamante.

Representative Bustamante's office shared via fax a copy of a Public Report filed on February 12, 1988 on behalf of Magma Copper Company. Arizona state law requires that land developers file a public report with the Department of Real Estate for subdivided lands per ARS 32-2183A.

The fax received from Rep. Bustamante's is a copy of a Public Report that is on file with our Department. Should you have any further questions, please do not hesitate to contact our office.

Sincerely,

Liz Carrasco  
Public Information Officer

LC

cc: Representative Ernest Bustamante

REFERENCE NO. 26,404 VALLEY PARK SUBDIVISION

UTILITIES: Developer advises that these services are available as follows:

ELECTRICITY:

SUPPLIER: Arizona Public Service

NATURAL GAS:

SUPPLIER: Southwest Gas

TELEPHONE:

SUPPLIER: U.S. West Communications

WATER:

SUPPLIER: Arizona Water Company

Developer advises that above services are completed.

NOTE: CONTACT THE ABOVE UTILITIES REGARDING EXTENSION RULES AND REGULATIONS, SERVICE CONNECTIONS AND COSTS INVOLVED.

SEWAGE DISPOSAL: Developer advises that interior sewers within the development will be private. They are installed to individual lots and the cost will be included in the sales price of lots. Maintenance of the interior sewer system will be the responsibility of Magma Copper Company. The State Health Department advises that sewage disposal is by San Manuel Townsite.

You are to pay the cost of extension from lot line to building.

SOLID WASTE DISPOSAL: The State Health Department advises that garbage disposal is by HBI Brothers, Inc.

PUBLIC STREETS: The developer has advised that the streets have been dedicated for public use. Developer also advised that the streets are built according to the minimum standards of the County.

They are surfaced with asphalt. The developer advises that the completed streets will be maintained by the County of Pinal which will take over the maintenance responsibility.

NOTE: THE COUNTY WILL NOT MAINTAIN THE STREETS UNTIL THEY HAVE BEEN CONSTRUCTED TO MINIMUM STANDARDS AND THE COUNTY APPROVES AND ACCEPTS THEM FOR MAINTENANCE. IF THE STREETS ARE NOT ACCEPTED FOR MAINTENANCE, THE FUTURE COST OF MAINTENANCE WILL HAVE TO BE PAID BY THE ADJACENT PROPERTY OWNERS. IF ADJACENT LOT OWNERS FAIL TO COOPERATE, THEN A LOT PURCHASER MAY HAVE TO INDIVIDUALLY BEAR THE ENTIRE COST OF MAINTAINING THE ROAD TO HIS LOTS.

FLOOD AND DRAINAGE DEVICES: The developer has advised that flood or drainage devices will be installed and will be maintained by the County.

FIRE PROTECTION: The developer advises that fire protection for this development is provided by the San Manuel Fire Department.

REFERENCE NO. 26,404 VALLEY PARK SUBDIVISION

SCHOOLS: The developer advises it is approximately 1/2 mile to the First Avenue or Avenue B Elementary Schools; 3/10 mile to the Gardner Middle School; 3/10 mile to the San Manuel High School; and that school bus service is not available to the schools.

NOTE: YOU SHOULD CONTACT THE LOCAL SCHOOL BOARD REGARDING SCHOOL FACILITIES AND BUS SERVICE.

SHOPPING FACILITIES: Developer advises that the nearest community shopping center is approximately 3/10 mile from the development.

PUBLIC TRANSPORTATION: Developer advises that public transportation is not available from the development.

USE: Developer advises that the property will be offered for single family residential and commercial use and that you will be permitted to occupy your lot upon close of escrow.

TAXES AND ASSESSMENTS: Developer further advises that you will be obligated to pay approximately:

\$13.008 per \$100.00 of assessed valuation annual Property Tax. Based on 1989 tax rate.

NOTE: THE DEVELOPER ADVISES THAT A SEWER IMPROVEMENT DISTRICT MAY BE FORMED WITHIN 5 to 10 YEARS FOR MAINTENANCE OF SEWERS.

NOTE: AMOUNT OF TAXES AND ASSESSMENTS SET FORTH ABOVE ARE APPROXIMATE ONLY AND SUBJECT TO CHANGE.

SPECIAL NOTE: THIS DEPARTMENT RECOMMENDS THAT YOU SEE BEFORE BUYING.

DBT:lp  
REFERENCE NO. 26,404  
VALLEY PARK SUBDIVISION

EASEMENT

KNOW ALL MEN BY THESE PRESENTS:

That SAN MANUEL COPPER CORPORATION, a Delaware Corporation, GRANTOR, for and in consideration of TEN DOLLARS, and other good and valuable consideration to it in hand paid by NASH REALTY CO., a Nevada Corporation, GRANTEE, does hereby convey unto GRANTEE easements through real property situated in Pinal County, State of Arizona, said easements being more particularly described as follows:

DESCRIPTION NO. 1: Easements in all streets and alleys in the ORIGINAL TOWNSITE OF SAN MANUEL for the installation and maintenance of sewer mains, laterals and manholes; provided, (1) that excavation in streets and alleys for sewer installation and maintenance, and replacement of such excavation, shall conform to engineering requirements of the governmental body having jurisdiction over such streets and alleys, and (2) the above described easements hereby conveyed are limited to those easements reserved by GRANTEE herein in the Dedication on that certain Plat of the ORIGINAL TOWNSITE OF SAN MANUEL filed in the Office of the County Recorder of Pinal County, Arizona, in Book 6 of Maps and Plats, at pages 57 through 61, inclusive, thereof. Said streets and alleys are those delineated on the above referred to Plat of the ORIGINAL TOWNSITE OF SAN MANUEL.

DESCRIPTION NO. 2: An easement ten (10) feet in width through parts of Sections Twenty-eight (28), Twenty-nine (29) and Thirty-two (32), Township Nine (9) South, Range Seventeen (17) East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, being five (5) feet at right angles to and on either side of and parallel and adjacent to the center of the installed pipeline for outfall sewer. The approximate center of the installed pipeline is described as follows: Beginning at a point South 35° 00' East 31.50 feet from the intersection of the centerline of McNab Parkway and the Plant Baseline as delineated on that certain Plat of the ORIGINAL TOWNSITE OF SAN MANUEL filed in the Office of the County Recorder of Pinal County, Arizona, in Book 6 of Maps and Plats, at pages 57 through 61, inclusive, thereof; thence North 55° 00' East 300.00 feet; thence North 12° 38' 14" West 1277.50 feet; thence North 55° 00' East 1164.12 feet; thence South 62° 57' 30" East 1146.11 feet; thence North 55° 00' East 847.08 feet; thence North 84° 59' 14" East 130.00 feet.

TO HAVE AND TO HOLD the same unto the GRANTEE, forever;  
SUBJECT, however, to the following conditions, reservations  
and agreements, to-wit:

1. That if any of these easements shall cease to be used for the purposes herein specified, then it shall automatically cease and determine;
2. With respect to the easement described under DESCRIPTION NO. 2 above, (1) the GRANTEE shall bury any pipeline hereafter installed or replaced to the depth the pipeline now installed is buried, and (2) pending and during the installation, maintenance and replacement of the sewer outfall pipeline or pipelines on said easement, GRANTOR agrees to give GRANTEE license to use adjacent real property off said easement for ingress, egress and other necessary uses in connection with said installation, maintenance and replacement; provided, that such ingress, egress and other necessary uses shall not interfere with GRANTOR'S operations;
3. GRANTEE indemnifies and saves harmless the GRANTOR and SAN MANUEL ARIZONA RAILROAD COMPANY, an Arizona Corporation, from and against all loss, damage, liability, expense, claims and demands of whatsoever character, direct, indirect or consequential, including injuries to or death of any and all other persons, damage to or loss of property belonging to or in the custody or possession of GRANTOR or SAN MANUEL ARIZONA RAILROAD COMPANY, caused directly or indirectly by the installation, maintenance or replacement of sewer mains, laterals, manholes and outfall pipelines by GRANTEE and any adjuncts or appurtenances thereto;
4. It is understood that these easements are only for the purposes herein specified, and if any improvements installed hereunder shall interfere with the operations of GRANTOR or SAN MANUEL ARIZONA RAILROAD COMPANY or their use of the property covered hereby, GRANTOR may, at its sole expense, remove and relocate the same within or without the above described easements;
5. The conveyance of these easements includes no warranties of title, express or implied, and is and shall be expressly subject to:
  - (a) Reservations, exceptions and encumbrances contained in patents,
  - (b) All liens and other encumbrances of record in the Office of the County Recorder of Pinal County, Arizona, and

(c) Easement for railroad, telephone and telegraph lines to be hereafter granted SAN MANUEL ARIZONA RAILROAD COMPANY by GRANTOR;

6. This conveyance is and shall be expressly subject to the perpetual reservation, easement and exception that GRANTOR reserves to itself and its successors and assigns to disseminate, scatter and spread to, into, upon and over the above described easements, and in the air above such easements hereby conveyed, any and all vibrations, noises, smoke, fumes, dust, water, chemicals, gases and stenches, smells and all other matters and things, whether or not of like or unlike character to those specifically named and designated, arising or resulting from projected mining, milling, smelting and related operations of GRANTOR, or its successors and assigns, on lands of GRANTOR hereinafter described. GRANTOR, and its successors and assigns, shall never be liable to GRANTEE, or its successors or assigns, as owner of the easements hereby conveyed, for any injury, damage or loss to said easements hereby conveyed or the improvements thereon, or to persons in, upon or over said easements, in any manner arising from said vibrations, noises, smoke, fumes, dust, water, chemicals, gases, stenches, smells and all other matters and things, whether or not of like or unlike character to those specifically named and designated, arising or resulting from the mining, milling, smelting and related operations of GRANTOR, or its successors or assigns. By the acceptance of this instrument conveying easements, GRANTEE binds itself and its successors and assigns, and said easements hereby conveyed, as a covenant running with the land, and as a perpetual easement and servitude in favor of GRANTOR and its successors and assigns and the lands of GRANTOR hereinafter described, for the full effectuation of said reservation, easement and exception. That the reservation, easement and exception is hereby declared for the benefit of and appurtenant to lands leased or owned by GRANTOR located in Pinal County, Arizona, in Townships Eight (8) and Nine (9) South, Range Sixteen (16) East, and Townships Eight (8), Nine (9) and Ten (10) South, Range Seventeen (17) East, and Townships Nine (9) and Ten (10) South, Range Eighteen (18) East, all in Gila and Salt River Base and Meridian, Pinal County, Arizona. The instruments evidencing title or other estate of the GRANTOR to said lands are all of record in the Office of the County Recorder of Pinal County, Arizona.

All provisions hereof shall bind and benefit the successors and assigns of all parties hereto, and shall benefit the succes-

sors and assigns of SAN MANUEL ARIZONA RAILROAD COMPANY,

IN WITNESS WHEREOF, GRANTOR and GRANTEE have caused this instrument to be signed in their respective corporate names by their respective Presidents or Vice Presidents, and their corporate seals to be hereunto affixed and attested by their respective Secretaries or Assistant Secretaries, this 23rd day of December, 1953.

SAN MANUEL COPPER CORPORATION

By

W.C. Goss  
President

ATTEST:

Howard A. Smith  
Assistant Secretary

G R A N T O R

NASH REALTY CO.

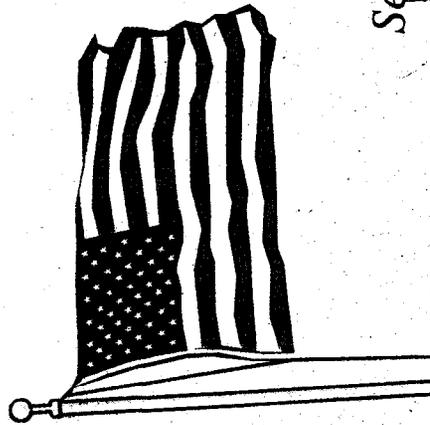
By

W. H. Johnson  
The President

ATTEST:

J. J. Hutchinson  
Assistant Secretary

G R A N T E E



# Miner

Serving Oracle, Mammoth and San Manuel for over 50 years - [www.copperarea.com](http://www.copperarea.com)

Periodicals Postage Paid at San Manuel, Ariz. 85663

Wednesday, July 20, 2005

Volume 50 Number 32

## Eight miles of track from mine to plant taken out in closure

The scenery from the bridge at State Route 77 and Tri-Community Veteran Memorial Highway has a different view now.

As part of BHP's continuing demolition, eight miles of railroad ties and the rails have been removed. All that is left are piles of railroad ties and the gravel bed they rested on.

Dave Warren, Project Director for the Plant Closure, said the section of track from the mine to the plant has been removed.

"In keeping with our goal to recycle everything we can and to sell everything we can, the rails and some ties were sold to a railroad in Northern Oregon. The rest of the ties we will use in landscaping," he said.

Plans are to also demolish the trestles along those eight miles, "but we aren't sure yet what we will do with those materials."

The track was part of SMARCO, the San Manuel Arizona Railroad Company, a wholly owned subsidiary of BHP. Warren said the railroad could be sold, but that it is operated under a license and a certain amount of traffic volume has to be maintained in order for the track to avoid being declared abandoned.

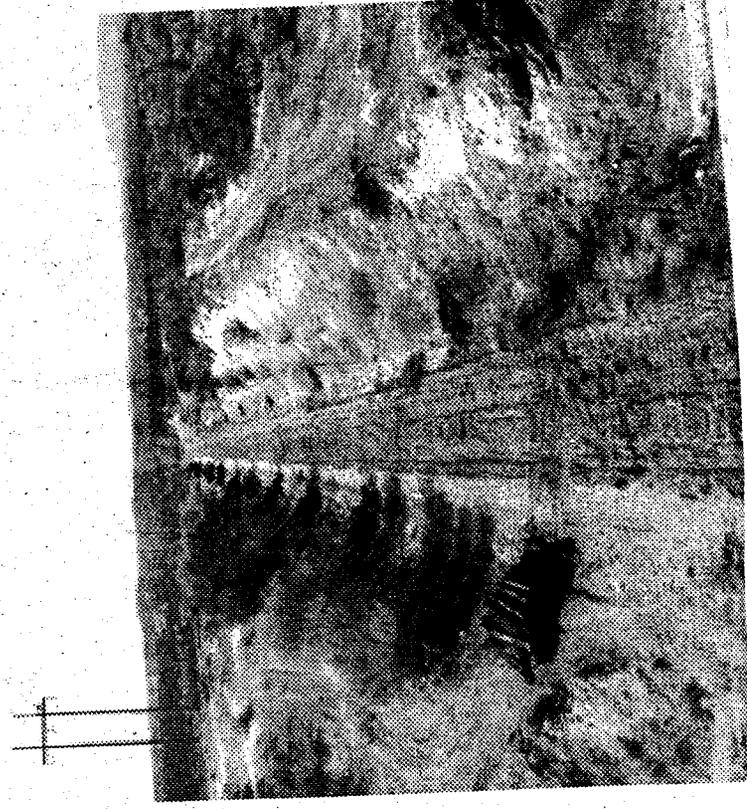
"Once a track is abandoned, its chances of it being licensed and used again are pretty slim," Warren said.

BHP has said repeatedly that it is looking for a buyer for the railroad, and that the abandoning of the line would be the last resort.

## Oracle appri adjacent w

The Oracle School Board July 12 for adjacent ways and the proposal Superintendent John Clark explained school property that connect to public building up the account for future Bosma voted against the tax, saying regarding the tax.

Before adopting the expenditure initially wanted to table the budget the Luz grant and how it would grant does not affect the maintenance confirmed Walden's request that grant unless the grant funds paid Under communications/call to 10 minutes outlining the problem president, responded by asking regarding the students' education she felt Walden's comments were returned phone calls, to be seen as president, Maria Benavidez and Ellen Galloway as treasurer and Marney Fairbanks, clerk of the board. In other business, the board set special meetings for August.





Mail Payment to:

**BHP Copper Inc.**  
**Accounts Receivable Office**  
**P.O. Box M, San Manuel, Arizona 85631**  
**(520) 385-3189**

CHARLES E & JULIE A MCBIRNIE  
108 AVE I  
SAN MANUEL AZ 85631

Invoice #: 06610-10-04 Charges for Annual Sewer Fee  
Date: 9/15/2004  
Terms: 30 Days  
Due Date: 10/15/2004

<i>Parcel</i>	<i>Year</i>	<i>Physical Address</i>	<i>Rate Class</i>	<i>Property Class</i>	<i>Rate</i>	<i>Tax</i>	<i>Total</i>	<i>Paid</i>
11-307-08-251-0	2004	108 E I AV	Residential	Residential	\$48.00	\$0.00	\$48.00	\$0.00
11-307-09-466-0	2004	613 W 3RD AV	Residential	Residential	\$48.00	\$0.00	\$48.00	\$0.00
<b>Total Charges:</b>					\$96.00	\$0.00	\$96.00	\$0.00

*Pd  
9-24-04*

Mail check or money order payable to BHP Copper Inc. at the above address. To ensure proper credit, please reference the invoice number and return the bottom portion of this invoice with your payment. Please do not send cash. Incomplete payments are first applied to prior service years.

Mail Payment to:

**BHP Copper Inc.**  
**Accounts Receivable Office**  
**P.O. Box M, San Manuel, Arizona 85631**  
**(520) 385-3189**

CHARLES E & JULIE A MCBIRNIE  
108 AVE I  
SAN MANUEL AZ 85631

Invoice #: 06610-10-03 Charges for Annual Sewer Fee  
Date: 6/25/2003  
Terms: 30 Days  
Due Date: 7/25/2003

<i>Parcel</i>	<i>Year</i>	<i>Physical Address</i>	<i>Rate Class</i>	<i>Property Class</i>	<i>Rate</i>	<i>Tax</i>	<i>Total</i>	<i>Paid</i>
11-307-07-099-0	2003	138 W 5TH AV	Residential	Residential	\$48.00	\$0.00	\$48.00	\$0.00
11-307-08-251-0	2003	108 E I AV	Residential	Residential	\$48.00	\$0.00	\$48.00	\$0.00
11-307-09-466-0	2003	613 W 3RD AV	Residential	Residential	\$48.00	\$0.00	\$48.00	\$0.00
<b>Total Charges:</b>					<b>\$144.00</b>	<b>\$0.00</b>	<b>\$144.00</b>	<b>\$0.00</b>

Mail check or money order payable to BHP Copper Inc. at the above address. To ensure proper credit, please reference the invoice number and return the bottom portion of this invoice with your payment. Please do not send cash. Incomplete payments are first applied to prior service years.

REMIT TO: -->

MAGMA COPPER COMPANY  
P O BOX M SAN MANUEL, AZ 85631-0460  
(602) 385-3194

August 3 1992

CHARLES MCBIRNIE  
108 AVENUE I  
SAN MANUEL, AZ 85631

INVOICE #: 1151551

Please reference this invoice number on all correspondence.

115 / 55253 | TERMS: 30 DAYS

CHARGES FOR:	AMOUNT
ANNUAL SEWER FEES	20.00
INVOICE TOTAL \$	20.00

FOR THE PERIOD: AUG. 1 1992 THRU DEC. 31 1992

FOR PROPERTY AT: 108 AVENUE I

RECEIPT

DATE 8-10 1992 No. 7876

RECEIVED FROM Julie Mc Birnie

ADDRESS 108 Avenue I

Twenty & 00/100 DOLLARS \$ 20.00

FOR Sewer Fee

Inv. # 1151551 1808 # 55253

ACCOUNT	HOW PAID
AMT OF ACCOUNT 20.00	CASH
AMT PAID 20.00	CHECK <input checked="" type="checkbox"/>
BALANCE DUE	MONEY ORDER

BY Diane Flores

**MINE SITE VISIT:**

**SAN MANUEL FACILITY**  
**MAGMA COPPER COMPANY**

U.S. Environmental Protection Agency  
Office of Solid Waste  
401 M Street SW  
Washington, DC 20460

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### **3.0 MINE SITE VISIT: SAN MANUEL FACILITY MAGMA COPPER COMPANY**

#### **3.1 INTRODUCTION**

##### **3.1.1 Background**

The U.S. Environmental Protection Agency (EPA) has initiated several information gathering activities to characterize mining wastes and mining waste management practices. As part of these ongoing efforts, EPA is gathering data related to waste generation and management practices by conducting visits to mine sites. As one of several site visits, EPA visited Magma Copper Company's San Manuel Facility in San Manuel, Arizona on May 5 and 6, 1992.

Sites to be visited were selected by EPA to represent both an array of mining industry sectors and different regional geographies. All site visits have been conducted pursuant to RCRA Sections 3001 and 3007 information collection authorities. When sites have been on Federal land, EPA has invited representatives of the land management agencies (Forest Service and Bureau of Land Management). State agency representatives and EPA Regional personnel have also been invited to participate in each site visit.

For each site, EPA has collected information using a three-step approach: (1) contacting the facility by telephone to obtain initial information, (2) contacting state regulatory agencies by telephone to get further information, and (3) conducting the actual site visit. Information collected prior to the visit is then reviewed during the site visit.

The site visit reports describe mine activity, mine waste generation and management practices, and regulatory status on a site-specific basis. These reports principally discuss extraction and beneficiation operations, although a brief discussion of processing operations is also included. In preparing this report, EPA collected information from a variety of sources including Magma Copper Company and the Arizona Department of Environmental Quality. The following individuals participated in the San Manuel Facility site visit on May 5 and 6, 1992:

##### **Magma Copper Company**

Eldon D. Helmer, Director of Environmental Affairs  
Dale Deming, Manager of Environmental Services  
Norm Greenwald, Consultant, Norm Greenwald Associates

(602) 575-5600  
(602) 385-3540  
(602) 795-0471

EPA

Van Housman, Chemical Engineer, Office of Solid Waste (OSW)	(703) 308-8419
Patty Whiting, Environmental Protection Specialist, Office of Solid Waste (OSW)	(703) 308-8421
Haile Marion, Chemical Engineer, Office of Solid Waste (OSW)	(703) 308-8439
Lisa Jones, Chemical Engineer, Office of Solid Waste (OSW)	(703) 308-8451

Science Applications International Corporation

Ingrid Rosencrantz, Environmental Scientist	(703) 734-2508
Susan McCarter, Environmental Analyst	(703) 734-3187

Participants in the site visit were provided opportunity to comment on a draft of this report. Comments were submitted by the Arizona Department of Environmental Quality. Comments and EPA's responses are presented in Appendix 3-A.

**3.1.2 General Description**

Magma Copper Company operates the San Manuel mine, mill, and smelter facilities located north of Tucson, Arizona, in Pinal County. The facility encompasses approximately 12,000 acres of patented land with operations that extract, beneficiate, and process both sulfide and oxide ore to recover copper and molybdenum (See Figure

### Refinery Wastewater

According to Magma representatives, tailings are also used to neutralize acidic wastewater generated at the electrolytic refinery. At the electrolytic refinery, anodes produced from blister copper are placed in baths of acidic copper sulfate, and a current is applied that deposits copper from the anode onto the cathodes. Impurities from this process either dissolve in the electrolyte or fall to the bottom of the tank to form a slime. These slimes consist of suspended materials that may include precious metals. San Manuel manages this residue by sending the slimes to precious metals recyclers for recovery of the values. An acidic waste stream of process wastewater is also generated at the electrolytic refinery. This waste stream is added to the tailings slurry and recycled in the mill water reclaim system. The amount of acidic process wastewater generated from the electrolytic refinery was not determined and no information was obtained describing its characteristics.

### Other Wastes

Magma has set aside an area on the northwestern edge of tailings ponds 3 and 4 for disposal of acid or fuel oil-contaminated soils from on-site spills. Under the Clean Water Act, San Manuel developed a Spill Prevention Control and Countermeasure (SPCC) Plan to reduce the potential for discharge of oil at San Manuel (Magma, 1992g). A 1990 SPCC Plan provided by Magma describes 11 oil or fuel spills that occurred between October 1989 and October 1991. Wastes generated during clean up of these spills were disposed of in the tailings impoundment or sent to asphalt contractors for use as input into an asphalt plant. (Magma, 1992g; Deming, 1989)

#### **3.3.6 Other Waste**

##### **3.3.6.1 Landfill**

The San Manuel mine site includes a landfill. No information was obtained on the dimensions of the landfill or the volume or types of materials disposed of there. According to Magma representatives, labeled and bagged asbestos waste was disposed at the landfill. The asbestos was buried and the landfill was expanded to cover the area of burial.

##### **3.3.6.2 Sewage**

Magma operates a sewage treatment plant for the plant site and for the town of San Manuel. Wastewater from this system is discharged to the tailings ponds for evaporation. According to the 1989 Groundwater Quality Protection Permit, discussed in more detail below, domestic sewage has to be disposed of in existing septic tanks and leach trenches. Sewage wastewater from the town of San Manuel is discharged to the tailings impoundments; the amount was not determined.

#### **3.3.7 Waste Minimization**

Because San Manuel is an integrated facility, Magma recycles and reuses many materials onsite or sends them offsite to recover material values. Table 3-3 provides a list of the materials at San Manuel that are managed to minimize disposal.

### **3.4 REGULATORY REQUIREMENTS AND COMPLIANCE**

The San Manuel facility is subject to both Federal and State regulatory requirements and their attendant permits. A list of Magma's permits for the San Manuel facility is presented in Table 3-4. Only the Groundwater Quality Protection Permit and the Aquifer Protection Permit for the Heap Leaching Facility, both issued by the State of Arizona, were examined during preparation of this report. San Manuel is located on private and State land; as no Federal land is involved, Federal land-managing agencies (e.g., Forest Service, Bureau of Land Management) do not have jurisdiction over the facility. The majority of requirements and permits are implemented by the State of Arizona and are described below.

#### **3.4.1 Federal Permits**

##### **3.4.1.1 Clean Water Act**

###### **NPDES Permit**

EPA has not delegated Federal authority to the State of Arizona to implement the requirements of the NPDES program under the Clean Water Act. Although there have been NPDES issues at the site, EPA Region IX has not issued a NPDES permit for the San Manuel facility. In December 1987, EPA conducted an inspection of the site to determine if the facility required an NPDES permit to control surface mining and process water discharges to area dry washes and to the San Pedro River. No discharges from the ponds at the heap leach operation were found. However, evidence of a discharge of solution from the heap was noted. The discharge area was discolored and eroded and extended to the Little Mammoth Wash. EPA Region IX recommended that Magma apply for an NPDES permit to cover the above described discharge as well as discharge of process water to Tucson Wash from a reservoir under construction at the time of inspection. Magma applied for two discharge permits under NPDES on February 16, 1988. According to Magma representatives, the area impacted was covered with an additional phase to the heap leach. According to Region IX, San Manuel's NPDES permit is still in draft form.

###### **Storm Water Group Application**

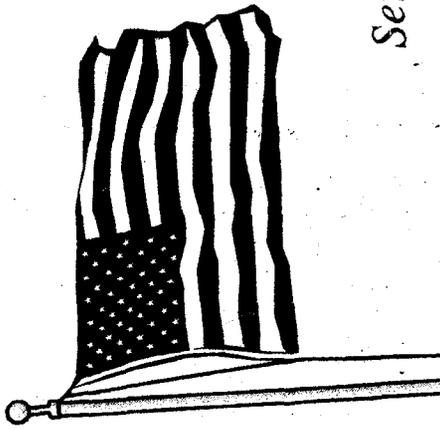
Under the NPDES Storm Water Final Rule (55 FR 47990), active and inactive mine facilities (SIC codes 10-14) discharge storm water associated with industrial activity. As such, mines are required to obtain an NPDES permit that covers contaminated storm water discharges.

Table 3-4. Environmental Permits for the San Manuel Facility

TYPE OF PERMIT	AREA AFFECTED	PERMIT NUMBER	ISSUING AGENCY
Air	Mine/mill	0350-87	AZ OAQ
Air	Smelter	0355-88	ADEQ
Surface Water (NPDES)	Mine	AZ0023191	ADEQ/EPA
Groundwater (NOD)	Mine	Magma file #SMW-002	ADEQ
Groundwater (GPP)	Mine	G-0058-11	ADEQ
Groundwater (NOD)	Plant	Magma file #SMW-004	ADEQ
Groundwater (NOD)	Townsite	Magma file #SMW-005	ADEQ
Groundwater (NOD)	Old Reliable Mine	Magma file #SMW-006	ADEQ
Potable Groundwater	Mine	11-347	ADWR
Radioactive Material	Entire property	Magma file #SMR-001	AZ Radiation Regulatory Agency
Radiation	Mill	Reg No. 11-I-3539	AZ Radiation Regulatory Agency
Radioactive Material	Entire Property	License 11-2	AZ Radiation Regulatory Agency
Ionizing Radiation Machines	Entire property	11-I-3539	AZ Radiation Regulatory Agency
Hazardous Waste	Entire property	AZD001886597	EPA
Air	Hospital	6909	Pinal Co. AQCD
Air	Hospital	6910	Pinal Co. AQCD
Air	Hospital	6911	Pinal Co. AQCD
UST	Mine	0-003023 1	ADEQ
UST	Mine	0-003023 10	ADEQ
UST	Mine	0-003023 11	ADEQ
UST	Mine	0-003023 2	ADEQ
UST	Mine	0-003023 3	ADEQ
UST	Mine	0-003023 4	ADEQ
UST	Mine	0-003023 5	ADEQ
UST	Mine	0-003023 6	ADEQ
UST	Mine	0-003023 7	ADEQ
UST	Mine	0-003023 8	ADEQ
UST	Mine	0-003023 9	ADEQ
Wastewater Treatment Operator License	Mill	WW03857	ADEQ
Water Operator License	Mill	WW03633	ADEQ
Distribution System Operator License	Mill	WW03633	ADEQ

(Source: 1991 APP)

# San Manuel



# Miner

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Wednesday, February 23, 2005

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Volume 50 Number 11

*Some metal pieces are all that now remain of some of the buildings at the plant site of BHP Copper in San Manuel.*

## BHP continues to demolish plant site

By Gayle Carnes

Heaps of scrap metal and huge earth moving equipment mark the plant and mine sites of BHP as witnessed on the company's regular tour last week.

John Kline headed the latest tour, which began at the plant site, where many buildings have been reduced to rubble and the roof on the smelter is now being removed.

He told the school bus full of interested people that BHP has finished doing the extensive soil testing inside and outside of the plant area and found no contamination. Those results have also been sent to the Environmental Protection Agency (EPA) and to the Arizona Department of Environmental Quality (ADEQ). Both agencies, as well as the State Mine Inspector's Office,

regularly visit the closure site.

Kline said that haulage trucks are still being used to mine the Fort Grant quarry where fill is being mined and trucked to the various closure projects.

The mill has already been demolished and the rod plant will follow as soon as the items in it, which were sold at auction, are removed.

Kline said BHP is recycling whatever it can, selling what can be sold and sending any hazardous waste to Missouri for disposal. Eventually, the entire area will be leveled, covered with fill and vegetated -- unless some other industry comes in first. The area will remain an industrial park for any future development.

He said the smelter stacks are scheduled to come down in 2006. "We will determine where we want them to fall and then dig trenches for the stacks to

fall into," he explained.

Kline noted that the new sewer plant is currently going through all of the various permitting requirements needed before work begins there.

Almost all of the buildings, which haven't been sold, have been removed at the mine site and have been replaced by all kinds of equipment as mountains become molehills and any questionable soil is disposed off.

Kline explained that blasting is done between certain hours and that the roads are constantly watered in an effort to keep the dust under control.

He said that BHP continues to be willing to answer any questions from the public as it continues to use the best available demonstrated control technology (BADCT) in its policies and actions to achieve full closure of the San Manuel facility.

from 1000 service to paraprofite; Barney as a high school volunteer Winter Basketball League referee Kim Laymon, Vanessa Sanchez. Resignations were accepted from education, who is retiring; Cheryl School; and from Head Football. A leave of absence for Sharon surgery. She is now back at work. The next board meeting will be

## Que Pasa

All items for Que Pasa must be the San Manuel Miner office by 5 p.m. Monday for publication in following Wednesday's edition. Pasa listings are reserved for profit groups and community announcements.

New listings will run for two weeks and recurring listings will run on month.

**BLOCKWATCH MEETING**  
The San Manuel Blockwatch ne

Received sometime: 3/97 to 10/99

## ENVIRONMENTAL STATUS OF SAN MANUEL, PINAL COUNTY, ARIZONA

By Eldon D. Helmer,  
Corporate Director of Environmental Affairs  
Magma Copper Company  
P. O. Box M  
San Manuel, AZ 85631  
Phone: 602-385-3476

### Introduction

The town of San Manuel was built to serve a brand new division of Magma Copper Company in the early 1950's. Up to that time, Magma's mining, milling and smelting of copper ores was entirely based in Superior, Arizona, some 60 miles north of San Manuel. The creation of a brand new town out in the middle of a so-called "desert" area in order to serve a brand new large scale copper mine was unique and got a lot of national press at the time. Not only did Magma build a town, they also included provisions for schools, recreational facilities, places of worship, and other support needed for a community which was anticipated to contain several thousand residents.

The town of San Manuel was built in phases with roughly 75% of the houses completed by 1953. Two expansion phases in the late 1960's and early 1970's added a few hundred more houses and a modern, attractive mobile home park. This was carried out in conjunction with expansion of the Magma Copper Company mining and processing facilities.

Quality of life has always been important to the residents of San Manuel. The peace and quiet, as well as the clean country air, have attracted many homebuyers to the San Manuel area in the last few years. A noteworthy rebuild of the Magma Copper Company smelter located 1/2 mile northeast of town has resulted in clean air, which surpasses the air quality in either Tucson or Phoenix as well as many other rural areas. Water quality in the area is excellent and waste handling facilities are modern and efficient.

### Air Quality

The area which includes San Manuel and the surrounding desert nearby is in full attainment of the National Ambient Air Quality Standards for all criteria pollutants. At one time the Magma smelter emitted significant quantities of sulfur dioxide and particulate matter into the atmosphere as part of the smelting process. The copper ore from Magma's mine located six miles north of San Manuel contains a large amount of naturally occurring sulfur which must be burned off during the smelting process.

New technology called "flash smelting" has enabled Magma to remove more than 97.5% of the sulfur which comes to the smelter contained in the ore. As a result the emissions of sulfur dioxide

(over for  
waste water  
disposal)  
[reverse side  
attached]

are now extremely low and only an occasional faint plume of smoke is visible from the nearby smelter. When the air is very humid, cooling tower fog can be seen which dissipates readily as harmless water vapor into the atmosphere.

New scrubbers added to the San Manuel smelter in 1988 enabled the copper processing facilities to operate without emitting significant amounts of particulates into the air also. But even before the newest scrubbers were added, the area around San Manuel was officially designated by the U.S. Environmental Protection Agency as being in attainment of all particulate limits.

There are no toxic or hazardous air pollutants from any San Manuel industrial facilities which are emitted in concentrations which are harmful to persons or property nearby.

#### Water Quality

The San Manuel area is provided with potable water from the Arizona Water Company, an Arizona corporation which has been in the business of providing pure water to local residents for many years. Water is drawn from a series of wells drilled into a deep aquifer along the west bank of the San Pedro River to the northeast and east of San Manuel. These wells are a dependable supply of excellent water. Further information concerning the San Manuel drinking water supply may be obtained from the Arizona Water Company at its offices in San Manuel.

#### Waste Water Disposal

Wastewater from San Manuel is treated at an aerobic wastewater treatment facility located one mile northeast of the town. This facility is operated by certified wastewater operators as a part of Magma Copper Company's wastewater treatment system.

#### Additional Information

More specific information may be obtained if needed by contacting Mr. Eldon D. Helmer at Magma Copper Company at (602) 385-3476. Information on file with the Arizona Department of Environmental Quality is available through the following departments:

Office of Air Quality at 602-257-2308  
Office of Waste Programs at 602-257-2318  
Office of Water Quality at 602-257-2305

# BHP says smelter could be closed "for years"

A story in last Thursday's *Arizona Republic* quoted BHP officials in Australia as saying that the "idled US copper operations are unlikely to re-open for years and that BHP has talked to potential buyers without success."

President of BHP's Non-Ferrous and Industrial Minerals, Jim Lewis, said, "Those have always been for sale. Lots of people have talked to us, but we've got nothing going."

BHP closed the operations at San Manuel and Pinto Valley in Arizona and Robinson in Nevada last August because they were losing money. About 3,000 people were laid off.

BHP purchased the US mines in 1995 when it bought Magma Copper Co. for \$2.8 billion. Since then the company has written off much of the value of the acquisition.

# FIEDS

## 20. Help Wanted



Alamo Staffing is looking for reliable individuals to work with a plastics manufacturing company new to San Manuel. Must be able to work 12-hr. shifts, 15 days per month & change monthly between day & night shift. Pay is weekly with 8 hours of overtime every other week. Please fax name and phone number to (210) 212-8221 or call (210) 212-8090. Visit our website at [www.alamostaff.com](http://www.alamostaff.com) 7/27/1tcA

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## PUBLIC NOTICE

### PINAL COUNTY AIR QUALITY CONTROL DISTRICT

The District hereby gives notice that it proposes to approve the following permit(s) or permit revision(s). Each list includes the following, in order: the proposed permit number, company name, company address, facility location, facility type and the air contaminants to be emitted or potentially emitted (Volatile Organic Compounds will be abbreviated as V.O.C.; Hazardous Air Pollutants are abbreviated as the HAPS; Benzene, Toluene, Ethyl Benzene, and Xylene are abbreviated as BTEX):

Permit No. C30851.000  
Republic Plastics, LC  
355 Schumann Rd.  
McQueeney, TX 78123  
Republic Plastics San Manuel Foam Plant  
27095 S. San Manuel Airport Rd.  
San Manuel, AZ  
Facility Type - Foam Product Manufacturer  
Emissions - Particulate Matter, V.O.C.

Under A.R.S. § 49-480, any person who may be adversely affected by the permit may file a written ob-

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THE TOWN OF DUNCAN is accepting bid packages for a qualified accounting auditor. Call 928-359-2791 for more information. Closes 8/1/05. (AzCAN)

55+ MOBILE HOME/RV PARK, Wickenburg, AZ needs PT assistant manager couple with RV. Position requires computer/office skills, general maintenance / handyman skills. Includes FHU, cable, salary for eight days/month, plus hourly rate assisting manager. Fax resume: 949-362-6547. (AzCAN)

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